COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT
OF NATURAL GAS RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2021-00190

FILING REQUIREMENTS

VOLUME 8

Duke Energy Kentucky, Inc.
Case No. 2021-00190
Forecasted Test Period Filing Requirements
Table of Contents

1	6	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	Amy B. Spiller
1	7	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller Sarah E. Lawler
1	9	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	Amy B. Spiller
1	10	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Jeff L. Kern
1	11	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Jeff L. Kern
1	12	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	Amy B. Spiller
1	13	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed $5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Amy B. Spiller
1	14	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	Amy B. Spiller
1	15	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Abby L. Motsinger
1	16	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Jay P. Brown David G. Raiford Abby L. Motsinger
1	17	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Jay P. Brown
1	18	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Abby L. Motsinger

1	19	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Abby L. Motsinger
1	20	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Jay P. Brown
1	21	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	22	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Abby L. Motsinger Brian R. Weisker
1	23	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Abby L. Motsinger
1	24	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Abby L. Motsinger
1	25	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	Amy B. Spiller
1	26	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Abby L. Motsinger Brian R. Weisker
1	27	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Abby L. Motsinger Brian R. Weisker

1	28	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10.Labor cost changes; 11.Capital structure requirements; 12.Rate base; 13.Gallons of water projected to be sold (water); 14.Customer forecast (gas, water); 15.MCF sales forecasts (gas); 16.Toll and access forecast of number of calls and number of minutes (telephone); and 17.A detailed explanation of any other information provided.	Abby L. Motsinger Brian R. Weisker Benjamin W. Passty
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Bryan T. Manges
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Chris R. Bauer
1	31	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Bryan T. Manges
2	32	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	Chris R. Bauer
3	33	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	Bryan T. Manges
3	34	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	Bryan T. Manges
3	35	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	Bryan T. Manges Abby L. Motsinger
3-9	36	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	Bryan T. Manges
10	37	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	Bryan T. Manges
10	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Chris R. Bauer

10	39	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
10	40	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Jay P. Brown
10	41	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Jeffrey R. Setser
10	42	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than $5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski
10	43	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than $1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	Not Applicable
10	44	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Jay P. Brown

10	45	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Jay P. Brown David G. Raiford Abby L. Motsinger John R. Panizza James E. Ziolkowski Bryan T. Manges
10	46	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Jay P. Brown
10	47	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Jay P. Brown David G. Raiford Abby L. Motsinger James E. Ziolkowski
10	48	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	John R. Panizza
10	49	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Jay P. Brown
10	50	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Jay P. Brown Jake J. Stewart
10	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Jay P. Brown
10	52	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	Bryan T. Manges Abby L. Motsinger
10	53	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	Chris R. Bauer
10	54	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	David G. Raiford Abby L. Motsinger Bryan T. Manges
10	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Jeff L. Kern
10	56	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Jeff L. Kern
10	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Jeff L. Kern
10	58	807 KAR 5:001 Section 16(9)	The commission shall notify the applicant of any deficiencies in the application within thirty (30) days of the application's submission. An application shall not be accepted for filing until the utility has cured all noted deficiencies.	Sarah E. Lawler

10	59	807 KAR 5:001 Section 16(10)	A request for a waiver from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility. In determining if good cause has been shown, the commission shall consider: 1. if other information that the utility would provide if the waiver is granted is sufficient to allow the commission to effectively and efficiently review the rate application; 2. if the information that is the subject of the waiver request is normally maintained by the utility or reasonably available to it from the information that it maintains; and 3. the expense to the utility in providing the information that is the subject of the waiver request.	Not Applicable
10	60	807 KAR 5:001 Section (17)(1)	(1) Public postings. (a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission. (b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	Amy B. Spiller
10	61	807 KAR 5:001 Section 17(2)	(2) Customer Notice. (a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission. (b) If a utility has more than twenty (20) customers, it shall provide notice by: 1. Including notice with customer bills mailed no later than the date the application is submitted to the commission; 2. Mailing a written notice to each customer no later than the date the application is submitted to the commission; 3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or 4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission. (c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.	Amy B. Spiller

10	62	807 KAR 5:001 Section 17(3)	(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission: (a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing; (b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or (c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.	Amy B. Spiller

10	63	807 KAR 5:001 Section 17(4)	(4) Notice Content. Each notice issued in accordance with this section shall contain: (a) The proposed effective date and the date the proposed rates are expected to be filed with the commission; (b) The present rates and proposed rates for each customer classification to which the proposed rates will apply; (c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply; (d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service; (e) A statement that a person may examine this application at the offices of (utility name) located at (utility address); (f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov; (g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; (h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice; (i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and (j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.	Jeff L. Kern
10	64	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	Not Applicable

11	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
12	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedules L-N	Jeff L. Kern
13	-	-	Workpapers	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 3)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 3)	Various
16	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 3)	Various
17-18	-	KRS 278.2205(6)	Cost Allocation Manual	Jeffrey R. Setser

TAB 36 CONTINUED

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **September 9, 2020**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 7.01. Regulation FD Disclosure.

On September 9, 2020, Duke Energy Corporation posted an investor presentation to its website at www.duke-energy.com/our-company/investors. A copy of these slides is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 7.01. In accordance with General Instruction B.2 of Form 8-K, the information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 September 2020 Investor Update of Duke Energy Corporation dated September 9, 2020 (furnished pursuant to Item 7.01)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

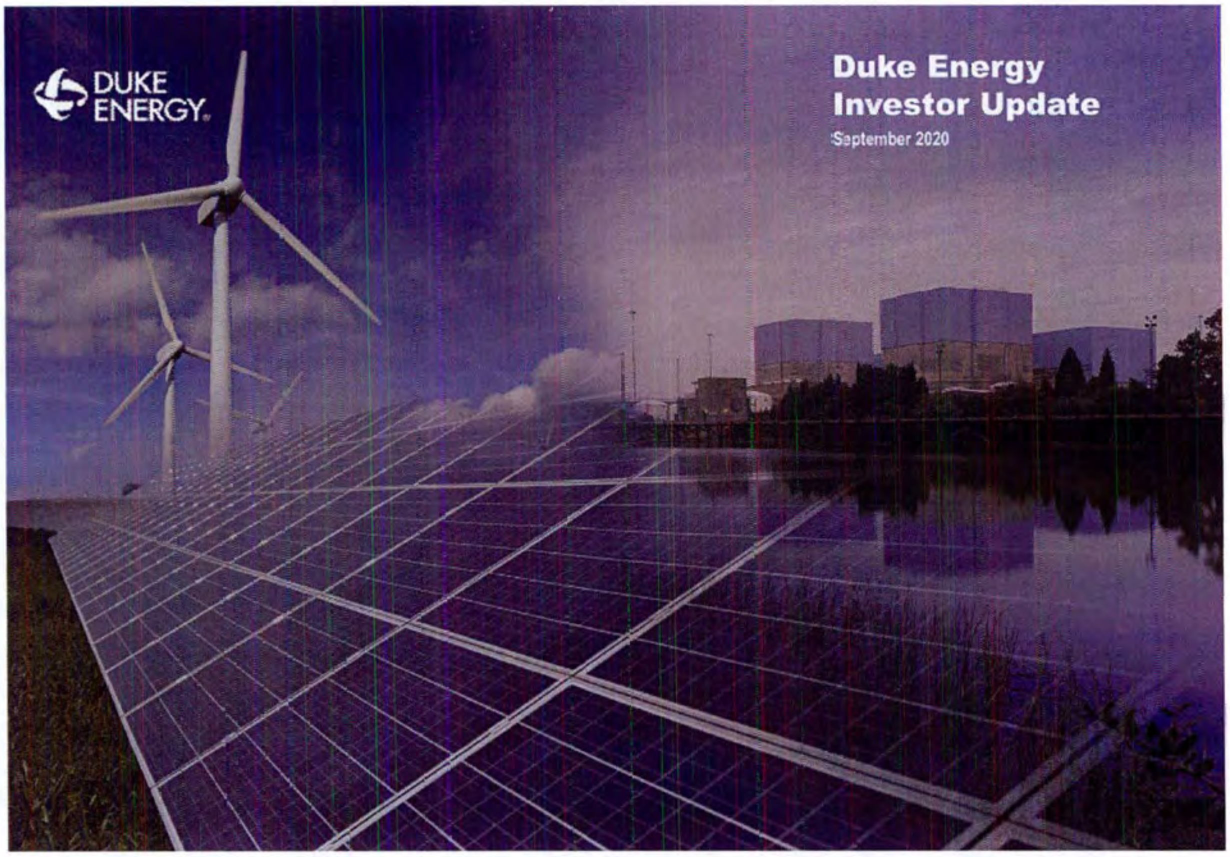
SIGNATURE

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

DUKE ENERGY CORPORATION

Date: September 9, 2020

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary


DUKE
ENERGY.
Duke Energy
Investor Update
September 2020

Safe Harbor statement

This presentation includes forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from such forward-looking statements. The factors that could cause actual results to differ are discussed herein and in Duke Energy's SEC filings, available at www.sec.gov.

Regulation G disclosure

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available in the Appendix herein and on our Investor Relations website at www.duke-energy.com/investors/.

Safe harbor statement

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: The impact of the COVID-19 pandemic; State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; Costs and effects of legal and administrative proceedings, settlements, investigations and claims; Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; Advancements in technology; Additional competition in electric and natural gas markets and continued industry consolidation; The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; Operational interruptions to our natural gas distribution and transmission activities; The availability of adequate interstate pipeline transportation capacity and natural gas supply; The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers; The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions; Credit ratings of the Duke Energy Registrants may be different from what is expected; Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds; Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; The ability to control operation and maintenance costs; The level of creditworthiness of counterparties to transactions; The ability to obtain adequate insurance at acceptable costs; Employee workforce factors, including the potential inability to attract and retain key personnel; The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; The effect of accounting pronouncements issued periodically by accounting standard-setting bodies; The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings; The impacts from potential impairments of goodwill or equity method investment carrying values; and the ability to implement our business strategy, including enhancing existing technology systems.

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

Key Takeaways

- ✓ Duke Energy is now a 95% regulated electric and gas utility, with a robust low-risk $56 billion capital plan
- ✓ Communities we serve are fast growing and vibrant, operating in above-average regulatory jurisdictions
- ✓ High level of confidence in 4%-6% EPS growth outlook and 6% rate base CAGR
- ✓ Carolinas IRPs filed on September 1 represent a significant step toward a cleaner energy future

Our Long-Term Investor Value Proposition

Scale owner of premium utilities

- Duke Energy is the largest regulated utility in North America by:
  - Rate base, electric customers and total assets
- We operate premium utilities in 7 states across the country, benefiting from diversification and strong regional growth trends

Strong regulated growth outlook

- $56Bn 5-year capital plan
  - De-risked, focused on smaller scale projects
- Utilities rate base growth rate of 6%
- Strong customer and load growth fundamentals

Low-risk, regulated business

- Successfully eliminated exposure to businesses with volatile earnings earlier than peers
- Premium regulated electric and gas franchises

DUKE ENERGY.

Delivering on annual earnings guidance

- Delivered EPS within our annual guidance range in 7 of the last 8 years
- Track record of keeping O&M costs flat and driving efficiencies across the enterprise
- Strong, stable underlying utility businesses drive our consistent earnings results

Well positioned for energy transition to renewables

- Industry leader in carbon reductions
- Aggressive carbon reduction goals drive future investment opportunities
- Strong commercial renewables business supports ESG vision and goals

History of major project execution and prudent management

- Retired 51 coal units (6,500 MW) since 2010, replaced with 8,000 MW of cleaner burning natural gas as well as solar generation
- Prudent decisions to exit projects when risk increases beyond rewards

Carolinas IRP Highlights

Duke Energy's clean energy future vision for the Carolinas

DUKE ENERGY.

Carolinas IRPs illustrate multiple pathways to a **cleaner energy future**

Collaborated with over 200 **Stakeholders** to help shape **path to achieve** our climate goals

KEY MESSAGES

- Carolinas Integrated Resource Plans (IRP) filed Sept. 1 include six portfolios
  - ***Base case has a least cost standard***[1], following current energy policy
  - Other portfolios present options for accelerated decarbonization, a Duke Energy priority with emerging support in the Carolinas
  - All portfolios represent ***significant capital opportunities***
- Renewables take center stage in five of six pathways, while natural gas continues to play a vital role
  - ***Renewables and storage additions average 16,000 MW*** across the six portfolios, with gas additions averaging 6,500 MW
  - ***Dispatchable resources are needed*** to support significant renewables additions (recent example in California)
  - ***Winter peak in the Carolinas*** necessitates natural gas generation to supply power on early/dark mornings in January and February
  - Multiple ***third party studies***[1] ***support the role of natural gas*** enabling a cost-effective transition to de-carbonization

DESTINATION
=> 50% REDUCTION IN CO_2 EMISSIONS BY 2030 AND
NET-ZERO BY 2050

(1) See appendix slides for additional information

2030 CARBON REDUCTION IN CAROLINAS WILL RANGE FROM 56% TO 74%

Carolinas IRPs: Summary Results

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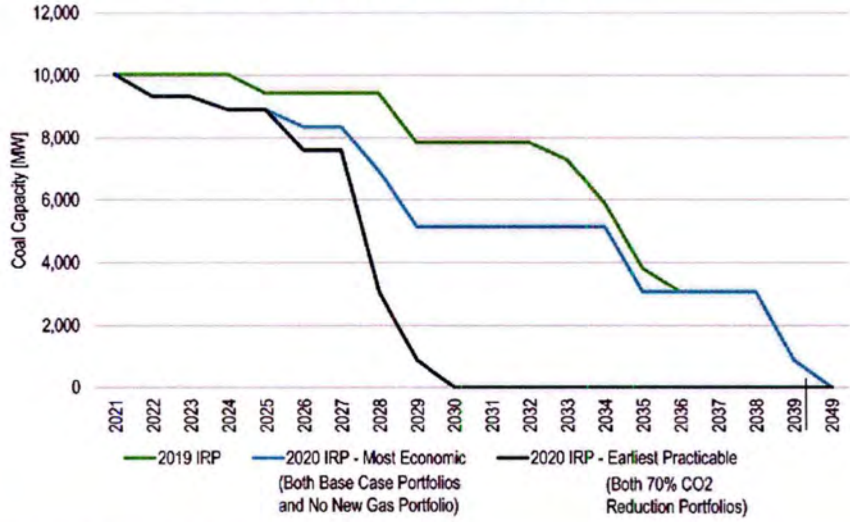
	Base without Carbon Policy		Base with Carbon Policy		Earliest Practicable Coal Retirements		70% CO_2 Reduction: High Wind		70% CO_2 Reduction: High Small Modular Reactor (SMR)		No New Gas Generation	
Pathway	A		B		C		D		E		F	
System CO_2 Reduction (2030 | 2035)	56%	53%	59%	62%	64%	64%	70%	73%	71%	74%	65%	73%
Present Value Revenue Requirement (PVRR) [$B] (through 2050)[1]	$79.8		$82.5		$84.1		$100.5		$95.5		$108.1	
Estimated Transmission Investment Required [$B][2]	$0.9		$1.8		$1.3		$7.5		$3.1		$8.9	
Total Solar [MW][3, 4]	8,650		12,300		12,400		16,250		16,250		16,400	
Incremental Onshore Wind [MW][3]	0		750		1,350		2,850		2,850		3,150	
Incremental Offshore Wind [MW][3]	0		0		0		2,650		250		2,650	
Incremental SMR Capacity [MW][3]	0		0		0		0		1,350		700	
Incremental Storage [MW][3, 5]	1,050		2,200		2,200		4,400		4,400		7,400	
Incremental Gas [MW][3]	9,600		7,350		9,600		6,400		6,100		0	
Total Contribution from Energy Efficiency and Demand Response Initiatives [MW][6]	2,050		2,050		2,050		3,350		3,350		3,350	
Dependency on Technology & Policy Advancement	○		◔		◑		◕		●		●	

[1]PVRRs exclude the cost of CO_2 as tax. Including CO_2-costs as tax would increase PVRRs by ~$11-$16B through 2050
[2]Represents an estimated nominal transmission investment; cost is included in PVRR calculation
[3]All capacities are Total/Incremental nameplate capacity within the IRP planning horizon
[4]Total solar nameplate capacity includes 3,925 MW connected in DEC and DEP combined as of year-end 2020 (projected)
[5]Includes 4-hr, 6-hr, and 8-hr grid-tied storage, storage at solar plus storage sites, and pumped storage
[6]Contribution of EE/DR (including Integrated Volt-Var Control (IVVC) and Distribution System Demand Response (DSDR)) in 2035 to peak winter planning hour

LEGEND:
● Completely dependent
◕ Mostly dependent
◑ Moderately dependent
◔ Slightly dependent
○ Not dependent

Coal retirements by portfolio

Carolinas fleet coal capacity (MW)(1)

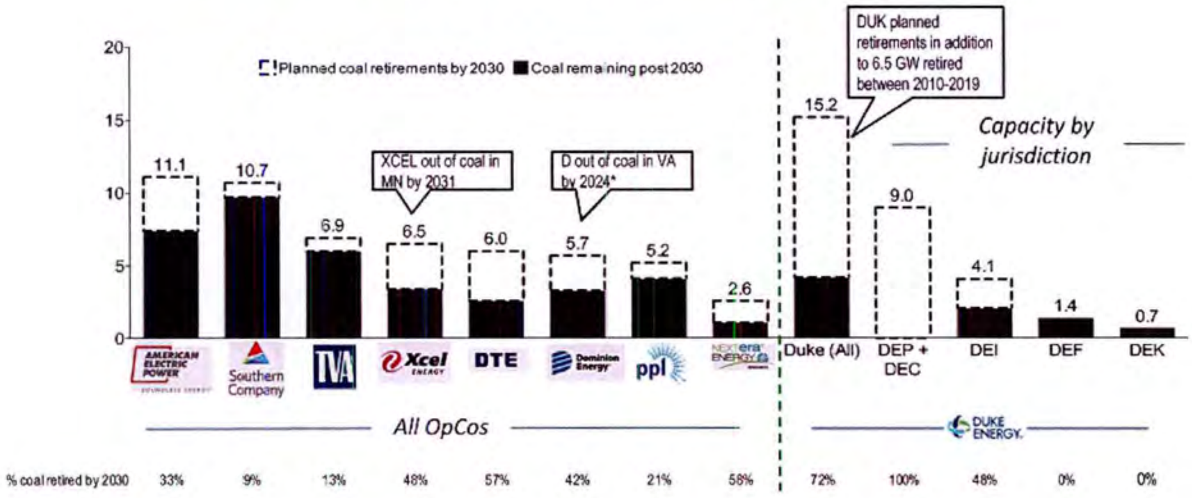


(1) In Earliest Practicable scenario, Dual fuel unit Cliffside 6 operates on natural gas only starting in 2030

2020 IRPS ACCELERATE COAL RETIREMENTS AS A BASELINE, AND PROVIDE POTENTIAL FOR SIGNIFICANT ACCELERATION

IRP contemplates the largest coal closure in the industry over the next decade

2019 active coal nameplate capacity and planned retirements by 2030 (GW)

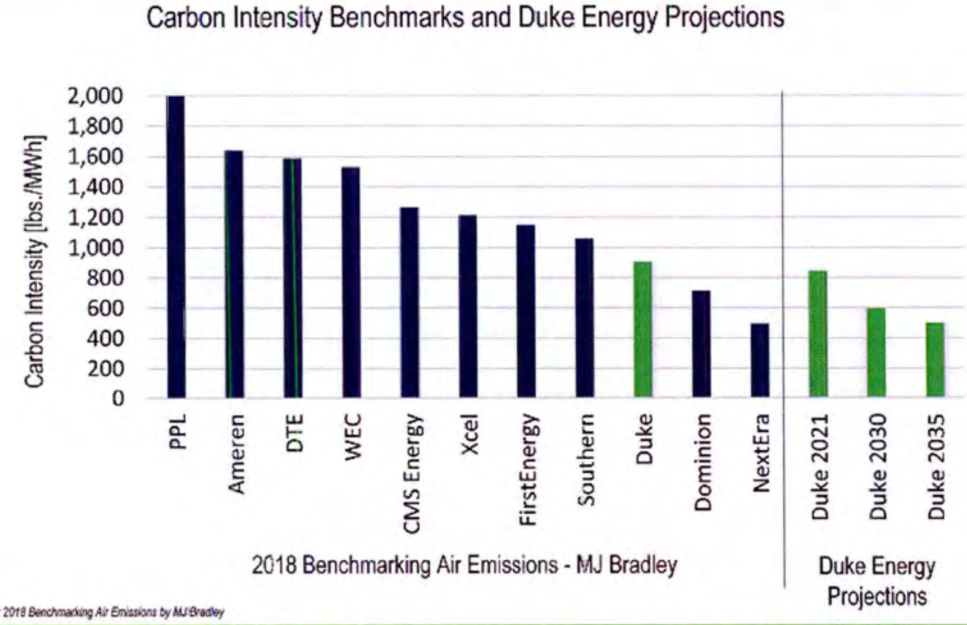


Note: *Coal co-owned with a cooperative utility and Virginia City Hybrid Energy Center are exceptions; TVA sites potential to retire additional 2.2GW coal if cost-effective; Dominion SCE&G IRP explored additional 1.3GW retirements; DEI capacity excludes Edwardsport IGCC; Duke Carolinas retirement schedule based on "Earliest Practicable" scenario detailed in 2020 IRP

Source: SNL 2019 active nameplate capacity (operating plants based on ownership % and fuel categorization, may exclude dual fuel w/ non-coal firing); planned coal retirements based on company latest IRP, utility commission reports, sustainability reports, and news releases

PLANNED RETIREMENTS IN ADDITION TO 51 UNITS (6,500 MW) RETIRED SINCE 2010

National Leader in Low Carbon Intensity Energy



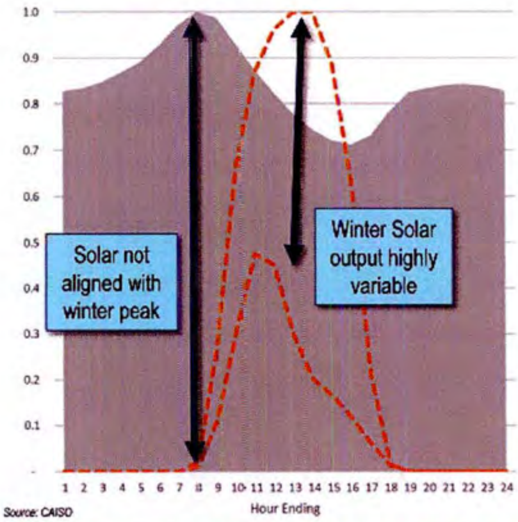
Source: 2018 Benchmarking Air Emissions by MJ Bradley

CARBON INTENSITY RATE OF THE DEC/DEP COMBINED FLEET IS 37% LOWER THAN THE INDUSTRY AVERAGE

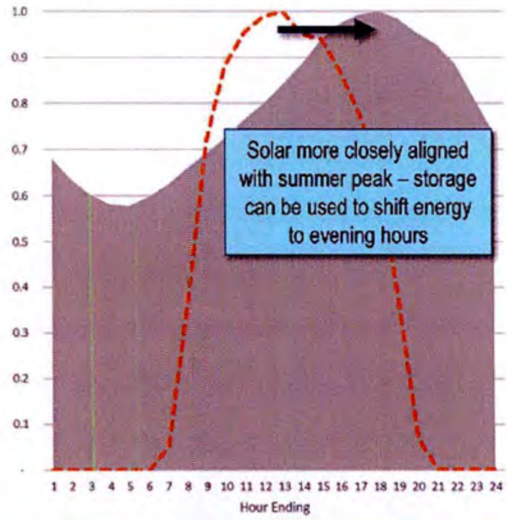
Serving the Carolinas Winter Peak

Solar Generation   Load

Carolinas: winter peaking



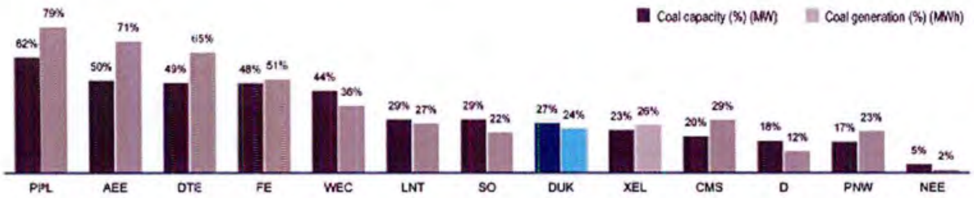
California: summer peaking



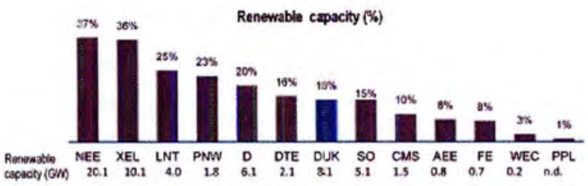
SOLAR + STORAGE INSUFFICIENT TO MEET WINTER PEAK IN THE CAROLINAS; NATURAL GAS GENERATION NEEDED TO SUPPLY POWER ON COLD/DARK MORNINGS

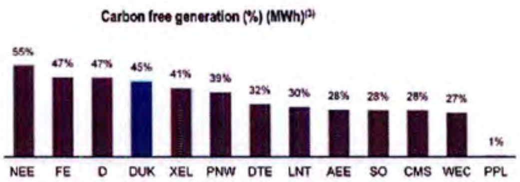
Environmental track record

Duke is less "coal-heavy" than other utilities and has done more to reduce its carbon footprint[1]



Duke has significantly expanded into renewables, in line with peers[1][2]





Source: SNL, Company filings; Note: Generation metrics include owned and purchased power

(1) AEE and FE data reflects 2018 generation data given lack of disclosure

(2) Represents renewables (commercial and regulated, including conventional hydro) + nuclear capacity and includes PPAs in addition to owned generation

(3) DUK excludes pumped storage hydro capacity / generation (includes conventional hydro and purchased renewable power)

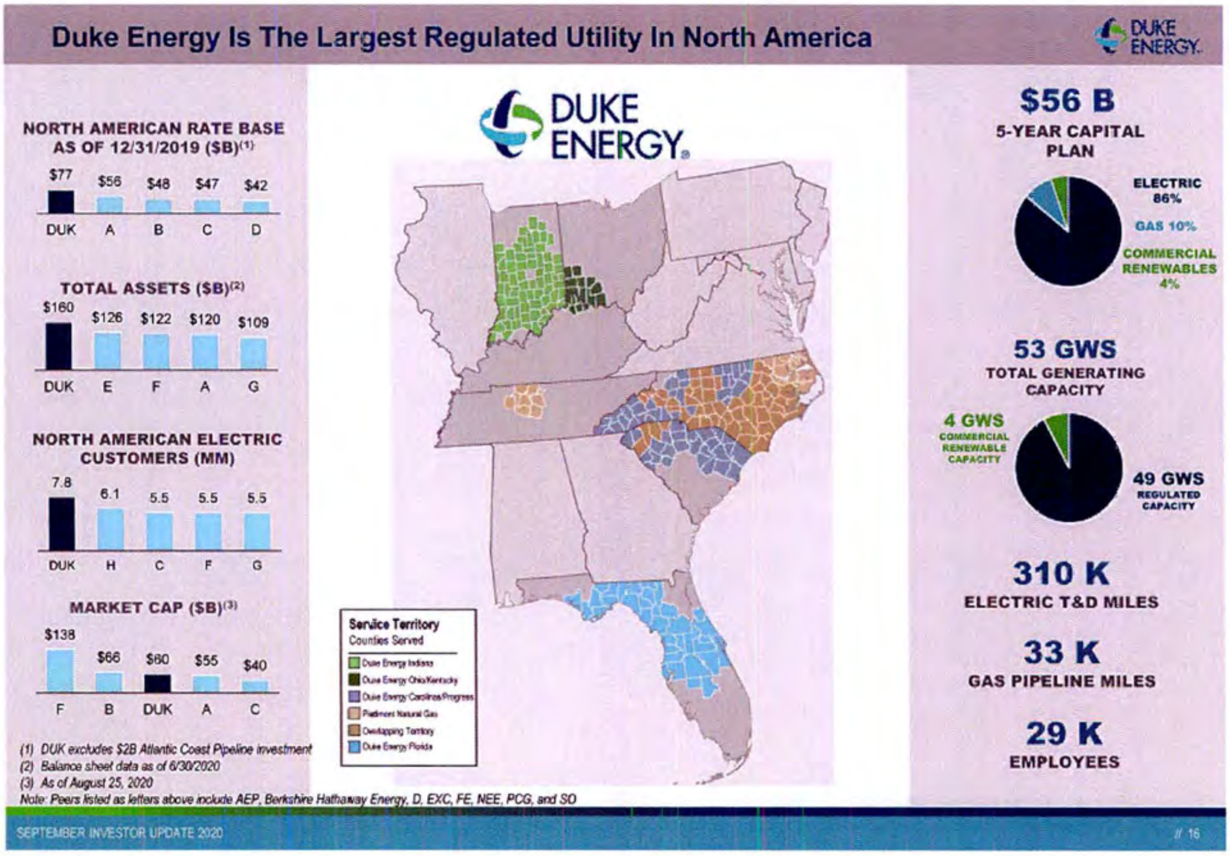
STRONG TRACK RECORD OF CARBON REDUCTION IN LINE WITH INDUSTRY PEERS

Premium Utility Franchises With Attractive Fundamentals

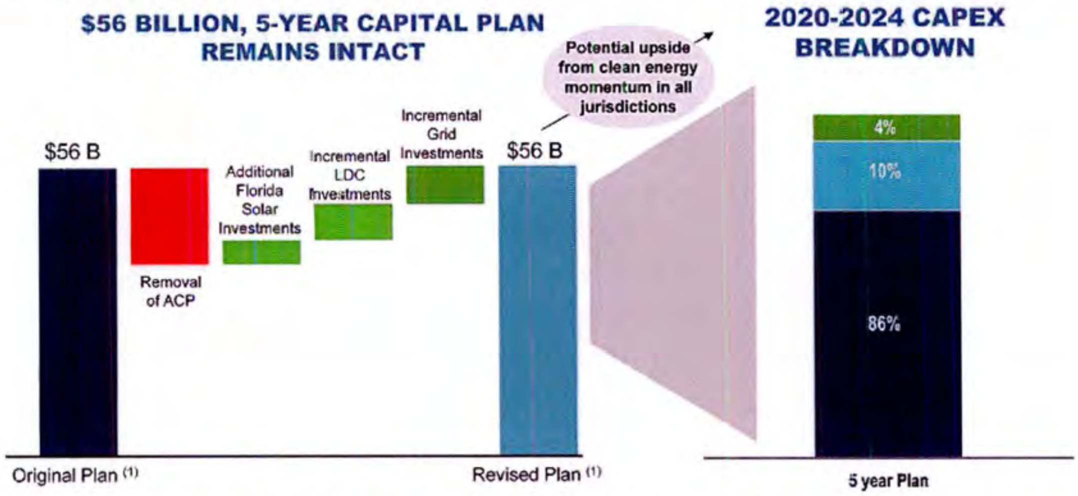
Duke Completed Its Portfolio Transition Ahead of Peers

CURRENT INDUSTRY THEMES	DUKE ENERGY
Divestiture of merchant businesses	***Announced exit from Midwest generation in 2014***
Regulated business M&A	***Announced acquisition of Piedmont in 2015***
Divestiture of international businesses	***Announced exit from Duke Energy International business in 2016***
ESG focus	***Announced net-zero carbon goal in 2019***
Focus on O&M cost management	***Kept O&M flat since 2016***

TODAY'S DUKE ENERGY IS A WELL-RUN REGULATED ELECTRIC AND GAS UTILITY


Duke Energy Is The Largest Regulated Utility In North America
DUKE ENERGY
NORTH AMERICAN RATE BASE AS OF 12/31/2019 ($B)(1)
$77 $56 $48 $47 $42
DUK A B C D
TOTAL ASSETS ($B)(2)
$160 $126 $122 $120 $109
DUK E F A G
NORTH AMERICAN ELECTRIC CUSTOMERS (MM)
7.8 6.1 5.5 5.5 5.5
DUK H C F G
MARKET CAP ($B)(3)
$138 $66 $60 $55 $40
F B DUK A C
(1) DUK excludes $2B Atlantic Coast Pipeline investment
(2) Balance sheet data as of 6/30/2020
(3) As of August 25, 2020
Note: Peers listed as letters above include AEP, Berkshire Hathaway Energy, D, EXC, FE, NEE, PCG, and SO
Service Territory
Counties Served
$56 B
5-YEAR CAPITAL PLAN
ELECTRIC 86%
GAS 10%
COMMERCIAL RENEWABLES 4%
53 GWS
TOTAL GENERATING CAPACITY
4 GWS
COMMERCIAL RENEWABLE CAPACITY
49 GWS
REGULATED CAPACITY
310 K
ELECTRIC T&D MILES
33 K
GAS PIPELINE MILES
29 K
EMPLOYEES
SEPTEMBER INVESTOR UPDATE 2020

Earnings growth predicated on $56 billion 5-year capital plan



Emerging infrastructure needs

- Piedmont LDC investments for the eastern part of NC replacing ACP need
- Grid upgrades and emerging infrastructure across all of our jurisdictions
- Additional solar investments from Florida's 750MW, Clean Energy Connection program
- Increasing focus on fleet transition including renewables and battery storage

Continued strong organic customer growth underlies 5-year capital plan

- Low-risk, smaller scale projects
- Nearly 2% customer growth in the Southeast YTD Q2 2020

(1) For illustrative purposes. Total amounts are not to scale.

Strong customer growth in vibrant economies

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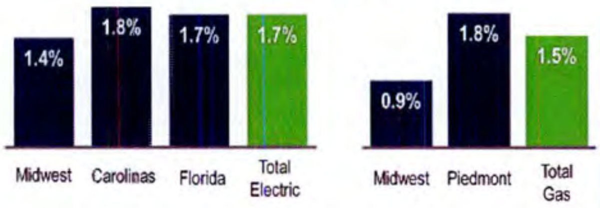
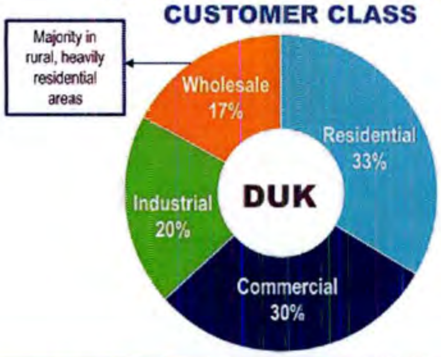
YTD Q2 2020 GROWTH IN NUMBER OF RESIDENTIAL CUSTOMERS

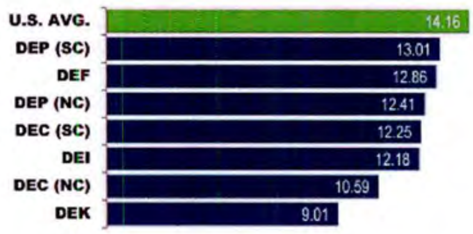


SERVING THREE OF THE MOST VIBRANT STATES IN THE COUNTRY

TOTAL ELECTRIC SALES BY CUSTOMER CLASS



COMPETITIVE CUSTOMER RATES[2]



(1) Source: Wells Fargo Securities; U.S. Department of Commerce
(2) Residential customer rates. Typical bill rates (¢/kWh) in effect as of July 1, 2019. Vertically integrated utilities only. Source: EEI Typical Bills and Avg. Rates Report, Winter 2019

And supportive regulatory relationships

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Growth Profile

Utility	Earnings Base[1]	Earnings Base Growth[2]
Duke Energy Carolinas	$25B	6.0%
Duke Energy Progress	$18B	3.8%
Duke Energy Florida	$14B	7.5%
Duke Energy Indiana	$9B	3.7%
Duke Energy Ohio / Kentucky Gas & Electric	$6B	5.6%
Piedmont	$5B	8.4%
	$77B[4]	~6.0%

Regulatory Ranking[3]

NC
Average / 1
Top 20%

SC
Average / 2
Top 40%

FL
Above Average / 2
Top 10%

IN
Average / 1
Top 20%

OH
Average / 2
Top 40%

KY
Average / 1
Top 20%

TN
Above Average / 3
Top 10%

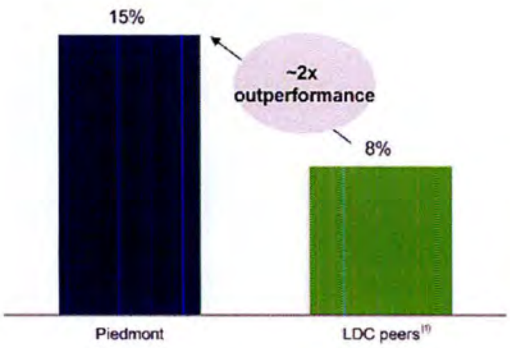
Duke consolidated
Average / 1
Top 20%

(1) 2019A. In billions. Illustrative earnings base for presentation purposes only and includes retail and wholesale; Amounts as of the end of each year shown; Projected earnings base = prior period earnings base + capex - D&A - deferred taxes
(2) 2019A–2024E CAGR
(3) State regulatory rankings reflect the average assessment across 53 regulatory jurisdictions published independently by RRA and S&P Global Ratings; RRA ranks jurisdictions as Above Average, Average and Below Average, with a sub-ranking of 1-3 for each status. Duke's weighted average rating of 'Average / 1' reflects the highest average rating prior to 'Above Average'
(4) Excludes $2B Atlantic Coast Pipeline investment

Piedmont Acquisition Has Been a Tremendous Success

INDUSTRY LEADING LDC BUSINESS

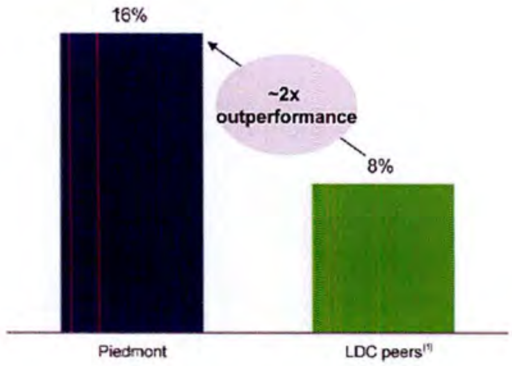
EARNINGS BASE GROWTH ($B)



2016A-2020E Rate Base CAGR ($mm)

Nearly doubled earnings base growth vs. U.S. pure-play listed LDCs

NET INCOME GROWTH ($MM)



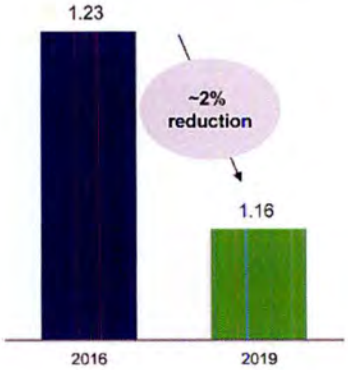
2015A-2020E Net Income CAGR ($mm)

Doubled net income growth vs U.S. pure-play listed LDCs

(1) Peers include ATO, NWN, OGS, and SR

Piedmont's Customers Have Benefitted Under Duke Ownership

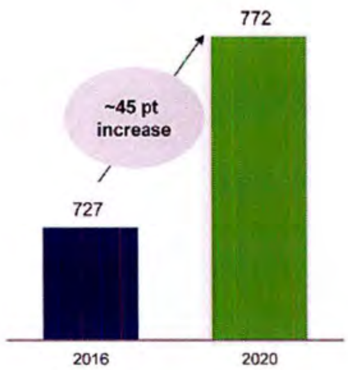
LOW CUSTOMER BILLS ($/therm)



Average Customer Bill

Lower rates in all three Piedmont jurisdictions

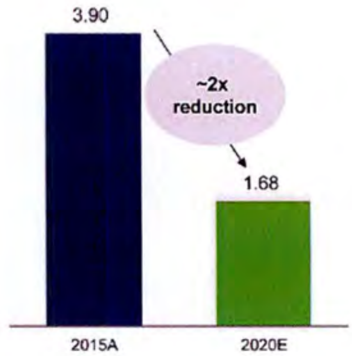
HIGH CUSTOMER SATISFACTION



Customer Satisfaction Metric

Significant improvement in customer satisfaction metrics

STRONG SAFETY RECORD



TICR Safety Metrics

Greater than 2x reduction in Total Incident Case Rate (TICR)

Track Record of Operational Performance

Strong Track Record of Performance

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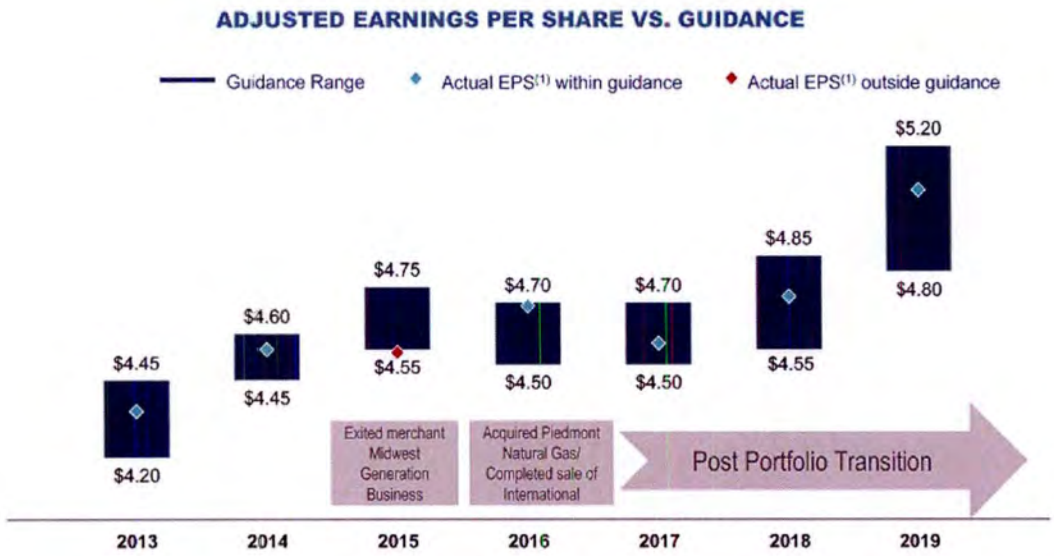
- ✓ Met annual guidance in 7 of the last 8 years while exiting businesses with volatile earnings
- ✓ Kept O&M flat, including absorbing ~$300 million of O&M from the Piedmont acquisition in 2016, in addition to offsetting wage / salary increases and general inflation
- ✓ Earned at or above allowed ROE's on a consistent basis
- ✓ Consistently maintained customer bills below national average across all jurisdictions
- ✓ Achieved all-time high in customer satisfaction measures in 2Q20, reinforcing the effectiveness of our customer and community outreach
- ✓ Remained one of the electric utility industry's top leaders in safety performance for fifth year in a row

Strong Track Record of Meeting EPS Guidance



Met annual guidance in 7 of the last 8 years, with our sole miss coming in 2015 by $0.01/sh

(1) Based on Adjusted EPS

We Have Succeeded On Major Project Development / Management

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OUTSTANDING PROJECT MANAGEMENT ON KEY PROJECTS...

- ✓ **Citrus County Combined Cycle (CC) – 1,640 MW**
  - $1.5 billion investment recovered through GBRA mechanism in FL
- ✓ **Lee CC – 750 MW**
  - $700mm investment
  - Required additional Piedmont infrastructure
- ✓ **Asheville CC – 570 MW**
  - Part of $1.4 B Western Carolinas Modernization Plan to retire coal early and increase renewables
- ✓ **Edwardsport IGCC – 618 MW**
  - Completed this advanced technology project when others could not
  - Cost recovery moved to base rates as requested/ approved in most recent rate case
- ✓ **Other significant generation adds to replace coal**
  - Total of 8 GW generation added since 2010

...AND PRUDENT DECISIONS TO NO LONGER PURSUE PROJECTS WHEN POTENTIAL RISKS EXCEED REWARDS

- ✓ **Levy and Lee new nuclear**
  - Had received approval, but post-Toshiba and Westinghouse bankruptcy saw too much risk
  - Shifted investment to augmenting natural gas and solar generation
- ✓ **Crystal River Nuclear Plant (CR3)**
  - Stopped investment and recovered legacy Progress investment via securitization
- ✓ **Atlantic Coast Pipeline**
  - Permitting delays and legal challenges created unacceptable cost uncertainty

Prudent decision making and efficient execution

With 2020 Additional O&M Cost Savings Well Underway

- Highly confident in achieving a $350-$450 million reduction in O&M and other expenses to mitigate 2020 headwinds
  - Unparalleled capability to mitigate headwinds given our size, scale and agility
- Clear line-of-sight of savings initiatives to achieve targets
  - Revised scope and timing of generation outages
  - Contract and employee labor costs, including overtime and variable compensation
  - Employee expenses reductions
  - Lower corporate costs such as IT expenditures
  - Lower interest expense due to well-timed capital market transactions
- Achieved $170 million in savings through 2Q, with ability to deliver near the high end of mitigation range
  - Rapid response ability is a core competency
  - Business transformation team is developing solutions to make many of these initiatives sustainable for 2021 and beyond

(1) Remaining cost mitigation efforts are expected to be more heavily weighted to the 4th quarter than the 3rd quarter.

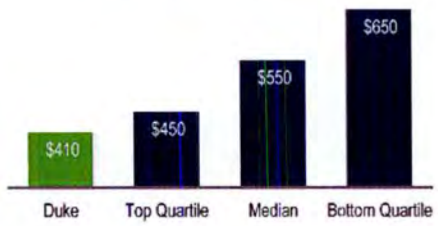
DEMONSTRATED TRACK RECORD OF CONSISTENTLY DELIVERING O&M AND OTHER COST SAVINGS IN AN AGILE FASHION SINCE 2015

Strong O&M Cost Management

O&M COST MANAGEMENT
($ IN BILLIONS)

Highly confident in achieving a $350-$450 million reduction in O&M and other expenses in 2020 to mitigate COVID-19 impacts

TOP QUARTILE O&M PROFILE
(Non-Generation O&M $/Customer(2))



TOP TIER COST MANAGEMENT CONTINUES

- Outstanding track record of cost management
- Since 2015, we have kept non-recoverable O&M flat
  - Includes absorbing ~$300 million of O&M from the Piedmont acquisition in 2016, in addition to offsetting wage and salary increases and general inflation
- Leveraging increased cost flexibility to keep non-rider recoverable O&M flat despite inflation
- Employing data analytics and digital capabilities to enhance decision making and prioritization
- State of the art Innovation Center – Optimist Hall
- Utilizing cost saving opportunities as a lever to meet business commitments
- Applying our size and scale to transform operational capabilities

(1) *Non-rider Recoverable O&M excludes special items and other non-recoverable charges incurred. For a reconciliation to GAAP O&M see accompanying materials at www.duke-energy.com/investors*
(2) *S&P Global Market Intelligence; SNL Energy Data as sourced from FERC Form 1. Data from over 128 U.S. Regulated Utilities with more than 100,000 customers, rounded.*

Focus on Balance Sheet Management

Our utilities have strong credit metrics that support our corporate rating

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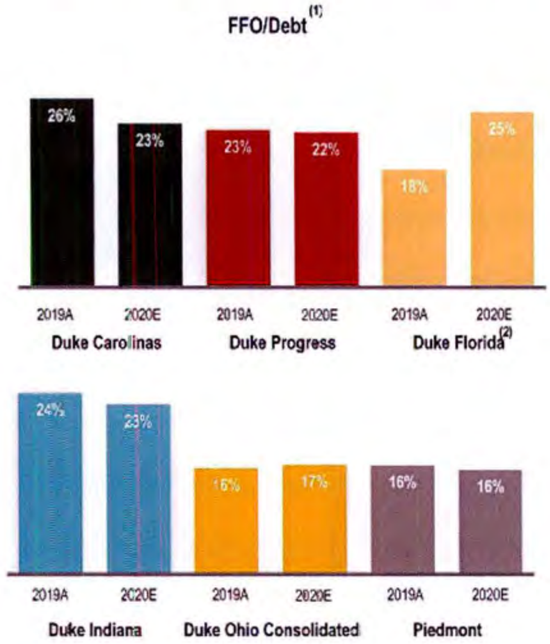
Rated Issuers

	Moody's	S&P
DUKE ENERGY CORPORATION	Stable	Stable
Senior Unsecured Debt	Baa1	BBB+
Commercial Paper	P-2	A-2
PROGRESS ENERGY, INC.	Stable	Stable
Senior Unsecured Debt	Baa1	BBB+
DUKE ENERGY CAROLINAS, LLC	Stable	Stable
Senior Secured Debt	Aa2	A
Senior Unsecured Debt	A1	A-
DUKE ENERGY PROGRESS, LLC	Stable	Stable
Senior Secured Debt	Aa3	A
DUKE ENERGY FLORIDA, LLC	Stable	Stable
Senior Secured Debt	A1	A
Senior Unsecured Debt	A3	A-
DUKE ENERGY INDIANA, LLC	Stable	Stable
Senior Secured Debt	Aa3	A
Senior Unsecured Debt	A2	A-
DUKE ENERGY OHIO, INC.	Stable	Stable
Senior Secured Debt	A2	A
Senior Unsecured Debt	Baa1	A-
DUKE ENERGY KENTUCKY, INC.	Stable	Stable
Senior Unsecured Debt	Baa1	A-
PIEDMONT NATURAL GAS, INC.	Stable	Stable
Senior Unsecured Debt	A3	A-



Note: Fitch announced on January 21, 2020 its intention to withdraw ratings on Duke Energy Corp within 30 days due to commercial reasons

(1) Key adjustments within the computation include the removal of coal ash remediation spending from FFO, and the adjusted debt balance excludes purchase accounting adjustments

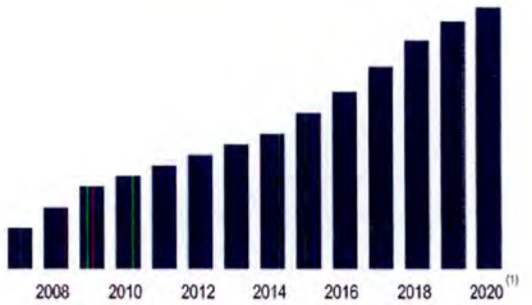
(2) Assumes securitization treated as off credit

Strong focus on balance sheet and consistent dividend growth

PRUDENT BALANCE SHEET MANAGEMENT

- Strong available liquidity position of $8.7 billion as of Jun. 30
- Stable outlooks at Moody's and S&P
- Expect to receive remaining refundable AMT credits of ~$575 million in 2020
  - AMT credits and O&M reductions support consolidated FFO/Debt of ~15% in 2020
- Equity forward of $2.5 billion priced in Nov. 2019 expected to be settled by year-end 2020
  - Executed transaction opportunistically based on favorable market conditions and prior to COVID-related market sell-off
  - Transaction was sized to address a variety of scenarios including cancellation of ACP
- Continued annual equity issuances in our plan of $500 million per year through 2022 via DRIP/ATM programs
- Pension plan is fully funded as of Jul. 2020

INCREASED QUARTERLY DIVIDEND PAYMENT FOR THE 14TH CONSECUTIVE YEAR



65% - 75%
LONG-TERM TARGET DIVIDEND PAYOUT RATIO(2)

(1) 2% increase to quarterly dividend declared by the board of directors on July 7, 2020.
(2) Based on adjusted EPS

Appendix

ESG is an essential component of Duke Energy's strategy

DUKE ENERGY

ENVIRONMENTAL

- Industry-leading climate goal of net-zero carbon emissions by 2050
- Announced over 1,500 MW of new wind and solar projects in 2019
- Further reduced CO_2 emissions by an additional 8% in 2019 from 2005 levels, bringing total decrease to 39%
- Named to Dow Jones Sustainability North America Index for 14 years in a row
- Clear leader in energy efficiency savings in Southeast

SOCIAL RESPONSIBILITY

- One of the industry leaders for 5th year in a row in safety
- Named one of "America's Best Employers" by Forbes in 2019 and one of Fortune's "Worlds Most Admired Companies" for 3rd consecutive year
- Earned perfect score for third year in a row on the Human Rights Campaign Corporate Equality Index; also awarded "Best Places to Work for LGBTQ Equality"

GOVERNANCE & TRANSPARENCY

- Bloomberg ESG disclosure score of 57.4, the third best score and in the top quartile of U.S. utilities
- Climate report utilizes TCFD[1] framework; our pathway is consistent with 2-degree scenario
- 2019 board refreshment enhanced diversity (40% racial, gender and ethnic diversity)
- Strong ESG ratings from ISS Quality Score in 2019

Join us for our inaugural ESG Analyst Day via live webcast on Oct. 9, 2020

(1) *TCFD – Task Force on Climate-related Financial Disclosures*

Carolinas IRPs: Academic studies support assumptions and methodology

DUKE ENERGY.

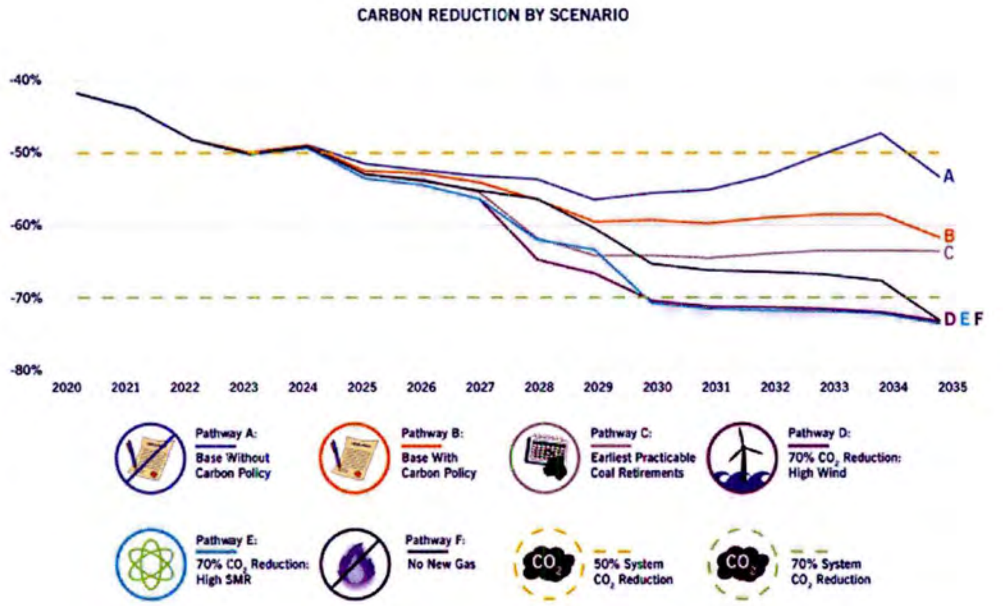
- Studies supporting resource methodology
  - Natural gas enables the acceleration of coal retirements by providing replacement winter peak resources as the integration of renewable resources and battery technology continues to advance
    - Berkeley Earth: "This research suggests that using natural gas as a bridge fuel away from coal is viable if we cannot immediately transition to near-zero carbon technologies. Coal is responsible for the bulk of U.S. CO_2 emissions from electricity generation, and gas provides a practical way to reduce such emissions, even when we include the effects of fugitive methane."
    - Kenan Institute at UNC: "The path to electricity de-carbonization via solely replacing fossil fuels with wind/solar will be much more expensive than widely perceived and point to the need for alternative and/or hybrid solutions, which may include combining wind/solar with natural gas, nuclear, carbon capture/sequestration and some level of carbon taxes"
    - Joule: "The role of firm low-carbon electricity resources in deep decarbonization of power generation" concludes the least-cost strategy to decarbonize electricity includes one or more firm low-carbon resources (including nuclear and natural gas). Without these resources, electricity costs rise rapidly as CO2 limits approach zero.
  - Balancing renewable generation and use of battery storage
    - NREL (National Renewable Energy Laboratory):
      - Carbon Free Resource Integration Study evaluated the planning and operational considerations of integrating increasing levels of carbon-free resources onto the Duke Energy Carolinas and Duke Energy Progress systems
      - Grid-scale battery storage provides technical expertise related to the discharge capabilities of batteries
- 3rd party modeling assumptions
  - Nexant: Energy efficiency and Market potential study
  - Astrape Consulting: Reserve margin study
  - Tierra Resource Consultants, Proctor Engineering Group and Dunsky: Winter specific demand response and rate design benchmarking study
  - Pricing inputs provided by: Navigant, Energy Information Administration (EIA) Annual Energy Outlook, Guidehouse

Carolinas IRPs: Commission rules and review process

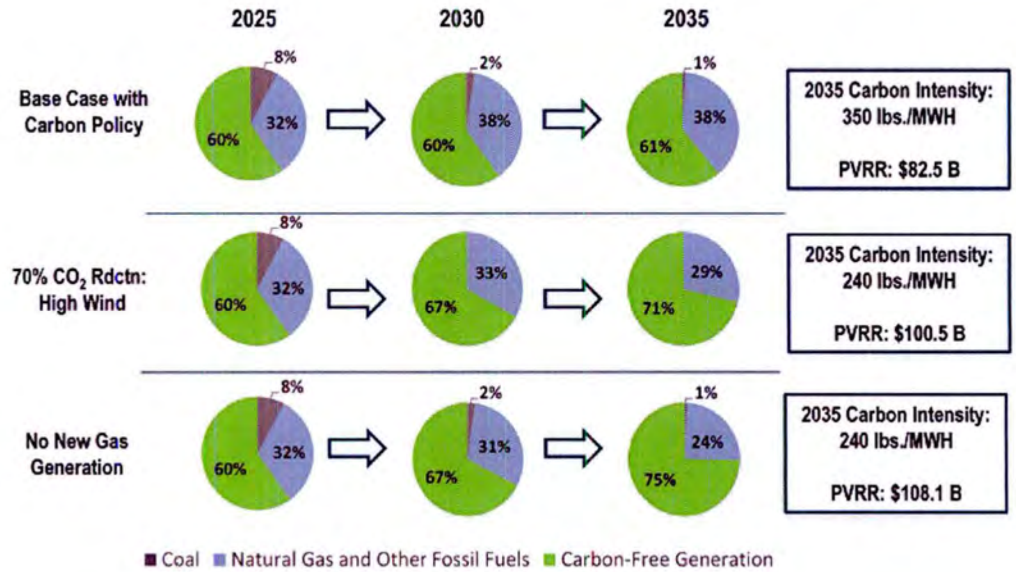
DUKE ENERGY.

- The 2020 IRP includes a most economic or "least-cost" portfolio, as required by North Carolina Utilities Commission (NCUC) Rule R8-60 and subsequent orders, and the Public Service Commission of South Carolina (PSCSC) and The Energy Freedom Act (Act 62), as well as multiple portfolios reflecting a range of potential future resource portfolios
- North Carolina requirements
  - 2 base cases: least cost resources (with and without price on carbon). Additional carbon and coal retirement analyses required for 2020 IRPs
  - NCUC will not "approve" the IRPs; rather, after a formal docket review with intervenors, the NCUC will "accept" the IRPs as reasonable for planning purposes (or reject some aspects of the IRP or make recommendations for future IRPs)
  - New generation resources will need to go through specific CPCN approval processes prior to construction and must demonstrate consistency with the most recent IRP
- South Carolina requirements
  - First IRP filed under Act 62; which contemplates several resource portfolios developed with the purpose of fairly evaluating the range of demand-side, supply-side, storage, and other technologies and services available to meet the utility's service obligations; PSCSC will approve or deny or modify; testimony and adversarial evidentiary hearings anticipated
  - Regulatory condition requires utility to utilize least cost planning
  - New resources will go through new Act 62 processes and statutory requirements for cost recovery, which do note a competitive procurement process.

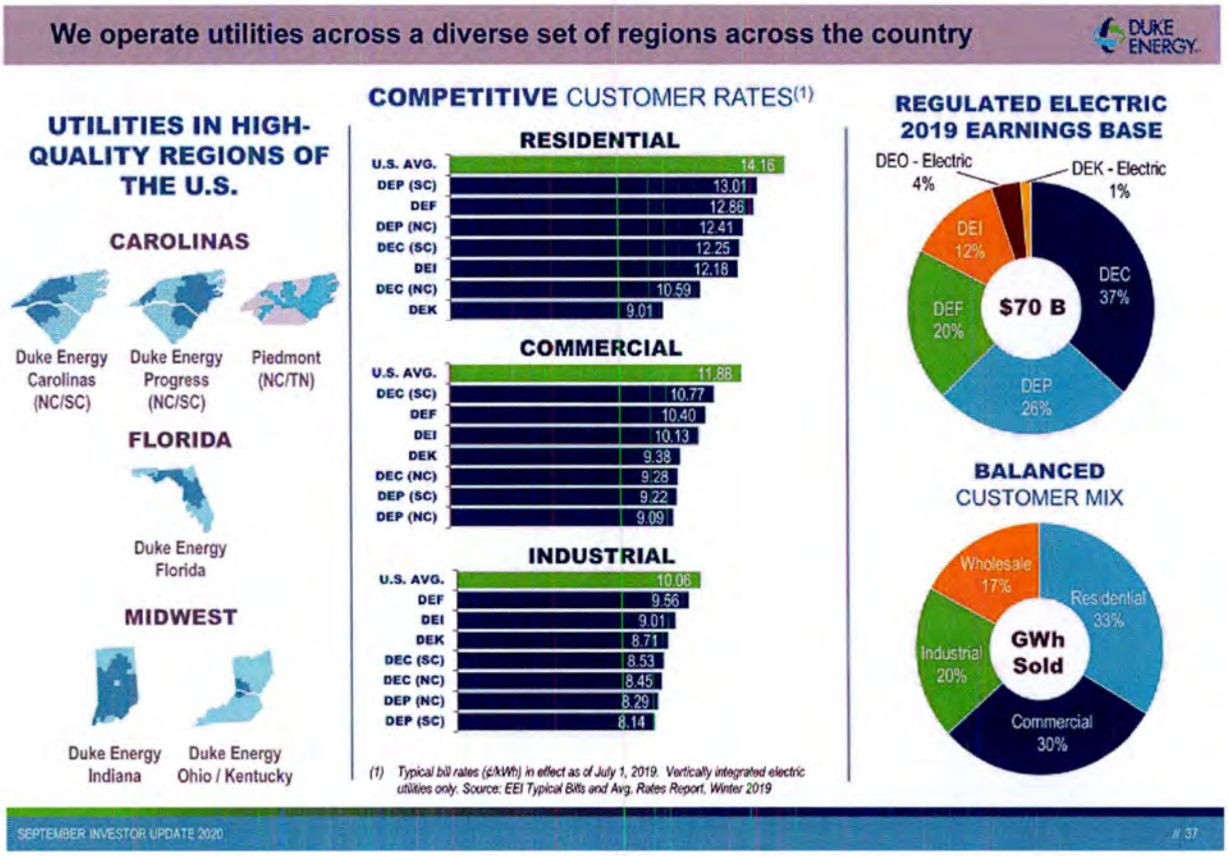
Carolinas IRPs: Carbon Reduction by Scenario



Carolinas IRPs: Generation Mix by Portfolio



SIGNIFICANT CARBON REDUCTIONS ACHIEVED IN ALL SCENARIOS


We operate utilities across a diverse set of regions across the country
DUKE ENERGY
UTILITIES IN HIGH-QUALITY REGIONS OF THE U.S.
CAROLINAS
Duke Energy Carolinas (NC/SC)
Duke Energy Progress (NC/SC)
Piedmont (NC/TN)
FLORIDA
Duke Energy Florida
MIDWEST
Duke Energy Indiana
Duke Energy Ohio / Kentucky
COMPETITIVE CUSTOMER RATES(1)
RESIDENTIAL
U.S. AVG. 14.16
DEP (SC) 13.01
DEF 12.86
DEP (NC) 12.41
DEC (SC) 12.25
DEI 12.18
DEC (NC) 10.59
DEK 9.01
COMMERCIAL
U.S. AVG. 11.88
DEC (SC) 10.77
DEF 10.40
DEI 10.13
DEK 9.38
DEC (NC) 9.28
DEP (SC) 9.22
DEP (NC) 9.09
INDUSTRIAL
U.S. AVG. 10.06
DEF 9.56
DEI 9.01
DEK 8.71
DEC (SC) 8.53
DEC (NC) 8.45
DEP (NC) 8.29
DEP (SC) 8.14
(1) Typical bill rates (¢/kWh) in effect as of July 1, 2019. Vertically integrated electric utilities only. Source: EEI Typical Bills and Avg. Rates Report, Winter 2019
REGULATED ELECTRIC 2019 EARNINGS BASE
DEO - Electric 4%
DEK - Electric 1%
DEI 12%
DEC 37%
DEF 20%
$70 B
DEP 26%
BALANCED CUSTOMER MIX
Wholesale 17%
Residential 33%
Industrial 20%
GWh Sold
Commercial 30%
SEPTEMBER INVESTOR UPDATE 2020
// 37

Peer utility benchmarking

DUKE ENERGY

Ranked by net electric utility plant value ($mm)

Key Metrics

	DUKE ENERGY	Peer A	Peer B	Peer C	Peer D	Peer E	Peer F	Peer G	Peer H	Peer I
Total electric sales (GWh)	206,584	147,734	134,866	196,403	122,489	117,172	89,441	49,988	51,286	36,077
Electric customers (000's)	7,800	4,270	5,500	9,100	5,470	3,500	3,700	3,800	3,110	1,628
Electric non-generation O&M / MWh	$15	$14	$39	$55	$10	$46	$29	$99	$113	$28
Electric non-generation O&M / Customer	$382	$493	$594	$430	$225	$482	$549	$602	$692	$619
Dist. miles / 1000 customers	36	42	7	16	14	24	56	36	19	43
Distribution line miles	280,100	179,000	40,000	149,945	75,751	85,000	207,524	134,903	58,332	70,600

Clear top-tier performance in O&M cost management

Source: SNL FERC Form 1, annual filings and investor presentations; data as of YE 2019 unless otherwise noted

Advancing our strategic vision

DUKE ENERGY

TRANSFORM THE
CUSTOMER EXPERIENCE

MODERNIZE THE
ENERGY GRID

GENERATE
CLEANER ENERGY

EXPAND **NATURAL GAS INFRASTRUCTURE**

STAKEHOLDER
ENGAGEMENT

EMPLOYEE ENGAGEMENT AND OPERATIONAL EXCELLENCE ARE FOUNDATIONAL TO OUR SUCCESS

Our investor value proposition

DUKE ENERGY

DUK LISTED NYSE

A STRONG LONG-TERM RETURN PROPOSITION

DUK LISTED NYSE

4.6%

DIVIDEND YIELD[1] WITH LONG-TERM DIVIDEND **GROWTH COMMITMENT**[2]

~8-10%

ATTRACTIVE RISK-ADJUSTED **TOTAL SHAREHOLDER RETURN**[3]

4-6%

LONG-TERM **EPS GROWTH** ANCHORED BY LOW-RISK REGULATED INVESTMENTS[4]

CONSTRUCTIVE JURISDICTIONS, LOW-RISK REGULATED INVESTMENTS AND BALANCE SHEET STRENGTH

(1) As of Aug.6, 2020
(2) Subject to approval by the Board of Directors.
(3) Total shareholder return proposition at a constant P/E ratio
(4) Based on adjusted EPS

Upcoming events & other

Upcoming events

Event	Date
2020 ESG Investor day	October 9, 2020
3Q 2020 earnings call	Early November 2020

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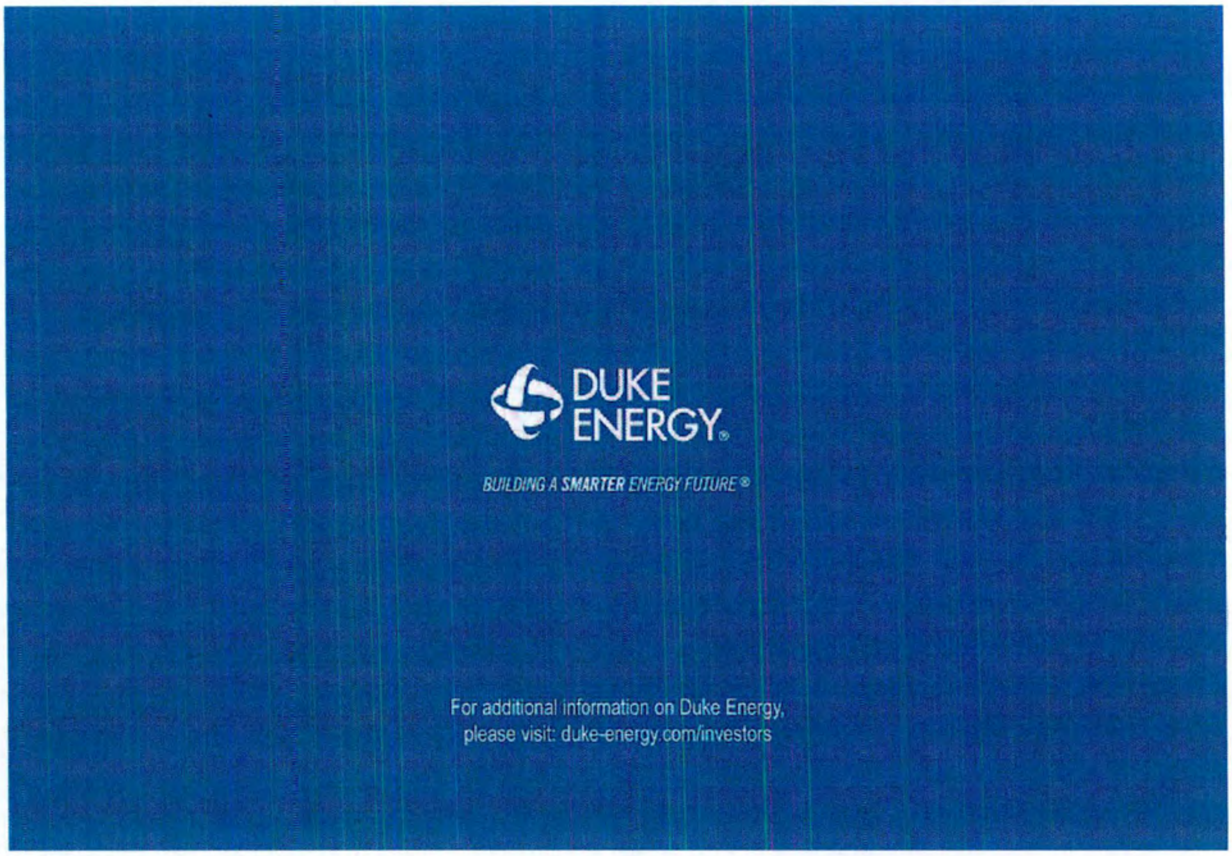
DUKE
ENERGY.
BUILDING A SMARTER ENERGY FUTURE®
For additional information on Duke Energy,
please visit: duke-energy.com/investors

Duke Energy Corporation
Non-GAAP Reconciliations
Duke Energy Investor Update
September 2020

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Investor Update in September 2020, include a discussion of adjusted EPS for the year-to-date periods ended December 31, 2019, 2018, 2017, 2016, 2015, 2014 and 2013.

The non-GAAP financial measure, adjusted EPS, represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Reconciliations of adjusted EPS for the year-to-date periods ended December 31, 2019, 2018 2017, 2016, 2015, 2014 and 2013, to the most directly comparable GAAP measures are included here-in.

Adjusted EPS Guidance

The materials for Duke Energy's Investor Update in September 2020, include a reference to the forecasted 2019, 2018, 2017, 2016, 2015, 2014 and 2013, adjusted EPS guidance range per share. The materials also reference the long-term range of annual growth of 4% - 6%. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items, as discussed above under Adjusted EPS. Due to the forward-looking nature of this non-GAAP financial measue for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Available Liquidity

The materials for Duke Energy's Investor Update in September 2020, include a discussion of Duke Energy's available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, the remaining availability under Duke Energy's available credit facilities, including the master credit facility and available equity forwards. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of June 30, 2020, to the most directly comparable GAAP measure is included here-in.

Non-Rider Recoverable O&M

The materials for Duke Energy's Investor Update in September 2020, include a discussion of Duke Energy's non-rider recoverable operating, maintenance and other expenses (O&M) for the year-to-date periods ended December 31, 2019, 2018, 2017 and 2016. Non-rider recoverable O&M expenses are non-GAAP financial measures, as they represent reported O&M expenses adjusted for special items and expenses recovered through riders. The most directly comparable GAAP financial measure for non-rider recoverable O&M expenses is reported operating, maintenance and other expenses. A reconciliation of non-rider recoverable O&M expenses for the year-to-date periods ended December 31, 2019, 2018, 2017, and 2016, to the most directly comparable GAAP measure are included here-in.

Dividend Payout Ratio

The materials for Duke Energy's Investor Update in September 2020, include a discussion of Duke Energy's forecasted dividend payout ratio of 65% - 75% based upon adjusted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per-share impact of special items, as discussed above under Adjusted EPS. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted EPS Guidance.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's Investor Update in September 2020, include a reference to historical and expected FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO to Total Debt ratio is calculated principally by using net cash provided by operating activities on a GAAP basis, adjusted for changes in working capital, ARO spend, depreciation and amortization of operating leases and reduced for capitalized interest (including any AFUDC interest). The denominator for the FFO to Total Debt ratio is calculated principally by using the balance of long-term debt (excluding purchase accounting adjustments and long-term debt associated with the CR3 Securitization), including current maturities, imputed operating lease liabilities, plus notes payable, commercial paper outstanding, underfunded pension liability, guarantees on joint-venture debt, and adjustments to hybrid debt and preferred stock issuances based on how credit rating agencies view the instruments. The calculation of FFO to Total Debt ratio for the year ended December 31, 2019 is included here-in. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted EPS Guidance.

Business Mix Percentage

The materials for Duke Energy's Investor Update in September 2020, reference ninety-five percent of earnings coming from the regulated electric and gas utilities as a percentage of the total projected 2020 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy's regulated electric and gas utilities are included in the Electric Utilities and Infrastructure and Gas Utilities and Infrastructure segments, respectively.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items. Due to the forward-looking nature of any forecasted adjusted segment income, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items (as discussed above under Adjusted EPS Guidance).

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Year Ended December 31, 2019
(Dollars in millions, except per-share amounts)

	Reported Earnings	Special Items: Impairment Charges	Special Items: Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	$ 3,536	$ (27) A	$ —	$ (27)	$ 3,509
Gas Utilities and Infrastructure	432	19 B	—	19	451
Commercial Renewables	198	—	—	—	198
Total Reportable Segment Income	4,166	(8)	—	(8)	4,158
Other	(452)		—	—	(452)
Discontinued Operations	(7)	—	7 C	7	—
Net Income Available to Duke Energy Corporation Common Stockholders	$ 3,707	$ (8)	$ 7	$ (1)	$ 3,706
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS, BASIC	$ 5.06	$ (0.01)	$ 0.01	$ —	$ 5.06

Note: Earnings Per Share amounts are adjusted for accumulated but not yet declared dividends for Series B Preferred Stock of $(0.02).

A – Net of $9 million tax expense. $36 million reduction of a prior year impairment recorded within Impairment charges for the Citrus County CC project on Duke Energy Florida's Consolidated Statements of Operations.

B – Net of $6 million tax benefit. $25 million included within Other Income and Expenses on the Consolidated Statements of Operations, related to the other-than-temporary-impairment of the remaining investment in Constitution Pipeline Company, LLC.

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

Weighted Average Shares, Diluted (reported and adjusted) – 729 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2018
(Dollars in millions, except per-share amounts)

		Special Items							
	Reported Earnings	Costs to Achieve Piedmont Merger	Regulatory and Legislative Impacts	Sale of Retired Plant	Impairment Charges	Impacts of the Tax Act	Severance	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME										
Electric Utilities and Infrastructure	$ 3,058	$ —	$ 202 B	$ —	$ 46 D	$ 24	$ —	$ —	$ 272	$ 3,330
Gas Utilities and Infrastructure	274	—	—	—	42 E	1	—	—	43	317
Commercial Renewables	9	—	—	—	91 F	(3)	—	—	88	97
Total Reportable Segment Income	3,341	—	202	—	179	22	—	—	403	3,744
Other	(694)	65 A	—	82 C	—	(2)	144 H	—	289	(405)
Discontinued Operations	19	—	—	—	—	—	—	(19) I	(19)	—
Net Income Attributable to Duke Energy Corporation	$ 2,666	$ 65	$ 202	$ 82	$ 179	$ 20 G	$ 144	$ (19)	$ 673	$ 3,339
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, BASIC	$ 3.76	$ 0.09	$ 0.29	$ 0.12	$ 0.25	$ 0.03	$ 0.21	$ (0.03)	$ 0.96	$ 4.72

A - Net of $19 million tax benefit. $84 million recorded within Operating Expenses on the Consolidated Statements of Operations.

B - Net of $16 million tax benefit at Duke Energy Progress and $47 million tax benefit at Duke Energy Carolinas.

- On the Duke Energy Progress Consolidated Statement of Operations, $32 million is recorded within Impairment charges, $31 million within Operations, maintenance and other, $6 million within Interest Expense and $(1) million within Depreciation and amortization.
- On the Duke Energy Carolinas Consolidated Statement of Operations, $188 million is recorded within Impairment charges, $8 million within Operations, maintenance and other, and $1 million within Depreciation and amortization.

C - Net of $25 million tax benefit. $107 million recorded within Gains (Losses) on Sales of Other Assets and Other, net on the Consolidated Statement of Operations.

D - Net of $14 million tax benefit. $60 million recorded within Impairment charges on the Consolidated Statements of Operations

E - Net of $13 million tax benefit. $55 million included within Other Income and Expenses on the Consolidated Statement of Operations.

F - Net of $2 million Noncontrolling Interests. $93 million goodwill impairment recorded within Impairment charges on the Consolidated Statements of Operations.

G - $20 million true up of prior year Tax Act estimates recorded within Income Tax Expense from Continuing Operations on the Consolidated Statements of Operations.

H - Net of $43 million tax benefit. $187 million recorded with Operations, maintenance and other on the Consolidated Statements of Operations.

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

Weighted Average Shares, Diluted (reported and adjusted) - 708 million

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

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

A - Net of $39 million tax benefit. $102 million recorded within Operating Expenses and $1 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of $60 million tax benefit. $154 million recorded within Impairment charges and $4 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

C - Net of $28 million tax benefit. $92 million recorded within Impairment charges and $10 million recorded within Other Income and Expenses on the Consolidated Statements of Operations.

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

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

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

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

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

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

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

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

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

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

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2015
(Dollars in millions, except per-share amounts)

		Special Items								
	Reported Earnings	Costs to Achieve Mergers	Edwardsport Settlement	Midwest Generation Operations	Ash Basin Settlement and Penalties	Cost Savings Initiatives	International Energy Operations	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME										
Electric Utilities and Infrastructure	$ 2,819	$ —	$ 58 B	$ —	$ 11 D	$ 10 E	$ —	$ —	$ 79	$ 2,898
Gas Utilities and Infrastructure	73	—	—	—	—	—	—	—	—	73
Commercial Renewables	52	—	—	—	—	1 F	—	—	1	53
Total Reportable Segment Income	2,944	—	58	—	11	11	—	—	80	3,024
International Energy	—	—	—	—	—	—	151 H	—	151	151
Other	(299)	60 A	—	98 C	—	77 G	—	41 I	276	(23)
Discontinued Operations	171	—	—	(98) C	—	—	(151) H	78 J	(171)	—
Net Income Attributable to Duke Energy Corporation	$ 2,816	$ 60	$ 58	$ —	$ 11	$ 88	$ —	$ 119	$ 336	$ 3,152
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	$ 4.05	$ 0.09	$ 0.08	$ —	$ 0.02	$ 0.13	$ —	$ 0.17	$ 0.49	$ 4.54

A - Net of $37 million tax benefit. $95 million recorded within Operating Expenses and $2 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of $35 million tax benefit. $88 million recorded within Impairment charges and $5 million recorded within Other income and expenses, net on the Duke Energy Indiana Consolidated Statements of Operations.

C - Net of $63 million tax expense. Operating results of the nonregulated Midwest generation business classified as discontinued operations, which exclude special items and economic hedges.

D - Net of $3 million tax benefit. Recorded within Operation, maintenance and other on the Consolidated Statements of Operations. Includes $8 million and $6 million at Duke Energy Carolinas and Duke Energy Progress, respectively.

E - Net of $6 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations. Includes $7 million at Duke Energy Carolinas, $4 million at Duke Energy Progress, $2 million at Duke Energy Florida, $1 million at Duke Energy Ohio and $2 million at Duke Energy Indiana.

F - Net of $1 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

G - Net of $47 million tax benefit. Primarily consists of severance costs recorded within Operation, maintenance and other on the Consolidated Statements of Operations.

H - Net of $70 million tax expense. Operating results of the International Disposal Group classified as discontinued operations.

I - State tax expense resulting from the completion of the sale of the nonregulated Midwest generation business.

J - Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations, and includes the impact of a litigation reserve related to the nonregulated Midwest generation business.

Weighted Average Shares Outstanding, Diluted (reported and adjusted) - 684 million

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2014
(Dollars in millions, except per-share amounts)

		Special Items								
	Reported Earnings	Costs to Achieve, Progress Merger	Asset Impairment	Litigation Reserve	Asset Sales	International Tax Adjustment	Economic Hedges (Mark-to-Market)*	Discontinued Operations	Total Adjustments	Adjusted Earnings
Net Income (Loss) Attributable to Duke Energy Corporation	$ 1,883	$ 127 A	$ 59 C	$ 102 D	$ (9) E	$ 373 F	$ 5 B	$ 677 G	$ 1,335	$ 3,218
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	$ 2.66	$ 0.18	$ 0.08	$ 0.14	$ (0.01)	$ 0.53	$ 0.01	$ 0.96	$ 1.89	$ 4.55

A - Net of $78 million tax benefit. $5 million recorded as a decrease in Operating Revenues, $198 million recorded within Operating Expenses and $2 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of $3 million tax benefit. Recorded within Operating Revenues on the Consolidated Statements of Operations.

C - Net of $35 million tax benefit. Recorded in impairment charges on the Consolidated Statements of Operations.

D - Recorded within Operating, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

E - Net of $5 million tax expense. Recorded in Other Income and Expenses on the Consolidated Statements of Operations.

F - Deferred tax impact resulting from the decision to repatriate International Energy's historic undistributed foreign earnings, included within Income Tax Expense on the Consolidated Statement of Operations.

G - Recorded in Income (loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes the impairment of the nonregulated Midwest generation business, the mark-to-market of economic hedges of the nonregulated Midwest generation business, state tax benefit resulting from the planned disposition and certain costs associated with a contract settlement.

Weighted Average Shares (reported and adjusted) - in millions

Basic	707
Diluted	707

* Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy's hedging of a portion of the economic value of its commercial generation assets and also relate to existing derivative positions that may have tenors beyond the planned disposal date of the nonregulated Midwest generation business. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. However, due to the divestiture of the nonregulated Midwest generation business as mentioned above, certain derivative positions have tenors beyond the planned disposal date of these assets. As such, management has excluded settlements of these derivative positions from adjusted diluted EPS as these realized gains and losses more closely relate to the loss on disposal of these assets. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Twelve Months Ended December 31, 2013
(Dollars in millions, except per-share amounts)

		Special Items							
	Reported Earnings	Costs to Achieve, Progress Merger	Nuclear Development Charges	Litigation Reserve	Crystal River Unit 3 Impairment	Asset Sales	Discontinued Operations	Total Adjustments	Adjusted Earnings
Net Income (Loss) Attributable to Duke Energy Corporation	$ 2,665	$ 184 A	$ 57 B	$ 14 C	$ 215 D	$ (50) E	$ (5) F	$ 415	$ 3,080
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	$ 3.77	$ 0.26	$ 0.08	$ 0.02	$ 0.31	$ (0.07)	$ (0.01)	$ 0.59	$ 4.36

A - Net of $113 million tax benefit. $57 million recorded as a increase in Operating Revenues, $352 million recorded within Operating Expenses and $2 million recorded within Interest Expense on the Consolidated Statements of Operations.

B - Net of $30 million tax benefit. Recorded within Impairment Charges (Operating Expenses) on the Consolidated Statements of Operations.

C - Net of $8 million tax benefit. Recorded in Operations, maintenance, and other (Operating Expenses) on the Consolidated Statement of Operations.

D - Net of $137 million tax benefit. $8 millions recorded as a decrease in Operating Revenues and $344 million recorded within Operating Expenses on the Consolidated Statement of Operations.

E - Net of $31 million tax expense. Recorded in Other Income and Expenses on the Consolidated Statements of Operations and Gain(Loss) on Sales of Other Assets on the Consolidated Statement of Operations.

F - Recorded in Income (loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations. Includes the impairment of the nonregulated Midwest generation business and the mark-to-market of economic hedges of the nonregulated Midwest generation business.

Weighted Average Shares (reported and adjusted) - in millions

Basic	706
Diluted	706

Duke Energy Corporation
Available Liquidity Reconciliation
As of June 30, 2020
(In millions)

Cash and Cash Equivalents	$ 341	
Less: Certain Amounts Held in Foreign Jurisdictions	(10)	
Less: Unavailable Domestic Cash	(87)	
	244	
Plus: Remaining Availability under Master Credit Facilities and other facilities	5,892	
Plus: Remaining Availablity from Equity Forwards	2,579	
Total Available Liquidity (a), June 30, 2020	$ 8,715	approximately 8.7 billion

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under Duke Energy's available credit facilities, including the master credit facility and available equity forwards as of June 30, 2020. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.

Duke Energy Corporation
Operations, Maintenance and Other Expense
(In millions)

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019
Operation, maintenance and other[a]	$6,223	$5,944	$6,463	$6,066
Adjustments:				
Costs to Achieve, Mergers[b]	(238)	(94)	(83)	–
Severance[b]	(92)	–	(187)	–
Regulatory settlement[b]	–	(5)	(40)	–
Reagents Recoverable[c]	(93)	(90)	(112)	(95)
Energy Efficiency Recoverable[c]	(417)	(485)	(446)	(415)
Other Deferrals and Recoverable[c]	(233)	(246)	(477)	(472)
Margin based O&M for Commercial Businesses	(185)	(94)	(113)	(95)
Short-term incentive payments (over)/under budget	(90)	(22)	(30)	(112)
Non-Rider Recoverable operation, maintenance and other	$ 4,875	$ 4,908	$ 4,974	$ 4,878

(a) As reported in the Consolidated Statements of Operations.
(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings
(c) Primarily represents expenses to be deferred or recovered through rate riders.

FFO to Debt Calculation
Duke Energy Corporation
(in millions)

		Year Ended December 31, 2019 Actual
Cash From Operations	$	8,209
Adjust for Working Capital		250
Coal ash ARO spend		746
Include Capitalized interest as cost		(159)
Hybrid interest adjustment		10
Preferred stock adjustment		(21)
CR3 securitization adjustment		(54)
ACP construction loan interest adjustment		(32)
AMT refund adjustment (1)		(287)
Lease-imputed FFO adjustment (D&A)		240
Funds From Operations	$	8,903
Notes payable and commercial paper	$	3,135
Current maturities of LT debt		3,141
LT debt		54,985
Less: Purchase Accounting adjustments		(1,912)
CR3 securitization		(1,111)
Underfunded Pension		350
ACP construction loan		827
Hybrid debt adjustment		(250)
Preferred stock adjustment		1,000
Lease-imputed debt		1,640
Total Balance Sheet Debt (including ST)	$	61,805
Working capital detail, excluding MTM		
Receivables	$	78
Inventory		(122)
Other current assets		10
Accounts payable		(164)
Taxes accrued		(224)
Other current liabilities		172
	$	(250)
FFO / Debt		14.4%

(1) AMT refund adjustment is an expected 2020 cash inflow from the IRS related to AMT refunds that Duke Energy will receive as a result of the 2017 Tax Act. The 2020 AMT refund is included in the 2019 GAAP cash flow statement as deferred income taxes and change in other current assets. The change in other current assets is part of working capital, which is added back to the cash from operations. Therefore, the AMT refund adjustment is required to reduce cash from operations so there is no impact in 2019 for the 2020 expected AMT Refund.

In the 2018 Funds From Operations, a similar adjustment should have been made for the $573 million AMT refund. Had the adjustment been made, the Funds From Operations would have been reduced by $573 million. Starting in 2019 and going forward, receipt of the AMT refund will consistently be included in Fund From Operations in the year the cash is received.

FFO to Debt Calculation
Duke Energy Progress
(in millions)

		Year Ended December 31, 2019 Actual
Cash From Operations	$	1,823
Adjust for Working Capital		(92)
Coal ash ARO spend		390
Include Capitalized Interest as cost		(28)
Lease-imputed FFO adjustment (D&A)		56
Funds From Operations	**$**	**2,149**
Notes payable to affiliated companies	$	66
Current maturities of LT debt		1,006
LT debt		7,902
LT debt payable to affiliates		150
Lease imputed debt		391
Total Balance Sheet Debt (Including ST)	**$**	**9,515**
Working capital detail, excluding MTM		
Receivables	$	21
Receivables from affiliates		(29)
Inventory		20
Other current assets		101
Accounts payable		32
Accounts payable to affiliates		(75)
Taxes accrued		(46)
Other current liabilities		68
	$	**92**
FFO / Debt		**22.6%**

FFO to Debt Calculation
Duke Energy Florida
(In millions)

		Year Ended December 31, 2019 Actual
Cash From Operations	$	1,478
Adjust for Working Capital		(178)
Coal ash ARO spend		22
Include Capitalized Interest as cost		(3)
Adjust for CR3		(54)
Lease-imputed FFO adjustment (D&A)		79
Funds From Operations	**$**	**1,344**
Notes payable to affiliated companies	$	-
Current maturities of LT debt		571
LT debt		7,416
Adjust for CR3		(1,111)
Lease imputed debt		401
Underfunded Pension		77
Total Balance Sheet Debt (Including ST)	**$**	**7,354**
Working capital detail, excluding MTM		
Receivables	$	26
Receivables from affiliates		17
Inventory		42
Other current assets		156
Accounts payable		(36)
Accounts payable to affiliates		40
Taxes accrued		(31)
Other current liabilities		(36)
	$	178
FFO / Debt		**18.3%**

FFO to Debt Calculation
Duke Energy Indiana
(in millions)

	Year Ended December 31, 2019 Actual	
Cash From Operations	$	997
Adjust for Working Capital		2
Coal ash ARO spend		48
Include Capitalized Interest as cost		(26)
Lease-imputed FFO adjustment (D&A)		18
Funds From Operations	**$**	**1,039**
Notes payable to affiliated companies	$	30
Current maturities of LT debt		503
LT debt		3,404
LT debt payable to affiliates		150
CRC		186
Lease imputed debt		58
Total Balance Sheet Debt (Including ST)	**$**	**4,331**
Working capital detail, excluding MTM		
Receivables	$	(8)
Receivables from affiliates		41
Inventory		(95)
Other current assets		76
Accounts payable		(10)
Accounts payable to affiliates		4
Taxes accrued		(25)
Other current liabilities		15
	$	(2)
FFO / Debt		**24.0%**

FFO to Debt Calculation
Duke Energy Ohio
(In millions)

		Year Ended December 31, 2019 Actual
Cash From Operations	$	526
Adjust for Working Capital		(19)
Coal Ash ARO spend		8
Include capitalized interest as cost		(22)
Lease-imputed FFO adjustment (D&A)		10
Funds From Operations	**$**	**503**
Notes payable to affiliated companies	$	312
Current maturities of LT debt		-
LT debt		2,594
LT debt payable to affiliates		25
CRC		165
Lease imputed debt		22
Total Balance Sheet Debt (Including ST)	**$**	**3,118**
Working capital detail, excluding MTM		
Receivables	$	20
Receivables from affiliates		22
Inventory		(9)
Other current assets		(5)
Accounts payable		(17)
Accounts payable to affiliates		(10)
Taxes accrued		17
Other current liabilities		1
	$	**19**
FFO / Debt		**16.1%**

FFO to Debt Calculation
Piedmont Natural Gas
(in millions)

		Year Ended December 31, 2019 Actual
Cash From Operations	$	409
Adjust for Working Capital		88
Include Capitalized Interest as cost		(26)
Lease-imputed FFO adjustment (D&A)		4
Funds From Operations	$	475
Notes payable to affiliated companies	$	476
Current maturities of LT debt		-
LT debt		2,384
Lease imputed debt		27
Total Balance Sheet Debt (Including ST)	$	2,887
Working capital detail, excluding MTM		
Receivables	$	28
Receivables from affiliates		12
Inventory		(2)
Other current assets		(25)
Accounts payable		(7)
Accounts payable to affiliates		(35)
Taxes accrued		(60)
Other current liabilities		1
	$	(88)
FFO / Debt		16.5%

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **September 23, 2020**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY **DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 23, 2020, the Compensation Committee of the Board of Directors of Duke Energy Corporation (the "Corporation") approved amendments to the Corporation's nonqualified retirement plans to streamline the administration of the plans. The amendments do not change the contribution formula used to calculate benefits or increase the number of employees eligible to earn a benefit.

The Corporation maintains the Duke Energy Corporation Executive Cash Balance Plan (the "ECBP") and the Duke Energy Corporation Executive Savings Plan (the "ESP") for eligible participants, including the "named executive officers" identified in the Corporation's annual proxy statement.

The ECBP is a nonqualified defined benefit plan that provides supplemental pay credits (the "Make-Whole Benefit") to eligible participants whose pay credits under the tax-qualified Duke Energy Retirement Cash Balance Plan are limited by certain restrictions under the Internal Revenue Code of 1986, as amended ("Code"). The Make-Whole Benefit under the ECBP accrues interest based on a fixed rate of 4%. The ESP is a nonqualified defined contribution plan that provides eligible participants with an opportunity to defer a portion of their eligible compensation, and receive matching contributions to the extent their matching contributions under the Corporation's tax-qualified 401(k) plan (the Duke Energy Retirement Savings Plan (the "RSP")) are limited by certain restrictions under the Code. Participants can direct the investment of their account under the ESP based on the investment options available under the RSP.

The amendments to the ECBP and ESP provide that (i) no employee shall be eligible to earn an additional Make-Whole Benefit under the ECBP for any calendar month that commences after September 30, 2020, (ii) the Make-Whole Benefit for months prior to October 1, 2020 shall continue to be paid to participants in accordance with the terms of the ECBP, and (iii) effective as of October 1, 2020, each employee who would have been eligible to earn a Make Whole Benefit under the ECBP as in effect immediately prior to October 1, 2020, will be eligible to participate in the ESP and earn a corresponding Make-Whole Benefit under the ESP.

The foregoing description of the amendments to the ECBP and the ESP is qualified in its entirety by reference to the full text of each amendment, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

10.1	Amended and Restated Duke Energy Corporation Executive Cash Balance Plan, dated as of September 30, 2020
10.2	Amended and Restated Duke Energy Corporation Executive Savings Plan, dated as of October 1, 2020
104	Cover Page Interactive Data file (the Cover Page Interactive Data file is embedded within the Inline XBRL document)

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: September 23, 2020

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

Exhibit 10.1

AMENDMENT TO
DUKE ENERGY CORPORATION
EXECUTIVE CASH BALANCE PLAN
(as Amended and Restated Effective January 1, 2014)

The Duke Energy Corporation Executive Cash Balance Plan (the "Plan") is hereby amended, effective September 30, 2020, as follows:

1. A new Section 4.5 is added to the Plan as set forth below:

"4.5 Freeze of Make Whole-Whole Benefit Participation and Pay Credits to Make-Whole Account. Notwithstanding anything contained in Section 4.1 of the Plan to the contrary, no Make-Whole Account shall be established and no Make-Whole Benefit shall be provided to any Employee who becomes a Participant after September 30, 2020. Notwithstanding anything contained in Section 4.2 to the contrary, no Participant shall be eligible to receive any Pay Credits to a Make-Whole Account under the Plan for any calendar month that commences after September 30, 2020. The amounts credited to a Participant's Make-Whole Account for months prior to October 1, 2020 shall continue to be paid to the Participant or his Beneficiary on the dates on which the Participant or his Beneficiary would otherwise receive payments hereunder without regard to the elimination of Pay Credits for any calendar month that commences after September 30, 2020 (subject in all cases to the right of a Participant or the Company to modify the payment terms in accordance with the provisions of the Plan) and shall continue to be adjusted for Interest Credits as provided in Section 4.4 hereof."

2. Except as explicitly set forth herein, the Plan will remain in full force and effect.

DUKE ENERGY CORPORATION

By: /s/ Ronald R. Reising
Ronald R. Reising
Senior Vice President and Chief Human Resources Officer

Date: September 23, 2020

By: /s/ Kodwo Ghartey-Tagoe
Kodwo Ghartey-Tagoe
Executive Vice President, Chief Legal Officer and Corporate Secretary

Date: September 24, 2020

DUKE ENERGY CORPORATION
EXECUTIVE SAVINGS PLAN

(Amended and Restated Effective as of October 1, 2020)

PURPOSE

The purpose of the Plan is to provide deferred compensation for a select group of management or highly compensated employees. The Plan replaces certain plans previously maintained by the Company and its affiliates, as described in more detail in Article V. The Plan is intended to be a nonqualified, unfunded plan of deferred compensation for a select group of management or highly compensated employees under ERISA, and shall be so interpreted.

ARTICLE I
TITLE AND EFFECTIVE DATE

1.1 This Plan shall be known as the Duke Energy Corporation Executive Savings Plan (hereinafter referred to as the "Plan").

1.2 The Plan was first effective on January 1, 1997, has been amended from time to time thereafter, and is amended and restated as set forth herein, effective as of October 1, 2020.

ARTICLE II
DEFINITIONS

2.1 "Account" shall mean the record of deferrals and contributions and adjustments thereto maintained with respect to each Participant pursuant to Article VI. Each Participant's Account shall be a bookkeeping entry only and shall be used solely as a device to measure and determine the amounts, if any, to be paid to the Participant or his or her Beneficiary under the Plan.

2.2 "Affiliated Group" shall mean the Company and all entities with whom the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code, provided that in applying Section 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the term "at least 45 percent" is used instead of "at least 80 percent" each place it appears in Section 1563(a)(1), (2), and (3) of the Code, and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, the term "at least 45 percent" is used instead of "at least 80 percent" each place it appears in that regulation. Such term shall be interpreted in a manner consistent with the definition of "service recipient" contained in Section 409A of the Code.

2.3 "Base Pay" shall mean, for each Participant, the base salary as defined by the Company's normal payroll practices and procedures, payable by the Affiliated Group during a Plan Year (or which would have been paid during a Plan Year but for salary reductions and elective deferrals under Code Sections 125 and 401(k) and Base Pay deferrals under this Plan). In no event shall Base Pay include any compensation, whether paid or deferred, pursuant to Incentive Plans.

2.4 "Beneficiary" means the person or persons designated by a Participant, or by another person entitled to receive benefits hereunder, to receive benefits following the death of such person. If a person fails to specify a surviving Beneficiary, the person's estate shall be his or her Beneficiary.

2.5 "Board" shall mean the Board of Directors of the Company.

2.6 "CDP" shall mean the Duke Power Company Compensation Deferral Plan, first effective as of July 1, 1983.

2.7 "CDP Subaccounts" shall have the meaning provided in Section 6.3.

2.8 "Change in Control" shall be deemed to have occurred upon:

(a) an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then outstanding shares of common stock of Duke Energy Corporation or (B) the combined voting power of the then outstanding voting securities of Duke Energy Corporation entitled to vote generally in the election of directors; excluding, however, the following: (1) any acquisition directly from Duke Energy Corporation, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from Duke Energy Corporation, (2) any acquisition by Duke Energy Corporation and (3) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Duke Energy Corporation or its affiliated companies;

(b) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board (and any new directors whose election by the Board or nomination for election by Duke Energy Corporation's shareholders was approved by a vote of at least 2/3 of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(c) the consummation of a merger, consolidation, reorganization or similar corporate transaction which has been approved by the shareholders of Duke Energy Corporation, whether or not Duke Energy Corporation is the surviving corporation in such transaction, other than a merger, consolidation, or reorganization that would result in the voting securities of Duke Energy Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the combined voting power of the voting securities of Duke Energy Corporation (or such surviving entity) outstanding immediately after such merger, consolidation or reorganization;

(d) the consummation of (A) the sale or other disposition of all or substantially all of the assets of Duke Energy Corporation or (B) a complete liquidation or dissolution of Duke Energy Corporation, which has been approved by the shareholders of Duke Energy Corporation; or

(e) adoption by the Board of a resolution to the effect that any Person has acquired effective control of the business and affairs of Duke Energy Corporation.

2.9 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.10 "Committee" shall mean the Compensation Committee of the Board or its delegate.

2.11 "Company" shall mean Duke Energy Corporation and its successors, including, without limitation, the surviving corporation resulting from any merger or consolidation of Duke Energy Corporation with any other corporation, limited liability company, joint venture, partnership or other entity or entities.

2.12 "Compensation" means "Compensation" as defined in the Retirement Cash Balance Plan but without regard to the limitations of Section 401(a)(17) of the Code and including Participant deferrals under Sections 4.1 and 4.2 of this Plan (and excluding deferrals of LTIP Awards under Section 4.3 of this Plan).

2.13 "Company Matching Contribution" shall have the meaning provided in Section 4.5.

2.14 "Company Matching Subaccount" shall mean the subaccount established and maintained pursuant to Section 6.3.

2.15 "CRIDP" shall mean the Crescent Resources Incentive Deferral Plan as effective December 29, 1993.

2.16 "CRIDP Subaccounts" shall have the meaning provided in Section 6.3.

2.17 "Deferral Election" shall mean the Participant's election on a form approved by the Committee to defer a portion of his or her compensation in accordance with the provisions of Article IV.

2.18 "Duke Energy Common Stock Fund" shall mean the Investment Option that invests primarily in the Company's common stock.

2.19 "Duke Energy Common Stock - Stock Deferrals Subaccount" shall mean the subaccount established and maintained pursuant to Section 6.3.

2.20 "Employee" shall mean a person employed by the Affiliated Group.

2.21 "Employer Retirement Contribution" shall have the meaning provided in Section 4.6.

2.22 "Employer Retirement Subaccount" shall mean the subaccount established and maintained under Section 6.3.

2.23 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.24 "General Account" shall mean that portion of a Participant's Account that is not in a Subaccount.

2.25 "Incentive Plans" shall mean the executive incentive compensation or bonus plans sponsored by the Affiliated Group which are designated as "Incentive Plans" by the Committee from time to time.

2.26 "Investment Options" shall mean the various investment options that are made available from time to time under the Plan, which options generally shall correspond to the investment options made available from time to time under the Company's RSP.

2.27 "KEDCP" shall mean the Panhandle Eastern Corporation Key Executive Deferred Compensation Plan, as amended and restated effective January 1, 1996.

2.28 "Legacy Cinergy Plans" shall mean, collectively, the Cinergy Corp. 401(k) Excess Plan, Cinergy Corp. Nonqualified Deferred Incentive Compensation Plan and the Cinergy Corp. Excess Profit Sharing Plan.

2.29 "Legacy Cinergy Subaccounts" shall have the meaning provided in Section 6.3.

2.29A "Legacy Piedmont Plan" shall mean the Piedmont Natural Gas Company, Inc. Defined Contribution Restoration Plan.

2.29B "Legacy Piedmont Subaccounts" shall have the meaning provided in Section 6.3.

2.30 "Legacy Progress Plans" shall mean, collectively, the Progress Energy, Inc. Management Deferred Compensation Plan, the Progress Energy, Inc. Management Incentive Compensation Plan, and the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans.

2.31 "Legacy Progress Subaccounts" shall have the meaning provided in Section 6.3.

2.32 "LTIP Award" shall mean any award, other than a stock option or restricted stock award, granted under a long-term incentive plan maintained by the Affiliated Group (including the Company's 2006 Long-Term Incentive Plan and the 2010 Long-Term Incentive Plan).

2.33 "Make-Whole CB Benefit" means the benefit provided pursuant to Section 4.7 of the Plan.

2.34 "Make-Whole CB Subaccount" shall mean the subaccount established and maintained under Section 6.3 of the Plan.

2.35 "Participant" shall mean any Employee for whom an Account is maintained under the Plan. However for the purposes of Article IV, the term Participant shall mean only those Participants who remain eligible to participate in the Plan.

2.36 "Performance-Based Compensation" shall mean that portion of a Participant's compensation the amount of which, or the entitlement to which, is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least twelve (12) consecutive months, and which satisfies the requirements for "performance-based compensation" under Section 409A of the Code, including the requirement that the performance criteria be established in writing by not later than (i) ninety (90) days after the commencement of the period of service to which the criteria relates and (ii) the date the outcome ceases to be substantially uncertain. Where a portion of an amount of compensation would qualify as Performance-Based Compensation if the portion were the sole amount available under a designated incentive plan, that portion of the award will not fail to qualify as Performance-Based Compensation if that portion is designated separately on the Deferral Election or is otherwise separately identifiable under the terms of the designated incentive plan, and the amount of each portion is determined independently of the other.

2.37 "Plan" shall mean the Duke Energy Corporation Executive Savings Plan, as amended.

2.38 "Plan Year" shall mean the calendar year.

2.39 "Post-2004 Deferrals" shall have the meaning provided in Section 5.2(b).

2.40 "Pre-2005 Deferrals" shall have the meaning provided in Section 5.2(a).

2.41 "Retirement Cash Balance Plan" means the Duke Energy Retirement Cash Balance Plan, as amended.

2.42 "RSP" shall mean the Duke Energy Retirement Savings Plan, as amended.

2.43 "Separation from Service" shall mean a termination of employment with the Affiliated Group in such a manner as to constitute a "separation from service" as defined under Section 409A of the Code. To the extent permitted by Section 409A of the Code, the Committee retains discretion, in the event of a sale or other disposition of assets, to specify whether a Participant who provides services to the purchaser immediately after the transaction has incurred a Separation from Service. With respect to Pre-2005 Deferrals, the term "Separation from Service" shall mean a termination of employment within the meaning of the Plan or applicable Prior Plan as in effect immediately prior to October 3, 2004. With respect to Post-2004 Deferrals attributable to the Legacy Progress Plans and the Legacy Piedmont Plan, the definition of Affiliated Group as used in this Section shall be modified by deleting the phrase "at least 45 percent" each place it appears and inserting the phrase "at least 50 percent" in lieu thereof.

2.44 "Specified Employee" shall mean, as of any date, a "specified employee", as defined in Section 409A of the Code (as determined under the Company's policy for determining specified employees on the relevant date), of the Company or any entity which would be considered to be a single employer with the Company under Section 414(b) or Section 414(c) of the Code.

2.45 "Subaccounts" shall mean the Subaccounts established under Article VI.

2.46 "Unforeseeable Emergency" shall mean an "unforeseeable emergency" as defined under Section 409A of the Code. With respect to Pre-2005 Deferrals, the term "Unforeseeable Emergency" shall mean an unforeseeable emergency or financial hardship within the meaning of the Plan or Prior Plan as in effect immediately prior to 2008.

2.47 "Valuation Date" shall mean, with respect to a Participant, the first business day of the month following the month during which such Participant's Separation from Service occurs.

ARTICLE III
ELIGIBILITY

3.1 General Rule. Any Employee designated by the Committee shall be eligible to participate in the Plan on the date designated by the Committee and shall remain so eligible, while continuing to be an Employee, until designated ineligible to participate by the Committee. Notwithstanding the foregoing, only Employees who are members of a "select group of management or highly compensated employees" under ERISA may participate in the Plan. In lieu of expressly selecting Employees for Plan participation, the Committee may establish eligibility criteria providing for participation of all Employees who satisfy such criteria. The Committee may at any time, in its sole discretion, change the eligibility criteria for Employees such that all or certain Employees are not eligible for one or more Plan Years to make an election to defer one or more types of compensation, including Base Pay, Incentive Plan payments, LTIP Awards, dividend equivalents, and/or Company Matching Contributions.

3.2 Prior Plans. Notwithstanding anything contained in Section 3.1 to the contrary, any individual with respect to whom amounts have been assumed from Prior Plans as described in Section 5.1 shall automatically participate, and be a "Participant," in the Plan with respect to such amounts.

3.3 Termination of Eligibility. An individual's right to defer shall cease with respect to the Plan Year following the Plan Year in which he or she ceases to be eligible to participate in the Plan, although such individual shall continue to be subject to all of the terms and conditions of the Plan for as long as he or she remains a Participant. A Participant shall not be entitled to receive a Company Matching Contribution with respect to the Plan Year in which occurs his or her Separation from Service.

ARTICLE IV
PARTICIPANT DEFERRALS/COMPANY CREDITS

4.1 Base Pay Deferrals. Each eligible Participant may irrevocably elect to defer in accordance with the terms of this Plan, a percentage up to 75% (such percentage to be a multiple of 1%) of such Participant's Base Pay for the Plan Year. Unless an earlier date is specified by the Committee, such election must be made by the Participant not later than the beginning of such Plan Year or within 30 days of a Participant initially becoming eligible to participate in the Plan (or any other plan required to be aggregated with the Plan under Section 409A of the Code) under Section 3.1. In the event that a Participant first becomes eligible to participate in the Plan other than on the first day of a Plan Year, he or she shall have no right to defer Base Pay prior to the date that is 30 days after he or she initially becomes eligible to participate in the Plan, and his or her Deferral Election shall apply only to Base Pay earned beginning with the first payroll period that begins immediately after the date that is 30 days after he or she initially becomes eligible to participate in the Plan. Base Pay deferred pursuant to this Section shall be credited to the Participant's Account at the time such Base Pay otherwise would be paid to the Participant.

4.2 Incentive Plan Deferrals. Each eligible Participant may irrevocably elect to defer in accordance with the terms of this Plan, a percentage up to 75% (such percentage to be a multiple of 1%) of the amount payable with respect to a Plan Year to such Participant as an award under any Incentive Plans. Such election must be made by the Participant not later than the last day (or such earlier date as specified by the Committee) of the Plan Year immediately preceding the first day of the performance period for which such amount would otherwise be earned. Such amounts shall be credited to the Participant's Account as of the dates that award amounts under the Incentive Plans otherwise would be paid to the Participant.

4.3 Long-Term Incentive Plan Award Deferrals. Each eligible Participant may irrevocably elect to defer, in accordance with the terms of this Plan, the entire amount of any nonvested LTIP Award, subject to the following conditions:

(a) General Rule. Except as otherwise provided in this Section, the Deferral Election shall be made by, and shall become irrevocable as of, December 31 (or such earlier date as specified by the Committee) of the Plan Year next preceding the Plan Year for which such LTIP Award is granted.

(b) Compensation Subject to Vesting. To the extent permitted by the Committee, and notwithstanding anything contained in this Section to the contrary, the Deferral Election with respect to an LTIP Award that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date that the Participant obtains a "legally binding right" to such compensation (within the meaning of Section 409A of the Code) must be made by, and shall become irrevocable as of, the thirtieth day following the date that the Participant obtains the legally binding right to such compensation, provided that the election is made at least twelve months in advance of the earliest date at which the forfeiture condition could lapse. For this purpose, a condition will not be treated as failing to require the Participant to continue to provide services for a period of at least twelve months merely because the condition immediately lapses upon the death or disability (as defined in Section 409A of the Code) of the Participant, or upon a change in control (as defined in Section 409A of the Code), provided that if such death, disability, or change in control occurs and the condition lapses before the end of such twelve-month period, the Deferral Election made under this Section 4.3(b) shall not apply to such compensation.

(c) Performance-Based Compensation. To the extent permitted by the Company, and notwithstanding anything contained in this Section to the contrary, the Deferral Election with respect to an LTIP Award that constitutes Performance-Based Compensation must be made by, and shall become irrevocable as of, the date that is six months before the end of the applicable performance period (or such earlier date as specified by the Committee on the Deferral Election), provided that in no event may such Deferral Election be made after such LTIP Award has become "readily ascertainable" within the meaning of Section 409A of the Code. In order to make a Deferral Election under this Section 4.3(c), the Participant must perform services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date a Deferral Election becomes irrevocable under this Section 4.3(c). An election made under this Section 4.3(c) shall not apply to any portion of the Performance-Based Compensation that is actually earned by a Participant regardless of satisfaction of the performance criteria.

(d) Crediting Date. Upon the date that an LTIP Award that the Participant has elected to defer otherwise would have been payable, the number of shares of stock or the cash payment that would have become so payable but for the Deferral Election shall be credited to the Duke Energy Common Stock - Stock Deferrals Subaccount.

(e) Dividend Equivalents. Dividend equivalents, to the extent deferred, shall also be deferred and credited to the Participant's Duke Energy Common Stock - Stock Deferrals Subaccount commencing on the payment date of the first cash dividend of the Company's common stock that is declared after the date on which the deferred LTIP Award vests.

4.4 Dividend Equivalents Deferrals. Each eligible Participant may irrevocably elect to defer, in accordance with the terms of this Plan, 100% of the amounts that would otherwise become payable as dividend equivalents, with respect to an LTIP Award with respect to which the LTIP Award agreement specifically provides for the deferral of dividend equivalents. Such election must be made by the Participant at the time the Participant elects to defer receipt of the related LTIP Award pursuant to the terms of Section 4.3. Dividend equivalents that have been deferred shall be credited to the Participant's Duke Energy Common Stock - Stock Deferrals Subaccount as of the dates such amounts would otherwise become payable pursuant to such LTIP Award.

4.5 Retirement Savings Plan - Excess Matching Contribution. The Company maintains the RSP, pursuant to which Employees are permitted to make certain contributions with respect to which the Company makes matching contributions, based on the Employee's contribution election. It is the Company's intention to provide matching contribution credits under this Plan where matching contributions cannot be provided under the RSP due to: (i) the application of Section 401(a)(17) of the Code, (ii) the application of Section 402(g) of the Code or (iii) the application of Section 415 of the Code. Accordingly, during the first 90 days following each Plan Year, but only with respect to Participants who are eligible for such contributions as described below, the Participant's Account shall receive a credit (the "Company Matching Contribution") equal to the amount, if any, by which the lesser of the amounts in subparagraph (a) or (b) below, exceeds the amount in subparagraph (c) below; provided, however, that no such Company Matching Contribution shall be made if it relates to compensation attributable to services performed prior to the date that the distribution option election (or the default payment form) for that contribution becomes irrevocable. A Participant only shall be eligible for Company Matching Contributions for a Plan Year if (i) he or she was eligible to participate in the Plan during such Plan Year and (ii) was employed by the Affiliated Group as of the last day of such Plan Year.

(a) The maximum matching contribution the Participant was eligible to receive for the Plan Year under the RSP based upon the Participant's eligible compensation thereunder for the Plan Year, but determined without regard to the limitations of Code Section 401(a)(17) and any Base Pay deferrals and Incentive Plan deferrals pursuant to Sections 4.1 and 4.2.

(b) The Participant's eligible deferrals and contributions under the RSP for the Plan Year plus the Participant's Base Pay deferrals and Incentive Plan deferrals credited to the Participant's Account during the Plan Year pursuant to Sections 4.1 and 4.2.

(c) The Matching Contribution credited to the Participant's account under the RSP for the Plan Year.

4.6 Retirement Savings Plan - Employer Retirement Contribution. The Company maintains the RSP, pursuant to which certain employees are eligible to receive employer retirement contributions in the amount of 4% of eligible compensation thereunder, up to the compensation limit under Section 401(a)(17) of the Code. It is the Company's intention to provide employer retirement contribution credits under this Plan where employer retirement contributions cannot be provided under the RSP due to: (i) the application of Section 401(a)(17) of the Code or (ii) the application of Section 415 of the Code. Accordingly, on a payroll period basis, the Participant's Employer Retirement Subaccount shall receive a credit (the "Employer Retirement Contribution") equal to the amount, if any, by which the amount in subparagraph (a) below exceeds the amount in subparagraph (b) below. Each Participant's Employer Retirement Subaccount shall be fully vested and non-forfeitable at all times.

(a) The maximum employer retirement contribution the Participant was eligible to receive for such payroll period under the RSP based upon the Participant's eligible compensation thereunder for the Plan Year, but determined without regard to the limitations of Sections 401(a)(17) and 415 of the Code.

(b) The employer retirement contribution made to the Participant's account under the RSP for such payroll period.

4.7 Retirement Cash Balance Plan Make-Whole CB Benefit. Effective as of October 1, 2020, each Employee who, immediately prior to such date, was eligible to receive pay credits to his or her make whole account under Section 4.2 of the Duke Energy Corporation Executive Cash Balance Plan shall be eligible to participate in the Plan and receive a Make-Whole CB Benefit under this Section 4.7. The Committee may from time-to-time, and subject to Section 3.1 of the Plan, designate additional Employees who are eligible to receive a Make-Whole CB Benefit under this Section 4.7.

(a) For any month that a Participant is eligible to receive a Make-Whole CB Benefit, the Participant's Make-Whole CB Subaccount shall receive a credit equal to the excess, if any, of (i) the pay credit that would have been provided under the Retirement Cash Balance Plan for the month if the Retirement Cash Balance Plan used the definition of Compensation set forth herein and, to the extent determined by the Committee from time to time, other types of excluded pay were treated as eligible compensation under such plan; over (ii) the pay credit for the month that is actually made to the Participant's account under the Retirement Cash Balance Plan. In addition, the Make-Whole CB Benefit provides a credit to the Participant's Make-Whole CB Subaccount equal to any reduction in a benefit under the Retirement Cash Balance Plan resulting from the limitations imposed by Section 415 of the Code.

(b) A Participant who is eligible to receive a Make-Whole CB Benefit under this Section 4.7 shall have the opportunity to make payment elections for the amounts credited to his or her Make-Whole CB Subaccount in accordance with Section 7.2(b) of this Plan; provided that amounts credited to the Make-Whole CB Subaccount with respect to periods between October 1, 2020 and December 31, 2020 shall be subject to the Participant's existing payment election on file with respect to 2020 deferrals (or, if the Participant had not filed a payment election for 2020 deferrals under the Plan, or if the Participant first became eligible to participate in the Plan on October 1, 2020, such amounts shall be subject to the default distribution rules of Section 7.4(c) of the Plan).

(c) Each Participant's Make-Whole CB Subaccount shall be fully vested and non-forfeitable at all times.

(d) Each Participant's Make-Whole CB Subaccount shall be subject to Section 6.2 regarding phantom investment options, and, for purposes of clarity, are not eligible for interest credits within the meaning of the Duke Energy Corporation Executive Cash Balance Plan.

4.8 Other Company Contributions. The Company may, from time to time, in its sole discretion, direct that a special credit in such amount as the Company shall determine be made to a specified Participant's Account in order to (i) mitigate an unintended shortfall in a Company contribution, or (ii) implement provisions of an employment agreement. A special credit may be awarded subject to such vesting requirement as the Company shall determine (provided that upon a Change in Control, any special credit shall become vested if the affected Participant has not previously incurred a Separation from Service) and, notwithstanding any provision of this Plan to the contrary, to the extent any such special credit has not become vested, it shall not be paid under the Plan.

4.9 Elections. Unless otherwise specified by the Committee in accordance with procedures established from time to time, an election to defer Base Pay, Incentive Plan compensation and LTIP Awards shall apply only with respect to the compensation to which such election specifically relates, and such Deferral Election cannot be revoked. The Committee may, in its sole discretion, cancel a Participant's Deferral Election due to an Unforeseeable Emergency or a hardship distribution pursuant to Treasury Regulation Section 1.401(k)-1(d)(3).

ARTICLE V
FORMER PLANS AND TRANSITION RULES

5.1 Prior Plans. As described in more detail in Appendix A, the Plan governs the terms and conditions of all or a portion of the amounts previously earned under the following plans (each a "Prior Plan"): (i) the Duke Power Company Compensation Deferral Plan, first effective as of July 1, 1983 ("CDP"), (ii) the Panhandle Eastern Corporation Key Executive Deferred Compensation Plan as amended and restated January 1, 1996 ("KEDCP"), (iii) the Crescent Resources Incentive Deferral Plan ("CRIDP"), (iv) the Company's Supplementary Defined Contribution Plan, (v) the Company's Incentive Deferral Plan, (vi) the Cinergy Corp. 401(k) Excess Plan, (vii) the Cinergy Corp. Nonqualified Deferred Incentive Compensation Plan, (viii) the Cinergy Corp. Excess Profit Sharing Plan, (ix) the Progress Energy, Inc. Management Deferred Compensation Plan, (x) the Progress Energy, Inc. Management Incentive Compensation Plan, (xi) the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans, and (xii) the Piedmont Natural Gas Company, Inc. Defined Contribution Restoration Plan (the "Legacy Piedmont Plan"). For purposes of clarity, the Plan is the successor to the Duke Energy Corporation Executive Savings Plan I and the Duke Energy Corporation Executive Savings Plan II. Amounts that were previously payable under the Prior Plans and that have been credited to Accounts hereunder shall remain subject to the same vesting schedule and elections (including deferral and distribution elections) and beneficiary designations that were controlling under the applicable Prior Plan immediately prior to the date such amounts were credited to Accounts under the Plan until a new election is made in accordance with the terms of this Plan that by its terms supersedes the prior election. This Plan shall recognize any amount that was properly deferred by a Participant under a Prior Plan but that had not yet been credited to his or her account thereunder as of the date the obligations under such plan were assumed by this Plan. Each Participant's right to receive any benefit that has been transferred to this Plan shall be determined solely pursuant to the terms of this Plan. All of the Company's obligations and Participants' rights with respect to the amounts previously payable under the Prior Plan shall automatically be extinguished and become obligations and rights under this Plan without further action as of the applicable effective date set forth on Exhibit A.

5.2 Application of Code Section 409A to Prior Plans.

(a) Pre-2005 Deferrals. Any "amounts deferred" in taxable years beginning before January 1, 2005 under the Plan or Prior Plan, within the meaning of Section 409A of the Code, and any earnings thereon ("Pre-2005 Deferrals"), shall be governed by the terms of the Plan or Prior Plan, as applicable, as in effect on October 3, 2004, and it is intended that such amounts and any earnings thereon be exempt from the application of Section 409A of the Code. Nothing contained herein is intended to materially enhance a benefit or right existing under the Plan or Prior Plan as of October 3, 2004 or add a new material benefit or right to such Plan or Prior Plan.

(b) Post-2004 Deferrals. Any "amounts deferred" in taxable years beginning on or after January 1, 2005 under the Plan or Prior Plan, within the meaning of Section 409A of the Code, and any earnings thereon ("Post-2004 Deferrals"), shall be governed by the terms and conditions of the Plan.

ARTICLE VI
ACCOUNTS

6.1 Maintenance of Participant Accounts. An Account shall be established and maintained with respect to each Participant. Each Account shall reflect the amounts credited thereto pursuant to Article IV and V, plus or minus adjustments made in accordance with the provisions of this Article VI and reduced by distributions made in accordance with Article VII.

6.2 Phantom Investment Options. In accordance with such rules as the Committee shall approve, Investment Options shall be available hereunder that generally correspond with each RSP investment option and such other investment options as are determined to be appropriate by the Committee. Each Participant hereunder shall specify, in accordance with this Section and rules established by the Committee, the "investment" of his or her Account in one or more Investment Options hereunder, and may elect to transfer his or her Account among such Investment Options. The Participant's Account shall thereafter be automatically adjusted daily (or on such other basis as the Committee shall approve), upward or downward, in proportion to the total percentage return experienced for the respective period on amounts invested in the Investment Options. Accounts under the Plan shall be bookkeeping accounts reflecting units of phantom Investment Options hereunder which mirror the performance that would have resulted from an actual investment in the corresponding Investment Option(s). No amounts actually shall be invested hereunder in any Investment Option. Effective as of January 1, 2014, the portion (if any) of each Participant's Account that was credited to the Spectra Common Stock Fund was automatically reallocated to the U.S. Equity S&P 500 Index Fund Investment Option, and the Spectra Common Stock Fund is no longer available as an Investment Option under the Plan.

6.3 Subaccounts.

(a) Company Matching Subaccount. Amounts contributed to a Participant's Account as a Company Matching Contribution pursuant to Section 4.5 and Section 5.1 shall be held in a subaccount within such Participant's Account (the "Company Matching Subaccount").

(b) Subaccount for Deferrals of Stock Awards. Amounts credited to a Participant's Account pursuant to Section 4.3 shall be held in a subaccount within such Participant's Account (the "Duke Energy Common Stock - Stock Deferrals Subaccount"). The amounts in the Duke Energy Common Stock - Stock Deferrals Subaccount shall be credited and maintained as units of a share-based phantom investment that mirrors the performance of the Company's common stock (with cash dividends reinvested). No transfers may be made into or out of the Duke Energy Common Stock - Stock Deferrals Subaccount.

(c) CDP Subaccounts. The amounts originally credited under the CDP and transferred to a Participant's Account pursuant to Section 5.1 shall be maintained in one or two separate phantom Investment Option subaccounts (the "CDP Subaccounts"), and shall continue to be credited with interest at one of two fixed rate(s) (i.e., 10.5% or 17.5%) formerly applicable to such accounts under the CDP. At any time the Participant may elect to transfer any amount from such CDP Subaccounts to another Investment Option in the Participant's General Account, but no amount so removed from the CDP Subaccounts may be transferred back to such CDP Subaccounts.

(d) Legacy Cinergy Subaccounts. The amounts originally credited under the Legacy Cinergy Plans and transferred to a Participant's Account pursuant to Section 5.1 shall be maintained in separate subaccounts hereunder (the "Legacy Cinergy Subaccounts"). Amounts credited to the Cinergy Corp. 401(k) Excess Plan that are required to remain invested in an Investment Option that mirrors the performance of the Company's common stock shall be transferred to the Duke Energy Common Stock - Stock Deferrals Subaccount.

(e) CRIDP Subaccount. The amounts originally credited under the CRIDP and transferred to a Participant's Account shall be maintained in separate subaccounts hereunder (the "CRIDP Subaccounts").

(f) Legacy Progress Subaccounts. The amounts originally credited under the Legacy Progress Plans and transferred to a Participant's Account pursuant to Section 5.1 shall be maintained in separate subaccounts hereunder (the "Legacy Progress Subaccounts"). Amounts credited to the Legacy Progress Plans that are required to remain invested in an Investment Option that mirrors the performance of the Company's common stock shall be transferred to the Duke Energy Common Stock - Stock Deferrals Subaccount.

(g) Employer Retirement Subaccount. Amounts contributed to a Participant's Account as an Employer Retirement Contribution pursuant to Section 4.6 shall be held in a subaccount within such Participant's Account (the "Employer Retirement Subaccount").

(h) Legacy Piedmont Subaccounts. The amounts originally credited under the Legacy Piedmont Plan and transferred to a Participant's Account pursuant to Section 5.1 shall be maintained in a separate subaccount hereunder (the "Legacy Piedmont Subaccount"). Other than adjustments pursuant to Section 6.2, no additional amounts shall be credited to any Legacy Piedmont Subaccount after December 31, 2017.

(i) Make-Whole CB Subaccount. Amounts contributed to a Participant's Account as a Make-Whole CB Benefit pursuant to Section 4.7 shall be held in a subaccount within such Participant's Account (the "Make-Whole CB Subaccount").

6.4 Adjustments to Stock Funds. If there shall occur any merger, consolidation, liquidation, issuance of rights or warrants to purchase securities, recapitalization, reclassification, stock dividend, spin-off, split-off, stock split, reverse stock split or other distribution with respect to the shares of the Company, or any similar corporate transaction or event in respect of such shares, then the Committee shall, in the manner and to the extent that it deems appropriate and equitable to the Participants and consistent with the terms of this Plan, cause a proportionate adjustment to be made in number and kind of shares deemed held under the Plan. Moreover, in the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for any or all outstanding shares under the Plan such alternative consideration as it, in good faith, may determine to be equitable under the circumstances.

ARTICLE VII
BENEFITS

7.1 Separation from Service.

(a) General Rule. Upon the Participant's Separation from Service, for any reason, the amount in the Participant's Account shall be paid to the Participant (or to the Beneficiary designated pursuant to Section 8.1) in accordance with the terms of the distribution option elected by the Participant under Section 5.1 or this Article, except as otherwise provided in this Article.

(b) Participants Who Are Not Retirement Eligible - Pre-2005 Deferrals. Notwithstanding the above, if a Participant (i) has a Separation from Service for any reason, except death, layoff or disability, prior to becoming eligible for early or normal retirement under the Duke Energy Retirement Cash Balance Plan as in effect on October 3, 2004, without giving effect to amendments adopted thereafter, and (ii) has elected term payments of 10 years or 15 years, then the portion of that Participant's Account that is comprised of Pre-2005 Deferrals shall be paid instead for a 3-year term in accordance with Section 7.3(b).

7.2 Election of Distribution Option.

(a) Pre-2005 Deferrals. With respect to Pre-2005 Deferrals, each Participant has been provided the opportunity to elect from among the distribution options specified in Section 7.3, the manner in which such Participant's Account shall be paid following Separation from Service. A Participant may change his or her distribution option to a distribution option permitted under Section 7.3 by completing a new election form and delivering it to the Committee. A Participant's election to change the form of benefit payment shall become effective one year from the date on which the election form was submitted to the Committee, but only if the Participant has remained an Employee throughout such one year period. A Participant may not elect to change the distribution form or commencement date applicable to his or her CRIDP Subaccount or the portion of the Legacy Progress Subaccount attributable to deferrals under the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans. Notwithstanding the foregoing:

(i) Progress Energy, Inc. Management Deferred Compensation Plan. With respect to the portion of the Legacy Progress Subaccount attributable to Pre-2005 Deferrals under the Progress Energy, Inc. Management Deferred Compensation Plan, a Participant may elect at least one year prior to the applicable payment commencement date (which was originally elected on a class-year basis), and on a form provided by the Company, a new payment commencement date that either is five years from the then current payment commencement date or otherwise is permitted under Section 7.3(e)(i)(A)(II) or (III). Only one such new election will be permitted with respect to the Participant's Pre-2005 Deferrals relating to a particular class year. In addition, the Participant may elect, on a form provided by the Committee, to change the form of distribution to any of the forms permitted under Section 7.3(e)(i)(B) with respect to such Pre-2005 Deferrals at least one year prior to the applicable payment commencement date for such accounts.

(b) Post-2004 Deferrals. With respect to each amount deferred under the Plan after 2007, each Participant shall, in accordance with procedures established from time to time by the Committee and no later than the last day for filing the Deferral Election to which such deferrals relate, be entitled to make a separate class-year election from among the distribution options specified in Section 7.4. With respect to all amounts deferred under the Plan after 2004 and before 2008, each Participant has been provided, in accordance with procedures established from time to time by the Committee consistent with Section 7.10, the opportunity to make a single election (which may be separate for LTIP Award deferrals and all other amounts) from among the distribution options specified in Section 7.4. A Participant may not elect to change such elections. With respect to Post-2004 Deferrals, each Participant under the Legacy Progress Plans has been provided the opportunity to make a separate class-year election from among the payment commencement date and form of payment options specified in Section 7.4(e). A Participant may not elect to change such elections. Notwithstanding the foregoing or any other provision of this Plan to the contrary, no Participant under the Legacy Piedmont Plan has been or will be provided an opportunity to make any election with respect to the time or form of distribution of his or her Legacy Piedmont Account.

7.3 Distribution Options for Pre-2005 Deferrals. Subject to the foregoing, the following distribution options are available with respect to Pre-2005 Deferrals:

(a) Lump Sum. Payment of the full amount of the Participant's Account on the first business day of the month following the month in which Separation from Service occurs.

(b) Term Payments. Payments on a monthly basis over a term of years, which shall be either 3 years, 10 years, or 15 years, as follows: The Company shall determine the amount of the Participant's Account on the Valuation Date, and as of the first business day of each month thereafter. The Participant shall receive on the first business day of each month during the term, beginning with the first business day of the month following the Valuation Date, an amount determined pursuant to the following formula:

$$\text{amount} = \frac{V}{N}$$

where

N represents the number of months remaining in the term (including the month for which the payment is being calculated) and

V represents the amount of the Participant's Account as of the date the payment is being calculated.

Any remaining balance in the Participant's Account shall be paid to the Participant on the first business day of the last month of the term. Distributions from the Participant's Duke Energy Common Stock - Stock Deferrals Subaccount shall be on an annual, rather than a monthly basis, and the formula set forth above shall be reformed accordingly. Term payments from the Duke Energy Common Stock - Stock Deferrals Subaccount shall be made on the first business day of the month immediately following each anniversary of the Valuation Date.

(c) Legacy Cinergy Plans. Notwithstanding Section 7.3(a) and (b), Pre-2005 Deferrals attributable to the Legacy Cinergy Plans shall be payable only in a lump sum payment or in substantially equal annual installments over a specified number of whole years from 2 to 10 years. Distribution of the Participant's Account shall commence no later than 30 days after Separation from Service. Subsequent installments shall be payable on or as soon as administratively practicable following each anniversary of the payment commencement date. If a Participant failed to make an election under the terms of the applicable Legacy Cinergy Plan and this Plan, the portion of his or her Account attributable to Pre-2005 Deferrals under such applicable Legacy Cinergy Plan shall be distributed in five substantially equal annual installments commencing no later than 30 days after Separation from Service.

(d) CRIDP. Notwithstanding Section 7.3(a) and (b), all amounts in the CRIDP Subaccounts shall be payable only in accordance with a Participant's original distribution election, in annual installments commencing as soon as practicable following the date on which the Participant has a Separation from Service and ending no later than the fifteenth anniversary of such date.

(e) Legacy Progress Plans. Notwithstanding Section 7.1(b) and Section 7.3(a) and (b), Pre-2005 Deferrals attributable to the Legacy Progress Plans shall be payable as follows:

(i) Progress Energy, Inc. Management Deferred Compensation Plan. With respect to the portion of the Legacy Progress Subaccounts attributable to deferrals under the Progress Energy, Inc. Management Deferred Compensation Plan, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment until (I) the April 1 following the date that is five years from the last day of such Plan Year, (II) the April 1 following the Participant's Retirement, or (III) the April 1 following the first anniversary of the Participant's Retirement; and (B) provide for the payment of such Plan Year deferrals in the form of a lump sum or approximately equal annual installments over a period extending from two years to ten years (by paying a fraction of the account balance each year during such period), as elected by the Participant. Notwithstanding the foregoing, in the event of the Separation from Service of a Participant for any reason, prior to Retirement or death, such amounts shall be paid following Separation from Service in a lump sum. In all cases, payment shall commence no later than 30 days after the payment commencement date. For this purpose, "Retirement" shall mean a Participant's Separation from Service on or after attaining either age 65 with 5 years of service, age 55 with 15 years of service, 35 years of service, or eligibility for retirement under the Supplemental Senior Executive Retirement Plan of Progress Energy, Inc. if covered under such plan.

(ii) Progress Energy, Inc. Management Incentive Compensation Plan. With respect to the portion of the Legacy Progress Subaccounts attributable to deferral of awards under the Progress Energy, Inc. Management Incentive Compensation Plan, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment of an award until (I) any date that is at least five years subsequent to the date the award would otherwise be payable, but not later than the second anniversary of the Participant's Retirement, or (II) any date that is within two years following the Participant's Retirement; and (B) provide for the payment of such deferred awards in the form of a lump sum or approximately equal annual installments over a period extending from two years to ten years (with the amount of the annual payment determined by dividing the balance in the Participant's Subaccount by the total remaining number of annual payments to be received by the Participant). Notwithstanding the foregoing, in the event of the Separation from Service of a Participant for any reason, prior to the Retirement or death of the Participant, such amounts shall be paid in a lump sum following the Separation from Service. With respect to the portion of the Legacy Progress Subaccounts attributable to "incentive performance units" (as defined in the Progress Energy, Inc. Management Incentive Compensation Plan), the following rules shall apply: the incentive performance units shall be forfeited by the Participant if he or she terminates employment either voluntarily or involuntarily other than for death or Retirement prior to five years from March 15 of the year in which payment would have been made if the award had not been deferred; provided, however, that if before such date the employment of the Participant is terminated by the Company without Cause, the incentive performance units shall not be forfeited but shall be payable to the Participant in a single lump sum following separation. In all cases, payment shall commence no later than 30 days after the payment commencement date. For this purpose, "Retirement" shall mean a Participant's Separation from Service on or after attaining either age 65 with 5 years of service, age 55 with 15 years of service, or 35 years of service.

(iii) Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans. With respect to the portion of the Legacy Progress Subaccounts attributable to deferrals under the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment until (I) the April 1 following the date that is at least five years from the last day of such Plan Year (provided that if the Participant Retires prior to the scheduled payment date, the payment shall instead be made no later than April 1 following the first anniversary of the Participant's Retirement), (II) the April 1 following the Participant's Retirement, or (III) the April 1 following the first anniversary of the Participant's Retirement; and (B) provide for the payment of such Plan Year deferrals in the form of a lump sum or approximately equal annual installments over a period extending from two years to five years (by paying a fraction of the account balance each year during such period), as elected by the Participant. In the event of the Separation from Service of a Participant for any reason other than the death, Disability or Retirement of the Participant, the vested amounts shall be paid following separation in a lump sum. In all cases, payment shall commence no later than 30 days after the payment commencement date. For purposes of this Section 7.3(e)(iii), "Retirement" shall mean (x) for performance shares granted prior to 1999, a Participant's Separation from Service on or after attaining either age 65, age 55 with 15 years of service, or 35 years of service, and (y) for performance shares granted during and after 1999 but prior to 2005, a Participant's Separation from Service on or after attaining either age 65 with 5 years of service, age 55 with 15 years of service, or 35 years of service. For purposes of this Section 7.3(e)(iii), "Disability" shall mean the mental or physical disability, either occupational or non-occupational in origin, of the Participant defined as "total disability" in the Long-term Disability Plan of Progress Energy, Inc. as in effect on October 3, 2004, or a determination by the Committee of total disability based on medical evidence that precludes the Participant from engaging in any occupation or employment for wage or profit for at least twelve months and appears to be permanent.

7.4 Distribution Options for Post-2004 Deferrals. Subject to the foregoing, the following distribution options are available with respect to Post-2004 Deferrals:

(a) Lump Sum. Payment of the full amount of the Participant's Account on the first business day of the month following the month in which Separation from Service occurs.

(b) Term Payments. Payments on a monthly basis over a term of years, which shall be any number of whole years from 2 to 10 years, or 15 years, as follows: The Company shall determine the amount of the Participant's Account on the Valuation Date, and as of the first business day of each month thereafter. The Participant shall receive on the first business day of each month during the term, beginning with the first business day of the month following the Valuation Date, an amount determined pursuant to the following formula:

amount = $\frac{V}{N}$

where

N represents the number of months remaining in the term (including the month for which the payment is being calculated) and

V represents the amount of the Participant's Account as of the date the payment is being calculated.

Any remaining balance in the Participant's Account shall be paid to the Participant on the first business day of the last month of the term. Distributions from the Participant's Duke Energy Common Stock - Stock Deferrals Subaccount shall be on an annual, rather than a monthly basis, and the formula set forth above shall be reformed accordingly. Term payments from the Duke Energy Common Stock - Stock Deferrals Subaccount shall be made on the first business day of the month immediately following each anniversary of the Valuation Date.

(c) Default Distribution Option. To the extent that a Participant does not designate the form of payment of an amount deferred or contributed to his or her Account, such amount (adjusted for earnings and losses) shall be distributed in a single lump sum on the first business day of the month following the month in which Separation from Service occurs.

(d) Employer Retirement Subaccount. Notwithstanding Section 7.4(a), (b) and (c), amounts contributed to a Participant's Employer Retirement Subaccount shall be paid to the Participant or his or her Beneficiary in a single lump sum on the first business day of the month following the month in which Separation from Service occurs.

(e) Legacy Progress Plans. Notwithstanding Section 7.4(a), (b) and (c), Post-2004 Deferrals attributable to the Legacy Progress Plans shall be payable as follows:

(i) Progress Energy, Inc. Management Deferred Compensation Plan. With respect to the portion of the Legacy Progress Subaccounts attributable to deferrals under the Progress Energy, Inc. Management Deferred Compensation Plan, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment until (I) the April 1 following the date that is five years from the last day of such Plan Year (provided that if the Participant Retires prior to the scheduled payment date, the payment shall instead be made no later than April 1 following the first anniversary of the Participant's Retirement), (II) the April 1 following the Participant's Retirement, or (III) the April 1 following the first anniversary of the Participant's Retirement; and (B) provide for the payment of such Plan Year deferrals in the form of a lump sum or approximately equal annual installments over a period extending from two years to ten years (by paying a fraction of the account balance each year during such period), as elected by the Participant. Notwithstanding the foregoing, in the event of the Separation from Service of a Participant for any reason prior to Retirement or death, the vested amounts shall be paid following separation in a single lump sum. In the event of the Separation from Service of a Participant who was a member of the "Senior Management Committee" of Progress Energy, Inc. for whom no deferral election was made for a Plan Year, any matching allocation and deemed investment return shall be distributed to the Participant following separation in a lump sum. In all cases, payment shall commence no later than 60 days after the payment commencement date. For this purpose, "Retirement" shall mean a Participant's Separation from Service on or after attaining either age 65 with 5 years of service, age 55 with 15 years of service, 35 years of service, or eligibility for retirement under the Supplemental Senior Executive Retirement Plan of Progress Energy, Inc. if covered under such plan.

(ii) Progress Energy, Inc. Management Incentive Compensation Plan. With respect to the portion of the Legacy Progress Subaccounts attributable to deferrals of awards under the Progress Energy, Inc. Management Incentive Compensation Plan, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment of an award until (I) any date that is at least five years subsequent to the date the award would otherwise be payable, but not later than the second anniversary of the Participant's Retirement, or (II) any date that is within two years following the Participant's Date of Retirement; and (B) provide for the payment of such deferred awards in the form of a lump sum or approximately equal annual installments over a period extending from two years to ten years (with the amount of the annual payment determined by dividing the balance in the Participant's Subaccount by the total remaining number of annual payments to be received by the Participant). Notwithstanding the foregoing, in the event of the Separation from Service of a Participant for any reason, prior to the Retirement of the Participant, the amounts shall be paid in a lump sum following Separation from Service. With respect to the portion of the Legacy Progress Subaccounts attributable to "incentive performance units" (as defined in the Progress Energy, Inc. Management Incentive Compensation Plan), the following rules shall apply: the incentive performance units shall be forfeited by the Participant if he or she terminates employment either voluntarily or involuntarily other than for death or Retirement prior to five years from March 15 of the year in which payment would have been made if the award had not been deferred; provided, however, that if before such date the employment of the Participant is terminated by the Company without Cause, the incentive performance units shall not be forfeited but shall be payable to the Participant in a single lump sum following separation. In all cases, payment shall commence no later than 60 days after the payment commencement date. For this purpose, "Retirement" shall mean a Participant's Separation from Service on or after attaining either age 65 with 5 years of service, age 55 with 15 years of service, or 35 years of service.

(iii) Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans. With respect to the portion of the Legacy Progress Subaccounts attributable to deferrals under the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans, Participants had the opportunity to elect with respect to each Plan Year to (A) defer the payment until (I) the April 1 following the date that is at least five years from the last day of such Plan Year (provided that, if the Participant Retires prior to the scheduled payment date, the payment shall instead be made no later than April 1 following the first anniversary of the Participant's Retirement, for performance shares granted prior to 2005, and on the later of the April 1 following the first anniversary of Retirement or the April 1 of the year following the end of the applicable performance period, for performance shares granted during and after 2005), (II) the April 1 following the Participant's Retirement, or (III) the April 1 following the first anniversary of the Participant's Retirement; and (B) provide for the payment of such Plan Year deferrals in the form of a lump sum or approximately equal annual installments over a period extending from two years to five years (by paying a fraction of the account balance each year during such period), as elected by the Participant. In the event of the Separation from Service of a Participant for any reason other than death, "Disability" (as defined in Section 7.3(e)(iii) of the Plan) or Retirement, the vested amounts attributable to performance shares granted prior to 2005 shall be paid following separation in a lump sum, and in the event of the Separation from Service of a Participant for any reason other than Retirement, the vested amounts attributable to performance shares granted during and after 2005 shall be paid following separation in a lump sum. In all cases, payment shall commence no later than 60 days after the payment commencement date. For purposes of this Section 7.4(e)(iii), "Retirement" shall mean (x) for performance shares granted after 2004 but prior to 2008, a Participant's Separation from Service on or after attaining age 65 with 5 years of service, age 55 with 15 years of service, or 35 years of service, and (y) for performance shares granted after 2007, a Participant's Separation from Service on or after attaining age 65 or age 55 with 10 years of service.

(f) Legacy Piedmont Plan. Notwithstanding Section 7.4(a), (b), (c) and (d), a Participant's Legacy Piedmont Subaccount shall be payable in cash as follows:

(i) Except to the extent otherwise provided in Sections 7.4(f)(ii) and 7.11, following the Participant's Separation from Service, the Participant shall receive payment of the balance of the Participant's Legacy Piedmont Subaccount (as adjusted under Sections 6.2 and 6.3(h) through the date of distribution) in five installments. The first installment shall be paid to the Participant within 90 days after the Participant's Separation from Service. Subsequent installments shall be paid to the Participant in each succeeding January. Notwithstanding the foregoing, if the Participant's Legacy Piedmont Subaccount balance does not exceed $25,000 as of the date the installment payments would otherwise commence, then the entire amount of the Participant's Legacy Piedmont Subaccount balance shall be paid to the Participant in a single lump sum payment. The dollar amount in the immediately preceding sentence shall be increased (or decreased) as of January 1, 2010 and each January 1 thereafter by the increase (or decrease) in the U.S. Consumer Price Index for All Urban Consumers (CPI-U) since the immediately preceding January 1.

(ii) Notwithstanding Section 7.4(f)(i), in the event of a Participant's Separation from Service between October 3, 2016 and October 2, 2018, the Participant's Legacy Piedmont Subaccount shall be distributed in a lump-sum payment.

7.5 Payments After Death. If a Participant (or a Beneficiary previously designated by a deceased Participant) dies before receiving all amounts payable hereunder, then the remaining amounts payable shall be paid to the specified Beneficiary of such deceased person in accordance with the distribution option in effect, but subject to Section 7.6; provided, however, that with respect to the portion of the Legacy Progress Subaccounts attributable to deferrals under the Progress Energy, Inc. Management Deferred Compensation Plan, and Post-2004 Deferrals under the Progress Energy, Inc. Management Incentive Compensation Plan, the remaining amounts shall be paid to the specified Beneficiary in a single lump sum within 60 days after death. Notwithstanding the foregoing, with respect to Pre-2005 Deferrals (other than those attributable to the Legacy Cinergy Plans and the Progress Legacy Plans), if a person receiving payments over a term of years dies and an estate is such person's Beneficiary, then such term payments shall cease and the remaining amount credited to the Account shall be paid to such estate in a single lump sum within 60 days after the date of death. Notwithstanding the foregoing or any other provision of this Plan to the contrary, if a Participant dies before the Participant's Legacy Piedmont Subaccount has been fully paid to the Participant, such Participant's remaining Legacy Piedmont Subaccount shall be paid to the Participant's Beneficiary in a single lump sum within 90 days after the Participant's death.

7.6 Small Payments. If the portion of a Participant's Account balance attributable to Pre-2005 Deferrals, other than amounts in the Legacy Cinergy Subaccounts and the Legacy Progress Subaccounts, and amounts transferred from the CRIDP on January 1, 2008, at Separation from Service is less than $25,000, the Participant's Account shall automatically be paid in a lump sum as soon as practicable following Separation from Service.

7.7 Form of Payment. All amounts due under the Plan shall be paid in cash, except that units in the Duke Energy Common Stock - Stock Deferrals Subaccount shall be converted to whole shares of the Company's common stock and cash for any fractional share. To the extent that the delivery of any shares of the Company's common stock to a Participant under this Plan otherwise would cause all or any portion of the Plan to be considered an "equity compensation plan" as such term is defined in Section 303A(8) of the New York Stock Exchange Listed Company Manual or any successor rule ("Listed Company Manual"), then such shares shall be paid from, and shall count against the share reserve of, a Company-sponsored "equity compensation plan" designated by the Committee that complies with the shareholder approval requirements contained in the Listed Company Manual.

7.8 Acceleration of Payment in the Event of Unforeseeable Emergency. A Participant shall have the right to request, on a form provided by the Committee, an accelerated payment of all or a portion of his or her Account in a lump sum if he or she experiences an Unforeseeable Emergency. The Committee shall have the sole discretion to determine, in accordance with the standards and to the extent it would not result in a material modification of Pre-2005 Deferrals under Section 409A of the Code, whether to grant such a request and the amount to be paid pursuant to such request. Whether a Participant is faced with an Unforeseeable Emergency permitting a payment under this Section is to be determined based on the relevant facts and circumstances of each case, but, in any case, a payment on account of an Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan. Payments because of an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the payment). Payment shall be made within thirty days following the determination by the Committee that a withdrawal shall be permitted under this Section, or such later date as may be required under Section 7.11. No amounts attributable to the Cinergy Corp. Excess Profit Sharing Plan or the Progress Energy, Inc. Key Manager Performance Share Sub-Plans may be distributed pursuant to this Section.

7.9 In-Service Distribution - Certain Pre-2005 Deferrals. Notwithstanding any other provision of this Article VII, but only with respect to the portion of a Participant's Account balance attributable to Pre-2005 Deferrals, other than amounts in the Legacy Cinergy Subaccounts and the Legacy Progress Subaccounts, a distribution shall be made to any Participant who, prior to Separation from Service, files a written request for an immediate lump sum distribution in an amount not less than $25,000 (the entire account balance in the case of Accounts that are valued at less than $25,000), and who simultaneously agrees in writing to a permanent forfeiture equal to 10% of the amount requested as a distribution. Such distribution, less the 10% forfeiture, shall be made within 30 days following receipt by the Company of the signed request for distribution and forfeiture agreement. Distributions under this Section shall be removed from a Participant's Accounts on a prorated basis.

7.10 Transition Relief for Payment Elections – Post-2004 Deferrals. With respect to Post-2004 Deferrals, Participants designated by the Committee were provided the opportunity no later than December 31, 2008 or such other date as permitted under Section 409A of the Code) to elect on a form provided by the Committee to (a) change the date of payment of his or her Subaccounts to a date otherwise permitted for that Subaccount under the Plan; (b) change the form of payment of his or her Subaccounts to a form of payment otherwise permitted for that Subaccount under the Plan; or (c) receive payment of all or a designated portion of one or more of his or her Subaccounts in a single lump sum on a date in 2009 designated by the Committee. The Committee may also take any action that it deems necessary, in its sole discretion, to amend prior Deferral Elections or payment elections of a Participant, without the Participant's consent, to conform such elections to the terms of this Plan. This Section is intended to comply with Notice 2007-86, any subsequent notice or guidance, and the applicable proposed and final Treasury Regulations issued under Section 409A of the Code and shall be interpreted in a manner consistent with such intent.

7.11 Mandatory Six-Month Delay – Post-2004 Deferrals. Except as otherwise provided in Section 7.12, with respect to any Participant who is a Specified Employee as of his or her Separation from Service, the payment of Post-2004 Deferrals that are otherwise payable pursuant to the Participant's Separation from Service shall commence within 60 days after the first business day of the seventh month following such Separation from Service (or if earlier, upon the Participant's death).

7.12 Discretionary Acceleration of Payment. The Committee may, in its sole discretion, accelerate the time or schedule of a payment of Post-2004 Deferrals under the Plan to a time or form otherwise permitted under Section 409A of the Code in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j) (e.g., relating to domestic relations orders, employment taxes, conflict of interests, income inclusion under Section 409A, state, local or foreign taxes, offsets, bona fide disputes and small accounts); provided that in no event may a payment be accelerated following a Specified Employee's Separation from Service to a date that is prior to the first business day of the seventh month following that Participant's Separation from Service (or if earlier, upon the Participant's death) unless specifically permitted under Section 409A of the Code (e.g., relating to domestic relations orders, employment taxes and conflict of interests). Except as otherwise specifically provided in this Plan, the Committee may not accelerate the time or schedule of any payment or amount scheduled to be paid under the Plan within the meaning of Section 409A of the Code.

7.13 Discretionary Delay of Payments. The Committee may, in its sole discretion, delay the time or form of payment of Post-2004 Deferrals under the Plan to a time or form otherwise permitted under Section 409A of the Code in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-2(b)(7) (e.g., relating to compliance with Section 162(m) of the Code, federal securities laws or other applicable laws); provided that the Committee treats all payments to similarly situated Participants on a reasonably consistent basis.

7.14 Actual Date of Payment. If calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant (or Beneficiary), the payment will be treated as made upon the date specified under the Plan if the payment is made during the first calendar year in which the calculation of the amount of the payment is administratively practicable. Notwithstanding the foregoing, payment must be made no later than the latest possible date permitted under Section 409A of the Code. Moreover, notwithstanding any other provision of this Plan to the contrary except Section 7.11, and to the extent permitted by Section 409A of the Code, a payment will be treated as made upon the date specified under the Plan if the payment is made as close as administratively practicable to the relevant payment date specified herein, and in any event within the same calendar year.

ARTICLE VIII
BENEFICIARY

8.1 Designation of Beneficiary. A Participant shall designate a Beneficiary to receive benefits under the Plan by submitting to the Committee a Designation of Beneficiary in the form required by the Committee. If more than one Beneficiary is named, the share and precedence of each Beneficiary shall be indicated. A Participant shall have the right to change the Beneficiary by submitting to the Committee a Change of Beneficiary in the form provided, but no change of Beneficiary shall be effective until acknowledged in writing by the Company. If a deceased Participant has failed to specify a surviving Beneficiary then the Participant's estate shall be considered to be the Beneficiary.

8.2 Designation by Beneficiary. A Beneficiary who has become entitled to receive benefits shall designate a Beneficiary.

8.3 Discharge of Obligations. Any payment made by the Company, in good faith and in accordance with this Plan, shall fully discharge the Company from all further obligations with respect to that payment. If the Company has any doubt as to the proper Beneficiary to receive payments hereunder, the Company shall have the right to withhold such payments until the matter is finally adjudicated.

8.4 Payment to Minors and Incapacitated Persons. In the event that any amount is payable to a minor or to any person who, in the judgment of the Committee, is incapable of making proper disposition thereof, such payment shall be made to the legal guardian of the property of such minor or such person. The Company shall make such payments as directed by the Committee without the necessary intervention of any guardian or like fiduciary, and without any obligation to require bond or to see to the further application of such payment. Any payment so made shall be in complete discharge of the Plan's obligation to the Participant and his or her Beneficiaries.

ARTICLE IX
NATURE OF COMPANY'S OBLIGATION

9.1 Unsecured Promise. The Company's obligation to the Participant under this Plan shall be an unfunded and unsecured promise to pay. The rights of a Participant or Beneficiary under this Plan shall be solely those of an unsecured general creditor of the Company. The Company shall not be obligated under any circumstances to set aside or hold assets to fund its financial obligations under this Plan. Notwithstanding the immediately preceding sentence, in the case of a Change in Control, the Company shall irrevocably set aside funds in an irrevocable "rabbi trust" in an amount that is sufficient to pay each Participant the value of the Participant's Legacy Progress Subaccounts, if any, as of the date on which the Change in Control occurs; provided, however, that the trust shall not be funded if the funding thereof would result in taxable income to the Participant by reason of Section 409A(b) of the Code; and provided, further, in no event shall any trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code.

9.2 No Right to Specific Assets. Notwithstanding the foregoing, the Company may, in its sole discretion establish such accounts, trusts, insurance policies or arrangements, or any other mechanisms it deems necessary or appropriate to account for or fund its obligations under the Plan. Any assets which the Company may set aside, acquire or hold to help cover its financial liabilities under this Plan are and remain general assets of the Company subject to the claims of its creditors. The Company does not give, and the Plan does not give, any beneficial ownership interest in any assets of the Company to a Participant or Beneficiary. All rights of ownership in any assets are and remain in the Company. Any general asset used or acquired by the Company in connection with the liabilities it has assumed under this Plan shall not be deemed to be held under any trust for the benefit of the Participant or any Beneficiary, and no general asset shall be considered security for the performance of the obligations of the Company. Any asset shall remain a general, unpledged, and unrestricted asset of the Company.

9.3 Plan Provisions. The Company's liability for payment of benefits shall be determined only under the provisions of this Plan, as it may be amended from time to time.

ARTICLE X
TERMINATION, AMENDMENT, MODIFICATION OR SUPPLEMENTATION OF PLAN

10.1 Right to Terminate and Amend. The Committee retains the sole and unilateral right to terminate, amend, modify or supplement this Plan, in whole or in part, at any time. The Committee may delegate the right to amend the Plan, subject to any limitations it may impose, to an officer of the Company. No such action shall adversely affect a Participant's right to receive amounts then credited to a Participant's Account with respect to events occurring prior to the date of such amendment. With respect to Post-2004 Deferrals, subject to Section 7.11 hereof, the Committee may, in its sole discretion to the extent permitted in Section 409A of the Code, provide for the acceleration of the time or schedule of a payment under the Plan upon the termination of the Plan. With respect to Pre-2005 Deferrals attributable to the Legacy Cinergy Plans, the Committee may, in its sole discretion, provide for the acceleration of the time or schedule of a payment under the Plan provided such payments commence no later than the earlier of a Participant's death or Separation from Service.

10.2 Change in Control. In the event of a Change in Control, the Plan shall become irrevocable and may not be amended or terminated without the written consent of each Plan Participant who may be affected in any way by such amendment or termination, either at the time of such action or at any time thereafter. This restriction in the event of a Change in Control shall be determined by reference to the date any amendment or resolution terminating the Plan is actually signed by an authorized party rather than the date such action purports to be effective.

ARTICLE XI
RESTRICTIONS ON ALIENATION OF BENEFITS

11.1 No Assignment. Except as permitted by the Plan, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge these benefits shall be void. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to the benefit. If any Participant or Beneficiary under the Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then the right or benefit, in the discretion of the Committee, shall cease. In these circumstances, the Committee may hold or apply the benefit payment or payments, or any part of it, for the benefit of the Participant or his or her Beneficiary, the Participant's spouse, children, or other dependents, or any of them, in any manner and in any portion that the Committee may deem proper. Notwithstanding the foregoing, to the extent permitted by Section 409A of the Code and subject to Section 7.12, the Committee shall honor a judgment, order or decree from a state domestic relations court which requires the payment of part or all of a Participant's or Beneficiary's interest under this Plan to an "alternate payee" as defined in Section 414(p) of the Code.

ARTICLE XII
ADMINISTRATION

12.1 Top Hat Plan. The Company intends for the Plan to be "top-hat" plan for a select group of management or highly compensated employees which is exempt from substantially all of the requirements of Title I of ERISA pursuant to Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA. The Company is the Plan sponsor under Section 3(16)(B) of ERISA.

12.2 Plan Administrator. The Committee is the administrator of the Plan within the meaning of Section 3(16)(A) of ERISA. As administrator, the Committee has the authority (without limitation as to other authority) to delegate its duties to agents and to make rules and regulations that it believes are necessary or appropriate to carry out the Plan. The Committee has the discretion as a Plan fiduciary (i) to interpret and construe the terms and provisions of the Plan (including any rules or regulations adopted under the Plan), (ii) to determine questions of eligibility to participate in the Plan and (iii) to make factual determinations in connection with any of the foregoing. A decision of the Committee with respect to any matter pertaining to the Plan including without limitation the Employees determined to be Participants, the benefits payable, and the construction or interpretation of any provision thereof, shall be conclusive and binding upon all interested persons.

ARTICLE XIII
CLAIMS PROCEDURE

13.1 Claim. If a Participant has any grievance, complaint, or claim concerning any aspect of the operation or administration of the Plan, including but not limited to claims for benefits and complaints concerning the performance or administration of the phantom investment funds (collectively referred to herein as "claim" or "claims"), the Participant shall submit the claim to the Committee, which shall have the initial responsibility for deciding the claim.

13.2 Written Claim. A claim for benefits shall be considered as having been made when submitted in writing by the claimant to the Committee. No particular form is required for the claim, but the claim must identify the name of the claimant and describe generally the benefit to which the claimant believes he or she is entitled. The claim may be delivered personally during normal business hours or mailed to the Committee. All such claims shall be submitted in writing and shall set forth the relief requested and the reasons the relief should be granted. All such claims must be submitted with the "applicable limitations period." The "applicable limitations period" shall be two years beginning on: (i) in the case of any lump-sum payment, the date on which the payment was made, (ii) in the case of an installment payment, the date of the first in the series of payments, or (iii) for all other claims, the date on which the action complained or grieved of occurred.

13.3 Committee Determination. The Committee shall determine whether, or to what extent, the claim may be allowed or denied under the terms of the Plan. If the claim is wholly or partially denied, the claimant shall be so informed by written notice within 90 days after the day the claim is submitted unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. If notice of denial of a claim (in whole or in part) is not furnished within the initial 90-day period after the claim is submitted (or, if applicable, the extended 90-day period), the claimant shall consider that his or her claim has been denied just as if he or she had received actual notice of denial.

13.4 Notice of Determination. The notice informing the claimant that his or her claim has been wholly or partially denied shall be written in a manner calculated to be understood by the claimant and shall include:

(a) The specific reason(s) for the denial.

(b) Specific reference to pertinent Plan provisions on which the denial is based.

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

(d) Appropriate information as to the steps to be taken if the Participant or Beneficiary wishes to submit his or her claim for review.

13.5 Appeal. If the claim is wholly or partially denied, the claimant (or his or her authorized representative) may file an appeal of the denied claim with the Committee requesting that the claim be reviewed. The Committee shall conduct a full and fair review of each appealed claim and its denial. Unless the Committee notifies the claimant that due to the nature of the benefit and other attendant circumstances he or she is entitled to a greater period of time within which to submit his or her request for review of a denied claim, the claimant shall have 60 days after he or she (or his or her authorized representative) receives written notice of denial of his or her claim within which such request must be submitted to the Committee.

13.6 Request for Review. The request for review of a denied claim must be made in writing in connection with making such request, the claimant or his or her authorized representative may:

(a) Review pertinent documents.

(b) Submit issues and comments in writing.

13.7 Determination of Appeal. The decision of the Committee regarding the appeal shall be promptly given to the claimant in writing and shall normally be given no later than 60 days following the receipt of the request for review. However, if special circumstances (for example, if the Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. However, if the Committee holds regularly scheduled meetings at least quarterly, a decision on review shall be made by no later than the date of the meeting which immediately follows the Plan's receipt of a request for review, unless the request is filed within 30 days preceding the date of such meeting. In such case, a decision may be made by no later than the date of the second meeting following the Plan's receipt of the request for review. If special circumstances (for example, if the Committee decides to hold a hearing on the appeal) require a further extension of time for processing, the decision shall be rendered as soon as possible, but no later than the third meeting following the Plan's receipt of the request for review. If special circumstances require that the decision shall be made beyond the initial time for furnishing the decision, written notice of the extension shall be furnished to the claimant (or his or her authorized representative) prior to the commencement of the extension. The decision on review shall be in writing and shall be furnished to the claimant or to his or her authorized representative within the appropriate time for the decision. If a decision on review is not furnished within the appropriate time, the claim shall be deemed to have been denied on appeal.

13.8 Hearing. The Committee may, in its sole discretion, decide to hold a hearing if it determines that a hearing is necessary or appropriate in order to make a full and fair review of the appealed claim.

13.9 Decision. The decision on review shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based.

13.10 Exhaustion of Appeals. A Participant must exhaust his or her rights to file a claim and to request a review of the denial of his or her claim before bringing any civil action to recover benefits due to him or her under the terms of the Plan, to enforce his or her rights under the terms of the Plan, or to clarify his or her rights to future benefits under the terms of the Plan. No action at law or in equity to recover under this Plan shall be commenced later than one year from the date of the decision on review (or deemed denial if no decision is issued).

13.11 Committee's Authority. The Committee shall exercise its responsibility and authority under this claims procedure as a fiduciary and, in such capacity, shall have the discretionary authority and responsibility (a) to interpret and construe the Plan and any rules or regulations under the Plan, (b) to determine the eligibility of Employees to participate in the Plan, and the rights of Participants to receive benefits under the Plan, and (c) to make factual determinations in connection with any of the foregoing.

ARTICLE XIV
GENERAL PROVISIONS

14.1 No Right to Employment. Nothing in this Plan shall be deemed to give any person the right to remain in the employ of the Affiliated Group or its affiliates or affect the right of the Affiliated group or its affiliates to terminate any Participant's employment with or without cause.

14.2 Withholding. Any amount required to be withheld under applicable Federal, state, local or other tax laws (including any amounts required to be withheld under Section 3121(v) of the Code) shall be withheld in such manner as the Committee shall determine and any payment under the Plan shall be reduced by the amount so withheld, as well as by any other lawful withholding.

14.3 Governing Law. This Plan shall be construed and administered in accordance with the laws of the State of North Carolina to the extent that such laws are not preempted by Federal law.

14.4 Transfer of Accounts. The Account of each Spectra Energy Participant maintained under the Plan immediately prior to the Distribution Date was transferred to the Spectra Energy Corp Executive Savings Plan and assumed by Spectra Energy Corp as of the Distribution Date (the "Assumed Amounts"). For purposes of this Plan, the term "Assumed Amounts" shall include any amounts of Base Pay or Incentive Plan awards of a Spectra Energy Participant that are earned but not yet paid as of the Distribution Date or equity awards granted to a Spectra Energy Participant under the Duke Energy Corporation 1998 Long-Term Incentive Plan, that were properly deferred by the Spectra Energy Participant under the Plan but that had not yet been credited to his or her Account under the Plan as of the Distribution Date. Each such Spectra Energy Participant shall have no further rights under the Plan immediately after his or her Account is transferred to the Spectra Energy Corp Executive Savings Plan and assumed by Spectra Energy Corp in accordance with the terms and conditions of the Employee Matters Agreement by and between Duke Energy Corporation and Spectra Energy Corp (the "Employee Matters Agreement"). Capitalized terms used in this Section 14.5 that are not defined in this Plan shall have the meaning set forth in the Employee Matters Agreement.

14.5 Compliance with Section 409A of the Code. It is intended that the Plan comply with the provisions of Section 409A of the Code, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. This Plan shall be construed, administered, and governed in a manner that effects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Although the Committee shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Company, the other members of the Affiliated Group, their respective directors, officers, employees and advisors, the Board, nor the Committee (nor its designee) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, Beneficiary or other taxpayer as a result of the Plan. Any reference in this Plan to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section 409A of the Code by the U.S. Department of Treasury or the Internal Revenue Service. For purposes of the Plan, the phrase "permitted by Section 409A of the Code," or words or phrases of similar import, shall mean that the event or circumstance shall only be permitted to the extent it would not cause an amount deferred or payable under the Plan to be includible in the gross income of a Participant or Beneficiary under Section 409A(a)(1) of the Code.

14.6 Electronic or Other Media. Notwithstanding any other provision of the Plan to the contrary, including any provision that requires the use of a written instrument, the Committee may establish procedures for the use of electronic or other media in communications and transactions between the Plan or the Committee and Participants and Beneficiaries. Electronic or other media may include, but are not limited to, e-mail, the Internet, intranet systems and automated telephonic response systems.

This amendment and restatement of the Plan has been executed on behalf of the Company this 23rd day of September, 2020.

DUKE ENERGY CORPORATION

By: /s/ Ronald R. Reising
Ronald R. Reising
Senior Vice President and Chief Human Resources Officer

Date: September 23, 2020

By: /s/ Kodwo Ghartey-Tagoe
Kodwo Ghartey-Tagoe
Executive Vice President, Chief Legal Officer and Corporate Secretary

Date: September 24, 2020

Appendix A
Prior Plans

A-1 Duke Power Company Compensation Deferral Plan ("CDP"). As of January 1, 1997, each Participant's Account was credited with the amount, if any, that the Participant had deferred into the CDP as of December 31, 1996, plus interest compounded at the "Benefit Rate" applicable to such deferred amounts.

A-2 Key Executive Deferred Compensation Plan ("KEDCP"). As of January 1, 1999, each Participant's Account was credited with the amount, if any, that the Participant had deferred into the KEDCP as of December 31, 1998, plus all income credited thereon provided such Participant had made an irrevocable election in a form acceptable to the Company to be bound by the terms of the Plan and, specifically Section 7.2, with respect to all such amounts deferred by the Participant under the KEDCP. Any Employee or former employee of PanEnergy Corporation or its affiliated companies or its predecessors who was not designated a Participant by the Company in connection with the transfer of such individual's account to the Plan shall have such accounts maintained under the Plan but subject to all of the terms and conditions of the KEDCP as in effect on December 31, 1998.

A-3 Crescent Resources Incentive Deferral Plan ("CRIDP"). As of January 1, 2003, the Account of each individual who was then eligible to participate in the Plan was credited with (i) an amount under the Duke Energy Common Stock Fund equal to the value, if any, of any "Phantom Shares" credited to the Participant's account in the CRIDP immediately prior to such date and (ii) an amount equal to the balance of the Participant's interest bearing account in the CRIDP immediately prior to such date and such amount was credited as units in such phantom Investment Option(s) as the Participant elected, and in the absence of such an election was credited to the phantom Investment Option that corresponded to the RSP's Money Market Fund. As of January 1, 2008, the account of any remaining participant in the CRIDP was transferred to an Account under the Plan.

A-4 Supplementary Defined Contribution Plan. As of January 1, 1997, each Participant's Account was credited with an amount equal to the balance, if any, of the Participant's account under the Company's Supplementary Defined Contribution Plan.

A-5 Incentive Deferral Plan. As of January 1, 1997, each Participant's Account was credited with an amount equal to the balance, if any, of the Participant's account under the Company's Incentive Deferral Plan.

A-6 Legacy Cinergy Plans. As of January 1, 2008, each Participant's Account was credited with an amount equal to the balance, if any, of the Participant's accounts under the Legacy Cinergy Plans immediately prior to such date. LTIP Awards and certain nonelective contributions deferred under the Cinergy Corp. 401(k) Excess Plan shall be credited as of January 1, 2008 to the Duke Energy Common Stock — Stock Deferrals Subaccount.

A-7 Legacy Progress Plans. As of January 1, 2014, each Participant's Account was credited with an amount equal to the balance, if any, of the Participant's accounts under the Legacy Progress Plans immediately prior to such date. Amounts deferred under the Progress Energy, Inc. Executive and Key Manager Performance Share Sub-Plans shall be credited as of January 1, 2014 to the Duke Energy Common Stock — Stock Deferrals Subaccount.

A-8 Legacy Piedmont Plan. Effective as of January 1, 2018, each Participant's Account was credited with an amount equal to the balance, if any, of the Participant's account under the Legacy Piedmont Plan immediately prior to such date.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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

Date of Report (Date of earliest event reported): November 5, 2020

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

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

Item 2.02 Results of Operations and Financial Conditions.

On November 5, 2020, Duke Energy Corporation (the "Corporation") will issue and post a news release to its website (duke-energy.com/investors) announcing its financial results for the third quarter ended September 30, 2020. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02. In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release to be issued by Duke Energy Corporation on November 5, 2020 (furnished pursuant to Item 2.02)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION

/s/ DWIGHT L. JACOBS

Dwight L. Jacobs

Senior Vice President, Chief Accounting Officer, Tax and Controller

Dated: November 5, 2020

News Release

Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analyst Contact: Bryan Buckler
Office: 704.382.2640

Nov. 5, 2020

Duke Energy reports third quarter 2020 financial results

- **Third quarter 2020 reported EPS of $1.74 and adjusted EPS of $1.87**
- **Completed $350 million of mitigation through 3Q 2020 and remain confident in achieving $400 million to $450 million by year-end**
- **$58 billion capital plan increases rate base growth to 6.5% through 2024, growing to 7% in second half of decade as the company accelerates clean energy investments**
- **Company narrows 2020 adjusted EPS guidance range to $5.05 to $5.20**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced third quarter 2020 reported EPS of $1.74, prepared in accordance with Generally Accepted Accounting Principles (GAAP), and adjusted EPS of $1.87. This is compared to reported and adjusted EPS of $1.82 and $1.79, respectively, for the third quarter of 2019.

Adjusted EPS excludes the impact of certain items that are included in reported EPS. The difference between third quarter 2020 reported and adjusted EPS was due to exit obligations from gas pipeline investments and charges related to partial settlements in the Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases.

Higher third quarter 2020 adjusted results compared to 2019 were led by the Electric Utilities and Infrastructure and Commercial Renewables segments. Electric Utilities and Infrastructure benefited from rate case contributions and lower O&M expenses driven by significant mitigation efforts targeted at reducing the impact of mild weather and lower load results due to the COVID-19 pandemic. Commercial Renewables continued to grow primarily due to new renewable projects as the company continues to expand its clean energy portfolio. The Other segment also reported favorable results due to lower taxes and financing costs. Lower results at Gas Utilities and Infrastructure were due to the loss of Atlantic Coast Pipeline (ACP) earnings, partially offset by the impact of the Piedmont North Carolina rate case.

"We delivered strong results in the quarter, thanks to the exceptional work of our team in serving our customers and swiftly offsetting costs across our business," said Lynn Good, Duke Energy chair, president and chief executive officer. "We have met the challenges of 2020 and will build on this success as we continue to innovate for the future. We are well-positioned to achieve results within our narrowed 2020 EPS guidance range of $5.05 to $5.20 through disciplined mitigation while investing in cleaner energy and a smarter, more resilient energy grid."

Our strategy to reach net-zero carbon emissions by 2050 and net-zero methane emissions by 2030 also benefits our investment potential. Our updated five-year, $58 billion capital plan, backed by our strong balance sheet, underpins our confidence in growing at the top end of our long-term earnings growth rate of 4 to 6 percent off a preliminary 2021 base of approximately $5.15. Duke Energy is on track to continue generating sustainable value for our customers, communities and shareholders for decades to come."

Business segment results

In addition to the following summary of third quarter 2020 business segment performance, comprehensive tables with detailed EPS drivers for the third quarter compared to prior year are provided at the end of this news release.

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

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized third quarter 2020 segment income of $1,381 million, compared to $1,385 million in the third quarter of 2019. Third quarter 2020 reported results included impacts of partial settlements from the Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases.

On an adjusted basis, Electric Utilities and Infrastructure recognized third quarter 2020 segment income of $1,412 million, compared to $1,366 million in the third quarter of 2019, an increase of $0.06 per share, excluding share dilution of $0.01 per share. Higher quarterly results were primarily due to lower O&M expenses (+$0.08 per share), contributions from rate cases (+$0.07 per share), lower tax expense (+$0.05 per share), wholesale formula rate adjustments (+$0.03 per share) and higher energy efficiency and grid modernization rider programs (+0.02 per share). Lower O&M is driven by lower employee-related expenses, lower storm costs, operational efficiencies and other mitigation efforts.

These results were partially offset by mild weather compared to the prior year quarter (-$0.08 per share), higher depreciation and amortization on a growing asset base (-$0.06 per share), lower retail margin (-$0.04 per share) and weak volumes due to the economic conditions caused by COVID-19 (-$0.01 per share).

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized third quarter 2020 segment loss of $73 million, compared to segment income of $26 million in the third quarter of 2019. In addition to the drivers outlined below, lower third quarter 2020 results were due to costs for exit obligations of gas pipeline investments, primarily ACP. These charges were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Gas Utilities and Infrastructure recognized third quarter 2020 adjusted segment loss of $8 million, compared to adjusted segment income of $26 million in the third quarter of 2019, a decrease of $0.05 per share. Lower quarterly results were driven by the loss of ACP earnings and higher income taxes (-$0.06 per share), partially offset by contributions from the Piedmont North Carolina rate case (+$0.01 per share).

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized third quarter 2020 segment income of $60 million, compared to $40 million in the third quarter of 2019. This represents an increase of $0.03 per share. Higher quarterly results were primarily driven by growth in new renewable projects (+$0.04 per share).

Other

Other primarily includes interest expense on holding company debt, other unallocated corporate costs and results from Duke Energy's captive insurance company.

On a reported and adjusted basis, Other recognized a third quarter 2020 net loss of $103 million, compared to a net loss of $124 million in the third quarter of 2019. Higher quarterly results at Other were primarily due to lower income tax expense (+$0.03 per share), lower financing costs (+$0.01 per share) and unrealized investment gains on non-pension executive benefit trusts (+$0.01 per share).

Effective tax rate

Duke Energy's consolidated reported effective tax rate for the third quarter of 2020 was 7.8% compared to 12.4% in the third quarter of 2019. The decrease in the effective tax rate was primarily due to an increase in the amortization of excess deferred taxes.

The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the third quarter of 2020 was 9% compared to the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items of 12.2% in the third quarter of 2019. The decrease was primarily due to an increase in the amortization of excess deferred taxes.

The tables at the end of this news release present a reconciliation of the reported effective tax rate to the effective tax rate including noncontrolling interests and preferred dividends and excluding special items.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss third quarter 2020 financial results. The conference call will be hosted by Lynn Good, chair, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (duke-energy.com/investors) of Duke Energy's website or by dialing 888.204.4368 in the United States or 323.994.2093 outside the United States. The confirmation code is 5902971. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, Nov. 15, 2020, by calling 888.203.1112 in the United States or 719.457.0820 outside the United States and using the code 5902971. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following table presents a reconciliation of GAAP reported to adjusted EPS for third quarter 2020 financial results:

(In millions, except per share amounts)	After-Tax Amount	3Q 2020 EPS	3Q 2019 EPS
EPS, as reported		$ 1.74	$ 1.82
Adjustments to reported EPS:			
Third Quarter 2020			
Gas pipeline investments	$ 69	0.09	
Regulatory settlements	27	0.04	
Third Quarter 2019			
Impairment charge	(19)		(0.03)
Total adjustments		$ 0.13	$ (0.03)
EPS, adjusted		$ 1.87	$ 1.79

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items. Adjusted earnings and adjusted EPS represent income from continuing operations available to Duke Energy Corporation common stockholders in dollar and per share amounts, adjusted for the dollar and per share impact of special items. The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items is calculated using pretax earnings and income tax expense, both as adjusted for the impact of noncontrolling interests, preferred dividends and special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Board of Directors, employees, stockholders, analysts and investors. The most directly comparable GAAP measures for adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items are Net Income Available to Duke Energy Corporation common stockholders (GAAP reported earnings), Basic earnings per share Available to Duke Energy Corporation common stockholders (GAAP reported earnings per share), and the reported effective tax rate, respectively.

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

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit costs related to Constitution.
- Regulatory Settlements represents charges related to Duke Energy Carolinas and Duke Energy Progress partial settlements in the 2019 North Carolina rate cases.
- Impairment Charges represents a reduction of a prior year impairment at Citrus County CC.

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

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

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

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

Duke Energy

Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of the largest energy holding companies in the U.S. It employs 29,000 people and has an electric generating capacity of 51,000 megawatts through its regulated utilities and 2,300 megawatts through its nonregulated Duke Energy Renewables unit.

Duke Energy is transforming its customers' experience, modernizing the energy grid, generating cleaner energy and expanding natural gas infrastructure to create a smarter energy future for the people and communities it serves. The Electric Utilities and Infrastructure unit's regulated utilities serve 7.8 million retail electric customers in six states: North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. The Gas Utilities and Infrastructure unit distributes natural gas to 1.6 million customers in five states: North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The Duke Energy Renewables unit operates wind and solar generation facilities across the U.S., as well as energy storage and microgrid projects.

Duke Energy was named to Fortune's 2020 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information about the company is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos, videos and other materials. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;

- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended September 30, 2020
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items: Gas Pipeline Investments	Special Items: Regulatory Settlements	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)					
Electric Utilities and Infrastructure	$ 1,381	$ 4 A	$ 27 C	$ 31	$ 1,412
Gas Utilities and Infrastructure	(73)	65 B	—	65	(8)
Commercial Renewables	60	—	—	—	60
Total Reportable Segment Income	1,368	69	27	96	1,464
Other	(103)	—	—	—	(103)
Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,265	$ 69	$ 27	$ 96	$ 1,361
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 1.74	$ 0.09	$ 0.04	$ 0.13	$ 1.87

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of $0.02.

A - Net of $1 million tax benefit. $5 million included within Impairment charges related to gas pipeline interconnections on the Duke Energy Progress' Condensed Consolidated Statements of Operations.

B - Net of $20 million tax benefit.

- $78 million recorded within Equity in (losses) earnings of unconsolidated affiliates related to exit obligations for gas pipeline investments on the Condensed Consolidated Statements of Operations.
- $7 million included within Impairment charges related to gas project materials on the Piedmont Condensed Consolidated Statements of Operations.

C - Net of $6 million tax benefit at Duke Energy Carolinas and $2 million tax benefit at Duke Energy Progress.

- $19 million included within Impairment charges related to the Clemson University Combined Heat and Power plant and $8 million of shareholder contributions within Operations, maintenance and other on the Duke Energy Carolinas' Condensed Consolidated Statements of Operations.
- $8 million of shareholder contributions included within Operations, maintenance and other on the Duke Energy Progress' Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 735 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2020
(Dollars in millions, except per share amounts)

		Special Items				
	Reported Earnings	Gas Pipeline Investments	Severance	Regulatory Settlements	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)						
Electric Utilities and Infrastructure	$ 2,839	$ 4 A	$ —	$ 27 D	$ 31	$ 2,870
Gas Utilities and Infrastructure	(1,400)	1,691 B	—	—	1,691	291
Commercial Renewables	207	—	—	—	—	207
Total Reportable Segment Income	1,646	1,695	—	27	1,722	3,368
Other	(299)	—	(75) C		(75)	(374)
Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,347	$ 1,695	$ (75)	$ 27	$ 1,647	$ 2,994
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 1.85	$ 2.30	$ (0.10)	$ 0.04	$ 2.24	$ 4.09

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of $0.02.

A - Net of $1 million tax benefit. $5 million included within Impairment charges related to gas pipeline interconnections on the Duke Energy Progress' Condensed Consolidated Statements of Operations.

B - Net of $394 million tax benefit.

- $2,078 million recorded within Equity in (losses) earnings of unconsolidated affiliates related to exit obligations for gas pipeline investments on the Condensed Consolidated Statements of Operations.
- $7 million included within Impairment charges related to gas project materials on the Piedmont Condensed Consolidated Statements of Operations.

C - Net of $23 million tax expense. $98 million reversal of 2018 severance charges recorded within Operations, maintenance and other on the Condensed Consolidated Statements of Operations.

D - Net of $6 million tax benefit at Duke Energy Carolinas and $2 million tax benefit at Duke Energy Progress.

- $19 million included within Impairment charges related to the Clemson University Combined Heat and Power Plant and $8 million of shareholder contributions within Operations, maintenance and other on the Duke Energy Carolinas' Condensed Consolidated Statements of Operations.
- $8 million of shareholder contributions included within Operations, maintenance and other on the Duke Energy Progress' Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 735 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended September 30, 2019
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item Impairment Charge	Total Adjustments	Adjusted Earnings
SEGMENT INCOME				
Electric Utilities and Infrastructure	**$ 1,385**	$ (19) **A**	$ (19)	$ 1,366
Gas Utilities and Infrastructure	**26**	—	—	26
Commercial Renewables	**40**	—	—	40
Total Reportable Segment Income	**1,451**	**(19)**	**(19)**	**1,432**
Other	**(124)**		—	(124)
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 1,327**	**$ (19)**	**$ (19)**	**$ 1,308**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 1.82**	**$ (0.03)**	**$ (0.03)**	**$ 1.79**

A – Net of $6 million tax expense. $25 million reduction of a prior year impairment at Citrus County CC recorded within Impairment charges on Duke Energy Florida's Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 729 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2019
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item Impairment Charge	Total Adjustments	Adjusted Earnings
SEGMENT INCOME				
Electric Utilities and Infrastructure	**$ 2,944**	$ (19) **A**	$ (19)	$ 2,925
Gas Utilities and Infrastructure	**292**	—	—	292
Commercial Renewables	**139**	—	—	139
Total Reportable Segment Income	**3,375**	**(19)**	**(19)**	**3,356**
Other	**(328)**	—	—	(328)
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 3,047**	**$ (19)**	**$ (19)**	**$ 3,028**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 4.18**	**$ (0.03)**	**$ (0.03)**	**$ 4.15**

A – Net of $6 million tax expense. $25 million reduction of a prior year impairment at Citrus County CC recorded within Impairment charges on Duke Energy Florida's Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 728 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
September 2020
(Dollars in millions)

	Three Months Ended September 30, 2020		Nine Months Ended September 30, 2020	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes	$ 1,339		$ 1,158	
Gas Pipeline Investments	90		2,090	
Severance	—		(98)	
Regulatory Settlements	35		35	
Noncontrolling Interests	70		208	
Preferred Dividends	(39)		(93)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 1,495		$ 3,300	
Reported Income Tax Expense (Benefit)	$ 105	7.8%	$ (74)	(6.4)%
Gas Pipeline Investments	21		395	
Severance	—		(23)	
Regulatory Settlements	8		8	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 134	9.0%	$ 306	9.3 %

	Three Months Ended September 30, 2019		Nine Months Ended September 30, 2019	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes	$ 1,511		$ 3,388	
Impairment Charge	(25)		(25)	
Noncontrolling Interests	19		110	
Preferred Dividends	(15)		(27)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 1,490		$ 3,446	
Reported Income Tax Expense	$ 188	12.4%	$ 424	12.5%
Impairment Charge	(6)		(6)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 182	12.2%	$ 418	12.1%

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2020 QTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Consolidated
2019 QTD Reported Earnings Per Share	**$ 1.90**	**$ 0.04**	**$ 0.06**	**$ (0.18)**	**$ 1.82**
Impairment Charge	(0.03)	—	—	—	(0.03)
2019 QTD Adjusted Earnings Per Share	**$ 1.87**	**$ 0.04**	**$ 0.06**	**$ (0.18)**	**$ 1.79**
Weather	(0.08)	—	—	—	(0.08)
Volume	(0.01)	—	—	—	(0.01)
Riders and Other Retail Margin[(a)]	(0.02)	—	—	—	(0.02)
Rate case impacts, net[(b)]	0.07	0.01	—	—	0.08
Wholesale	0.03	—	—	—	0.03
Operations and maintenance, net of recoverables[(c)]	0.08	—	—	—	0.08
Midstream Gas Pipelines[(d)]	—	(0.04)	—	—	(0.04)
Duke Energy Renewables[(e)]	—	—	0.03	—	0.03
Interest Expense	—	—	—	0.03	0.03
Depreciation and amortization[(f)]	(0.06)	—	—	—	(0.06)
Preferred Dividends	—	—	—	(0.02)	(0.02)
Other[(g)]	0.05	(0.02)	—	0.04	0.07
Total variance before share count	$ 0.06	$ (0.05)	$ 0.03	$ 0.05	$ 0.09
Change in share count	(0.01)	—	—	—	(0.01)
2020 QTD Adjusted Earnings Per Share	**$ 1.92**	**$ (0.01)**	**$ 0.09**	**$ (0.13)**	**$ 1.87**
Gas Pipeline Investments	—	(0.09)	—	—	(0.09)
Regulatory Settlements	(0.04)	—	—	—	(0.04)
2020 QTD Reported Earnings Per Share	**$ 1.88**	**$ (0.10)**	**$ 0.09**	**$ (0.13)**	**$ 1.74**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 729 million shares to 735 million.

(a) Primarily driven by lower retail margin due to a prior year favorable true-up of purchased power and lower late payment fees, net of deferrals (-$0.04), partially offset by higher energy efficiency and grid modernization rider programs (+$0.02).
(b) Electric Utilities and Infrastructure includes the net impact of the DEC and DEP North Carolina interim rates, effective August and September 2020 (+$0.03), DEI base rate increases, effective August 2020 (+$0.02), the DEF SBRA and multi-year rate plan (+0.01) and DEK base rate increases (+0.01). Gas Utilities and Infrastructure includes the net impact of the Piedmont North Carolina rate case, effective November 2019.
(c) Includes lower employee-related expenses, lower storm costs, operational efficiencies and other savings due to mitigation efforts.
(d) Primarily the loss of ACP earnings.
(e) Primarily due to growth in new renewable projects.
(f) Excludes rate case impacts.
(g) Electric Utilities and Infrastructure and Other includes lower tax expense.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
September 2020 YTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Consolidated
2019 YTD Reported Earnings Per Share	**$ 4.05**	**$ 0.40**	**$ 0.19**	**$ (0.46)**	**$ 4.18**
Impairment Charge	(0.03)	—	—	—	(0.03)
2019 YTD Adjusted Earnings Per Share	**$ 4.02**	**$ 0.40**	**$ 0.19**	**$ (0.46)**	**$ 4.15**
Weather	(0.21)	—	—	—	(0.21)
Volume	(0.02)	—	—	—	(0.02)
Riders and Other Retail Margin	(0.01)	0.02	—	—	0.01
Rate case impacts, net[(a)]	0.12	0.07	—	—	0.19
Wholesale	0.03	—	—	—	0.03
Operations and maintenance, net of recoverables[(b)]	0.15	—	—	—	0.15
Midstream Gas Pipelines[(c)]	—	(0.09)	—	—	(0.09)
Duke Energy Renewables[(d)]	—	—	0.09	—	0.09
Interest Expense	(0.01)	—	—	0.04	0.03
Depreciation and amortization[(e)]	(0.17)	—	—	—	(0.17)
Preferred Dividends	—	—	—	(0.07)	(0.07)
Other[(f)]	0.04	—	—	—	0.04
Total variance before share count	$ (0.08)	$ —	$ 0.09	$ (0.03)	$ (0.02)
Change in share count	(0.04)	—	—	—	(0.04)
2020 YTD Adjusted Earnings Per Share	**$ 3.90**	**$ 0.40**	**$ 0.28**	**$ (0.49)**	**$ 4.09**
Gas Pipeline Investments	—	(2.30)	—	—	(2.30)
Severance	—	—	—	0.10	0.10
Regulatory Settlements	(0.04)	—	—	—	(0.04)
2020 YTD Reported Earnings Per Share	**$ 3.86**	**$ (1.90)**	**$ 0.28**	**$ (0.39)**	**$ 1.85**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except for Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 728 million shares to 735 million.

(a) Electric Utilities and Infrastructure includes the net impact of the DEC and DEP South Carolina rate cases, effective June 2019 (+0.03), DEC and DEP North Carolina interim rates effective August and September 2020, respectively (+0.03), the DEF SBRA and multi-year rate plan (+0.03), DEI base rate increases, effective August 2020 (+0.02) and DEK base rate increases (+0.01). Gas Utilities and Infrastructure includes the net impact of the Piedmont North Carolina rate case, effective November 2019.

(b) Primarily due to lower employee-related expenses, lower outage costs and customer delivery charges and other savings due to mitigation efforts, partially offset by increased COVID-19 expenses, net of deferrals. For the nine months ended September 30, 2020, the Duke Energy Registrants incurred -$0.09 of incremental COVID-19 O&M costs, the company has deferred +$0.06 of these incremental costs.

(c) Primarily related to a favorable income tax adjustment for equity method investments in the prior year and the loss of ACP earnings.

(d) Primarily due to new renewable projects.

(e) Excludes rate case impacts.

(f) Electric Utilities and Infrastructure includes lower income tax expense. Other includes lower income tax expense which was offset primarily by unrealized investment losses on non-pension executive benefit trusts and lower interest income.

September 2020
QUARTERLY HIGHLIGHTS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share amounts and where noted)	2020	2019	2020	2019
Earnings Per Share – Basic and Diluted				
Net income per share available to Duke Energy Corporation common stockholders				
Basic and Diluted	$ 1.74	$ 1.82	$ 1.85	$ 4.18
Weighted average shares outstanding				
Basic	735	729	735	728
Diluted	735	729	735	728
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure[(a)]	$ 1,381	$ 1,385	$ 2,839	$ 2,944
Gas Utilities and Infrastructure[(b)]	(73)	26	(1,400)	292
Commercial Renewables	60	40	207	139
Total Reportable Segment Income	1,368	1,451	1,646	3,375
Other[(c)]	(103)	(124)	(299)	(328)
Net Income Available to Duke Energy Corporation common stockholders	$ 1,265	$ 1,327	$ 1,347	$ 3,047
CAPITALIZATION				
Total Common Equity (%)			42%	44%
Total Debt (%)			58%	56%
Total Debt			$ 64,143	$ 60,383
Book Value Per Share			$ 64.26	$ 65.03
Actual Shares Outstanding			736	729
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	$ 1,809	$ 1,906	$ 5,637	$ 6,092
Gas Utilities and Infrastructure	329	382	933	1,129
Commercial Renewables	197	359	894	932
Other	82	81	220	202
Total Capital and Investment Expenditures	$ 2,417	$ 2,728	$ 7,684	$ 8,355

(a) Includes $35 million (after tax $27 million) of costs related to regulatory settlements for Duke Energy Carolinas and Duke Energy Progress for the three and nine months ended September 30, 2020, and a $5 million (after tax $4 million) impairment charge related to gas pipeline interconnections for the three and nine months ended September 30, 2020. Additionally, EUI includes a $25 million (after tax $19 million) reduction of a prior year impairment at Citrus County CC for the three and nine months ended September 30, 2019.

(b) Includes costs related to exit obligations for gas pipeline investments of $85 million (after tax $65 million) for the three months ended September 30, 2020, and $2.1 billion (after tax $1.7 billion) for the nine months ended September 30, 2020.

(c) Includes a $98 million (after tax $75 million) reversal of 2018 severance costs due to the partial settlement of the Duke Energy Carolina's 2019 North Carolina rate case for the nine months ended September 30, 2020.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Operating Revenues				
Regulated electric	$ 6,315	$ 6,515	$ 16,402	$ 17,223
Regulated natural gas	214	223	1,115	1,231
Nonregulated electric and other	192	202	574	522
Total operating revenues	6,721	6,940	18,091	18,976
Operating Expenses				
Fuel used in electric generation and purchased power	1,849	1,978	4,645	5,228
Cost of natural gas	41	48	299	451
Operation, maintenance and other	1,450	1,484	4,142	4,337
Depreciation and amortization	1,217	1,186	3,497	3,364
Property and other taxes	324	335	1,003	1,012
Impairment charges	28	(20)	36	(16)
Total operating expenses	4,909	5,011	13,622	14,376
Gains on Sales of Other Assets and Other, net	2	—	10	—
Operating Income	1,814	1,929	4,479	4,600
Other Income and Expenses				
Equity in (losses) earnings of unconsolidated affiliates	(80)	50	(2,004)	137
Other income and expenses, net	127	104	310	308
Total other income and expenses	47	154	(1,694)	445
Interest Expense	522	572	1,627	1,657
Income Before Income Taxes	1,339	1,511	1,158	3,388
Income Tax Expense (Benefit)	105	188	(74)	424
Net Income	1,234	1,323	1,232	2,964
Add: Net Loss Attributable to Noncontrolling Interests	70	19	208	110
Net Income Attributable to Duke Energy Corporation	1,304	1,342	1,440	3,074
Less: Preferred Dividends	39	15	93	27
Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,265	$ 1,327	$ 1,347	$ 3,047
Earnings Per Share – Basic and Diluted				
Basic and Diluted	$ 1.74	$ 1.82	$ 1.85	$ 4.18
Weighted average shares outstanding				
Basic and Diluted	735	729	735	728

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	September 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 308	$ 311
Receivables (net of allowance for doubtful accounts of $27 at 2020 and $22 at 2019)	719	1,066
Receivables of VIEs (net of allowance for doubtful accounts of $106 at 2020 and $54 at 2019)	2,320	1,994
Inventory	3,190	3,232
Regulatory assets (includes $53 at 2020 and $52 at 2019 related to VIEs)	1,637	1,796
Other (includes $335 at 2020 and $242 at 2019 related to VIEs)	505	764
Total current assets	8,679	9,163
Property, Plant and Equipment		
Cost	153,916	147,654
Accumulated depreciation and amortization	(48,185)	(45,773)
Generation facilities to be retired, net	29	246
Net property, plant and equipment	105,760	102,127
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $951 at 2020 and $989 at 2019 related to VIEs)	13,264	13,222
Nuclear decommissioning trust funds	8,363	8,140
Operating lease right-of-use assets, net	1,577	1,658
Investments in equity method unconsolidated affiliates	924	1,936
Other (includes $90 at 2020 and $110 at 2019 related to VIEs)	3,539	3,289
Total other noncurrent assets	46,970	47,548
Total Assets	$ 161,409	$ 158,838
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 2,486	$ 3,487
Notes payable and commercial paper	3,425	3,135
Taxes accrued	768	392
Interest accrued	556	565
Current maturities of long-term debt (includes $466 at 2020 and $216 at 2019 related to VIEs)	4,669	3,141
Asset retirement obligations	742	881
Regulatory liabilities	1,218	784
Other	2,829	2,367
Total current liabilities	16,693	14,752
Long-Term Debt (includes $3,628 at 2020 and $3,997 at 2019 related to VIEs)	56,049	54,985
Other Noncurrent Liabilities		
Deferred income taxes	9,170	8,878
Asset retirement obligations	12,912	12,437
Regulatory liabilities	14,546	15,264
Operating lease liabilities	1,379	1,432
Accrued pension and other post-retirement benefit costs	903	934
Investment tax credits	689	624
Other (includes $342 at 2020 and $228 at 2019 related to VIEs)	1,773	1,581
Total other noncurrent liabilities	41,372	41,150
Commitments and Contingencies		
Equity		
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2020 and 2019	973	973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2020 and 2019	989	989
Common stock, $0.001 par value, 2 billion shares authorized; 736 million shares outstanding at 2020 and 733 million shares outstanding at 2019	1	1
Additional paid-in capital	41,046	40,881
Retained earnings	3,260	4,108
Accumulated other comprehensive loss	(263)	(130)
Total Duke Energy Corporation stockholders' equity	46,006	46,822
Noncontrolling interests	1,289	1,129
Total equity	47,295	47,951

Total Liabilities and Equity	**$**	**161,409**	$	158,838

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

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 1,232	$ 2,964
Adjustments to reconcile net income to net cash provided by operating activities	5,534	2,673
Net cash provided by operating activities	6,766	5,637
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(7,964)	(8,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	1,225	2,987
Net increase (decrease) in cash, cash equivalents and restricted cash	27	(9)
Cash, cash equivalents and restricted cash at beginning of period	573	591
Cash, cash equivalents and restricted cash at end of period	$ 600	$ 582

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 6,379	$ —	$ —	$ —	$ (64)	**$ 6,315**
Regulated natural gas	—	238	—	—	(24)	**214**
Nonregulated electric and other	—	3	126	24	39	**192**
Total operating revenues	6,379	241	126	24	(49)	**6,721**
Operating Expenses						
Fuel used in electric generation and purchased power	1,869	—	—	—	(20)	**1,849**
Cost of natural gas	—	41	—	—	—	**41**
Operation, maintenance and other	1,326	103	72	(21)	(30)	**1,450**
Depreciation and amortization	1,053	65	52	54	(7)	**1,217**
Property and other taxes	286	26	8	4	—	**324**
Impairment charges	20	7	—	—	1	**28**
Total operating expenses	4,554	242	132	37	(56)	**4,909**
Gains on Sales of Other Assets and Other, net	3	—	—	—	(1)	**2**
Operating Income (Loss)	1,828	(1)	(6)	(13)	6	**1,814**
Other Income and Expenses						
Equity in (losses) earnings of unconsolidated affiliates	(8)	(71)	(3)	3	(1)	**(80)**
Other income and expenses, net	75	16	2	40	(6)	**127**
Total Other Income and Expenses	67	(55)	(1)	43	(7)	**47**
Interest Expense	308	35	18	160	1	**522**
Income (Loss) Before Income Taxes	1,587	(91)	(25)	(130)	(2)	**1,339**
Income Tax Expense (Benefit)	206	(18)	(15)	(66)	(2)	**105**
Net Income (Loss)	1,381	(73)	(10)	(64)	—	**1,234**
Add: Net Loss Attributable to Noncontrolling Interest	—	—	70	—	—	**70**
Net Income (Loss) Attributable to Duke Energy Corporation	1,381	(73)	60	(64)	—	**1,304**
Less: Preferred Dividends	—	—	—	39	—	**39**
Segment Income (Loss) / Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,381	$ (73)	$ 60	$ (103)	$ —	**$ 1,265**
Special Items	31	65	—	—	—	**96**
Adjusted Earnings[(a)]	$ 1,412	$ (8)	$ 60	$ (103)	$ —	**$ 1,361**

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income (Loss) to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months Ended September 30, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 16,596	$ —	$ —	$ —	$ (194)	$ 16,402
Regulated natural gas	—	1,186	—	—	(71)	1,115
Nonregulated electric and other	—	8	378	73	115	574
Total operating revenues	16,596	1,194	378	73	(150)	18,091
Operating Expenses						
Fuel used in electric generation and purchased power	4,703	—	—	—	(58)	4,645
Cost of natural gas	—	300	—	—	(1)	299
Operation, maintenance and other	3,891	312	204	(181)	(84)	4,142
Depreciation and amortization	3,023	193	148	154	(21)	3,497
Property and other taxes	885	82	24	12	—	1,003
Impairment charges	23	7	6	—	—	36
Total operating expenses	12,525	894	382	(15)	(164)	13,622
Gains on Sales of Other Assets and Other, net	11	—	—	—	(1)	10
Operating Income	4,082	300	(4)	88	13	4,479
Other Income and Expenses						
Equity in (losses) earnings of unconsolidated affiliates	(3)	(2,004)	(5)	9	(1)	(2,004)
Other income and expenses, net	244	42	5	46	(27)	310
Total Other Income and Expenses	241	(1,962)	—	55	(28)	(1,694)
Interest Expense	991	103	49	498	(14)	1,627
Income (Loss) Before Income Taxes	3,332	(1,765)	(53)	(355)	(1)	1,158
Income Tax Expense (Benefit)	493	(365)	(52)	(149)	(1)	(74)
Net Income (Loss)	2,839	(1,400)	(1)	(206)	—	1,232
Add: Net Loss Attributable to Noncontrolling Interest	—	—	208	—	—	208
Net Income (Loss) Attributable to Duke Energy Corporation	2,839	(1,400)	207	(206)	—	1,440
Less: Preferred Dividends	—	—	—	93	—	93
Segment Income (Loss) / Net Income Available to Duke Energy Corporation Common Stockholders	$ 2,839	$ (1,400)	$ 207	$ (299)	$ —	$ 1,347
Special Items	31	1,691	—	(75)	—	1,647
Adjusted Earnings[(a)]	$ 2,870	$ 291	$ 207	$ (374)	$ —	$ 2,994

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income (Loss) to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30, 2019					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 6,577	$ —	$ —	$ —	$ (62)	$ 6,515
Regulated natural gas	—	246	—	—	(23)	223
Nonregulated electric and other	—	3	138	25	36	202
Total operating revenues	6,577	249	138	25	(49)	6,940
Operating Expenses						
Fuel used in electric generation and purchased power	1,994	—	—	—	(16)	1,978
Cost of natural gas	—	48	—	—	—	48
Operation, maintenance and other	1,357	108	81	(30)	(32)	1,484
Depreciation and amortization	1,026	64	43	53	—	1,186
Property and other taxes	301	24	6	4	—	335
Impairment charges	(20)	—	—	—	—	(20)
Total operating expenses	4,658	244	130	27	(48)	5,011
Operating Income (Loss)	1,919	5	8	(2)	(1)	1,929
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	5	37	(2)	10	—	50
Other income and expenses, net	82	5	15	14	(12)	104
Total Other Income and Expenses	87	42	13	24	(12)	154
Interest Expense	336	29	35	185	(13)	572
Income (Loss) Before Income Taxes	1,670	18	(14)	(163)	—	1,511
Income Tax Expense (Benefit)	285	(8)	(35)	(54)	—	188
Net Income (Loss)	1,385	26	21	(109)	—	1,323
Add: Net Loss Attributable to Noncontrolling Interest	—	—	19	—	—	19
Net Income (Loss) Attributable to Duke Energy Corporation	1,385	26	40	(109)	—	1,342
Less: Preferred Dividends	—	—	—	15	—	15
Segment Income / Other Net Loss / Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,385	$ 26	$ 40	$ (124)	$ —	$ 1,327
Special Item	(19)	—	—	—	—	(19)
Adjusted Earnings[(a)]	$ 1,366	$ 26	$ 40	$ (124)	$ —	$ 1,308

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months Ended September 30, 2019					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 17,381	$ —	$ —	$ —	$ (158)	$ 17,223
Regulated natural gas	—	1,302	—	—	(71)	1,231
Nonregulated electric and other	—	9	362	71	80	522
Total operating revenues	17,381	1,311	362	71	(149)	18,976
Operating Expenses						
Fuel used in electric generation and purchased power	5,286	—	—	—	(58)	5,228
Cost of natural gas	—	451	—	—	—	451
Operation, maintenance and other	3,957	325	211	(69)	(87)	4,337
Depreciation and amortization	2,924	192	123	125	—	3,364
Property and other taxes	899	84	18	10	1	1,012
Impairment charges	(16)	—	—	—	—	(16)
Total operating expenses	13,050	1,052	352	66	(144)	14,376
Operating Income	4,331	259	10	5	(5)	4,600
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	11	101	(4)	28	1	137
Other income and expenses, net	256	18	7	70	(43)	308
Total Other Income and Expenses	267	119	3	98	(42)	445
Interest Expense	1,004	86	78	536	(47)	1,657
Income (Loss) Before Income Taxes	3,594	292	(65)	(433)	—	3,388
Income Tax Expense (Benefit)	650	—	(94)	(132)	—	424
Net Income (Loss)	2,944	292	29	(301)	—	2,964
Add: Net Loss Attributable to Noncontrolling Interest	—	—	110	—	—	110
Net Income (Loss) Attributable to Duke Energy Corporation	2,944	292	139	(301)	—	3,074
Less: Preferred Dividends	—	—	—	27	—	27
Segment Income / Other Net Loss / Net Income Available to Duke Energy Corporation Common Stockholders	$ 2,944	$ 292	$ 139	$ (328)	$ —	$ 3,047
Special Item	(19)	—	—	—	—	(19)
Adjusted Earnings[(a)]	$ 2,925	$ 292	$ 139	$ (328)	$ —	$ 3,028

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	September 30, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	$ 107	$ 2	$ 3	$ 196	$ —	$ **308**
Receivables, net	501	102	105	11	—	**719**
Receivables of variable interest entities, net	2,320	—	—	—	—	**2,320**
Receivables from affiliated companies	102	15	599	733	(1,449)	**—**
Notes receivable from affiliated companies	46	—	—	740	(786)	**—**
Inventory	2,971	84	101	35	(1)	**3,190**
Regulatory assets	1,420	120	—	97	—	**1,637**
Other	150	50	208	114	(17)	**505**
Total current assets	7,617	373	1,016	1,926	(2,253)	**8,679**
Property, Plant and Equipment						
Cost	132,668	12,424	6,536	2,389	(101)	**153,916**
Accumulated depreciation and amortization	(43,100)	(2,602)	(1,177)	(1,307)	1	**(48,185)**
Generation facilities to be retired, net	29	—	—	—	—	**29**
Net property, plant and equipment	89,597	9,822	5,359	1,082	(100)	**105,760**
Other Noncurrent Assets						
Goodwill	17,379	1,924	—	—	—	**19,303**
Regulatory assets	12,090	679	—	495	—	**13,264**
Nuclear decommissioning trust funds	8,363	—	—	—	—	**8,363**
Operating lease right-of-use assets, net	1,136	21	123	297	—	**1,577**
Investments in equity method unconsolidated affiliates	109	214	491	111	(1)	**924**
Investment in consolidated subsidiaries	540	6	2	63,058	(63,606)	**—**
Other	2,133	306	151	1,583	(634)	**3,539**
Total other noncurrent assets	41,750	3,150	767	65,544	(64,241)	**46,970**
Total Assets	138,964	13,345	7,142	68,552	(66,594)	**161,409**
Segment reclassifications, intercompany balances and other	(822)	(2)	(601)	(65,165)	66,590	**—**
Segment Assets	$ 138,142	$ 13,343	$ 6,541	$ 3,387	$ (4)	$ **161,409**

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	September 30, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Liabilities						
Accounts payable	$ 1,754	$ 212	$ 117	$ 404	$ (1)	$ 2,486
Accounts payable to affiliated companies	466	93	263	573	(1,395)	—
Notes payable to affiliated companies	363	354	50	27	(794)	—
Notes payable and commercial paper	—	—	59	3,365	1	3,425
Taxes accrued	1,136	(360)	321	(329)	—	768
Interest accrued	371	45	1	139	—	556
Current maturities of long-term debt	2,074	189	161	2,249	(4)	4,669
Asset retirement obligations	742	—	—	—	—	742
Regulatory liabilities	1,089	126	—	2	1	1,218
Other	1,415	990	74	415	(65)	2,829
Total current liabilities	9,410	1,649	1,046	6,845	(2,257)	16,693
Long-Term Debt	35,059	3,289	1,453	16,345	(97)	56,049
Long-Term Debt Payable to Affiliated Companies	618	7	9	—	(634)	—
Other Noncurrent Liabilities						
Deferred income taxes	10,472	1,070	(619)	(1,753)	—	9,170
Asset retirement obligations	12,704	56	152	—	—	12,912
Regulatory liabilities	13,050	1,473	—	23	—	14,546
Operating lease liabilities	1,035	20	127	197	—	1,379
Accrued pension and other post-retirement benefit costs	578	32	1	291	1	903
Investment tax credits	687	2	—	—	—	689
Other	877	195	368	521	(188)	1,773
Total other noncurrent liabilities	39,403	2,848	29	(721)	(187)	41,372
Equity						
Total Duke Energy Corporation stockholders' equity	54,474	5,552	3,319	46,080	(63,419)	46,006
Noncontrolling interests	—	—	1,286	3	—	1,289
Total equity	54,474	5,552	4,605	46,083	(63,419)	47,295
Total Liabilities and Equity	138,964	13,345	7,142	68,552	(66,594)	161,409
Segment reclassifications, intercompany balances and other	(822)	(2)	(601)	(65,165)	66,590	—
Segment Liabilities and Equity	$ 138,142	$ 13,343	$ 6,541	$ 3,387	$ (4)	$ 161,409

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended September 30, 2020						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[(a)]	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	$ 2,058	$ 1,626	$ 1,567	$ 394	$ 761	$ (27)	$ 6,379
Operating Expenses							
Fuel used in electric generation and purchased power	497	537	551	94	222	(32)	1,869
Operation, maintenance and other	394	344	289	84	205	10	1,326
Depreciation and amortization	372	289	183	53	149	7	1,053
Property and other taxes	57	38	110	71	15	(5)	286
Impairment charges	20	5	(4)	—	—	(1)	20
Total operating expenses	1,340	1,213	1,129	302	591	(21)	4,554
Gains on Sales of Other Assets and Other, net	1	3	—	—	—	(1)	3
Operating Income	719	416	438	92	170	(7)	1,828
Other Income and Expenses, net[(b)]	42	11	11	3	9	(9)	67
Interest Expense	122	66	81	22	29	(12)	308
Income Before Income Taxes	639	361	368	73	150	(4)	1,587
Income Tax Expense	78	10	79	10	29	—	206
Segment Income	$ 561	$ 351	$ 289	$ 63	$ 121	$ (4)	$ 1,381

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes an equity component of allowance for funds used during construction of $17 million for Duke Energy Carolinas, $3 million for Duke Energy Progress, $3 million for Duke Energy Florida, $1 million for Duke Energy Ohio and $7 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Nine Months Ended September 30, 2020						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[a]	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	$ 5,416	$ 4,207	$ 3,897	$ 1,070	$ 2,070	$ (64)	**$ 16,596**
Operating Expenses							
Fuel used in electric generation and purchased power	1,326	1,337	1,291	258	577	(86)	**4,703**
Operation, maintenance and other	1,266	992	799	250	559	25	**3,891**
Depreciation and amortization	1,090	833	523	149	415	13	**3,023**
Property and other taxes	213	129	290	199	57	(3)	**885**
Impairment charges	22	5	(4)	—	—	—	**23**
Total operating expenses	3,917	3,296	2,899	856	1,608	(51)	**12,525**
Gains on Sales of Other Assets and Other, net	1	8	—	—	—	2	**11**
Operating Income	1,500	919	998	214	462	(11)	**4,082**
Other Income and Expenses, net[b]	128	52	36	7	28	(10)	**241**
Interest Expense	370	203	245	62	114	(3)	**991**
Income Before Income Taxes	1,258	768	789	159	376	(18)	**3,332**
Income Tax Expense	167	73	161	22	73	(3)	**493**
Segment Income	$ 1,091	$ 695	$ 628	$ 137	$ 303	$ (15)	**$ 2,839**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes an equity component of allowance for funds used during construction of $46 million for Duke Energy Carolinas, $22 million for Duke Energy Progress, $8 million for Duke Energy Florida, $2 million for Duke Energy Ohio and $18 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	September 30, 2020						
(In millions)	**Duke Energy Carolinas**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio[(a)]**	**Duke Energy Indiana**	**Eliminations/ Adjustments[(b)]**	**Electric Utilities and Infrastructure**
Current Assets							
Cash and cash equivalents	$ 23	$ 43	$ 19	$ 8	$ 15	$ (1)	**$ 107**
Receivables, net	177	103	91	81	48	1	**501**
Receivables of variable interest entities, net	770	559	512	—	—	479	**2,320**
Receivables from affiliated companies	64	45	3	74	84	(168)	**102**
Notes receivable from affiliated companies	65	—	—	—	—	(19)	**46**
Inventory	992	910	468	93	507	1	**2,971**
Regulatory assets	495	472	303	19	119	12	**1,420**
Other	44	54	25	(2)	30	(1)	**150**
Total current assets	2,630	2,186	1,421	273	803	304	**7,617**
Property, Plant and Equipment							
Cost	50,622	35,479	21,662	7,257	17,223	425	**132,668**
Accumulated depreciation and amortization	(17,406)	(12,548)	(5,452)	(2,099)	(5,579)	(16)	**(43,100)**
Generation facilities to be retired, net	—	29	—	—	—	—	**29**
Net property, plant and equipment	33,216	22,960	16,210	5,158	11,644	409	**89,597**
Other Noncurrent Assets							
Goodwill	—	—	—	596	—	16,783	**17,379**
Regulatory assets	3,400	4,449	1,821	356	1,184	880	**12,090**
Nuclear decommissioning trust funds	4,506	3,189	668	—	—	—	**8,363**
Operating lease right-of-use assets, net	117	357	354	20	55	233	**1,136**
Investments in equity method unconsolidated affiliates	—	—	1	—	—	108	**109**
Investment in consolidated subsidiaries	49	14	2	240	1	234	**540**
Other	1,179	720	339	49	228	(382)	**2,133**
Total other noncurrent assets	9,251	8,729	3,185	1,261	1,468	17,856	**41,750**
Total Assets	45,097	33,875	20,816	6,692	13,915	18,569	**138,964**
Segment reclassifications, intercompany balances and other	(215)	(93)	(73)	(244)	(64)	(133)	**(822)**
Reportable Segment Assets	$ 44,882	$ 33,782	$20,743	$ 6,448	$13,851	$ 18,436	**$ 138,142**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	September 30, 2020						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[(a)]	Duke Energy Indiana	Eliminations/ Adjustments[(b)]	Electric Utilities and Infrastructure
Current Liabilities							
Accounts payable	$ 583	$ 372	$ 424	$ 203	$ 172	$ —	$ **1,754**
Accounts payable to affiliated companies	155	144	77	16	65	9	**466**
Notes payable to affiliated companies	—	167	66	58	83	(11)	**363**
Taxes accrued	400	208	261	169	111	(13)	**1,136**
Interest accrued	130	80	73	24	63	1	**371**
Current maturities of long-term debt	751	603	623	(26)	13	110	**2,074**
Asset retirement obligations	267	297	1	7	170	—	**742**
Regulatory liabilities	430	436	109	39	76	(1)	**1,089**
Other	487	389	357	67	97	18	**1,415**
Total current liabilities	3,203	2,696	1,991	557	850	113	**9,410**
Long-Term Debt	11,497	8,605	7,294	2,515	3,941	1,207	**35,059**
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	**618**
Other Noncurrent Liabilities							
Deferred income taxes	3,962	2,438	2,176	686	1,180	30	**10,472**
Asset retirement obligations	5,507	5,503	555	45	1,044	50	**12,704**
Regulatory liabilities	6,243	4,140	669	366	1,648	(16)	**13,050**
Operating lease liabilities	102	329	308	20	53	223	**1,035**
Accrued pension and other post-retirement benefit costs	76	236	207	79	151	(171)	**578**
Investment tax credits	237	133	146	3	168	—	**687**
Other	644	89	59	66	55	(36)	**877**
Total other noncurrent liabilities	16,771	12,868	4,120	1,265	4,299	80	**39,403**
Equity	13,326	9,556	7,411	2,337	4,675	17,169	**54,474**
Total Liabilities and Equity	45,097	33,875	20,816	6,692	13,915	18,569	**138,964**
Segment reclassifications, intercompany balances and other	(215)	(93)	(73)	(244)	(64)	(133)	**(822)**
Reportable Segment Liabilities and Equity	$ 44,882	$ 33,782	$20,743	$ 6,448	$13,851	$ 18,436	$ **138,142**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended September 30, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage[(b)]	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	$ 79	$ 162	$ —	$ —	**$ 241**
Operating Expenses					
Cost of natural gas	3	39	—	(1)	**41**
Operation, maintenance and other	28	73	1	1	**103**
Depreciation and amortization	20	45	—	—	**65**
Property and other taxes	12	13	—	1	**26**
Impairment charges	—	7	—	—	**7**
Total operating expenses	63	177	1	1	**242**
Operating Income (Loss)	16	(15)	(1)	(1)	**(1)**
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(71)	—	**(71)**
Other income and expenses, net	1	13	—	2	**16**
Total other income and expenses	1	13	(71)	2	**(55)**
Interest Expense	3	29	—	3	**35**
Income (Loss) Before Income Taxes	14	(31)	(72)	(2)	**(91)**
Income Tax Expense (Benefit)	5	(5)	(16)	(2)	**(18)**
Segment Loss	$ 9	$ (26)	$ (56)	$ —	**$ (73)**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes losses from the cancellation of the ACP pipeline and earnings from investments in Sabal Trail and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Nine Months Ended September 30, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage[(b)]	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	$ 324	$ 871	$ —	$ (1)	**$ 1,194**
Operating Expenses					
Cost of natural gas	46	254	—	—	**300**
Operation, maintenance and other	77	231	4	—	**312**
Depreciation and amortization	60	133	—	—	**193**
Property and other taxes	45	37	—	—	**82**
Impairment charges	—	7	—	—	**7**
Total operating expenses	228	662	4	—	**894**
Operating Income (Loss)	96	209	(4)	(1)	**300**
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(2,004)	—	**(2,004)**
Other income and expenses, net	4	37	—	1	**42**
Total other income and expenses	4	37	(2,004)	1	**(1,962)**
Interest Expense	13	89	—	1	**103**
Income (Loss) Before Income Taxes	87	157	(2,008)	(1)	**(1,765)**
Income Tax Expense (Benefit)	19	5	(388)	(1)	**(365)**
Segment Loss	$ 68	$ 152	$ (1,620)	$ —	**$ (1,400)**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes losses from the cancellation of the ACP pipeline and earnings from investments in Sabal Trail and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	September 30, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	$ 2	$ —	$ —	$ —	$ 2
Receivables, net	8	93	—	1	102
Receivables from affiliated companies	4	63	—	(52)	15
Inventory	37	47	—	—	84
Regulatory assets	1	119	—	—	120
Other	—	50	1	(1)	50
Total current assets	52	372	1	(52)	373
Property, Plant and Equipment					
Cost	3,547	8,877	—	—	12,424
Accumulated depreciation and amortization	(889)	(1,713)	—	—	(2,602)
Net property, plant and equipment	2,658	7,164	—	—	9,822
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	256	287	—	136	679
Operating lease right-of-use assets, net	—	21	—	—	21
Investments in equity method unconsolidated affiliates	—	—	209	5	214
Investment in consolidated subsidiaries	—	—	—	6	6
Other	10	279	15	2	306
Total other noncurrent assets	590	636	224	1,700	3,150
Total Assets	3,300	8,172	225	1,648	13,345
Segment reclassifications, intercompany balances and other	(3)	(45)	(15)	61	(2)
Reportable Segment Assets	$ 3,297	$ 8,127	$ 210	$ 1,709	$ 13,343

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	September 30, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	$ 35	$ 177	$ —	$ —	**$ 212**
Accounts payable to affiliated companies	19	47	79	(52)	**93**
Notes payable to affiliated companies	28	327	—	(1)	**354**
Taxes accrued	15	31	(406)	—	**(360)**
Interest accrued	9	37	—	(1)	**45**
Current maturities of long-term debt	26	160	—	3	**189**
Regulatory liabilities	25	101	—	—	**126**
Other	4	59	927	—	**990**
Total current liabilities	161	939	600	(51)	**1,649**
Long-Term Debt	549	2,620	—	120	**3,289**
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	**7**
Other Noncurrent Liabilities					
Deferred income taxes	289	759	20	2	**1,070**
Asset retirement obligations	39	17	—	—	**56**
Regulatory liabilities	388	1,070	—	15	**1,473**
Operating lease liabilities	—	20	—	—	**20**
Accrued pension and other post-retirement benefit costs	25	7	—	—	**32**
Investment tax credits	2	—	—	—	**2**
Other	30	145	19	1	**195**
Total other noncurrent liabilities	773	2,018	39	18	**2,848**
Equity	1,810	2,595	(414)	1,561	**5,552**
Total Liabilities and Equity	3,300	8,172	225	1,648	**13,345**
Segment reclassifications, intercompany balances and other	(3)	(45)	(15)	61	**(2)**
Reportable Segment Liabilities and Equity	$ 3,297	$ 8,127	$ 210	$ 1,709	**$ 13,343**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Electric Utilities and Infrastructure
Quarterly Highlights
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
Gigawatt-hour (GWh) Sales[(a)]								
Residential	26,157	25,304	3.4%	4.1%	65,817	66,345	(0.8%)	2.7%
General Service	21,113	22,396	(5.7%)	(5.3%)	55,263	59,328	(6.9%)	(5.9%)
Industrial	12,662	13,669	(7.4%)	(7.5%)	35,583	38,480	(7.5%)	(7.5%)
Other Energy Sales	130	146	(11.0%)	n/a	421	436	(3.4%)	n/a
Unbilled Sales	(1,171)	110	(1,164.5%)	n/a	(219)	461	(147.5%)	n/a
Total Retail Sales	58,891	61,625	(4.4%)	(2.1)%	156,865	165,050	(5.0%)	(2.8%)
Wholesale and Other	11,984	12,306	(2.6%)		29,687	31,799	(6.6%)	
Total Consolidated Electric Sales – Electric Utilities and Infrastructure	70,875	73,931	(4.1%)		186,552	196,849	(5.2%)	
Average Number of Customers (Electric)								
Residential	6,883,872	6,747,169	2.0%		6,848,397	6,727,714	1.8%	
General Service	1,005,196	993,468	1.2%		1,000,760	990,882	1.0%	
Industrial	17,270	17,291	(0.1%)		17,294	17,342	(0.3%)	
Other Energy Sales	31,157	30,639	1.7%		31,042	29,278	6.0%	
Total Retail Customers	7,937,495	7,788,567	1.9%		7,897,493	7,765,216	1.7%	
Wholesale and Other	46	50	(8.0%)		45	48	(6.3%)	
Total Average Number of Customers – Electric Utilities and Infrastructure	7,937,541	7,788,617	1.9%		7,897,538	7,765,264	1.7%	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	17,245	18,535	(7.0%)		33,201	43,713	(24.0%)	
Nuclear	18,852	18,970	(0.6%)		55,890	55,698	0.3%	
Hydro	640	240	166.7%		2,544	2,072	22.8%	
Oil and Natural Gas	22,424	22,421	—%		59,585	58,266	2.3%	
Renewable Energy	334	197	69.5%		894	519	72.3%	
Total Generation[(d)]	59,495	60,363	(1.4%)		152,114	160,268	(5.1%)	
Purchased Power and Net Interchange[(e)]	15,631	16,238	(3.7%)		44,441	46,285	(4.0%)	
Total Sources of Energy	75,126	76,601	(1.9%)		196,555	206,553	(4.8%)	
Less: Line Loss and Other	4,251	2,670	59.2%		10,003	9,704	3.1%	
Total GWh Sources	70,875	73,931	(4.1%)		186,552	196,849	(5.2%)	
Owned Megawatt (MW) Capacity[(c)]								
Summer					50,759	50,871		
Winter					54,272	54,566		
Nuclear Capacity Factor (%)[(f)]					95	96		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]								
Residential	8,657	8,452	2.4%		21,879	22,375	(2.2%)	
General Service	8,023	8,546	(6.1%)		21,077	22,539	(6.5%)	
Industrial	5,273	5,790	(8.9%)		14,612	16,126	(9.4%)	
Other Energy Sales	68	82	(17.1%)		229	241	(5.0%)	
Unbilled Sales	(816)	(158)	(416.5%)		(418)	(169)	(147.3%)	
Total Retail Sales	21,205	22,712	(6.6%)	(3.4%)	57,379	61,112	(6.1%)	(3.0%)
Wholesale and Other	2,521	2,875	(12.3%)		6,666	7,907	(15.7%)	
Total Consolidated Electric Sales – Duke Energy Carolinas	23,726	25,587	(7.3%)		64,045	69,019	(7.2%)	
Average Number of Customers								
Residential	2,316,390	2,266,663	2.2%		2,300,089	2,256,206	1.9%	
General Service	368,342	363,073	1.5%		366,071	361,739	1.2%	
Industrial	6,097	6,113	(0.3%)		6,103	6,124	(0.3%)	
Other Energy Sales	22,981	22,555	1.9%		22,880	21,219	7.8%	
Total Retail Customers	2,713,810	2,658,404	2.1%		2,695,143	2,645,288	1.9%	
Wholesale and Other	21	23	(8.7%)		22	19	15.8%	
Total Average Number of Customers – Duke Energy Carolinas	2,713,831	2,658,427	2.1%		2,695,165	2,645,307	1.9%	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	5,940	8,124	(26.9%)		11,587	16,416	(29.4%)	
Nuclear	11,463	11,666	(1.7%)		33,642	34,147	(1.5%)	
Hydro	423	104	306.7%		1,783	1,423	25.3%	
Oil and Natural Gas	4,712	4,697	0.3%		12,975	12,585	3.1%	
Renewable Energy	47	45	4.4%		132	123	7.3%	
Total Generation[(d)]	22,585	24,636	(8.3%)		60,119	64,694	(7.1%)	
Purchased Power and Net Interchange[(e)]	2,823	2,187	29.1%		7,521	8,030	(6.3%)	
Total Sources of Energy	25,408	26,823	(5.3%)		67,640	72,724	(7.0%)	
Less: Line Loss and Other	1,682	1,236	36.1%		3,595	3,705	(3.0%)	
Total GWh Sources	23,726	25,587	(7.3%)		64,045	69,019	(7.2%)	
Owned MW Capacity[(c)]								
Summer					20,191	20,192		
Winter					21,127	21,129		
Nuclear Capacity Factor (%)[(f)]					96	98		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	37	—	—%		1,735	1,730	0.3%	
Cooling Degree Days	1,027	1,205	(14.8%)		1,474	1,841	(19.9%)	
Variance from Normal								
Heating Degree Days	144.2%	(100.0%)			(11.5%)	(11.5%)		
Cooling Degree Days	3.0%	21.8%			(1.9%)	23.8%		

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(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]								
Residential	5,427	5,299	2.4%		13,705	14,107	(2.8%)	
General Service	4,283	4,552	(5.9%)		10,901	11,808	(7.7%)	
Industrial	2,721	2,903	(6.3%)		7,588	8,018	(5.4%)	
Other Energy Sales	19	19	—%		58	58	—%	
Unbilled Sales	(216)	(171)	(26.3%)		(147)	10	(1,570%)	
Total Retail Sales	12,234	12,602	(2.9%)	(1.3%)	32,105	34,001	(5.6%)	(2.5%)
Wholesale and Other	6,801	6,900	(1.4%)		17,407	18,071	(3.7%)	
Total Consolidated Electric Sales – Duke Energy Progress	19,035	19,502	(2.4%)		49,512	52,072	(4.9%)	
Average Number of Customers								
Residential	1,380,981	1,351,180	2.2%		1,371,672	1,346,472	1.9%	
General Service	239,941	237,037	1.2%		238,656	236,328	1.0%	
Industrial	3,997	4,018	(0.5%)		4,000	4,032	(0.8%)	
Other Energy Sales	1,415	1,413	0.1%		1,415	1,415	—%	
Total Retail Customers	1,626,334	1,593,648	2.1%		1,615,743	1,588,247	1.7%	
Wholesale and Other	9	9	—%		9	12	(25.0%)	
Total Average Number of Customers – Duke Energy Progress	1,626,343	1,593,657	2.1%		1,615,752	1,588,259	1.7%	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	3,162	3,792	(16.6%)		4,602	7,484	(38.5%)	
Nuclear	7,389	7,304	1.2%		22,248	21,551	3.2%	
Hydro	160	84	90.5%		624	543	14.9%	
Oil and Natural Gas	6,155	5,959	3.3%		16,235	15,825	2.6%	
Renewable Energy	68	77	(11.7%)		193	202	(4.5%)	
Total Generation[(d)]	16,934	17,216	(1.6%)		43,902	45,605	(3.7%)	
Purchased Power and Net Interchange[(e)]	2,738	2,796	(2.1%)		7,223	7,978	(9.5%)	
Total Sources of Energy	19,672	20,012	(1.7%)		51,125	53,583	(4.6%)	
Less: Line Loss and Other	637	510	24.9%		1,613	1,511	6.8%	
Total GWh Sources	19,035	19,502	(2.4%)		49,512	52,072	(4.9%)	
Owned MW Capacity[(c)]								
Summer					12,534	12,779		
Winter					13,594	13,942		
Nuclear Capacity Factor (%)[(f)]					94	92		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	23	—	—%		1,433	1,600	(10.4%)	
Cooling Degree Days	1,157	1,233	(6.2%)		1,670	1,954	(14.5%)	
Variance from Normal								
Heating Degree Days	138.8%	(100.0%)			(19.9%)	(11.2%)		
Cooling Degree Days	8.5%	16.2%			2.6%	21.4%		

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(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]								
Residential	6,795	6,450	5.3%		16,289	15,832	2.9%	
General Service	4,143	4,363	(5.0%)		10,895	11,590	(6.0%)	
Industrial	831	756	9.9%		2,356	2,203	6.9%	
Other Energy Sales	6	6	—%		17	18	(5.6%)	
Unbilled Sales	—	186	(100.0%)		544	518	5.0%	
Total Retail Sales	11,775	11,761	0.1%	0.2%	30,101	30,161	(0.2%)	1.1%
Wholesale and Other	1,198	1,235	(3.0%)		2,289	2,457	(6.8%)	
Total Electric Sales – Duke Energy Florida	12,973	12,996	(0.2%)		32,390	32,618	(0.7%)	
Average Number of Customers								
Residential	1,659,206	1,627,182	2.0%		1,650,696	1,621,718	1.8%	
General Service	205,232	203,247	1.0%		204,590	202,930	0.8%	
Industrial	2,000	2,018	(0.9%)		2,004	2,028	(1.2%)	
Other Energy Sales	1,493	1,497	(0.3%)		1,493	1,501	(0.5%)	
Total Retail Customers	1,867,931	1,833,944	1.9%		1,858,783	1,828,177	1.7%	
Wholesale and Other	11	13	(15.4%)		9	12	(25.0%)	
Total Average Number of Customers – Duke Energy Florida	1,867,942	1,833,957	1.9%		1,858,792	1,828,189	1.7%	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	1,621	1,300	24.7%		2,420	3,051	(20.7%)	
Oil and Natural Gas	10,595	10,742	(1.4%)		27,889	27,648	0.9%	
Renewable Energy	210	65	223.1%		546	171	219.3%	
Total Generation[d]	12,426	12,107	2.6%		30,855	30,870	—%	
Purchased Power and Net Interchange[e]	1,233	1,466	(15.9%)		3,304	3,662	(9.8%)	
Total Sources of Energy	13,659	13,573	0.6%		34,159	34,532	(1.1%)	
Less: Line Loss and Other	686	577	18.9%		1,769	1,914	(7.6%)	
Total GWh Sources	12,973	12,996	(0.2%)		32,390	32,618	(0.7%)	
Owned MW Capacity[c]								
Summer					10,335	10,218		
Winter					11,347	11,308		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	—	—	—%		220	271	(18.8%)	
Cooling Degree Days	1,569	1,545	1.6%		3,229	2,948	9.5%	
Variance from Normal								
Heating Degree Days	—%	—%			(10.8%)	(28.6%)		
Cooling Degree Days	5.5%	4.0%			17.4%	8.3%		

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(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]								
Residential	2,725	2,637	3.3%		6,911	6,921	(0.1%)	
General Service	2,458	2,655	(7.4%)		6,593	7,153	(7.8%)	
Industrial	1,403	1,520	(7.7%)		3,978	4,318	(7.9%)	
Other Energy Sales	25	27	(7.4%)		79	81	(2.5%)	
Unbilled Sales	(70)	136	(151.5%)		(54)	78	(169.2%)	
Total Retail Sales	6,541	6,975	(6.2%)	(1.5%)	17,507	18,551	(5.6%)	(2.9%)
Wholesale and Other	137	160	(14.4%)		256	408	(37.3%)	
Total Electric Sales – Duke Energy Ohio	6,678	7,135	(6.4%)		17,763	18,959	(6.3%)	
Average Number of Customers								
Residential	782,281	770,403	1.5%		781,935	770,910	1.4%	
General Service	89,075	88,356	0.8%		89,027	88,253	0.9%	
Industrial	2,479	2,456	0.9%		2,488	2,466	0.9%	
Other Energy Sales	3,440	3,406	1.0%		3,439	3,392	1.4%	
Total Retail Customers	877,275	864,621	1.5%		876,889	865,021	1.4%	
Wholesale and Other	1	1	—%		1	1	—%	
Total Average Number of Customers – Duke Energy Ohio	877,276	864,622	1.5%		876,890	865,022	1.4%	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	940	1,070	(12.1%)		1,833	2,768	(33.8%)	
Oil and Natural Gas	33	101	(67.3%)		40	133	(69.9%)	
Total Generation[d]	973	1,171	(16.9%)		1,873	2,901	(35.4%)	
Purchased Power and Net Interchange[e]	6,399	6,233	2.7%		17,693	17,740	(0.3%)	
Total Sources of Energy	7,372	7,404	(0.4%)		19,566	20,641	(5.2%)	
Less: Line Loss and Other	694	269	158.0%		1,803	1,682	7.2%	
Total GWh Sources	6,678	7,135	(6.4%)		17,763	18,959	(6.3%)	
Owned MW Capacity[c]								
Summer					1,076	1,076		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	50	—	—%		2,826	2,918	(3.2%)	
Cooling Degree Days	825	1,026	(19.6%)		1,177	1,359	(13.4%)	
Variance from Normal								
Heating Degree Days	(12.3%)	(100.0%)			(8.3%)	(4.7%)		
Cooling Degree Days	9.4%	36.0%			8.1%	25.6%		

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(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
September 2020

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]								
Residential	2,553	2,466	3.5%		7,033	7,110	(1.1%)	
General Service	2,206	2,280	(3.2%)		5,797	6,238	(7.1%)	
Industrial	2,434	2,700	(9.9%)		7,049	7,815	(9.8%)	
Other Energy Sales	12	12	—%		38	38	—%	
Unbilled Sales	(69)	117	(159.0%)		(144)	24	(700.0%)	
Total Retail Sales	7,136	7,575	(5.8%)	(3.3%)	19,773	21,225	(6.8%)	(5.4%)
Wholesale and Other	1,327	1,136	16.8%		3,069	2,956	3.8%	
Total Electric Sales – Duke Energy Indiana	8,463	8,711	(2.8%)		22,842	24,181	(5.5%)	
Average Number of Customers								
Residential	745,014	731,741	1.8%		744,005	732,408	1.6%	
General Service	102,606	101,755	0.8%		102,416	101,632	0.8%	
Industrial	2,697	2,686	0.4%		2,699	2,692	0.3%	
Other Energy Sales	1,828	1,768	3.4%		1,815	1,751	3.7%	
Total Retail Customers	852,145	837,950	1.7%		850,935	838,483	1.5%	
Wholesale and Other	4	4	—%		4	4	—%	
Total Average Number of Customers – Duke Energy Indiana	852,149	837,954	1.7%		850,939	838,487	1.5%	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	5,582	4,249	31.4%		12,759	13,994	(8.8%)	
Hydro	57	52	9.6%		137	106	29.2%	
Oil and Natural Gas	929	922	0.8%		2,446	2,075	17.9%	
Renewable Energy	9	10	(10.0%)		23	23	—%	
Total Generation[d]	6,577	5,233	25.7%		15,365	16,198	(5.1%)	
Purchased Power and Net Interchange[e]	2,438	3,556	(31.4%)		8,700	8,875	(2.0%)	
Total Sources of Energy	9,015	8,789	2.6%		24,065	25,073	(4.0%)	
Less: Line Loss and Other	552	78	607.7%		1,223	892	37.1%	
Total GWh Sources	8,463	8,711	(2.8%)		22,842	24,181	(5.5%)	
Owned MW Capacity[c]								
Summer					6,623	6,606		
Winter					7,040	7,023		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	52	—	—%		3,142	3,358	(6.4%)	
Cooling Degree Days	789	930	(15.2%)		1,132	1,224	(7.5%)	
Variance from Normal								
Heating Degree Days	(19.6%)	(100.0%)			(5.0%)	1.2%		
Cooling Degree Days	5.7%	24.6%			5.0%	13.3%		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
September 2020

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Inc. (Dec.)	2020	2019	% Inc. (Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms) (a)	115,549,371	121,378,484	(4.8%)	360,861,306	377,725,958	(4.5%)
Duke Energy Midwest LDC throughput (Mcf)	9,678,342	9,997,444	(3.2%)	58,570,583	62,278,623	(6.0%)
Average Number of Customers – Piedmont Natural Gas						
Residential	1,003,014	971,955	3.2%	1,000,857	978,739	2.3%
Commercial	104,572	103,179	1.4%	105,023	104,046	0.9%
Industrial	965	974	(0.9%)	970	970	—%
Power Generation	19	16	18.8%	18	16	12.5%
Total Average Number of Gas Customers – Piedmont Natural Gas	1,108,570	1,076,124	3.0%	1,106,868	1,083,771	2.1%
Average Number of Customers – Duke Energy Midwest						
Residential	493,169	485,307	1.6%	495,049	489,401	1.2%
General Service	41,729	41,291	1.1%	43,371	43,250	0.3%
Industrial	1,524	1,491	2.2%	1,572	1,574	(0.1%)
Other	132	136	(2.9%)	132	135	(2.2%)
Total Average Number of Gas Customers – Duke Energy Midwest	536,554	528,225	1.6%	540,124	534,360	1.1%

(a) Piedmont has a margin decoupling mechanism in North Carolina, weather normalization mechanisms in South Carolina and Tennessee and fixed-price contracts with most power generation customers that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
September 2020

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Inc. (Dec.)	2020	2019	% Inc. (Dec.)
Renewable Plant Production, GWh	2,563	2,146	19.4%	7,660	6,528	17.3%
Net Proportional MW Capacity in Operation(a)	n/a	n/a		3,984	3,162	26.0%

(a) Includes 100% tax equity project capacity.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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

Date of Report (Date of earliest event reported): December 11, 2020

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
	DUKE ENERGY	
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-4928	**DUKE ENERGY CAROLINAS, LLC** (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853	56-0205520
1-3382	**DUKE ENERGY PROGRESS, LLC** (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

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

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

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

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

Emerging growth company ☐

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

Item 7.01. Regulation FD.

On December 11, 2020, the North Carolina Supreme Court (the "Court") issued an opinion (the "Opinion") on the consolidated appeals of the orders of the North Carolina Utilities Commission ("NCUC") addressing the 2017 rate cases of Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP"), which allowed DEC and DEP to recover costs associated with coal ash management and safe basin closure.

In the Opinion, the Court upheld the NCUC's decision to include coal ash costs in the cost of service, as well as the NCUC's discretion to allow a return on the unamortized balance of coal ash costs.

The Opinion also remanded to the NCUC a single issue - to consider the assessment of support for the North Carolina Public Staff's ("Public Staff") equitable sharing argument. The NCUC has rejected Public Staff's equitable sharing argument in several rate case orders, and Duke Energy looks forward to the NCUC providing additional details regarding the basis for its decision pursuant to the Court's Opinion.

We do not believe the Court's Opinion results in any accounting implications or other impacts to customer rates.

DEC and DEP have pending rate cases before the NCUC which include requests for recovery of additional coal ash costs. An order is expected in the DEC case by mid-January, and the DEP case approximately one month later.

Forward Looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;

- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of Duke Energy Carolinas, Duke Energy Progress, and Duke Energy Corporation (the Duke Energy Registrants) may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

	DUKE ENERGY CORPORATION
Date: December 11, 2020	**By: /s/ David S. Maltz**
	Name: David S. Maltz
	Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary
	DUKE ENERGY CAROLINAS, LLC
Date: December 11, 2020	**By: /s/ David S. Maltz**
	Name: David S. Maltz
	Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary
	DUKE ENERGY PROGRESS, LLC
Date: December 11, 2020	**By: /s/ David S. Maltz**
	Name: David S. Maltz
	Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 14, 2021**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3274	**DUKE ENERGY FLORIDA, LLC** (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853	59-0247770

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 8.01. Other Events.

On January 14, 2021, Duke Energy Florida, LLC ("DEF") filed a Settlement Agreement (the "Settlement") with the Florida Public Service Commission ("FPSC"). The parties to the Settlement include DEF, the Office of Public Counsel, the Florida Industrial Power Users Group, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate, and NUCOR Steel Florida, Inc. (collectively, the "Parties.")

Pursuant to the Settlement, the Parties agreed to a base rate stay-out provision that expires year-end 2024; however, DEF is allowed an increase to its base rates of an incremental $67 million in 2022, $49 million in 2023 and $79 million in 2024, subject to adjustment in the event of tax reform durings the years 2021, 2022 or 2023. The Parties also agreed to a return on equity ("ROE") band of 8.85% to 10.85% with a midpoint of 9.85% based on a capital structure of 53% equity and 47% debt. The ROE band can be increased by 25 basis points if the average 30-year US Treasury rate increases 50 basis points or more over a six-month period, in which case the midpoint ROE would rise from 9.85% to 10.10%. DEF will retain the Department of Energy award of $173 million for spent nuclear fuel, which is expected to be received in 2022, in order to mitigate customer rates over the term of the Settlement. In return, DEF will be able to recognize the $173 million into earnings from 2022 through 2024.

In addition to these terms, the Settlement contains provisions related to the accelerated depreciation of Crystal River North coal-fired power plants, the approval of approximately $1 billion future investments in new cost effective solar power, the implementation of a new Electric Vehicle Charging Station Program, and the deferral and recovery of costs in connection with the implementation of DEF's Vision Florida program, which explores various emerging non-carbon emitting generation technology, distributed technologies and resiliency projects, among other things. An overview providing additional detail on the terms of the Settlement is attached to this Form 8-K as Exhibit 99.1.

The Settlement is subject to the review and approval of the FPSC, which is expected in the second quarter of 2021. Upon approval by the FPSC, the new rates will be effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Duke Energy Florida 2021 Settlement Agreement Summary

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: January 15, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

DUKE ENERGY FLORIDA, LLC

Date: January 15, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

EXHIBIT 99.1

Duke Energy Florida
2021 Settlement Agreement Summary

Summary

On January 14, 2021, Duke Energy Florida ("DEF") filed a 2021 Settlement Agreement ("2021 Settlement") dated January 14, 2021, with the Florida Public Service Commission ("FPSC"). NOTE: This document contains a brief summary of the key provisions, but the specific terms and exhibits included in the 2021 Settlement Agreement govern and control.

Parties to the 2021 Settlement include DEF, the Office of Public Counsel, the Florida Industrial Power Users Group, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate, and NUCOR Steel Florida, Inc.

The 2021 Settlement will provide for rate stability through a base rate stay out provision that expires year-end 2024; however, DEF is allowed a multi-year increase to its base rates of $67 million, $49 million and $79 million in 2022, 2023 and 2024. The 2021 Settlement contains provisions related to return on equity, future investments in cost effective solar power and electric vehicle infrastructure programs and impacts of potential tax reform.

The 2021 Settlement is subject to the review and approval of the FPSC, which is expected in Q2 2021.

Summary of Key Provisions

Base Rates

- Base rates will be increased by an incremental $67 million in 2022, $49 million in 2023 and $79 million in 2024, for a total of $195 million by 2024.
- ROE/Cap Structure: Return on equity shall be a midpoint of 9.85% based upon a financial capital structure of 53% equity and 47% debt.
    - This will include a ROE band of +/- 100 bps or a ROE band range of 8.85% to 10.85%, with 9.85% as the midpoint; or if trigger is achieved the range would adjust to 9.1% to 11.1% with 10.1% as the midpoint.
    - ROE adjustment/trigger: If the average 30-year US Treasury Rate increases 50 basis points over a 6 month period DEF will be permitted to increase its ROE by 25-basis points (ex. 9.85% to 10.1%). Additionally, DEF may file for approval of the resulting increase in base rates, subject to not exceeding the new midpoint on ROE.
    - If the trigger occurs, the revenue requirement increase would be capped at $24 million in 2022 or $27 million in 2023 and 2024.
- Base Rate Freeze: Except for the base rate increases and the potential ROE adjustments described above and tax reform adjustments described below, all other base rates will remain frozen through 2024 unless earnings are outside the 8.85% to 10.85% ROE band, or new band based on operation of the ROE trigger, in which case either party can request an amendment to customer rates.
- Tax Reform:
    - If tax reform is enacted during the years 2021, 2022 or 2023 and results in an increase to base revenue requirements, then DEF shall increase customer rates commensurate with the increase in tax rates.
    - If tax reform is enacted during 2024 and results in an increase to base revenue requirements, then DEF shall defer those impacts to a regulatory asset to be addressed in base rates, with changes effective no earlier than January 2025.

Duke Energy Florida
2021 Settlement Agreement Summary
(Docket: 2021xxx-EI)

Accelerated coal plant retirements

- DEF will accelerate the estimated retirement date of the Crystal River North ("CR 4 and 5") coal-fired power plants from 2042 to 2035.

Clean Energy Connection

- In January 2021, DEF received approval for its investment of ~$1 billion, 750 megawatts of new cost-effective solar power from 2022 through 2024. The 2021 Settlement Agreement reflects costs associated with placing the 750 megawatts of solar generation into rate base with revenue requirements which are partially offset by the program subscription fees.

Other Items

- All matters regarding storm cost recovery for Hurricanes Michael and Dorian have been resolved.
- In order to mitigate customer rate increases over the term of the settlement, DEF will retain Department of Energy (DOE) Spent fuel recoveries of ~$173 million, which are expected to be received in 2022. In return, DEF will be able to recognize the $173 million into earnings from 2022 – 2024.
- DEF will implement a new Electric Vehicle Charging Station Program
  - DEF is authorized to invest in 100 company owned DCFC (Direct-current fast charger) stations forecasted to be $25 million over the four-year period 2022-2025.
  - DEF is authorized to implement a rebate program for Commercial & Industrial ("C&I") customers forecasted to be $29 million over the four-year period 2022-2025 which will be capitalized in rate base.
  - DEF is authorized to add a residential EV Non-Time of Use (Non-TOU) credit program. Residential customers not on a whole home TOU rate who have EV charging stations located at their residence and who participate in the program will be eligible for a $10 per month credit as a proxy for being on a TOU rate.
- Vision Florida Program: DEF may defer and recover costs associated with implementing its Vision Florida program; a program focused on exploring various emerging technologies including non-carbon emitting generation options, distributed technologies and resiliency of emergency shelters.
  - Specifically, the program may consist of: capital and operating & maintenance ("O&M") investments associated with but not limited to: up to four Emergency Relief Microgrid projects; a floating solar pilot project at the Hines generating station; an investment in some form of hydrogen power; and solar plus storage projects that are intended to delay or avoid future transmission or distribution investments.
  - As Vision Florida eligible capital projects go in service, DEF shall be authorized to defer all financial impacts including carrying costs associated with the capital projects and will be recovered in DEF's next base rate proceeding.
  - Total costs under this pilot shall not exceed $100 million capital and $12 million O&M and may be incurred at any time from 2021 – 2025.
- DEF is authorized to spend approximately $10 million per year for economic development.
- Upon approval by the FPSC, the new rates will be effective January 1, 2022 with subsequent annual base rate increases effective January 1, 2023 and January 1, 2024.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
	DUKE ENERGY	
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
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Duke Energy	5.125% Junior Subordinated Debentures due January 15, 2073	DUKH	New York Stock Exchange LLC
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Duke Energy	Depositary Shares each representing a 1/1,000th interest in a share of 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock, par value $0.001 per share	DUK PR A	New York Stock Exchange LLC

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

Emerging growth company ☐

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

Item 1.01. Entry into a Material Definitive Agreement.

On January 22, 2021, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and, together with DEC, the "Companies") entered into a Settlement Agreement (the "Settlement") with the Public Staff-North Carolina Utilities Commission ("Public Staff"), the North Carolina Attorney General's Office ("AGO") and the Sierra Club (collectively, the "Intervenor Settling Parties" and, together with DEC and DEP, the "Parties"), which will be filed with the North Carolina Utilities Commission ("NCUC") on January 25, 2021. The Settlement resolves all coal ash prudence and cost recovery issues in connection with the Companies' 2019 rate cases filed with the NCUC, as well as the equitable sharing issue on remand from the Companies' 2017 North Carolina rate cases as a result of the December 11, 2020, North Carolina Supreme Court opinion. The Settlement also provides clarity on coal ash cost recovery through January 2030, for DEC and through February 2030, for DEP (the "Term").

In addition to resolving all coal ash prudence and cost recovery issues in the 2019 DEC and DEP North Carolina rate cases and resolving the issue on remand in the 2017 DEC and DEP North Carolina rate cases, pursuant to the Settlement, the Companies agreed to not seek recovery of approximately $1 billion of system-wide deferred coal ash expenditures. The Companies will retain the ability to earn a debt and equity return during the amortization period, which shall be five years in the pending 2019 North Carolina rate cases and will be set by the NCUC in future rate case proceedings. The equity return and the amortization period on deferred coal ash costs under the 2017 DEC and DEP North Carolina rate cases will remain unaffected. The equity return on deferred coal ash costs under the 2019 North Carolina rate cases and future rate cases in North Carolina during the Term will be set at 150 basis points lower than the authorized return on equity then in effect, with a capital structure composed of 48% debt and 52% equity. The Companies retain the ability to earn a full weighted average cost of capital return during the deferral period – the period from when costs are incurred until they are recovered in rates.

The Intervenor Settling Parties agree that the Companies' execution of the Settlement Agreement between the Companies and the North Carolina Department of Environmental Quality ("DEQ") dated December 31, 2019 (the "DEQ Settlement") and the coal ash management plans included therein or subsequently approved by DEQ are reasonable and prudent. The Intervenor Settling Parties retain the right to challenge the reasonableness and prudence of the Companies' actions taken and costs incurred to implement the scope of work agreed upon in the DEQ Settlement after February 1, 2020, for DEC and March 1, 2020 for DEP. The Intervenor Settling Parties further agreed to waive rights to challenge the reasonableness or prudence of the Companies' historical coal ash management practices, and to waive the right to assert any arguments that future coal ash costs, including financing costs, shall be shared between either Company and customers through equitable sharing or any other rate base or return adjustment that shares the revenue requirement burden of coal ash costs not otherwise disallowed due to imprudence through the Term.

The Parties agree to share future coal ash insurance litigation proceeds between the Companies and North Carolina customers, if achieved.

As a result of the Settlement, DEC and DEP will each take a one-time estimated pre-tax charge to earnings of approximately $500 million, in the fourth quarter of 2020, which will be treated as a special item and excluded from adjusted earnings per share.

The Settlement is subject to the review and approval of the NCUC. The Parties intend to request an expedited review by the NCUC and anticipate an order on the pending 2019 DEC rate case in the coming weeks and on the 2019 DEP North Carolina rate case shortly thereafter.

Item 2.06. Material Impairments.

The information contained in Item 1.01 above relating to material charges is incorporated into this Item 2.06 by reference.

Forward Looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of Duke Energy Corporation, DEC and DEP (the Duke Energy Registrants) may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;

- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Summary of Coal Ash Settlement filed with the North Carolinas Utilities Commission - Duke Energy Carolinas and Duke Energy Progress

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: January 25, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

DUKE ENERGY CAROLINAS, LLC

Date: January 25, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

DUKE ENERGY PROGRESS, LLC

Date: January 25, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

Exhibit 99.1

Summary of Coal Ash Settlement filed with the North Carolinas Utilities Commission
Duke Energy Carolinas, LLC and Duke Energy Progress, LLC
(Dockets E-7 Sub 1214, E-2 Sub 1219, E-7 Sub 1146 and E-2 Sub 1142)

Background:

- On September 30, 2019, Duke Energy Carolinas, LLC ("DEC") filed a rate case with the North Carolina Utilities Commission ("NCUC").
  - The filing requested recovery of $378 million[1] (NC retail allocation) of deferred coal ash costs over 5 years.
  - Includes actual amounts deferred from Jan. 1, 2018 – Jan. 31, 2020.
- On October 30, 2019, Duke Energy Progress, LLC ("DEP") filed a rate case with the NCUC.
  - The filing requested recovery of $440 million[2] (NC retail allocation) of deferred coal ash costs over 5 years.
  - Includes amounts deferred from Sep. 1, 2017 – Feb. 29, 2020
- NCUC orders in DEC and DEP's prior rates cases, filed in 2017, allowed DEC and DEP to recover deferred coal ash costs of $554 million and $234 million (NC retail allocation), respectively, over 5 years with a weighted average cost of capital ("WACC") return. The orders were subsequently appealed to the North Carolina Supreme Court (the "Court"). On December 11, 2020, the Court issued an opinion (the "Opinion") on the consolidated appeals, which:
  - Upheld the NCUC's decision to include coal ash costs in the cost of service, and the NCUC's discretion to allow a return on the unamortized balance of coal ash costs.
  - The Opinion also remanded to the NCUC a single issue – to consider the assessment of support for the North Carolina Public Staff's ("Public Staff") equitable sharing argument.

On January 22, 2021, DEC, DEP (collectively the "Companies"), the NC Attorney General's Office ("AGO"), the Public Staff and Sierra Club entered into a Settlement Agreement (the "Settlement") which will be filed with the NCUC on January 25, 2021. The Settlement resolves all historical coal ash prudence and cost recovery issues, including cases on remand to the NCUC, and provides clarity on coal ash cost recovery for the next decade in North Carolina.

Major components of the Settlement:

- The term of the Settlement goes through early 2030 and resolves all coal ash issues in: (1) the remand of the 2017 NC rate cases; and (2) the 2019 NC rate cases. It also provides much greater certainty on the recovery of coal ash costs incurred through Jan./Feb. 2030 for DEC and DEP, respectively.
- Limits the scope of future rate case proceedings in NC. For the term of the Settlement, the Parties waive all rights to:
  - Assert that coal ash costs be shared between either Company (DEC or DEP) and customers through "equitable sharing" or any other rate base or return adjustment, and
  - Challenge the reasonableness and prudence of the Companies' historical coal ash management practices and costs prior to Feb./Mar. 2020.

[1] DEC's original filling with the NCUC on Sep. 30, 2019 requested recovery of $480 million (NC retail allocation). Included in this amount was ~$99 million for non-ARO investments that were resolved in the Second Partial Settlement.

[2] DEP's original filling with the NCUC on Oct. 30, 2019 requested recovery of $530 million (NC retail allocation). Included in this amount was ~$42 million for non-ARO investments that were resolved in the Second Partial Settlement.

- The Companies agree to not seek recovery of approximately $1 billion of system-wide deferred coal ash expenditures.
- Affirms prudency and cost recovery of coal ash costs in the 2017 NC rate cases, including 5-year amortization with a full WACC return and the previously assessed cost of service penalty.
- Allows a return at a reduced ROE on coal ash costs in the pending 2019 NC rate cases and through Jan./Feb. 2030. The reduced ROE will be 150 basis points lower than the prevailing ROE over the settlement period (e.g. if the 9.6% ROE is approved in the pending rate cases, coal ash costs would earn a reduced ROE of 8.1%), with a capital structure composed of 48% debt and 52% equity.
    - The Companies retain the ability to earn a full WACC return during the deferral period.
- Allows an amortization period of 5 years for coal ash costs in the pending 2019 NC rate cases; amortization periods for future deferred costs will be set by the NCUC in future rate case proceedings.
- Summary of amortization/recovery period and allowed return:

	Amortization period	Allowed return during amortization period
2017 rate case costs	5 years	Full WACC
2019 rate case costs	5 years	Debt return + Reduced ROE
Future costs through settlement term	To be set by the NCUC in future rate case proceedings	Debt return + Reduced ROE

Financial Implications to Duke Energy:

- The terms of the Settlement provide upside to Duke Energy's financial plan, giving management greater confidence in hitting the higher end of its 4-6% long-term earnings growth range.
- As a result of not seeking recovery of an estimated $1 billion of system-wide deferred coal ash expenditures, DEC and DEP will each incur estimated pre-tax charges of approximately $500 million[3]. These charges will be incurred in Q4 2020 and will be treated as a "special item" and excluded from adjusted earnings per share.

Additional Information:

- Parties agree to share future coal ash insurance litigation proceeds between the Companies and NC customers, if achieved.
- The Settlement is subject to the review and approval of the NCUC.
- The Parties will request expedited review by the NCUC and expect an order on the pending DEC rate case in the coming weeks, with the DEP order to follow shortly thereafter.

[3] These amounts include $224 million for DEC and $261 million for DEP related to the 2019 rate cases.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 28, 2021

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3543	**DUKE ENERGY INDIANA, LLC** (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853	35-0594457

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 1.01 Entry into a Material Definitive Agreement.

On January 28, 2021, Duke Energy Corporation ("Duke Energy"), along with certain of its subsidiaries, entered into a definitive agreement providing for an acquisition of a 19.9% interest in Duke Energy Indiana, LLC ("DEI"), with an affiliate of GIC Private Limited, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure.

As stated above, on January 28, 2021, Cinergy Corp., ("Cinergy"), Duke Energy Indiana Holdco, LLC ("DEI Holdco") and Duke entered into an Investment Agreement (the "Investment Agreement") with Epsom Investment Pte. Ltd. ("Investor"), pursuant to which DEI Holdco agreed to issue and sell to Investor, and Investor agreed to purchase from DEI Holdco, certain newly issued membership interests of DEI Holdco such that Investor will own 19.9% of the issued and outstanding membership interests of DEI Holdco (the "Acquired DEI Holdco Interests") following two closings, for an aggregate purchase price of $2,050,000,000. At the first closing (the "First Closing"), DEI Holdco will issue and sell to Investor 11.05% (the "First Closing Acquired Percentage") of the DEI Holdco membership interests issued and outstanding immediately after the First Closing in exchange for 50% of the purchase price, subject to adjustment. At the second closing (the "Second Closing"), DEI Holdco will issue and sell to Investor additional DEI Holdco membership interests such that Investor will own 19.9% of DEI Holdco immediately after the Second Closing in exchange for 50% of the purchase price.

Prior to the First Closing, Cinergy plans to contribute to DEI Holdco 100% of the issued and outstanding membership interests of DEI (the "DEI Membership Interests") such that DEI Holdco owns 100% of the DEI Membership Interests.

The purchase price with respect to the First Closing is subject to adjustment based on capital contributions made to DEI Holdco and its subsidiaries by Cinergy or any of its affiliates on or after the date of the Investment Agreement and prior to the First Closing.

The issuance of membership interests under the Investment Agreement is subject to the satisfaction of certain customary conditions described in the Investment Agreement, including receipt of the approval of the Federal Energy Regulatory Commission and completion of review by the Committee on Foreign Investments in the United States. The First Closing will occur following the date on which the applicable conditions have been satisfied, and the Second Closing will occur on a date to be proposed by DEI Holdco that is no later than January 18, 2023 and on which the applicable conditions have been satisfied.

In addition, each of the parties has agreed to customary covenants, including, among others, the following: (i) Cinergy will conduct the business of DEI and DEI Holdco and its subsidiaries in the ordinary course of business consistent with past practices and will preserve, maintain and protect the assets of DEI and DEI Holdco and its subsidiaries in material compliance with applicable laws and material permits and contracts; (ii) the parties will cooperate and use reasonable best efforts to obtain the required consents as soon as reasonably practicable; and (iii) the parties will take all action and do all things necessary, proper or advisable under applicable laws to consummate the transactions, including executing documents and taking actions as may be reasonably requested by another party in order to consummate the transactions.

The Investment Agreement contains representations and warranties by Cinergy and Investor which are customary for transactions of this type. It also obligates the parties to indemnify each other for losses arising out of breaches of the Investment Agreement or failure by such party to perform with respect to the representations, warranties or covenants contained in the Investment Agreement, among other things, subject to customary limitations. The Investment Agreement contains termination rights for both Cinergy and Investor. The Investment Agreement may be terminated: (i) by mutual consent of the parties; (ii) by either Investor or Cinergy if the First Closing has not occurred within six (6) months, subject to possible extension; (iii) by either party, as the case may be, prior to the First Closing upon certain material breaches or failures to perform any of the representations, warranties, covenants or agreements by the other party; or (iv) by either party prior to the First Closing in the event of a final and non-appealable order or action restraining, enjoining or otherwise prohibiting the transactions.

In connection with the First Closing, Investor, DEI Holdco and Cinergy will enter into an Amended and Restated Limited Liability Company Operating Agreement of DEI Holdco (the "LLC Agreement"), the form of which has been agreed to by the parties. The LLC Agreement will establish the general framework governing the relationship between Investor and Cinergy, and their respective successors and transferees, as members of DEI Holdco and will provide Investor with limited minority governance rights commensurate with its ownership. Certain transfer restrictions and other transfer rights apply to Investor and Cinergy under the LLC Agreement, including the right of Investor to require Cinergy to acquire Investor's interests in certain circumstances.

The foregoing summaries of the Investment Agreement and the LLC Agreement and the transactions contemplated thereby are subject to, and qualified in their entirety by, the full terms of the Investment Agreement, which will be filed with Duke Energy's and DEI's Quarterly Report on Form 10-Q for the period ended March 31, 2021, and the full terms of the LLC Agreement, which will be filed no later than with Duke Energy's and DEI's Quarterly Report on Form 10-Q for the period in which the parties enter into the LLC Agreement.

Item 7.01 Regulation FD Disclosure.

On January 28, 2021, Duke Energy also announced its 2021 adjusted earnings per share (EPS) guidance range of $5.00 to $5.30. The transaction with GIC bolsters the company's growth potential and supports Duke Energy's increased long-term adjusted EPS growth rate of 5 to 7% (from 4 to 6% previously) through 2025, based off the 2021 adjusted EPS midpoint of $5.15. Proceeds from the transaction will fund Duke Energy's increased $58 to $60 billion capital plan. On January 28, 2021, Duke Energy posted an investor presentation to its website at www.duke-energy.com/our-company/investors related to this announcement and the signing of the Investment Agreement and the transactions contemplated thereby. A copy of this investor presentation is attached hereto as Exhibit 99.1.

On January 28, 2021, Duke Energy issued a press release announcing the earnings guidance set forth above and the signing of the Investment Agreement and the transactions contemplated thereby. A copy of the press release is attached hereto as Exhibit 99.2.

The information in Exhibit 99.1 and Exhibit 99.2 is being furnished pursuant to this Item 7.01. In accordance with General Instruction B.2 of Form 8-K, the information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Forward Looking Statements

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
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- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;

- Credit ratings of Duke Energy and DEI (the Duke Energy Registrants) may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

Adjusted Earnings per Share (EPS) Guidance

Duke Energy materials for the GIC Investment in DEI include a reference to the forecasted 2021 adjusted EPS guidance range of $5.00 to $5.30 per share, with a midpoint of approximately $5.15 per share. The materials also reference the long-term range of annual growth of 5% - 7% off the midpoint of the 2021 adjusted EPS guidance range, revised up from 4% - 6%. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy common stockholders, adjusted for the per share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses.

The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy common stockholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1	Investor Presentation, dated January 28, 2021 (furnished pursuant to Item 7.01)
99.2	Press Release, dated January 28, 2021 (furnished pursuant to Item 7.01)
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

Date: January 28, 2021

DUKE ENERGY INDIANA, LLC

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

Date: January 28, 2021

Exhibit 99.1

Key financial updates

2021 Earnings Guidance and Growth Rate

$5.00 - $5.30

INTRODUCING 2021 ADJUSTED EPS GUIDANCE RANGE

5% – 7% GROWTH RATE THROUGH 2025[(1)]

INCREASING LONG-TERM ADJUSTED EPS GROWTH RATE

GIC Minority Investment in Duke Energy Indiana

$2.05 BILLION ALL-CASH TRANSACTION

- **GIC TO ACQUIRE 19.9% STAKE IN DEI FOR $2.05 BILLION**
- **IMPLIED VALUATION OF 27.7x DEI P/E MULTIPLE[(2)]**
- **ADDRESSES ALL COMMON EQUITY NEEDS FOR NEXT 5 YEARS TO FUND DUKE ENERGY'S INCREASED $58 – $60 BILLION CAPEX PLAN**

(SEE FOLLOWING SLIDES FOR ADDITIONAL INFORMATION)

DUKE ENERGY.

(1) Based off $5.15 midpoint of 2021 adjusted EPS guidance range of $5.00 to $5.30
(2) LTM P/E as of 9/30/2020

GIC Investment in DEI: Transaction Summary

Investor	▪ GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves and is an experienced investor in U.S. infrastructure
Investment & Valuation	▪ Investment of $2.05 billion for a 19.9% ownership interest in Duke Energy Indiana HoldCo (DEIH), an intermediate holding company that will own 100% of Duke Energy Indiana (DEI) prior to closing ▪ Values DEI at $10.3 billion equity value and $14.5 billion firm value on a 100% basis(1)

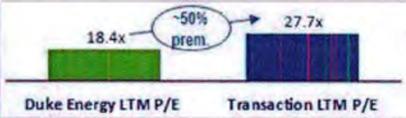
Structure & Timing	▪ Duke Energy to retain control with 80.1% ownership in DEIH
	▪ Customized two-stage closing process:
	  ▪ Initial closing expected Q2 2021: GIC receives ~11% interest, DUK receives $1.025 billion
	  ▪ Second closing by Jan 2023: GIC receives remaining ~8.9% interest, DUK receives $1.025 billion

Governance	▪ GIC will receive certain limited minority rights commensurate with a 19.9% investment
Operations	▪ Duke Energy will continue to be the sole operator of DEI ▪ No impact to DEI employees or management team
Closing Conditions	▪ Transaction is subject to FERC approval and CFIUS clearance
Use of Proceeds	▪ Satisfies the $1 billion of equity (i.e. $500 million DRIP/ATM in 2021 and 2022) previously contemplated in Duke Energy's consolidated financial plan ▪ Remainder used to partially fund Duke Energy's increased $58-$60 billion 5-year capital plan

DUKE ENERGY.

(1) Based on DEI net debt balance of $4.2bn as of 9/30/2020

GIC Investment in DEI: Strategic Rationale to Duke Energy

1 Source of efficient capital raising at premium valuation		▪ $2.05bn of proceeds at transaction multiple is equivalent to only issuing ~$1.3bn of common stock at Duke's current multiple
2 Accretive to earnings and improves consolidated credit metrics	***High premium valuation is accretive to earnings***	***Using proceeds to fund future capex improves credit metrics***
3 Two-phase closing matches timing of capital needs	*First closing expected Q2 2021 (~11% interest)* 2021 2022	2023 *Second closing by January 2023 (~8.9% interest)*
4 Removes all equity from 5-year financing plan	▪ Proceeds from first closing replaces $1bn of common equity contemplated in previous plan	▪ Proceeds from second closing will fund increased growth capex without need for further equity issuance
5 Efficiently redeploys capital to finance higher-growth opportunities	▪ Provides capital to finance clean energy transition across the enterprise, which increases earnings base growth rate	
6 Results in a higher long-term earnings profile for DUK	Combined with NC coal ash and Florida rate case settlements, provides greater earnings visibility	**5-7% earnings growth rate** ***Revised up from 4-6%*** Based off $5.15 midpoint of 2021 EPS guidance range(1)

(1) Based on midpoint of 2021 adjusted EPS guidance range of $5.00 to $5.30
Source: Company filings
Note: LTM P/E as of 09/30/2020 earnings, DUK stock price as of 1/27/21

DUKE ENERGY.

Duke Energy Corporation
Non-GAAP Reconciliation
GIC Investment in Duke Energy Indiana

Adjusted Earnings per Share (EPS) Guidance

Duke Energy Corporation's (Duke Energy) materials for the GIC Investment in Duke Energy Indiana include a reference to the forecasted 2021 adjusted EPS guidance range of $5.00 to $5.30 per share, with a midpoint of approximately $5.15 per share. The materials also reference the long-term range of annual growth of 5% - 7% off the midpoint of the 2021 adjusted EPS guidance range, revised up from 4% - 6%. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders, adjusted for the per share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses.

The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Cautionary Note Regarding Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see our 2019 Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC and available at the SEC's website at sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made. Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

News Release

Duke Energy Media contact: Catherine Butler
24-Hour: 800.559.3853

Duke Energy Analyst contact: Jack Sullivan
980.373.3564

GIC Media contact: Katy Conrad
212.856.2407

Jan. 28, 2021

Duke Energy partners with GIC to secure minority investment in Duke Energy Indiana, increases long-term EPS growth rate

- **GIC to acquire 19.9 percent minority interest in Duke Energy Indiana for total of $2.05 billion; Duke Energy to remain majority owner and sole operator of DEI**
- **Company announces 2021 adjusted EPS guidance range of $5.00 to $5.30**
- **Attractive valuation and efficient form of financing supports increased long-term adjusted EPS growth rate of 5 to 7% through 2025, based off midpoint of 2021 range**
- **Innovative two-stage closing replaces planned common equity in five-year plan and funds increased $58 to $60 billion capital plan**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK), alongside GIC, today announced that it has entered into a definitive agreement for an acquisition of a 19.9 percent interest in Duke Energy Indiana (DEI), a subsidiary of Duke Energy, by an affiliate of GIC Private Limited, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure.

Duke Energy today also announced its 2021 adjusted earnings per share (EPS) guidance range of $5.00 to $5.30. The transaction with GIC bolsters the company's growth potential and supports its increased long-term adjusted EPS growth rate of 5 to 7% through 2025, based off of a 2021 adjusted EPS midpoint of $5.15. This is up from the previously stated 4 to 6% rate.

Under the terms of the agreement, GIC will acquire a 19.9 percent indirect minority interest in Duke Energy Indiana for a total purchase price of $2.05 billion, a significant premium to Duke Energy's current public equity valuation.

Proceeds from the transaction will fund Duke Energy's increased $58 to $60 billion capital plan – a five-year plan that will accelerate its clean energy transition – and redeploy capital to support increased growth investments within its portfolio of regulated utilities. With this source of capital and increased financial strength, Duke Energy will continue providing reliable service and investing in important energy infrastructure while maintaining affordable rates for customers.

Given the innovative transaction structure, Duke Energy will receive proceeds in two, separate phases to efficiently align with the company's capital needs. The transaction allows Duke Energy to forego its previously announced plan to raise $1 billion of common equity.

Duke Energy will continue to operate DEI with its best-in-class workforce and will remain the majority owner, with an 80.1 percent stake in the business.

"We are pleased to have GIC as a long-term investor in DEI," said Lynn Good, Duke Energy's chair, president and chief executive officer. "This agreement with GIC allows Duke Energy to not only partner with a highly respected global investor, it also strengthens our confidence as we increase our long-term adjusted EPS growth rate to 5 to 7 percent. With this agreement, Duke Energy is well positioned to effectively finance our robust investment plan in a clean energy future and continue delivering sustainable value to our investors."

"Our agreement with GIC highlights the value and growth potential of DEI and recognizes the continued hard work and commitment of our people," said Stan Pinegar, DEI state president. "Delivering safe and reliable service to our customers and serving our communities remains our top priority."

Ang Eng Seng, GIC's Chief Investment Officer of Infrastructure, said, "As a long-term investor, GIC strongly believes that companies focused on meaningful sustainability practices will create better risk-adjusted returns over the long term. Duke Energy's proven management team and clear commitment to a clean energy transition make this an attractive partnership opportunity for GIC. This capital will help create long-term value by directly supporting Duke Energy's ability to capitalize on their stated ESG and decarbonization goals. We look forward to a successful transaction and long-term investment."

Transaction structure

The $2.05 billion in proceeds will be received in a staggered, two-phase closing, structured in evenly split payments. The first closing is expected to occur in the second quarter of 2021. Under the terms of the agreement, Duke Energy has the discretion to determine the timing of the second closing, but it will occur no later than January 2023.

GIC will invest in a newly formed intermediate holding company of which DEI will be a wholly owned subsidiary. GIC will receive certain limited rights commensurate with the minority stake.

The transaction is subject to customary closing conditions, including approval from the Federal Energy Regulatory Commission (FERC) and completion of review by the Committee on Foreign Investment in the United States (CFIUS).

J.P. Morgan Securities LLC served as Duke Energy's lead financial advisor, and Centerview Partners also served as a financial advisor. Skadden, Arps, Slate, Meagher & Flom LLP served as Duke Energy's legal advisor.

Barclays served as GIC's exclusive financial advisor. Sidley Austin LLP served as GIC's lead legal advisor alongside Steptoe & Johnson LLP and Ice Miller LLP.

Duke Energy
Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of the largest energy holding companies in the U.S. It employs 29,000 people and has an electric generating capacity of 51,000 megawatts through its regulated utilities and 2,300 megawatts through its nonregulated Duke Energy Renewables unit.

Duke Energy is transforming its customers' experience, modernizing the energy grid, generating cleaner energy and expanding natural gas infrastructure to create a smarter energy future for the people and communities it serves. The Electric Utilities and Infrastructure unit's regulated utilities serve 7.8 million retail electric customers in six states: North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. The Gas Utilities and Infrastructure unit distributes natural gas to 1.6 million customers in five states: North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The Duke Energy Renewables unit operates wind and solar generation facilities across the U.S., as well as energy storage and microgrid projects.

Duke Energy was named to Fortune's 2020 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information about the company is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos, videos and other materials. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

About GIC
GIC is a leading global investment firm established in 1981 to manage Singapore's foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. GIC invests through funds and directly in companies, partnering with its fund managers and management teams to help world-class businesses achieve their objectives. GIC has investments in over 40 countries and has been investing in emerging markets for more than two decades. Headquartered in Singapore, GIC employs over 1,700 people across 10 offices in key financial cities worldwide. For more information about GIC, please visit www.gic.com.sg.

Non-GAAP Reconciliation

Duke Energy Corporation's (Duke Energy) materials for the GIC Investment in Duke Energy Indiana include a reference to the forecasted 2021 adjusted EPS guidance range of $5.00 to $5.30 per share, with a midpoint of approximately $5.15 per share. The materials also reference the long-term range of annual growth of 5% - 7% off the midpoint of the 2021 adjusted EPS guidance range, revised up from 4% - 6%. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders, adjusted for the per share impact of special items. Special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses.

The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Forward-Looking Information
This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see our 2019 Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC and available at the SEC's website at sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made. Duke Energy expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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

Date of Report (Date of earliest event reported): February 11, 2021

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
	DUKE ENERGY	
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Conditions.

On February 11, 2021, Duke Energy Corporation (the "Corporation") will issue and post a news release to its website (duke-energy.com/investors) announcing its financial results for the fourth quarter ended December 31, 2020. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02. In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release to be issued by Duke Energy Corporation on February 11, 2021 (furnished pursuant to Item 2.02).

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION
/s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller

Dated: February 11, 2021

DUKE ENERGY.

News Release

Media Contact: Catherine Butler
24-Hour: 800.559.3853

Analyst Contact: Jack Sullivan
Office: 980.373.3564

Feb. 11, 2021

Duke Energy reports fourth quarter and full-year 2020 financial results

- **2020 reported EPS of $1.72 and adjusted EPS of $5.12, closing year at midpoint of updated guidance range**
- **Constructive regulatory settlements in North Carolina and Florida provide clarity as clean energy transformation accelerates**
- **$2.05 billion minority investment in Duke Energy Indiana by GIC displaces all common equity needs in five-year plan and supports investment plan to achieve net-zero carbon by 2050**
- **Affirmed 2021 adjusted EPS guidance range of $5.00 to $5.30 with $5.15 midpoint and long-term adjusted EPS growth rate of 5% to 7% through 2025, off 2021 midpoint**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced 2020 full-year reported EPS of $1.72, prepared in accordance with Generally Accepted Accounting Principles (GAAP), and adjusted EPS of $5.12. This is compared to reported and adjusted EPS of $5.06, for the full-year 2019.

Adjusted EPS excludes the impact of certain items that are included in reported EPS. The difference between full-year 2020 reported and adjusted EPS was primarily due to charges resulting from the cancellation of ACP and the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress.

Adjusted results for 2020 were higher primarily driven by rate case contributions in the Electric Utilities and Infrastructure and Gas Utilities and Infrastructure segments, complemented by growth from new renewables projects in the Commercial Renewables segment. Further, Duke Energy incurred lower O&M driven through substantial cost control efforts. These items were partially offset by impacts of the pandemic, including lower volumes and incremental expenses, mild weather, higher storm costs, the loss of ACP earnings and higher depreciation, amortization and property taxes on a growing asset base.

"I am very proud of our 2020 results — Duke Energy delivered for investors, customers and communities and these results reflect the strong commitment of our employees to work through challenges and serve our customers with excellence," said Lynn Good, Duke Energy's chair, president and chief executive officer. "Our strategy is clear — creating a clean energy future for our customers and communities. Underpinned by our robust $59 billion capital plan, as well as the significant progress on regulatory matters and strategic transactions during 2020 and early 2021, we are confidently affirming our growth rate of 5 to 7% based off of the 2021 adjusted EPS midpoint of $5.15."

Quarterly results

Duke Energy's fourth quarter 2020 reported loss per share was $(0.12), primarily reflecting the impact of the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress. This compared to reported EPS of $0.88 for the fourth quarter of 2019. Duke Energy's fourth quarter 2020 adjusted EPS was $1.03, compared to $0.91 for the fourth quarter of 2019. Higher adjusted results for the quarter compared to last year were driven by similar items as the year-to-date variance described in the preceding section.

In addition to the following summary of fourth quarter 2020 business segment performance, comprehensive tables with detailed EPS drivers for the fourth quarter and full-year 2020 compared to prior year are provided at the end of this news release.

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

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized fourth quarter 2020 segment loss of $(170) million, compared to segment income of $592 million in the fourth quarter of 2019. Fourth quarter 2020 reported results included impacts of the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress.

On an adjusted basis, Electric Utilities and Infrastructure recognized fourth quarter 2020 segment income of $675 million, compared to $584 million in the fourth quarter of 2019, an increase of $0.12 per share, excluding share dilution of $0.01 per share. Higher quarterly results were primarily driven by contributions from rate cases (+$0.12 per share) and lower O&M (+$0.09 per share). Lower O&M is driven by lower employee-related expenses, operational efficiencies and other cost control efforts, partially offset by higher storm costs and pandemic related costs, net of deferrals.

These results were partially offset by lower rider results primarily due to the absence of a prior year favorable energy efficiency order (-$0.05 per share) and higher depreciation, amortization and property taxes on a growing asset base (-$0.05 per share).

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized fourth quarter 2020 segment income of $134 million, compared to $140 million in the fourth quarter of 2019. In addition to the drivers outlined below, lower fourth quarter 2020 results were due to costs related to the cancellation of ACP. These charges were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Gas Utilities and Infrastructure recognized fourth quarter 2020 segment income of $150 million, compared to $159 million in the fourth quarter of 2019, a decrease of $0.01 per share. Lower quarterly results were driven by the loss of ACP earnings (-$0.05 per share), partially offset by contributions from the Piedmont North Carolina rate case (+$0.03 per share) and other retail margin (+$0.01 per share).

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized fourth quarter 2020 segment income of $79 million, compared to $59 million in the fourth quarter of 2019. This represents an increase of $0.03 per share. Higher quarterly results were primarily driven by new renewable projects (+$0.03 per share).

Other

Other primarily includes interest expense on holding company debt, other unallocated corporate costs and results from Duke Energy's captive insurance company.

On a reported and adjusted basis, Other recognized a fourth quarter 2020 net loss of $127 million, compared to a net loss of $124 million in the fourth quarter of 2019, a decrease of $0.01 per share.

Effective tax rate

Duke Energy's consolidated reported effective tax rate for the fourth quarter of 2020 was 50.8% compared to 13.4% in the fourth quarter of 2019. The increase in the effective tax rate was primarily due to charges as part of the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress and an increase in the amortization of excess deferred taxes.

The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the fourth quarter of 2020 was 11.1% compared to the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items of 12.6% in the fourth quarter of 2019. The decrease was primarily due to an increase in the amortization of excess deferred taxes.

The tables at the end of this news release present a reconciliation of the reported effective tax rate to the effective tax rate including noncontrolling interests and preferred dividends and excluding special items.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss fourth quarter 2020 financial results. The conference call will be hosted by Lynn Good, chair, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (duke-energy.com/investors) of Duke Energy's website or by dialing 888.458.4121 in the United States or 323.794.2093 outside the United States. The confirmation code is 2307195. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, Feb. 21, 2021, by calling 888.203.1112 in the United States or 719.457.0820 outside the United States and using the code 2307195. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted (loss) earnings per share for fourth quarter and full-year 2020 and 2019 financial results:

(In millions, except per share amounts)	After-Tax Amount	4Q 2020 EPS	4Q 2019 EPS
EPS, as reported		$ (0.12)	$ 0.88
Adjustments to reported EPS:			
Fourth Quarter 2020			
Gas pipeline investments	$ 16	0.02	
Regulatory settlements	845	1.14	
Discontinued operations	(7)	(0.01)	
Fourth Quarter 2019			
Impairment charges, net(a)	$ 11		0.02
Discontinued operations	7		0.01
Total adjustments		$ 1.15	$ 0.03
EPS, adjusted		$ 1.03	$ 0.91

(In millions, except per share amounts)	After-Tax Amount	Full-Year 2020 EPS	Full-Year 2019 EPS
EPS, as reported		$ 1.72	$ 5.06
Adjustments to reported EPS:			
Full-Year 2020			
Gas pipeline investments	$ 1,711	$ 2.32	
Regulatory settlements	872	1.19	
Severance	(75)	(0.10)	
Discontinued operations	(7)	(0.01)	
Full-Year 2019			
Impairment charges, net(a)	$ (8)		(0.01)
Discontinued operations	7		0.01
Total adjustments		$ 3.40	$ —
EPS, adjusted		$ 5.12	$ 5.06

(a) Refer to the Non-GAAP financial measures section for a description of Impairment charges, net excluded from 2019 adjusted diluted EPS.

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items. Adjusted earnings and adjusted EPS represent income (loss) from continuing operations available to Duke Energy Corporation common stockholders in dollar and per share amounts, adjusted for the dollar and per share impact of special items. The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items is calculated using pretax earnings and income tax expense, both as adjusted for the impact of noncontrolling interests, preferred dividends and special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Board of Directors, employees, stockholders, analysts and investors. The most directly comparable GAAP measures for adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items are Net Income (Loss) Available to Duke Energy Corporation common stockholders (GAAP reported earnings (loss)), Basic earnings (loss) per share Available to Duke Energy Corporation common stockholders (GAAP reported earnings (loss) per share), and the reported effective tax rate, respectively.

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

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit costs related to Constitution.
- Regulatory Settlements represents charges related to Duke Energy Carolinas and Duke Energy Progress coal ash settlement and the partial settlements in the 2019 North Carolina rate cases.
- Severance represents the reversal of 2018 Severance charges, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and Duke Energy Progress 2019 North Carolina rate cases.
- Impairment Charges in 2019 represents a reduction of a prior year impairment at Citrus County CC and an other-than-temporary impairment of the remaining investment in Constitution.

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

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

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

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

Duke Energy

Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of the largest energy holding companies in the U.S. It employs 28,000 people and has an electric generating capacity of 51,000 megawatts through its regulated utilities and 2,800 megawatts through its nonregulated Duke Energy Renewables unit.

Duke Energy is transforming its customers' experience, modernizing the energy grid, generating cleaner energy and expanding natural gas infrastructure to create a smarter energy future for the people and communities it serves. The Electric Utilities and Infrastructure unit's regulated utilities serve 7.9 million retail electric customers in six states: North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky. The Gas Utilities and Infrastructure unit distributes natural gas to 1.6 million customers in five states: North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The Duke Energy Renewables unit operates wind and solar generation facilities across the U.S., as well as energy storage and microgrid projects.

Duke Energy was named to Fortune's 2020 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information about the company is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos, videos and other materials. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- Changing customer expectations and demands including heightened emphasis on environmental, social and governance concerns;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;

- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2020
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items: Gas Pipeline Investments	Special Items: Regulatory Settlements	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)						
Electric Utilities and Infrastructure	$ (170)	$ —	$ 845 B	$ —	$ 845	$ 675
Gas Utilities and Infrastructure	134	16 A	—	—	16	150
Commercial Renewables	79	—	—	—	—	79
Total Reportable Segment Income	43	16	845	—	861	904
Other	(127)	—	—	—	—	(127)
Discontinued Operations	7	—	—	(7) C	(7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	$ (77)	$ 16	$ 845	$ (7)	$ 854	$ 777
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ (0.12)	$ 0.02	$ 1.14	$ (0.01)	$ 1.15	$ 1.03

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of $(0.02).

A - Net of $4 million tax benefit. $20 million recorded within Equity in (losses) earnings of unconsolidated affiliates on the Consolidated Statements of Operations.

B - Net of $117 million tax benefit at Duke Energy Carolinas and $138 million tax benefit at Duke Energy Progress.

- $454 million included within Impairment charges and reversal of $50 million included in Regulated electric operating revenues related to the coal ash settlement filed with the NCUC on the Duke Energy Carolinas' Consolidated Statements of Operations.
- $494 million included within Impairment charges and reversal of $102 million included in Regulated electric operating revenues related to the coal ash settlement filed with the NCUC on the Duke Energy Progress' Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) – 742 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Year Ended December 31, 2020
(Dollars in millions, except per share amounts)

		Special Items					
	Reported Earnings	Gas Pipeline Investments	Severance	Regulatory Settlements	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)							
Electric Utilities and Infrastructure	$ 2,669	$ 4 A	$ —	$ 872 D	$ —	$ 876	$ 3,545
Gas Utilities and Infrastructure	(1,266)	1,707 B	—	—	—	1,707	441
Commercial Renewables	286	—	—	—	—	—	286
Total Reportable Segment Income	1,689	1,711	—	872	—	2,583	4,272
Other	(426)	—	(75) C		—	(75)	(501)
Discontinued Operations	7		—	—	(7) E	(7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,270	$ 1,711	$ (75)	$ 872	$ (7)	$ 2,501	$ 3,771
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 1.72	$ 2.32	$ (0.10)	$ 1.19	$ (0.01)	$ 3.40	$ 5.12

A - Net of $1 million tax benefit. $5 million included within Impairment charges related to gas pipeline interconnections on the Duke Energy Progress' Consolidated Statements of Operations.

B - Net of $398 million tax benefit.

- $2,098 million recorded within Equity in (losses) earnings of unconsolidated affiliates related to exit obligations for gas pipeline investments on the Consolidated Statements of Operations.
- $7 million included within Impairment charges related to gas project materials on the Piedmont Consolidated Statements of Operations.

C - Net of $23 million tax expense. $98 million reversal of 2018 severance charges recorded within Operations, maintenance and other on the Consolidated Statements of Operations.

D - Net of $123 million tax benefit at Duke Energy Carolinas and $140 million tax benefit at Duke Energy Progress.

- $454 million included within Impairment charges and reversal of $50 million included in Regulated electric operating revenues related to the coal ash settlement filed with the NCUC on the Duke Energy Carolinas' Consolidated Statements of Operations.
- $19 million included within Impairment charges related to the Clemson University Combined Heat and Power Plant and $8 million of shareholder contributions within Operations, maintenance and other on the Duke Energy Carolinas' Consolidated Statements of Operations.
- $494 million included within Impairment charges and reversal of $102 million included in Regulated electric operating revenues related to the coal ash settlement filed with NCUC on the Duke Energy Progress' Consolidated Statements of Operations.
- $8 million of shareholder contributions included within Operations, maintenance and other on the Duke Energy Progress' Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) – 737 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2019
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items: Impairment Charges	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	$ 592	$ (8) A	$ —	$ (8)	$ 584
Gas Utilities and Infrastructure	140	19 B	—	19	159
Commercial Renewables	59	—	—	—	59
Total Reportable Segment Income	791	11	—	11	802
Other	(124)	—	—	—	(124)
Discontinued Operations	(7)	—	7 C	7	—
Net Income Available to Duke Energy Corporation Common Stockholders	$ 660	$ 11	$ 7	$ 18	$ 678
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 0.88	$ 0.02	$ 0.01	$ 0.03	$ 0.91

Note: Earnings Per Share amounts are adjusted for accumulated but not yet declared dividends for Series B Preferred Stock of $(0.02).

A – Net of $3 million tax benefit. $11 million reduction of a prior year impairment at Citrus County CC recorded within Impairment charges on Duke Energy Florida's Consolidated Statements of Operations.

B – Net of $6 million tax benefit. $25 million included within Other Income and Expenses on the Consolidated Statements of Operations, related to the other-than-temporary-impairment of the remaining investment in Constitution Pipeline Company, LLC.

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

Weighted Average Shares (reported and adjusted) – 731 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Year Ended December 31, 2019
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items Impairment Charges	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	$ 3,536	$ (27) **A**	$ —	$ (27)	$ 3,509
Gas Utilities and Infrastructure	432	19 **B**	—	19	451
Commercial Renewables	198	—	—	—	198
Total Reportable Segment Income	4,166	(8)	—	(8)	4,158
Other	(452)	—	—	—	(452)
Discontinued Operations	(7)	—	7 **C**	7	—
Net Income Available to Duke Energy Corporation Common Stockholders	$ 3,707	$ (8)	$ 7	$ (1)	$ 3,706
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 5.06	$ (0.01)	$ 0.01	$ —	$ 5.06

Note: Earnings Per Share amounts are adjusted for accumulated but not yet declared dividends for Series B Preferred Stock of $(0.02).

A – Net of $9 million tax expense. $36 million reduction of a prior year impairment at Citrus County CC recorded within Impairment charges on Duke Energy Florida's Consolidated Statements of Operations.

B – Net of $6 million tax benefit. $25 million included within Other Income and Expenses on the Consolidated Statements of Operations, related to the other-than-temporary-impairment of the remaining investment in Constitution Pipeline Company, LLC.

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

Weighted Average Shares (reported and adjusted) – 729 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
December 2020
(Dollars in millions)

	Three Months Ended December 31, 2020		Year Ended December 31, 2020	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported (Loss) Income Before Income Taxes From Continuing Operations Before Income Taxes	$ (319)		$ 839	
Regulatory Settlements	1,100		1,135	
Gas Pipeline Investments	20		2,110	
Severance	—		(98)	
Noncontrolling Interests	87		295	
Preferred Dividends	(14)		(107)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 874		$ 4,174	
Reported Income Tax Benefit From Continuing Operations	$ (162)	50.8 %	$ (236)	(28.1)%
Regulatory Settlements	255		263	
Gas Pipeline Investments	4		399	
Severance	—		(23)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 97	11.1 %	$ 403	9.7 %

	Three Months Ended December 31, 2019		Year Ended December 31, 2019	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income From Continuing Operations Before Income Taxes	$ 709		$ 4,097	
Impairment Charges	14		(11)	
Noncontrolling Interests	67		177	
Preferred Dividends	(14)		(41)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 776		$ 4,222	
Reported Income Tax Expense From Continuing Operations	$ 95	13.4 %	$ 519	12.7 %
Impairment Charges	3		(3)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 98	12.6 %	$ 516	12.2 %

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2020 QTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2019 QTD Reported Earnings Per Share	**$ 0.81**	**$ 0.20**	**$ 0.08**	**$ (0.20)**	**$ (0.01)**	**$ 0.88**
Impairment Charges	(0.01)	0.03	—	—	—	0.02
Discontinued Operations	—	—	—	—	0.01	0.01
2019 QTD Adjusted Earnings Per Share	**$ 0.80**	**$ 0.23**	**$ 0.08**	**$ (0.20)**	**$ —**	**$ 0.91**
Weather	(0.01)	—	—	—	—	(0.01)
Volume	0.01	—	—	—	—	0.01
Riders and Other Retail Margin[(a)]	(0.04)	0.01	—	—	—	(0.03)
Rate case impacts, net[(b)]	0.12	0.03	—	—	—	0.15
Wholesale	0.01	—	—	—	—	0.01
Operations and maintenance, net of recoverables[(c)]	0.09	—	—	—	—	0.09
Midstream Gas Pipelines[(d)]	—	(0.05)	—	—	—	(0.05)
Duke Energy Renewables[(e)]	—	—	0.03	—	—	0.03
Interest Expense	0.01	—	—		—	0.01
Depreciation and amortization[(f)]	(0.03)	—	—	—	—	(0.03)
Other[(g)]	(0.04)	—	—	(0.01)	—	(0.05)
Total variance before share count	$ 0.12	$ (0.01)	$ 0.03	$ (0.01)	$ —	$ 0.13
Change in share count	(0.01)	—	—	—	—	(0.01)
2020 QTD Adjusted Earnings Per Share	**$ 0.91**	**$ 0.22**	**$ 0.11**	**$ (0.21)**	**$ —**	**$ 1.03**
Gas Pipeline Investments	—	(0.02)	—	—	—	(0.02)
Regulatory Settlements	(1.14)	—	—	—	—	(1.14)
Discontinued Operations	—	—	—	—	0.01	0.01
2020 QTD Reported Earnings Per Share	**$ (0.23)**	**$ 0.20**	**$ 0.11**	**$ (0.21)**	**$ 0.01**	**$ (0.12)**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 731 million shares to 742 million.

(a) Driven by lower riders, primarily energy efficiency programs in DEC and DEP (-$0.05), partially offset by higher transmission revenues (+$0.01).
(b) Electric Utilities and Infrastructure includes the net impact of the DEC and DEP North Carolina interim rates, effective August and September 2020 (+$0.08), respectively, DEI base rate increases, effective August 2020 (+$0.02), the DEF SBRA and multi-year rate plan (+0.01) and DEK base rate increases (+0.01). Gas Utilities and Infrastructure includes the net impact of the Piedmont North Carolina rate case, effective November 2019.
(c) Primarily due to lower employee related expenses, operational efficiencies and other savings, partially offset by higher storm costs and COVID-19 related expenses in excess of deferrals.
(d) Primarily the loss of ACP earnings.
(e) Primarily due to new renewable projects.
(f) Excludes rate case impacts.
(g) Electric Utilities and Infrastructure includes higher property taxes on a growing asset base.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2020 YTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2019 YTD Reported Earnings Per Share	**$ 4.85**	**$ 0.60**	**$ 0.27**	**$ (0.65)**	**$ (0.01)**	**$ 5.06**
Impairment Charges	(0.04)	0.03	—	—	—	(0.01)
Discontinued Operations	—	—	—	—	0.01	0.01
2019 YTD Adjusted Earnings Per Share	**$ 4.81**	**$ 0.63**	**$ 0.27**	**$ (0.65)**	**$ —**	**$ 5.06**
Weather	(0.21)	—	—	—	—	(0.21)
Volume	(0.02)	—	—	—	—	(0.02)
Riders and Other Retail Margin[a]	(0.05)	0.03	—	—	—	(0.02)
Rate case impacts, net[b]	0.23	0.09	—	—	—	0.32
Wholesale	0.05	—	—	—	—	0.05
Operations and maintenance, net of recoverables[c]	0.25	0.01	—	—	—	0.26
Midstream Gas Pipelines[d]	—	(0.12)	—	—	—	(0.12)
Duke Energy Renewables[e]	—	—	0.12	—	—	0.12
Interest Expense	0.01	—	—	0.05	—	0.06
Depreciation and amortization[f]	(0.20)	(0.02)	—	—	—	(0.22)
Preferred Dividends	—	—	—	(0.07)	—	(0.07)
Other[g]	(0.01)	—	—	(0.03)	—	(0.04)
Total variance before share count	$ 0.05	$ (0.01)	$ 0.12	$ (0.05)	$ —	$ 0.11
Change in share count	(0.05)	—	—	—	—	(0.05)
2020 YTD Adjusted Earnings Per Share	**$ 4.81**	**$ 0.62**	**$ 0.39**	**$ (0.70)**	**$ —**	**$ 5.12**
Gas Pipeline Investments	—	(2.32)	—	—	—	(2.32)
Severance	—	—	—	0.10	—	0.10
Regulatory Settlements	(1.19)	—	—	—	—	(1.19)
Discontinued Operations	—	—	—	—	**0.01**	0.01
2020 YTD Reported Earnings Per Share	**$ 3.62**	**$ (1.70)**	**$ 0.39**	**$ (0.60)**	**$ 0.01**	**$ 1.72**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except for Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 729 million shares to 737 million.

(a) Primarily driven by lower retail margin due to lower late payment fee revenue, net of deferrals (-$0.04), a prior year favorable true-up of purchased power (-$0.03) and lower energy efficiency rider revenues (-$0.02), partially offset by grid modernization rider programs (+$0.03).
(b) Electric Utilities and Infrastructure includes the net impact of DEC and DEP North Carolina interim rates effective August and September 2020, respectively (+0.11), and the DEC and DEP South Carolina rate cases effective June 2019 (+0.03), the DEF SBRA and multi-year rate plan (+0.04), DEI base rate increases, effective August 2020 (+0.03) and DEK base rate increases (+0.02). Gas Utilities and Infrastructure includes the net impact of the Piedmont North Carolina rate case, effective November 2019.
(c) Primarily due to lower employee-related expenses, outage costs, customer delivery charges and other savings, partially offset by increased COVID-19 expenses, net of deferrals, and higher storm costs. For the year ended December 31, 2020, the Duke Energy Registrants incurred -$0.12 of incremental COVID-19 O&M costs, the company has deferred +$0.07 of these incremental costs.
(d) Primarily related the loss of ACP earnings and a prior year favorable income tax adjustment for equity method investments.
(e) Primarily due to new renewable projects.
(f) Excludes rate case impacts.
(g) Other includes income tax true-ups, lower interest income and lower results from investments, partially offset by tax optimization and prior year contributions to the Duke Energy Foundation.

Year Ended December 2020
QUARTERLY HIGHLIGHTS
(Unaudited)

(In millions, except per share amounts and where noted)	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Years Ended December 31, 2020	Years Ended December 31, 2019
Earnings Per Share – Basic and Diluted				
(Loss) Income from continuing operations available to Duke Energy Corporation common stockholders				
Basic and Diluted	$ (0.13)	$ 0.89	$ 1.71	$ 5.07
Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic and Diluted	$ 0.01	$ (0.01)	$ 0.01	$ (0.01)
Net (loss) income available to Duke Energy Corporation common stockholders				
Basic and Diluted	$ (0.12)	$ 0.88	$ 1.72	$ 5.06
Weighted average shares outstanding				
Basic	742	730	737	729
Diluted	742	731	738	729
INCOME (LOSS) BY BUSINESS SEGMENT				
Electric Utilities and Infrastructure[(a)]	$ (170)	$ 592	$ 2,669	$ 3,536
Gas Utilities and Infrastructure[(b)]	134	140	(1,266)	432
Commercial Renewables	79	59	286	198
Total Reportable Segment Income	43	791	1,689	4,166
Other[(c)]	(127)	(124)	(426)	(452)
Income (Loss) from Discontinued Operations	7	(7)	7	(7)
Net (Loss) Income Available to Duke Energy Corporation common stockholders	$ (77)	$ 660	$ 1,270	$ 3,707
CAPITALIZATION				
Total Common Equity (%)			44 %	44 %
Total Debt (%)			56 %	56 %
Total Debt			$ 62,736	$ 61,261
Book Value Per Share			$ 63.96	$ 65.42
Actual Shares Outstanding			769	733
CAPITAL AND INVESTMENT EXPENDITURES				
Electric Utilities and Infrastructure	$ 1,992	$ 2,171	$ 7,629	$ 8,263
Gas Utilities and Infrastructure	376	410	1,309	1,539
Commercial Renewables	325	491	1,219	1,423
Other	44	19	264	221
Total Capital and Investment Expenditures	$ 2,737	$ 3,091	$ 10,421	$ 11,446

(a) Includes costs related to regulatory settlements for Duke Energy Carolinas and Duke Energy Progress of $1.1 billion (after tax of $845 million) for the three months ended December 31, 2020, and $1.1 billion (after tax $872 million) for the year ended December 31, 2020, and a $5 million (after tax $4 million) impairment charge related to gas pipeline interconnections for the year ended December 31, 2020. Additionally, EUI includes a reduction of a prior year impairment at Citrus County CC of $11 million (after tax $8 million) for the three months ended December 31, 2019, and $36 million (after tax $27 million) for the year ended December 31, 2019.

(b) Includes costs related to exit obligations for gas pipeline investments of $20 million (after tax $16 million) for the three months ended December 31, 2020, and $2.1 billion (after tax $1.7 billion) for the year ended December 31, 2020. Additionally, GUI includes $25 million (after tax $19 million) of costs related to the other-than-temporary-impairment of the remaining investment in Constitution Pipeline Company for the three months and year ended December 31, 2019.

(c) Includes a $98 million (after tax $75 million) reversal of 2018 severance costs due to the partial settlement of the Duke Energy Carolinas and Duke Energy Progress 2019 North Carolina rate cases for the year ended December 31, 2020.

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

	Years Ended December 31,		
	2020	2019	2018
Operating Revenues			
Regulated electric	$ 21,461	$ 22,615	$ 22,097
Regulated natural gas	1,642	1,759	1,773
Nonregulated electric and other	765	705	651
Total operating revenues	23,868	25,079	24,521
Operating Expenses			
Fuel used in electric generation and purchased power	6,051	6,826	6,831
Cost of natural gas	460	627	697
Operation, maintenance and other	5,788	6,066	6,463
Depreciation and amortization	4,705	4,548	4,074
Property and other taxes	1,337	1,307	1,280
Impairment charges	984	(8)	402
Total operating expenses	19,325	19,366	19,747
Gains (Losses) on Sales of Other Assets and Other, net	10	(4)	(89)
Operating Income	4,553	5,709	4,685
Other Income and Expenses			
Equity in (losses) earnings of unconsolidated affiliates	(2,005)	162	83
Other income and expenses, net	453	430	399
Total other income and expenses	(1,552)	592	482
Interest Expense	2,162	2,204	2,094
Income Before Income Taxes	839	4,097	3,073
Income Tax (Benefit) Expense	(236)	519	448
Income From Continuing Operations	1,075	3,578	2,625
Income (Loss) From Discontinued Operations, net of tax	7	(7)	19
Net Income	1,082	3,571	2,644
Add: Net Loss Attributable to Noncontrolling Interests	295	177	(22)
Net Income Attributable to Duke Energy Corporation	1,377	3,748	$ 2,666
Less: Preferred Dividends	107	41	$ —
Net Income Available to Duke Energy Corporation Common Stockholders	$ 1,270	$ 3,707	$ 2,666
Earnings Per Share – Basic and Diluted			
Income from continuing operations available to Duke Energy Corporation common stockholders			
Basic and Diluted	$ 1.71	$ 5.07	$ 3.73
Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders			
Basic and Diluted	$ 0.01	$ (0.01)	$ 0.03
Net income available to Duke Energy Corporation common stockholders			
Basic and Diluted	$ 1.72	$ 5.06	$ 3.76
Weighted average shares outstanding			
Basic	737	729	708
Diluted	738	729	708

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	December 31, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 259	$ 311
Receivables (net of allowance for doubtful accounts of $29 at 2020 and $22 at 2019)	1,009	1,066
Receivables of VIEs (net of allowance for doubtful accounts of $117 at 2020 and $54 at 2019)	2,144	1,994
Inventory	3,167	3,232
Regulatory assets (includes $53 at 2020 and $52 at 2019 related to VIEs)	1,641	1,796
Other (includes $296 at 2020 and $242 at 2019 related to VIEs)	462	764
Total current assets	8,682	9,163
Property, Plant and Equipment		
Cost	155,580	147,654
Accumulated depreciation and amortization	(48,827)	(45,773)
Generation facilities to be retired, net	29	246
Net property, plant and equipment	106,782	102,127
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $937 at 2020 and $989 at 2019 related to VIEs)	12,421	13,222
Nuclear decommissioning trust funds	9,114	8,140
Operating lease right-of-use assets, net	1,524	1,658
Investments in equity method unconsolidated affiliates	961	1,936
Other (includes $81 at 2020 and $110 at 2019 related to VIEs)	3,601	3,289
Total other noncurrent assets	46,924	47,548
Total Assets	$ 162,388	$ 158,838
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 3,144	$ 3,487
Notes payable and commercial paper	2,873	3,135
Taxes accrued	482	392
Interest accrued	537	565
Current maturities of long-term debt (includes $472 at 2020 and $216 at 2019 related to VIEs)	4,238	3,141
Asset retirement obligations	718	881
Regulatory liabilities	1,377	784
Other	2,936	2,367
Total current liabilities	16,305	14,752
Long-Term Debt (includes $3,535 at 2020 and $3,997 at 2019 related to VIEs)	55,625	54,985
Other Noncurrent Liabilities		
Deferred income taxes	9,244	8,878
Asset retirement obligations	12,286	12,437
Regulatory liabilities	15,029	15,264
Operating lease liabilities	1,340	1,432
Accrued pension and other post-retirement benefit costs	969	934
Investment tax credits	687	624
Other (includes $316 at 2020 and $228 at 2019 related to VIEs)	1,719	1,581
Total other noncurrent liabilities	41,274	41,150
Commitments and Contingencies		
Equity		
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2020 and 2019	973	973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2020 and 2019	989	989
Common stock, $0.001 par value, 2 billion shares authorized; 769 million shares outstanding at 2020 and 733 million shares outstanding at 2019	1	1
Additional paid-in capital	43,767	40,881
Retained earnings	2,471	4,108
Accumulated other comprehensive loss	(237)	(130)
Total Duke Energy Corporation stockholders' equity	47,964	46,822
Noncontrolling interests	1,220	1,129
Total equity	49,184	47,951
Total Liabilities and Equity	$ 162,388	$ 158,838

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

	Years Ended December 31,		
	2020	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	**$ 1,082**	$ 3,571	$ 2,644
Adjustments to reconcile net income to net cash provided by operating activities	**7,774**	4,638	4,542
Net cash provided by operating activities	**8,856**	8,209	7,186
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	**(10,604)**	(11,957)	(10,060)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities	**1,731**	3,730	2,960
Net (decrease) increase in cash, cash equivalents and restricted cash	**(17)**	(18)	86
Cash, cash equivalents and restricted cash at beginning of period	**573**	591	505
Cash, cash equivalents and restricted cash at end of period	**$ 556**	$ 573	$ 591

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 5,124	$ —	$ —	$ —	$ (65)	$ 5,059
Regulated natural gas	—	551	—	—	(24)	527
Nonregulated electric and other	—	3	124	24	40	191
Total operating revenues	5,124	554	124	24	(49)	5,777
Operating Expenses						
Fuel used in electric generation and purchased power	1,425	—	—	—	(19)	1,406
Cost of natural gas	—	160	—	—	1	161
Operation, maintenance and other	1,500	118	81	(27)	(26)	1,646
Depreciation and amortization	1,045	65	51	55	(8)	1,208
Property and other taxes	303	30	3	(1)	(1)	334
Impairment charges	948	—	—	—	—	948
Total operating expenses	5,221	373	135	27	(53)	5,703
Losses on Sales of Other Assets and Other, net	—	—	(1)	—	1	—
Operating (Loss) Income	(97)	181	(12)	(3)	5	74
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	2	(13)	5	4	1	(1)
Other income and expenses, net	101	14	2	33	(7)	143
Total Other Income and Expenses	103	1	7	37	(6)	142
Interest Expense	329	32	17	159	(2)	535
(Loss) Income from Continuing Operations Before Income Taxes	(323)	150	(22)	(125)	1	(319)
Income Tax (Benefit) Expense from Continuing Operations	(153)	16	(13)	(13)	1	(162)
(Loss) Income from Continuing Operations	(170)	134	(9)	(112)	—	(157)
Add: Net Loss (Income) Attributable to Noncontrolling Interest	—	—	88	(1)	—	87
(Loss) Income from Continuing Operations Attributable to Duke Energy Corporation	(170)	134	79	(113)	—	(70)
Less: Preferred Dividends	—	—	—	14	—	14
Segment (Loss) Income	$ (170)	$ 134	$ 79	$ (127)	$ —	$ (84)
Income from Discontinued Operations, net of tax						7
Net Income Available to Duke Energy Corporation Common Stockholders						$ (77)
Segment (Loss) Income	$ (170)	$ 134	$ 79	$ (127)	$ —	$ (84)
Special Items	845	16	—	—	—	861
Adjusted Earnings[(a)]	$ 675	$ 150	$ 79	$ (127)	$ —	$ 777

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income (Loss) to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

(In millions)	Year Ended December 2020 Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 21,720	$ —	$ —	$ —	$ (259)	$ 21,461
Regulated natural gas	—	1,737	—	—	(95)	1,642
Nonregulated electric and other	—	11	502	97	155	765
Total operating revenues	21,720	1,748	502	97	(199)	23,868
Operating Expenses						
Fuel used in electric generation and purchased power	6,128	—	—	—	(77)	6,051
Cost of natural gas	—	460	—	—	—	460
Operation, maintenance and other	5,391	430	285	(208)	(110)	5,788
Depreciation and amortization	4,068	258	199	209	(29)	4,705
Property and other taxes	1,188	112	27	11	(1)	1,337
Impairment charges	971	7	6	—	—	984
Total operating expenses	17,746	1,267	517	12	(217)	19,325
Gains (Losses) on Sales of Other Assets and Other, net	11	—	(1)	—	—	10
Operating Income (Loss)	3,985	481	(16)	85	18	4,553
Other Income and Expenses						
Equity in (losses) earnings of unconsolidated affiliates	(1)	(2,017)	—	13	—	(2,005)
Other income and expenses, net	345	56	7	79	(34)	453
Total Other Income and Expenses	344	(1,961)	7	92	(34)	(1,552)
Interest Expense	1,320	135	66	657	(16)	2,162
Income (Loss) from Continuing Operations Before Income Taxes	3,009	(1,615)	(75)	(480)	—	839
Income Tax Expense (Benefit) from Continuing Operations	340	(349)	(65)	(162)	—	(236)
Income (Loss) from Continuing Operations	2,669	(1,266)	(10)	(318)	—	1,075
Add: Net Loss (Income) Attributable to Noncontrolling Interest	—	—	296	(1)	—	295
Income (Loss) from Continuing Operations Attributable to Duke Energy Corporation	**2,669**	**(1,266)**	**286**	**(319)**	—	1,370
Less: Preferred Dividends	—	—	—	107	—	107
Segment Income (Loss)	$ 2,669	$ (1,266)	$ 286	$ (426)	$ —	$ 1,263
Income from Discontinued Operations, net of tax						7
Net Income Available to Duke Energy Corporation Common Stockholders						$ 1,270
Segment Income (Loss)	$ 2,669	$ (1,266)	$ 286	$ (426)	$ —	$ 1,263
Special Items	876	1,707	—	(75)	—	2,508
Adjusted Earnings[(a)]	$ 3,545	$ 441	$ 286	$ (501)	$ —	$ 3,771

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income (Loss) to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31, 2019					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 5,450	$ —	$ —	$ —	$ (58)	$ 5,392
Regulated natural gas	—	552	—	—	(24)	528
Nonregulated electric and other	—	3	125	24	31	183
Total operating revenues	5,450	555	125	24	(51)	6,103
Operating Expenses						
Fuel used in electric generation and purchased power	1,618	—	—	—	(20)	1,598
Cost of natural gas	—	176	—	—	—	176
Operation, maintenance and other	1,540	121	86	4	(22)	1,729
Depreciation and amortization	1,027	64	45	53	(5)	1,184
Property and other taxes	276	22	5	(6)	(2)	295
Impairment charges	8	—	—	—	—	8
Total operating expenses	4,469	383	136	51	(49)	4,990
Gains (Losses) on Sales of Other Assets and Other, net	1	—	(3)	(2)	—	(4)
Operating Income (Loss)	982	172	(14)	(29)	(2)	1,109
Other Income and Expenses						
Equity in (losses) earnings of unconsolidated affiliates	(2)	13	—	15	(1)	25
Other income and expenses, net	88	8	2	32	(8)	122
Total Other Income and Expenses	86	21	2	47	(9)	147
Interest Expense	341	31	17	169	(11)	547
Income (Loss) from Continuing Operations Before Income Taxes	727	162	(29)	(151)	—	709
Income Tax Expense (Benefit) from Continuing Operations	135	22	(21)	(41)	—	95
Income (Loss) from Continuing Operations	592	140	(8)	(110)	—	614
Add: Net Loss Attributable to Noncontrolling Interest	—	—	67	—	—	67
Income (Loss) from Continuing Operations Attributable to Duke Energy Corporation	592	140	59	(110)	—	681
Less: Preferred Dividends	—	—	—	14	—	14
Segment Income/Other Net Loss	$ 592	$ 140	$ 59	$ (124)	$ —	$ 667
Loss from Discontinued Operations, net of tax						(7)
Net Income Available to Duke Energy Corporation Common Stockholders						$ 660
Segment Income/Other Net Loss	$ 592	$ 140	$ 59	$ (124)	$ —	$ 667
Special Items	(8)	19	—	—	—	11
Adjusted Earnings[(a)]	$ 584	$ 159	$ 59	$ (124)	$ —	$ 678

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Year Ended December 31, 2019					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 22,831	$ —	$ —	$ —	$ (216)	$ **22,615**
Regulated natural gas	—	1,854	—	—	(95)	**1,759**
Nonregulated electric and other	—	12	487	95	111	**705**
Total operating revenues	22,831	1,866	487	95	(200)	**25,079**
Operating Expenses						
Fuel used in electric generation and purchased power	6,904	—	—	—	(78)	**6,826**
Cost of natural gas	—	627	—	—	—	**627**
Operation, maintenance and other	5,497	446	297	(65)	(109)	**6,066**
Depreciation and amortization	3,951	256	168	178	(5)	**4,548**
Property and other taxes	1,175	106	23	4	(1)	**1,307**
Impairment charges	(8)	—	—	—	—	**(8)**
Total operating expenses	17,519	1,435	488	117	(193)	**19,366**
Gains (Losses) on Sales of Other Assets and Other, net	1	—	(3)	(2)	—	**(4)**
Operating Income (Loss)	5,313	431	(4)	(24)	(7)	**5,709**
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	9	114	(4)	43	—	**162**
Other income and expenses, net	344	26	9	102	(51)	**430**
Total Other Income and Expenses	353	140	5	145	(51)	**592**
Interest Expense	1,345	117	95	705	(58)	**2,204**
Income (Loss) from Continuing Operations Before Income Taxes	4,321	454	(94)	(584)	—	**4,097**
Income Tax Expense (Benefit) from Continuing Operations	785	22	(115)	(173)	—	**519**
Income (Loss) from Continuing Operations	3,536	432	21	(411)	—	**3,578**
Add: Net Loss Attributable to Noncontrolling Interest	—	—	177	—	—	**177**
Income (Loss) from Continuing Operations Attributable to Duke Energy Corporation	3,536	432	198	(411)	—	**3,755**
Less: Preferred Dividends	—	—	—	41	—	**41**
Segment Income/Other Net Loss	$ 3,536	$ 432	$ 198	$ (452)	$ —	$ **3,714**
Loss from Discontinued Operations, net of tax						**(7)**
Net Income Available to Duke Energy Corporation Common Stockholders						$ **3,707**
Segment Income/Other Net Loss	$ 3,536	$ 432	$ 198	$ (452)	$ —	$ **3,714**
Special Items	(27)	19	—	—	—	**(8)**
Adjusted Earnings[(a)]	$ 3,509	$ 451	$ 198	$ (452)	$ —	$ **3,706**

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	December 31, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	$ 87	$ 3	$ 5	$ 163	$ 1	**$ 259**
Receivables, net	617	259	114	20	(1)	**1,009**
Receivables of variable interest entities, net	2,144	—	—	—	—	**2,144**
Receivables from affiliated companies	78	341	655	1,286	(2,360)	**—**
Notes receivable from affiliated companies	—	—	—	1,876	(1,876)	**—**
Inventory	2,954	82	98	33	—	**3,167**
Regulatory assets	1,389	154	—	99	(1)	**1,641**
Other	153	41	186	81	1	**462**
Total current assets	7,422	880	1,058	3,558	(4,236)	**8,682**
Property, Plant and Equipment						
Cost	133,709	12,759	6,760	2,453	(101)	**155,580**
Accumulated depreciation and amortization	(43,594)	(2,657)	(1,218)	(1,359)	1	**(48,827)**
Generation facilities to be retired, net	29	—	—	—	—	**29**
Net property, plant and equipment	90,144	10,102	5,542	1,094	(100)	**106,782**
Other Noncurrent Assets						
Goodwill	17,379	1,924	—	—	—	**19,303**
Regulatory assets	11,201	702	—	518	—	**12,421**
Nuclear decommissioning trust funds	9,114	—	—	—	—	**9,114**
Operating lease right-of-use assets, net	1,104	20	122	277	1	**1,524**
Investments in equity method unconsolidated affiliates	105	215	534	107	—	**961**
Investment in consolidated subsidiaries	566	4	1	63,159	(63,730)	**—**
Other	1,979	302	115	1,840	(635)	**3,601**
Total other noncurrent assets	41,448	3,167	772	65,901	(64,364)	**46,924**
Total Assets	139,014	14,149	7,372	70,553	(68,700)	**162,388**
Segment reclassifications, intercompany balances and other	(789)	(300)	(656)	(66,955)	68,700	**—**
Segment Assets	$ 138,225	$ 13,849	$ 6,716	$ 3,598	$ —	**$ 162,388**

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	December 31, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Liabilities						
Accounts payable	$ 2,333	$ 283	$ 87	$ 441	$ —	$ 3,144
Accounts payable to affiliated companies	559	39	757	938	(2,293)	—
Notes payable to affiliated companies	1,262	585	—	—	(1,847)	—
Notes payable and commercial paper	—	—	91	2,782	—	2,873
Taxes accrued	506	10	(130)	96	—	482
Interest accrued	360	42	2	133	—	537
Current maturities of long-term debt	2,138	188	167	1,749	(4)	4,238
Asset retirement obligations	718	—	—	—	—	718
Regulatory liabilities	1,262	115	—	1	(1)	1,377
Other	1,493	1,002	64	422	(45)	2,936
Total current liabilities	10,631	2,264	1,038	6,562	(4,190)	16,305
Long-Term Debt	34,509	3,305	1,569	16,337	(95)	55,625
Long-Term Debt Payable to Affiliated Companies	618	7	59	—	(684)	—
Other Noncurrent Liabilities						
Deferred income taxes	10,349	1,127	(560)	(1,671)	(1)	9,244
Asset retirement obligations	12,074	62	150	—	—	12,286
Regulatory liabilities	13,555	1,451	—	24	(1)	15,029
Operating lease liabilities	1,012	19	127	182	—	1,340
Accrued pension and other post-retirement benefit costs	414	37	(27)	545	—	969
Investment tax credits	685	2	—	—	—	687
Other	837	193	344	532	(187)	1,719
Total other noncurrent liabilities	38,926	2,891	34	(388)	(189)	41,274
Equity						
Total Duke Energy Corporation stockholders' equity	54,330	5,682	3,456	48,038	(63,542)	47,964
Noncontrolling interests	—	—	1,216	4	—	1,220
Total equity	54,330	5,682	4,672	48,042	(63,542)	49,184
Total Liabilities and Equity	139,014	14,149	7,372	70,553	(68,700)	162,388
Segment reclassifications, intercompany balances and other	(789)	(300)	(656)	(66,955)	68,700	—
Segment Liabilities and Equity	$ 138,225	$ 13,849	$ 6,716	$ 3,598	$ —	$ 162,388

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended December 31, 2020						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[(a)]	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	$ 1,599	$ 1,215	$ 1,291	$ 335	$ 725	$ (41)	**$ 5,124**
Operating Expenses							
Fuel used in electric generation and purchased power	356	406	446	81	190	(54)	**1,425**
Operation, maintenance and other	515	358	321	96	196	14	**1,500**
Depreciation and amortization	372	283	179	51	154	6	**1,045**
Property and other taxes	86	38	91	66	24	(2)	**303**
Impairment charges	454	494	—	—	—	—	**948**
Total operating expenses	1,783	1,579	1,037	294	564	(36)	**5,221**
Gains on Sales of Other Assets and Other, net	—	—	1	—	—	(1)	**—**
Operating (Loss) Income	(184)	(364)	255	41	161	(6)	**(97)**
Other Income and Expenses, net[(b)]	49	23	17	4	9	1	**103**
Interest Expense	117	66	81	23	47	(5)	**329**
(Loss) Income Before Income Taxes	(252)	(407)	191	22	123	—	**(323)**
Income Tax (Benefit) Expense	(87)	(113)	40	(3)	12	(2)	**(153)**
Segment Loss	$ (165)	$ (294)	$ 151	$ 25	$ 111	$ 2	**$ (170)**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes an equity component of allowance for funds used during construction of $16 million for Duke Energy Carolinas, $7 million for Duke Energy Progress, $4 million for Duke Energy Florida, $2 million for Duke Energy Ohio and $5 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Year Ended December 2020						
(In millions)	**Duke Energy Carolinas**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio[(a)]**	**Duke Energy Indiana**	**Eliminations/ Other**	**Electric Utilities and Infrastructure**
Operating Revenues	$ 7,015	$ 5,422	$ 5,188	$ 1,405	$ 2,795	$ (105)	**$ 21,720**
Operating Expenses							
Fuel used in electric generation and purchased power	1,682	1,743	1,737	339	767	(140)	**6,128**
Operation, maintenance and other	1,781	1,350	1,120	346	755	39	**5,391**
Depreciation and amortization	1,462	1,116	702	200	569	19	**4,068**
Property and other taxes	299	167	381	265	81	(5)	**1,188**
Impairment charges	476	499	(4)	—	—	—	**971**
Total operating expenses	5,700	4,875	3,936	1,150	2,172	(87)	**17,746**
Gains on Sales of Other Assets and Other, net	1	8	1	—	—	1	**11**
Operating Income	1,316	555	1,253	255	623	(17)	**3,985**
Other Income and Expenses, net[(b)]	177	75	53	11	37	(9)	**344**
Interest Expense	487	269	326	85	161	(8)	**1,320**
Income Before Income Taxes	1,006	361	980	181	499	(18)	**3,009**
Income Tax Expense (Benefit)	80	(40)	201	19	85	(5)	**340**
Segment Income	$ 926	$ 401	$ 779	$ 162	$ 414	$ (13)	**$ 2,669**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes an equity component of allowance for funds used during construction of $62 million for Duke Energy Carolinas, $29 million for Duke Energy Progress, $12 million for Duke Energy Florida, $5 million for Duke Energy Ohio and $23 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	December 31, 2020						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[(a)]	Duke Energy Indiana	Eliminations/ Adjustments[(b)]	Electric Utilities and Infrastructure
Current Assets							
Cash and cash equivalents	$ 21	$ 39	$ 11	$ 10	$ 7	$ (1)	$ 87
Receivables, net	247	132	94	88	55	1	617
Receivables of variable interest entities, net	696	500	401	—	—	547	2,144
Receivables from affiliated companies	124	50	3	87	112	(298)	78
Inventory	1,010	911	464	96	473	—	2,954
Regulatory assets	473	492	265	24	125	10	1,389
Other	19	60	41	(4)	37	—	153
Total current assets	2,590	2,184	1,279	301	809	259	7,422
Property, Plant and Equipment							
Cost	50,640	35,759	22,123	7,395	17,382	410	133,709
Accumulated depreciation and amortization	(17,453)	(12,801)	(5,560)	(2,105)	(5,661)	(14)	(43,594)
Generation facilities to be retired, net	—	29	—	—	—	—	29
Net property, plant and equipment	33,187	22,987	16,563	5,290	11,721	396	90,144
Other Noncurrent Assets							
Goodwill	—	—	—	596	—	16,783	17,379
Regulatory assets	2,996	3,976	1,799	357	1,203	870	11,201
Nuclear decommissioning trust funds	4,977	3,500	637	—	—	—	9,114
Operating lease right-of-use assets, net	110	346	344	20	55	229	1,104
Investments in equity method unconsolidated affiliates	—	—	1	—	—	104	105
Investment in consolidated subsidiaries	50	15	2	222	1	276	566
Other	1,188	740	334	54	253	(590)	1,979
Total other noncurrent assets	9,321	8,577	3,117	1,249	1,512	17,672	41,448
Total Assets	45,098	33,748	20,959	6,840	14,042	18,327	139,014
Segment reclassifications, intercompany balances and other	(303)	(114)	(76)	(225)	(86)	15	(789)
Reportable Segment Assets	$ 44,795	$ 33,634	$ 20,883	$ 6,615	$ 13,956	$ 18,342	$ 138,225

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	December 31, 2020						
(In millions)	**Duke Energy Carolinas**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio[(a)]**	**Duke Energy Indiana**	**Eliminations/ Adjustments[(b)]**	**Electric Utilities and Infrastructure**
Current Liabilities							
Accounts payable	$ 1,000	$ 454	$ 465	$ 225	$ 188	$ 1	**$ 2,333**
Accounts payable to affiliated companies	200	217	85	21	88	(52)	**559**
Notes payable to affiliated companies	506	295	196	114	131	20	**1,262**
Taxes accrued	78	86	82	207	63	(10)	**506**
Interest accrued	117	99	69	23	51	1	**360**
Current maturities of long-term debt	506	603	823	24	70	112	**2,138**
Asset retirement obligations	264	283	—	3	168	—	**718**
Regulatory liabilities	473	530	110	37	111	1	**1,262**
Other	546	411	375	66	82	13	**1,493**
Total current liabilities	3,690	2,978	2,205	720	952	86	**10,631**
Long-Term Debt	11,412	8,505	7,092	2,445	3,871	1,184	**34,509**
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	**618**
Other Noncurrent Liabilities							
Deferred income taxes	3,889	2,310	2,192	698	1,228	32	**10,349**
Asset retirement obligations	5,086	5,352	514	65	1,008	49	**12,074**
Regulatory liabilities	6,535	4,394	658	357	1,628	(17)	**13,555**
Operating lease liabilities	97	323	300	20	53	219	**1,012**
Accrued pension and other post-retirement benefit costs	73	242	231	84	171	(387)	**414**
Investment tax credits	236	132	146	3	168	—	**685**
Other	626	102	63	63	29	(46)	**837**
Total other noncurrent liabilities	16,542	12,855	4,104	1,290	4,285	(150)	**38,926**
Equity	13,154	9,260	7,558	2,367	4,784	17,207	**54,330**
Total Liabilities and Equity	45,098	33,748	20,959	6,840	14,042	18,327	**139,014**
Segment reclassifications, intercompany balances and other	(303)	(114)	(76)	(225)	(86)	15	**(789)**
Reportable Segment Liabilities and Equity	$ 44,795	$ 33,634	$ 20,883	$ 6,615	$ 13,956	$ 18,342	**$ 138,225**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended December 31, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage[(b)]	Eliminations/ Adjustments	Gas Utilities and Infrastructure
Operating Revenues	$ 129	$ 426	$ —	$ (1)	**$ 554**
Operating Expenses					
Cost of natural gas	27	132	—	1	**160**
Operation, maintenance and other	33	87	1	(3)	**118**
Depreciation and amortization	18	47	—	—	**65**
Property and other taxes	14	16	—	—	**30**
Total operating expenses	92	282	1	(2)	**373**
Operating Income (Loss)	37	144	(1)	1	**181**
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(13)	—	**(13)**
Other income and expenses, net	2	14	—	(2)	**14**
Total other income and expenses	2	14	(13)	(2)	**1**
Interest Expense	4	29	—	(1)	**32**
Income (Loss) Before Income Taxes	35	129	(14)	—	**150**
Income Tax Expense (Benefit)	7	14	(6)	1	**16**
Segment Income	$ 28	$ 115	$ (8)	$ (1)	**$ 134**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes losses from the cancellation of the ACP pipeline and earnings from investments in Sabal Trail and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Year Ended December 2020				
(In millions)	**Duke Energy Ohio[a]**	**Piedmont Natural Gas LDC**	**Midstream Pipelines and Storage[b]**	**Eliminations/ Adjustments**	**Gas Utilities and Infrastructure**
Operating Revenues	$ 453	$ 1,297	$ —	$ (2)	**$ 1,748**
Operating Expenses					
Cost of natural gas	73	386	—	1	**460**
Operation, maintenance and other	110	318	5	(3)	**430**
Depreciation and amortization	78	180	—	—	**258**
Property and other taxes	59	53	—	—	**112**
Impairment charges	—	7	—	—	**7**
Total operating expenses	320	944	5	(2)	**1,267**
Operating Income (Loss)	133	353	(5)	—	**481**
Other Income and Expenses					
Equity in losses of unconsolidated affiliates	—	—	(2,017)	—	**(2,017)**
Other income and expenses, net	6	51	—	(1)	**56**
Total other income and expenses	6	51	(2,017)	(1)	**(1,961)**
Interest Expense	17	118	—	—	**135**
Income (Loss) Before Income Taxes	122	286	(2,022)	(1)	**(1,615)**
Income Tax Expense (Benefit)	26	19	(394)	—	**(349)**
Segment Loss	$ 96	$ 267	$ (1,628)	$ (1)	**$ (1,266)**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes losses from the cancellation of the ACP pipeline and earnings from investments in Sabal Trail and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	December 31, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	$ 3	$ —	$ —	$ —	$ 3
Receivables, net	9	250	—	—	259
Receivables from affiliated companies	5	61	356	(81)	341
Inventory	14	68	—	—	82
Regulatory assets	1	153	—	—	154
Other	21	19	1	—	41
Total current assets	53	551	357	(81)	880
Property, Plant and Equipment					
Cost	3,627	9,131	—	1	12,759
Accumulated depreciation and amortization	(908)	(1,748)	—	(1)	(2,657)
Net property, plant and equipment	2,719	7,383	—	—	10,102
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	1,924
Regulatory assets	268	302	—	132	702
Operating lease right-of-use assets, net	—	20	—	—	20
Investments in equity method unconsolidated affiliates	—	—	210	5	215
Investment in consolidated subsidiaries	—	—	—	4	4
Other	16	270	16	—	302
Total other noncurrent assets	608	641	226	1,692	3,167
Total Assets	3,380	8,575	583	1,611	14,149
Segment reclassifications, intercompany balances and other	—	(57)	5	(248)	(300)
Reportable Segment Assets	$ 3,380	$ 8,518	$ 588	$ 1,363	$ 13,849

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	December 31, 2020				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	$ 53	$ 230	$ —	$ —	**$ 283**
Accounts payable to affiliated companies	2	62	63	(88)	**39**
Notes payable to affiliated companies	55	530	—	—	**585**
Taxes accrued	30	22	(42)	—	**10**
Interest accrued	8	34	—	—	**42**
Current maturities of long-term debt	26	160	—	2	**188**
Regulatory liabilities	26	88	—	1	**115**
Other	5	69	928	—	**1,002**
Total current liabilities	205	1,195	949	(85)	**2,264**
Long-Term Debt	570	2,620	—	115	**3,305**
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	**7**
Other Noncurrent Liabilities					
Deferred income taxes	292	805	28	2	**1,127**
Asset retirement obligations	42	20	—	—	**62**
Regulatory liabilities	393	1,044	—	14	**1,451**
Operating lease liabilities	—	19	—	—	**19**
Accrued pension and other post-retirement benefit costs	29	8	—	—	**37**
Investment tax credits	2	—	—	—	**2**
Other	31	154	8	—	**193**
Total other noncurrent liabilities	789	2,050	36	16	**2,891**
Equity	1,809	2,710	(402)	1,565	**5,682**
Total Liabilities and Equity	3,380	8,575	583	1,611	**14,149**
Segment reclassifications, intercompany balances and other	—	(57)	5	(248)	**(300)**
Reportable Segment Liabilities and Equity	$ 3,380	$ 8,518	$ 588	$ 1,363	**$ 13,849**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Electric Utilities and Infrastructure
Quarterly Highlights
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
Gigawatt-hour (GWh) Sales[a]								
Residential	19,050	19,743	(3.5 %)	2.1 %	84,867	86,088	(1.4 %)	2.6 %
General Service	17,673	18,864	(6.3 %)	(4.1 %)	72,936	78,192	(6.7 %)	(5.5 %)
Industrial	12,182	12,384	(1.6 %)	0.9 %	47,765	50,864	(6.1 %)	(5.5 %)
Other Energy Sales	149	144	3.5 %	n/a	570	580	(1.7 %)	n/a
Unbilled Sales	949	(766)	223.9 %	n/a	730	(455)	260.4 %	n/a
Total Retail Sales	50,003	50,369	(0.7 %)	(0.5) %	206,868	215,269	(3.9 %)	(2.3 %)
Wholesale and Other	9,761	9,996	(2.4 %)		39,448	41,795	(5.6 %)	
Total Consolidated Electric Sales – Electric Utilities and Infrastructure	59,764	60,365	(1.0 %)		246,316	257,064	(4.2 %)	
Average Number of Customers (Electric)								
Residential	6,909,529	6,779,122	1.9 %		6,863,679	6,740,566	1.8 %	
General Service	1,007,851	995,165	1.3 %		1,002,533	991,955	1.1 %	
Industrial	17,242	17,315	(0.4 %)		17,281	17,335	(0.3 %)	
Other Energy Sales	31,312	30,788	1.7 %		31,111	29,656	4.9 %	
Total Retail Customers	7,965,934	7,822,390	1.8 %		7,914,604	7,779,512	1.7 %	
Wholesale and Other	40	43	(7.0 %)		44	48	(8.3 %)	
Total Average Number of Customers – Electric Utilities and Infrastructure	7,965,974	7,822,433	1.8 %		7,914,648	7,779,560	1.7 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	11,856	12,187	(2.7 %)		45,057	55,900	(19.4 %)	
Nuclear	17,831	18,250	(2.3 %)		73,721	73,948	(0.3 %)	
Hydro	1,052	479	119.6 %		3,596	2,551	41.0 %	
Natural Gas and Oil	18,298	17,132	6.8 %		77,883	75,398	3.3 %	
Renewable Energy	260	135	92.6 %		1,154	654	76.5 %	
Total Generation[d]	49,297	48,183	2.3 %		201,411	208,451	(3.4 %)	
Purchased Power and Net Interchange[e]	14,088	15,691	(10.2 %)		58,529	61,976	(5.6 %)	
Total Sources of Energy	63,385	63,874	(0.8 %)		259,940	270,427	(3.9 %)	
Less: Line Loss and Other	3,621	3,509	3.2 %		13,624	13,363	2.0 %	
Total GWh Sources	59,764	60,365	(1.0 %)		246,316	257,064	(4.2 %)	
Owned Megawatt (MW) Capacity[c]								
Summer					50,807	51,144		
Winter					54,248	54,853		
Nuclear Capacity Factor (%)[f]					94	95		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]								
Residential	6,084	6,486	(6.2 %)		27,963	28,861	(3.1 %)	
General Service	6,560	7,089	(7.5 %)		27,637	29,628	(6.7 %)	
Industrial	4,981	5,174	(3.7 %)		19,593	21,300	(8.0 %)	
Other Energy Sales	85	79	7.6 %		314	320	(1.9 %)	
Unbilled Sales	628	(46)	1,465.2 %		210	(215)	197.7 %	
Total Retail Sales	18,338	18,782	(2.4 %)	(1.4 %)	75,717	79,894	(5.2 %)	(2.6 %)
Wholesale and Other	2,191	2,119	3.4 %		8,857	10,026	(11.7 %)	
Total Consolidated Electric Sales – Duke Energy Carolinas	20,529	20,901	(1.8 %)		84,574	89,920	(5.9 %)	
Average Number of Customers								
Residential	2,324,382	2,275,136	2.2 %		2,306,162	2,260,939	2.0 %	
General Service	369,593	363,479	1.7 %		366,952	362,174	1.3 %	
Industrial	6,088	6,120	(0.5 %)		6,099	6,123	(0.4 %)	
Other Energy Sales	23,115	22,668	2.0 %		22,939	21,581	6.3 %	
Total Retail Customers	2,723,178	2,667,403	2.1 %		2,702,152	2,650,817	1.9 %	
Wholesale and Other	17	19	(10.5 %)		21	19	10.5 %	
Total Average Number of Customers – Duke Energy Carolinas	2,723,195	2,667,422	2.1 %		2,702,173	2,650,836	1.9 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	3,152	4,511	(30.1 %)		14,739	20,927	(29.6 %)	
Nuclear	10,673	11,097	(3.8 %)		44,315	45,244	(2.1 %)	
Hydro	728	291	150.2 %		2,511	1,714	46.5 %	
Natural Gas and Oil	3,842	3,109	23.6 %		16,817	15,694	7.2 %	
Renewable Energy	42	35	20.0 %		174	158	10.1 %	
Total Generation[(d)]	18,437	19,043	(3.2 %)		78,556	83,737	(6.2 %)	
Purchased Power and Net Interchange[(e)]	3,109	3,058	1.7 %		10,630	11,088	(4.1 %)	
Total Sources of Energy	21,546	22,101	(2.5 %)		89,186	94,825	(5.9 %)	
Less: Line Loss and Other	1,017	1,200	(15.3 %)		4,612	4,905	(6.0 %)	
Total GWh Sources	20,529	20,901	(1.8 %)		84,574	89,920	(5.9 %)	
Owned MW Capacity[(c)]								
Summer					20,280	20,192		
Winter					21,127	21,127		
Nuclear Capacity Factor (%)[(f)]					95	97		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,098	1,143	(3.9 %)		2,833	2,873	(1.4 %)	
Cooling Degree Days	51	94	(45.7 %)		1,525	1,935	(21.2 %)	
Variance from Normal								
Heating Degree Days	(12.1 %)	(8.9 %)			(11.7 %)	(10.5 %)		
Cooling Degree Days	25.7 %	161.5 %			(1.2 %)	27.1 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]								
Residential	3,882	4,070	(4.6 %)		17,587	18,177	(3.2 %)	
General Service	3,411	3,644	(6.4 %)		14,312	15,452	(7.4 %)	
Industrial	2,534	2,516	0.7 %		10,122	10,534	(3.9 %)	
Other Energy Sales	19	19	— %		77	77	— %	
Unbilled Sales	302	(60)	603.3 %		155	(50)	410 %	
Total Retail Sales	10,148	10,189	(0.4 %)	(0.2 %)	42,253	44,190	(4.4 %)	(1.9 %)
Wholesale and Other	5,580	6,095	(8.4 %)		22,987	24,166	(4.9 %)	
Total Consolidated Electric Sales – Duke Energy Progress	15,728	16,284	(3.4 %)		65,240	68,356	(4.6 %)	
Average Number of Customers								
Residential	1,385,743	1,356,540	2.2 %		1,375,190	1,348,989	1.9 %	
General Service	240,429	237,210	1.4 %		239,099	236,549	1.1 %	
Industrial	3,998	4,011	(0.3 %)		4,000	4,026	(0.6 %)	
Other Energy Sales	1,415	1,417	(0.1 %)		1,415	1,416	(0.1 %)	
Total Retail Customers	1,631,585	1,599,178	2.0 %		1,619,704	1,590,980	1.8 %	
Wholesale and Other	9	9	— %		9	12	(25.0 %)	
Total Average Number of Customers – Duke Energy Progress	1,631,594	1,599,187	2.0 %		1,619,713	1,590,992	1.8 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	1,332	2,070	(35.7 %)		5,934	9,554	(37.9 %)	
Nuclear	7,158	7,153	0.1 %		29,406	28,704	2.4 %	
Hydro	256	130	96.9 %		880	673	30.8 %	
Natural Gas and Oil	5,407	5,524	(2.1 %)		21,642	21,349	1.4 %	
Renewable Energy	54	51	5.9 %		247	253	(2.4 %)	
Total Generation[d]	14,207	14,928	(4.8 %)		58,109	60,533	(4.0 %)	
Purchased Power and Net Interchange[e]	2,066	1,995	3.6 %		9,289	9,973	(6.9 %)	
Total Sources of Energy	16,273	16,923	(3.8 %)		67,398	70,506	(4.4 %)	
Less: Line Loss and Other	545	639	(14.7 %)		2,158	2,150	0.4 %	
Total GWh Sources	15,728	16,284	(3.4 %)		65,240	68,356	(4.6 %)	
Owned MW Capacity[c]								
Summer					12,533	12,994		
Winter					13,594	14,175		
Nuclear Capacity Factor (%)[f]					93	92		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	933	1,000	(6.7 %)		2,366	2,600	(9.0 %)	
Cooling Degree Days	91	118	(22.9 %)		1,761	2,072	(15.0 %)	
Variance from Normal								
Heating Degree Days	(17.1 %)	(11.6 %)			(18.8 %)	(11.3 %)		
Cooling Degree Days	50.0 %	109.7 %			4.3 %	24.4 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]								
Residential	5,170	4,943	4.6 %		21,459	20,775	3.3 %	
General Service	3,706	3,835	(3.4 %)		14,601	15,425	(5.3 %)	
Industrial	791	760	4.1 %		3,147	2,963	6.2 %	
Other Energy Sales	6	6	— %		23	24	(4.2 %)	
Unbilled Sales	(303)	(452)	33.0 %		241	(84)	386.9 %	
Total Retail Sales	9,370	9,092	3.1 %	0.4 %	39,471	39,103	0.9 %	(0.8 %)
Wholesale and Other	730	613	19.1 %		3,019	3,070	(1.7 %)	
Total Electric Sales – Duke Energy Florida	10,100	9,705	4.1 %		42,490	42,173	0.8 %	
Average Number of Customers								
Residential	1,667,816	1,633,362	2.1 %		1,654,976	1,624,629	1.9 %	
General Service	205,840	203,626	1.1 %		204,902	203,104	0.9 %	
Industrial	1,988	2,013	(1.2 %)		2,000	2,025	(1.2 %)	
Other Energy Sales	1,495	1,492	0.2 %		1,494	1,499	(0.3 %)	
Total Retail Customers	1,877,139	1,840,493	2.0 %		1,863,372	1,831,257	1.8 %	
Wholesale and Other	9	10	(10.0 %)		9	12	(25.0 %)	
Total Average Number of Customers – Duke Energy Florida	1,877,148	1,840,503	2.0 %		1,863,381	1,831,269	1.8 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	867	1,249	(30.6 %)		3,287	4,300	(23.6 %)	
Natural Gas and Oil	8,472	7,570	11.9 %		36,361	35,218	3.2 %	
Renewable Energy	160	44	263.6 %		706	215	228.4 %	
Total Generation[(d)]	9,499	8,863	7.2 %		40,354	39,733	1.6 %	
Purchased Power and Net Interchange[(e)]	930	1,171	(20.6 %)		4,234	4,833	(12.4 %)	
Total Sources of Energy	10,429	10,034	3.9 %		44,588	44,566	— %	
Less: Line Loss and Other	329	329	— %		2,098	2,393	(12.3 %)	
Total GWh Sources	10,100	9,705	4.1 %		42,490	42,173	0.8 %	
Owned MW Capacity[(c)]								
Summer					10,287	10,259		
Winter					11,301	11,347		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	207	105	97.1 %		427	376	13.6 %	
Cooling Degree Days	624	674	(7.4 %)		3,853	3,622	6.4 %	
Variance from Normal								
Heating Degree Days	1.8 %	(46.8 %)			(5.1 %)	(34.8 %)		
Cooling Degree Days	41.0 %	43.0 %			20.7 %	13.5 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]								
Residential	1,927	2,084	(7.5 %)		8,838	9,005	(1.9 %)	
General Service	2,143	2,308	(7.1 %)		8,736	9,461	(7.7 %)	
Industrial	1,364	1,403	(2.8 %)		5,342	5,721	(6.6 %)	
Other Energy Sales	26	27	(3.7 %)		105	108	(2.8 %)	
Unbilled Sales	137	(127)	207.9 %		83	(49)	269.4 %	
Total Retail Sales	5,597	5,695	(1.7 %)	(0.2 %)	23,104	24,246	(4.7 %)	(2.3 %)
Wholesale and Other	124	75	65.3 %		380	483	(21.3 %)	
Total Electric Sales – Duke Energy Ohio	5,721	5,770	(0.8 %)		23,484	24,729	(5.0 %)	
Average Number of Customers								
Residential	783,494	775,532	1.0 %		782,324	772,065	1.3 %	
General Service	89,403	88,872	0.6 %		89,122	88,409	0.8 %	
Industrial	2,474	2,480	(0.2 %)		2,485	2,469	0.6 %	
Other Energy Sales	3,445	3,420	0.7 %		3,441	3,399	1.2 %	
Total Retail Customers	878,816	870,304	1.0 %		877,372	866,342	1.3 %	
Wholesale and Other	1	1	— %		1	1	— %	
Total Average Number of Customers – Duke Energy Ohio	878,817	870,305	1.0 %		877,373	866,343	1.3 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[(c)]								
Coal	436	398	9.5 %		2,269	3,166	(28.3 %)	
Natural Gas and Oil	15	5	200.0 %		55	138	(60.1 %)	
Total Generation[(d)]	451	403	11.9 %		2,324	3,304	(29.7 %)	
Purchased Power and Net Interchange[(e)]	5,686	6,401	(11.2 %)		23,379	24,141	(3.2 %)	
Total Sources of Energy	6,137	6,804	(9.8 %)		25,703	27,445	(6.3 %)	
Less: Line Loss and Other	416	1,034	(59.8 %)		2,219	2,716	(18.3 %)	
Total GWh Sources	5,721	5,770	(0.8 %)		23,484	24,729	(5.0 %)	
Owned MW Capacity[(c)]								
Summer					1,076	1,076		
Winter					1,164	1,164		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,671	1,766	(5.4 %)		4,497	4,684	(4.0 %)	
Cooling Degree Days	21	49	(57.1 %)		1,198	1,408	(14.9 %)	
Variance from Normal								
Heating Degree Days	(9.0 %)	(4.1 %)			(8.5 %)	(4.5 %)		
Cooling Degree Days	(4.0 %)	172.2 %			7.9 %	28.0 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
Year Ended December 2020

	Three Months Ended December 31,				Years Ended December 31,			
	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]	2020	2019	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]								
Residential	1,987	2,160	(8.0 %)		9,020	9,270	(2.7 %)	
General Service	1,853	1,988	(6.8 %)		7,650	8,226	(7.0 %)	
Industrial	2,512	2,531	(0.8 %)		9,561	10,346	(7.6 %)	
Other Energy Sales	13	13	— %		51	51	— %	
Unbilled Sales	185	(81)	328.4 %		41	(57)	(171.9 %)	
Total Retail Sales	6,550	6,611	(0.9 %)	0.3 %	26,323	27,836	(5.4 %)	(4.0 %)
Wholesale and Other	1,136	1,094	3.8 %		4,205	4,050	3.8 %	
Total Electric Sales – Duke Energy Indiana	7,686	7,705	(0.2 %)		30,528	31,886	(4.3 %)	
Average Number of Customers								
Residential	748,094	738,552	1.3 %		745,027	733,944	1.5 %	
General Service	102,586	101,978	0.6 %		102,458	101,719	0.7 %	
Industrial	2,694	2,691	0.1 %		2,697	2,692	0.2 %	
Other Energy Sales	1,842	1,791	2.8 %		1,822	1,761	3.5 %	
Total Retail Customers	855,216	845,012	1.2 %		852,004	840,116	1.4 %	
Wholesale and Other	4	4	— %		4	4	— %	
Total Average Number of Customers – Duke Energy Indiana	855,220	845,016	1.2 %		852,008	840,120	1.4 %	
Sources of Electric Energy (GWh)								
Generated – Net Output[c]								
Coal	6,069	3,959	53.3 %		18,828	17,953	4.9 %	
Hydro	68	58	17.2 %		205	164	25.0 %	
Natural Gas and Oil	562	924	(39.2 %)		3,008	2,999	0.3 %	
Renewable Energy	4	5	(20.0 %)		27	28	(3.6 %)	
Total Generation[d]	6,703	4,946	35.5 %		22,068	21,144	4.4 %	
Purchased Power and Net Interchange[e]	2,297	3,066	(25.1 %)		10,997	11,941	(7.9 %)	
Total Sources of Energy	9,000	8,012	12.3 %		33,065	33,085	(0.1 %)	
Less: Line Loss and Other	1,314	307	328.0 %		2,537	1,199	111.6 %	
Total GWh Sources	7,686	7,705	(0.2 %)		30,528	31,886	(4.3 %)	
Owned MW Capacity[c]								
Summer					6,631	6,623		
Winter					7,062	7,040		
Heating and Cooling Degree Days								
Actual								
Heating Degree Days	1,822	1,991	(8.5 %)		4,964	5,349	(7.2 %)	
Cooling Degree Days	19	37	(48.6 %)		1,151	1,261	(8.7 %)	
Variance from Normal								
Heating Degree Days	(7.6 %)	1.0 %			(6.0 %)	1.2 %		
Cooling Degree Days	9.1 %	135.9 %			5.0 %	15.0 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
Year Ended December 2020

	Three Months Ended December 31,			Years Ended December 31,		
	2020	2019	% Inc. (Dec.)	2020	2019	% Inc. (Dec.)
Total Sales						
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms)[a]	129,209,733	133,517,816	(3.2 %)	490,071,039	511,243,774	(4.1 %)
Duke Energy Midwest LDC throughput (Mcf)	25,589,579	26,747,349	(4.3 %)	84,160,162	89,025,972	(5.5 %)
Average Number of Customers – Piedmont Natural Gas						
Residential	1,010,287	980,623	3.0 %	1,003,214	979,210	2.5 %
Commercial	104,864	103,827	1.0 %	104,983	103,991	1.0 %
Industrial	968	976	(0.8 %)	969	972	(0.3 %)
Power Generation	19	17	11.8 %	19	16	18.8 %
Total Average Number of Gas Customers – Piedmont Natural Gas	1,116,138	1,085,443	2.8 %	1,109,185	1,084,189	2.3 %
Average Number of Customers – Duke Energy Midwest						
Residential	497,602	491,566	1.2 %	495,688	489,942	1.2 %
General Service	43,169	43,651	(1.1 %)	43,320	43,350	(0.1 %)
Industrial	1,567	1,591	(1.5 %)	1,571	1,578	(0.4 %)
Other	130	133	(2.3 %)	131	135	(3.0 %)
Total Average Number of Gas Customers – Duke Energy Midwest	542,468	536,941	1.0 %	540,710	535,005	1.1 %

(a) Piedmont has a margin decoupling mechanism in North Carolina, weather normalization mechanisms in South Carolina and Tennessee and fixed-price contracts with most power generation customers that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
Year Ended December 2020

	Three Months Ended December 31,			Years Ended December 31,		
	2020	2019	% Inc. (Dec.)	2020	2019	% Inc. (Dec.)
Renewable Plant Production, GWh	2,544	2,046	24.3 %	10,204	8,574	19.0 %
Net Proportional MW Capacity in Operation[a]	n/a	n/a		3,937	3,485	13.0 %

(a) Includes 100% tax equity project capacity.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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

Date of Report (Date of earliest event reported): February 25, 2021

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
	DUKE ENERGY.	
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 25, 2021, directors William E. Kennard and Marya M. Rose each notified Duke Energy Corporation (the "Corporation") that, due to increased external business and personal commitments, they did not intend to stand for re-election to the Corporation's Board of Directors once their respective current terms ended at the Corporation's 2021 Annual Meeting of Shareholders. Neither director's decision not to stand for re-election was the result of any disagreement with the Corporation on any matter relating to the operation, policies, or practices of the Corporation.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION
/s/ David S. Maltz

David S. Maltz
Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

Dated: March 3, 2021

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 24, 2021**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 30, 2021, Duke Energy Corporation (the "Corporation") announced that Mr. Douglas F Esamann, Executive Vice President, Energy Solutions and President, Midwest/Florida Regions and Natural Gas Business, will be retiring effective August 1, 2021. Mr. Esamann's responsibilities will be assumed by other members of the Corporation's executive team.

On March 30, 2021, the Corporation also announced that Mr. Dwight L. Jacobs, currently Senior Vice President, Tax, Chief Accounting Officer and Controller, has been appointed as Senior Vice President, Supply Chain and Chief Procurement Officer, effective May 16, 2021, and that Ms. Cynthia S. Lee has been appointed as Vice President, Chief Accounting Officer and Controller, also effective May 16, 2021.

Ms. Lee, 54, has served as Director, Investor Relations, since June 2019. Prior to joining the Investor Relations organization, Ms. Lee served in various roles within the Corporate Controller's organization after joining the Corporation and its affiliates in 2002.

Ms. Lee will participate in the Duke Energy Corporation Executive Severance Plan as a "Tier I" participant upon her appointment to her new role. The Executive Severance Plan is described in more detail on pages 65-66 of the Corporation's Proxy Statement dated March 23, 2021. In all other respects, Ms. Lee will continue to participate in the compensation and benefit plans in which she was participating prior to the change in responsibilities. Ms. Lee has not entered into, nor were any amendments made to, any material plans, contracts or arrangements in connection with her change in responsibilities.

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: March 30, 2021

/s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 31, 2021

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-4928	**DUKE ENERGY CAROLINAS, LLC** (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853	56-0205520

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 7.01. Regulation FD Disclosure.

On March 31, 2021, the North Carolina Utilities Commission (the "NCUC") issued an order approving without modification previous settlements reached by Duke Energy Carolinas, LLC ("DEC"), the North Carolina Public Staff (the "Public Staff") and other parties on March 25, 2020, and July 31, 2020, which resolved certain issues in DEC's base rate case proceeding originally filed with the NCUC on September 31, 2019. These issues include a return on equity of 9.6% based upon a capital structure of 52% equity and 48% debt, deferral treatment for approximately $0.8 billion of grid improvement projects with a return, Unprotected Federal Excess Deferred Income Taxes flow back period of 5 years, and the reasonableness and prudence of $213 million of deferred storm costs which were removed from the rate case and for which DEC filed a petition seeking to securitize the costs in October 2020. DEC expects a financing order from the NCUC in May and the securitization transaction to close in the third quarter of 2021.

In addition, the March 31, 2021 NCUC order approved without modification the Agreement and Stipulation of Partial Settlement of DEC and Duke Energy Progress, LLC, the Public Staff, the North Carolina Attorney General's Office and the Sierra Club, filed with the NCUC on January 25, 2021, which resolved all coal ash prudence and cost recovery issues through early 2030, including in DEC's 2019 base rate case proceeding, as well as the equitable sharing issue on remand from DEC's 2017 North Carolina rate case as a result of the December 11, 2020, North Carolina Supreme Court opinion.

The order denied DEC's proposal to shorten the remaining depreciable lives of certain of DEC's coal-fired generating plants, indicating that DEC's integrated resource planning proceeding was the appropriate proceeding for the review of generating plant retirements.

An overview providing additional detail on the order is attached to this Form 8-K as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1	Duke Energy Carolinas Summary of Order Issued by the North Carolina Utilities Commission
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

Date: April 1, 2021	**DUKE ENERGY CORPORATION** By: /s/ David S. Maltz Name: David S. Maltz Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary
Date: April 1, 2021	**DUKE ENERGY CAROLINAS, LLC** By: /s/ David S. Maltz Name: David S. Maltz Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

Duke Energy Carolinas
Summary of Order Issued by the North Carolina Utilities Commission
(Docket E-7 Sub 1214)

Background on rate case filings

- On September 30, 2019, Duke Energy Carolinas ("DEC") filed a rate case ("2019 Rate Case") with the North Carolina Utilities Commission ("NCUC") and originally requested an approximate $291 million increase in annualized retail revenues. The original rate case filing requested a 10.3% return on equity ("ROE") and a 53% equity component of the capital structure.

- An NCUC order in DEC's prior rate case, filed in 2017, allowed DEC to recover deferred coal ash costs of $554 million (NC retail allocation) over 5 years with a weighted average cost of capital ("WACC") return. The order was subsequently appealed to the North Carolina Supreme Court (the "Court"). On December 11, 2020, the Court issued an opinion on the consolidated appeals, which upheld the NCUC's decision to include coal ash costs in the cost of service, and the NCUC's discretion to allow a return on the unamortized balance of coal ash costs. The opinion also remanded to the NCUC a single issue – to consider the assessment of support for the North Carolina Public Staff's ("Public Staff") equitable sharing argument.

Background on settlements reached

- On March 25, 2020, DEC and the Public Staff filed an Agreement and Stipulation of Partial Settlement ("First Partial Stipulation") resolving certain issues in the base rate proceeding, the most significant of which would result in the removal of storm costs from the rate case and an agreement to file a petition seeking to securitize the costs.

- On July 31, 2020, DEC and the Public Staff filed documents in support of an agreement in principle reached on additional issues related to the base rate proceeding ("Second Partial Stipulation"), primarily ROE, capital structure, deferral of grid projects, and tax reform.

    - On August 1, 2020, DEC implemented interim rates consistent with the Second Partial Stipulation. The incorporation of EDIT flowback in the interim rates kept most customers rates unchanged.

- On January 22, 2021, DEC, Duke Energy Progress, the NC Attorney General's Office ("AGO"), the Public Staff and Sierra Club entered into a Settlement Agreement ("Coal Ash Settlement") which addresses all historical coal ash prudence and cost recovery issues, including the 2019 Rate Case, and provides clarity on coal ash cost recovery for the next decade in North Carolina.

On March 31, 2021, the NCUC issued an order approving the First Partial Stipulation, the Second Partial Stipulation and the Coal Ash Settlement without modification. The order also addresses other outstanding items in the case.

Major Components of the Order

Approves the First Partial Stipulation and the Second Partial Stipulation including:

- ROE of 9.6% based upon a capital structure of 52% equity and 48% debt

- Deferral treatment for approximately $0.8 billion of Grid Improvement Plan projects including a return
- Unprotected Federal Excess Deferred Income Taxes ("EDIT") flow back period of 5 years. See additional EDIT discussion below.
- Determination of the reasonableness and prudence of $213 million of deferred storm costs, which have been removed from the rate case. DEC filed a petition seeking to securitize the costs on October 26, 2020, and expects a financing order from the NCUC in May and the securitization transaction to close in Q3 2021.
- Inclusion of plant in service and other revenue requirement updates through May 31, 2020

Approves the Coal Ash Settlement without modification, including:

- The term of the Coal Ash Settlement goes through early 2030 and resolves all coal ash issues in: (1) the remand of the 2017 rate case; and (2) the 2019 rate case. It also provides much greater certainty on the recovery of coal ash costs incurred through Jan. 2030.
- Limits the scope of future rate case proceedings in NC: for the term of the Coal Ash Settlement, the Parties waive all rights to (1) Assert that coal ash costs be shared between DEC and customers through "equitable sharing" or any other rate base or return adjustment, and (2) Challenge the reasonableness and prudence of DEC's historical coal ash management practices and costs prior to Feb. 2020.
- DEC agrees to not seek recovery of approximately $500 million of system-wide deferred coal ash expenditures, including $224 million related to the 2019 Rate Case. As a result of the Coal Ash Settlement, DEC incurred a pre-tax charge of approximately $500 million in Q4 2020, which was treated as a "special item" and excluded from adjusted earnings per share.
- Affirms prudency and cost recovery of coal ash costs in the 2017 rate case, including 5-year amortization with a full WACC return and the previously assessed cost of service penalty.
- Allows a return at a reduced ROE during the amortization period on coal ash costs in the 2019 Rate Case and through Jan. 2030. The reduced ROE will be 150 basis points lower than the prevailing ROE over the settlement period (e.g. coal ash costs in the 2019 Rate Case will earn a reduced ROE of 8.1%), with a capital structure composed of 48% debt and 52% equity.
    - DEC retains the ability to earn a full WACC return during the deferral period.
- The amortization period for coal ash costs in the 2019 Rate Case will be 5 years. The amortization periods for future deferred costs will be set by the NCUC in future rate case proceedings.

Denies accelerated coal plant depreciation:

- Denies DEC's proposal to shorten the remaining depreciable lives of five coal-fired power plants. Instead, the Commission stated that the ongoing Integrated Resource Plan docket was the more appropriate venue to decide these issues.

Rate reductions as a result of federal and state tax reform as agreed to in the Second Partial Stipulation include:

- Protected federal EDIT: $1.1 billion returned to customers through base rates; annual rate reduction is in accordance with specific IRS requirements governing the flowback period (approximately 39 years)

- Unprotected federal EDIT: $1.0 billion returned to customers through the combination of interim rates and a levelized rider over a five-year period
- N.C. state EDIT related to the reduction of the N.C. state income tax rate from 3% to 2.5%: $34 million returned to customers through a levelized rider over a two-year period
- Deferred revenues from January through July 2018 related to the change in the federal statutory tax rate from 35% to 21%: $121 million returned to customers through a levelized rider over a two-year period
- DEC reserves the ability to reflect a future increase or decrease in the federal tax rate during the five-year unprotected EDIT flow back period

Additional Information

- The estimated rate base for DEC NC retail addressed in the case is approximately $17 billion
- Once new tariff schedules are approved by the NCUC, a date will be set for new rates to go into effect. Due to the deployment of the Customer Connect system beginning in April, DEC expects new rates to go into effect in June 2021.

Reconciliation of Request to Order and Estimated Annual Rate Impacts to Customer Bills

- Original request: $446 million increase, less $155 million EDIT rider give-back, for a net requested increase of $291 million
- Estimate per Order (Year 1): $325 million increase, less $294 million EDIT rider give-back, for an estimated net increase of $29 million

($ in millions)	Years 1-2		Years 3-5	
Request per original filing	$	291	$	291
Reduced ROE[1]	$	(76)	$	(76)
Reduced equity component of capital structure[1]	$	(13)	$	(13)
Reduced debt rate (4.51% to 4.27%)[1]	$	(24)	$	(24)
Remove storm costs for securitization[1]	$	(39)	$	(39)
Other Stipulation adjustments, including accelerated EDIT flow back and updating to May cut off[1]	$	(23)	$	60
Coal Ash Settlement impacts (write-off and lower ROE)[2]	$	(55)	$	(55)
Remove accelerated depreciation of coal plants	$	(27)	$	(27)
Other impacts of the order, primarily changes to depreciation rates	$	(5)	$	(5)
Estimated cumulative net annualized revenue increase, subject to NCUC review and approval	**$**	**29**	**$**	**112**
Estimated cumulative net annualized customer increase (%)		**0.6%**		**2.4%**

[1] As agreed to in the First Partial Stipulation and Second Partial Stipulation

[2] As agreed to in the Coal Ash Settlement

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **April 16, 2021**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218
1-3382	**DUKE ENERGY PROGRESS, LLC** (an North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-0165465

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

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

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

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

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

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

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

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

Emerging growth company ☐

c

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

Item 7.01. Regulation FD Disclosure.

On April 16, 2021, the North Carolina Utilities Commission (the "NCUC") issued an order (the "Order") approving previous settlements reached by Duke Energy Progress, LLC ("DEP"), the North Carolina Public Staff (the "Public Staff") and other parties on June 2, 2020, and July 31, 2020, which resolved certain issues in DEP's base rate case proceeding originally filed with the NCUC on October 30, 2019. These issues include a return on equity of 9.6% based upon a capital structure of 52% equity and 48% debt, deferral treatment for approximately $0.4 billion of grid improvement projects with a return, Unprotected Federal Excess Deferred Income Taxes flow back period of 5 years, and the reasonableness and prudence of $714 million of deferred storm costs, which were removed from the rate case and for which DEP filed a petition seeking to securitize the costs in October 2020. DEP expects a financing order from the NCUC in May and the securitization transaction to close in the third quarter of 2021.

In addition, the Order approved without modification the Agreement and Stipulation of Partial Settlement of DEP and Duke Energy Carolinas, LLC, the Public Staff, the North Carolina Attorney General's Office and the Sierra Club, filed with the NCUC on January 25, 2021, which resolved all coal ash prudence and cost recovery issues through early 2030, including in DEP's 2019 base rate case proceeding, as well as the equitable sharing issue on remand from DEP's 2017 North Carolina rate case as a result of the December 11, 2020, North Carolina Supreme Court decision.

The Order denied the proposal of DEP to shorten the remaining depreciable lives of certain of DEP's coal-fired generating units, indicating that DEP's integrated resource planning proceeding was the appropriate proceeding for the review of generating plant retirements.

An overview providing additional detail of the Order is attached to this Form 8-K as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1	Duke Energy Progress Summary of Order Issued by the North Carolina Utilities Commission
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: April 19, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

DUKE ENERGY PROGRESS, LLC

Date: April 19, 2021

By: /s/ David S. Maltz
Name: David S. Maltz
Title: Vice President, Legal, Chief Governance Officer and Assistant Secretary

Duke Energy Progress
Summary of Order Issued by the North Carolina Utilities Commission
(Docket E-2 Sub 1219)

Background on rate case filings

- On October 30, 2019, Duke Energy Progress ("DEP") filed a rate case ("2019 Rate Case") with the North Carolina Utilities Commission ("NCUC") to request an approximately $464 million net increase in annualized retail revenues. The rate case filing requested a 10.3% return on equity ("ROE") and a 53% equity component of the capital structure.
- An NCUC order in DEP's prior rate case, filed in 2017, allowed DEP to recover deferred coal ash costs of $234 million (NC retail allocation) over 5 years with a weighted average cost of capital ("WACC") return. The order was subsequently appealed to the North Carolina Supreme Court (the "Court"). On December 11, 2020, the Court issued an opinion on the consolidated appeals, which upheld the NCUC's decision to include coal ash costs in the cost of service, and the NCUC's discretion to allow a return on the unamortized balance of coal ash costs. The opinion also remanded to the NCUC a single issue – to consider the assessment of support for the North Carolina Public Staff's ("Public Staff") equitable sharing argument.

Background on settlements reached

- On June 2, 2020, DEP and the Public Staff filed an Agreement and Stipulation of Partial Settlement ("First Partial Stipulation") resolving certain issues in the base rate proceeding, the most significant of which would result in the removal of storm costs from the rate case and an agreement to file a petition seeking to securitize the costs.
- On July 31, 2020, DEP and the Public Staff filed documents in support of an agreement in principle reached on additional issues related to the base rate proceeding ("Second Partial Stipulation"), primarily ROE, capital structure, deferral of grid projects, and tax reform.
    - On September 1, 2020, DEP implemented interim rates consistent with the Second Partial Stipulation. The incorporation of EDIT flowback in the interim rates kept most customers rates unchanged.
- On January 22, 2021, DEP, Duke Energy Carolinas, the NC Attorney General's Office ("AGO"), the Public Staff and Sierra Club entered into a Settlement Agreement ("Coal Ash Settlement") which addresses all historical coal ash prudence and cost recovery issues, including the 2019 Rate Case, and provides clarity on coal ash cost recovery for the next decade in North Carolina.

On April 16, 2021, the NCUC issued an order approving the First Partial Stipulation, the Second Partial Stipulation and the Coal Ash Settlement without modification. The order also addresses other outstanding items in the case.

Major Components of the Order

Approves the First Partial Stipulation and the Second Partial Stipulation including:

- ROE of 9.6% based upon a capital structure of 52% equity and 48% debt
- Deferral treatment for approximately $0.4 billion of Grid Improvement Plan projects including a return
- Unprotected Federal Excess Deferred Income Taxes ("EDIT") flow back period of 5 years. See additional EDIT discussion below.
- Determination of the reasonableness and prudence of $714 million of storm costs, which have been removed from the rate case. DEP filed a petition seeking to securitize the costs on October 26, 2020, and expects a financing order from the NCUC in May and the securitization transaction to close in Q3 2021.
- Inclusion of plant in service and other revenue requirement updates through May 31, 2020

Approves the Coal Ash Settlement without modification:

- The term of the Coal Ash Settlement goes through early 2030 and resolves all coal ash issues in: (1) the remand of the 2017 rate case; and (2) the 2019 rate case. It also provides much greater certainty on the recovery of coal ash costs incurred through Feb. 2030.
- Limits the scope of future rate case proceedings in NC: for the term of the Coal Ash Settlement, the Parties waive all rights to (1) Assert that coal ash costs be shared between DEP and customers through "equitable sharing" or any other rate base or return adjustment, and (2) Challenge the reasonableness and prudence of DEP's historical coal ash management practices and costs prior to Mar. 2020.

- DEP agrees to not seek recovery of approximately $600 million of system-wide deferred coal ash expenditures, including $261 million related to the 2019 Rate Case. As a result of the Coal Ash Settlement, DEP incurred a pre-tax charge of approximately $600 million in Q4 2020, which was treated as a "special item" and excluded from adjusted earnings per share.
- Affirms prudency and cost recovery of coal ash costs in the 2017 rate case, including 5-year amortization with a full WACC return and the previously assessed cost of service penalty.
- Allows a return at a reduced ROE during the amortization period on coal ash costs in the 2019 Rate Case and through Feb. 2030. The reduced ROE will be 150 basis points lower than the prevailing ROE over the settlement period (e.g. coal ash costs in the 2019 Rate Case will earn a reduced ROE of 8.1%), with a capital structure composed of 48% debt and 52% equity.
    - DEP retains the ability to earn a full WACC return during the deferral period.
- The amortization period for coal ash costs in the 2019 Rate Case will be 5 years. The amortization periods for future deferred costs will be set by the NCUC in future rate case proceedings.

Denies accelerated coal plant depreciation:

- Denies DEP's proposal to shorten the remaining depreciable lives of three coal-fired units. Instead, the Commission stated that the ongoing Integrated Resource Plan docket was the more appropriate venue to decide these issues.

Rate reductions as a result of federal and state tax reform as agreed to in the Second Partial Stipulation include:

- Protected federal EDIT: $770 million returned to customers through base rates; annual rate reduction is in accordance with specific IRS requirements governing the flowback period (approximately 28 years)
- Unprotected federal EDIT: $400 million returned to customers through the combination of interim rates and a levelized rider over a five-year period
- N.C. state EDIT related to the reduction of the N.C. state income tax rate from 3% to 2.5%: $24 million returned to customers through a levelized rider over a two-year period
- Deferred revenues from January through November 2018 related to the change in the federal statutory tax rate from 35% to 21%: $110 million returned to customers through a levelized rider over a two-year period
- DEP reserves the ability to reflect a future increase or decrease in the federal tax rate during the five-year unprotected EDIT flow back period

Additional Information

- The estimated rate base for DEP NC retail addressed in the case is approximately $10.7 billion
- Once new tariff schedules are approved by the NCUC, a date will be set for new rates to go into effect. DEP expects new rates to go into effect by June 2021.

Reconciliation of Request to Order and Estimated Annual Rate Impacts to Customer Bills

- Original request: $586 million base rate increase, less $122 million combined impact of EDIT and other rider give-backs, for a net requested increase of $464 million
- Estimate per Order (Years 1-2): $311 million increase, less $131 million combined impact of EDIT other rider give-backs, for an estimated net increase of $180 million. Note that the net increase will be higher in Years 3-5 as certain federal and state tax reform rate reductions sunset.

($ in millions)		Years 1-2		Years 3-5
Request per original filing	$	464	$	464
Reduced ROE[1]	$	(49)	$	(49)
Reduced equity component of capital structure[1]	$	(8)	$	(8)
Reduced debt rate (4.15% to 4.04%)[1]	$	(7)	$	(7)
Remove storm costs for securitization[1]	$	(93)	$	(93)
Other Stipulation adjustments, including accelerated EDIT flow back and updating to May cut off[1]	$	(29)	$	38
Coal Settlement impacts (write-off and lower ROE)[2]	$	(65)	$	(65)
Remove accelerated depreciation of coal plants	$	(25)	$	(25)
Other impacts of the order, primarily changes to depreciation rates	$	(8)	$	(7)
Cumulative net annualized revenue increase, subject to NCUC review and approval	**$**	**180**	**$**	**248**
Cumulative net annualized customer increase (%)		**4.8%**		**6.6%**

[1] As agreed to in the First Partial Stipulation and Second Partial Stipulation

[2] As agreed to in the Coal Ash Settlement

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **May 5, 2021**

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, and Telephone Number	IRS Employer Identification No.
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-6200	20-2777218

550 South Tryon Street, Charlotte, North Carolina 28202
(Address of Principal Executive Offices, including Zip code)

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On March 30, 2021, Duke Energy Corporation (the "Corporation") announced that Ms. Cynthia S. Lee has been appointed to the position of Vice President, Chief Accounting Officer and Controller, effective May 16, 2021. In connection with this promotion, the Compensation and People Development Committee of the Board of Directors of the Corporation, effective as of May 16, 2021, approved an increase in Ms. Lee's annual base salary from $195,305 to $300,000, an increase in her short-term incentive opportunity from 30% to 45% of her annual base salary, and an increase in her long-term incentive opportunity from 30% to 75% of her annual base salary. Except as otherwise described in the Form 8-K dated March 30, 2021, Ms. Lee has not entered into, nor were any amendments made to, any material plans, contracts or arrangements in connection with her change in responsibilities.

Item 5.07 Submission of Matters to a Vote of Security Holders.

(a) The Corporation held its Annual Meeting on May 6, 2021.

(b) At the Annual Meeting, shareholders voted on the following items: (i) election of directors, (ii) ratification of the appointment of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for 2021, (iii) an advisory vote to approve the Corporation's named executive officer compensation, (iv) an amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements, (v) a shareholder proposal regarding independent board chair, and (vi) a shareholder proposal regarding providing a semiannual report on the Corporation's political contributions and expenditures. For more information on the proposals, see the Corporation's proxy statement dated March 23, 2021. Set forth on the following pages are the final voting results for each of the proposals.

• Election of Director Nominees

Director	Votes For	Withheld	Broker Non-Votes	Votes Cast FOR / Votes Cast FOR + WITHHELD
Michael G. Browning	440,689,097	59,490,958	149,096,477	88.11%
Annette K. Clayton	494,785,746	5,394,309	149,096,477	98.92%
Theodore F. Craver, Jr.	492,406,014	7,774,041	149,096,477	98.45%
Robert M. Davis	490,837,231	9,342,824	149,096,477	98.13%
Caroline Dorsa	479,655,580	20,524,475	149,096,477	95.90%
W. Roy Dunbar	494,438,390	5,741,665	149,096,477	98.85%
Nicholas C. Fanandakis	494,762,010	5,418,045	149,096,477	98.92%
Lynn J. Good	459,862,531	40,317,524	149,096,477	91.94%
John T. Herron	493,765,541	6,414,514	149,096,477	98.72%
E. Marie McKee	487,802,910	12,377,145	149,096,477	97.53%
Michael J. Pacilio	494,828,662	5,351,393	149,096,477	98.93%
Thomas E. Skains	493,723,940	6,456,115	149,096,477	98.71%
William E. Webster, Jr.	495,010,511	5,169,544	149,096,477	98.97%

Each director nominee was elected to the Board of Directors with the support of a majority of the votes cast.

• Ratification of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for 2021

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR / Votes Cast FOR + AGAINST	Votes Cast FOR / Votes Cast FOR + AGAINST + ABSTAIN
622,954,578	24,200,791	2,121,163	NA	96.26%	95.94%

The ratification of Deloitte & Touche LLP as the Corporation's independent registered public accounting firm for 2021 received the support of a majority of the shares represented.

• Advisory vote to approve the Corporation's named executive officer compensation

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR / Votes Cast FOR + AGAINST	Votes Cast FOR / Votes Cast FOR + AGAINST + ABSTAIN
462,907,689	32,526,803	4,745,563	149,096,477	93.43%	92.54%

The advisory vote to approve the Corporation's named executive officer compensation received the support of a majority of the shares represented.

• Amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR / Shares Outstanding
485,966,612	10,456,614	3,756,829	149,096,477	63.17%

The amendment to the Amended and Restated Certificate of Incorporation of Duke Energy Corporation to eliminate supermajority requirements failed to receive the support of 80% of the shares outstanding.

• Shareholder proposal regarding independent board chair

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR / Votes Cast FOR + AGAINST	Votes Cast FOR / Votes Cast FOR + AGAINST + ABSTAIN
174,166,803	321,840,204	4,173,048	149,096,477	35.11%	34.82%

The shareholder proposal regarding independent board chair failed to receive the support of a majority of the shares represented.

• Shareholder proposal regarding providing a semiannual report on the Corporation's political contributions and expenditures

Votes For	Votes Against	Abstain	Broker Non-Votes	Votes Cast FOR / Votes Cast FOR + AGAINST	Votes Cast FOR / Votes Cast FOR + AGAINST + ABSTAIN
257,262,883	238,252,758	4,664,414	149,096,477	51.91%	51.43%

The shareholder proposal regarding providing a semiannual report on the Corporation's political contributions and expenditures received the support of a majority of the shares represented.

(c) Not applicable.

(d) Not applicable

SIGNATURE

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

DUKE ENERGY CORPORATION

Date: May 11, 2021

By: /s/ DAVID S. MALTZ
David S. Maltz
Vice President, Legal, Chief Governance Officer and Assistant Corporate Secretary

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

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

Date of Report (Date of earliest event reported): May 10, 2021

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Conditions.

On May 10, 2021, Duke Energy Corporation (the "Corporation") will issue and post a news release to its website (duke-energy.com/investors) announcing its financial results for the first quarter ended March 31, 2021. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02. In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release to be issued by Duke Energy Corporation on May 10, 2021 (furnished pursuant to Item 2.02).

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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

DUKE ENERGY CORPORATION
/s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller

Dated: May 10, 2021

News Release

DUKE ENERGY.

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Duke Energy reports first quarter 2021 financial results

- **First quarter 2021 reported EPS of $1.25 and adjusted EPS of $1.26**
- **Delivered strong adjusted EPS results to start the year, driven by Electric Utilities and Infrastructure growth**
- **Advanced clean energy transformation with 570 MW of renewable generation placed in service and the retirement of a 270 MW coal unit during the quarter**
- **Company reaffirms 2021 adjusted EPS guidance range of $5.00 to $5.30 and long-term adjusted EPS growth rate of 5% to 7% through 2025**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced first quarter 2021 reported EPS of $1.25, prepared in accordance with Generally Accepted Accounting Principles (GAAP), and adjusted EPS of $1.26. This is compared to reported EPS of $1.24 and adjusted EPS of $1.14 for the first quarter of 2020.

Adjusted EPS excludes the impact of certain items that are included in reported EPS. The difference between the first quarter 2021 reported and adjusted EPS was due to exit obligations from gas pipeline investments.

Higher first quarter 2021 adjusted results were led by growth in Electric Utilities and Infrastructure from rate case contributions and prior year unfavorable weather. Gas Utilities and Infrastructure also benefited from customer growth, rate case contributions and rider programs. Higher market returns on certain benefit trusts and lower financing costs drove higher results in the Other segment. These items were partially offset by impacts from Texas Storm Uri, the loss of ACP earnings, higher depreciation and amortization on a growing asset base and share dilution.

"We're off to a very strong start in 2021, executing well and delivering on our commitments to our customers, communities and investors," said Lynn Good, Duke Energy chair, president and chief executive officer. "We are positioned to deliver sustainable long-term value as we accelerate our clean energy transformation by investing in renewables, battery storage and in our delivery system. As a result, we have reaffirmed our 2021 adjusted EPS guidance range of $5.00 to $5.30 and long-term growth rate of 5% to 7%, off the 2021 midpoint."

Business segment results

In addition to the following summary of first quarter 2021 business segment performance, comprehensive tables with detailed EPS drivers for the first quarter compared to prior year are provided at the end of this news release.

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

Electric Utilities and Infrastructure

On a reported and adjusted basis, Electric Utilities and Infrastructure recognized first quarter 2021 segment income of $820 million, compared to segment income of $705 million in the first quarter of 2020, an increase of $0.15 per share, excluding share dilution of $0.04 per share. Higher quarterly results were primarily due to contributions from rate cases (+$0.10 per share), prior year unfavorable weather (+$0.09 per share) and timing of O&M expenses (+$0.03 per share). These results were partially offset by higher depreciation and amortization on a growing asset base (-$0.04 per share) and unfavorable retail and wholesale volumes (-$0.03 per share). First quarter 2020 retail and wholesale volumes were on a pre-pandemic basis.

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized first quarter 2021 segment income of $245 million, compared to $249 million in the first quarter of 2020. Lower first quarter 2021 results include exit obligations for ACP. These charges were treated as special items and excluded from adjusted earnings.

On an adjusted basis, Gas Utilities and Infrastructure recognized first quarter 2021 segment income of $250 million, compared to $249 million in the first quarter of 2020, flat excluding share dilution of $0.02 per share. Riders and margin expansion (+$0.03 per share) and contributions from the Tennessee rate case (+$0.01 per share) were offset by the loss of ACP earnings (-$0.03 per share) and higher property taxes and depreciation on a growing asset base (-$0.01).

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized first quarter 2021 segment income of $27 million, compared to reported and adjusted segment income of $57 million in the first quarter of 2020. This represents a decrease of $0.04 per share due to impacts from Texas Storm Uri in February 2021.

Other

Other primarily includes interest expense on holding company debt, other unallocated corporate costs and results from Duke Energy's captive insurance company.

On a reported and adjusted basis, Other recognized a first quarter 2021 net loss of $139 million. This is compared to a reported and adjusted net loss of $112 million and $187 million, respectively, in the first quarter of 2020, an increase of $0.06 per share, excluding share dilution of -$0.01 per share. Higher quarterly results at Other were primarily due to market returns on certain benefit trusts (+$0.04 per share) and lower financing costs (+$0.02 per share).

Effective tax rate

Duke Energy's consolidated reported effective tax rate for the first quarter of 2021 was 8.2% compared to 13.3% in the first quarter of 2020. The decrease in the effective tax rate was primarily due to an increase in the amortization of excess deferred taxes.

The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the first quarter of 2021 was 8.1% compared to 12.2% in the first quarter of 2020. The decrease was primarily due to an increase in the amortization of excess deferred taxes.

The tables at the end of this news release present a reconciliation of the reported effective tax rate to the effective tax rate including noncontrolling interests and preferred dividends and excluding special items.

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss first quarter 2021 financial results. The conference call will be hosted by Lynn Good, chair, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (duke-energy.com/investors) of Duke Energy's website or by dialing 800.458.4121 in the United States or 323.794.2093 outside the United States. The confirmation code is 5906267. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, May 20, 2021, by calling 888.203.1112 in the United States or 719.457.0820 outside the United States and using the code 5906267. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted earnings per share for first quarter 2021 and 2020 financial results:

(In millions, except per share amounts)	After-Tax Amount	1Q 2021 EPS	1Q 2020 EPS
EPS, as reported		**$ 1.25**	$ 1.24
Adjustments to reported EPS:			
First Quarter 2021			
Exit obligations for gas pipeline investments	**$ 5**	**0.01**	
First Quarter 2020			
Severance	$ (75)		(0.10)
Total adjustments		**$ 0.01**	$ (0.10)
EPS, adjusted		**$ 1.26**	$ 1.14

Non-GAAP financial measures

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items. Adjusted earnings and adjusted EPS represent income from continuing operations available to Duke Energy Corporation common stockholders in dollar and per share amounts, adjusted for the dollar and per share impact of special items. The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items is calculated using pretax earnings and income tax expense, both as adjusted for the impact of noncontrolling interests, preferred dividends and special items. As discussed below, special items include certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management uses these non-GAAP financial measures for planning and forecasting, and for reporting financial results to the Board of Directors, employees, stockholders, analysts and investors. The most directly comparable GAAP measures for adjusted earnings, adjusted EPS and effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items are Net Income Available to Duke Energy Corporation common stockholders (GAAP reported earnings), Basic earnings per share Available to Duke Energy Corporation common stockholders (GAAP reported earnings per share), and the reported effective tax rate, respectively.

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

- Gas Pipeline Investments represents additional exit obligations related to ACP.
- Severance represents the reversal of 2018 Severance charges, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and Duke Energy Progress 2019 North Carolina rate cases.

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

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

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

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

Duke Energy

Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of America's largest energy holding companies. Its electric utilities serve 7.9 million customers in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky, and collectively own 51,000 megawatts of energy capacity. Its natural gas unit serves 1.6 million customers in North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The company employs 27,500 people.

Duke Energy is executing an aggressive clean energy strategy to create a smarter energy future for its customers and communities – with goals of at least a 50% carbon reduction by 2030 and net-zero carbon emissions by 2050. The company is a top U.S. renewable energy provider, on track to operate or purchase 16,000 megawatts of renewable energy capacity by 2025. The company also is investing in major electric grid upgrades and expanded battery storage, and exploring zero-emitting power generation technologies such as hydrogen and advanced nuclear.

Duke Energy was named to Fortune's 2021 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos and videos. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;

- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- Changing customer expectations and demands including heightened emphasis on environmental, social and governance concerns;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2021
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item Gas Pipeline Investments	Total Adjustments	Adjusted Earnings
SEGMENT INCOME				
Electric Utilities and Infrastructure	$ 820	$ —	$ —	$ 820
Gas Utilities and Infrastructure	245	5 A	5	250
Commercial Renewables	27	—	—	27
Total Reportable Segment Income	1,092	5	5	1,097
Other	(139)	—	—	(139)
Net Income Available to Duke Energy Corporation Common Stockholders	$ 953	$ 5	$ 5	$ 958
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 1.25	$ 0.01	$ 0.01	$ 1.26

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of $0.02.

A – Net of $1 million tax benefit. $6 million of exit obligations recorded within Equity in (losses) earnings of unconsolidated affiliates on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 769 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2020
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item: Severance	Total Adjustments	Adjusted Earnings
SEGMENT INCOME				
Electric Utilities and Infrastructure	$ 705	$ —	$ —	$ 705
Gas Utilities and Infrastructure	249	—	—	249
Commercial Renewables	57	—	—	57
Total Reportable Segment Income	1,011	—	—	1,011
Other	(112)	(75) A	(75)	(187)
Net Income Available to Duke Energy Corporation Common Stockholders	$ 899	$ (75)	$ (75)	$ 824
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	$ 1.24	$ (0.10)	$ (0.10)	$ 1.14

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of $0.02.

A – Net of $23 million tax expense. $98 million reversal of 2018 charges recorded within Operations, maintenance and other on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 734 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
March 2021
(Dollars in millions)

	Three Months Ended March 31, 2021	
	Balance	Effective Tax Rate
Reported Income Before Income Taxes	$ 1,025	
Exit Obligations for Gas Pipeline Investments	6	
Noncontrolling Interests	51	
Preferred Dividends	(39)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 1,043	
Reported Income Tax Expense	$ 84	8.2 %
Gas Pipeline Investments	1	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 85	8.1 %

	Three Months Ended March 31, 2020	
	Balance	Effective Tax Rate
Reported Income Before Income Taxes	$ 1,027	
Severance	(98)	
Noncontrolling Interests	48	
Preferred Dividends	(39)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 938	
Reported Income Tax Expense	$ 137	13.3 %
Severance	(23)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 114	12.2 %

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
March 2021 YTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Consolidated
2020 YTD Reported Earnings Per Share	**$ 0.96**	**$ 0.35**	**$ 0.08**	**$ (0.15)**	**$ 1.24**
Severance	—	—	—	(0.10)	(0.10)
2020 YTD Adjusted Earnings Per Share	**$ 0.96**	**$ 0.35**	**$ 0.08**	**$ (0.25)**	**$ 1.14**
Weather	0.09	—	—	—	0.09
Volume	(0.01)	—	—	—	(0.01)
Riders and Other Retail Margin	—	0.03	—	—	0.03
Rate case impacts, net[(a)]	0.10	0.01	—	—	0.11
Wholesale	(0.02)	—	—	—	(0.02)
Operations and maintenance, net of recoverables[(b)]	0.03	—	—	—	0.03
Midstream Gas Pipelines[(c)]	—	(0.03)	—	—	(0.03)
Duke Energy Renewables[(d)]	—	—	(0.04)	—	(0.04)
Interest Expense	0.01	—	—	0.02	0.03
Depreciation and amortization[(e)]	(0.04)	—	—	—	(0.04)
Other[(f)]	(0.01)	(0.01)	—	0.04	0.02
Total variance before share count	$ 0.15	$ —	$ (0.04)	$ 0.06	$ 0.17
Change in share count	(0.04)	(0.02)	—	0.01	(0.05)
2021 YTD Adjusted Earnings Per Share	**$ 1.07**	**$ 0.33**	**$ 0.04**	**$ (0.18)**	**$ 1.26**
Gas Pipeline Investments	**—**	**(0.01)**	**—**	**—**	(0.01)
2021 YTD Reported Earnings Per Share	**$ 1.07**	**$ 0.32**	**$ 0.04**	**$ (0.18)**	**$ 1.25**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except for Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 734 million shares to 769 million.

(a) Electric Utilities and Infrastructure includes the net impact of DEC and DEP North Carolina interim rates effective August and September 2020, respectively (+0.08), DEI base rate increases, effective August 2020 (+0.01) and DEK base rate increases (+0.01). Gas Utilities and Infrastructure includes the net impact of the Piedmont Tennessee rate case, effective January 2021.
(b) Primarily due to lower labor costs and employee-related expenses, partially offset by higher storm costs.
(c) Primarily the loss of ACP earnings.
(d) Primarily due to Texas Storm Uri in February 2021.
(e) Excludes rate case impacts.
(f) Other includes market returns certain benefit trusts.

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

	Three Months Ended March 31,	
	2021	2020
Operating Revenues		
Regulated electric	$ 5,219	$ 5,124
Regulated natural gas	749	638
Nonregulated electric and other	182	187
Total operating revenues	6,150	5,949
Operating Expenses		
Fuel used in electric generation and purchased power	1,443	1,447
Cost of natural gas	276	199
Operation, maintenance and other	1,402	1,339
Depreciation and amortization	1,226	1,130
Property and other taxes	353	345
Impairment of assets and other charges	—	2
Total operating expenses	4,700	4,462
Gains on Sales of Other Assets and Other, net	—	1
Operating Income	1,450	1,488
Other Income and Expenses		
Equity in (losses) earnings of unconsolidated affiliates	(17)	44
Other income and expenses, net	127	46
Total other income and expenses	110	90
Interest Expense	535	551
Income Before Income Taxes	1,025	1,027
Income Tax Expense	84	137
Net Income	941	890
Add: Net Loss Attributable to Noncontrolling Interests	51	48
Net Income Attributable to Duke Energy Corporation	992	938
Less: Preferred Dividends	39	39
Net Income Available to Duke Energy Corporation Common Stockholders	$ 953	$ 899
Earnings Per Share – Basic and Diluted		
Net income available to Duke Energy Corporation common stockholders		
Basic and Diluted	$ 1.25	$ 1.24
Weighted average shares outstanding		
Basic	769	734
Diluted	769	736

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)		March 31, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	379	$	259
Receivables (net of allowance for doubtful accounts of $31 at 2021 and $29 at 2020)		950		1,009
Receivables of VIEs (net of allowance for doubtful accounts of $116 at 2021 and $117 at 2020)		1,834		2,144
Inventory		3,076		3,167
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)		1,650		1,641
Other (includes $333 at 2021 and $296 at 2020 related to VIEs)		619		462
Total current assets		8,508		8,682
Property, Plant and Equipment				
Cost		157,372		155,580
Accumulated depreciation and amortization		(49,772)		(48,827)
Generation facilities to be retired, net		29		29
Net property, plant and equipment		107,629		106,782
Other Noncurrent Assets				
Goodwill		19,303		19,303
Regulatory assets (includes $927 at 2021 and $937 at 2020 related to VIEs)		12,441		12,421
Nuclear decommissioning trust funds		9,410		9,114
Operating lease right-of-use assets, net		1,540		1,524
Investments in equity method unconsolidated affiliates		919		961
Other (includes $82 at 2021 and $81 at 2020 related to VIEs)		3,715		3,601
Total other noncurrent assets		47,328		46,924
Total Assets	$	163,465	$	162,388
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	2,497	$	3,144
Notes payable and commercial paper		4,064		2,873
Taxes accrued		574		482
Interest accrued		536		537
Current maturities of long-term debt (includes $472 at 2021 and 2020 related to VIEs)		5,586		4,238
Asset retirement obligations		709		718
Regulatory liabilities		1,509		1,377
Other		1,858		2,936
Total current liabilities		17,333		16,305
Long-Term Debt (includes $3,686 at 2021 and $3,535 at 2020 related to VIEs)		54,768		55,625
Other Noncurrent Liabilities				
Deferred income taxes		9,459		9,244
Asset retirement obligations		12,299		12,286
Regulatory liabilities		15,070		15,029
Operating lease liabilities		1,352		1,340
Accrued pension and other post-retirement benefit costs		1,010		969
Investment tax credits		747		687
Other (includes $331 at 2021 and $316 at 2020 related to VIEs)		1,769		1,719
Total other noncurrent liabilities		41,706		41,274
Commitments and Contingencies				
Equity				
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2021 and 2020		973		973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2021 and 2020		989		989
Common Stock, $0.001 par value, 2 billion shares authorized; 769 million shares outstanding at 2021 and 2020		1		1
Additional paid-in capital		43,761		43,767
Retained earnings		2,680		2,471
Accumulated other comprehensive loss		(218)		(237)
Total Duke Energy Corporation stockholders' equity		48,186		47,964
Noncontrolling interests		1,472		1,220
Total equity		49,658		49,184
Total Liabilities and Equity	$	163,465	$	162,388

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

	Three Months Ended March 31,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**$ 941**	$ 890
Adjustments to reconcile net income to net cash provided by operating activities	**1,147**	664
Net cash provided by operating activities	**2,088**	1,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	**(3,137)**	(3,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	**1,185**	2,593
Net increase in cash, cash equivalents and restricted cash	**136**	1,125
Cash, cash equivalents and restricted cash at beginning of period	**556**	573
Cash, cash equivalents and restricted cash at end of period	**$ 692**	$ 1,698

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2021					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 5,281	$ —	$ —	$ —	$ (62)	$ 5,219
Regulated natural gas	—	772	—	—	(23)	749
Nonregulated electric and other	—	3	119	26	34	182
Total operating revenues	5,281	775	119	26	(51)	6,150
Operating Expenses						
Fuel used in electric generation and purchased power	1,462	—	—	—	(19)	1,443
Cost of natural gas	—	276	—	—	—	276
Operation, maintenance and other	1,282	102	72	(24)	(30)	1,402
Depreciation and amortization	1,057	68	53	55	(7)	1,226
Property and other taxes	311	35	9	(3)	1	353
Total operating expenses	4,112	481	134	28	(55)	4,700
Operating Income (Loss)	1,169	294	(15)	(2)	4	1,450
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	3	—	(27)	7	—	(17)
Other income and expenses, net	101	17	2	14	(7)	127
Total Other Income and Expenses	104	17	(25)	21	(7)	110
Interest Expense	340	33	13	151	(2)	535
Income (Loss) Before Income Taxes	933	278	(53)	(132)	(1)	1,025
Income Tax Expense (Benefit)	113	33	(29)	(32)	(1)	84
Net Income (Loss)	820	245	(24)	(100)	—	941
Add: Net Loss Attributable to Noncontrolling Interest	—	—	51	—	—	51
Net Income Attributable to Duke Energy Corporation	820	245	27	(100)	—	992
Less: Preferred Dividends	—	—	—	39	—	39
Segment Income / Other Net Loss / Net Income Available to Duke Energy Corporation Common Stockholders	$ 820	$ 245	$ 27	$ (139)	$ —	$ 953
Special Item	—	5	—	—	—	5
Adjusted Earnings[(a)]	$ 820	$ 250	$ 27	$ (139)	$ —	$ 958

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2020					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/Adjustments	Duke Energy
Operating Revenues						
Regulated electric	$ 5,183	$ —	$ 1	$ —	$ (60)	$ 5,124
Regulated natural gas	—	661	—	—	(23)	638
Nonregulated electric and other	—	3	128	23	33	187
Total operating revenues	5,183	664	129	23	(50)	5,949
Operating Expenses						
Fuel used in electric generation and purchased power	1,467	—	—	—	(20)	1,447
Cost of natural gas	—	199	—	—	—	199
Operation, maintenance and other	1,325	110	69	(138)	(27)	1,339
Depreciation and amortization	977	66	48	45	(6)	1,130
Property and other taxes	303	30	8	4	—	345
Impairment of assets and other charges	2	—	—	—	—	2
Total operating expenses	4,074	405	125	(89)	(53)	4,462
Gains on Sales of Other Assets and Other, net	1	—	—	—	—	1
Operating Income	1,110	259	4	112	3	1,488
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	2	37	(2)	7	—	44
Other income and expenses, net	83	12	1	(40)	(10)	46
Total Other Income and Expenses	85	49	(1)	(33)	(10)	90
Interest Expense	339	31	18	171	(8)	551
Income (Loss) Before Income Taxes	856	277	(15)	(92)	1	1,027
Income Tax Expense (Benefit)	151	28	(24)	(19)	1	137
Net Income (Loss)	705	249	9	(73)	—	890
Add: Net Loss Attributable to Noncontrolling Interest	—	—	48	—	—	48
Net Income Attributable to Duke Energy Corporation	705	249	57	(73)	—	938
Less: Preferred Dividends	—	—	—	39	—	39
Segment Income / Other Net Loss / Net Income Available to Duke Energy Corporation Common Stockholders	$ 705	$ 249	$ 57	$ (112)	$ —	$ 899
Special Item	—	—	—	(75)	—	(75)
Adjusted Earnings[(a)]	$ 705	$ 249	$ 57	$ (187)	$ —	$ 824

(a) See Reported to Adjusted Earnings Reconciliation for a detailed reconciliation of Segment Income / Other Net Loss to Adjusted Earnings.

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	March 31, 2021					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Assets						
Cash and cash equivalents	$ 110	$ 6	$ 13	$ 251	$ (1)	**$ 379**
Receivables, net	487	266	191	5	1	**950**
Receivables of variable interest entities, net	1,834	—	—	—	—	**1,834**
Receivables from affiliated companies	117	337	655	1,212	(2,321)	**—**
Notes receivable from affiliated companies	21	189	—	1,110	(1,320)	**—**
Inventory	2,885	54	93	45	(1)	**3,076**
Regulatory assets	1,434	119	—	97	—	**1,650**
Other	337	18	241	83	(60)	**619**
Total current assets	7,225	989	1,193	2,803	(3,702)	**8,508**
Property, Plant and Equipment						
Cost	135,001	13,056	6,910	2,504	(99)	**157,372**
Accumulated depreciation and amortization	(44,481)	(2,609)	(1,272)	(1,409)	(1)	**(49,772)**
Generation facilities to be retired, net	29	—	—	—	—	**29**
Net property, plant and equipment	90,549	10,447	5,638	1,095	(100)	**107,629**
Other Noncurrent Assets						
Goodwill	17,379	1,924	—	—	—	**19,303**
Regulatory assets	11,198	731	—	513	(1)	**12,441**
Nuclear decommissioning trust funds	9,410	—	—	—	—	**9,410**
Operating lease right-of-use assets, net	1,123	19	122	276	—	**1,540**
Investments in equity method unconsolidated affiliates	108	215	484	112	—	**919**
Investment in consolidated subsidiaries	558	3	—	65,375	(65,936)	**—**
Other	2,063	305	113	1,857	(623)	**3,715**
Total other noncurrent assets	41,839	3,197	719	68,133	(66,560)	**47,328**
Total Assets	139,613	14,633	7,550	72,031	(70,362)	**163,465**
Segment reclassifications, intercompany balances and other	(879)	(494)	(656)	(68,321)	70,350	**—**
Segment Assets	$ 138,734	$ 14,139	$ 6,894	$ 3,710	$ (12)	**$ 163,465**

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	March 31, 2021					
(In millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Eliminations/ Adjustments	Duke Energy
Current Liabilities						
Accounts payable	$ 1,819	$ 214	$ 108	$ 355	$ 1	$ 2,497
Accounts payable to affiliated companies	608	22	658	945	(2,233)	—
Notes payable to affiliated companies	1,113	80	50	89	(1,332)	—
Notes payable and commercial paper	—	—	89	3,975	—	4,064
Taxes accrued	582	50	(150)	93	(1)	574
Interest accrued	357	45	2	133	(1)	536
Current maturities of long-term debt	2,888	187	166	2,349	(4)	5,586
Asset retirement obligations	709	—	—	—	—	709
Regulatory liabilities	1,417	91	—	1	—	1,509
Other	1,336	116	106	437	(137)	1,858
Total current liabilities	10,829	805	1,029	8,377	(3,707)	17,333
Long-Term Debt	33,899	3,649	1,585	15,730	(95)	54,768
Long-Term Debt Payable to Affiliated Companies	618	7	—	—	(625)	—
Other Noncurrent Liabilities						
Deferred income taxes	10,533	1,140	(595)	(1,619)	—	9,459
Asset retirement obligations	12,081	63	155	—	—	12,299
Regulatory liabilities	13,621	1,426	—	23	—	15,070
Operating lease liabilities	1,027	17	126	182	—	1,352
Accrued pension and other post-retirement benefit costs	456	37	(27)	545	(1)	1,010
Investment tax credits	745	2	—	—	—	747
Other	803	261	357	536	(188)	1,769
Total other noncurrent liabilities	39,266	2,946	16	(333)	(189)	41,706
Equity						
Total Duke Energy Corporation stockholders' equity	55,001	7,226	3,450	48,255	(65,746)	48,186
Noncontrolling interests	—	—	1,470	2	—	1,472
Total equity	55,001	7,226	4,920	48,257	(65,746)	49,658
Total Liabilities and Equity	139,613	14,633	7,550	72,031	(70,362)	163,465
Segment reclassifications, intercompany balances and other	(879)	(494)	(656)	(68,321)	70,350	—
Segment Liabilities and Equity	$ 138,734	$ 14,139	$ 6,894	$ 3,710	$ (12)	$ 163,465

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended March 31, 2021						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[a]	Duke Energy Indiana	Eliminations/ Other	Electric Utilities and Infrastructure
Operating Revenues	$ 1,716	$ 1,401	$ 1,101	$ 363	$ 745	$ (45)	$ **5,281**
Operating Expenses							
Fuel used in electric generation and purchased power	422	436	359	82	217	(54)	**1,462**
Operation, maintenance and other	432	352	238	81	176	3	**1,282**
Depreciation and amortization	359	285	200	54	152	7	**1,057**
Property and other taxes	83	49	93	71	21	(6)	**311**
Total operating expenses	1,296	1,122	890	288	566	(50)	**4,112**
Operating Income	420	279	211	75	179	5	**1,169**
Other Income and Expenses, net[b]	48	24	18	4	9	1	**104**
Interest Expense	124	69	80	22	50	(5)	**340**
Income Before Income Taxes	344	234	149	57	138	11	**933**
Income Tax Expense	25	21	30	7	24	6	**113**
Segment Income	$ 319	$ 213	$ 119	$ 50	$ 114	$ 5	$ **820**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes an equity component of allowance for funds used during construction of $16 million for Duke Energy Carolinas, $8 million for Duke Energy Progress, $4 million for Duke Energy Florida, $2 million for Duke Energy Ohio and $5 million for Duke Energy Indiana.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	March 31, 2021						
(In millions)	**Duke Energy Carolinas**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio[(a)]**	**Duke Energy Indiana**	**Eliminations/ Adjustments[(b)]**	**Electric Utilities and Infrastructure**
Current Assets							
Cash and cash equivalents	$ 12	$ 46	$ 22	$ 13	$ 17	$ —	**$ 110**
Receivables, net	171	80	84	88	63	1	**487**
Receivables of variable interest entities, net	613	422	327	—	—	472	**1,834**
Receivables from affiliated companies	119	70	7	58	62	(199)	**117**
Notes receivable from affiliated companies	—	—	—	—	51	(30)	**21**
Inventory	1,021	882	455	91	436	—	**2,885**
Regulatory assets	433	469	352	23	151	6	**1,434**
Other	90	138	82	(3)	34	(4)	**337**
Total current assets	2,459	2,107	1,329	270	814	246	**7,225**
Property, Plant and Equipment							
Cost	51,027	36,077	22,459	7,500	17,548	390	**135,001**
Accumulated depreciation and amortization	(17,690)	(13,064)	(5,646)	(2,249)	(5,821)	(11)	**(44,481)**
Generation facilities to be retired, net	—	29	—	—	—	—	**29**
Net property, plant and equipment	33,337	23,042	16,813	5,251	11,727	379	**90,549**
Other Noncurrent Assets							
Goodwill	—	—	—	596	—	16,783	**17,379**
Regulatory assets	3,028	4,033	1,717	353	1,217	850	**11,198**
Nuclear decommissioning trust funds	5,147	3,645	617	—	—	1	**9,410**
Operating lease right-of-use assets, net	105	386	333	20	54	225	**1,123**
Investments in equity method unconsolidated affiliates	—	—	1	—	—	107	**108**
Investment in consolidated subsidiaries	49	14	2	244	1	248	**558**
Other	1,186	759	354	58	251	(545)	**2,063**
Total other noncurrent assets	9,515	8,837	3,024	1,271	1,523	17,669	**41,839**
Total Assets	45,311	33,986	21,166	6,792	14,064	18,294	**139,613**
Segment reclassifications, intercompany balances and other	(313)	(119)	(103)	(248)	(77)	(19)	**(879)**
Reportable Segment Assets	$ 44,998	$ 33,867	$ 21,063	$ 6,544	$ 13,987	$ 18,275	**$ 138,734**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances, purchase accounting adjustments and restricted receivables related to Cinergy Receivables Company.

ELECTRIC UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	March 31, 2021						
(In millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio[(a)]	Duke Energy Indiana	Eliminations/ Adjustments[(b)]	Electric Utilities and Infrastructure
Current Liabilities							
Accounts payable	$ 643	$ 339	$ 457	$ 217	$ 163	$ —	**$ 1,819**
Accounts payable to affiliated companies	206	225	108	17	72	(20)	**608**
Notes payable to affiliated companies	508	163	279	180	—	(17)	**1,113**
Taxes accrued	140	75	85	166	122	(6)	**582**
Interest accrued	128	71	75	24	59	—	**357**
Current maturities of long-term debt	507	1,302	824	23	123	109	**2,888**
Asset retirement obligations	258	267	—	8	176	—	**709**
Regulatory liabilities	559	618	84	37	119	—	**1,417**
Other	440	382	356	63	83	12	**1,336**
Total current liabilities	3,389	3,442	2,268	735	917	78	**10,829**
Long-Term Debt	11,522	7,904	7,060	2,446	3,818	1,149	**33,899**
Long-Term Debt Payable to Affiliated Companies	300	150	—	18	150	—	**618**
Other Noncurrent Liabilities							
Deferred income taxes	3,960	2,386	2,210	711	1,231	35	**10,533**
Asset retirement obligations	5,117	5,366	493	61	997	47	**12,081**
Regulatory liabilities	6,540	4,454	672	343	1,629	(17)	**13,621**
Operating lease liabilities	93	356	292	20	52	214	**1,027**
Accrued pension and other post-retirement benefit costs	72	240	230	85	172	(343)	**456**
Investment tax credits	235	131	208	3	168	—	**745**
Other	617	87	59	59	34	(53)	**803**
Total other noncurrent liabilities	16,634	13,020	4,164	1,282	4,283	(117)	**39,266**
Equity	13,466	9,470	7,674	2,311	4,896	17,184	**55,001**
Total Liabilities and Equity	45,311	33,986	21,166	6,792	14,064	18,294	**139,613**
Segment reclassifications, intercompany balances and other	(313)	(119)	(103)	(248)	(77)	(19)	**(879)**
Reportable Segment Liabilities and Equity	$ 44,998	$ 33,867	$ 21,063	$ 6,544	$ 13,987	$ 18,275	**$ 138,734**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING SEGMENT INCOME
(Unaudited)

	Three Months Ended March 31, 2021		
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Gas Utilities and Infrastructure[(b)]
Operating Revenues	$ 169	$ 606	**$ 775**
Operating Expenses			
Cost of natural gas	51	225	**276**
Operation, maintenance and other	25	77	**102**
Depreciation and amortization	20	48	**68**
Property and other taxes	21	14	**35**
Total operating expenses	117	364	**481**
Operating Income	52	242	**294**
Other income and expenses, net	2	15	**17**
Interest Expense	4	29	**33**
Income Before Income Taxes	50	228	**278**
Income Tax Expense	7	26	**33**
Segment Income	$ 43	$ 202	**$ 245**

(a) Includes results of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes losses from the cancellation of the ACP pipeline and earnings from investments in Sabal Trail and Cardinal pipelines, as well as Hardy and Pine Needle storage facilities.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – ASSETS
(Unaudited)

	March 31, 2021				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Assets					
Cash and cash equivalents	$ 4	$ 1	$ —	$ 1	**$ 6**
Receivables, net	10	257	—	(1)	**266**
Receivables from affiliated companies	2	65	355	(85)	**337**
Notes receivable from affiliated companies	—	198	—	(9)	**189**
Inventory	17	37	—	—	**54**
Regulatory assets	18	100	—	1	**119**
Other	7	11	1	(1)	**18**
Total current assets	58	669	356	(94)	**989**
Property, Plant and Equipment					
Cost	3,699	9,357	—	—	**13,056**
Accumulated depreciation and amortization	(801)	(1,809)	—	1	**(2,609)**
Net property, plant and equipment	2,898	7,548	—	1	**10,447**
Other Noncurrent Assets					
Goodwill	324	49	—	1,551	**1,924**
Regulatory assets	280	324	—	127	**731**
Operating lease right-of-use assets, net	—	19	—	—	**19**
Investments in equity method unconsolidated affiliates	—	—	210	5	**215**
Investment in consolidated subsidiaries	—	—	—	3	**3**
Other	17	273	16	(1)	**305**
Total other noncurrent assets	621	665	226	1,685	**3,197**
Total Assets	3,577	8,882	582	1,592	**14,633**
Segment reclassifications, intercompany balances and other	(2)	(54)	5	(443)	**(494)**
Reportable Segment Assets	$ 3,575	$ 8,828	$ 587	$ 1,149	**$ 14,139**

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

GAS UTILITIES AND INFRASTRUCTURE
CONDENSED CONSOLIDATING BALANCE SHEETS – LIABILITIES AND EQUITY
(Unaudited)

	March 31, 2021				
(In millions)	Duke Energy Ohio[(a)]	Piedmont Natural Gas LDC	Midstream Pipelines and Storage	Eliminations/ Adjustments[(b)]	Gas Utilities and Infrastructure
Current Liabilities					
Accounts payable	$ 49	$ 166	$ —	$ (1)	$ 214
Accounts payable to affiliated companies	5	45	62	(90)	22
Notes payable to affiliated companies	90	—	—	(10)	80
Taxes accrued	16	67	(33)	—	50
Interest accrued	8	37	—	—	45
Current maturities of long-term debt	26	160	—	1	187
Regulatory liabilities	21	70	—	—	91
Other	4	72	39	1	116
Total current liabilities	219	617	68	(99)	805
Long-Term Debt	570	2,967	—	112	3,649
Long-Term Debt Payable to Affiliated Companies	7	—	—	—	7
Other Noncurrent Liabilities					
Deferred income taxes	298	821	19	2	1,140
Asset retirement obligations	43	20	—	—	63
Regulatory liabilities	397	1,015	—	14	1,426
Operating lease liabilities	—	17	—	—	17
Accrued pension and other post-retirement benefit costs	29	8	—	—	37
Investment tax credits	1	1	—	—	2
Other	35	177	49	—	261
Total other noncurrent liabilities	803	2,059	68	16	2,946
Equity	1,978	3,239	446	1,563	7,226
Total Liabilities and Equity	3,577	8,882	582	1,592	14,633
Segment reclassifications, intercompany balances and other	(2)	(54)	5	(443)	(494)
Reportable Segment Liabilities and Equity	$ 3,575	$ 8,828	$ 587	$ 1,149	$ 14,139

(a) Includes balances of the wholly owned subsidiary, Duke Energy Kentucky.
(b) Includes the elimination of intercompany balances and purchase accounting adjustments.

Electric Utilities and Infrastructure
Quarterly Highlights
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
Gigawatt-hour (GWh) Sales[(a)]				
Residential	23,769	20,874	13.9 %	2.6 %
General Service	17,308	17,682	(2.1 %)	(5.0 %)
Industrial	11,769	11,983	(1.8 %)	(2.0 %)
Other Energy Sales	139	144	(3.5 %)	n/a
Unbilled Sales	(2,082)	(585)	(255.9 %)	n/a
Total Retail Sales	50,903	50,098	1.6 %	(1.1 %)
Wholesale and Other	9,880	8,854	11.6 %	
Total Consolidated Electric Sales – Electric Utilities and Infrastructure	60,783	58,952	3.1 %	
Average Number of Customers (Electric)				
Residential	6,937,684	6,811,644	1.9 %	
General Service	1,011,684	996,789	1.5 %	
Industrial	17,187	17,314	(0.7 %)	
Other Energy Sales	30,668	30,930	(0.8 %)	
Total Retail Customers	7,997,223	7,856,677	1.8 %	
Wholesale and Other	39	46	(15.2 %)	
Total Average Number of Customers – Electric Utilities and Infrastructure	7,997,262	7,856,723	1.8 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[(c)]				
Coal	13,071	7,152	82.8 %	
Nuclear	18,972	18,804	0.9 %	
Hydro	963	1,021	(5.7 %)	
Natural Gas and Oil	17,584	19,587	(10.2 %)	
Renewable Energy	301	215	40.0 %	
Total Generation[(d)]	50,891	46,779	8.8 %	
Purchased Power and Net Interchange[(e)]	13,690	15,163	(9.7 %)	
Total Sources of Energy	64,581	61,942	4.3 %	
Less: Line Loss and Other	3,798	2,990	27.0 %	
Total GWh Sources	60,783	58,952	3.1 %	
Owned Megawatt (MW) Capacity[(c)]				
Summer	50,374	50,635		
Winter	53,795	54,175		
Nuclear Capacity Factor (%)[(f)]	99	97		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Carolinas
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]				
Residential	8,354	7,361	13.5 %	
General Service	6,570	6,815	(3.6 %)	
Industrial	4,758	4,875	(2.4 %)	
Other Energy Sales	75	79	(5.1 %)	
Unbilled Sales	(355)	(75)	(373.3 %)	
Total Retail Sales	19,402	19,055	1.8 %	(1.5 %)
Wholesale and Other	2,560	2,181	17.4 %	
Total Consolidated Electric Sales – Duke Energy Carolinas	21,962	21,236	3.4 %	
Average Number of Customers				
Residential	2,333,704	2,285,112	2.1 %	
General Service	371,039	364,075	1.9 %	
Industrial	6,070	6,113	(0.7 %)	
Other Energy Sales	22,453	22,787	(1.5 %)	
Total Retail Customers	2,733,266	2,678,087	2.1 %	
Wholesale and Other	19	24	(20.8 %)	
Total Average Number of Customers – Duke Energy Carolinas	2,733,285	2,678,111	2.1 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[(c)]				
Coal	4,118	2,459	67.5 %	
Nuclear	11,651	11,522	1.1 %	
Hydro	619	743	(16.7 %)	
Natural Gas and Oil	4,496	4,868	(7.6 %)	
Renewable Energy	67	44	52.3 %	
Total Generation[(d)]	20,951	19,636	6.7 %	
Purchased Power and Net Interchange[(e)]	2,159	2,415	(10.6 %)	
Total Sources of Energy	23,110	22,051	4.8 %	
Less: Line Loss and Other	1,148	815	40.9 %	
Total GWh Sources	21,962	21,236	3.4 %	
Owned MW Capacity[(c)]				
Summer	20,001	20,192		
Winter	20,877	21,127		
Nuclear Capacity Factor (%)[(f)]	101	99		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,683	1,390	21.1 %	
Cooling Degree Days	5	35	(85.7 %)	
Variance from Normal				
Heating Degree Days	(2.0 %)	(19.6 %)		
Cooling Degree Days	(33.2 %)	382.8 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Progress
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]				
Residential	5,481	4,618	18.7 %	
General Service	3,441	3,471	(0.9 %)	
Industrial	2,452	2,497	(1.8 %)	
Other Energy Sales	19	19	— %	
Unbilled Sales	(591)	(355)	(66.5 %)	
Total Retail Sales	10,802	10,250	5.4 %	(0.4 %)
Wholesale and Other	5,735	5,420	5.8 %	
Total Consolidated Electric Sales – Duke Energy Progress	16,537	15,670	5.5 %	
Average Number of Customers				
Residential	1,391,105	1,362,360	2.1 %	
General Service	241,471	237,477	1.7 %	
Industrial	3,997	4,002	(0.1 %)	
Other Energy Sales	1,415	1,416	(0.1 %)	
Total Retail Customers	1,637,988	1,605,255	2.0 %	
Wholesale and Other	8	9	(11.1 %)	
Total Average Number of Customers – Duke Energy Progress	1,637,996	1,605,264	2.0 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[c]				
Coal	2,207	615	258.9 %	
Nuclear	7,321	7,282	0.5 %	
Hydro	280	241	16.2 %	
Natural Gas and Oil	5,432	5,891	(7.8 %)	
Renewable Energy	49	52	(5.8 %)	
Total Generation[d]	15,289	14,081	8.6 %	
Purchased Power and Net Interchange[e]	1,811	2,099	(13.7 %)	
Total Sources of Energy	17,100	16,180	5.7 %	
Less: Line Loss and Other	563	510	10.4 %	
Total GWh Sources	16,537	15,670	5.5 %	
Owned MW Capacity[c]				
Summer	12,468	12,442		
Winter	13,612	13,497		
Nuclear Capacity Factor (%)[f]	94	93		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	1,548	1,186	30.5 %	
Cooling Degree Days	14	52	(73.1 %)	
Variance from Normal				
Heating Degree Days	(2.3 %)	(25.8 %)		
Cooling Degree Days	32.1 %	349.1 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.
(f) Statistics reflect 100% of jointly owned stations.

Duke Energy Florida
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[b]
GWh Sales[a]				
Residential	4,488	4,060	10.5 %	
General Service	3,216	3,285	(2.1 %)	
Industrial	812	769	5.6 %	
Other Energy Sales	6	6	— %	
Unbilled Sales	(402)	183	(319.7 %)	
Total Retail Sales	8,120	8,303	(2.2 %)	0.3 %
Wholesale and Other	434	314	38.2 %	
Total Electric Sales – Duke Energy Florida	8,554	8,617	(0.7 %)	
Average Number of Customers				
Residential	1,675,242	1,642,342	2.0 %	
General Service	206,790	204,184	1.3 %	
Industrial	1,951	2,010	(2.9 %)	
Other Energy Sales	1,488	1,492	(0.3 %)	
Total Retail Customers	1,885,471	1,850,028	1.9 %	
Wholesale and Other	7	8	(12.5 %)	
Total Average Number of Customers – Duke Energy Florida	1,885,478	1,850,036	1.9 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[c]				
Coal	1,036	35	2,860.0 %	
Natural Gas and Oil	7,176	8,266	(13.2 %)	
Renewable Energy	184	114	61.4 %	
Total Generation[d]	8,396	8,415	(0.2 %)	
Purchased Power and Net Interchange[e]	837	901	(7.1 %)	
Total Sources of Energy	9,233	9,316	(0.9 %)	
Less: Line Loss and Other	679	699	(2.9 %)	
Total GWh Sources	8,554	8,617	(0.7 %)	
Owned MW Capacity[c]				
Summer	10,206	10,302		
Winter	11,081	11,347		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	295	220	34.1 %	
Cooling Degree Days	268	470	(43.0 %)	
Variance from Normal				
Heating Degree Days	(20.2 %)	(9.8 %)		
Cooling Degree Days	40.4 %	138.0 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Ohio
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]				
Residential	2,587	2,290	13.0 %	
General Service	2,172	2,198	(1.2 %)	
Industrial	1,335	1,365	(2.2 %)	
Other Energy Sales	26	27	(3.7 %)	
Unbilled Sales	(321)	(152)	(111.2 %)	
Total Retail Sales	5,799	5,728	1.2 %	(2.1 %)
Wholesale and Other	205	95	115.8 %	
Total Electric Sales – Duke Energy Ohio	6,004	5,823	3.1 %	
Average Number of Customers				
Residential	785,987	779,652	0.8 %	
General Service	89,654	88,871	0.9 %	
Industrial	2,479	2,491	(0.5 %)	
Other Energy Sales	3,456	3,431	0.7 %	
Total Retail Customers	881,576	874,445	0.8 %	
Wholesale and Other	1	1	— %	
Total Average Number of Customers – Duke Energy Ohio	881,577	874,446	0.8 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[(c)]				
Coal	966	622	55.3 %	
Natural Gas and Oil	2	(1)	300.0 %	
Total Generation[(d)]	968	621	55.9 %	
Purchased Power and Net Interchange[(e)]	5,781	5,874	(1.6 %)	
Total Sources of Energy	6,749	6,495	3.9 %	
Less: Line Loss and Other	745	672	10.9 %	
Total GWh Sources	6,004	5,823	3.1 %	
Owned MW Capacity[(c)]				
Summer	1,076	1,076		
Winter	1,164	1,164		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,500	2,186	14.4 %	
Cooling Degree Days	—	5	(100.0 %)	
Variance from Normal				
Heating Degree Days	(2.3 %)	(15.1 %)		
Cooling Degree Days	(100.0 %)	45.7 %		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Duke Energy Indiana
Quarterly Highlights
Supplemental Electric Utilities and Infrastructure Information
March 2021

	Three Months Ended March 31,			
	2021	2020	% Inc.(Dec.)	% Inc. (Dec.) Weather Normal[(b)]
GWh Sales[(a)]				
Residential	2,859	2,545	12.3 %	
General Service	1,909	1,913	(0.2 %)	
Industrial	2,412	2,477	(2.6 %)	
Other Energy Sales	13	13	— %	
Unbilled Sales	(413)	(186)	(122.0 %)	
Total Retail Sales	6,780	6,762	0.3 %	(1.6 %)
Wholesale and Other	946	844	12.1 %	
Total Electric Sales – Duke Energy Indiana	7,726	7,606	1.6 %	
Average Number of Customers				
Residential	751,646	742,178	1.3 %	
General Service	102,730	102,182	0.5 %	
Industrial	2,690	2,698	(0.3 %)	
Other Energy Sales	1,856	1,804	2.9 %	
Total Retail Customers	858,922	848,862	1.2 %	
Wholesale and Other	4	4	— %	
Total Average Number of Customers – Duke Energy Indiana	858,926	848,866	1.2 %	
Sources of Electric Energy (GWh)				
Generated – Net Output[(c)]				
Coal	4,744	3,421	38.7 %	
Hydro	64	37	73.0 %	
Natural Gas and Oil	478	563	(15.1 %)	
Renewable Energy	1	5	(80.0 %)	
Total Generation[(d)]	5,287	4,026	31.3 %	
Purchased Power and Net Interchange[(e)]	3,102	3,874	(19.9 %)	
Total Sources of Energy	8,389	7,900	6.2 %	
Less: Line Loss and Other	663	294	125.5 %	
Total GWh Sources	7,726	7,606	1.6 %	
Owned MW Capacity[(c)]				
Summer	6,623	6,623		
Winter	7,061	7,040		
Heating and Cooling Degree Days				
Actual				
Heating Degree Days	2,705	2,457	10.1 %	
Cooling Degree Days	—	—	— %	
Variance from Normal				
Heating Degree Days	(1.6 %)	(10.6 %)		
Cooling Degree Days	(100.0 %)	(100.0 %)		

(a) Except as indicated in footnote (b), represents non-weather normalized billed sales, with energy delivered but not yet billed (i.e., unbilled sales) reflected as a single amount and not allocated to the respective retail classes.
(b) Represents weather-normal total retail calendar sales (i.e., billed and unbilled sales).
(c) Statistics reflect Duke Energy's ownership share of jointly owned stations.
(d) Generation by source is reported net of auxiliary power.
(e) Purchased power includes renewable energy purchases.

Gas Utilities and Infrastructure
Quarterly Highlights
March 2021

	Three Months Ended March 31,		
	2021	2020	% Inc. (Dec.)
Total Sales			
Piedmont Natural Gas Local Distribution Company (LDC) throughput (dekatherms)[a]	149,626,582	148,503,995	0.8 %
Duke Energy Midwest LDC throughput (Mcf)	37,109,003	33,785,834	9.8 %
Average Number of Customers – Piedmont Natural Gas			
Residential	1,021,856	998,267	2.4 %
Commercial	106,055	105,460	0.6 %
Industrial	965	974	(0.9 %)
Power Generation	19	17	11.8 %
Total Average Number of Gas Customers – Piedmont Natural Gas	1,128,895	1,104,718	2.2 %
Average Number of Customers – Duke Energy Midwest			
Residential	501,260	496,426	1.0 %
General Service	44,628	45,131	(1.1 %)
Industrial	1,610	1,622	(0.7 %)
Other	131	132	(0.8 %)
Total Average Number of Gas Customers – Duke Energy Midwest	547,629	543,311	0.8 %

(a) Piedmont has a margin decoupling mechanism in North Carolina, weather normalization mechanisms in South Carolina and Tennessee and fixed-price contracts with most power generation customers that significantly eliminate the impact of throughput changes on earnings. Duke Energy Ohio's rate design also serves to offset this impact.

Commercial Renewables
Quarterly Highlights
March 2021

	Three Months Ended March 31,		
	2021	2020	% Inc. (Dec.)
Renewable Plant Production, GWh	2,588	2,437	6.2 %
Net Proportional MW Capacity in Operation[a]	4,294	3,502	22.6 %

(a) Includes 100% tax equity project capacity.

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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________to________

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	**DUKE ENERGY CORPORATION** (a Delaware corporation) 550 South Tryon Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number	Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number and IRS Employer Identification Number
1-4928	**DUKE ENERGY CAROLINAS, LLC** (a North Carolina limited liability company) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853 56-0205520	1-3274	**DUKE ENERGY FLORIDA, LLC** (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853 59-0247770
1-15929	**PROGRESS ENERGY, INC.** (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-2155481	1-1232	**DUKE ENERGY OHIO, INC.** (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853 31-0240030
1-3382	**DUKE ENERGY PROGRESS, LLC** (a North Carolina limited liability company) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853 56-0165465	1-3543	**DUKE ENERGY INDIANA, LLC** (an Indiana limited liability company) 1000 East Main Street Plainfield, Indiana 46168 704-382-3853 35-0594457
1-6196	**PIEDMONT NATURAL GAS COMPANY, INC.** (a North Carolina corporation) 4720 Piedmont Row Drive Charlotte, North Carolina 28210 704-364-3120 56-0556998		

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Duke Energy Corporation (Duke Energy)	Yes ☒ No ☐	Duke Energy Florida, LLC (Duke Energy Florida)	Yes ☒ No ☐
Duke Energy Carolinas, LLC (Duke Energy Carolinas)	Yes ☒ No ☐	Duke Energy Ohio, Inc. (Duke Energy Ohio)	Yes ☒ No ☐
Progress Energy, Inc. (Progress Energy)	Yes ☒ No ☐	Duke Energy Indiana, LLC (Duke Energy Indiana)	Yes ☒ No ☐
Duke Energy Progress, LLC (Duke Energy Progress)	Yes ☒ No ☐	Piedmont Natural Gas Company, Inc. (Piedmont)	Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Duke Energy	Yes ☒ No ☐	Duke Energy Florida	Yes ☒ No ☐
Duke Energy Carolinas	Yes ☒ No ☐	Duke Energy Ohio	Yes ☒ No ☐
Progress Energy	Yes ☒ No ☐	Duke Energy Indiana	Yes ☒ No ☐
Duke Energy Progress	Yes ☒ No ☐	Piedmont	Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Duke Energy	Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐	Emerging growth company ☐
Duke Energy Carolinas	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Progress Energy	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Duke Energy Progress	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Duke Energy Florida	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Duke Energy Ohio	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Duke Energy Indiana	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐
Piedmont	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐	Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Duke Energy	Yes ☐ No ☒	Duke Energy Florida	Yes ☐ No ☒
Duke Energy Carolinas	Yes ☐ No ☒	Duke Energy Ohio	Yes ☐ No ☒
Progress Energy	Yes ☐ No ☒	Duke Energy Indiana	Yes ☐ No ☒
Duke Energy Progress	Yes ☐ No ☒	Piedmont	Yes ☐ No ☒

Number of shares of Common stock outstanding at July 31, 2019:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	728,601,060

This combined Form 10-Q is filed separately by eight registrants: Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont (collectively the Duke Energy Registrants). Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instructions H(2) of Form 10-Q.

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to:

- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process;
- The costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process;
- Costs and effects of legal and administrative proceedings, settlements, investigations and claims;
- Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies;
- Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs;
- Advancements in technology;
- Additional competition in electric and natural gas markets and continued industry consolidation;
- The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change;
- The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources;
- The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business;
- Operational interruptions to our natural gas distribution and transmission activities;
- The availability of adequate interstate pipeline transportation capacity and natural gas supply;
- The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences;
- The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers;
- The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets;
- The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);

FORWARD LOOKING STATEMENTS

- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values; and
- The ability to implement our business strategy, including enhancing existing technology systems.

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

Glossary of Terms

The following terms or acronyms used in this Form 10-Q are defined below:

Term or Acronym	Definition
2013 Settlement	Revised and Restated Stipulation and Settlement Agreement approved in November 2013 among Duke Energy Florida, the Florida OPC and other customer advocates
2017 Settlement	Second Revised and Restated Settlement Agreement in 2017 among Duke Energy Florida, the Florida OPC and other customer advocates, which replaces and supplants the 2013 Settlement
ACP	Atlantic Coast Pipeline, LLC, a limited liability company owned by Dominion, Duke Energy and Southern Company Gas
ACP pipeline	The approximately 600-mile proposed interstate natural gas pipeline
AFS	Available for Sale
AFUDC	Allowance for funds used during construction
the Agents	Wells Fargo Securities, LLC, Citigroup Global Market Inc., J.P. Morgan Securities, LLC
ALJ	Administrative Law Judge
AMI	Advanced Metering Infrastructure
AMT	Alternative Minimum Tax
AOCI	Accumulated Other Comprehensive Income (Loss)
ARO	Asset retirement obligations
ATM	At-the-market
Beckjord	Beckjord Generating Station
Belews Creek	Belews Creek Steam Station
Bison	Bison Insurance Company Limited
Cardinal	Cardinal Pipeline Company, LLC
CC	Combined Cycle
CCR	Coal Combustion Residuals
Citrus County CC	Citrus County Combined Cycle Facility
Coal Ash Act	North Carolina Coal Ash Management Act of 2014
the Company	Duke Energy Corporation and its subsidiaries
Constitution	Constitution Pipeline Company, LLC
CPCN	Certificate of Public Convenience and Necessity
CPRE	Competitive Procurement of Renewable Energy
CRC	Cinergy Receivables Company LLC
Crystal River Unit 3	Crystal River Unit 3 Nuclear Plant
CWA	Clean Water Act
D.C. Circuit Court	U.S. Court of Appeals for the District of Columbia Circuit
DEFPF	Duke Energy Florida Project Finance, LLC
DEFR	Duke Energy Florida Receivables, LLC
DEPR	Duke Energy Progress Receivables, LLC
DERF	Duke Energy Receivables Finance Company, LLC
DRIP	Dividend Reinvestment Program
Duke Energy	Duke Energy Corporation (collectively with its subsidiaries)
Duke Energy Ohio	Duke Energy Ohio, Inc.
Duke Energy Progress	Duke Energy Progress, LLC

GLOSSARY OF TERMS

Duke Energy Carolinas	Duke Energy Carolinas, LLC
Duke Energy Florida	Duke Energy Florida, LLC
Duke Energy Indiana	Duke Energy Indiana, LLC
Duke Energy Kentucky	Duke Energy Kentucky, Inc.
Duke Energy Registrants	Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont
the EDA	Equity Distribution Agreement
EDIT	Excess deferred income tax
EPA	U.S. Environmental Protection Agency
EPC	Engineering, Procurement and Construction agreement
EPS	Earnings Per Share
ESP	Electric Security Plan
ETR	Effective tax rate
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FES	FirstEnergy Solutions Corp.
Fitch	Fitch Ratings, Inc.
Fluor	Fluor Enterprises, Inc.
FPSC	Florida Public Service Commission
FTR	Financial transmission rights
FV-NI	Fair value through net income
GAAP	Generally accepted accounting principles in the U.S.
GAAP Reported Earnings	Net Income Attributable to Duke Energy Corporation
GAAP Reported EPS	Diluted EPS Attributable to Duke Energy Corporation common stockholders
GWh	Gigawatt-hours
Hardy Storage	Hardy Storage Company, LLC
HLBV	Hypothetical Liquidation at Book Value
ICPA	Inter-Company Power Agreement
IGCC	Integrated Gasification Combined Cycle
IMR	Integrity Management Rider
IRP	Integrated Resource Plan
IRS	Internal Revenue Service
Investment Trusts	NDTF investments and grantor trusts of Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana
IURC	Indiana Utility Regulatory Commission
JDA	Joint Dispatch Agreement
KPSC	Kentucky Public Service Commission
Lee Nuclear Station	William States Lee III Nuclear Station
MGP	Manufactured gas plant
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	Million British Thermal Unit
Moody's	Moody's Investors Service, Inc.

GLOSSARY OF TERMS

MW	Megawatt
MWh	Megawatt-hour
NAV	Net asset value
NCDEQ	North Carolina Department of Environmental Quality (formerly the North Carolina Department of Environment and Natural Resources)
NCUC	North Carolina Utilities Commission
NDTF	Nuclear decommissioning trust funds
NMC	National Methanol Company
NPDES	National Pollutant Discharge Elimination System
NPNS	Normal purchase/normal sale
NRC	U.S. Nuclear Regulatory Commission
OPEB	Other Post-Retirement Benefit Obligations
ORS	South Carolina Office of Regulatory Staff
OTTI	Other-than-temporary impairment
OVEC	Ohio Valley Electric Corporation
Piedmont	Piedmont Natural Gas Company, Inc.
Piedmont Term Loan	Term loan facility with commitments totaling $350M entered in June 2017
Pine Needle	Pine Needle LNG Company, LLC
Pioneer	Pioneer Transmission, LLC
PJM	PJM Interconnection, LLC
PMPA	Piedmont Municipal Power Agency
PPAs	Purchase Power Agreements
Progress Energy	Progress Energy, Inc.
PSCSC	Public Service Commission of South Carolina
PUCO	Public Utilities Commission of Ohio
REC	Renewable Energy Certificate
REC Solar	REC Solar Corp.
ROU assets	Right-of-use assets
RRBA	Roanoke River Basin Association
SELC	Southern Environmental Law Center
S&P	Standard & Poor's Rating Services
Subsidiary Registrants	Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont
the Tax Act	Tax Cuts and Jobs Act
TPUC	Tennessee Public Utility Commission
U.S.	United States
VIE	Variable Interest Entity
WACC	Weighted Average Cost of Capital
WNA	Weather normalization adjustment
W.S. Lee CC	William States Lee Combined Cycle Facility

ITEM 1. FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per-share amounts)	2019	2018	2019	2018
Operating Revenues				
Regulated electric	$ 5,423	$ 5,178	$ 10,708	$ 10,462
Regulated natural gas	280	291	1,008	991
Nonregulated electric and other	170	174	320	325
Total operating revenues	5,873	5,643	12,036	11,778
Operating Expenses				
Fuel used in electric generation and purchased power	1,641	1,574	3,250	3,250
Cost of natural gas	76	89	403	402
Operation, maintenance and other	1,434	1,544	2,853	3,008
Depreciation and amortization	1,089	973	2,178	1,940
Property and other taxes	334	315	677	631
Impairment charges	4	172	4	215
Total operating expenses	4,578	4,667	9,365	9,446
Gains (Losses) on Sales of Other Assets and Other, net	3	3	—	(97)
Operating Income	1,298	979	2,671	2,235
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	44	36	87	12
Other income and expenses, net	89	110	204	196
Total other income and expenses	133	146	291	208
Interest Expense	542	518	1,085	1,033
Income From Continuing Operations Before Income Taxes	889	607	1,877	1,410
Income Tax Expense From Continuing Operations	141	100	236	281
Income From Continuing Operations	748	507	1,641	1,129
Loss From Discontinued Operations, net of tax	—	(5)	—	(5)
Net Income	748	502	1,641	1,124
Less: Net (Loss) Income Attributable to Noncontrolling Interests	(84)	2	(91)	4
Less: Preferred Dividends	12	—	12	—
Net Income Attributable to Duke Energy Corporation	$ 820	$ 500	$ 1,720	$ 1,120
Earnings Per Share – Basic and Diluted				
Income from continuing operations attributable to Duke Energy Corporation common stockholders				
Basic and Diluted	$ 1.12	$ 0.72	$ 2.36	$ 1.60
Loss from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic and Diluted	$ —	$ (0.01)	$ —	$ (0.01)
Net income attributable to Duke Energy Corporation common stockholders				
Basic and Diluted	$ 1.12	$ 0.71	$ 2.36	$ 1.59
Weighted average shares outstanding				
Basic	728	703	728	702
Diluted	728	704	728	702

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Net Income	**$ 748**	$ 502	**$ 1,641**	$ 1,124
Other Comprehensive (Loss) Income, net of tax				
Pension and OPEB adjustments	**3**	1	**3**	2
Net unrealized (losses) gains on cash flow hedges	**(29)**	1	**(46)**	13
Reclassification into earnings from cash flow hedges	**2**	(2)	**3**	(1)
Unrealized gains (losses) on available-for-sale securities	**4**	(2)	**8**	(5)
Other Comprehensive (Loss) Income, net of tax	**(20)**	(2)	**(32)**	9
Comprehensive Income	**728**	500	**1,609**	1,133
Less: Comprehensive (Loss) Income Attributable to Noncontrolling Interests	**(84)**	2	**(91)**	4
Less: Preferred Dividends	**12**	—	**12**	—
Comprehensive Income Attributable to Duke Energy Corporation	**$ 800**	$ 498	**$ 1,688**	$ 1,129

FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 336	$ 442
Receivables (net of allowance for doubtful accounts of $16 at 2019 and 2018)	646	962
Receivables of VIEs (net of allowance for doubtful accounts of $55 at 2019 and 2018)	2,153	2,172
Inventory	3,189	3,084
Regulatory assets (includes $52 at 2019 and 2018 related to VIEs)	1,918	2,005
Other (includes $140 at 2019 and $162 at 2018 related to VIEs)	1,267	1,049
Total current assets	9,509	9,714
Property, Plant and Equipment		
Cost	141,363	134,458
Accumulated depreciation and amortization	(44,482)	(43,126)
Generation facilities to be retired, net	317	362
Net property, plant and equipment	97,198	91,694
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $1,019 at 2019 and $1,041 at 2018 related to VIEs)	13,393	13,617
Nuclear decommissioning trust funds	7,621	6,720
Operating lease right-of-use assets, net	1,735	—
Investments in equity method unconsolidated affiliates	1,715	1,409
Other (includes $289 at 2019 and $261 at 2018 related to VIEs)	2,975	2,935
Total other noncurrent assets	46,742	43,984
Total Assets	$ 153,449	$ 145,392
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 2,512	$ 3,487
Notes payable and commercial paper	3,793	3,410
Taxes accrued	521	577
Interest accrued	564	559
Current maturities of long-term debt (includes $232 at 2019 and $227 at 2018 related to VIEs)	2,698	3,406
Asset retirement obligations	739	919
Regulatory liabilities	600	598
Other	2,020	2,085
Total current liabilities	13,447	15,041
Long-Term Debt (includes $4,070 at 2019 and $3,998 at 2018 related to VIEs)	54,342	51,123
Other Noncurrent Liabilities		
Deferred income taxes	8,532	7,806
Asset retirement obligations	11,889	9,548
Regulatory liabilities	15,294	14,834
Operating lease liabilities	1,502	—
Accrued pension and other post-retirement benefit costs	959	988
Investment tax credits	569	568
Other (includes $222 at 2019 and $212 at 2018 related to VIEs)	1,583	1,650
Total other noncurrent liabilities	40,328	35,394
Commitments and Contingencies		
Equity		
Preferred stock, $0.001 par value, 40 million depositary shares authorized and outstanding at 2019	973	—
Common stock, $0.001 par value, 2 billion shares authorized; 728 million shares outstanding at 2019 and 727 million shares outstanding at 2018	1	1
Additional paid-in capital	40,885	40,795
Retained earnings	3,502	3,113
Accumulated other comprehensive loss	(148)	(92)
Total Duke Energy Corporation stockholders' equity	45,213	43,817
Noncontrolling interests	119	17
Total equity	45,332	43,834
Total Liabilities and Equity	$ 153,449	$ 145,392

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,641	$ 1,124
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	2,483	2,250
Equity component of AFUDC	(67)	(106)
Losses on sales of other assets	—	97
Impairment charges	4	215
Deferred income taxes	527	289
Equity in earnings of unconsolidated affiliates	(87)	(12)
Accrued pension and other post-retirement benefit costs	4	31
Contributions to qualified pension plans	—	(141)
Payments for asset retirement obligations	(336)	(245)
Payment for disposal of other assets	—	(105)
Other rate case adjustments	—	37
Provision for rate refunds	57	281
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	(11)	7
Receivables	304	(27)
Inventory	(110)	70
Other current assets	(265)	21
Increase (decrease) in		
Accounts payable	(700)	(142)
Taxes accrued	(56)	(58)
Other current liabilities	(378)	(214)
Other assets	7	(112)
Other liabilities	39	42
Net cash provided by operating activities	3,056	3,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,465)	(4,375)
Contributions to equity method investments	(162)	(140)
Purchases of debt and equity securities	(2,316)	(1,908)
Proceeds from sales and maturities of debt and equity securities	2,302	1,866
Other	(147)	(88)
Net cash used in investing activities	(5,788)	(4,645)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	4,622	2,727
Issuance of preferred stock	973	—
Issuance of common stock	27	820
Payments for the redemption of long-term debt	(2,155)	(2,190)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	240	201
Payments for the redemption of short-term debt with original maturities greater than 90 days	(299)	(160)
Notes payable and commercial paper	383	1,090
Dividends paid	(1,312)	(1,199)
Other	143	(24)
Net cash provided by financing activities	2,622	1,265
Net decrease in cash, cash equivalents and restricted cash	(110)	(78)
Cash, cash equivalents and restricted cash at beginning of period	591	505
Cash, cash equivalents and restricted cash at end of period	$ 481	$ 427
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 917	$ 978
Non-cash dividends	54	52

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2018 and 2019										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized (Losses) Gains on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2018	$ —	701	$ 1	$ 38,839	$ 3,021	$ 3	$ (4)	$ (68)	$ 41,792	$ 6	$ 41,798
Net income	—	—	—	—	500	—	—	—	500	2	502
Other comprehensive (loss) income	—	—	—	—	—	(1)	(2)	1	(2)	—	(2)
Common stock issuances, including dividend reinvestment and employee benefits	—	11	—	843	—	—	—	—	843	—	843
Common stock dividends	—	—	—	—	(626)	—	—	—	(626)	—	(626)
Other	—	—	—	—	(1)	—	1	—	—	—	—
Balance at June 30, 2018	$ —	712	$ 1	$ 39,682	$ 2,894	$ 2	$ (5)	$ (67)	$ 42,507	$ 8	$ 42,515
Balance at March 31, 2019	$ 974	728	$ 1	$ 40,823	$ 3,360	$ (36)	$ —	$ (92)	$ 45,030	$ 15	$ 45,045
Net income (loss)	—	—	—	—	**820**	—	—	—	**820**	**(84)**	**736**
Other comprehensive (loss) income	—	—	—	—	—	**(27)**	**4**	**3**	**(20)**	—	**(20)**
Preferred stock issuances, net of issuance costs	**(1)**	—	—	—	—	—	—	—	**(1)**	—	**(1)**
Common stock issuances, including dividend reinvestment and employee benefits	—	—	—	**61**	—	—	—	—	**61**	—	**61**
Common stock dividends	—	—	—	—	**(678)**	—	—	—	**(678)**	—	**(678)**
Contribution from noncontrolling interest in subsidiaries[c]	—	—	—	—	—	—	—	—	—	**193**	**193**
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	**(1)**	**(1)**
Other	—	—	—	**1**	—	—	—	—	**1**	**(4)**	**(3)**
Balance at June 30, 2019	**$ 973**	**728**	**$ 1**	**$ 40,885**	**$ 3,502**	**$ (63)**	**$ 4**	**$ (89)**	**$ 45,213**	**$ 119**	**$ 45,332**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Six Months Ended June 30, 2018 and 2019										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized (Losses) Gains on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2017	$ —	700	$ 1	$ 38,792	$ 3,013	$ (10)	$ 12	$ (69)	$ 41,739	$ (2)	$ 41,737
Net income	—	—	—	—	1,120	—	—	—	1,120	4	1,124
Other comprehensive income (loss)	—	—	—	—	—	12	(5)	2	9	—	9
Common stock issuances, including dividend reinvestment and employee benefits	—	12	—	890	—	—	—	—	890	—	890
Common stock dividends	—	—	—	—	(1,251)	—	—	—	(1,251)	—	(1,251)
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(1)	(1)
Other[a]	—	—	—	—	12	—	(12)	—	—	7	7
Balance at June 30, 2018	$ —	712	$ 1	$ 39,682	$ 2,894	$ 2	$ (5)	$ (67)	$ 42,507	$ 8	$ 42,515
Balance at December 31, 2018	$ —	727	$ 1	$ 40,795	$ 3,113	$ (14)	$ (3)	$ (75)	$ 43,817	$ 17	$ 43,834
Net income (loss)	**—**	**—**	**—**	**—**	**1,720**	**—**	**—**	**—**	**1,720**	**(91)**	**1,629**
Other comprehensive (loss) income	**—**	**—**	**—**	**—**	**—**	**(43)**	**8**	**3**	**(32)**	**—**	**(32)**
Preferred stock issuances, net of issuance costs[b]	**973**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**973**	**—**	**973**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**1**	**—**	**89**	**—**	**—**	**—**	**—**	**89**	**—**	**89**
Common stock dividends	**—**	**—**	**—**	**—**	**(1,354)**	**—**	**—**	**—**	**(1,354)**	**—**	**(1,354)**
Contributions from noncontrolling interest in subsidiaries[c]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**193**	**193**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Other[d]	**—**	**—**	**—**	**1**	**23**	**(6)**	**(1)**	**(17)**	**—**	**1**	**1**
Balance at June 30, 2019	**$ 973**	**728**	**$ 1**	**$ 40,885**	**$ 3,502**	**$ (63)**	**$ 4**	**$ (89)**	**$ 45,213**	**$ 119**	**$ 45,332**

(a) Amounts in Retained Earnings and Accumulated Other Comprehensive (Loss) Income represent a cumulative-effect adjustment due to implementation of a new accounting standard related to Financial Instruments Classification and Measurement.
(b) Duke Energy issued 40 million depositary shares of preferred stock in the first quarter of 2019.
(c) Relates to tax equity financing activity in the Commercial Renewables segment.
(d) Amounts in Retained Earnings and Accumulated Other Comprehensive (Loss) Income primarily represent impacts to accumulated other comprehensive income due to implementation of a new accounting standard related to Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 1,713	$ 1,672	$ 3,457	$ 3,435
Operating Expenses				
Fuel used in electric generation and purchased power	395	407	867	880
Operation, maintenance and other	441	499	881	950
Depreciation and amortization	346	289	663	561
Property and other taxes	75	75	155	147
Impairment charges	5	177	5	190
Total operating expenses	1,262	1,447	2,571	2,728
Losses on Sales of Other Assets and Other, net	—	(1)	—	(1)
Operating Income	451	224	886	706
Other Income and Expenses, net	41	35	72	74
Interest Expense	117	110	227	217
Income Before Income Taxes	375	149	731	563
Income Tax Expense	74	32	137	123
Net Income	$ 301	$ 117	$ 594	$ 440
Other Comprehensive Income, net of tax				
Reclassification into earnings from cash flow hedges	—	—	—	1
Comprehensive Income	$ 301	$ 117	$ 594	$ 441

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 15	$ 33
Receivables (net of allowance for doubtful accounts of $2 at 2019 and 2018)	164	219
Receivables of VIEs (net of allowance for doubtful accounts of $7 at 2019 and 2018)	671	699
Receivables from affiliated companies	101	182
Inventory	1,025	948
Regulatory assets	605	520
Other	17	72
Total current assets	2,598	2,673
Property, Plant and Equipment		
Cost	47,249	44,741
Accumulated depreciation and amortization	(16,047)	(15,496)
Net property, plant and equipment	31,202	29,245
Other Noncurrent Assets		
Regulatory assets	3,392	3,457
Nuclear decommissioning trust funds	4,059	3,558
Operating lease right-of-use assets, net	141	—
Other	1,085	1,027
Total other noncurrent assets	8,677	8,042
Total Assets	$ 42,477	$ 39,960
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 640	$ 988
Accounts payable to affiliated companies	189	230
Notes payable to affiliated companies	804	439
Taxes accrued	209	171
Interest accrued	106	102
Current maturities of long-term debt	456	6
Asset retirement obligations	203	290
Regulatory liabilities	191	199
Other	499	571
Total current liabilities	3,297	2,996
Long-Term Debt	10,208	10,633
Long-Term Debt Payable to Affiliated Companies	300	300
Other Noncurrent Liabilities		
Deferred income taxes	3,779	3,689
Asset retirement obligations	5,139	3,659
Regulatory liabilities	6,392	5,999
Operating lease liabilities	117	—
Accrued pension and other post-retirement benefit costs	90	99
Investment tax credits	234	231
Other	645	671
Total other noncurrent liabilities	16,396	14,348
Commitments and Contingencies		
Equity		
Member's equity	12,283	11,689
Accumulated other comprehensive loss	(7)	(6)
Total equity	12,276	11,683
Total Liabilities and Equity	$ 42,477	$ 39,960

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 594	$ 440
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	804	707
Equity component of AFUDC	(21)	(39)
Losses on sales of other assets	—	1
Impairment charges	5	190
Deferred income taxes	54	90
Accrued pension and other post-retirement benefit costs	(4)	2
Contributions to qualified pension plans	—	(46)
Payments for asset retirement obligations	(131)	(114)
Provision for rate refunds	35	121
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	(8)	8
Receivables	83	(33)
Receivables from affiliated companies	81	(22)
Inventory	(77)	(16)
Other current assets	(133)	(33)
Increase (decrease) in		
Accounts payable	(282)	(59)
Accounts payable to affiliated companies	(41)	(51)
Taxes accrued	38	(78)
Other current liabilities	(71)	(123)
Other assets	91	(6)
Other liabilities	(18)	(29)
Net cash provided by operating activities	999	910
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,357)	(1,270)
Purchases of debt and equity securities	(1,114)	(976)
Proceeds from sales and maturities of debt and equity securities	1,114	976
Other	(46)	(64)
Net cash used in investing activities	(1,403)	(1,334)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	25	991
Payments for the redemption of long-term debt	(3)	(702)
Notes payable to affiliated companies	365	636
Distributions to parent	—	(500)
Other	(1)	(1)
Net cash provided by financing activities	386	424
Net decrease in cash and cash equivalents	(18)	—
Cash and cash equivalents at beginning of period	33	16
Cash and cash equivalents at end of period	$ 15	$ 16
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 252	$ 343

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2018 and 2019		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at March 31, 2018	$ 11,441	$ (6)	$ 11,435
Net income	117	—	117
Distributions to parent	(250)	—	(250)
Balance at June 30, 2018	$ 11,308	$ (6)	$ 11,302
Balance at March 31, 2019	$ 11,982	$ (7)	$ 11,975
Net income	**301**	**—**	**301**
Balance at June 30, 2019	**$ 12,283**	**$ (7)**	**$ 12,276**

	Six Months Ended June 30, 2018 and 2019		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at December 31, 2017	$ 11,368	$ (7)	$ 11,361
Net income	440	—	440
Other comprehensive income	—	1	1
Distributions to parent	(500)	—	(500)
Balance at June 30, 2018	$ 11,308	$ (6)	$ 11,302
Balance at December 31, 2018	$ 11,689	$ (6)	$ 11,683
Net income	**594**	**—**	**594**
Other	**—**	**(1)**	**(1)**
Balance at June 30, 2019	**$ 12,283**	**$ (7)**	**$ 12,276**

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 2,744	$ 2,498	$ 5,316	$ 5,074
Operating Expenses				
Fuel used in electric generation and purchased power	988	895	1,913	1,871
Operation, maintenance and other	606	610	1,173	1,233
Depreciation and amortization	426	380	881	764
Property and other taxes	143	131	280	254
Impairment charges	—	4	—	33
Total operating expenses	2,163	2,020	4,247	4,155
(Losses) Gains on Sales of Other Assets and Other, net	(1)	6	(1)	12
Operating Income	580	484	1,068	931
Other Income and Expenses, net	34	42	65	77
Interest Expense	219	203	438	412
Income Before Income Taxes	395	323	695	596
Income Tax Expense	66	56	118	92
Net Income	329	267	577	504
Less: Net Income Attributable to Noncontrolling Interests	1	2	—	4
Net Income Attributable to Parent	$ 328	$ 265	$ 577	$ 500
Net Income	$ 329	$ 267	$ 577	$ 504
Other Comprehensive Income, net of tax				
Pension and OPEB adjustments	1	2	2	2
Net unrealized gains on cash flow hedges	1	1	3	3
Unrealized gains (losses) on available-for-sale securities	1	(1)	1	(1)
Other Comprehensive Income, net of tax	3	2	6	4
Comprehensive Income	332	269	583	508
Less: Comprehensive Income Attributable to Noncontrolling Interests	1	2	—	4
Comprehensive Income Attributable to Parent	$ 331	$ 267	$ 583	$ 504

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 51	$ 67
Receivables (net of allowance for doubtful accounts of $6 at 2019 and $5 at 2018)	139	220
Receivables of VIEs (net of allowance for doubtful accounts of $8 at 2019 and 2018)	998	909
Receivables from affiliated companies	49	168
Inventory	1,480	1,459
Regulatory assets (includes $52 at 2019 and 2018 related to VIEs)	1,024	1,137
Other (includes $31 at 2019 and $39 at 2018 related to VIEs)	107	125
Total current assets	3,848	4,085
Property, Plant and Equipment		
Cost	52,758	50,260
Accumulated depreciation and amortization	(16,808)	(16,398)
Generation facilities to be retired, net	317	362
Net property, plant and equipment	36,267	34,224
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $1,019 at 2019 and $1,041 at 2018 related to VIEs)	6,423	6,564
Nuclear decommissioning trust funds	3,562	3,162
Operating lease right-of-use assets, net	839	—
Other	982	974
Total other noncurrent assets	15,461	14,355
Total Assets	$ 55,576	$ 52,664
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 720	$ 1,172
Accounts payable to affiliated companies	235	360
Notes payable to affiliated companies	1,920	1,235
Taxes accrued	191	109
Interest accrued	226	246
Current maturities of long-term debt (includes $54 at 2019 and $53 at 2018 related to VIEs)	1,026	1,672
Asset retirement obligations	416	514
Regulatory liabilities	250	280
Other	863	821
Total current liabilities	5,847	6,409
Long-Term Debt (includes $1,657 at 2019 and $1,636 at 2018 related to VIEs)	18,023	17,089
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,141	3,941
Asset retirement obligations	5,777	4,897
Regulatory liabilities	5,191	5,049
Operating lease liabilities	747	—
Accrued pension and other post-retirement benefit costs	509	521
Other	352	351
Total other noncurrent liabilities	16,717	14,759
Commitments and Contingencies		
Equity		
Common stock, $0.01 par value, 100 shares authorized and outstanding at 2019 and 2018	—	—
Additional paid-in capital	9,143	9,143
Retained earnings	5,715	5,131
Accumulated other comprehensive loss	(21)	(20)
Total Progress Energy, Inc. stockholders' equity	14,837	14,254
Noncontrolling interests	2	3
Total equity	14,839	14,257
Total Liabilities and Equity	$ 55,576	$ 52,664

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 577**	$ 504
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,061**	945
Equity component of AFUDC	**(31)**	(52)
Losses (gains) on sales of other assets	**1**	(12)
Impairment charges	**—**	33
Deferred income taxes	**126**	240
Accrued pension and other post-retirement benefit costs	**8**	12
Contributions to qualified pension plans	**—**	(45)
Payments for asset retirement obligations	**(183)**	(108)
Other rate case adjustments	**—**	37
Provision for rate refunds	**10**	65
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**(1)**	14
Receivables	**(42)**	(196)
Receivables from affiliated companies	**119**	28
Inventory	**(26)**	71
Other current assets	**114**	(214)
Increase (decrease) in		
Accounts payable	**(196)**	15
Accounts payable to affiliated companies	**(125)**	(19)
Taxes accrued	**82**	80
Other current liabilities	**(162)**	(58)
Other assets	**(83)**	(186)
Other liabilities	**17**	4
Net cash provided by operating activities	**1,266**	1,158
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,988)**	(1,727)
Purchases of debt and equity securities	**(1,094)**	(812)
Proceeds from sales and maturities of debt and equity securities	**1,089**	820
Notes receivable from affiliated companies	**—**	(69)
Other	**(59)**	(81)
Net cash used in investing activities	**(2,052)**	(1,869)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,295**	989
Payments for the redemption of long-term debt	**(1,188)**	(635)
Notes payable to affiliated companies	**685**	347
Other	**2**	(3)
Net cash provided by financing activities	**794**	698
Net increase (decrease) in cash, cash equivalents and restricted cash	**8**	(13)
Cash, cash equivalents and restricted cash at beginning of period	**112**	87
Cash, cash equivalents and restricted cash at end of period	**$ 120**	$ 74
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 278**	$ 366

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Three Months Ended June 30, 2018 and 2019

(in millions)	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income: Net Losses on Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Income: Net Unrealized Gains (Losses) on Available-for-Sale Securities	Accumulated Other Comprehensive (Loss) Income: Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2018	$ 9,142	$ 4,591	$ (16)	$ (1)	$ (12)	$ 13,704	$ (1)	$ 13,703
Net income	—	265	—	—	—	265	2	267
Other comprehensive income (loss)	—	—	1	(1)	2	2	—	2
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Other[(a)]	1	(1)	—	1	—	1	—	1
Balance at June 30, 2018	$ 9,143	$ 4,855	$ (15)	$ (1)	$ (10)	$ 13,972	$ —	$ 13,972
Balance at March 31, 2019	$ 9,143	$ 5,386	$ (14)	$ (1)	$ (8)	$ 14,506	$ 2	$ 14,508
Net income	—	328	—	—	—	328	1	329
Other comprehensive income	—	—	1	1	1	3	—	3
Other	—	1	—	—	(1)	—	(1)	(1)
Balance at June 30, 2019	**$ 9,143**	**$ 5,715**	**$ (13)**	**$ —**	**$ (8)**	**$ 14,837**	**$ 2**	**$ 14,839**

Six Months Ended June 30, 2018 and 2019

	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income: Net Losses on Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Income: Net Unrealized Gains (Losses) on Available-for-Sale Securities	Accumulated Other Comprehensive (Loss) Income: Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2017	$ 9,143	$ 4,350	$ (18)	$ 5	$ (12)	$ 13,468	$ (3)	$ 13,465
Net income	—	500	—	—	—	500	4	504
Other comprehensive income (loss)	—	—	3	(1)	2	4	—	4
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Other[(a)]	—	5	—	(5)	—	—	—	—
Balance at June 30, 2018	$ 9,143	$ 4,855	$ (15)	$ (1)	$ (10)	$ 13,972	$ —	$ 13,972
Balance at December 31, 2018	$ 9,143	$ 5,131	$ (12)	$ (1)	$ (7)	$ 14,254	$ 3	$ 14,257
Net income	—	577	—	—	—	577	—	577
Other comprehensive income	—	—	3	1	2	6	—	6
Other[(b)]	—	7	(4)	—	(3)	—	(1)	(1)
Balance at June 30, 2019	**$ 9,143**	**$ 5,715**	**$ (13)**	**$ —**	**$ (8)**	**$ 14,837**	**$ 2**	**$ 14,839**

(a) Amounts in Retained Earnings and Accumulated Other Comprehensive (Loss) Income represent a cumulative-effect adjustment due to implementation of a new accounting standard related to Financial Instruments Classification and Measurement.

(b) Amounts in Retained Earnings and Accumulated Other Comprehensive (Loss) Income primarily represent impacts to accumulated other comprehensive income due to implementation of a new accounting standard related to Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 1,387	$ 1,291	$ 2,871	$ 2,751
Operating Expenses				
Fuel used in electric generation and purchased power	479	408	994	917
Operation, maintenance and other	357	375	692	756
Depreciation and amortization	251	235	541	470
Property and other taxes	41	40	85	75
Impairment charges	—	1	—	33
Total operating expenses	1,128	1,059	2,312	2,251
Gains on Sales of Other Assets and Other, net	—	1	—	2
Operating Income	259	233	559	502
Other Income and Expenses, net	24	19	48	37
Interest Expense	81	78	158	159
Income Before Income Taxes	202	174	449	380
Income Tax Expense	33	35	77	64
Net Income and Comprehensive Income	$ 169	$ 139	$ 372	$ 316

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 28	$ 23
Receivables (net of allowance for doubtful accounts of $2 at 2019 and 2018)	53	75
Receivables of VIEs (net of allowance for doubtful accounts of $5 at 2019 and 2018)	518	547
Receivables from affiliated companies	40	23
Inventory	980	954
Regulatory assets	572	703
Other	34	62
Total current assets	2,225	2,387
Property, Plant and Equipment		
Cost	33,288	31,459
Accumulated depreciation and amortization	(11,728)	(11,423)
Generation facilities to be retired, net	317	362
Net property, plant and equipment	21,877	20,398
Other Noncurrent Assets		
Regulatory assets	4,124	4,111
Nuclear decommissioning trust funds	2,833	2,503
Operating lease right-of-use assets, net	407	—
Other	586	612
Total other noncurrent assets	7,950	7,226
Total Assets	$ 32,052	$ 30,011
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 315	$ 660
Accounts payable to affiliated companies	182	278
Notes payable to affiliated companies	127	294
Taxes accrued	106	53
Interest accrued	110	116
Current maturities of long-term debt	6	603
Asset retirement obligations	413	509
Regulatory liabilities	167	178
Other	395	408
Total current liabilities	1,821	3,099
Long-Term Debt	8,893	7,451
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,181	2,119
Asset retirement obligations	5,203	4,311
Regulatory liabilities	4,150	3,955
Operating lease liabilities	377	—
Accrued pension and other post-retirement benefit costs	232	237
Investment tax credits	141	142
Other	91	106
Total other noncurrent liabilities	12,375	10,870
Commitments and Contingencies		
Equity		
Member's Equity	8,813	8,441
Total Liabilities and Equity	$ 32,052	$ 30,011

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 372	$ 316
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	634	565
Equity component of AFUDC	(28)	(26)
Gains on sales of other assets	—	(2)
Impairment charges	—	33
Deferred income taxes	26	53
Accrued pension and other post-retirement benefit costs	1	7
Contributions to qualified pension plans	—	(25)
Payments for asset retirement obligations	(166)	(89)
Other rate case adjustments	—	37
Provision for rate refunds	10	65
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	(5)	6
Receivables	58	(104)
Receivables from affiliated companies	(17)	2
Inventory	(26)	41
Other current assets	115	(111)
Increase (decrease) in		
Accounts payable	(223)	(17)
Accounts payable to affiliated companies	(96)	(4)
Taxes accrued	53	26
Other current liabilities	(74)	(38)
Other assets	—	10
Other liabilities	21	13
Net cash provided by operating activities	655	758
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,115)	(996)
Purchases of debt and equity securities	(473)	(573)
Proceeds from sales and maturities of debt and equity securities	458	556
Other	(20)	(45)
Net cash used in investing activities	(1,150)	(1,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	1,270	—
Payments for the redemption of long-term debt	(602)	—
Notes payable to affiliated companies	(167)	300
Other	(1)	(2)
Net cash provided by financing activities	500	298
Net increase (decrease) in cash and cash equivalents	5	(2)
Cash and cash equivalents at beginning of period	23	20
Cash and cash equivalents at end of period	$ 28	$ 18
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 112	$ 172

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Three Months Ended June 30, 2018 and 2019 Member's Equity
Balance at March 31, 2018	$ 8,126
Net income	139
Balance at June 30, 2018	$ 8,265
Balance at March 31, 2019	$ 8,644
Net income	**169**
Balance at June 30, 2019	**$ 8,813**

(in millions)	Six Months Ended June 30, 2018 and 2019 Member's Equity
Balance at December 31, 2017	$ 7,949
Net income	316
Balance at June 30, 2018	$ 8,265
Balance at December 31, 2018	$ 8,441
Net income	**372**
Balance at June 30, 2019	**$ 8,813**

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 1,353	$ 1,203	$ 2,439	$ 2,318
Operating Expenses				
Fuel used in electric generation and purchased power	509	486	919	953
Operation, maintenance and other	244	237	474	474
Depreciation and amortization	175	144	340	294
Property and other taxes	103	91	196	179
Total operating expenses	1,031	958	1,929	1,900
Losses on Sales of Other Assets and Other, net	(1)	—	(1)	—
Operating Income	321	245	509	418
Other Income and Expenses, net	12	26	25	47
Interest Expense	83	66	165	137
Income Before Income Taxes	250	205	369	328
Income Tax Expense	49	37	72	57
Net Income	$ 201	$ 168	$ 297	$ 271
Other Comprehensive Income (Loss), net of tax				
Unrealized (losses) gains on available-for-sale securities	—	(1)	1	(1)
Comprehensive Income	$ 201	$ 167	$ 298	$ 270

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 16	$ 36
Receivables (net of allowance for doubtful accounts of $3 at 2019 and 2018)	84	143
Receivables of VIEs (net of allowance for doubtful accounts of $3 at 2019 and 2018)	480	362
Receivables from affiliated companies	18	28
Inventory	499	504
Regulatory assets (includes $52 at 2019 and 2018 related to VIEs)	452	434
Other (includes $31 at 2019 and $39 at 2018 related to VIEs)	46	46
Total current assets	1,595	1,553
Property, Plant and Equipment		
Cost	19,461	18,792
Accumulated depreciation and amortization	(5,073)	(4,968)
Net property, plant and equipment	14,388	13,824
Other Noncurrent Assets		
Regulatory assets (includes $1,019 at 2019 and $1,041 at 2018 related to VIEs)	2,299	2,454
Nuclear decommissioning trust funds	729	659
Operating lease right-of-use assets, net	432	—
Other	311	311
Total other noncurrent assets	3,771	3,424
Total Assets	$ 19,754	$ 18,801
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 403	$ 511
Accounts payable to affiliated companies	62	91
Notes payable to affiliated companies	477	108
Taxes accrued	148	74
Interest accrued	70	75
Current maturities of long-term debt (includes $54 at 2019 and $53 at 2018 related to VIEs)	671	270
Asset retirement obligations	3	5
Regulatory liabilities	83	102
Other	461	406
Total current liabilities	2,378	1,642
Long-Term Debt (includes $1,332 at 2019 and $1,336 at 2018 related to VIEs)	6,542	7,051
Other Noncurrent Liabilities		
Deferred income taxes	2,105	1,986
Asset retirement obligations	574	586
Regulatory liabilities	1,040	1,094
Operating lease liabilities	370	—
Accrued pension and other post-retirement benefit costs	248	254
Other	104	93
Total other noncurrent liabilities	4,441	4,013
Commitments and Contingencies		
Equity		
Member's equity	6,394	6,097
Accumulated other comprehensive loss	(1)	(2)
Total equity	6,393	6,095
Total Liabilities and Equity	$ 19,754	$ 18,801

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 297	$ 271
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	423	374
Equity component of AFUDC	(2)	(26)
Losses on sales of other assets	1	—
Deferred income taxes	82	206
Accrued pension and other post-retirement benefit costs	5	3
Contributions to qualified pension plans	—	(20)
Payments for asset retirement obligations	(17)	(19)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	2	6
Receivables	(101)	(92)
Receivables from affiliated companies	10	(4)
Inventory	1	28
Other current assets	8	(114)
Increase (decrease) in		
Accounts payable	27	34
Accounts payable to affiliated companies	(29)	(11)
Taxes accrued	74	81
Other current liabilities	(80)	(21)
Other assets	(81)	(196)
Other liabilities	(9)	(10)
Net cash provided by operating activities	611	490
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(873)	(731)
Purchases of debt and equity securities	(621)	(239)
Proceeds from sales and maturities of debt and equity securities	631	264
Notes receivable from affiliated companies	—	(110)
Other	(37)	(35)
Net cash used in investing activities	(900)	(851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	25	989
Payments for the redemption of long-term debt	(136)	(635)
Notes payable to affiliated companies	369	—
Other	3	(1)
Net cash provided by financing activities	261	353
Net decrease in cash, cash equivalents and restricted cash	(28)	(8)
Cash, cash equivalents and restricted cash at beginning of period	75	53
Cash, cash equivalents and restricted cash at end of period	$ 47	$ 45
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 166	$ 194

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2018 and 2019					
			Accumulated Other Comprehensive Income (Loss)			
(in millions)		Member's Equity		Net Unrealized Gains (Losses) on Available-for-Sale Securities		Total Equity
Balance at March 31, 2018	$	5,723	$	(2)	$	5,721
Net income		168		—		168
Other comprehensive loss		—		(1)		(1)
Other[(a)]		(1)		1		—
Balance at June 30, 2018	$	5,890	$	(2)	$	5,888
Balance at March 31, 2019	$	6,193	$	(1)	$	6,192
Net income		**201**		—		**201**
Balance at June 30, 2019	**$**	**6,394**	**$**	**(1)**	**$**	**6,393**

	Six Months Ended June 30, 2018 and 2019					
			Accumulated Other Comprehensive Income (Loss)			
(in millions)		Member's Equity		Net Unrealized Gains (Losses) on Available-for-Sale Securities		Total Equity
Balance at December 31, 2017	$	5,614	$	4	$	5,618
Net income		271		—		271
Other comprehensive loss		—		(1)		(1)
Other[(a)]		5		(5)		—
Balance at June 30, 2018	$	5,890	$	(2)	$	5,888
Balance at December 31, 2018	$	6,097	$	(2)	$	6,095
Net income		**297**		—		**297**
Other comprehensive income		—		**1**		**1**
Balance at June 30, 2019	**$**	**6,394**	**$**	**(1)**	**$**	**6,393**

(a) Amounts in Member's Equity and Accumulated Other Comprehensive Income (Loss) represent a cumulative-effect adjustment due to implementation of a new accounting standard related to Financial Instruments Classification and Measurement.

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues				
Regulated electric	$ 336	$ 346	$ 691	$ 682
Regulated natural gas	97	103	273	277
Nonregulated electric and other	—	10	—	24
Total operating revenues	433	459	964	983
Operating Expenses				
Fuel used in electric generation and purchased power – regulated	86	93	179	185
Fuel used in electric generation and purchased power – nonregulated	—	14	—	29
Cost of natural gas	10	15	64	69
Operation, maintenance and other	123	130	255	261
Depreciation and amortization	66	62	130	132
Property and other taxes	74	68	158	145
Total operating expenses	359	382	786	821
Losses on Sales of Other Assets and Other, net	—	—	—	(106)
Operating Income	74	77	178	56
Other Income and Expenses, net	6	8	15	14
Interest Expense	24	23	54	45
Income Before Income Taxes	56	62	139	25
Income Tax Expense	9	16	23	4
Net Income and Comprehensive Income	$ 47	$ 46	$ 116	$ 21

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 8	$ 21
Receivables (net of allowance for doubtful accounts of $3 at 2019 and $2 at 2018)	80	102
Receivables from affiliated companies	50	114
Inventory	124	126
Regulatory assets	47	33
Other	32	24
Total current assets	341	420
Property, Plant and Equipment		
Cost	9,776	9,360
Accumulated depreciation and amortization	(2,761)	(2,717)
Net property, plant and equipment	7,015	6,643
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	545	531
Operating lease right-of-use assets, net	22	—
Other	46	41
Total other noncurrent assets	1,533	1,492
Total Assets	$ 8,889	$ 8,555
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 257	$ 316
Accounts payable to affiliated companies	78	78
Notes payable to affiliated companies	203	274
Taxes accrued	135	202
Interest accrued	31	22
Current maturities of long-term debt	100	551
Asset retirement obligations	6	6
Regulatory liabilities	67	57
Other	76	74
Total current liabilities	953	1,580
Long-Term Debt	2,384	1,589
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	872	817
Asset retirement obligations	83	87
Regulatory liabilities	802	840
Operating lease liabilities	21	—
Accrued pension and other post-retirement benefit costs	94	79
Other	94	93
Total other noncurrent liabilities	1,966	1,916
Commitments and Contingencies		
Equity		
Common stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2019 and 2018	762	762
Additional paid-in capital	2,776	2,776
Retained Earnings (Accumulated deficit)	23	(93)
Total equity	3,561	3,445
Total Liabilities and Equity	$ 8,889	$ 8,555

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 116**	$ 21
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**132**	134
Equity component of AFUDC	**(7)**	(8)
Losses on sales of other assets	**—**	106
Deferred income taxes	**45**	(2)
Accrued pension and other post-retirement benefit costs	**—**	2
Payments for asset retirement obligations	**(5)**	(2)
Provision for rate refunds	**3**	19
(Increase) decrease in		
Receivables	**24**	(7)
Receivables from affiliated companies	**64**	62
Inventory	**2**	9
Other current assets	**(13)**	24
Increase (decrease) in		
Accounts payable	**(44)**	(34)
Accounts payable to affiliated companies	**—**	(15)
Taxes accrued	**(67)**	(63)
Other current liabilities	**2**	8
Other assets	**(18)**	(7)
Other liabilities	**(15)**	(18)
Net cash provided by operating activities	**219**	229
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(473)**	(392)
Notes receivable from affiliated companies	**—**	14
Other	**(31)**	(43)
Net cash used in investing activities	**(504)**	(421)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**794**	—
Payments for the redemption of long-term debt	**(451)**	(3)
Notes payable to affiliated companies	**(71)**	190
Net cash provided by financing activities	**272**	187
Net decrease in cash and cash equivalents	**(13)**	(5)
Cash and cash equivalents at beginning of period	**21**	12
Cash and cash equivalents at end of period	**$ 8**	$ 7
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 93**	$ 70
Non-cash equity contribution from parent	**—**	106

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2018 and 2019			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Equity
Balance at March 31, 2018	$ 762	$ 2,670	$ (294)	$ 3,138
Net income	—	—	46	46
Contribution from parent[(a)]	—	106	—	106
Balance at June 30, 2018	$ 762	$ 2,776	$ (248)	$ 3,290
Balance at March 31, 2019	$ 762	$ 2,776	$ (24)	$ 3,514
Net income	—	—	**47**	**47**
Balance at June 30, 2019	**$ 762**	**$ 2,776**	**$ 23**	**$ 3,561**

	Six Months Ended June 30, 2018 and 2019			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Equity
Balance at December 31, 2017	$ 762	$ 2,670	$ (269)	$ 3,163
Net income	—	—	21	21
Contribution from parent[(a)]	—	106	—	106
Balance at June 30, 2018	$ 762	$ 2,776	$ (248)	$ 3,290
Balance at December 31, 2018	$ 762	$ 2,776	$ (93)	$ 3,445
Net income	—	—	**116**	**116**
Balance at June 30, 2019	**$ 762**	**$ 2,776**	**$ 23**	**$ 3,561**

(a) Represents a non-cash settlement through equity of an intercompany payable from Duke Energy Ohio to its parent.

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 714	$ 738	$ 1,482	$ 1,469
Operating Expenses				
Fuel used in electric generation and purchased power	229	226	486	458
Operation, maintenance and other	188	197	377	378
Depreciation and amortization	132	126	263	256
Property and other taxes	20	20	39	40
Total operating expenses	569	569	1,165	1,132
Gains on Sales of Other Assets and Other, net	3	—	—	—
Operating Income	148	169	317	337
Other Income and Expenses, net	8	6	27	13
Interest Expense	28	43	71	83
Income Before Income Taxes	128	132	273	267
Income Tax Expense	31	34	66	69
Net Income and Comprehensive Income	$ 97	$ 98	$ 207	$ 198

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12	$ 24
Receivables (net of allowance for doubtful accounts of $3 at 2019 and $2 at 2018)	49	52
Receivables from affiliated companies	83	122
Inventory	463	422
Regulatory assets	130	175
Other	42	35
Total current assets	779	830
Property, Plant and Equipment		
Cost	15,831	15,443
Accumulated depreciation and amortization	(5,104)	(4,914)
Net property, plant and equipment	10,727	10,529
Other Noncurrent Assets		
Regulatory assets	1,038	982
Operating lease right-of-use assets, net	60	—
Other	203	194
Total other noncurrent assets	1,301	1,176
Total Assets	$ 12,807	$ 12,535
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 224	$ 200
Accounts payable to affiliated companies	66	83
Notes payable to affiliated companies	165	167
Taxes accrued	25	43
Interest accrued	59	58
Current maturities of long-term debt	3	63
Asset retirement obligations	115	109
Regulatory liabilities	24	25
Other	120	107
Total current liabilities	801	855
Long-Term Debt	3,570	3,569
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	1,084	1,009
Asset retirement obligations	604	613
Regulatory liabilities	1,693	1,722
Operating lease liabilities	56	—
Accrued pension and other post-retirement benefit costs	142	115
Investment tax credits	147	147
Other	14	16
Total other noncurrent liabilities	3,740	3,622
Commitments and Contingencies		
Equity		
Member's Equity	4,546	4,339
Total Liabilities and Equity	$ 12,807	$ 12,535

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 207**	$ 198
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**265**	258
Equity component of AFUDC	**(9)**	(7)
Deferred income taxes	**60**	36
Accrued pension and other post-retirement benefit costs	**2**	3
Contributions to qualified pension plans	**—**	(8)
Payments for asset retirement obligations	**(17)**	(21)
Provision for rate refunds	**—**	49
(Increase) decrease in		
Receivables	**5**	2
Receivables from affiliated companies	**39**	36
Inventory	**(41)**	(20)
Other current assets	**48**	(35)
Increase (decrease) in		
Accounts payable	**26**	33
Accounts payable to affiliated companies	**(17)**	(19)
Taxes accrued	**(18)**	(41)
Other current liabilities	**(13)**	3
Other assets	**(34)**	20
Other liabilities	**14**	(21)
Net cash provided by operating activities	**517**	466
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(443)**	(416)
Purchases of debt and equity securities	**(14)**	(34)
Proceeds from sales and maturities of debt and equity securities	**11**	13
Other	**(21)**	2
Net cash used in investing activities	**(467)**	(435)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for the redemption of long-term debt	**(60)**	—
Notes payable to affiliated companies	**(2)**	60
Distributions to parent	**—**	(75)
Other	**—**	(1)
Net cash used in financing activities	**(62)**	(16)
Net (decrease) increase in cash and cash equivalents	**(12)**	15
Cash and cash equivalents at beginning of period	**24**	9
Cash and cash equivalents at end of period	**$ 12**	$ 24
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 84**	$ 62

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Three Months Ended June 30, 2018 and 2019 Member's Equity
Balance at March 31, 2018	$ 4,221
Net income	98
Distributions to parent	(75)
Balance at June 30, 2018	$ 4,244
Balance at March 31, 2019	$ 4,449
Net income	**97**
Balance at June 30, 2019	**$ 4,546**

(in millions)	Six Months Ended June 30, 2018 and 2019 Member's Equity
Balance at December 31, 2017	$ 4,121
Net income	198
Distributions to parent	(75)
Balance at June 30, 2018	$ 4,244
Balance at December 31, 2018	$ 4,339
Net income	**207**
Balance at June 30, 2019	**$ 4,546**

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Operating Revenues	$ 209	$ 215	$ 788	$ 768
Operating Expenses				
Cost of natural gas	65	74	338	333
Operation, maintenance and other	83	85	163	167
Depreciation and amortization	42	39	84	78
Property and other taxes	13	12	25	24
Total operating expenses	203	210	610	602
Operating Income	6	5	178	166
Other Income and Expenses, net	6	4	12	9
Interest Expense	21	20	43	41
(Loss) Income Before Income Taxes	(9)	(11)	147	134
Income Tax (Benefit) Expense	(2)	(3)	32	32
Net (Loss) Income and Comprehensive (Loss) Income	$ (7)	$ (8)	$ 115	$ 102

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $2 at 2019 and 2018)	$ 100	$ 266
Receivables from affiliated companies	17	22
Notes receivable from affiliated companies	16	—
Inventory	33	70
Regulatory assets	30	54
Other	57	19
Total current assets	253	431
Property, Plant and Equipment		
Cost	7,966	7,486
Accumulated depreciation and amortization	(1,620)	(1,575)
Net property, plant and equipment	6,346	5,911
Other Noncurrent Assets		
Goodwill	49	49
Regulatory assets	280	303
Operating lease right-of-use assets, net	26	—
Investments in equity method unconsolidated affiliates	81	64
Other	60	52
Total other noncurrent assets	496	468
Total Assets	$ 7,095	$ 6,810
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 156	$ 203
Accounts payable to affiliated companies	52	38
Notes payable to affiliated companies	—	198
Taxes accrued	23	84
Interest accrued	33	31
Current maturities of long-term debt	—	350
Regulatory liabilities	67	37
Other	62	58
Total current liabilities	393	999
Long-Term Debt	2,384	1,788
Other Noncurrent Liabilities		
Deferred income taxes	593	551
Asset retirement obligations	19	19
Regulatory liabilities	1,174	1,181
Operating lease liabilities	25	—
Accrued pension and other post-retirement benefit costs	6	4
Other	145	177
Total other noncurrent liabilities	1,962	1,932
Commitments and Contingencies		
Equity		
Common stock, no par value: 100 shares authorized and outstanding at 2019 and 2018	1,310	1,160
Retained earnings	1,046	931
Total equity	2,356	2,091
Total Liabilities and Equity	$ 7,095	$ 6,810

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 115**	$ 102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**85**	79
Deferred income taxes	**40**	4
Equity in earnings from unconsolidated affiliates	**(4)**	(3)
Accrued pension and other post-retirement benefit costs	**(5)**	(2)
Provision for rate refunds	**9**	27
(Increase) decrease in		
Receivables	**168**	166
Receivables from affiliated companies	**5**	(4)
Inventory	**37**	28
Other current assets	**(17)**	74
Increase (decrease) in		
Accounts payable	**(70)**	(32)
Accounts payable to affiliated companies	**14**	(12)
Taxes accrued	**(61)**	4
Other current liabilities	**10**	28
Other assets	**(5)**	2
Other liabilities	**(1)**	(2)
Net cash provided by operating activities	**320**	459
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(480)**	(327)
Contributions to equity method investments	**(16)**	—
Notes receivable from affiliated companies	**(16)**	(77)
Other	**(6)**	(2)
Net cash used in investing activities	**(518)**	(406)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**596**	—
Payments for the redemption of long-term debt	**(350)**	—
Notes payable to affiliated companies	**(198)**	(364)
Capital contributions from parent	**150**	300
Net cash provided by (used in) financing activities	**198**	(64)
Net decrease in cash and cash equivalents	**—**	(11)
Cash and cash equivalents at beginning of period	**—**	19
Cash and cash equivalents at end of period	**$ —**	$ 8
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 115**	$ 73

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2018 and 2019		
(in millions)	Common Stock	Retained Earnings	Total Equity
Balance at March 31, 2018	$ 860	$ 912	$ 1,772
Net loss	—	(8)	(8)
Contribution from parent	300	—	300
Balance at June 30, 2018	$ 1,160	$ 904	$ 2,064
Balance at March 31, 2019	$ 1,160	$ 1,053	$ 2,213
Net loss	**—**	**(7)**	**(7)**
Contribution from parent	**150**	**—**	**150**
Balance at June 30, 2019	**$ 1,310**	**$ 1,046**	**$ 2,356**

	Six Months Ended June 30, 2018 and 2019		
(in millions)	Common Stock	Retained Earnings	Total Equity
Balance at December 31, 2017	$ 860	$ 802	$ 1,662
Net income	—	102	102
Contribution from parent	300	—	300
Balance at June 30, 2018	$ 1,160	$ 904	$ 2,064
Balance at December 31, 2018	$ 1,160	$ 931	$ 2,091
Net income	**—**	**115**	**115**
Contribution from parent	**150**	**—**	**150**
Balance at June 30, 2019	**$ 1,310**	**$ 1,046**	**$ 2,356**

Index to Combined Notes to Condensed Consolidated Financial Statements

The unaudited notes to the Condensed Consolidated Financial Statements that follow are a combined presentation. The following list indicates the registrants to which the footnotes apply.

	Applicable Notes																	
Registrant	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**
Duke Energy	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•
Duke Energy Carolinas	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•
Progress Energy	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•
Duke Energy Progress	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•
Duke Energy Florida	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•
Duke Energy Ohio	•	•	•	•	•	•	•	•	•	•		•	•	•		•	•	•
Duke Energy Indiana	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•
Piedmont	•	•	•	•	•	•	•	•	•	•		•		•		•	•	•

Tables within the notes may not sum across due to (i) Progress Energy's consolidation of Duke Energy Progress, Duke Energy Florida and other subsidiaries that are not registrants and (ii) subsidiaries that are not registrants but included in the consolidated Duke Energy balances.

1. ORGANIZATION AND BASIS OF PRESENTATION

BASIS OF PRESENTATION

These Condensed Consolidated Financial Statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, these Condensed Consolidated Financial Statements do not include all information and notes required by GAAP for annual financial statements and should be read in conjunction with the Consolidated Financial Statements in the Duke Energy Registrants' combined Annual Report on Form 10-K for the year ended December 31, 2018.

The information in these combined notes relates to each of the Duke Energy Registrants as noted in the Index to Combined Notes to Condensed Consolidated Financial Statements. However, none of the registrants make any representations as to information related solely to Duke Energy or the subsidiaries of Duke Energy other than itself.

These Condensed Consolidated Financial Statements, in the opinion of the respective companies' management, reflect all normal recurring adjustments necessary to fairly present the financial position and results of operations of each of the Duke Energy Registrants. Amounts reported in Duke Energy's interim Condensed Consolidated Statements of Operations and each of the Subsidiary Registrants' interim Condensed Consolidated Statements of Operations and Comprehensive Income are not necessarily indicative of amounts expected for the respective annual periods due to effects of seasonal temperature variations on energy consumption, regulatory rulings, timing of maintenance on electric generating units, changes in mark-to-market valuations, changing commodity prices and other factors.

In preparing financial statements that conform to GAAP, management must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

BASIS OF CONSOLIDATION

These Condensed Consolidated Financial Statements include, after eliminating intercompany transactions and balances, the accounts of the Duke Energy Registrants and subsidiaries or VIEs where the respective Duke Energy Registrants have control. See Note 13 for additional information on VIEs. These Condensed Consolidated Financial Statements also reflect the Duke Energy Registrants' proportionate share of certain jointly owned generation and transmission facilities.

NONCONTROLLING INTEREST

Duke Energy maintains a controlling financial interest in certain less-than wholly owned non-regulated subsidiaries. As a result, Duke Energy consolidates these subsidiaries and presents the third-party investors' portion of Duke Energy's net income (loss), net assets and comprehensive income (loss) as noncontrolling interest. Noncontrolling interest is included as a component of equity on the Condensed Consolidated Balance Sheet.

Several operating agreements of Duke Energy's subsidiaries with noncontrolling interest are subject to allocations of earnings, tax attributes and cash flows in accordance with contractual agreements that vary throughout the lives of the subsidiaries. Therefore, Duke Energy and the other investors' (the owners) interests in the subsidiaries are not fixed, and the subsidiaries apply the HLBV method in allocating book profit or loss and other comprehensive income or loss (all measured on a pretax basis) to the owners. The HLBV method measures the amounts that each owner would hypothetically claim at each balance sheet reporting date, including tax benefits realized by the owners, upon a hypothetical liquidation of the subsidiary at the net book value of its underlying assets. The change in the amount that each owner would hypothetically receive at the reporting date compared to the amount it would have received on the previous reporting date represents the amount of profit or loss allocated to each owner for the reporting period. During the second quarter of 2019, Duke Energy's North Rosamond solar farm commenced commercial operations resulting in the allocation of losses to the noncontrolling tax equity members of $74 million utilizing the HLBV method.

Other operating agreements of Duke Energy's subsidiaries with noncontrolling interest allocate profit and loss based on their pro rata shares of the ownership interest in the respective subsidiary. Therefore, Duke Energy allocates net income or loss and other comprehensive income or loss of these subsidiaries to the owners based on their pro rata shares.

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Duke Energy, Progress Energy and Duke Energy Florida have restricted cash balances related primarily to collateral assets, escrow deposits and VIEs. See Note 13 for additional information. Restricted cash amounts are included in Other within Current Assets and Other Noncurrent Assets on the Condensed Consolidated Balance Sheets. The following table presents the components of cash, cash equivalents and restricted cash included in the Condensed Consolidated Balance Sheets.

	June 30, 2019			December 31, 2018		
	Duke Energy	Progress Energy	Duke Energy Florida	Duke Energy	Progress Energy	Duke Energy Florida
Current Assets						
Cash and cash equivalents	$ 336	$ 51	$ 16	$ 442	$ 67	$ 36
Other	106	31	31	141	39	39
Other Noncurrent Assets						
Other	39	38	—	8	6	—
Total cash, cash equivalents and restricted cash	$ 481	$ 120	$ 47	$ 591	$ 112	$ 75

INVENTORY

Provisions for inventory write-offs were not material at June 30, 2019, and December 31, 2018. The components of inventory are presented in the tables below.

	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Materials and supplies	$ 2,252	$ 749	$ 1,036	$ 709	$ 327	$ 76	$ 323	$ 3
Coal	624	235	234	160	74	17	139	—
Natural gas, oil and other fuel	313	41	210	111	98	31	1	30
Total inventory	$ 3,189	$ 1,025	$ 1,480	$ 980	$ 499	$ 124	$ 463	$ 33

	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Materials and supplies	$ 2,238	$ 731	$ 1,049	$ 734	$ 315	$ 84	$ 312	$ 2
Coal	491	175	192	106	86	14	109	—
Natural gas, oil and other fuel	355	42	218	114	103	28	1	68
Total inventory	$ 3,084	$ 948	$ 1,459	$ 954	$ 504	$ 126	$ 422	$ 70

NEW ACCOUNTING STANDARDS

Except as noted below, the new accounting standards adopted for 2018 and 2019 had no material impact on the presentation or results of operations, cash flows or financial position of the Duke Energy Registrants.

Leases. In February 2016, the FASB issued revised accounting guidance for leases. The core principle of this guidance is that a lessee should recognize the assets and liabilities that arise from leases on the balance sheet. This resulted in a material impact on the presentation for the statement of financial position of the Duke Energy Registrants for the period ended June 30, 2019, and an immaterial impact to the Duke Energy Registrants' results of operations for the three and six months ended June 30, 2019, and cash flows for the six months ended June 30, 2019.

Duke Energy elected the modified retrospective method of adoption effective January 1, 2019. Under the modified retrospective method of adoption, prior year reported results are not restated. For adoption, Duke Energy has elected to apply the following practical expedients:

Practical Expedient	Description
Package of transition practical expedients (for leases commenced prior to adoption date and must be adopted as a package)	Do not need to 1) reassess whether any expired or existing contracts are/or contain leases, 2) reassess the lease classification for any expired or existing leases and 3) reassess initial direct costs for any existing leases.
Short-term lease expedient (elect by class of underlying asset)	Elect as an accounting policy to not apply the recognition requirements to short-term leases by asset class.
Lease and non-lease components (elect by class of underlying asset)	Elect as an accounting policy to not separate non-lease components from lease components and instead account for each lease and associated non-lease component as a single lease component by asset class.
Hindsight expedient (when determining lease term)	Elect to use hindsight to determine the lease term.
Existing and expired land easements not previously accounted for as leases	Elect to not evaluate existing or expired easements under the new guidance and carry forward current accounting treatment.
Comparative reporting requirements for initial adoption	Elect to apply transition requirements at adoption date, recognize cumulative effect adjustment to retained earnings in period of adoption and not apply the new requirements to comparative periods, including disclosures.
Lessor expedient (elect by class of underlying asset)	Elect as an accounting policy to aggregate non-lease components with the related lease component when specified conditions are met by asset class. Account for the combined component based on its predominant characteristic (revenue or operating lease).

Duke Energy evaluated the financial statement impact of adopting the standard and monitored industry implementation issues. Under agreements considered leases, where Duke Energy is the lessee, for the use of certain aircraft, space on communication towers, industrial equipment, fleet vehicles, fuel transportation (barges and railcars), land, office space and PPAs are now recognized on the balance sheet. The Duke Energy Registrants did not have a material change to the financial statements from the adoption of the new standard for contracts where it is the lessor. See Note 5 for further information.

No new accounting standards, issued but not yet adopted, are expected to have a material impact on the Duke Energy Registrants as of June 30, 2019.

2. BUSINESS SEGMENTS

Duke Energy

Duke Energy's segment structure includes the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The Electric Utilities and Infrastructure segment primarily includes Duke Energy's regulated electric utilities in the Carolinas, Florida and the Midwest. The Gas Utilities and Infrastructure segment includes Piedmont, Duke Energy's natural gas local distribution companies in Ohio and Kentucky, and Duke Energy's natural gas storage and midstream pipeline investments.

The Commercial Renewables segment is primarily comprised of nonregulated utility-scale wind and solar generation assets located throughout the U.S. On April 24, 2019, Duke Energy executed an agreement to sell a minority interest in a portion of certain renewable assets. The portion of Duke Energy's commercial renewables energy portfolio to be sold includes 49 percent of 37 operating wind, solar and battery storage assets and 33 percent of 11 operating solar assets across the U.S. The sale will result in pretax proceeds to Duke Energy of $415 million. Duke Energy will retain control of these assets, and, therefore, no gain or loss is expected to be recognized on the Condensed Consolidated Statements of Operations upon closing of the transaction. The sale is subject to customary closing conditions, including approvals from the FERC, the Public Utility Commission of Texas and the Committee on Foreign Investment in the U.S. Duke Energy received FERC approval on July 26, 2019. The transaction is expected to close in the second half of 2019.

During the three months ended June 30, 2019, Duke Energy evaluated recoverability of its renewable merchant plants principally located in the Electric Reliability Council of Texas West market due to declining market pricing and declining long-term forecasted energy and capacity prices, primarily driven by lower forecasted natural gas prices. Duke Energy determined that the assets were not impaired because the carrying value of $160 million approximates the aggregate estimated future cash flows and further testing was not required. A continued decline in pricing would likely result in a future impairment.

The remainder of Duke Energy's operations is presented as Other, which is primarily comprised of interest expense on holding company debt, unallocated corporate costs, Duke Energy's wholly owned captive insurance company, Bison, and Duke Energy's interest in NMC.

Business segment information is presented in the following tables. Segment assets presented exclude intercompany assets.

	Three Months Ended June 30, 2019						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,467	$ 282	$ 118	$ 5,867	$ 6	$ —	$ 5,873
Intersegment revenues	8	24	—	32	19	(51)	—
Total revenues	$ 5,475	$ 306	$ 118	$ 5,899	$ 25	$ (51)	$ 5,873
Segment income (loss)	$ 809	$ 40	$ 86	$ 935	$ (115)	$ —	$ 820
Add back noncontrolling interests[(a)]							(84)
Add back preferred stock dividend							12
Net income							$ 748
Segment assets	$ 131,640	$ 12,943	$ 4,870	$ 149,453	$ 3,815	$ 181	$ 153,449

	Three Months Ended June 30, 2018						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,215	$ 294	$ 119	$ 5,628	$ 15	$ —	$ 5,643
Intersegment revenues	8	24	—	32	17	(49)	—
Total revenues	$ 5,223	$ 318	$ 119	$ 5,660	$ 32	$ (49)	$ 5,643
Segment income (loss)[(b)(c)]	$ 575	$ 28	$ 38	$ 641	$ (136)	$ —	$ 505
Add back noncontrolling interests							2
Loss from discontinued operations, net of tax							(5)
Net income							$ 502

	Six Months Ended June 30, 2019						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 10,788	$ 1,014	$ 224	$ 12,026	$ 10	$ —	$ 12,036
Intersegment revenues	16	48	—	64	36	(100)	—
Total revenues	$ 10,804	$ 1,062	$ 224	$ 12,090	$ 46	$ (100)	$ 12,036
Segment income (loss)	$ 1,559	$ 266	$ 99	$ 1,924	$ (204)	$ —	$ 1,720
Add back noncontrolling interests[(a)]							(91)
Add back preferred stock dividend							12
Net income							$ 1,641

	Six Months Ended June 30, 2018						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 10,530	$ 997	$ 220	$ 11,747	$ 31	$ —	$ 11,778
Intersegment revenues	16	48	—	64	36	(100)	—
Total revenues	$ 10,546	$ 1,045	$ 220	$ 11,811	$ 67	$ (100)	$ 11,778
Segment income (loss)[(b)(c)(d)(e)]	$ 1,325	$ 144	$ 58	$ 1,527	$ (402)	$ —	$ 1,125
Add back noncontrolling interests							4
Loss from discontinued operations, net of tax							(5)
Net income							$ 1,124

(a) Includes the allocation of losses to noncontrolling tax equity members. See Note 1 for additional information.
(b) Electric Utilities and Infrastructure includes regulatory and legislative impairment charges related to rate case orders, settlements or other actions of regulators or legislative bodies. See Note 3 for additional information.
(c) Other includes costs to achieve the Piedmont acquisition.
(d) Gas Utilities and Infrastructure includes an impairment of the investment in Constitution. See Note 3 for additional information.
(e) Other includes the loss on the sale of Beckjord described below and a valuation allowance recorded against the AMT credits.

In February 2018, Duke Energy sold Beckjord, a nonregulated facility retired during 2014, and recorded a pretax loss of $106 million within Gains (Losses) on Sales of Other Assets and Other, net and $1 million within Operation, maintenance and other on Duke Energy's Condensed Consolidated Statements of Operations for the six months ended June 30, 2018. The sale included the transfer of coal ash basins and other real property and indemnification from any and all potential future claims related to the property, whether arising under environmental laws or otherwise.

Duke Energy Ohio

Duke Energy Ohio has two reportable segments, Electric Utilities and Infrastructure and Gas Utilities and Infrastructure. The remainder of Duke Energy Ohio's operations is presented as Other.

	Three Months Ended June 30, 2019				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 336	$ 97	$ 433	$ —	$ 433
Segment income/Net (loss) income	$ 31	$ 17	$ 48	$ (1)	$ 47
Segment assets	$ 5,914	$ 2,948	$ 8,862	$ 27	$ 8,889

	Three Months Ended June 30, 2018				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 346	$ 103	$ 449	$ 10	$ 459
Segment income/Net (loss) income	$ 39	$ 18	$ 57	$ (11)	$ 46

	Six Months Ended June 30, 2019				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 691	$ 273	$ 964	$ —	$ 964
Segment income/Net (loss) income	$ 67	$ 52	$ 119	$ (3)	$ 116

	Six Months Ended June 30, 2018				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 682	$ 277	$ 959	$ 24	$ 983
Segment income/Net (loss) income[(a)]	$ 72	$ 52	$ 124	$ (103)	$ 21

(a) Other includes the loss on the sale of Beckjord described above.

3. REGULATORY MATTERS

RATE-RELATED INFORMATION

The NCUC, PSCSC, FPSC, IURC, PUCO, TPUC and KPSC approve rates for retail electric and natural gas services within their states. The FERC approves rates for electric sales to wholesale customers served under cost-based rates (excluding Ohio and Indiana), as well as sales of transmission service. The FERC also regulates certification and siting of new interstate natural gas pipeline projects.

Duke Energy Carolinas and Duke Energy Progress

Hurricane Florence, Hurricane Michael and Winter Storm Diego Deferral Filings

On December 21, 2018, Duke Energy Carolinas and Duke Energy Progress filed with the NCUC petitions for approval to defer the incremental costs incurred in connection with the response to Hurricane Florence, Hurricane Michael and Winter Storm Diego to a regulatory asset for recovery in the next base rate case. The NCUC issued an order requesting comments on the deferral positions. On March 5, 2019, the North Carolina Public Staff (Public Staff) filed comments. On April 2, 2019, Duke Energy Carolinas and Duke Energy Progress filed reply comments, which included revised estimates of approximately $553 million in incremental operation and maintenance expenses ($171 million and $382 million for Duke Energy Carolinas and Duke Energy Progress, respectively) and approximately $96 million in capital costs ($20 million and $76 million for Duke Energy Carolinas and Duke Energy Progress, respectively). Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter. Duke Energy Progress filed a similar request with the PSCSC on January 11, 2019, which also included a request for the continuation of prior deferrals requested for ice storms and Hurricane Matthew, and on January 30, 2019, the PSCSC issued a directive approving the deferral request, followed by an order issued on February 21, 2019. On March 15, 2019, Duke Energy Progress filed a request with FERC requesting permission to defer transmission-related storm costs that would be charged to wholesale transmission customers through Duke Energy Progress' Open Access Transmission Tariff (OATT) and to recover those costs from wholesale transmission customers over a three-year recovery period. FERC accepted the filing on May 14, 2019, which allows Duke Energy Progress to proceed with the proposed cost deferral and recovery.

Duke Energy Carolinas

2017 North Carolina Rate Case

On August 25, 2017, Duke Energy Carolinas filed an application with the NCUC for a rate increase for retail customers of approximately $647 million, which represented an approximate 13.6 percent increase in annual base revenues. The rate increase was driven by capital investments subsequent to the previous base rate case, including the W.S. Lee CC, grid improvement projects, AMI, investments in customer service technologies, costs of complying with CCR regulations and the Coal Ash Act and recovery of costs related to licensing and development of the Lee Nuclear Station.

On February 28, 2018, Duke Energy Carolinas and the Public Staff filed an Agreement and Stipulation of Partial Settlement resolving certain portions of the proceeding. Terms of the settlement included a return on equity of 9.9 percent and a capital structure of 52 percent equity and 48 percent debt. As a result of the settlement, Duke Energy Carolinas recorded a pretax charge of approximately $4 million in the first quarter of 2018 to Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

On June 22, 2018, the NCUC issued an order approving the Stipulation of Partial Settlement and requiring a revenue reduction. As a result of the order, Duke Energy Carolinas recorded a pretax charge of approximately $150 million in the second quarter of 2018 to Impairment charges and Operation, maintenance and other on the Condensed Consolidated Statements of Operations. The charge was primarily related to the denial of a return on the Lee Nuclear Project and the assessment of a $70 million management penalty by reducing the annual recovery of deferred coal ash costs by $14 million per year over a five-year recovery period. On July 27, 2018, NCUC approved Duke Energy Carolinas' compliance filing. As a result, revised customer rates were effective on August 1, 2018.

On July 20, 2018, the North Carolina Attorney General filed a Notice of Appeal to the North Carolina Supreme Court from the June 22, 2018, Order Accepting Stipulation, Deciding Contested Issues and Requiring Revenue Reduction issued by the NCUC. The Attorney General contends the commission's order should be reversed and remanded, as it is in excess of the commission's statutory authority; affected by errors of law; unsupported by competent, material and substantial evidence in view of the entire record as submitted; and arbitrary or capricious. The Sierra Club, North Carolina Sustainable Energy Association, North Carolina Justice Center, North Carolina Housing Coalition, Natural Resource Defense Council and Southern Alliance for Clean Energy also filed Notices of Appeal to the North Carolina Supreme Court. On August 8, 2018, the Public Staff filed a Notice of Cross Appeal to the North Carolina Supreme Court, which contends the commission's June 22, 2018, order should be reversed and remanded, as it is affected by errors of law, and is unsupported by substantial evidence with regard to the commission's failure to consider substantial evidence of coal ash related environmental violations. On November 29, 2018, the North Carolina Attorney General's Office filed a motion with the North Carolina Supreme Court requesting the court consolidate the Duke Energy Carolinas and Duke Energy Progress appeals and enter an order adopting the parties' proposed briefing schedule as set out in the filing. On November 29, 2018, the North Carolina Supreme Court adopted a schedule for briefing set forth in the motion to consolidate the Duke Energy Carolinas and Duke Energy Progress appeals. Appellant's brief was filed on April 26, 2019. The Appellee response briefs are due on September 25, 2019. Duke Energy Carolinas cannot predict the outcome of this matter.

2018 South Carolina Rate Case

On November 8, 2018, Duke Energy Carolinas filed an application with the PSCSC for a rate increase for retail customers of approximately $168 million, which represents an approximate 10.0 percent increase in retail revenues. The request for rate increase was driven by capital investments and environmental compliance progress made by Duke Energy Carolinas since its previous rate case, including the further implementation of Duke Energy Carolinas' generation modernization program, which consists of retiring, replacing and upgrading generation plants, investments in customer service technologies and continued investments in base work to maintain its transmission and distribution systems. The request included net tax benefits resulting from the Tax Act of $66 million to reflect the change in ongoing tax expense, primarily from the reduction in the federal income tax rate from 35 to 21 percent. The request also included $46 million to return EDIT resulting from the federal tax rate change and deferred revenues since January 2018 related to the change and benefits of $17 million from a reduction in North Carolina state income taxes allocable to South Carolina (EDIT Rider).

Duke Energy Carolinas also requested approval of its proposed Grid Improvement Plan (GIP), adjustments to its Prepaid Advantage Program and a variety of accounting orders related to ongoing costs for environmental compliance, including recovery over a five-year period of $242 million of deferred coal ash related compliance costs, grid investments between rate changes, incremental depreciation expense, a result of new depreciation rates from the depreciation study approved in the 2017 North Carolina Rate Case above, and the balance of development costs associated with the cancellation of the Lee Nuclear Project. Finally, Duke Energy Carolinas sought approval to establish a reserve and accrual for end-of-life nuclear costs for nuclear fuel and materials and supplies. On March 8, 2019, the ORS moved to establish a new and separate hearing docket to review and consider the GIP proposed by Duke Energy Carolinas. Subsequently, on March 12, 2019, the ORS and Duke Energy Carolinas executed a Stipulation resolving the ORS's motion. The Stipulation provides that costs incurred after January 1, 2019, for the GIP will be deferred with a return, subject to evaluation in a future rate proceeding, and that Duke Energy Carolinas will refile for consideration of the GIP in a new docket for resolution by January 1, 2020. The Stipulation was approved by the PSCSC on June 19, 2019.

After hearings in March 2019, the PSCSC issued an order on May 21, 2019, which included a return on equity of 9.5 percent and a capital structure of 53 percent equity and 47 percent debt. The order also included the following material components:

- Approval of cancellation of the Lee Nuclear Project, with Duke Energy Carolinas maintaining the Combined Operating License;
- Approval of recovery of $125 million (South Carolina retail portion) of Lee Nuclear Project development costs (including AFUDC through December 2017) over a 12-year period, but denial of a return on the deferred balance of costs;
- Approval of recovery of $96 million of coal ash costs over a five-year period with a return at Duke Energy Carolinas' WACC;
- Denial of recovery of $115 million of certain coal ash costs deemed to be related to the Coal Ash Act and incremental to the federal CCR rule;
- Approval of a $66 million decrease to base rates to reflect the change in ongoing tax expense, primarily the reduction in the federal income tax rate from 35 to 21 percent;
- Approval of a $45 million decrease through the EDIT Rider to return EDIT resulting from the federal tax rate change and deferred revenues since January 2018 related to the change, to be returned in accordance with the Average Rate Assumption Method (ARAM) for protected EDIT, over a 20-year period for unprotected EDIT associated with Property, Plant and Equipment, over a five-year period for unprotected EDIT not associated with Property, Plant and Equipment and over a five-year period for the deferred revenues; and
- Approval of a $17 million decrease through the EDIT Rider related to reductions in the North Carolina state income tax rate from 6.9 to 2.5 percent to be returned over a five-year period.

As a result of the May 21, 2019 order, revised customer rates were effective June 1, 2019. On May 31, 2019, Duke Energy Carolinas filed a Petition for Rehearing or Reconsideration of that order contending substantial rights of Duke Energy Carolinas were prejudiced by unlawful, arbitrary and capricious rulings by the commission on certain issues presented in the proceeding. On June 19, 2019, the PSCSC issued a Directive denying Duke Energy Carolinas' request to rehear or reconsider the commission's rulings on certain issues presented in the proceeding including coal ash remediation and disposal costs, return on equity and the recovery of a return on deferred operation and maintenance expenses. Duke Energy Carolinas awaits the order on reconsideration detailing the commission's decision. Based upon legal analysis and Duke Energy Carolinas' intention to file a notice of appeal with the South Carolina Supreme Court within 30 days of receipt of the order, Duke Energy Carolinas has not recorded an adjustment for its deferred coal ash costs. Duke Energy Carolinas cannot predict the outcome of this matter.

FERC Formula Rate Matter

On July 31, 2017, PMPA filed a complaint with FERC alleging that Duke Energy Carolinas misapplied the formula rate under the PPA between the parties by including in its rates amortization expense associated with regulatory assets and recorded in a certain account without FERC approval. On February 15, 2018, FERC issued an order ruling in favor of PMPA and ordered Duke Energy Carolinas to refund to PMPA all amounts improperly collected under the PPA. Duke Energy Carolinas has issued to PMPA and similarly situated wholesale customers refunds of approximately $25 million. FERC also set the matter for settlement and hearing. PMPA and other customers filed a protest to Duke Energy Carolinas' refund report claiming that the refunds are inadequate in that (1) Duke Energy Carolinas invoked the limitations periods in the contracts to limit the time period for which the refunds were paid and the customers disagree that this limitation applies, and (2) Duke Energy Carolinas refunded only amounts recovered through a certain account and the customers have asserted that the order applies to all regulatory assets. On July 3, 2018, FERC issued an order accepting Duke Energy Carolinas' refund report and ruling that these two claims are outside the scope of FERC's February order. The settlement agreements and revised formula rates for all parties to the proceeding were filed on December 28, 2018. On April 2, 2019, FERC issued an order approving the settlement agreement as filed. Since then, Duke Energy Carolinas has implemented the terms of the settlement in rates with all wholesale customers, including non-intervening customers. On July 25, 2019, Duke Energy Carolinas received FERC approval for the accounting treatment requested for certain assets included in the settlement agreements. This is the final approval needed from FERC and concludes this proceeding.

Sale of Hydroelectric (Hydro) Plants

In May 2018, Duke Energy Carolinas entered an agreement for the sale of five hydro plants with a combined 18.7-MW generation capacity in the Western Carolinas region to Northbrook Energy. The completion of the transaction is subject to approval from FERC for the four FERC-licensed plants, as well as other state regulatory agencies and is contingent upon regulatory approval from the NCUC and PSCSC to defer the total estimated loss on the sale of approximately $40 million. On July 5, 2018, Duke Energy Carolinas filed with NCUC for approval of the sale of the five hydro plants to Northbrook, to transfer the CPCNs for the four North Carolina hydro plants and to establish a regulatory asset for the North Carolina retail portion of the difference between sales proceeds and net book value. On June 5, 2019, the NCUC issued an order approving the transfer of the hydro plants from Duke Energy Carolinas to Northbrook, granting deferral accounting and denying the Public Staff's motion for reconsideration.

On August 28, 2018, Duke Energy Carolinas filed with PSCSC an Application for Approval of Transfer and Sale of Hydroelectric Generation Facilities, Acceptance for Filing of a Power Purchase Agreement and an Accounting Order to Establish a Regulatory Asset. On September 10, 2018, the ORS provided a letter to the commission stating its position on the application and on September 18, 2018, Duke Energy Carolinas requested this matter be carried over to allow Duke Energy Carolinas time to discuss certain accounting issues with the ORS. At their June 26, 2019, agenda meeting, the PSCSC voted to approve the transfer and sale subject to the recommendation of the ORS that the issuance of an Accounting Order will not preclude the ORS, the commission or any other party from addressing the reasonableness of these costs, any return sought and including any carrying costs in the next rate case.

On August 9, 2018, Duke Energy Carolinas and Northbrook filed a joint Application for Transfer of Licenses with the FERC. On December 27, 2018, the FERC issued its Order Approving Transfer of Licenses ("Order") for the four FERC-licensed hydro plants. On January 18, 2019, Duke Energy Carolinas and Northbrook Carolina Hydro II, LLC requested a six-month extension of time to comply with the requirement of the Order that Northbrook submit to FERC certified copies of all instruments of conveyance and signed acceptance sheets within 60 days of the date of the Order. On February 14, 2019, FERC issued an order granting extensions until August 26, 2019, to comply with the requirements of the December 27, 2018 Order.

The closing is expected to occur in 2019. After closing, Duke Energy Carolinas will purchase all the capacity and energy generated by these facilities at the avoided cost for five years through power purchase agreements. Duke Energy Carolinas cannot predict the outcome of this matter.

Duke Energy Progress

2017 North Carolina Rate Case

On June 1, 2017, Duke Energy Progress filed an application with the NCUC for a rate increase for retail customers of approximately $477 million, which represented an approximate 14.9 percent increase in annual base revenues. Subsequent to the filing, Duke Energy Progress adjusted the requested amount to $420 million, representing an approximate 13 percent increase. The rate increase was driven by capital investments subsequent to the previous base rate case, costs of complying with CCR regulations and the Coal Ash Act, costs relating to storm recovery, investments in customer service technologies and recovery of costs associated with renewable purchased power.

On November 22, 2017, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement resolving certain portions of the proceeding. Terms of the settlement included a return on equity of 9.9 percent and a capital structure of 52 percent equity and 48 percent debt. On February 23, 2018, the NCUC issued an order approving the stipulation.

The order also impacted certain amounts that were similarly recorded on Duke Energy Carolinas' Condensed Consolidated Balance Sheets. As a result of the order, Duke Energy Progress and Duke Energy Carolinas recorded pretax charges of $68 million and $14 million, respectively, in the first quarter of 2018 to Impairment charges, Operation, maintenance and other and Interest Expense on the Condensed Consolidated Statements of Operations. Revised customer rates became effective on March 16, 2018.

On May 15, 2018, the Public Staff filed a Notice of Cross Appeal to the North Carolina Supreme Court from the NCUC's February 23, 2018, Order. The Public Staff contends the NCUC's order should be reversed and remanded, as it is affected by errors of law, and is unsupported by competent, material and substantial evidence in view of the entire record as submitted. The North Carolina Attorney General and Sierra Club also filed Notices of Appeal to the North Carolina Supreme Court from the February 23, 2018, Order. On November 29, 2018, the North Carolina Attorney General's Office filed a motion with the North Carolina Supreme Court requesting the court consolidate the Duke Energy Progress and Duke Energy Carolinas appeals and enter an order adopting the parties' proposed briefing schedule as set out in the filing. Appellant's brief was filed on April 26, 2019. The Appellee response briefs are due on September 25, 2019. Duke Energy Progress cannot predict the outcome of this matter.

2018 South Carolina Rate Case

On November 8, 2018, Duke Energy Progress filed an application with the PSCSC for a rate increase for retail customers of approximately $59 million, which represents an approximate 10.3 percent increase in annual base revenues. The rate increase is driven by capital investments and environmental compliance progress made by Duke Energy Progress since its previous rate case, including the further implementation of Duke Energy Progress' generation modernization program, which consists of retiring, replacing and upgrading generation plants, investments in customer service technologies and continued investments in base work to maintain its transmission and distribution systems. The request included a decrease resulting from the Tax Act of $17 million to reflect the change in ongoing tax expense, primarily the reduction in the federal income tax rate from 35 to 21 percent. The request also included $10 million to return EDIT resulting from the federal tax rate change and deferred revenues since January 2018 related to the change (EDIT Rider) and a $12 million increase due to the expiration of EDITs related to reductions in North Carolina state income taxes allocable to South Carolina.

Duke Energy Progress also requested approval of its proposed GIP, approval of a Prepaid Advantage Program and a variety of accounting orders related to ongoing costs for environmental compliance, including recovery over a five-year period of $51 million of deferred coal ash related compliance costs, AMI deployment, grid investments between rate changes and regulatory asset treatment related to the retirement of a generating plant located in Asheville, North Carolina. Finally, Duke Energy Progress sought approval to establish a reserve and accrual for end-of-life nuclear costs for materials and supplies and nuclear fuel. On March 8, 2019, the ORS moved to establish a new and separate hearing docket to review and consider the GIP proposed by Duke Energy Progress. Subsequently, on March 12, 2019, the ORS and Duke Energy Carolinas executed a Stipulation resolving the ORS's motion, and Duke Energy Progress agreed to the Stipulation, as did other parties in the rate case. The Stipulation provides that costs incurred after January 1, 2019, for the GIP will be deferred with a return, with all costs subject to evaluation in a future rate proceeding, and that Duke Energy Progress will refile for consideration of the GIP in a new docket for resolution by January 1, 2020. The Stipulation was approved by the PSCSC on June 19, 2019.

After hearings in April 2019, the PSCSC issued an order on May 21, 2019, which included a return on equity of 9.5 percent and a capital structure of 53 percent equity and 47 percent debt. The order also included the following material components:

- Approval of recovery of $4 million of coal ash costs over a five-year period with a return at Duke Energy Progress' WACC;
- Denial of recovery of $65 million of certain coal ash costs deemed to be related to the Coal Ash Act and incremental to the federal CCR rule;
- Approval of a $17 million decrease to base rates to reflect the change in ongoing tax expense, primarily the reduction in the federal income tax rate from 35 to 21 percent;
- Approval of a $12 million decrease through the EDIT Tax Savings Rider resulting from the federal tax rate change and deferred revenues since January 2018 related to the change, to be returned in accordance with ARAM for protected EDIT, over a 20-year period for unprotected EDIT associated with Property, Plant and Equipment, over a five-year period for unprotected EDIT not associated with Property, Plant and Equipment and over a three-year period for the deferred revenues; and
- Approval of a $12 million increase due to the expiration of EDIT related to reductions in the North Carolina state income tax rate from 6.9 to 2.5 percent.

As a result of the order, revised customer rates were effective June 1, 2019. On May 31, 2019, Duke Energy Progress filed a Petition for Rehearing or Reconsideration of that order contending substantial rights of Duke Energy Progress were prejudiced by unlawful, arbitrary and capricious rulings by the commission on certain issues presented in the proceeding. On June 19, 2019, the PSCSC issued a Directive denying Duke Energy Progress' request to rehear or reconsider the commission's rulings on certain issues presented in the proceeding including coal ash remediation and disposal costs, return on equity and the recovery of a return on deferred operation and maintenance expenses, but allowing additional litigation-related costs. As a result of the Directive allowing litigation-related costs, customer rates were revised effective July 1, 2019. Duke Energy Progress awaits the order on reconsideration detailing the commission's decision. Based upon legal analysis and Duke Energy Progress' intention to file a notice of appeal with the South Carolina Supreme Court within 30 days of receipt of the order, Duke Energy Progress has not recorded an adjustment for its deferred coal ash costs. Duke Energy Progress cannot predict the outcome of this matter.

Western Carolinas Modernization Plan

On November 4, 2015, Duke Energy Progress announced a Western Carolinas Modernization Plan, which included retirement of the existing Asheville coal-fired plant, the construction of two 280-MW combined-cycle natural gas plants having dual-fuel capability, with the option to build a third natural gas simple cycle unit in 2023 based upon the outcome of initiatives to reduce the region's power demand. The plan also included upgrades to existing transmission lines and substations, installation of solar generation and a pilot battery storage project. These investments will be made within the next seven years. Duke Energy Progress worked with the local natural gas distribution company to upgrade an existing natural gas pipeline to serve the natural gas plant. The lease became effective on March 2, 2019.

On March 28, 2016, the NCUC issued an order approving a CPCN for the new combined-cycle natural gas plants, but denying the CPCN for the contingent simple cycle unit without prejudice to Duke Energy Progress to refile for approval in the future. On March 28, 2019, Duke Energy Progress filed an annual progress report for the construction of the combined-cycle plants with the NCUC, with an estimated cost of $893 million. Site preparation activities for the combined-cycle plants are complete and construction of these plants began in 2017, with an expected in-service date in late 2019.

On October 8, 2018, Duke Energy Progress filed an application with the NCUC for a CPCN to construct the Hot Springs Microgrid Solar and Battery Storage Facility. On March 22, 2019, Duke Energy Progress and the Public Staff filed a Joint Proposed Order. On May 10, 2019, the NCUC issued an Order Granting Certificate of Public Convenience and Necessity with Conditions.

The carrying value of the 376-MW Asheville coal-fired plant, including associated ash basin closure costs, of $284 million and $327 million is included in Generation facilities to be retired, net on Duke Energy Progress' Condensed Consolidated Balance Sheets as of June 30, 2019, and December 31, 2018, respectively. Duke Energy Progress' request for a regulatory asset at the time of retirement with amortization over a 10-year period was approved by the NCUC on February 23, 2018.

Duke Energy Florida

Storm Restoration Cost Recovery

In September 2017, Duke Energy Florida's service territory suffered significant damage from Hurricane Irma, resulting in approximately 1 million customers experiencing outages. In the fourth quarter of 2017, Duke Energy Florida also incurred preparation costs related to Hurricane Nate. On December 28, 2017, Duke Energy Florida filed a petition with the FPSC to recover incremental storm restoration costs for Hurricane Irma and Hurricane Nate and to replenish the storm reserve. On February 6, 2018, the FPSC approved a stipulation that would apply tax savings resulting from the Tax Act toward storm costs effective January 2018 in lieu of implementing a storm surcharge. On May 31, 2018, Duke Energy Florida filed a petition for approval of actual storm restoration costs and associated recovery process related to Hurricane Irma and Hurricane Nate. The petition sought the approval for the recovery in the amount of $510 million in actual recoverable storm restoration costs, including the replenishment of Duke Energy Florida's storm reserve of $132 million, and the process for recovering these recoverable storm costs. On August 20, 2018, the FPSC approved Duke Energy Florida's unopposed Motion for Continuance filed August 17, 2018, to allow for an evidentiary hearing in this matter. On January 28, 2019, Duke Energy Florida made a supplemental filing to reduce the total storm cost recovery from $510 million to $508 million. On April 3, 2019, the FPSC issued an Order abating all remaining filing dates. On April 9, 2019, Duke Energy Florida filed an unopposed motion to approve a settlement agreement resolving all outstanding issues in this docket. On June 13, 2019, the FPSC issued its order approving the settlement agreement. The Storm Cost Settlement Agreement obligates Duke Energy Florida to capitalize $18 million of storm costs and remove $6 million of operating and maintenance expense, thereby reducing the requested storm cost recovery amount by $24 million. Duke Energy Florida will also implement process changes with respect to storm cost restoration. At June 30, 2019, and December 31, 2018, Duke Energy Florida's Condensed Consolidated Balance Sheets included approximately $118 million and $217 million, respectively, of recoverable costs under the FPSC's storm rule in Regulatory assets within Current Assets and Other Noncurrent Assets related to storm recovery for Hurricane Irma and Hurricane Nate.

In October 2018, Duke Energy Florida's service territory suffered damage when Hurricane Michael made landfall as a Category 5 hurricane with maximum sustained winds of 160 mph. The storm caused catastrophic damage from wind and storm surge, particularly from Panama City Beach to Mexico Beach, resulting in widespread outages and significant damage to transmission and distribution facilities across the central Florida Panhandle. In response to Hurricane Michael, Duke Energy Florida restored service to approximately 72,000 customers. Total current estimated incremental operation and maintenance and capital costs are $360 million. Approximately $82 million and $35 million of the costs are included in Net property, plant and equipment on the Condensed Consolidated Balance Sheets as of June 30, 2019, and December 31, 2018, respectively. Approximately $225 million and $165 million of costs are included in Regulatory assets within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of June 30, 2019, and December 31, 2018, respectively, representing recoverable costs under the FPSC's storm rule and Duke Energy Florida's OATT formula rates. Additional costs could be incurred in 2019 related to this fourth quarter 2018 storm.

Duke Energy Florida filed a petition with the FPSC on April 30, 2019, to recover the retail portion of incremental storm restoration costs for Hurricane Michael. The estimated recovery amount is approximately $221 million. On June 11, 2019, the FPSC approved the petition for recovery of incremental storm restoration costs related to Hurricane Michael. The FPSC also approved the stipulation Duke Energy Florida filed, which will allow Duke Energy Florida to use the tax savings resulting from the Tax Act to recover these storm costs in lieu of implementing a storm surcharge. Approved storm costs are currently expected to be fully recovered by approximately year-end 2021. Duke Energy Florida expects to file actual costs for approval with the FPSC in 2019. Duke Energy Florida cannot predict the outcome of this matter.

Tax Act

Pursuant to Duke Energy Florida's 2017 Settlement, on May 31, 2018, Duke Energy Florida filed a petition related to the Tax Act, which included revenue requirement impacts of annual tax savings of $134 million and estimated annual amortization of EDIT of $67 million for a total of $201 million. Of this amount, $50 million would be offset by accelerated depreciation of Crystal River 4 and 5 coal units and an estimated $151 million would be offset by Hurricane Irma storm cost recovery as explained in the Storm Restoration Cost Recovery section above. On December 27, 2018, Duke Energy Florida filed actual EDIT balances and amortization based on its 2017 filed tax return. This increased the revenue requirement impact of the amortization of EDIT by $4 million, from $67 million to $71 million, which increased the total storm amortization from $151 million to $155 million. On January 8, 2019, the FPSC approved a joint motion by Duke Energy Florida and the Office of Public Counsel resolving all stipulated positions. As part of that stipulation, Duke Energy Florida agreed to seek a Private Letter Ruling (PLR) from the IRS on its treatment of cost of removal (COR) as mostly protected by tax normalization rules. If the IRS rules that COR is not protected by tax normalization rules, then Duke Energy Florida will make a final adjustment to the amortization of EDIT and an adjustment to the storm recovery amount retroactive to January 2018. The IRS has communicated that it will not issue individual PLRs on the treatment of COR. Rather, the IRS is drafting a notice that will request comments on a number of issues, including COR, and the IRS plans to issue industrywide guidance on those issues. Duke Energy Florida cannot predict the outcome of this matter.

Solar Base Rate Adjustment

On July 31, 2018, Duke Energy Florida petitioned the FPSC to include in base rates the revenue requirements for its first two solar generation projects, the Hamilton Project and the Columbia Project, as authorized by the 2017 Settlement. The Hamilton Project, which was placed into service on December 22, 2018, has an annual retail revenue requirement of $15 million. At its October 30, 2018, Agenda Conference, the FPSC approved the rate increase related to the Hamilton Project to go into effect beginning with the first billing cycle in January 2019 under its file and suspend authority, and revised customer rates became effective in January 2019. The Columbia Project has a projected annual revenue requirement of $14 million and a projected in-service date in early 2020; the associated rate increase would take place with the first month's billing cycle after the Columbia Project goes into service. On April 2, 2019, the commission approved both solar projects as filed.

On March 25, 2019, Duke Energy Florida petitioned the FPSC to include in base rates the revenue requirements for its next wave of solar generation projects, the Trenton, Lake Placid and DeBary Solar Projects, as authorized by the 2017 Settlement. The annual retail revenue requirement for the Trenton and Lake Placid Projects is $13 million and $8 million, respectively, with projected in-service dates in the fourth quarter of 2019. The DeBary Project has a projected annual revenue requirement of $11 million and a projected in-service date in the first quarter of 2020. The associated rate increase would take place with the first month's billing cycle after each solar generation project goes into service. On July 22, 2019, the FPSC issued an order approving Duke Energy Florida's request.

Crystal River Unit 3 Accelerated Decommissioning Filing

On May 29, 2019, Duke Energy Florida entered into a Decommissioning Services Agreement for the accelerated decommissioning of the Crystal River Unit 3 nuclear power station located in Citrus County, Florida, with ADP CR3, LLC and ADP SF1, LLC, each of which is a wholly owned subsidiary of Accelerated Decommissioning Partners, LLC, a joint venture between NorthStar Group Services, Inc. and Orano USA LLC. Closing of this Agreement is contingent upon the approval of the NRC and FPSC. If approved, the decommissioning will be accelerated starting in 2020 and continuing through 2027, rather than the expected time frame under SAFSTOR of starting in 2067 and ending in 2074. Duke Energy Florida expects that the assets of the Nuclear Decommissioning Trust Fund will be sufficient to cover the contract price. On July 10, 2019, Duke Energy Florida petitioned the FPSC for approval of the Agreement. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

2017 Electric Security Plan

On June 1, 2017, Duke Energy Ohio filed with the PUCO a request for a standard service offer in the form of an ESP. On February 15, 2018, the procedural schedule was suspended to facilitate ongoing settlement discussions. On April 13, 2018, Duke Energy Ohio filed a Motion to consolidate this proceeding with several other cases pending before the PUCO, including, but not limited to, its Electric Base Rate Case. Additionally, on April 13, 2018, Duke Energy Ohio, along with certain intervenors, filed a Stipulation and Recommendation (Stipulation) with the PUCO resolving certain issues in this proceeding. The term of the ESP would be from June 1, 2018, to May 31, 2025, and included continuation of market-based customer rates through competitive procurement processes for generation, continuation and expansion of existing rider mechanisms and proposed new rider mechanisms relating to regulatory mandates, costs incurred to enhance the customer experience and transform the grid and a service reliability rider for vegetation management. The Stipulation established a regulatory model for the next seven years via the approval of the ESP and continued the current model for procuring supply for non-shopping customers, including recovery mechanisms. On December 19, 2018, the PUCO approved the Stipulation without material modification. Several parties filed applications for rehearing. On February 6, 2019, the PUCO granted the parties rehearing. The PUCO issued its Second Entry on Rehearing on July 17, 2019, upholding its December 19, 2018 order and denying all assignments of error raised by the non-stipulating parties. The parties have the ability to appeal to the Ohio Supreme Court within 60 days of the July entry. Duke Energy Ohio cannot predict the outcome of this matter.

Electric Base Rate Case

Duke Energy Ohio filed with the PUCO an electric distribution base rate case application and supporting testimony in March 2017. Duke Energy Ohio requested an estimated annual increase of approximately $15 million and a return on equity of 10.4 percent. The application also included requests to continue certain current riders and establish new riders. On September 26, 2017, the PUCO staff filed a report recommending a revenue decrease between approximately $18 million and $29 million and a return on equity between 9.22 percent and 10.24 percent. On April 13, 2018, Duke Energy Ohio filed a Motion to consolidate this proceeding with several other cases pending before the PUCO. On April 13, 2018, Duke Energy Ohio, along with certain intervenors, filed the Stipulation with the PUCO resolving numerous issues including those in this base rate proceeding. Major components of the Stipulation related to the base distribution rate case included a $19 million decrease in annual base distribution revenue with a return on equity unchanged from the current rate of 9.84 percent based upon a capital structure of 50.75 percent equity and 49.25 percent debt. Upon approval of new rates, Duke Energy Ohio's rider for recovering its initial SmartGrid implementation ended as these costs would be recovered through base rates. The Stipulation also renewed 14 existing riders, some of which were included in the company's ESP, and added two new riders including the Enhanced Service Reliability Rider to recover vegetation management costs not included in base rates, up to $10 million per year (operation and maintenance only) and the PowerForward Rider to recover costs incurred to enhance the customer experience and further transform the grid (operation and maintenance and capital). In addition to the changes in revenue attributable to the Stipulation, Duke Energy Ohio's capital-related riders, including the Distribution Capital Investments Rider, began to reflect the lower federal income tax rate associated with the Tax Act with updates to customers' bills beginning April 1, 2018. This change reduced electric revenue by approximately $20 million on an annualized basis. On December 19, 2018, the PUCO approved the Stipulation without material modification. New base rates were implemented effective January 2, 2019. Several parties filed applications for rehearing. On February 6, 2019, the PUCO granted the parties rehearing. The PUCO issued its Second Entry on Rehearing on July 17, 2019, upholding its December 19, 2018 order and denying all assignments of error raised by the non-stipulating parties. The parties have the ability to appeal to the Ohio Supreme Court within 60 days of the July entry. Duke Energy Ohio cannot predict the outcome of this matter.

Ohio Valley Electric Corporation

On March 31, 2017, Duke Energy Ohio filed for approval to adjust its existing price stabilization rider (Rider PSR) to pass through net costs related to its contractual entitlement to capacity and energy from the generating assets owned by OVEC. Duke Energy Ohio sought deferral authority for net costs incurred from April 1, 2017, until the new rates under Rider PSR were put into effect. On April 13, 2018, Duke Energy Ohio filed a Motion to consolidate this proceeding with several other cases currently pending before the PUCO. Also, on April 13, 2018, Duke Energy Ohio, along with certain intervenors, filed a Stipulation with the PUCO resolving numerous issues including those related to Rider PSR. The Stipulation activated Rider PSR for recovery of net costs incurred from January 1, 2018, through May 2025. On December 19, 2018, the PUCO approved the Stipulation without material modification. The PSR rider became effective April 1, 2019. Several parties filed applications for rehearing. On February 6, 2019, the PUCO granted the parties rehearing. The PUCO issued its Second Entry on Rehearing on July 17, 2019, upholding its December 19, 2018 order and denying all assignments of error raised by the non-stipulating parties. The parties have the ability to appeal to the Ohio Supreme Court within 60 days of the July entry. Duke Energy Ohio cannot predict the outcome of this matter.

On July 23, 2019, an Ohio bill was signed into law that will be effective January 1, 2020. Among other things, the bill allows for recovery of prudently incurred costs, net of any revenues, for Ohio Investor-owned utilities that are participants under the OVEC power agreement. The recovery shall be through a non-bypassable rider that is to replace any existing recovery mechanism approved by the PUCO and will remain in place through 2030. The amounts recoverable from customers will be subject to an annual cap, with incremental costs that exceed such cap eligible for deferral and recovery subject to review. See Note 13 for additional discussion of Duke Energy Ohio's ownership interest in OVEC.

Tax Act – Ohio

On July 25, 2018, Duke Energy Ohio filed an application to establish a new rider to implement the benefits of the Tax Act for electric distribution customers. The new rider will flow through to customers the benefit of the lower statutory federal tax rate from 35 to 21 percent since January 1, 2018, all future benefits of the lower tax rates and a full refund of deferred income taxes collected at the higher tax rates in prior years. Deferred income taxes subject to normalization rules will be refunded consistent with federal law and deferred income taxes not subject to normalization rules will be refunded over a 10-year period. Duke Energy Ohio's transmission rates reflect lower federal income tax but guidance from FERC on amortization of both protected and unprotected transmission-related EDITs is still pending. On October 24, 2018, the PUCO issued a Finding and Order that, among other things, directed all utilities over which the commission has rate-making authority to file an application to pass the benefits of the Tax Act to customers by January 1, 2019, unless otherwise exempted or directed by the PUCO. Duke Energy Ohio's July 25, 2018, filing for electric distribution operations is consistent with the commission's October 24, 2018, Finding and Order and no further action is needed. On February 20, 2019, the PUCO approved the application without material modification. Rates became effective March 1, 2019.

On December 21, 2018, Duke Energy Ohio filed an application to change its base rates and establish a new rider to implement the benefits of the Tax Act for natural gas customers. Duke Energy Ohio requested commission approval to implement the changes and rider effective April 1, 2019. The new rider will flow through to customers the benefit of the lower statutory federal tax rate from 35 to 21 percent since January 1, 2018, all future benefits of the lower tax rates and a full refund of deferred income taxes collected at the higher tax rates in prior years. Deferred income taxes subject to normalization rules will be refunded consistent with federal law and deferred income taxes not subject to normalization rules will be refunded over a 10-year period. The PUCO established a procedural schedule and testimony was filed on July 31, 2019. An evidentiary hearing will take place on August 7, 2019. Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

On March 28, 2014, Duke Energy Ohio filed an application for recovery of program costs, lost distribution revenue and performance incentives related to its energy efficiency and peak demand reduction programs. These programs are undertaken to comply with environmental mandates set forth in Ohio law. The PUCO approved Duke Energy Ohio's application but found that Duke Energy Ohio was not permitted to use banked energy savings from previous years in order to calculate the amount of allowed incentive. This conclusion represented a change to the cost recovery mechanism that had been agreed upon by intervenors and approved by the PUCO in previous cases. The PUCO granted the applications for rehearing filed by Duke Energy Ohio and an intervenor. On January 6, 2016, Duke Energy Ohio and the PUCO Staff entered into a stipulation, pending the PUCO's approval, to resolve issues related to performance incentives and the PUCO Staff audit of 2013 costs, among other issues. In December 2015, based upon the stipulation, Duke Energy Ohio re-established approximately $20 million of the revenues that had been previously reversed. On October 26, 2016, the PUCO issued an order approving the stipulation without modification. In December 2016, the PUCO granted the intervenors request for rehearing for the purpose of further review. On April 10, 2019, the PUCO issued an Entry on Rehearing denying the rehearing applications.

On June 15, 2016, Duke Energy Ohio filed an application for approval of a three-year energy efficiency and peak demand reduction portfolio of programs. A stipulation and modified stipulation were filed on December 22, 2016, and January 27, 2017, respectively. Under the terms of the stipulations, which included support for deferral authority of all costs and a cap on shared savings incentives, Duke Energy Ohio has offered its energy efficiency and peak demand reduction programs throughout 2017. On February 3, 2017, Duke Energy Ohio filed for deferral authority of its costs incurred in 2017 in respect of its proposed energy efficiency and peak demand reduction portfolio. On September 27, 2017, the PUCO issued an order approving a modified stipulation. The modifications impose an annual cap of approximately $38 million on program costs and shared savings incentives combined, but allowed for Duke Energy Ohio to file for a waiver of costs in excess of the cap in 2017. The PUCO approved the waiver request for 2017 up to a total cost of $56 million. On November 21, 2017, the PUCO granted Duke Energy Ohio's and intervenor's applications for rehearing of the September 27, 2017, order. On January 10, 2018, the PUCO denied the Ohio Consumers' Counsel's application for rehearing of the PUCO order granting Duke Energy Ohio's waiver request; however, a decision on Duke Energy Ohio's application for rehearing remains pending. Duke Energy Ohio cannot predict the outcome of this matter.

2014 Electric Security Plan

On May 30, 2018, the PUCO approved an extension of Duke Energy Ohio's then-current ESP, including all terms and conditions thereof, excluding an extension of Duke Energy Ohio's Rider DCI. Following rehearing, on July 25, 2018, the PUCO granted the request and allowed a continuing cap on recovery under Rider DCI. The orders were upheld on rehearing requested by OMA and OCC. The time period for parties to file for rehearing or appeal has expired.

In 2018, the OMA and OCC filed separate appeals of PUCO's approval of Duke Energy Ohio's ESP with the Ohio Supreme Court, challenging PUCO's approval of Duke Energy Ohio's Price Stability Rider as a placeholder and its Rider DCI to recover incremental revenue requirement for distribution capital since Duke Energy Ohio's last base rate case. The Ohio Supreme Court issued an order on March 13, 2019, for the appellants to show cause why the appeals should not be dismissed as moot in light of the commission's approval of Duke Energy Ohio's current ESP. The OCC and OMA made the requested filings on March 20, 2019, and Duke Energy Ohio filed its response on March 27, 2019. Subsequent to OCC and OMA making the requested filings, the Ohio Supreme Court dismissed the appeals as moot on May 8, 2019.

Natural Gas Pipeline Extension

Duke Energy Ohio is proposing to install a new natural gas pipeline (the Central Corridor Project) in its Ohio service territory to increase system reliability and enable the retirement of older infrastructure. Duke Energy Ohio currently estimates the pipeline development costs and construction activities will range from $163 million to $245 million in direct costs (excluding overheads and AFUDC). On January 20, 2017, Duke Energy Ohio filed an amended application with the Ohio Power Siting Board (OPSB) for approval of one of two proposed routes. A public hearing was held on June 15, 2017. In April 2018, Duke Energy Ohio filed a motion with OPSB to establish a procedural schedule and filed supplemental information supporting its application. On December 18, 2018, the OPSB established a procedural schedule that included a local public hearing on March 21, 2019. An evidentiary hearing began on April 9, 2019, and concluded on April 11, 2019. Briefs were filed on May 13, 2019, and reply briefs were filed on June 10, 2019. If approved, construction of the pipeline extension is expected to be completed before the 2021/2022 winter season. Duke Energy Ohio expects a decision by the end of 2019. Duke Energy Ohio cannot predict the outcome of this matter.

2012 Natural Gas Rate Case/MGP Cost Recovery

As part of its 2012 natural gas base rate case, Duke Energy Ohio has approval to defer and recover costs related to environmental remediation at two sites (East End and West End) that housed former MGP operations. Duke Energy Ohio has made annual applications for recovery of these deferred costs. Duke Energy Ohio is currently recovering approximately $55 million in environmental remediation costs between 2009 through 2012 through a separate rider, Rider MGP. Duke Energy Ohio has made annual applications with the PUCO to recover its incremental remediation costs consistent with the PUCO's directive in Duke Energy Ohio's 2012 natural gas rate case. To date, the PUCO has not ruled on Duke Energy Ohio's annual applications for the calendar years 2013 through 2017. On September 28, 2018, the staff of the PUCO issued a report recommending a disallowance of approximately $12 million of the $26 million in MGP remediation costs incurred between 2013 through 2017 that staff believes are not eligible for recovery. Staff interprets the PUCO's 2012 Order granting Duke Energy Ohio recovery of MGP remediation as limiting the recovery to work directly on the East End and West End sites. On October 30, 2018, Duke Energy Ohio filed reply comments objecting to the staff's recommendations and explaining, among other things, the obligation Duke Energy Ohio has under Ohio law to remediate all areas impacted by the former MGPs and not just physical property that housed the former plants and equipment. To date, the PUCO has not issued a procedural schedule and has not ruled on Duke Energy Ohio's applications. On March 29, 2019, Duke Energy Ohio filed its annual application to recover incremental remediation expense for the calendar year 2018 seeking recovery of approximately $20 million in remediation costs. On July 12, 2019, the staff recommended a disallowance of approximately $11 million for work that staff believes occurred in areas not authorized for recovery. Duke Energy Ohio cannot predict the outcome of this matter.

The 2012 PUCO order also contained conditional deadlines for completing the MGP environmental investigation and remediation costs at the MGP sites. Subsequent to the order, the deadline was extended to December 31, 2019. On May 10, 2019, Duke Energy Ohio filed an application requesting a continuation of its existing deferral authority for MGP remediation and investigation that must occur after December 31, 2019. Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Kentucky Natural Gas Base Rate Case

On August 31, 2018, Duke Energy Kentucky filed an application with the KPSC requesting an increase in natural gas base rates of approximately $11 million, an approximate 11.1 percent average increase across all customer classes. The increase was net of approximately $5 million in annual savings as a result of the Tax Act. The drivers for this case are capital invested since Duke Energy Kentucky's last rate case in 2009. Duke Energy Kentucky also sought implementation of a Weather Normalization Adjustment Mechanism, amortization of regulatory assets and to implement the impacts of the Tax Act, prospectively. On January 30, 2019, Duke Energy Kentucky entered into a settlement agreement with the Attorney General of Kentucky, the only intervenor in the case. The settlement provided for an approximate $7 million increase in natural gas base revenue, a return on equity of 9.7 percent and approval of the proposed Weather Normalization Mechanism. A hearing was held on February 5, 2019. The commission issued its Order approving the settlement without material modification on March 27, 2019. Revised customer rates were effective April 1, 2019.

Duke Energy Kentucky Electric Base Rate Case

On August 1, 2019, Duke Energy Kentucky filed a notice with the KPSC of its intent to file a general electric rate case application no earlier than 30 days from the notice submittal date.

Duke Energy Indiana

2019 Indiana Rate Case

On July 2, 2019, Duke Energy Indiana filed a general rate case with the IURC, its first general rate case in Indiana in 16 years, for a rate increase for retail customers of approximately $395 million, which represents an approximate 15 percent increase in retail revenues. The rate increase is driven by strategic investments to generate cleaner electricity, improve reliability and serve a growing customer base. The request is premised upon a Duke Energy Indiana rate base of $10.2 billion as of December 31, 2018, and adjusted for projected changes through December 31, 2020. Hearings are expected to commence in early 2020, with rates to be effective by mid-2020. Duke Energy Indiana cannot predict the outcome of this matter.

FERC Transmission Return on Equity Complaint

Customer groups have filed with the FERC complaints against MISO and its transmission-owning members, including Duke Energy Indiana, alleging, among other things, that the current base rate of return on equity earned by MISO transmission owners of 12.38 percent is unjust and unreasonable. The complaints claim, among other things, that the current base rate of return on equity earned by MISO transmission owners should be reduced to 8.67 percent. On January 5, 2015, the FERC issued an order accepting the MISO transmission owners' adder of 0.50 percent to the base rate of return on equity based on participation in an RTO subject to it being applied to a return on equity that is shown to be just and reasonable in the pending return on equity complaints. On December 22, 2015, the presiding FERC ALJ in the first complaint issued an Initial Decision in which the base rate of return on equity was set at 10.32 percent. On September 28, 2016, the Initial Decision in the first complaint was affirmed by FERC, but is subject to rehearing requests. On June 30, 2016, the presiding FERC ALJ in the second complaint issued an Initial Decision setting the base rate of return on equity at 9.70 percent. The Initial Decision in the second complaint is pending FERC review. On April 14, 2017, the D.C. Circuit Court, in *Emera Maine v. FERC*, reversed and remanded certain aspects of the methodology employed by FERC to establish rates of return on equity. On October 16, 2018, FERC issued an order in response to the Emera remand proceeding proposing a new method for determining whether an existing return on equity is unjust and unreasonable, and a new process for determining a just and reasonable return on equity. On November 14, 2018, FERC directed parties to the MISO complaints to file briefs on how the new process for determining return on equity proposed in the Emera proceeding should be applied to the complaints involving the MISO transmission owners' return on equity. Initial briefs were filed on February 13, 2019, and reply briefs were filed April 10, 2019. Duke Energy Indiana currently believes these matters will not have a material impact on its results of operations, cash flows and financial position.

Edwardsport Integrated Gasification Combined Cycle Plant

On September 20, 2018, Duke Energy Indiana, the Indiana Office of Utility Consumer Counselor, the Duke Industrial Group and Nucor Steel – Indiana entered into a settlement agreement to resolve IGCC ratemaking issues for calendar years 2018 and 2019. The agreement will remain in effect until new rates are established in Duke Energy Indiana's next base rate case, which was filed on July 2, 2019, with rates to be effective in mid-2020. An evidentiary hearing was held in December 2018, and on June 5, 2019, the IURC issued an Order approving the 2018 Settlement Agreement.

Piedmont

North Carolina Integrity Management Rider Filing

On April 30, 2019, Piedmont filed a petition under the IMR mechanism to update rates, based on the eligible capital investments closed to integrity and safety projects over the six-month period ending March 31, 2019. The NCUC approved the petition on May 29, 2019, and rates became effective June 1, 2019. The effect of the update was an increase to annual revenues of approximately $9 million.

Tennessee Integrity Management Rider Filing

In November 2018, Piedmont filed a petition with the TPUC under the IMR mechanism to collect an additional $3 million in annual revenues, effective January 2019, based on the eligible capital investments closed to integrity and safety projects over the 12-month period ending October 31, 2018. A hearing on the matter was held on March 11, 2019. On May 20, 2019, the TPUC approved Piedmont's IMR application as filed and revised customer rates were effective June 1, 2019.

2019 North Carolina Rate Case

On April 1, 2019, Piedmont filed an application with the NCUC, its first general rate case in North Carolina in six years, for a rate increase for retail customers of approximately $83 million, which represents an approximate 9 percent increase in retail revenues. The rate increase is driven by significant infrastructure upgrade investments (plant additions) since the last general rate case, offset by savings that customers will begin receiving due to federal and state tax reform. Approximately half of the plant additions being rolled into rate base are categories of plant investment not covered under the IMR mechanism, which was originally approved as part of the 2013 North Carolina Rate Case. An evidentiary hearing is scheduled to begin on August 19, 2019, and a decision and revised customer rates are expected by the end of 2019. Piedmont cannot predict the outcome of this matter.

OTHER REGULATORY MATTERS

Atlantic Coast Pipeline, LLC

On September 2, 2014, Duke Energy, Dominion Resources (Dominion), Piedmont and Southern Company Gas announced the formation of Atlantic Coast Pipeline, LLC (ACP) to build and own the proposed Atlantic Coast Pipeline (ACP pipeline), an approximately 600-mile interstate natural gas pipeline running from West Virginia to North Carolina. The ACP pipeline is designed to meet, in part, the needs identified by Duke Energy Carolinas, Duke Energy Progress and Piedmont. Dominion will be responsible for building and operating the ACP pipeline and holds a leading ownership percentage in ACP of 48 percent. Duke Energy owns a 47 percent interest, which is accounted for as an equity method investment through its Gas Utilities and Infrastructure segment. Southern Company Gas maintains a 5 percent interest. See Note 13 for additional information related to Duke Energy's ownership interest. Duke Energy Carolinas, Duke Energy Progress and Piedmont, among others, will be customers of the pipeline. Purchases will be made under several 20-year supply contracts, subject to state regulatory approval.

In 2018, the FERC issued a series of Notices to Proceed, which authorized the project to begin certain construction-related activities along the pipeline route, including supply header and compressors. On May 11, 2018, and October 19, 2018, FERC issued Notices to Proceed allowing full construction activities in all areas of West Virginia except in the Monongahela National Forest. On July 24, 2018, FERC issued a Notice to Proceed allowing full construction activities along the project route in North Carolina. On October 19, 2018, the conditions to effectiveness of the Virginia 401 water quality certification were satisfied. Immediately following receipt of the Virginia 401 certification, ACP filed a request for FERC to issue a Notice to Proceed with full construction activities in Virginia. We appreciate the professional and collaborative process by the permitting agencies designed to ensure that this critical energy infrastructure project will meet the stringent environmental standards required by law and regulation.

ACP is the subject of challenges in state and federal courts and agencies, including, among others, challenges of the project's biological opinion (BiOp) and incidental take statement (ITS), crossings of the Blue Ridge Parkway, the Appalachian Trail, and the Monongahela and George Washington National Forests, the project's U.S. Army Corps of Engineers (USACE) 404 permit, the Virginia conditional 401 water quality certification, the project's air permit for a compressor station at Buckingham, Virginia, the FERC Environmental Impact Statement order and the FERC order approving the Certificate of Public Convenience and Necessity. Each of these challenges alleges non-compliance on the part of federal and state permitting authorities and adverse ecological consequences if the project is permitted to proceed. Since December 2018, notable developments in these challenges include a stay in December 2018 issued by the U.S. Court of Appeals for the Fourth Circuit (Fourth Circuit) and the same court's ultimate vacatur of the project's BiOp and ITS (which stay has halted most project construction activity), a Fourth Circuit decision vacating the project's permits to cross the Monongahela and George Washington National Forests and the Appalachian Trail, the Fourth Circuit's remand to USACE of ACP's Huntington District 404 verification and the Fourth Circuit's remand to the National Park Service of the ACP's Blue Ridge Parkway right-of-way. ACP is vigorously defending these challenges and coordinating with the federal and state authorities which are the direct parties to the challenges. The Solicitor General of the United States and ACP filed petitions for certiorari to the Supreme Court of the United States on June 25, 2019, regarding the Appalachian Trail crossing and anticipate a decision in October 2019 from the Supreme Court of the United States as to whether it will hear the case. ACP is also evaluating possible legislative remedies to this issue. On July 26, 2019, the Fourth Circuit issued an order vacating ACP's BiOp and ITS, finding that the U.S. Fish and Wildlife Service (FWS) had reached arbitrary conclusions in issuing the vacated BiOp and ITS. In anticipation of such an order by the Fourth Circuit, ACP and the FWS commenced work in mid-May of 2019 to set the basis for a reissued BiOp and ITS. ACP continues coordinating and working with FWS and other parties in preparation for a reissuance of the BiOp and ITS.

The delays resulting from the legal challenges described above have impacted the cost and schedule for the project. As a result, project cost estimates have increased to $7.0 billion to $7.8 billion, excluding financing costs. ACP expects to achieve a late 2020 in-service date for key segments of the project, while it expects the remainder to extend into 2021. Abnormal weather, work delays (including delays due to judicial or regulatory action) and other conditions may result in cost or schedule modifications in the future.

Constitution Pipeline Company, LLC

Duke Energy owns a 24 percent ownership interest in Constitution, which is accounted for as an equity method investment. Constitution is a natural gas pipeline project slated to transport natural gas supplies from the Marcellus supply region in northern Pennsylvania to major northeastern markets. The pipeline will be constructed and operated by Williams Partners L.P., which has a 41 percent ownership share. The remaining interest is held by Cabot Oil and Gas Corporation and WGL Holdings, Inc. Before the permitting delays discussed below, Duke Energy's total anticipated contributions were approximately $229 million. As a result of the permitting delays and project uncertainty, total anticipated contributions by Duke Energy can no longer be reasonably estimated. Since April 2016, with the actions of the New York State Department of Environmental Conservation (NYSDEC), Constitution stopped construction and discontinued capitalization of future development costs until the project's uncertainty is resolved.

In December 2014, Constitution received approval from the FERC to construct and operate the proposed pipeline. However, on April 22, 2016, the NYSDEC denied Constitution's application for a necessary water quality certification for the New York portion of the Constitution pipeline. Constitution filed a series of legal actions challenging the legality and appropriateness of the NYSDEC's decision, culminating in an appeal to the Supreme Court of the United States, which appeal was denied on April 30, 2018. In addition, in October 2017, Constitution filed a petition for declaratory order requesting FERC to find that the NYSDEC waived its rights to issue a Section 401 water quality certification by not acting on Constitution's application within a reasonable period of time as required by statute, which petition was denied on January 11, 2018.

On January 25, 2019, the D.C. Circuit Court rendered a decision in *Hoopa Valley Tribe v. FERC* that withdrawal and resubmission of an application for a Section 401 water quality certification constituted a waiver by the relevant state agency when such withdrawals and resubmissions were intended to extend the one-year limit on accepting or rejecting such an application. As Constitution had made similar arguments in its 2018 petition to FERC for a declaratory order, on April 1, 2019, Constitution filed a new petition for declaratory order requesting FERC find a waiver on the part of NYSDEC in accordance with the D.C. Circuit Court's newly established precedent. On May 1, 2019, Constitution filed its response to supplemental pleadings filed by NYSDEC and others in this proceeding. A FERC response is expected later this year.

Constitution is currently unable to approximate an in-service date for the project due to the NYSDEC's denial of the water quality certification. The Constitution partners remain committed to the project and are evaluating next steps to move the project forward. On June 25, 2018, Constitution filed with FERC a Request for Extension of Time until December 2, 2020, for construction of the project. On November 5, 2018, FERC issued an Order Granting Extension of Time.

During the six months ended June 30, 2018, Duke Energy recorded an OTTI of $55 million within Equity in earnings of unconsolidated affiliates on Duke Energy's Condensed Consolidated Statements of Income. The charge represented the excess carrying value over the estimated fair value of the project, which was based on a Level 3 Fair Value measurement that was determined from the income approach using discounted cash flows. The impairment was primarily due to actions taken by the courts and regulators to uphold the NYSDEC's denial of the certification and uncertainty associated with the remaining legal and regulatory challenges.

See Note 13 for additional information related to ownership interest and carrying value of the investment.

Potential Coal Plant Retirements

The Subsidiary Registrants periodically file IRPs with their state regulatory commissions. The IRPs provide a view of forecasted energy needs over a long term (10 to 20 years) and options being considered to meet those needs. IRPs filed by the Subsidiary Registrants included planning assumptions to potentially retire certain coal-fired generating facilities in North Carolina and Indiana earlier than their current estimated useful lives. Duke Energy continues to evaluate the potential need to retire these coal-fired generating facilities earlier than the current estimated useful lives and plans to seek regulatory recovery for amounts that would not be otherwise recovered when any of these assets are retired.

The table below contains the net carrying value of generating facilities planned for retirement or included in recent IRPs as evaluated for potential retirement. Dollar amounts in the table below are included in Net property, plant and equipment on the Condensed Consolidated Balance Sheets as of June 30, 2019, and exclude capitalized asset retirement costs.

	Capacity (in MW)	Remaining Net Book Value (in millions)
Duke Energy Carolinas		
Allen Steam Station Units 1-3[(a)]	585	156
Duke Energy Indiana		
Gallagher Units 2 and 4[(b)]	280	118
Gibson Units 1-5[(c)]	3,132	1,960
Cayuga Units 1-2[(c)]	1,005	983
Total Duke Energy	5,002	$ 3,217

(a) Duke Energy Carolinas will retire Allen Steam Station Units 1 through 3 by December 31, 2024, as part of the resolution of a lawsuit involving alleged New Source Review violations.

(b) Duke Energy Indiana committed to either retire or stop burning coal at Gallagher Units 2 and 4 by December 31, 2022, as part of the 2016 settlement of Edwardsport IGCC matters.

(c) On July 1, 2019, Duke Energy Indiana filed its 2018 IRP with the IURC. The 2018 IRP included scenarios evaluating the potential retirement of coal-fired generating units at Gibson and Cayuga. The rate case filed July 2, 2019, includes proposed depreciation rates reflecting retirement dates from 2026 to 2038.

Refer to the "Western Carolinas Modernization Plan" discussion above for details of Duke Energy Progress' planned retirements.

4. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL

The Duke Energy Registrants are subject to federal, state and local regulations regarding air and water quality, hazardous and solid waste disposal, coal ash and other environmental matters. These regulations can be changed from time to time, imposing new obligations on the Duke Energy Registrants. The following environmental matters impact all Duke Energy Registrants.

Remediation Activities

In addition to AROs recorded as a result of various environmental regulations, the Duke Energy Registrants are responsible for environmental remediation at various sites. These include certain properties that are part of ongoing operations and sites formerly owned or used by Duke Energy entities. These sites are in various stages of investigation, remediation and monitoring. Managed in conjunction with relevant federal, state and local agencies, remediation activities vary based upon site conditions and location, remediation requirements, complexity and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, the Duke Energy Registrants could potentially be held responsible for environmental impacts caused by other potentially responsible parties and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives and/or regulatory decisions have not yet been determined at all sites. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other on the Condensed Consolidated Statements of Operations unless regulatory recovery of the costs is deemed probable.

The following tables contain information regarding reserves for probable and estimable costs related to the various environmental sites. These reserves are recorded in Accounts Payable within Current Liabilities and Other within Other Noncurrent Liabilities on the Condensed Consolidated Balance Sheets.

	Six Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Balance at beginning of period	$ 77	$ 11	$ 11	$ 4	$ 6	$ 48	$ 5	$ 2
Provisions/adjustments	9	4	3	2	1	2	—	—
Cash reductions	(22)	(3)	(1)	(1)	—	(18)	—	—
Balance at end of period	$ 64	$ 12	$ 13	$ 5	$ 7	$ 32	$ 5	$ 2

	Six Months Ended June 30, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Balance at beginning of period	$ 81	$ 10	$ 15	$ 3	$ 12	$ 47	$ 5	$ 2
Provisions/adjustments	1	2	2	2	(1)	(3)	1	—
Cash reductions	(14)	(1)	(2)	(1)	(1)	(9)	(1)	—
Balance at end of period	$ 68	$ 11	$ 15	$ 4	$ 10	$ 35	$ 5	$ 2

Additional losses in excess of recorded reserves that could be incurred for the stages of investigation, remediation and monitoring for environmental sites that have been evaluated at this time are not material except as presented in the table below.

(in millions)	
Duke Energy	$ 51
Duke Energy Carolinas	12
Duke Energy Ohio	29
Piedmont	2

LITIGATION

Duke Energy Carolinas and Duke Energy Progress

NCDEQ Closure Litigation

The Coal Ash Act requires CCR surface impoundments in North Carolina to be closed, with the closure method and timing based on a risk ranking classification determined by legislation or state regulators. The NCDEQ previously classified the impoundments at Allen, Belews Creek, Rogers, Marshall, Mayo and Roxboro as low risk and Duke Energy expected to close those sites through a combination of a cap system and a groundwater monitoring system. However, on April 1, 2019, NCDEQ issued a closure determination (NCDEQ's April 1 Order) requiring Duke Energy Carolinas and Duke Energy Progress to excavate all remaining coal ash impoundments at these facilities. On April 26, 2019, Duke Energy Carolinas and Duke Energy Progress filed Petitions for Contested Case Hearings in the Office of Administrative Hearings to challenge NCDEQ's April 1 Order. On May 9, 2019, NCDEQ issued a supplemental order requiring that closure plans be submitted on December 31, 2019, but providing that the corrective action plans are not due until March 31, 2020. Duke Energy Carolinas and Duke Energy Progress filed amended petitions on May 24, 2019, incorporating the May 9, 2019 order.

On June 14, 2019, NCDEQ filed a motion to dismiss several claims in Duke Energy Carolinas' and Duke Energy Progress' appeals. On August 2, 2019, the court entered an order granting NCDEQ's motion to dismiss several of the claims. The lawsuit will proceed on the remaining issues, including whether the NCDEQ's decision was arbitrary and capricious. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Coal Ash Insurance Coverage Litigation

In March 2017, Duke Energy Carolinas and Duke Energy Progress filed a civil action in North Carolina Superior Court against various insurance providers. The lawsuit seeks payment for coal ash-related liabilities covered by third-party liability insurance policies. The insurance policies were issued between 1971 and 1986 and provide third-party liability insurance for property damage. The civil action seeks damages for breach of contract and indemnification for costs arising from the Coal Ash Act and the EPA CCR rule at 15 coal-fired plants in North Carolina and South Carolina. On May 14, 2019, the court granted an extension of stay, until September 15, 2019, to allow the parties to discuss potential resolution. If the case is not fully resolved at that time, litigation will resume. The trial is now scheduled for February 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

NCDEQ State Enforcement Actions

In the first quarter of 2013, the SELC sent notices of intent to sue Duke Energy Carolinas and Duke Energy Progress related to alleged CWA violations from coal ash basins at two of their coal-fired power plants in North Carolina. The NCDEQ filed enforcement actions against Duke Energy Carolinas and Duke Energy Progress alleging violations of water discharge permits and North Carolina groundwater standards. The cases have been consolidated and are being heard before a single judge in the North Carolina Superior Court.

On August 16, 2013, the NCDEQ filed an enforcement action against Duke Energy Carolinas and Duke Energy Progress related to their remaining plants in North Carolina, alleging violations of the CWA and violations of the North Carolina groundwater standards. Both of these cases have been assigned to the judge handling the enforcement actions discussed above. SELC is representing several environmental groups who have been permitted to intervene in these cases.

The court issued orders in 2016 granting Motions for Partial Summary Judgment for seven of the 14 North Carolina plants named in the enforcement actions. On February 13, 2017, the court issued an order denying motions for partial summary judgment brought by both the environmental groups and Duke Energy Carolinas and Duke Energy Progress for the remaining seven plants. On March 15, 2017, Duke Energy Carolinas and Duke Energy Progress filed a Notice of Appeal with the North Carolina Court of Appeals to challenge the trial court's order. The parties were unable to reach an agreement at mediation in April 2017 and submitted briefs to the trial court on remaining issues to be tried. On August 1, 2018, the Court of Appeals dismissed the appeal and the matter is proceeding before the trial court. In light of the NCDEQ's April 1 Order, on April 29, 2019, the court decided to stay any activity in the case until August 2019, at which time the court will hold another status conference. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Federal Citizens Suits

On June 13, 2016, the RRBA filed a federal citizen suit in the Middle District of North Carolina alleging unpermitted discharges to surface water and groundwater violations at the Mayo Plant. On August 19, 2016, Duke Energy Progress filed a Motion to Dismiss. On April 26, 2017, the court entered an order dismissing four of the claims in the federal citizen suit. Two claims relating to alleged violations of NPDES permit provisions survived the motion to dismiss, and Duke Energy Progress filed its response on May 10, 2017. Duke Energy Progress and RRBA each filed motions for summary judgment on March 23, 2018. The court has not yet ruled on these motions.

On May 16, 2017, RRBA filed a federal citizen suit in the U.S. District Court for the Middle District of North Carolina, which asserts two claims relating to alleged violations of NPDES permit provisions at the Roxboro Plant and one claim relating to the use of nearby water bodies. Duke Energy Progress and RRBA each filed motions for summary judgment on April 17, 2018, and the court has not yet ruled on these motions.

On May 8, 2018, on motion from Duke Energy Progress, the court ordered trial in both of the above matters to be consolidated. On April 5, 2019, Duke Energy Progress filed a motion to stay the case following the NCDEQ's April 1 Order. On August 2, 2019, the court ordered that this case is stayed and shall remain stayed pending further order from the court.

On December 5, 2017, various parties filed a federal citizen suit in the U.S. District Court for the Middle District of North Carolina for alleged violations at Duke Energy Carolinas' Belews Creek under the CWA. Duke Energy Carolinas' answer to the complaint was filed on August 27, 2018. On October 10, 2018, Duke Energy Carolinas filed Motions to Dismiss for lack of standing, Motion for Judgment on the Pleadings and Motion to Stay Discovery. On January 9, 2019, the court entered an order denying Duke Energy Carolinas' motion to stay discovery. There has been no ruling on the other pending motions. On April 5, 2019, Duke Energy Carolinas filed a motion to stay the case following the NCDEQ's April 1 Order. On August 2, 2019, the court ordered that this case is stayed and shall remain stayed pending further order from the court.

Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of these matters.

Asbestos-related Injuries and Damages Claims

Duke Energy Carolinas has experienced numerous claims for indemnification and medical cost reimbursement related to asbestos exposure. These claims relate to damages for bodily injuries alleged to have arisen from exposure to or use of asbestos in connection with construction and maintenance activities conducted on its electric generation plants prior to 1985. As of June 30, 2019, there were 145 asserted claims for non-malignant cases with cumulative relief sought of up to $38 million, and 50 asserted claims for malignant cases with cumulative relief sought of up to $16 million. Based on Duke Energy Carolinas' experience, it is expected that the ultimate resolution of most of these claims likely will be less than the amount claimed.

Duke Energy Carolinas has recognized asbestos-related reserves of $607 million at June 30, 2019, and $630 million at December 31, 2018. These reserves are classified in Other within Other Noncurrent Liabilities and Other within Current Liabilities on the Condensed Consolidated Balance Sheets. These reserves are based upon Duke Energy Carolinas' best estimate for current and future asbestos claims through 2038 and are recorded on an undiscounted basis. In light of the uncertainties inherent in a longer-term forecast, management does not believe they can reasonably estimate the indemnity and medical costs that might be incurred after 2038 related to such potential claims. It is possible Duke Energy Carolinas may incur asbestos liabilities in excess of the recorded reserves.

Duke Energy Carolinas has third-party insurance to cover certain losses related to asbestos-related injuries and damages above an aggregate self-insured retention. Duke Energy Carolinas' cumulative payments began to exceed the self-insured retention in 2008. Future payments up to the policy limit will be reimbursed by the third-party insurance carrier. The insurance policy limit for potential future insurance recoveries indemnification and medical cost claim payments is $764 million in excess of the self-insured retention. Receivables for insurance recoveries were $739 million at June 30, 2019, and December 31, 2018. These amounts are classified in Other within Other Noncurrent Assets and Receivables within Current Assets on the Condensed Consolidated Balance Sheets. Duke Energy Carolinas is not aware of any uncertainties regarding the legal sufficiency of insurance claims. Duke Energy Carolinas believes the insurance recovery asset is probable of recovery as the insurance carrier continues to have a strong financial strength rating.

Duke Energy Progress and Duke Energy Florida

Spent Nuclear Fuel Matters

On June 18, 2018, Duke Energy Progress and Duke Energy Florida sued the U.S. in the U.S. Court of Federal Claims for damages incurred for the period 2014 through 2018. The lawsuit claimed the Department of Energy breached a contract in failing to accept spent nuclear fuel under the Nuclear Waste Policy Act of 1982 and asserted damages for the cost of on-site storage in the amount of $100 million and $203 million for Duke Energy Progress and Duke Energy Florida, respectively. Discovery is ongoing and a trial is expected to occur in 2020.

Duke Energy Florida

Fluor Contract Litigation

On January 29, 2019, Fluor filed a breach of contract lawsuit in the U.S. District Court for the Middle District of Florida against Duke Energy Florida related to an EPC agreement for the combined-cycle natural gas plant in Citrus County, Florida. Fluor filed an amended complaint on February 13, 2019. Fluor's multicount complaint seeks civil, statutory and contractual remedies related to Duke Energy Florida's $67 million draw in early 2019, on Fluor's letter of credit and offset of invoiced amounts. Duke Energy Florida moved to dismiss all counts of Fluor's amended complaint, and on April 16, 2019, the court dismissed Fluor's complaint without prejudice. On April 26, 2019, Fluor filed a second amended complaint. Duke Energy Florida is attempting to recover from Fluor $110 million in additional costs incurred by Duke Energy Florida.

On August 1, 2019, Duke Energy Florida and Fluor reached a settlement to resolve the pending litigation and other outstanding issues related to completing the Citrus County combined-cycle plant. The terms of the settlement will not have a material impact on Duke Energy Florida's results of operations, cash flows or financial position.

Other Litigation and Legal Proceedings

The Duke Energy Registrants are involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. The Duke Energy Registrants believe the final disposition of these proceedings will not have a material effect on their results of operations, cash flows or financial position.

The table below presents recorded reserves based on management's best estimate of probable loss for legal matters, excluding asbestos-related reserves discussed above. Reserves are classified on the Condensed Consolidated Balance Sheets in Other within Other Noncurrent Liabilities and Other within Current Liabilities. The reasonably possible range of loss in excess of recorded reserves is not material, other than as described above.

(in millions)	June 30, 2019	December 31, 2018
Reserves for Legal Matters		
Duke Energy	$ 64	$ 65
Duke Energy Carolinas	7	9
Progress Energy	55	54
Duke Energy Progress	14	12
Duke Energy Florida	24	24
Piedmont	1	1

OTHER COMMITMENTS AND CONTINGENCIES

General

As part of their normal business, the Duke Energy Registrants are party to various financial guarantees, performance guarantees and other contractual commitments to extend guarantees of credit and other assistance to various subsidiaries, investees and other third parties. These guarantees involve elements of performance and credit risk, which are not fully recognized on the Condensed Consolidated Balance Sheets and have unlimited maximum potential payments. However, the Duke Energy Registrants do not believe these guarantees will have a material effect on their results of operations, cash flows or financial position.

In addition, the Duke Energy Registrants enter into various fixed-price, noncancelable commitments to purchase or sell power or natural gas, take-or-pay arrangements, transportation, or throughput agreements and other contracts that may or may not be recognized on their respective Condensed Consolidated Balance Sheets. Some of these arrangements may be recognized at fair value on their respective Condensed Consolidated Balance Sheets if such contracts meet the definition of a derivative and the NPNS exception does not apply. In most cases, the Duke Energy Registrants' purchase obligation contracts contain provisions for price adjustments, minimum purchase levels and other financial commitments.

5. LEASES

As described in Note 1, Duke Energy adopted the revised accounting guidance for Leases effective January 1, 2019, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. Adoption of the new standard resulted in the recording of ROU assets and operating lease liabilities as follows:

	As of January 1, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
ROU assets	$ 1,750	$ 153	$ 863	$ 407	$ 456	$ 23	$ 61	$ 26
Operating lease liabilities – current	205	28	96	35	61	1	4	4
Operating lease liabilities – noncurrent	1,504	127	766	371	395	22	58	25

As part of its operations, Duke Energy leases certain aircraft, space on communication towers, industrial equipment, fleet vehicles, fuel transportation (barges and railcars), land and office space under various terms and expiration dates. Additionally, Duke Energy Carolinas, Duke Energy Progress and Duke Energy Indiana have finance leases related to firm natural gas pipeline transportation capacity. Duke Energy Progress and Duke Energy Florida have entered into certain PPAs, which are classified as finance and operating leases.

Duke Energy has certain lease agreements, which include variable lease payments that are based on the usage of an asset. These variable lease payments are not included in the measurement of the ROU assets or operating lease liabilities on the Condensed Consolidated Financial Statements.

Certain Duke Energy lease agreements include options for renewal and early termination. The intent to renew a lease varies depending on the lease type and asset. Renewal options that are reasonably certain to be exercised are included in the lease measurements. The decision to terminate a lease early is dependent on various economic factors. No termination options have been included in any of the lease measurements.

Duke Energy operates various renewable energy projects and sells the generated output to utilities, electric cooperatives, municipalities and commercial and industrial customers through long-term PPAs. In certain situations, these PPAs and the associated renewable energy projects qualify as operating leases. Rental income from these leases is accounted for as Nonregulated electric and other revenues in the Condensed Consolidated Statements of Operations. There are no minimum lease payments as all payments are contingent based on actual electricity generated by the renewable energy projects. Contingent lease payments were $72 million and $136 million for the three and six months ended June 30, 2019, respectively. As of June 30, 2019, renewable energy projects owned by Duke Energy and accounted for as operating leases had a cost basis of $3,344 million and accumulated depreciation of $661 million. These assets are principally classified as nonregulated electric generation and transmission assets.

The following table presents the components of lease expense.

	Three Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Operating lease expense[(a)]	$ 73	$ 11	$ 40	$ 17	$ 23	$ 3	$ 5	$ 2
Short-term lease expense[(a)]	6	2	4	2	2	1	—	—
Variable lease expense[(a)]	10	4	5	2	3	—	—	—
Finance lease expense								
Amortization of leased assets[(b)]	29	1	5	1	4	1	—	—
Interest on lease liabilities[(c)]	20	3	13	10	3	—	1	—
Total finance lease expense	49	4	18	11	7	1	1	—
Total lease expense	$ 138	$ 21	$ 67	$ 32	$ 35	$ 5	$ 6	$ 2

	Six Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Operating lease expense[(a)]	$ 145	$ 23	$ 82	$ 36	$ 46	$ 6	$ 10	$ 3
Short-term lease expense[(a)]	13	4	7	3	4	1	1	—
Variable lease expense[(a)]	21	12	7	3	4	—	—	—
Finance lease expense								
Amortization of leased assets[(b)]	56	2	8	2	6	1	—	—
Interest on lease liabilities[(c)]	37	7	19	14	5	—	1	—
Total finance lease expense	93	9	27	16	11	1	1	—
Total lease expense	$ 272	$ 48	$ 123	$ 58	$ 65	$ 8	$ 12	$ 3

(a) Included in Operations, maintenance and other or, for barges and railcars, Fuel used in electric generation and purchased power on the Condensed Consolidated Statements of Operations.
(b) Included in Depreciation and amortization on the Condensed Consolidated Statements of Operations.
(c) Included in Interest Expense on the Condensed Consolidated Statements of Operations.

The following table presents rental expense for operating leases, as reported under the old lease standard. These amounts are included in Operation, maintenance and other and Fuel used in electric generation and purchased power on the Condensed Consolidated Statements of Operations.

(in millions)	Year Ended December 31, 2018
Duke Energy	$ 268
Duke Energy Carolinas	49
Progress Energy	143
Duke Energy Progress	75
Duke Energy Florida	68
Duke Energy Ohio	13
Duke Energy Indiana	21
Piedmont	11

The following table presents operating lease maturities and a reconciliation of the undiscounted cash flows to operating lease liabilities.

	Twelve Months Ended June 30,							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
2020	$ 279	$ 33	$ 129	$ 51	$ 78	$ 2	$ 6	$ 5
2021	239	28	112	52	60	2	5	5
2022	199	19	94	40	54	2	4	5
2023	190	18	95	40	55	2	4	5
2024	178	15	96	41	55	2	4	5
Thereafter	1,055	61	513	306	207	22	65	7
Total operating lease payments	2,140	174	1,039	530	509	32	88	32
Less: present value discount	(425)	(30)	(192)	(117)	(75)	(10)	(28)	(3)
Total operating lease liabilities[(a)]	$ 1,715	$ 144	$ 847	$ 413	$ 434	$ 22	$ 60	$ 29

(a) Certain operating lease payments include renewal options that are reasonably certain to be exercised.

The following table presents future minimum lease payments under operating leases, which at inception had a non-cancelable term of more than one year, as reported under the old lease standard.

	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
2019	$ 239	$ 33	$ 97	$ 49	$ 48	$ 2	$ 6	$ 5
2020	219	29	90	46	44	2	5	5
2021	186	19	79	37	42	2	4	5
2022	170	19	76	34	42	2	4	5
2023	160	17	77	35	42	2	5	6
Thereafter	1,017	68	455	314	141	23	66	11
Total	$ 1,991	$ 185	$ 874	$ 515	$ 359	$ 33	$ 90	$ 37

The following table presents finance lease maturities and a reconciliation of the undiscounted cash flows to finance lease liabilities.

	Twelve Months Ended June 30,					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
2020	$ 177	$ 19	$ 69	$ 44	$ 25	$ 1
2021	183	17	69	44	25	1
2022	180	14	69	44	25	1
2023	171	14	69	44	25	1
2024	172	14	64	44	20	1
Thereafter	847	191	560	547	13	28
Total finance lease payments	1,730	269	900	767	133	33
Less: amounts representing interest	(708)	(162)	(483)	(457)	(26)	(23)
Total finance lease liabilities	$ 1,022	$ 107	$ 417	$ 310	$ 107	$ 10

The following table presents future minimum lease payments under finance leases, as reported under the old lease standard.

	December 31, 2018						
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
2019	$ 170	$ 20	$ 45	$ 20	$ 25	$ 2	$ 1
2020	174	20	46	21	25	—	1
2021	177	15	45	20	25	—	1
2022	165	15	45	21	24	—	1
2023	165	15	45	21	24	—	1
Thereafter	577	204	230	209	21	—	27
Minimum annual payments	1,428	289	456	312	144	2	32
Less: amount representing interest	(487)	(180)	(205)	(175)	(30)	—	(22)
Total	$ 941	$ 109	$ 251	$ 137	$ 114	$ 2	$ 10

The following tables contain additional information related to leases.

		June 30, 2019							
(in millions)	Classification	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Assets									
Operating	Operating lease ROU assets, net	$ 1,735	$ 141	$ 839	$ 407	$ 432	$ 22	$ 60	$ 26
Finance	Net property, plant and equipment	1,013	122	423	309	114	—	10	—
Total lease assets		$ 2,748	$ 263	$ 1,262	$ 716	$ 546	$ 22	$ 70	$ 26
Liabilities									
Current									
Operating	Other current liabilities	$ 213	$ 27	$ 100	$ 36	$ 64	$ 1	$ 4	$ 4
Finance	Current maturities of long-term debt	115	6	23	6	17	—	—	—
Noncurrent									
Operating	Operating lease liabilities	1,502	117	747	377	370	21	56	25
Finance	Long-Term Debt	907	101	394	304	90	—	10	—
Total lease liabilities		$ 2,737	$ 251	$ 1,264	$ 723	$ 541	$ 22	$ 70	$ 29

	Six Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Cash paid for amounts included in the measurement of lease liabilities[(a)]								
Operating cash flows from operating leases	$ 136	$ 15	$ 60	$ 23	$ 37	$ 1	$ 3	$ 5
Operating cash flows from finance leases	37	7	19	14	5	—	1	—
Financing cash flows from finance leases	56	2	8	2	6	1	—	—
Lease assets obtained in exchange for new lease liabilities (non-cash)								
Operating[(b)]	$ 78	$ 2	$ 30	$ 30	$ —	$ —	$ —	$ 1
Finance	175	—	175	175	—	—	—	—

(a) No amounts were classified as investing cash flows from operating leases for the six months ended June 30, 2019.
(b) Does not include ROU assets recorded as a result of the adoption of the new lease standard.

	June 30, 2019							
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Weighted-average remaining lease term (years)								
Operating leases	11	9	10	12	9	18	19	6
Finance leases	16	19	17	18	12	—	27	—
Weighted-average discount rate[(a)]								
Operating leases	3.9%	3.7%	3.8%	3.8%	3.7%	4.2%	4.1%	3.6%
Finance leases	7.9%	12.9%	11.8%	12.4%	8.3%	—%	11.9%	—%

(a) The discount rate is calculated using the rate implicit in a lease if it is readily determinable. Generally, the rate used by the lessor is not provided to Duke Energy and in these cases the incremental borrowing rate is used. Duke Energy will typically use its fully collateralized incremental borrowing rate as of the commencement date to calculate and record the lease. The incremental borrowing rate is influenced by the lessee's credit rating and lease term and as such may differ for individual leases, embedded leases or portfolios of leased assets.

6. DEBT AND CREDIT FACILITIES

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

The following table summarizes significant debt issuances (in millions).

			Six Months Ended June 30, 2019				
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Progress	Duke Energy Ohio	Piedmont
Unsecured Debt							
March 2019[a]	March 2022	3.251% [b]	$ 300	$ 300	$ —	$ —	$ —
March 2019[a]	March 2022	3.227%	300	300	—	—	—
May 2019[e]	June 2029	3.500%	600	—	—	—	600
June 2019[a]	June 2029	3.400%	600	600	—	—	—
June 2019[a]	June 2049	4.200%	600	600	—	—	—
First Mortgage Bonds							
January 2019[c]	February 2029	3.650%	400	—	—	400	—
January 2019[c]	February 2049	4.300%	400	—	—	400	—
March 2019[d]	March 2029	3.450%	600	—	600	—	—
Total issuances			$ 3,800	$ 1,800	$ 600	$ 800	$ 600

(a) Debt issued to pay down short-term debt and for general corporate purposes.
(b) Debt issuance has a floating interest rate.
(c) Debt issued to repay at maturity $450 million first mortgage bonds due April 2019, pay down short-term debt and for general corporate purposes.
(d) Debt issued to fund eligible green energy projects in the Carolinas.
(e) Debt issued to repay in full the outstanding $350 million Piedmont unsecured term loan due September 2019, pay down short-term debt and for general corporate purposes.

In June 2019, Duke Energy Kentucky priced $210 million of unsecured debentures of which $95 million carry a fixed interest rate of 3.23 percent and mature October 2025, $75 million carry a fixed interest rate of 3.56 percent and mature October 2029, and $40 million carry a fixed interest rate of 4.32 percent and mature July 2049. The $40 million tranche closed and funded in July 2019, and the remaining tranches are expected to close in September 2019 upon receipt of necessary regulatory approvals. The proceeds will be used to refinance Duke Energy Kentucky's $100 million, 4.65 percent debentures maturing October 2019, to pay down short-term intercompany debt and for general corporate purposes.

CURRENT MATURITIES OF LONG-TERM DEBT

The following table shows the significant components of Current Maturities of Long-Term Debt on the Condensed Consolidated Balance Sheets. The Duke Energy Registrants currently anticipate satisfying these obligations with cash on hand and proceeds from additional borrowings.

(in millions)	Maturity Date	Interest Rate	June 30, 2019
Unsecured Debt			
Duke Energy (Parent)	September 2019	5.050%	$ 500
Duke Energy Kentucky	October 2019	4.650%	100
Progress Energy	December 2019	4.875%	350
Duke Energy (Parent)	June 2020	2.100%	330
First Mortgage Bonds			
Duke Energy Florida	January 2020	1.850%	250
Duke Energy Florida	April 2020	4.550%	250
Duke Energy Carolinas	June 2020	4.300%	450
Other[a]			468
Current maturities of long-term debt			$ 2,698

(a) Includes finance lease obligations, amortizing debt and small bullet maturities.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2019, Duke Energy amended its existing $8 billion Master Credit Facility to extend the termination date to March 2024. The Duke Energy Registrants, excluding Progress Energy (Parent), have borrowing capacity under the Master Credit Facility up to a specified sublimit for each borrower. Duke Energy has the unilateral ability at any time to increase or decrease the borrowing sublimits of each borrower, subject to a maximum sublimit for each borrower. The amount available under the Master Credit Facility has been reduced to backstop issuances of commercial paper, certain letters of credit and variable-rate demand tax-exempt bonds that may be put to the Duke Energy Registrants at the option of the holder. Duke Energy Carolinas and Duke Energy Progress are also required to each maintain $250 million of available capacity under the Master Credit Facility as security to meet obligations under plea agreements reached with the U.S. Department of Justice in 2015 related to violations at North Carolina facilities with ash basins. The table below includes the current borrowing sublimits and available capacity under the Master Credit Facility.

	June 30, 2019							
(in millions)	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Facility size[(a)]	$ 8,000	$ 2,650	$ 1,750	$ 1,250	$ 800	$ 450	$ 600	$ 500
Reduction to backstop issuances								
Commercial paper[(b)]	(3,420)	(1,009)	(1,099)	(276)	(474)	(236)	(326)	—
Outstanding letters of credit	(53)	(45)	(4)	(2)	—	—	—	(2)
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Coal ash set-aside	(500)	—	(250)	(250)	—	—	—	—
Available capacity under the Master Credit Facility	$ 3,946	$ 1,596	$ 397	$ 722	$ 326	$ 214	$ 193	$ 498

(a) Represents the sublimit of each borrower.
(b) Duke Energy issued $625 million of commercial paper and loaned the proceeds through the money pool to Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana. The balances are classified as Long-Term Debt Payable to Affiliated Companies on the Condensed Consolidated Balance Sheets.

Other Credit Facilities

	June 30, 2019	
(in millions)	Facility size	Amount drawn
Duke Energy (Parent) Three-Year Revolving Credit Facility[(a)]	$ 1,000	$ 500
Duke Energy Progress Term Loan Facility[(b)]	700	700

(a) In May 2019, Duke Energy (Parent) extended the termination date to May 2022.
(b) $650 million was drawn under the term loan in January and February 2019.

In May 2019, the $350 million Piedmont term loan was paid off in full with proceeds from the $600 million Piedmont debt offering.

7. ASSET RETIREMENT OBLIGATIONS

The Duke Energy Registrants record AROs when there is a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Actual closure costs incurred could be materially different from current estimates that form the basis of the recorded AROs.

The following table presents the AROs recorded on the Condensed Consolidated Balance Sheets.

	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Decommissioning of nuclear power facilities[a]	$ 5,807	$ 2,401	$ 3,265	$ 2,739	$ 526	$ —	$ —	$ —
Closure of ash impoundments	6,498	2,894	2,858	2,839	19	47	699	—
Other	323	47	70	38	32	42	20	19
Total ARO	$12,628	$ 5,342	$ 6,193	$ 5,616	$ 577	$ 89	$ 719	$ 19
Less: current portion	739	203	416	413	3	6	115	—
Total noncurrent ARO	$11,889	$ 5,139	$ 5,777	$ 5,203	$ 574	$ 83	$ 604	$ 19

(a) Duke Energy amount includes purchase accounting adjustments related to the merger with Progress Energy.

ARO Liability Rollforward

The following table presents the change in liability associated with AROs for the Duke Energy Registrants.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Balance at December 31, 2018[a]	$ 10,467	$ 3,949	$ 5,411	$ 4,820	$ 591	$ 93	$ 722	$ 19
Accretion expense[b]	245	111	124	111	13	2	14	—
Liabilities settled[c]	(404)	(155)	(225)	(197)	(28)	(6)	(17)	—
Revisions in estimates of cash flows[d]	2,320	1,437	883	882	1	—	—	—
Balance at June 30, 2019	$ 12,628	$ 5,342	$ 6,193	$ 5,616	$ 577	$ 89	$ 719	$ 19

(a) Primarily relates to decommissioning nuclear power facilities, closure of ash impoundments, asbestos removal, closure of landfills at fossil generation facilities, retirement of natural gas mains and removal of renewable energy generation assets.

(b) For the six months ended June 30, 2019, substantially all accretion expense relates to Duke Energy's regulated operations and has been deferred in accordance with regulatory accounting treatment.

(c) Primarily relates to ash impoundment closures.

(d) Relates to increases in closure estimates for certain ash impoundments as a result of the NCDEQ's April 1 Order. See Note 4 for more information. The incremental amount recorded represents the discounted cash flows for estimated closure costs based upon the probability weightings of the potential closure methods as evaluated on a site-by-site basis.

Asset retirement costs associated with the AROs for operating plants and retired plants are included in Net property, plant and equipment and Regulatory assets within Other Noncurrent Assets, respectively, on the Condensed Consolidated Balance Sheets.

Nuclear Decommissioning Trust Funds

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida each maintain NDTFs that are intended to pay for the decommissioning costs of their respective nuclear power plants. The following table presents the fair value of NDTF assets legally restricted for purposes of settling AROs associated with nuclear decommissioning. Duke Energy Florida is actively decommissioning Crystal River Unit 3 and was granted an exemption from the NRC, which allows for use of the NDTF for all aspects of nuclear decommissioning. The entire balance of Duke Energy Florida's NDTF may be applied toward license termination, spent fuel and site restoration costs incurred to decommission Crystal River Unit 3 and is excluded from the table below. See Note 12 for additional information related to the fair value of the Duke Energy Registrants' NDTFs.

(in millions)	June 30, 2019	December 31, 2018
Duke Energy	$ 6,327	$ 5,579
Duke Energy Carolinas	3,574	3,133
Duke Energy Progress	2,753	2,446

8. GOODWILL

Duke Energy

The following table presents the goodwill by reportable segment included on Duke Energy's Condensed Consolidated Balance Sheets at June 30, 2019, and December 31, 2018.

(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total
Goodwill balance	$ 17,379	$ 1,924	$ 122	$ 19,425
Accumulated impairment charges	—	—	(122)	(122)
Goodwill, adjusted for accumulated impairment charges	$ 17,379	$ 1,924	$ —	$ 19,303

Duke Energy Ohio

Duke Energy Ohio's Goodwill balance of $920 million, allocated $596 million to Electric Utilities and Infrastructure and $324 million to Gas Utilities and Infrastructure, is presented net of accumulated impairment charges of $216 million on the Condensed Consolidated Balance Sheets at June 30, 2019, and December 31, 2018.

Progress Energy

Progress Energy's Goodwill is included in the Electric Utilities and Infrastructure segment and there are no accumulated impairment charges.

Piedmont

Piedmont's Goodwill is included in the Gas Utilities and Infrastructure segment and there are no accumulated impairment charges.

9. RELATED PARTY TRANSACTIONS

The Subsidiary Registrants engage in related party transactions in accordance with applicable state and federal commission regulations. Refer to the Condensed Consolidated Balance Sheets of the Subsidiary Registrants for balances due to or due from related parties. Material amounts related to transactions with related parties included on the Condensed Consolidated Statements of Operations and Comprehensive Income are presented in the following table.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Duke Energy Carolinas				
Corporate governance and shared service expenses[(a)]	$ 197	$ 213	$ 409	$ 433
Indemnification coverages[(b)]	5	5	10	11
JDA revenue[(c)]	17	19	40	53
JDA expense[(c)]	20	19	113	73
Intercompany natural gas purchases[(d)]	3	4	7	8
Progress Energy				
Corporate governance and shared service expenses[(a)]	$ 183	$ 206	$ 359	$ 397
Indemnification coverages[(b)]	10	9	19	17
JDA revenue[(c)]	20	19	113	73
JDA expense[(c)]	17	19	40	53
Intercompany natural gas purchases[(d)]	19	19	38	38
Duke Energy Progress				
Corporate governance and shared service expenses[(a)]	$ 108	$ 126	$ 214	$ 244
Indemnification coverages[(b)]	4	3	8	6
JDA revenue[(c)]	20	19	113	73
JDA expense[(c)]	17	19	40	53
Intercompany natural gas purchases[(d)]	19	19	38	38
Duke Energy Florida				
Corporate governance and shared service expenses[(a)]	$ 75	$ 80	$ 145	$ 153
Indemnification coverages[(b)]	6	6	11	11
Duke Energy Ohio				
Corporate governance and shared service expenses[(a)]	$ 83	$ 90	$ 168	$ 179
Indemnification coverages[(b)]	1	1	2	2
Duke Energy Indiana				
Corporate governance and shared service expenses[(a)]	$ 93	$ 96	$ 190	$ 197
Indemnification coverages[(b)]	1	2	3	4
Piedmont				
Corporate governance and shared service expenses[(a)]	$ 37	$ 40	$ 69	$ 76
Indemnification coverages[(b)]	—	—	1	1
Intercompany natural gas sales[(d)]	22	23	45	46
Natural gas storage and transportation costs[(e)]	6	6	11	12

(a) The Subsidiary Registrants are charged their proportionate share of corporate governance and other shared services costs, primarily related to human resources, employee benefits, information technology, legal and accounting fees, as well as other third-party costs. These amounts are primarily recorded in Operation, maintenance and other on the Condensed Consolidated Statements of Operations and Comprehensive Income.

(b) The Subsidiary Registrants incur expenses related to certain indemnification coverages through Bison, Duke Energy's wholly owned captive insurance subsidiary. These expenses are recorded in Operation, maintenance and other on the Condensed Consolidated Statements of Operations and Comprehensive Income.

(c) Duke Energy Carolinas and Duke Energy Progress participate in a JDA, which allows the collective dispatch of power plants between the service territories to reduce customer rates. Revenues from the sale of power and expenses from the purchase of power pursuant to the JDA are recorded in Operating Revenues and Fuel used in electric generation and purchased power, respectively, on the Condensed Consolidated Statements of Operations and Comprehensive Income.

(d) Piedmont provides long-term natural gas delivery service to certain Duke Energy Carolinas and Duke Energy Progress natural gas-fired generation facilities. Piedmont records the sales in Operating revenues, and Duke Energy Carolinas and Duke Energy Progress record the related purchases as a component of Fuel used in electric generation and purchased power on their respective Condensed Consolidated Statements of Operations and Comprehensive Income.

(e) Piedmont has related party transactions as a customer of its equity method investments in Pine Needle, Hardy Storage, and Cardinal natural gas storage and transportation facilities. These expenses are included in Cost of natural gas on Piedmont's Condensed Consolidated Statements of Operations and Comprehensive Income.

In addition to the amounts presented above, the Subsidiary Registrants have other affiliate transactions, including rental of office space, participation in a money pool arrangement, other operational transactions and their proportionate share of certain charged expenses. These transactions of the Subsidiary Registrants are incurred in the ordinary course of business and are eliminated in consolidation.

As discussed in Note 13, certain trade receivables have been sold by Duke Energy Ohio and Duke Energy Indiana to CRC, an affiliate formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price.

Intercompany Income Taxes

Duke Energy and the Subsidiary Registrants file a consolidated federal income tax return and other state and jurisdictional returns. The Subsidiary Registrants have a tax sharing agreement with Duke Energy for the allocation of consolidated tax liabilities and benefits. Income taxes recorded represent amounts the Subsidiary Registrants would incur as separate C-Corporations. The following table includes the balance of intercompany income tax receivables and payables for the Subsidiary Registrants.

(in millions)	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
June 30, 2019							
Intercompany income tax receivable	$ —	$ 25	$ —	$ —	$ 15	$ —	$ 26
Intercompany income tax payable	76	—	41	19	—	1	—
December 31, 2018							
Intercompany income tax receivable	$ 52	$ 47	$ 29	$ —	$ —	$ 8	$ —
Intercompany income tax payable	—	—	—	16	3	—	45

10. DERIVATIVES AND HEDGING

The Duke Energy Registrants use commodity and interest rate contracts to manage commodity price risk and interest rate risk. The primary use of commodity derivatives is to hedge the generation portfolio against changes in the prices of electricity and natural gas. Piedmont enters into natural gas supply contracts to provide diversification, reliability and natural gas cost benefits to its customers. Interest rate derivatives are used to manage interest rate risk associated with borrowings.

All derivative instruments not identified as NPNS are recorded at fair value as assets or liabilities on the Condensed Consolidated Balance Sheets. Cash collateral related to derivative instruments executed under master netting arrangements is offset against the collateralized derivatives on the Condensed Consolidated Balance Sheets. The cash impacts of settled derivatives are recorded as operating activities on the Condensed Consolidated Statements of Cash Flows.

INTEREST RATE RISK

The Duke Energy Registrants are exposed to changes in interest rates as a result of their issuance or anticipated issuance of variable-rate and fixed-rate debt and commercial paper. Interest rate risk is managed by limiting variable-rate exposures to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, the Duke Energy Registrants may enter into interest rate swaps, U.S. Treasury lock agreements and other financial contracts. In anticipation of certain fixed-rate debt issuances, a series of forward-starting interest rate swaps or Treasury locks may be executed to lock in components of current market interest rates. These instruments are later terminated prior to or upon the issuance of the corresponding debt.

Cash Flow Hedges

For a derivative designated as hedging the exposure to variable cash flows of a future transaction, referred to as a cash flow hedge, the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into earnings once the future transaction impacts earnings. Amounts for interest rate contracts are reclassified to earnings as interest expense over the term of the related debt. Gains and losses reclassified out of AOCI for the three and six months ended June 30, 2019, and 2018, were not material. Duke Energy's interest rate derivatives designated as hedges include interest rate swaps used to hedge existing debt within the Commercial Renewables business and forward-starting interest rate swaps not accounted for under regulatory accounting.

Undesignated Contracts

Undesignated contracts primarily include contracts not designated as a hedge because they are accounted for under regulatory accounting or contracts that do not qualify for hedge accounting.

Duke Energy's interest rate swaps for its regulated operations employ regulatory accounting. With regulatory accounting, the mark-to-market gains or losses on the swaps are deferred as regulatory liabilities or regulatory assets, respectively. Regulatory assets and liabilities are amortized consistent with the treatment of the related costs in the ratemaking process. The accrual of interest on the swaps is recorded as Interest Expense on the Duke Energy Registrant's Condensed Consolidated Statements of Operations and Comprehensive Income.

The following table shows notional amounts of outstanding derivatives related to interest rate risk.

	June 30, 2019					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 959	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,427	600	800	250	550	27
Total notional amount[(a)]	$ 2,386	$ 600	$ 800	$ 250	$ 550	$ 27

	December 31, 2018					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 923	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,721	300	1,200	650	550	27
Total notional amount[(a)]	$ 2,644	$ 300	$ 1,200	$ 650	$ 550	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $659 million in cash flow hedges as of June 30, 2019, and $422 million in cash flow hedges and $194 million in undesignated contracts as of December 31, 2018.

COMMODITY PRICE RISK

The Duke Energy Registrants are exposed to the impact of changes in the prices of electricity purchased and sold in bulk power markets and coal and natural gas purchases, including Piedmont's natural gas supply contracts. Exposure to commodity price risk is influenced by a number of factors including the term of contracts, the liquidity of markets and delivery locations. For the Subsidiary Registrants, bulk power electricity and coal and natural gas purchases flow through fuel adjustment clauses, formula-based contracts or other cost-sharing mechanisms. Differences between the costs included in rates and the incurred costs, including undesignated derivative contracts, are largely deferred as regulatory assets or regulatory liabilities. Piedmont policies allow for the use of financial instruments to hedge commodity price risks. The strategy and objective of these hedging programs are to use the financial instruments to reduce natural gas costs volatility for customers.

Volumes

The tables below include volumes of outstanding commodity derivatives. Amounts disclosed represent the absolute value of notional volumes of commodity contracts excluding NPNS. The Duke Energy Registrants have netted contractual amounts where offsetting purchase and sale contracts exist with identical delivery locations and times of delivery. Where all commodity positions are perfectly offset, no quantities are shown.

	June 30, 2019							
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)	33,135	—	—	—	—	3,514	29,621	—
Natural gas (millions of dekatherms)	740	133	173	173	—	—	4	430

	December 31, 2018							
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)	15,286	—	—	—	—	1,786	13,500	—
Natural gas (millions of dekatherms)	739	121	169	166	3	—	1	448

U.S. EQUITY SECURITIES RISK

In May 2019, Duke Energy Florida entered into a Decommissioning Services Agreement for the accelerated decommissioning of Crystal River Unit 3 with ADP CR3, LLC and ADP SF1, LLC. The accelerated decommissioning of Crystal River Unit 3 is subject to the approval of the NRC and the FPSC. Duke Energy Florida executed U.S. equity option collars within the NDTF in May 2019 to preserve the U.S. equity portfolio value in the Duke Energy Florida NDTF in the event the accelerated decommissioning is approved. These option collars were executed as a purchase of a put option and the sale of a call option on certain U.S. equity index funds. The put and call options create a collar to guarantee a minimum and maximum investment value for the Duke Energy Florida NDTF U.S. equity portfolio. The put and call options were entered into at zero-cost, with the price to purchase the puts offset entirely by the funds received to sell the calls. As of June 30, 2019, the aggregate notional amount of both the put and call options was 305,000 units in U.S. equity security index funds. The derivative balances associated with these equity options are immaterial as of June 30, 2019. The options are not designated as hedging instruments. Substantially all of Duke Energy Florida's NDTF qualifies for regulatory accounting. With regulatory accounting, the mark-to-market gains or losses on the options are deferred as regulatory liabilities or regulatory assets, respectively.

LOCATION AND FAIR VALUE OF DERIVATIVE ASSETS AND LIABILITIES RECOGNIZED ON THE CONDENSED CONSOLIDATED BALANCE SHEETS

The following tables show the fair value and balance sheet location of derivative instruments. Although derivatives subject to master netting arrangements are netted on the Condensed Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

Derivative Assets	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Not Designated as Hedging Instruments								
Current	$ 37	$ —	$ —	$ —	$ —	$ 7	$ 29	$ 2
Total Derivative Assets – Commodity Contracts	$ 37	$ —	$ —	$ —	$ —	$ 7	$ 29	$ 2
Interest Rate Contracts								
Designated as Hedging Instruments								
Noncurrent	1	—	—	—	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 38	$ —	$ —	$ —	$ —	$ 7	$ 29	$ 2

Derivative Liabilities	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Not Designated as Hedging Instruments								
Current	$ 64	$ 31	$ 24	$ 24	$ —	$ —	$ 2	$ 7
Noncurrent	140	8	24	9	—	—	—	107
Total Derivative Liabilities – Commodity Contracts	$ 204	$ 39	$ 48	$ 33	$ —	$ —	$ 2	$ 114
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 4	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	32	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	86	54	31	2	29	1	—	—
Noncurrent	16	—	11	—	10	5	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 138	$ 54	$ 42	$ 2	$ 39	$ 6	$ —	$ —
Total Derivative Liabilities	$ 342	$ 93	$ 90	$ 35	$ 39	$ 6	$ 2	$ 114

Derivative Assets	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Not Designated as Hedging Instruments								
Current	$ 35	$ 2	$ 2	$ 2	$ —	$ 6	$ 23	$ 3
Noncurrent	4	1	2	2	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 39	$ 3	$ 4	$ 4	$ —	$ 6	$ 23	$ 3
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	3	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	2	—	—	—	—	—	—	—
Noncurrent	12	—	—	—	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 18	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 57	$ 3	$ 4	$ 4	$ —	$ 6	$ 23	$ 3

Derivative Liabilities	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Not Designated as Hedging Instruments								
Current	$ 33	$ 14	$ 10	$ 5	$ 6	$ —	$ —	$ 8
Noncurrent	158	10	15	6	—	—	—	133
Total Derivative Liabilities – Commodity Contracts	$ 191	$ 24	$ 25	$ 11	$ 6	$ —	$ —	$ 141
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 12	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	6	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	23	9	13	11	2	1	—	—
Noncurrent	10	—	6	5	1	4	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 51	$ 9	$ 19	$ 16	$ 3	$ 5	$ —	$ —
Total Derivative Liabilities	$ 242	$ 33	$ 44	$ 27	$ 9	$ 5	$ —	$ 141

OFFSETTING ASSETS AND LIABILITIES

The following tables present the line items on the Condensed Consolidated Balance Sheets where derivatives are reported. Substantially all of Duke Energy's outstanding derivative contracts are subject to enforceable master netting arrangements. The gross amounts offset in the tables below show the effect of these netting arrangements on financial position, and include collateral posted to offset the net position. The amounts shown are calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

Derivative Assets	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current								
Gross amounts recognized	$ 37	$ —	$ —	$ —	$ —	$ 7	$ 29	$ 2
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Current Assets: Other	$ 37	$ —	$ —	$ —	$ —	$ 7	$ 29	$ 2
Noncurrent								
Gross amounts recognized	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Derivative Liabilities	June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current								
Gross amounts recognized	$ 154	$ 85	$ 55	$ 26	$ 29	$ 1	$ 2	$ 7
Gross amounts offset	(1)	—	(1)	(1)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 153	$ 85	$ 54	$ 25	$ 29	$ 1	$ 2	$ 7
Noncurrent								
Gross amounts recognized	$ 188	$ 8	$ 35	$ 9	$ 10	$ 5	$ —	$ 107
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 188	$ 8	$ 35	$ 9	$ 10	$ 5	$ —	$ 107

Derivative Assets	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current								
Gross amounts recognized	$ 38	$ 2	$ 2	$ 2	$ —	$ 6	$ 23	$ 3
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 35	$ —	$ —	$ —	$ —	$ 6	$ 23	$ 3
Noncurrent								
Gross amounts recognized	$ 19	$ 1	$ 2	$ 2	$ —	$ —	$ —	$ —
Gross amounts offset	(3)	(1)	(2)	(2)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 16	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Derivative Liabilities	December 31, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current								
Gross amounts recognized	$ 68	$ 23	$ 23	$ 16	$ 8	$ 1	$ —	$ 8
Gross amounts offset	(4)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 64	$ 21	$ 21	$ 14	$ 8	$ 1	$ —	$ 8
Noncurrent								
Gross amounts recognized	$ 174	$ 10	$ 21	$ 11	$ 1	$ 4	$ —	$ 133
Gross amounts offset	(3)	(1)	(2)	(2)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 171	$ 9	$ 19	$ 9	$ 1	$ 4	$ —	$ 133

OBJECTIVE CREDIT CONTINGENT FEATURES

Certain derivative contracts contain objective credit contingent features. These features include the requirement to post cash collateral or letters of credit if specific events occur, such as a credit rating downgrade below investment grade. The following tables show information with respect to derivative contracts that are in a net liability position and contain objective credit-risk-related payment provisions.

	June 30, 2019			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress
Aggregate fair value of derivatives in a net liability position	$ 67	$ 34	$ 33	$ 33
Fair value of collateral already posted	—	—	—	—
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	67	34	33	33

	December 31, 2018			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress
Aggregate fair value of derivatives in a net liability position	$ 44	$ 19	$ 25	$ 25
Fair value of collateral already posted	—	—	—	—
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	44	19	25	25

The Duke Energy Registrants have elected to offset cash collateral and fair values of derivatives. For amounts to be netted, the derivative and cash collateral must be executed with the same counterparty under the same master netting arrangement.

11. INVESTMENTS IN DEBT AND EQUITY SECURITIES

Duke Energy's investments in debt and equity securities are primarily comprised of investments held in (i) the NDTF at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida, (ii) the grantor trusts at Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana related to OPEB plans and (iii) Bison. The Duke Energy Registrants classify investments in debt securities as AFS and investments in equity securities as FV-NI.

For investments in debt securities classified as AFS, the unrealized gains and losses are included in other comprehensive income until realized, at which time, they are reported through net income. For investments in equity securities classified as FV-NI, both realized and unrealized gains and losses are reported through net income. Substantially all of Duke Energy's investments in debt and equity securities qualify for regulatory accounting, and accordingly, all associated realized and unrealized gains and losses on these investments are deferred as a regulatory asset or liability.

Duke Energy classifies the majority of investments in debt and equity securities as long term, unless otherwise noted.

Investment Trusts

The investments within the Investment Trusts are managed by independent investment managers with discretion to buy, sell and invest pursuant to the objectives set forth by the trust agreements. The Duke Energy Registrants have limited oversight of the day-to-day management of these investments. As a result, the ability to hold investments in unrealized loss positions is outside the control of the Duke Energy Registrants. Accordingly, all unrealized losses associated with debt securities within the Investment Trusts are considered OTTIs and are recognized immediately and deferred to regulatory accounts where appropriate.

Other AFS Securities

Unrealized gains and losses on all other AFS securities are included in other comprehensive income until realized, unless it is determined the carrying value of an investment is other-than-temporarily impaired. The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value should be considered other-than-temporary. If an OTTI exists, the unrealized credit loss is included in earnings. There were no material credit losses as of June 30, 2019, and December 31, 2018.

Other Investments amounts are recorded in Other within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets.

DUKE ENERGY

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 114	$ —	$ —	$ 88
Equity securities	3,076	36	5,178	2,402	95	4,475
Corporate debt securities	30	1	571	4	13	566
Municipal bonds	10	—	318	1	4	353
U.S. government bonds	34	1	1,270	14	12	1,076
Other debt securities	3	1	152	—	2	148
Total NDTF Investments	$ 3,153	$ 39	$ 7,603	$ 2,421	$ 126	$ 6,706
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 49	$ —	$ —	$ 22
Equity securities	49	—	112	36	1	99
Corporate debt securities	2	—	60	—	2	60
Municipal bonds	3	1	90	—	1	85
U.S. government bonds	2	—	51	1	—	45
Other debt securities	—	—	65	—	1	58
Total Other Investments	$ 56	$ 1	$ 427	$ 37	$ 5	$ 369
Total Investments	$ 3,209	$ 40	$ 8,030	$ 2,458	$ 131	$ 7,075

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
FV-NI:				
Realized gains	$ 66	$ 47	$ 101	$ 66
Realized losses	63	31	93	44
AFS:				
Realized gains	47	5	57	10
Realized losses	36	12	47	25

DUKE ENERGY CAROLINAS

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 41	$ —	$ —	$ 29
Equity securities	1,671	9	2,883	1,309	54	2,484
Corporate debt securities	18	1	360	2	9	341
Municipal bonds	2	—	63	—	1	81
U.S. government bonds	17	1	556	5	8	475
Other debt securities	3	1	141	—	2	143
Total NDTF Investments	$ 1,711	$ 12	$ 4,044	$ 1,316	$ 74	$ 3,553

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
FV-NI:				
Realized gains	$ 44	$ 26	$ 67	$ 36
Realized losses	48	17	69	22
AFS:				
Realized gains	16	4	25	9
Realized losses	11	8	21	18

PROGRESS ENERGY

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 73	$ —	$ —	$ 59
Equity securities	1,405	27	2,295	1,093	41	1,991
Corporate debt securities	12	—	211	2	4	225
Municipal bonds	8	—	255	1	3	272
U.S. government bonds	17	—	714	9	4	601
Other debt securities	—	—	11	—	—	5
Total NDTF Investments	$ 1,442	$ 27	$ 3,559	$ 1,105	$ 52	$ 3,153
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 47	$ —	$ —	$ 17
Municipal bonds	3	—	50	—	—	47
Total Other Investments	$ 3	$ —	$ 97	$ —	$ —	$ 64
Total Investments	$ 1,445	$ 27	$ 3,656	$ 1,105	$ 52	$ 3,217

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
FV-NI:				
Realized gains	$ 22	$ 21	$ 34	$ 30
Realized losses	15	14	24	22
AFS:				
Realized gains	30	1	31	1
Realized losses	25	4	26	7

DUKE ENERGY PROGRESS

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 42	$ —	$ —	$ 46
Equity securities	1,092	24	1,886	833	30	1,588
Corporate debt securities	12	—	211	2	3	171
Municipal bonds	8	—	255	1	3	271
U.S. government bonds	16	—	429	6	3	415
Other debt securities	—	—	11	—	—	3
Total NDTF Investments	$ 1,128	$ 24	$ 2,834	$ 842	$ 39	$ 2,494
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 2	$ —	$ —	$ 6
Total Other Investments	$ —	$ —	$ 2	$ —	$ —	$ 6
Total Investments	$ 1,128	$ 24	$ 2,836	$ 842	$ 39	$ 2,500

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
FV-NI:				
Realized gains	$ 7	$ 17	$ 17	$ 25
Realized losses	7	12	15	20
AFS:				
Realized gains	1	1	2	1
Realized losses	1	3	2	5

DUKE ENERGY FLORIDA

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 31	$ —	$ —	$ 13
Equity securities	313	3	409	260	11	403
Corporate debt securities	—	—	—	—	1	54
Municipal bonds	—	—	—	—	—	1
U.S. government bonds	1	—	285	3	1	186
Other debt securities	—	—	—	—	—	2
Total NDTF Investments[(a)]	$ 314	$ 3	$ 725	$ 263	$ 13	$ 659
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 2	$ —	$ —	$ 1
Municipal bonds	3	—	50	—	—	47
Total Other Investments	$ 3	$ —	$ 52	$ —	$ —	$ 48
Total Investments	$ 317	$ 3	$ 777	$ 263	$ 13	$ 707

(a) During the six months ended June 30, 2019, Duke Energy Florida continued to receive reimbursements from the NDTF for costs related to ongoing decommissioning activity of Crystal River Unit 3.

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
FV-NI:				
Realized gains	$ 15	$ 4	$ 17	$ 5
Realized losses	8	2	9	2
AFS:				
Realized gains	29	—	29	—
Realized losses	24	1	24	2

DUKE ENERGY INDIANA

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are measured at FV-NI and debt investments are classified as AFS.

	June 30, 2019			December 31, 2018		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Investments						
Equity securities	$ 37	$ —	$ 74	$ 29	$ —	$ 67
Corporate debt securities	—	—	7	—	—	8
Municipal bonds	—	1	34	—	1	33
U.S. government bonds	—	—	1	—	—	—
Total Investments	$ 37	$ 1	$ 116	$ 29	$ 1	$ 108

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and six months ended June 30, 2019, and 2018, were insignificant.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	June 30, 2019					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Due in one year or less	$ 365	$ 43	$ 315	$ 29	$ 286	$ 4
Due after one through five years	527	213	265	257	8	15
Due after five through 10 years	499	242	203	192	11	4
Due after 10 years	1,186	622	458	428	30	19
Total	$ 2,577	$ 1,120	$ 1,241	$ 906	$ 335	$ 42

12. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient.

Fair value measurements are classified in three levels based on the fair value hierarchy as defined by GAAP. Certain investments are not categorized within the fair value hierarchy. These investments are measured at fair value using the NAV per share practical expedient. The NAV is derived based on the investment cost, less any impairment, plus or minus changes resulting from observable price changes for an identical or similar investment of the same issuer.

Fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. The Duke Energy Registrants have not elected to record any of these items at fair value.

Transfers between levels represent assets or liabilities that were previously (i) categorized at a higher level for which the inputs to the estimate became less observable or (ii) classified at a lower level for which the inputs became more observable during the period. The Duke Energy Registrant's policy is to recognize transfers between levels of the fair value hierarchy at the end of the period. There were no transfers between levels during the six months ended June 30, 2019, and 2018.

Valuation methods of the primary fair value measurements disclosed below are as follows.

Investments in equity securities

The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the quarter. Principal active markets for equity prices include published exchanges such as the New York Stock Exchange and Nasdaq Stock Market. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. There was no after-hours market activity that was required to be reflected in the reported fair value measurements.

Investments in debt securities

Most investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. If the market for a particular fixed-income security is relatively inactive or illiquid, the measurement is Level 3.

Commodity derivatives

Commodity derivatives with clearinghouses are classified as Level 1. Other commodity derivatives, including Piedmont's natural gas supply contracts, are primarily valued using internally developed discounted cash flow models that incorporate forward price, adjustments for liquidity (bid-ask spread) and credit or non-performance risk (after reflecting credit enhancements such as collateral), and are discounted to present value. Pricing inputs are derived from published exchange transaction prices and other observable data sources. In the absence of an active market, the last available price may be used. If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. In isolation, increases (decreases) in natural gas forward prices result in favorable (unfavorable) fair value adjustments for natural gas purchase contracts; and increases (decreases) in electricity forward prices result in unfavorable (favorable) fair value adjustments for electricity sales contracts. Duke Energy regularly evaluates and validates pricing inputs used to estimate the fair value of natural gas commodity contracts by a market participant price verification procedure. This procedure provides a comparison of internal forward commodity curves to market participant generated curves.

Interest rate derivatives

Most over-the-counter interest rate contract derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

Other fair value considerations

See Note 11 in Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2018, for a discussion of the valuation of goodwill and intangible assets.

DUKE ENERGY

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets. Derivative amounts in the tables below for all Duke Energy Registrants exclude cash collateral, which is disclosed in Note 10. See Note 11 for additional information related to investments by major security type for the Duke Energy Registrants.

	June 30, 2019				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized
NDTF equity securities	$ 5,178	$ 5,119	$ —	$ —	$ 59
NDTF debt securities	2,425	870	1,555	—	—
Other equity securities	112	112	—	—	—
Other debt securities	315	99	216	—	—
Derivative assets	38	3	—	35	—
Total assets	8,068	6,203	1,771	35	59
Derivative liabilities	(342)	(12)	(216)	(114)	—
Net assets (liabilities)	$ 7,726	$ 6,191	$ 1,555	$ (79)	$ 59

	December 31, 2018				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized
NDTF equity securities	$ 4,475	$ 4,410	$ —	$ —	$ 65
NDTF debt securities	2,231	576	1,655	—	—
Other equity securities	99	99	—	—	—
Other debt securities	270	67	203	—	—
Derivative assets	57	4	25	28	—
Total assets	7,132	5,156	1,883	28	65
Derivative liabilities	(242)	(11)	(90)	(141)	—
Net assets (liabilities)	$ 6,890	$ 5,145	$ 1,793	$ (113)	$ 65

The following tables provide reconciliations of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Balance at beginning of period	$ (115)	$ (124)	$ (113)	$ (114)
Purchases, sales, issuances and settlements:				
Purchases	38	56	38	56
Settlements	(11)	(15)	(23)	(29)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	9	(14)	19	(10)
Balance at end of period	$ (79)	$ (97)	$ (79)	$ (97)

DUKE ENERGY CAROLINAS

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF equity securities	$ 2,883	$ 2,824	$ —	$ 59
NDTF debt securities	1,161	250	911	—
Total assets	4,044	3,074	911	59
Derivative liabilities	(93)	—	(93)	—
Net assets	$ 3,951	$ 3,074	$ 818	$ 59

	December 31, 2018			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF equity securities	$ 2,484	$ 2,419	$ —	$ 65
NDTF debt securities	1,069	149	920	—
Derivative assets	3	—	3	—
Total assets	3,556	2,568	923	65
Derivative liabilities	(33)	—	(33)	—
Net assets	$ 3,523	$ 2,568	$ 890	$ 65

PROGRESS ENERGY

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019			December 31, 2018		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF equity securities	$ 2,295	$ 2,295	$ —	$ 1,991	$ 1,991	$ —
NDTF debt securities	1,264	620	644	1,162	427	735
Other debt securities	97	47	50	64	17	47
Derivative assets	—	—	—	4	—	4
Total assets	3,656	2,962	694	3,221	2,435	786
Derivative liabilities	(90)	—	(90)	(44)	—	(44)
Net assets	$ 3,566	$ 2,962	$ 604	$ 3,177	$ 2,435	$ 742

DUKE ENERGY PROGRESS

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019			December 31, 2018		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF equity securities	$ 1,886	$ 1,886	$ —	$ 1,588	$ 1,588	$ —
NDTF debt securities	948	304	644	906	294	612
Other debt securities	2	2	—	6	6	—
Derivative assets	—	—	—	4	—	4
Total assets	2,836	2,192	644	2,504	1,888	616
Derivative liabilities	(35)	—	(35)	(27)	—	(27)
Net assets	$ 2,801	$ 2,192	$ 609	$ 2,477	$ 1,888	$ 589

DUKE ENERGY FLORIDA

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019			December 31, 2018		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF equity securities	$ 409	$ 409	$ —	$ 403	$ 403	$ —
NDTF debt securities	316	316	—	256	133	123
Other debt securities	52	2	50	48	1	47
Total assets	777	727	50	707	537	170
Derivative liabilities	(39)	—	(39)	(9)	—	(9)
Net assets	$ 738	$ 727	$ 11	$ 698	$ 537	$ 161

DUKE ENERGY OHIO

The recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets were not material at June 30, 2019, and December 31, 2018.

DUKE ENERGY INDIANA

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019				December 31, 2018			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Other equity securities	$ 74	$ 74	$ —	$ —	$ 67	$ 67	$ —	$ —
Other debt securities	42	—	42	—	41	—	41	—
Derivative assets	29	1	—	28	23	1	—	22
Total assets	$ 145	$ 75	$ 42	$ 28	$ 131	$ 68	$ 41	$ 22
Derivative liabilities	(2)	(2)	—	—	—	—	—	—
Net assets	$ 143	$ 73	$ 42	$ 28	$ 131	$ 68	$ 41	$ 22

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Balance at beginning of period	$ 5	$ 7	$ 22	$ 27
Purchases, sales, issuances and settlements:				
Purchases	29	49	29	49
Settlements	(9)	(14)	(19)	(28)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	3	2	(4)	(4)
Balance at end of period	$ 28	$ 44	$ 28	$ 44

PIEDMONT

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Condensed Consolidated Balance Sheets.

	June 30, 2019			December 31, 2018		
(in millions)	Total Fair Value	Level 1	Level 3	Total Fair Value	Level 1	Level 3
Derivative assets	$ 2	$ 2	$ —	$ 3	3	—
Derivative liabilities	(114)	—	(114)	(141)	—	(141)
Net (liabilities) assets	$ (112)	$ 2	$ (114)	$ (138)	$ 3	$ (141)

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018
Balance at beginning of period	$ (121)	$ (132)	$ (141)	$ (142)
Total gains (losses) and settlements	7	(18)	27	(8)
Balance at end of period	$ (114)	$ (150)	$ (114)	$ (150)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following tables include quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	June 30, 2019			
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range
Duke Energy Ohio				
FTRs	$ 7	RTO auction pricing	FTR price – per MWh	$ 0.36 - $ 3.13
Duke Energy Indiana				
FTRs	28	RTO auction pricing	FTR price – per MWh	(0.59) - 7.61
Piedmont				
Natural gas contracts	(114)	Discounted cash flow	Forward natural gas curves – price per MMBtu	1.96 - 3.21
Duke Energy				
Total Level 3 derivatives	$ (79)			

	December 31, 2018			
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range
Duke Energy Ohio				
FTRs	$ 6	RTO auction pricing	FTR price – per MWh	$ 1.19 - $ 4.59
Duke Energy Indiana				
FTRs	22	RTO auction pricing	FTR price – per MWh	(2.07) - 8.27
Piedmont				
Natural gas contracts	(141)	Discounted cash flow	Forward natural gas curves – price per MMBtu	1.87 - 2.95
Duke Energy				
Total Level 3 derivatives	$ (113)			

OTHER FAIR VALUE DISCLOSURES

The fair value and book value of long-term debt, including current maturities, is summarized in the following table. Estimates determined are not necessarily indicative of amounts that could have been settled in current markets. Fair value of long-term debt uses Level 2 measurements.

	June 30, 2019		December 31, 2018	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 57,040**	**$ 60,667**	$ 54,529	$ 54,534
Duke Energy Carolinas	**10,964**	**12,300**	10,939	11,471
Progress Energy	**19,199**	**21,408**	18,911	19,885
Duke Energy Progress	**9,049**	**9,707**	8,204	8,300
Duke Energy Florida	**7,213**	**8,173**	7,321	7,742
Duke Energy Ohio	**2,509**	**2,779**	2,165	2,239
Duke Energy Indiana	**3,723**	**4,363**	3,782	4,158
Piedmont	**2,384**	**2,576**	2,138	2,180

(a) Book value of long-term debt includes $1.5 billion as of June 30, 2019, and $1.6 billion as of December 31, 2018, of unamortized debt discount and premium, net in purchase accounting adjustments related to the mergers with Progress Energy and Piedmont that are excluded from fair value of long-term debt.

At both June 30, 2019, and December 31, 2018, fair value of cash and cash equivalents, accounts and notes receivable, accounts payable, notes payable and commercial paper, and nonrecourse notes payable of VIEs are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated rates approximate market rates.

13. VARIABLE INTEREST ENTITIES

CONSOLIDATED VIEs

The obligations of the consolidated VIEs discussed in the following paragraphs are nonrecourse to the Duke Energy registrants. The registrants have no requirement to provide liquidity to, purchase assets of or guarantee performance of these VIEs unless noted in the following paragraphs.

No financial support was provided to any of the consolidated VIEs during the six months ended June 30, 2019, and the year ended December 31, 2018, or is expected to be provided in the future that was not previously contractually required.

Receivables Financing – DERF / DEPR / DEFR

DERF, DEPR and DEFR are bankruptcy remote, special purpose subsidiaries of Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida, respectively. DERF, DEPR and DEFR are wholly owned limited liability companies with separate legal existence from their parent companies, and their assets are not generally available to creditors of their parent companies. On a revolving basis, DERF, DEPR and DEFR buy certain accounts receivable arising from the sale of electricity and related services from their parent companies.

DERF, DEPR and DEFR borrow amounts under credit facilities to buy these receivables. Borrowing availability from the credit facilities is limited to the amount of qualified receivables purchased. The sole source of funds to satisfy the related debt obligations is cash collections from the receivables. Amounts borrowed under the credit facilities are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt.

The most significant activity that impacts the economic performance of DERF, DEPR and DEFR are the decisions made to manage delinquent receivables. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are considered primary beneficiaries and consolidate DERF, DEPR and DEFR, respectively, as they make those decisions.

Receivables Financing – CRC

CRC is a bankruptcy remote, special purpose entity indirectly owned by Duke Energy. On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity, natural gas and related services from Duke Energy Ohio and Duke Energy Indiana. CRC borrows amounts under a credit facility to buy the receivables from Duke Energy Ohio and Duke Energy Indiana. Borrowing availability from the credit facility is limited to the amount of qualified receivables sold to CRC. The sole source of funds to satisfy the related debt obligation is cash collections from the receivables. Amounts borrowed under the credit facility are reflected on Duke Energy's Condensed Consolidated Balance Sheets as Long-Term Debt.

The proceeds Duke Energy Ohio and Duke Energy Indiana receive from the sale of receivables to CRC are approximately 75 percent cash and 25 percent in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Depending on collection experience, additional equity infusions to CRC may be required by Duke Energy to maintain a minimum equity balance of $3 million.

CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the activities that most significantly impact the economic performance of the entity are not performed by the equity holder and (iii) deficiencies in net worth of CRC are funded by Duke Energy. The most significant activities that impact the economic performance of CRC are decisions made to manage delinquent receivables. Duke Energy is considered the primary beneficiary and consolidates CRC as it makes these decisions. Neither Duke Energy Ohio nor Duke Energy Indiana consolidate CRC.

Receivables Financing – Credit Facilities

The following table summarizes the amounts and expiration dates of the credit facilities and associated restricted receivables described above.

	Duke Energy			
		Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida
(in millions)	**CRC**	**DERF**	**DEPR**	**DEFR**
Expiration date	December 2020	December 2020	February 2021	April 2021
Credit facility amount	$ 350	$ 475	$ 325	$ 250
Amounts borrowed at June 30, 2019	328	475	325	250
Amounts borrowed at December 31, 2018	325	450	300	225
Restricted Receivables at June 30, 2019	484	671	518	472
Restricted Receivables at December 31, 2018	564	699	547	357

Nuclear Asset-Recovery Bonds – DEFPF

DEFPF is a bankruptcy remote, wholly owned special purpose subsidiary of Duke Energy Florida. DEFPF was formed in 2016 for the sole purpose of issuing nuclear asset-recovery bonds to finance Duke Energy Florida's unrecovered regulatory asset related to Crystal River Unit 3.

In June 2016, DEFPF issued senior secured bonds and used the proceeds to acquire nuclear asset-recovery property from Duke Energy Florida. The nuclear asset-recovery property acquired includes the right to impose, bill, collect and adjust a non-bypassable nuclear asset-recovery charge from all Duke Energy Florida retail customers until the bonds are paid in full and all financing costs have been recovered. The nuclear asset-recovery bonds are secured by the nuclear asset-recovery property, and cash collections from the nuclear asset-recovery charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to Duke Energy Florida.

DEFPF is considered a VIE primarily because the equity capitalization is insufficient to support its operations. Duke Energy Florida has the power to direct the significant activities of the VIE as described above, and therefore Duke Energy Florida is considered the primary beneficiary and consolidates DEFPF.

The following table summarizes the impact of DEFPF on Duke Energy Florida's Condensed Consolidated Balance Sheets.

(in millions)	**June 30, 2019**	**December 31, 2018**
Receivables of VIEs	**$ 8**	$ 5
Regulatory Assets: Current	**52**	52
Current Assets: Other	**31**	39
Other Noncurrent Assets: Regulatory assets	**1,019**	1,041
Current Liabilities: Other	**10**	10
Current maturities of long-term debt	**54**	53
Long-Term Debt	**1,082**	1,111

Commercial Renewables

Certain of Duke Energy's renewable energy facilities are VIEs due to Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Assets are restricted and cannot be pledged as collateral or sold to third parties without prior approval of debt holders. Additionally, Duke Energy has VIEs associated with tax equity arrangements entered into with third-party investors in order to finance the cost of solar energy systems eligible for tax credits. The activities that most significantly impacted the economic performance of these renewable energy facilities were decisions associated with siting, negotiating PPAs and EPC agreements, and decisions associated with ongoing operations and maintenance-related activities. Duke Energy is considered the primary beneficiary and consolidates the entities as it is responsible for all of these decisions.

The table below presents material balances reported on Duke Energy's Condensed Consolidated Balance Sheets related to renewables VIEs.

(in millions)	**June 30, 2019**	**December 31, 2018**
Current Assets: Other	**$ 109**	$ 123
Property, plant and equipment, cost	**4,419**	4,007
Accumulated depreciation and amortization	**(769)**	(698)
Other Noncurrent Assets: Other	**289**	261
Current maturities of long-term debt	**178**	174
Long-Term Debt	**1,610**	1,587
Other Noncurrent Liabilities: Asset Retirement Obligations	**108**	106
Other Noncurrent Liabilities: Other	**222**	212

NON-CONSOLIDATED VIEs

The following tables summarize the impact of non-consolidated VIEs on the Condensed Consolidated Balance Sheets.

	June 30, 2019					
	Duke Energy				Duke	Duke
	Pipeline	Commercial	Other		Energy	Energy
(in millions)	Investments	Renewables	VIEs	Total	Ohio	Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ —	$ 45	$ 81
Investments in equity method unconsolidated affiliates	1,066	187	52	1,305	—	—
Total assets	$ 1,066	$ 187	$ 52	$ 1,305	$ 45	$ 81
Taxes accrued	(2)	—	—	(2)	—	—
Other current liabilities	—	—	4	4	—	—
Deferred income taxes	48	—	—	48	—	—
Other noncurrent liabilities	—	—	11	11	—	—
Total liabilities	$ 46	$ —	$ 15	$ 61	$ —	$ —
Net assets	$ 1,020	$ 187	$ 37	$ 1,244	$ 45	$ 81

	December 31, 2018					
	Duke Energy				Duke	Duke
	Pipeline	Commercial	Other		Energy	Energy
(in millions)	Investments	Renewables	VIEs	Total	Ohio	Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ —	$ 93	$ 118
Investments in equity method unconsolidated affiliates	822	190	48	1,060	—	—
Total assets	$ 822	$ 190	$ 48	$ 1,060	$ 93	$ 118
Taxes accrued	(1)	—	—	(1)	—	—
Other current liabilities	—	—	4	4	—	—
Deferred income taxes	21	—	—	21	—	—
Other noncurrent liabilities	—	—	12	12	—	—
Total liabilities	$ 20	$ —	$ 16	$ 36	$ —	$ —
Net assets	$ 802	$ 190	$ 32	$ 1,024	$ 93	$ 118

The Duke Energy Registrants are not aware of any situations where the maximum exposure to loss significantly exceeds the carrying values shown above except for the power purchase agreement with OVEC, which is discussed below, and various guarantees, including Duke Energy's guarantee agreement to support its share of the ACP revolving credit facility. Duke Energy's maximum exposure to loss under the terms of the guarantee is $790 million, which represents 47 percent of the outstanding borrowings under the credit facility as of June 30, 2019. For more information on various guarantees, refer to Note 4.

Pipeline Investments

Duke Energy has investments in various joint ventures with pipeline projects currently under construction. These entities are considered VIEs due to having insufficient equity to finance their own activities without subordinated financial support. Duke Energy does not have the power to direct the activities that most significantly impact the economic performance, the obligation to absorb losses or the right to receive benefits of these VIEs and therefore does not consolidate these entities.

The table below presents Duke Energy's ownership interest and investment balances in these joint ventures.

		VIE Investment Amount (in millions)	
	Ownership	June 30,	December 31,
Entity Name	Interest	2019	2018
ACP[(a)]	47%	$ 1,041	$ 797
Constitution	24%	25	25
Total		$ 1,066	$ 822

(a) Duke Energy evaluated this investment for impairment as of June 30, 2019, and December 31, 2018, and determined that fair value approximated carrying value and therefore no impairment was necessary.

Commercial Renewables

Duke Energy has investments in various renewable energy project entities. Some of these entities are VIEs due to Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Duke Energy does not consolidate these VIEs because power to direct and control key activities is shared jointly by Duke Energy and other owners.

Pioneer

Duke Energy holds a 50 percent equity interest in Pioneer. Pioneer is considered a VIE due to having insufficient equity to finance its own activities without subordinated financial support. The activities that most significantly impact Pioneer's economic performance are decisions related to the development of new transmission facilities. The power to direct these activities is jointly and equally shared by Duke Energy and the other joint venture partner, American Electric Power; therefore, Duke Energy does not consolidate Pioneer.

OVEC

Duke Energy Ohio's 9 percent ownership interest in OVEC is considered a non-consolidated VIE due to OVEC having insufficient equity to finance its activities without subordinated financial support. The activities that most significantly impact OVEC's economic performance include fuel strategy and supply activities and decisions associated with ongoing operations and maintenance-related activities. Duke Energy Ohio does not have the unilateral power to direct these activities, and therefore, does not consolidate OVEC.

As a counterparty to an ICPA, Duke Energy Ohio has a contractual arrangement to receive entitlements to capacity and energy from OVEC's power plants through June 2040 commensurate with its power participation ratio, which is equivalent to Duke Energy Ohio's ownership interest. Costs, including fuel, operating expenses, fixed costs, debt amortization and interest expense, are allocated to counterparties to the ICPA based on their power participation ratio. The value of the ICPA is subject to variability due to fluctuation in power prices and changes in OVEC's cost of business. On March 31, 2018, FES, a subsidiary of FirstEnergy and an ICPA counterparty with a power participation ratio of 4.85 percent, filed for Chapter 11 bankruptcy, which could increase costs allocated to the counterparties. On July 31, 2018, the bankruptcy court rejected the FES ICPA, which means OVEC is an unsecured creditor in the FES bankruptcy proceeding. Duke Energy Ohio cannot predict the impact of the bankruptcy filing on its OVEC interests. In addition, certain proposed environmental rulemaking could result in future increased OVEC cost allocations.

CRC

See discussion under Consolidated VIEs for additional information related to CRC.

Amounts included in Receivables from affiliated companies in the above table for Duke Energy Ohio and Duke Energy Indiana reflect their retained interest in receivables sold to CRC. These subordinated notes held by Duke Energy Ohio and Duke Energy Indiana are stated at fair value.

The following table shows the gross and net receivables sold.

	Duke Energy Ohio		Duke Energy Indiana	
(in millions)	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Receivables sold	$ 210	$ 269	$ 314	$ 336
Less: Retained interests	45	93	81	118
Net receivables sold	$ 165	$ 176	$ 233	$ 218

The following table shows sales and cash flows related to receivables sold.

	Duke Energy Ohio				Duke Energy Indiana			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2019	2018	2019	2018	2019	2018	2019	2018
Sales								
Receivables sold	$ 429	$ 461	$ 1,004	$ 1,028	$ 676	$ 692	$ 1,410	$ 1,386
Loss recognized on sale	3	3	7	6	4	4	9	7
Cash flows								
Cash proceeds from receivables sold	$ 448	$ 465	$ 1,045	$ 1,050	$ 680	$ 686	$ 1,438	$ 1,397
Collection fees received	1	1	1	1	1	1	1	1
Return received on retained interests	2	1	4	3	2	2	5	4

Cash flows from sales of receivables are reflected within Operating Activities on Duke Energy Ohio's and Duke Energy Indiana's Condensed Consolidated Statements of Cash Flows.

14. REVENUE

Duke Energy earns substantially all of its revenues through its reportable segments, Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables.

Electric Utilities and Infrastructure

Electric Utilities and Infrastructure earns the majority of its revenues through retail and wholesale electric service through the generation, transmission, distribution and sale of electricity. Duke Energy generally provides retail and wholesale electric service customers with their full electric load requirements or with supplemental load requirements when the customer has other sources of electricity.

The majority of wholesale revenues are full requirements contracts where the customers purchase the substantial majority of their energy needs and do not have a fixed quantity of contractually required energy or capacity. As such, related forecasted revenues are considered optional purchases. Supplemental requirements contracts that include contracted blocks of energy and capacity at contractually fixed prices have the following estimated remaining performance obligations:

	Remaining Performance Obligations						
(in millions)	2019	2020	2021	2022	2023	Thereafter	Total
Progress Energy	$ 63	$ 121	$ 87	$ 82	$ 39	$ 42	$ 434
Duke Energy Progress	4	9	9	9	9	9	49
Duke Energy Florida	59	112	78	73	30	33	385
Duke Energy Indiana	5	10	5	—	—	—	20

Revenues for block sales are recognized monthly as energy is delivered and stand-ready service is provided, consistent with invoiced amounts and unbilled estimates.

Gas Utilities and Infrastructure

Gas Utilities and Infrastructure earns its revenues through retail and wholesale natural gas service through the transportation, distribution and sale of natural gas. Duke Energy generally provides retail and wholesale natural gas service customers with all natural gas load requirements. Additionally, while natural gas can be stored, substantially all natural gas provided by Duke Energy is consumed by customers simultaneously with receipt of delivery.

Fixed capacity payments under long-term contracts for the Gas Utilities and Infrastructure segment include minimum margin contracts and supply arrangements with municipalities and power generation facilities. Revenues for related sales are recognized monthly as natural gas is delivered and stand-ready service is provided, consistent with invoiced amounts and unbilled estimates. Estimated remaining performance obligations are as follows:

	Remaining Performance Obligations						
(in millions)	2019	2020	2021	2022	2023	Thereafter	Total
Piedmont	$ 34	$ 69	$ 65	$ 64	$ 61	$ 432	$ 725

Commercial Renewables

Commercial Renewables earns the majority of its revenues through long-term PPAs and generally sells all of its wind and solar facility output, electricity and RECs to customers. The majority of these PPAs have historically been accounted for as leases. For PPAs that are not accounted for as leases, the delivery of electricity and the delivery of RECs are considered separate performance obligations.

Other

The remainder of Duke Energy's operations is presented as Other, which does not include material revenues from contracts with customers.

Disaggregated Revenues

Disaggregated revenues are presented as follows:

	Three Months Ended June 30, 2019							
(in millions) By market or type of customer	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electric Utilities and Infrastructure								
Residential	$ 2,304	$ 679	$ 1,243	$ 496	$ 747	$ 159	$ 225	$ —
General	1,584	531	750	339	411	105	197	—
Industrial	759	289	231	164	67	36	201	—
Wholesale	527	109	351	309	42	9	59	—
Other revenues	187	68	99	44	55	25	27	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,361	$ 1,676	$ 2,674	$ 1,352	$ 1,322	$ 334	$ 709	$ —
Gas Utilities and Infrastructure								
Residential	$ 146	$ —	$ —	$ —	$ —	$ 64	$ —	$ 82
Commercial	85	—	—	—	—	26	—	59
Industrial	29	—	—	—	—	3	—	24
Power Generation	—	—	—	—	—	—	—	13
Other revenues	22	—	—	—	—	2	—	19
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 282	$ —	$ —	$ —	$ —	$ 95	$ —	$ 197
Commercial Renewables								
Revenue from contracts with customers	$ 46	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 5,695	$ 1,676	$ 2,674	$ 1,352	$ 1,322	$ 429	$ 709	$ 197
Other revenue sources[(a)]	$ 178	$ 37	$ 70	$ 35	$ 31	$ 4	$ 5	$ 12
Total revenues	$ 5,873	$ 1,713	$ 2,744	$ 1,387	$ 1,353	$ 433	$ 714	$ 209

	Three Months Ended June 30, 2018							
(in millions) By market or type of customer	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electric Utilities and Infrastructure								
Residential	$ 2,185	$ 659	$ 1,099	$ 452	$ 648	$ 181	$ 245	$ —
General	1,481	501	678	300	377	110	188	—
Industrial	736	286	224	159	66	33	192	—
Wholesale	515	115	322	287	34	2	77	—
Other revenues	194	85	96	47	50	23	20	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,111	$ 1,646	$ 2,419	$ 1,245	$ 1,175	$ 349	$ 722	$ —
Gas Utilities and Infrastructure								
Residential	$ 153	$ —	$ —	$ —	$ —	$ 66	$ —	$ 87
Commercial	87	—	—	—	—	28	—	59
Industrial	31	—	—	—	—	3	—	28
Power Generation	—	—	—	—	—	—	—	14
Other revenues	23	—	—	—	—	6	—	17
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 294	$ —	$ —	$ —	$ —	$ 103	$ —	$ 205
Commercial Renewables								
Revenue from contracts with customers	$ 47	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 15	$ —	$ —	$ —	$ —	$ 10	$ —	$ —
Total revenue from contracts with customers	$ 5,467	$ 1,646	$ 2,419	$ 1,245	$ 1,175	$ 462	$ 722	$ 205
Other revenue sources[(a)]	$ 176	$ 26	$ 79	$ 46	$ 28	$ (3)	$ 16	$ 10
Total revenues	$ 5,643	$ 1,672	$ 2,498	$ 1,291	$ 1,203	$ 459	$ 738	$ 215

(a) Other revenue sources include revenues from leases, derivatives and alternative revenue programs that are not considered revenues from contracts with customers. Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over or under collection of related revenues.

	Six Months Ended June 30, 2019							
(in millions) By market or type of customer	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electric Utilities and Infrastructure								
Residential	$ 4,674	$ 1,439	$ 2,357	$ 1,032	$ 1,325	$ 348	$ 531	$ —
General	3,011	1,027	1,382	645	737	208	394	—
Industrial	1,470	555	453	325	128	69	391	—
Wholesale	1,068	228	704	624	80	23	113	—
Other revenues	359	146	271	169	102	41	44	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 10,582	$ 3,395	$ 5,167	$ 2,795	$ 2,372	$ 689	$ 1,473	$ —
Gas Utilities and Infrastructure								
Residential	$ 560	$ —	$ —	$ —	$ —	$ 176	$ —	$ 384
Commercial	291	—	—	—	—	75	—	216
Industrial	77	—	—	—	—	10	—	66
Power Generation	—	—	—	—	—	—	—	26
Other revenues	85	—	—	—	—	10	—	75
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,013	$ —	$ —	$ —	$ —	$ 271	$ —	$ 767
Commercial Renewables								
Revenue from contracts with customers	$ 88	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 10	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 11,693	$ 3,395	$ 5,167	$ 2,795	$ 2,372	$ 960	$ 1,473	$ 767
Other revenue sources[(a)]	$ 343	$ 62	$ 149	$ 76	$ 67	$ 4	$ 9	$ 21
Total revenues	$ 12,036	$ 3,457	$ 5,316	$ 2,871	$ 2,439	$ 964	$ 1,482	$ 788

	Six Months Ended June 30, 2018							
(in millions) By market or type of customer	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electric Utilities and Infrastructure								
Residential	$ 4,535	$ 1,440	$ 2,211	$ 968	$ 1,243	$ 361	$ 523	$ —
General	2,856	973	1,309	599	710	206	366	—
Industrial	1,400	541	432	304	128	63	365	—
Wholesale	1,148	234	768	684	84	2	145	—
Other revenues	333	152	225	132	93	37	37	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 10,272	$ 3,340	$ 4,945	$ 2,687	$ 2,258	$ 669	$ 1,436	$ —
Gas Utilities and Infrastructure								
Residential	$ 566	$ —	$ —	$ —	$ —	$ 177	$ —	$ 389
Commercial	288	—	—	—	—	77	—	211
Industrial	79	—	—	—	—	10	—	69
Power Generation	—	—	—	—	—	—	—	27
Other revenues	78	—	—	—	—	12	—	66
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,011	$ —	$ —	$ —	$ —	$ 276	$ —	$ 762
Commercial Renewables								
Revenue from contracts with customers	$ 80	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 31	$ —	$ —	$ —	$ —	$ 24	$ —	$ —
Total Revenue from contracts with customers	$ 11,394	$ 3,340	$ 4,945	$ 2,687	$ 2,258	$ 969	$ 1,436	$ 762
Other revenue sources[(a)]	$ 384	$ 95	$ 129	$ 64	$ 60	$ 14	$ 33	$ 6
Total revenues	$ 11,778	$ 3,435	$ 5,074	$ 2,751	$ 2,318	$ 983	$ 1,469	$ 768

(a) Other revenue sources include revenues from leases, derivatives and alternative revenue programs that are not considered revenues from contracts with customers. Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over or under collection of related revenues.

UNBILLED REVENUE

Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed. Unbilled revenues can vary significantly from period to period as a result of seasonality, weather, customer usage patterns, customer mix, average price in effect for customer classes, timing of rendering customer bills and meter reading schedules, and the impact of weather normalization or margin decoupling mechanisms.

Unbilled revenues are included within Receivables and Receivables of VIEs on the Condensed Consolidated Balance Sheets as shown in the following table.

(in millions)	June 30, 2019	December 31, 2018
Duke Energy	**$ 790**	$ 896
Duke Energy Carolinas	**288**	313
Progress Energy	**270**	244
Duke Energy Progress	**148**	148
Duke Energy Florida	**122**	96
Duke Energy Ohio	**1**	2
Duke Energy Indiana	**14**	23
Piedmont	**4**	73

Additionally, Duke Energy Ohio and Duke Energy Indiana sell, on a revolving basis, nearly all of their retail accounts receivable, including receivables for unbilled revenues, to an affiliate, CRC, and account for the transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Condensed Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana. See Note 13 for further information. These receivables for unbilled revenues are shown in the table below.

(in millions)	June 30, 2019	December 31, 2018
Duke Energy Ohio	$ 65	$ 86
Duke Energy Indiana	116	128

15. STOCKHOLDERS' EQUITY

Basic EPS is computed by dividing net income attributable to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income attributable to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the diluted weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock, such as stock options and equity forward sale agreements, were exercised or settled. Duke Energy's participating securities are restricted stock units that are entitled to dividends declared on Duke Energy common stock during the restricted stock unit's vesting periods.

The following table presents Duke Energy's basic and diluted EPS calculations, the weighted average number of common shares outstanding and common and preferred share dividends declared.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per-share amounts)	2019	2018	2019	2018
Income from continuing operations attributable to Duke Energy common stockholders excluding impact of participating securities	$ 819	$ 504	$ 1,718	$ 1,123
Weighted average common shares outstanding – basic	728	703	728	702
Equity Forwards	—	1	—	—
Weighted average common shares outstanding – diluted	728	704	728	702
EPS from continuing operations attributable to Duke Energy common stockholders				
Basic and Diluted	$ 1.12	$ 0.72	$ 2.36	$ 1.60
Potentially dilutive items excluded from the calculation[a]	2	2	2	2
Dividends declared per common share	$ 0.928	$ 0.89	$ 1.855	$ 1.78
Dividends declared on preferred stock per depositary share	$ 0.307	$ —	$ 0.307	$ —

(a) Performance stock awards were not included in the dilutive securities calculation because the performance measures related to the awards had not been met.

Common Stock

On February 20, 2018, Duke Energy filed a prospectus supplement and executed an EDA under which it may sell up to $1 billion of its common stock through an ATM offering program, including an equity forward sales component. The EDA was entered into with the Agents. Under the terms of the EDA, Duke Energy may issue and sell, through any of the Agents, shares of common stock through September 23, 2019.

In June 2018, Duke Energy marketed two separate tranches, each for 1.3 million shares, of common stock through equity forward transactions under the ATM program. In December 2018, Duke Energy physically settled these equity forwards by delivering 2.6 million shares of common stock in exchange for net proceeds of approximately $195 million.

Separately, in March 2018, Duke Energy marketed an equity offering of 21.3 million shares of common stock through an Underwriting Agreement. In connection with the offering, Duke Energy entered into equity forward sale agreements. The equity forwards required Duke Energy to either physically settle the transactions by issuing 21.3 million shares in exchange for net proceeds at the then-applicable forward sale price specified by the agreements, or net settle in whole or in part through the delivery or receipt of cash or shares. In June 2018, Duke Energy physically settled one-half of the equity forwards by delivering approximately 10.6 million shares of common stock in exchange for net cash proceeds of approximately $781 million. In December 2018, Duke Energy physically settled the remaining equity forward by delivering 10.6 million shares of common stock in exchange for net cash proceeds of approximately $766 million.

In 2018, Duke Energy also issued 2.2 million shares through its DRIP with an increase in additional paid-in capital of approximately $174 million. For the six months ended June 30, 2019, Duke Energy issued 0.9 million shares through its DRIP with an increase in additional paid-in capital of approximately $80 million.

In March and April 2019, Duke Energy marketed two separate tranches, each for 1.1 million shares, of common stock through equity forward transactions under the ATM program. The first tranche had an initial forward price of $89.83 per share and the second tranche had an initial forward price of $88.82 per share. In May and June 2019, a third tranche of 1.6 million shares of common stock was marketed and had an initial forward price of $86.23. The equity forwards require Duke Energy to either physically settle the transaction by issuing shares in exchange for net proceeds at the then-applicable forward sale price specified by the agreements or net settle in whole or in part through the delivery or receipt of cash or shares. The settlement alternative is at Duke Energy's election. No amounts have or will be recorded in Duke Energy's Condensed Consolidated Financial Statements with respect to these ATM offerings until settlements of the equity forwards occur, which is expected by December 31, 2019. The initial forward sale price will be subject to adjustment based on a floating interest rate factor and other fixed amounts specified in the relevant forward sale agreements. Until settlement of the equity forwards, EPS dilution resulting from the agreements, if any, will be determined under the treasury stock method.

Preferred Stock

On March 29, 2019, Duke Energy completed the issuance of 40 million depositary shares, each representing 1/1,000th share of its Series A Cumulative Redeemable Perpetual Preferred Stock, at a price of $25 per depositary share. The transaction resulted in net proceeds of $973 million after issuance costs and the proceeds are being used for general corporate purposes and to reduce short-term debt. The preferred stock has a $25 liquidation preference per depositary share and earns dividends on a cumulative basis at a rate of 5.75 percent per annum. Dividends are payable quarterly in arrears on the 16th day of March, June, September and December, and began on June 16, 2019. Dividends issued on its preferred stock are subject to approval by the Duke Energy Board of Directors. However, the deferral of dividend payments on the preferred stock prohibits the declaration of common stock dividends. Dividends declared on preferred stock will be recorded on the income statement as a reduction of net income to arrive at net income attributable to Duke Energy common stockholders. Dividends accumulated on preferred stock will be a reduction to net income used in the calculation of basic and diluted EPS.

The Series A Preferred Stock ranks, with respect to dividends and distributions upon liquidation or dissolution:

- senior to Common Stock and to each other class or series of capital stock established after the original issue date of the Series A Preferred Stock that is expressly made subordinated to the Series A Preferred Stock;
- on a parity with any class or series of capital stock established after the original issue date of the Series A Preferred Stock that is not expressly made senior or subordinated to the Series A Preferred Stock;
- junior to any class or series of capital stock established after the original issue date of the Series A Preferred Stock that is expressly made senior to the Series A Preferred Stock;
- junior to all of existing and future indebtedness (including indebtedness outstanding under Duke Energy's credit facilities, unsecured senior notes, junior subordinated debentures and commercial paper) and other liabilities with respect to assets available to satisfy claims against Duke Energy; and
- structurally subordinated to existing and future indebtedness and other liabilities of Duke Energy's subsidiaries and future preferred stock of subsidiaries.

The preferred stock has no maturity or mandatory redemption date, is not redeemable at the option of the holders and includes separate call options. The first call option allows Duke Energy to call the preferred stock at a redemption price of $25.50 per depositary share prior to June 15, 2024, in whole but not in part, at any time within 120 days after a ratings event where a rating agency amends, clarifies or changes the criteria it uses to assign equity credit for securities such as the preferred stock. The second call option allows Duke Energy to call the preferred stock, in whole or in part, at any time, on or after June 15, 2024, at a redemption price of $25 per depositary share. Duke Energy is also required to redeem all accumulated and unpaid dividends if either call option is exercised.

Holders of the preferred stock have no voting rights with respect to matters that generally require the approval of voting stockholders. The limited voting rights of holders of preferred stock include the right to vote as a single class on certain matters that may affect the preference or special rights of the preferred stock, except in the instance that Duke Energy elects to defer the payment of dividends for a total of six quarterly full dividend periods. If dividends are deferred for a cumulative total of six quarterly full dividend periods, whether or not for consecutive dividend periods, holders of the preferred stock have the right to elect two additional Board members to the Duke Energy Board of Directors.

16. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy and certain subsidiaries maintain, and the Subsidiary Registrants participate in, qualified and non-qualified, non-contributory defined benefit retirement plans. Duke Energy's policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants.

Duke Energy uses a December 31 measurement date for its qualified non-contributory defined benefit retirement plan assets and obligations. However, because Duke Energy believes it is probable in 2019 that total lump-sum benefit payments will exceed the settlement threshold, which is defined as the sum of the service cost and interest cost on projected benefit obligation components of net periodic pension costs, Duke Energy remeasured the plan assets and plan obligations associated with one of its qualified pension plans as of June 30, 2019. The discount rate used for the remeasurement was 3.5 percent. The cash balance interest crediting rate was 4.0 percent. All other assumptions used for the remeasurement were consistent with the measurement as of December 31, 2018. As a result, Duke Energy recognized a remeasurement gain of $18 million, which is recorded in Other within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of June 30, 2019. The remeasurement gain, which represents an increase in funded status, reflects an increase of $275 million in the fair value of plan assets and an increase of $257 million in the projected benefit obligation.

As the result of settlement accounting, Duke Energy recognized a settlement charge of $69 million, primarily as a regulatory asset within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of June 30, 2019 (an immaterial amount was recorded in Other income and expenses, net within the Condensed Consolidated Statement of Operations). Settlement charges recognized by the Subsidiary Registrants were $43 million for Duke Energy Carolinas, $16 million for Duke Energy Progress, $3 million for Duke Energy Florida, $3 million for Duke Energy Indiana, $1 million for Duke Energy Ohio and $3 million for Piedmont. The settlement charge reflects the recognition of a pro-rata portion of previously unrecognized actuarial losses, equal to the percentage of reduction in the projected benefit obligation resulting from total lump-sum benefits payments as of June 30, 2019.

QUALIFIED PENSION PLANS

The following tables include the components of net periodic pension costs for qualified pension plans.

	Three Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 37	$ 12	$ 10	$ 6	$ 6	$ 1	$ 2	$ 2
Interest cost on projected benefit obligation	82	21	26	12	13	4	7	3
Expected return on plan assets	(143)	(37)	(45)	(21)	(22)	(6)	(10)	(6)
Amortization of actuarial loss	25	5	9	3	6	—	1	1
Amortization of prior service credit	(8)	(2)	—	(1)	(1)	—	(1)	(2)
Net periodic pension costs	$ (7)	$ (1)	$ —	$ (1)	$ 2	$ (1)	$ (1)	$ (2)

	Three Months Ended June 30, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 45	$ 15	$ 13	$ 8	$ 6	$ 1	$ 3	$ 2
Interest cost on projected benefit obligation	75	18	22	10	12	4	6	3
Expected return on plan assets	(140)	(37)	(43)	(21)	(23)	(7)	(11)	(6)
Amortization of actuarial loss	33	7	11	5	6	1	2	3
Amortization of prior service credit	(8)	(2)	(1)	(1)	(1)	—	—	(3)
Net periodic pension costs	$ 5	$ 1	$ 2	$ 1	$ —	$ (1)	$ —	$ (1)

	Six Months Ended June 30, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 74	$ 24	$ 21	$ 12	$ 10	$ 2	$ 4	$ 3
Interest cost on projected benefit obligation	165	41	52	24	27	9	13	6
Expected return on plan assets	(286)	(75)	(89)	(44)	(44)	(14)	(21)	(11)
Amortization of actuarial loss	49	11	18	6	12	1	3	3
Amortization of prior service credit	(16)	(4)	(1)	(1)	(1)	—	(1)	(5)
Net periodic pension costs	$ (14)	$ (3)	$ 1	$ (3)	$ 4	$ (2)	$ (2)	$ (4)

	Six Months Ended June 30, 2018							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 90	$ 30	$ 26	$ 15	$ 11	$ 2	$ 5	$ 4
Interest cost on projected benefit obligation	150	36	46	21	25	9	12	6
Expected return on plan assets	(280)	(74)	(88)	(42)	(46)	(14)	(21)	(12)
Amortization of actuarial loss	66	14	22	10	12	2	4	6
Amortization of prior service credit	(16)	(4)	(2)	(1)	(1)	—	—	(6)
Net periodic pension costs	$ 10	$ 2	$ 4	$ 3	$ 1	$ (1)	$ —	$ (2)

NON-QUALIFIED PENSION PLANS

Net periodic pension costs for non-qualified pension plans were not material for the three and six months ended June 30, 2019, and 2018.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three and six months ended June 30, 2019, and 2018.

17. INCOME TAXES

EFFECTIVE TAX RATES

The ETRs from continuing operations for each of the Duke Energy Registrants are included in the following table.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Duke Energy	**15.9%**	16.5%	**12.6%**	19.9%
Duke Energy Carolinas	**19.7%**	21.5%	**18.7%**	21.8%
Progress Energy	**16.7%**	17.3%	**17.0%**	15.4%
Duke Energy Progress	**16.3%**	20.1%	**17.1%**	16.8%
Duke Energy Florida	**19.6%**	18.0%	**19.5%**	17.4%
Duke Energy Ohio	**16.1%**	25.8%	**16.5%**	16.0%
Duke Energy Indiana	**24.2%**	25.8%	**24.2%**	25.8%
Piedmont	**22.2%**	27.3%	**21.8%**	23.9%

The decrease in the ETR for Duke Energy for the six months ended June 30, 2019, is primarily due to a one-time valuation allowance charge in the prior year, an adjustment related to the income tax recognition for equity method investments recorded in the first quarter of 2019 and an increase in the amortization of excess deferred taxes. The equity method investment adjustment was immaterial and relates to prior years.

The decrease in the ETR for Duke Energy Carolinas for the three and six months ended June 30, 2019, is primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Progress Energy for the six months ended June 30, 2019, is primarily due to a decrease in AFUDC equity in the current year.

The decrease in the ETR for Duke Energy Progress for the three months ended June 30, 2019, is primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Florida for the three and six months ended June 30, 2019, is primarily due to a decrease in AFUDC equity in the current year.

The decrease in the ETR for Duke Energy Ohio for the three months ended June 30, 2019, is primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Indiana for the three and six months ended June 30, 2019, is primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Piedmont for the three months ended June 30, 2019, is primarily due to lower state tax rates. The decrease in the ETR for the six months ended June 30, 2019, is primarily due to an increase in the amortization of excess deferred taxes.

18. SUBSEQUENT EVENTS

For information on subsequent events related to the Commercial Renewables segment, regulatory matters, commitments and contingencies and debt, see Notes 2, 3, 4 and 6, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following combined Management's Discussion and Analysis of Financial Condition and Results of Operations is separately filed by Duke Energy and Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont. However, none of the registrants make any representation as to information related solely to Duke Energy or the Subsidiary Registrants of Duke Energy other than itself.

DUKE ENERGY

Duke Energy is an energy company headquartered in Charlotte, North Carolina. Duke Energy operates in the U.S. primarily through its wholly owned subsidiaries, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont. When discussing Duke Energy's consolidated financial information, it necessarily includes the results of the Subsidiary Registrants, which, along with Duke Energy, are collectively referred to as the Duke Energy Registrants.

Management's Discussion and Analysis should be read in conjunction with the Condensed Consolidated Financial Statements and Notes for the six months ended June 30, 2019, and with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2018.

Executive Overview

Regulatory Activity

In 2019, Duke Energy advanced regulatory activity underway in multiple jurisdictions as follows:

- New base rates were implemented in the Duke Energy Ohio Electric Base Rate Case on January 2, 2019.
- On January 11, 2019, Duke Energy Progress filed a request with the PSCSC, which included a request for the continuation of prior deferrals requested for ice storms and hurricanes Florence, Michael and Matthew. The request was approved on January 30, 2019.
- On January 30, 2019, Duke Energy Kentucky entered into a settlement agreement with the Attorney General of Kentucky related to the Natural Gas Base Rate Case. The settlement provides for an approximate $7 million increase in natural gas base revenue and approval of the proposed WNA mechanism. The KPSC issued its Order approving the settlement without material modification on March 27, 2019.
- On April 1, 2019, Piedmont filed an application with the NCUC, its first general rate case in North Carolina in six years. Piedmont expects new rates arising from this proceeding to take effect by the end of 2019.
- On May 21, 2019, Duke Energy Carolinas and Duke Energy Progress received orders from the PSCSC and revised customer rates became effective June 1, 2019. On May 31, 2019, Duke Energy Carolinas and Duke Energy Progress filed Petitions for Rehearing or Reconsideration regarding certain coal ash costs and return on equity, among other items, and await the orders on reconsideration detailing the commission's decision. Once the orders are received, Duke Energy Carolinas and Duke Energy Progress have 30 days to file a notice of appeal with the South Carolina Supreme Court.
- On June 11, 2019, the FPSC approved the petition to recover incremental storm restoration costs for Hurricane Michael and to apply tax savings resulting from the Tax Act toward storm costs in lieu of implementing a storm surcharge. On June 13, 2019, the FPSC issued its order approving the settlement agreement for storm cost recovery related to hurricanes Irma and Nate. Storm costs are currently expected to be fully recovered by approximately year-end 2021.
- On July 2, 2019, Duke Energy Indiana filed a general rate case with the IURC, its first general rate case in Indiana in 16 years. Hearings are expected to commence in late 2019 or early 2020, with rates to be effective in mid-2020.

See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters" for additional information.

Results of Operations

Non-GAAP Measures

Management's Discussion and Analysis includes financial information prepared in accordance with GAAP in the U.S., as well as certain non-GAAP financial measures such as adjusted earnings and adjusted EPS discussed below. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, financial measures presented in accordance with GAAP. Non-GAAP measures presented may not be comparable to similarly titled measures used by other companies because other companies may not calculate the measures in the same manner.

Management evaluates financial performance in part based on non-GAAP financial measures, including adjusted earnings and adjusted diluted EPS. Adjusted earnings and adjusted diluted EPS represent income from continuing operations attributable to Duke Energy common stockholders in dollar and per-share amounts, adjusted for the dollar and per-share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance. The most directly comparable GAAP measures for adjusted earnings and adjusted diluted EPS are GAAP Reported Earnings and GAAP Reported EPS, respectively.

Special items in the 2018 periods presented below include the following items:

- Costs to Achieve Piedmont Merger represents charges that resulted from the Piedmont acquisition.

- Regulatory and Legislative Impacts represents charges related to rate case orders, settlements or other actions of regulators or legislative bodies.
- Sale of Retired Plant represents the loss associated with selling Beckjord, a nonregulated generating facility in Ohio.
- Impairment of Equity Method Investment represents an OTTI of an investment in Constitution.
- Impacts of the Tax Act represents an AMT valuation allowance recognized related to the Tax Act.

Three Months Ended June 30, 2019, as compared to June 30, 2018

GAAP Reported EPS was $1.12 for the second quarter of 2019 compared to $0.71 for the second quarter of 2018. The increase in GAAP Reported EPS was primarily due to positive rate case impacts, lower operating expenses and the allocation of losses to noncontrolling tax equity members resulting from the North Rosamond solar farm commencing commercial operations, as well as prior year regulatory and legislative impacts.

The following table reconciles non-GAAP measures, including adjusted diluted EPS, to their most directly comparable GAAP measures.

	Three Months Ended June 30,			
	2019		2018	
(in millions, except per-share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	$ 820	$ 1.12	$ 500	$ 0.71
Adjustments:				
Costs to Achieve Piedmont Merger[(a)]	—	—	15	0.02
Regulatory and Legislative Impacts[(b)]	—	—	136	0.19
Discontinued Operations	—	—	5	0.01
Adjusted Earnings/Adjusted Diluted EPS	$ 820	$ 1.12	$ 656	$ 0.93

(a) Net of $5 million tax benefit.
(b) Net of $43 million tax benefit.

Six Months Ended June 30, 2019, as compared to June 30, 2018

GAAP Reported EPS was $2.36 for the six months ended June 30, 2019, compared to $1.59 for the six months ended June 30, 2018. The increase in GAAP Reported EPS was primarily due to positive rate case impacts, the allocation of losses to noncontrolling tax equity members resulting from the North Rosamond solar farm commencing commercial operations, and an adjustment related to income tax recognition for equity method investments, as well as prior year regulatory and legislative impacts, impairments charges, an AMT valuation allowance and a loss on sale of a retired plant. This was partially offset by higher depreciation and share dilution from equity issuances.

The following table reconciles non-GAAP measures, including adjusted diluted EPS, to their most directly comparable GAAP measures.

	Six Months Ended June 30,			
	2019		2018	
(in millions, except per-share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	$ 1,720	$ 2.36	$ 1,120	$ 1.59
Adjustments:				
Costs to Achieve Piedmont Merger[(a)]	—	—	28	0.04
Regulatory and Legislative Impacts[(b)]	—	—	202	0.29
Sale of Retired Plant[(c)]	—	—	82	0.12
Impairment of Equity Method Investment[(d)]	—	—	42	0.06
Impacts of the Tax Act (AMT valuation allowance)	—	—	76	0.11
Discontinued Operations	—	—	5	0.01
Adjusted Earnings/Adjusted Diluted EPS	$ 1,720	$ 2.36	$ 1,555	$ 2.22

(a) Net of $9 million tax benefit.
(b) Net of $63 million tax benefit.
(c) Net of $25 million tax benefit.
(d) Net of $13 million tax benefit.

SEGMENT RESULTS

The remaining information presented in this discussion of results of operations is on a GAAP basis. Management evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income includes intercompany revenues and expenses that are eliminated in the Condensed Consolidated Financial Statements.

Duke Energy's segment structure includes the following segments: Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables. The remainder of Duke Energy's operations is presented as Other. See Note 2 to the Condensed Consolidated Financial Statements, "Business Segments," for additional information on Duke Energy's segment structure.

Electric Utilities and Infrastructure

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2019	2018	Variance	2019	2018	Variance
Operating Revenues	**$ 5,475**	$ 5,223	$ 252	**$ 10,804**	$ 10,546	$ 258
Operating Expenses						
Fuel used in electric generation and purchased power	**1,662**	1,582	80	**3,292**	3,267	25
Operation, maintenance and other	**1,318**	1,395	(77)	**2,600**	2,720	(120)
Depreciation and amortization	**951**	838	113	**1,898**	1,673	225
Property and other taxes	**297**	279	18	**598**	553	45
Impairment charges	**4**	172	(168)	**4**	215	(211)
Total operating expenses	**4,232**	4,266	(34)	**8,392**	8,428	(36)
Gains on Sales of Other Assets and Other, net	**3**	—	3	**—**	1	(1)
Operating Income	**1,246**	957	289	**2,412**	2,119	293
Other Income and Expenses, net	**89**	91	(2)	**180**	179	1
Interest Expense	**330**	316	14	**668**	633	35
Income Before Income Taxes	**1,005**	732	273	**1,924**	1,665	259
Income Tax Expense	**196**	157	39	**365**	340	25
Segment Income	**$ 809**	$ 575	$ 234	**$ 1,559**	$ 1,325	$ 234
Duke Energy Carolinas GWh sales	**21,604**	22,272	(668)	**43,432**	44,899	(1,467)
Duke Energy Progress GWh sales	**16,222**	15,896	326	**32,570**	33,122	(552)
Duke Energy Florida GWh sales	**11,151**	10,304	847	**19,472**	19,423	49
Duke Energy Ohio GWh sales	**5,660**	6,147	(487)	**11,824**	12,219	(395)
Duke Energy Indiana GWh sales	**7,437**	8,301	(864)	**15,470**	16,786	(1,316)
Total Electric Utilities and Infrastructure GWh sales	**62,074**	62,920	(846)	**122,768**	126,449	(3,681)
Net proportional MW capacity in operation				**49,725**	49,297	428

Three Months Ended June 30, 2019, as compared to June 30, 2018

Electric Utilities and Infrastructure's results were impacted by a positive contribution from the 2018 Duke Energy Carolinas North Carolina rate case, Duke Energy Florida's base rate adjustments due to the Citrus County CC being placed in service, favorable weather-normal retail sales volumes and lower operation, maintenance and other expense.

These drivers were offset by unfavorable weather in the current year, higher depreciation from a growing asset base, higher interest expense and higher income tax expense. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $155 million increase in retail pricing primarily due to the prior year Duke Energy Carolinas North Carolina rate case and Duke Energy Florida's base rate adjustments related to Citrus County CC being placed in service;
- a $66 million increase in fuel related revenues; and
- a $19 million increase in weather-normal retail sales volumes.

Operating Expenses. The variance was driven primarily by:

- a $168 million decrease in impairment charges primarily due to the impacts associated with the prior year Duke Energy Carolinas North Carolina rate case; and
- a $77 million decrease in operation, maintenance and other expense primarily due to lower payroll and benefit costs resulting from prior year workforce reductions.

Partially offset by:

- a $113 million increase in depreciation and amortization expense primarily due to higher amortization of deferred coal ash costs, additional plant in service and new depreciation rates associated with the prior year Duke Energy Carolinas North Carolina rate case and Duke Energy Florida's Citrus County CC being placed in service;
- an $80 million increase in fuel used in electric generation and purchased power primarily due to an increase in the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard requirement from the prior year at Duke Energy Progress; and
- an $18 million increase in property and other taxes primarily due to higher property taxes for additional plant in service at Duke Energy Florida.

Interest Expense. The variance was driven primarily by higher debt outstanding in the current year and AFUDC debt return ending in the fourth quarter of 2018 on the Citrus County CC at Duke Energy Florida.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income partially offset by an increase in the amortization of excess deferred taxes. The ETRs for the three months ended June 30, 2019, and 2018, were 19.5 percent and 21.4 percent, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes partially offset by a decrease in AFUDC equity in the current year.

Six Months Ended June 30, 2019, as compared to June 30, 2018

Electric Utilities and Infrastructure's results were impacted by a positive contribution from the 2018 Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases, Duke Energy Florida's base rate adjustments due to the Citrus County CC being placed in service and lower operation, maintenance and other expense.

These drivers were offset by unfavorable weather in the current year, higher depreciation from a growing asset base, higher interest expense and higher income tax expense. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $330 million increase in retail pricing primarily due to the prior year Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases and Duke Energy Florida's base rate adjustments related to Citrus County CC being placed in service; and
- a $34 million increase in fuel related revenues.

Partially offset by:

- a $76 million decrease in retail sales, net of fuel revenues, due to unfavorable weather in the current year; and
- a $35 million decrease in rider revenues primarily due to excess deferred taxes and energy efficiency programs, partially offset by a decrement rider relating to nuclear decommissioning that ended in the prior year at Duke Energy Carolinas.

Operating Expenses. The variance was driven primarily by:

- a $211 million decrease in impairment charges primarily due to the impacts associated with the prior year Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases; and
- a $120 million decrease in operation, maintenance and other expense primarily due to lower payroll and benefit costs resulting from prior year workforce reductions.

Partially offset by:

- a $225 million increase in depreciation and amortization expense primarily due to higher amortization of deferred coal ash costs, additional plant in service and new depreciation rates associated with the prior year Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases and Duke Energy Florida's Citrus County CC being placed in service;
- a $45 million increase in property and other taxes primarily due to higher property taxes for additional plant in service at Duke Energy Florida and a favorable sales and use tax credit in the prior year at Duke Energy Progress; and
- a $25 million increase in fuel used in electric generation and purchased power primarily due to an increase in the North Carolina Renewable Energy and Energy Efficiency Portfolio Standard requirement from the prior year at Duke Energy Progress.

Interest Expense. The variance was driven primarily by higher debt outstanding in the current year and AFUDC debt return ending in the fourth quarter of 2018 on the Citrus County CC at Duke Energy Florida.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income partially offset by an increase in the amortization of excess deferred taxes. The ETRs for the six months ended June 30, 2019, and 2018, were 19.0 percent and 20.4 percent, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes partially offset by a decrease in AFUDC equity in the current year.

Matters Impacting Future Electric Utilities and Infrastructure Results

On May 21, 2019, Duke Energy Carolinas and Duke Energy Progress received orders from the PSCSC granting the companies' requests for retail rate increases but denying recovery of certain coal ash costs. On May 31, 2019, Duke Energy Carolinas and Duke Energy Progress filed Petitions for Rehearing or Reconsideration and await the order on reconsideration detailing the commission's decision. Once the orders are received, Duke Energy Carolinas and Duke Energy Progress have 30 days to file a notice of appeal with the South Carolina Supreme Court. Electric Utilities and Infrastructure's results of operations, financial position and cash flows could be adversely impacted if coal ash costs are not ultimately approved for recovery. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

On May 18, 2016, the NCDEQ issued proposed risk classifications for all coal ash surface impoundments in North Carolina. All ash impoundments not previously designated as high priority by the Coal Ash Act were designated as intermediate risk. Certain impoundments classified as intermediate risk, however, were eligible for reassessment as low risk pursuant to legislation enacted on July 14, 2016. On November 14, 2018, NCDEQ issued final low-risk classifications for these impoundments, indicating that Duke Energy Carolinas and Duke Energy Progress have satisfied the permanent replacement water supply and certain dam improvement requirements set out in the Coal Ash Management Act. On April 1, 2019, NCDEQ issued a closure determination requiring Duke Energy Carolinas and Duke Energy Progress to excavate all remaining coal ash impoundments in North Carolina, even though they had been deemed low risk. On April 26, 2019, Duke Energy Carolinas and Duke Energy Progress filed a Petition for Contested Case Hearings in the Office of Administrative Hearings to challenge NCDEQ's April 1 Order. Duke Energy Carolinas and Duke Energy Progress intend to seek recovery of all costs through the ratemaking process consistent with previous proceedings. As the final closure plans and corrective action measures are developed and approved for each site, the closure work progresses and the closure method scope and remedial action methods are determined, the complexity of work and the amount of coal combustion material could be different than originally estimated and, therefore, could materially impact Electric Utilities and Infrastructure's results of operations, financial position and cash flows. See Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies," for additional information.

Duke Energy is a party to multiple lawsuits and could be subject to fines and other penalties related to operations at certain North Carolina facilities with ash basins. In addition, the orders issued in the Duke Energy Carolinas and Duke Energy Progress North Carolina rate cases supporting recovery of past coal ash remediation costs have been appealed by various parties. The outcome of these appeals, lawsuits and potential fines and penalties could have an adverse impact on Electric Utilities and Infrastructure's results of operations, financial position and cash flows. See Notes 3 and 4 to the Condensed Consolidated Financial Statements, "Regulatory Matters" and "Commitments and Contingencies," respectively, for additional information.

On June 22, 2018, Duke Energy Carolinas received an order from the NCUC, which denied the Grid Rider Stipulation and deferral treatment of grid improvement costs. Duke Energy Carolinas may petition for deferral of grid modernization costs outside of a general rate case proceeding if it can show financial hardship or a stipulation that includes greater consensus among intervening parties on costs being classified as grid modernization. While Duke Energy Progress did not request recovery of these costs in its most recent case with the NCUC, Duke Energy Progress may request recovery of certain grid modernization costs in future regulatory proceedings. Electric Utilities and Infrastructure's results of operations, financial position and cash flows could be adversely impacted if grid modernization costs are not ultimately approved for recovery and/or deferral treatment.

During the last half of 2018, Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida's service territories were impacted by several named storms. Hurricane Florence, Hurricane Michael and Winter Storm Diego caused flooding, extensive damage and widespread power outages to the service territories of Duke Energy Carolinas and Duke Energy Progress. Duke Energy Florida's service territory was also impacted by Hurricane Michael, a Category 5 hurricane and the most powerful storm to hit the Florida Panhandle in recorded history. A significant portion of the incremental operation and maintenance expenses related to these storms have been deferred. On December 21, 2018, Duke Energy Carolinas and Duke Energy Progress filed with the NCUC petitions for approval to defer the incremental storm costs incurred to a regulatory asset for recovery in the next base rate case. On June 11, 2019, the FPSC approved Duke Energy Florida's petition for recovery of incremental storm restoration costs related to Hurricane Michael. An order from regulatory authorities disallowing the deferral and future recovery of storm restoration costs could have an adverse impact on Electric Utilities and Infrastructure's results of operations, financial position and cash flows. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

Duke Energy Indiana filed a general rate case with the IURC on July 2, 2019, its first general rate case in Indiana in 16 years. The outcome of this rate case could materially impact Electric Utilities and Infrastructure's results of operations, financial position and cash flows. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Duke Energy Registrants' Annual Reports on Form 10-K for the year ended December 31, 2018, for discussion of risks associated with the Tax Act.

Gas Utilities and Infrastructure

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2019	2018	Variance	2019	2018	Variance
Operating Revenues	**$ 306**	$ 318	$ (12)	**$ 1,062**	$ 1,045	$ 17
Operating Expenses						
Cost of natural gas	**76**	89	(13)	**403**	402	1
Operation, maintenance and other	**107**	103	4	**217**	211	6
Depreciation and amortization	**63**	60	3	**128**	121	7
Property and other taxes	**27**	26	1	**60**	57	3
Total operating expenses	**273**	278	(5)	**808**	791	17
Operating Income	**33**	40	(7)	**254**	254	—
Other Income and Expenses, net	**37**	22	15	**77**	(13)	90
Interest Expense	**27**	26	1	**57**	53	4
Income Before Income Taxes	**43**	36	7	**274**	188	86
Income Tax Expense	**3**	8	(5)	**8**	44	(36)
Segment Income	**$ 40**	$ 28	$ 12	**$ 266**	$ 144	$ 122
Piedmont LDC throughput (dekatherms)	**104,684,733**	116,839,962	(12,155,229)	**256,350,657**	271,741,341	(15,390,684)
Duke Energy Midwest LDC throughput (Mcf)	**13,742,907**	15,615,050	(1,872,143)	**52,281,179**	52,741,115	(459,936)

Three Months Ended June 30, 2019, as compared to June 30, 2018

Gas Utilities and Infrastructure's results were primarily impacted by higher equity earnings from ACP. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven by:

- an $11 million decrease at Piedmont primarily due to lower residential sales volumes due to unfavorable weather in the current year and a reduction of rates in South Carolina; and
- a $6 million decrease in the Midwest primarily due to lower natural gas costs passed through to customers and unfavorable weather in the current year.

Partially offset by:

- a $4 million increase primarily due to North Carolina and Tennessee IMR increases.

Operating Expenses. The variance was driven by:

- a $13 million decrease in cost of natural gas primarily due to lower volumes sold at Piedmont and lower natural gas prices in the Midwest.

Partially offset by:

- a $4 million increase in operation, maintenance and other expense primarily due to higher employee benefit expenses and information technology outside services at Piedmont; and
- a $3 million increase in depreciation and amortization expense primarily due to additional plant in service.

Other Income and Expenses, net. The variance was driven by higher equity earnings from ACP in the current year.

Income Tax Expense. The decrease in tax expense was primarily due to current year AFUDC equity, partially offset by an increase in pretax income. The ETRs for the three months ended June 30, 2019, and 2018, were 7.0 percent and 22.2 percent, respectively. The decrease in the ETR was primarily due to current year AFUDC equity.

Six Months Ended June 30, 2019, as compared to June 30, 2018

Gas Utilities and Infrastructure's results were primarily impacted by the prior year OTTI recorded on the Constitution investment and a 2019 adjustment related to the income tax recognition for equity method investments. The equity method investment adjustment was immaterial and relates to prior years. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven by:

- an $11 million increase primarily due to North Carolina and Tennessee IMR increases;
- a $9 million increase primarily due to higher natural gas prices associated with off-system sales; and
- an $8 million increase primarily due to NCUC approval related to tax reform accounting from fixed rate contracts.

Partially offset by:

- a $6 million decrease primarily due to a reduction of rates in South Carolina;
- a $4 million decrease due to lower natural gas costs passed through to customers in the Midwest, due to lower natural gas prices; and
- a $2 million decrease due to unfavorable weather in the current year for the Midwest.

Operating Expenses. The variance was driven by:

- a $7 million increase in depreciation and amortization expense primarily due to additional plant in service;
- a $6 million increase in operation, maintenance and other expense primarily due to information technology outside services and higher gas operations labor costs;
- a $5 million increase in cost of natural gas at Piedmont primarily due to the impact of higher natural gas prices on off-system sales and unbilled revenue; and
- a $3 million increase in property and other taxes primarily due to higher property tax expense related to additional plant in service.

Partially offset by:

- a $4 million decrease in cost of natural gas sold in the Midwest primarily due to lower natural gas prices.

Other Income and Expenses, net. The increase was primarily due to the prior year OTTI recorded on the Constitution investment and higher earnings from ACP in the current year.

Interest Expense. The variance was driven by higher debt outstanding in the current year and higher interest expense due to customers as a result of tax reform deferrals, partially offset by favorable AFUDC debt interest.

Income Tax Expense. The decrease in tax expense was primarily due to an adjustment related to the income tax recognition for equity method investments and current year AFUDC equity, partially offset by an increase in pretax income. The equity method investment adjustment was immaterial and relates to prior years. The ETRs for the six months ended June 30, 2019, and 2018, were 2.9 percent and 23.4 percent, respectively. The decrease in the ETR was primarily due to an adjustment related to the income tax recognition for equity method investments that was recorded during the first quarter of 2019 and current year AFUDC equity. The equity method investment adjustment was immaterial and relates to prior years.

Matters Impacting Future Gas Utilities and Infrastructure Results

Gas Utilities and Infrastructure has a 47 percent ownership interest in ACP, which is building an approximately 600-mile interstate natural gas pipeline intended to transport diverse natural gas supplies into southeastern markets. Affected states (West Virginia, Virginia and North Carolina) have issued certain necessary permits; the project remains subject to other pending federal and state approvals, which will allow full construction activities to begin. In 2018, FERC issued a series of Notices to Proceed, which authorized the project to begin certain construction-related activities along the pipeline route. Project cost estimates are a range of $7.0 billion to $7.8 billion, excluding financing costs. ACP expects to achieve a late 2020 in-service date for key segments of the project, while it expects the remainder to extend into 2021. Project construction activities, schedule and final costs are subject to uncertainty due to abnormal weather, work delays (including delays due to judicial or regulatory action) and other conditions and risks that could result in potential higher project costs, a potential delay in the targeted in-service dates, permanent or temporary suspension of AFUDC and potential impairment charges. ACP and Duke Energy will continue to consider their options with respect to the foregoing in light of their existing contractual and legal obligations. See Notes 3 and 13 to the Condensed Consolidated Financial Statements, "Regulatory Matters" and "Variable Interest Entities," respectively, for additional information.

On November 13, 2013, the PUCO issued an order authorizing recovery of MGP costs at certain sites in Ohio with a deadline to complete the MGP environmental investigation and remediation work prior to December 31, 2016. This deadline was subsequently extended to December 31, 2019. Disallowance of costs incurred, failure to complete the work by the deadline or failure to obtain an extension from the PUCO could result in an adverse impact on Gas Utilities and Infrastructure's results of operations, financial position and cash flows. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

Piedmont filed a general rate case with the NCUC on April 1, 2019, its first general rate case in North Carolina in six years. The outcome of this rate case could materially impact Gas Utilities and Infrastructure's results of operations, financial position and cash flows. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Duke Energy Registrants' Annual Reports on Form 10-K for the year ended December 31, 2018, for discussion of risks associated with the Tax Act.

Commercial Renewables

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2019	2018	Variance	2019	2018	Variance
Operating Revenues	$ 118	$ 119	$ (1)	$ 224	$ 220	$ 4
Operating Expenses						
Operation, maintenance and other	64	69	(5)	130	124	6
Depreciation and amortization	40	38	2	80	76	4
Property and other taxes	6	6	—	12	13	(1)
Total operating expenses	110	113	(3)	222	213	9
Operating Income	8	6	2	2	7	(5)
Other Income and Expenses, net	(8)	18	(26)	(10)	20	(30)
Interest Expense	22	23	(1)	43	45	(2)
(Loss) Income Before Income Taxes	(22)	1	(23)	(51)	(18)	(33)
Income Tax Benefit	(24)	(36)	12	(59)	(75)	16
Less: Loss Attributable to Noncontrolling Interests	(84)	(1)	(83)	(91)	(1)	(90)
Segment Income	$ 86	$ 38	$ 48	$ 99	$ 58	$ 41
Renewable plant production, GWh	2,314	2,471	(157)	4,382	4,651	(269)
Net proportional MW capacity in operation[(a)]				3,157	2,951	206

(a) Certain projects are included in tax equity structures where investors have differing interests in the project's economic attributes. One hundred percent of the tax equity project's capacity is included in the table above.

Three Months Ended June 30, 2019, as compared to June 30, 2018

Commercial Renewables' results were favorably impacted by results from tax equity solar projects, partially offset by mark-to-market losses. The following is a detailed discussion of the variance drivers by line item.

Other Income and Expenses, net. The decrease was primarily due to mark-to-market losses in the solar portfolio in the current year compared to mark-to-market gains and income from the North Allegheny Wind, LLC and FES settlement agreement in the prior year.

Income Tax Benefit. The decrease in the tax benefit was primarily driven by taxes associated with Duke Energy's interest in a tax equity solar project recorded in the second quarter of 2019 and a reduction in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The increase was primarily due to the new tax equity solar projects entered into during 2019.

Six Months Ended June 30, 2019, as compared to June 30, 2018

Commercial Renewables' results were favorably impacted by results from tax equity solar projects, partially offset by mark-to-market losses in the solar portfolio. The following is a detailed discussion of the variance drivers by line item.

Other Income and Expenses, net. The decrease was primarily due to mark-to-market losses in the solar portfolio in the current year compared to mark-to-market gains and income from the North Allegheny Wind, LLC and FES settlement agreement in the prior year.

Income Tax Benefit. The decrease in the tax benefit was primarily driven by taxes associated with Duke Energy's interest in a tax equity solar project recorded in the second quarter of 2019 and a reduction in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The increase was primarily due to the new tax equity solar projects entered into during 2019.

Matters Impacting Future Commercial Renewables Results

During the three months ended June 30, 2019, Duke Energy evaluated recoverability of its renewable merchant plants principally in the Electric Reliability Council of Texas West market, due to declining market pricing and declining long-term forecasted energy and capacity prices, primarily driven by lower forecasted natural gas prices. These assets were not impaired; however, a continued decline in pricing would likely result in a future impairment. The carrying value of $160 million for one large wind project in West Texas approximates the aggregate estimated future cash flows from the asset. Impairment of these assets could result in adverse impacts to the future results of operations, financial position and cash flows of Commercial Renewables.

On April 24, 2019, Duke Energy executed an agreement to sell a minority interest in a portion of certain renewable assets. The portion of Duke Energy's commercial renewables energy portfolio to be sold includes 49 percent of 37 operating wind, solar and battery storage assets and 33 percent of 11 operating solar assets across the U.S. Duke Energy Renewable Services, an operations and maintenance business for third-party customers, and REC Solar are not included in the potential transaction. The sale will result in pretax proceeds to Duke Energy of $415 million. Duke Energy will retain control of these assets, and, therefore, no gain or loss is expected to be recognized in the Condensed Consolidated Statements of Operations upon closing of the transaction. Duke Energy will also retain the majority of the remaining tax benefits from the projects. Duke Energy will continue to develop projects, grow its portfolio and manage its renewables assets. The sale is subject to customary closing conditions, including approvals from the FERC, the Public Utility Commission of Texas and the Committee on Foreign Investment in the U.S. The transaction is expected to close in the second half of 2019.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Duke Energy Registrants' Annual Reports on Form 10-K for the year ended December 31, 2018, for discussion of risks associated with the Tax Act.

Other

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2019	2018	Variance	2019	2018	Variance
Operating Revenues	$ 25	$ 32	$ (7)	$ 46	$ 67	$ (21)
Operating Expenses	11	59	(48)	39	113	(74)
Gains (Losses) on Sales of Other Assets and Other, net	—	2	(2)	—	(99)	99
Operating Income (Loss)	14	(25)	39	7	(145)	152
Other Income and Expenses, net	30	27	3	74	41	33
Interest Expense	180	164	16	351	321	30
Loss Before Income Taxes	(136)	(162)	26	(270)	(425)	155
Income Tax Benefit	(33)	(28)	(5)	(78)	(27)	(51)
Less: Net Income Attributable to Noncontrolling Interests	—	2	(2)	—	4	(4)
Less: Preferred Dividends	12	—	12	12	—	12
Net Loss	$ (115)	$ (136)	$ 21	$ (204)	$ (402)	$ 198

Three Months Ended June 30, 2019, as compared to June 30, 2018

The variance was driven by the absence in the current year of costs related to the Piedmont acquisition and OVEC fuel expense, offset by higher interest expense. The following is a detailed discussion of the variance drivers by line item.

Operating Expenses. The decrease was primarily due to costs related to the Piedmont acquisition and OVEC fuel expense in the prior year.

Interest Expense. The variance was primarily due to higher short-term interest rates and higher outstanding debt in the current year.

Income Tax Benefit. The increase in the tax benefit was primarily driven by a prior year state rate change and tax levelization, partially offset by a decrease in pretax losses.

Preferred Dividends. The variance was driven by the declaration of the preferred stock dividend on preferred stock issued in 2019.

Six Months Ended June 30, 2019, as compared to June 30, 2018

The variance was driven by the prior year loss on sale of the retired Beckjord station and lower income taxes due to a 2018 adjustment to record a valuation allowance. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. Lower operating revenues were due to amounts in the prior year related to Duke Energy Ohio's entitlement of capacity and energy from OVEC's power plants. In the current year, the revenues and expenses for OVEC are reflected in the Electric Utilities and Infrastructure segment due to the 2018 PUCO Order that approved Duke Energy to recover or credit amounts through Rider PSR. These amounts are deemed immaterial. Therefore, the prior period amounts were not restated.

Operating Expenses. The decrease was primarily due to costs associated with the Piedmont acquisition and OVEC fuel expense in the prior year.

Gains (Losses) on Sales of Other Assets and Other, net. The variance was driven by the prior year loss on sale of the retired Beckjord station, including the transfer of coal ash basins and other real property and indemnification from all potential future claims related to the property, whether arising under environmental laws or otherwise.

Other Income and Expenses, net. The variance was primarily due to higher returns on investments that fund certain employee benefit obligations.

Interest Expense. The variance was primarily due to higher short-term interest rates and higher outstanding debt in the current year.

Income Tax Benefit. The increase in the tax benefit was primarily driven by a prior year valuation allowance against AMT credits partially offset by a decrease in pretax losses.

Preferred Dividends. The variance was driven by the declaration of the preferred stock dividend on preferred stock issued in 2019.

DUKE ENERGY CAROLINAS

Management's Discussion and Analysis should be read in conjunction with the accompanying Condensed Consolidated Financial Statements and Notes for the six months ended June 30, 2019, and 2018, and the Annual Report on Form 10-K for the year ended December 31, 2018.

Results of Operations

	Six Months Ended June 30,		
(in millions)	2019	2018	Variance
Operating Revenues	$ 3,457	$ 3,435	$ 22
Operating Expenses			
Fuel used in electric generation and purchased power	867	880	(13)
Operation, maintenance and other	881	950	(69)
Depreciation and amortization	663	561	102
Property and other taxes	155	147	8
Impairment charges	5	190	(185)
Total operating expenses	2,571	2,728	(157)
Losses on Sales of Other Assets and Other, net	—	(1)	1
Operating Income	886	706	180
Other Income and Expenses, net	72	74	(2)
Interest Expense	227	217	10
Income Before Income Taxes	731	563	168
Income Tax Expense	137	123	14
Net Income	$ 594	$ 440	$ 154

The following table shows the percent changes in GWh sales and average number of customers. The percentages for retail customer classes represent billed sales only. Total sales includes billed and unbilled retail sales and wholesale sales to incorporated municipalities, public and private utilities and power marketers. Amounts are not weather-normalized.

Increase (Decrease) over prior year	2019
Residential sales	(4.7)%
General service sales	(1.0)%
Industrial sales	(1.6)%
Wholesale power sales	(15.7)%
Joint dispatch sales	13.0 %
Total sales	(3.3)%
Average number of customers	2.1 %

Six Months Ended June 30, 2019, as compared to June 30, 2018

Operating Revenues. The variance was driven primarily by:

- a $106 million increase in retail pricing due to the impacts of the prior year North Carolina rate case and the current year South Carolina rate case.

Partially offset by:

- a $44 million decrease in retail sales, net of fuel revenues, due to unfavorable weather in the current year; and
- a $35 million decrease in rider revenues primarily due to excess deferred taxes and energy efficiency programs, partially offset by a decrement rider relating to nuclear decommissioning that ended in the prior year.

Operating Expenses. The variance was driven primarily by:

- a $185 million decrease in impairment charges primarily due to impacts of the prior year North Carolina rate order and charges related to coal ash costs in South Carolina; and
- a $69 million decrease in operation, maintenance and other expense primarily due to decreased labor costs, partially offset by higher distribution maintenance costs and higher storm restoration costs.

Partially offset by:

- a $102 million increase in depreciation and amortization expense primarily due to additional plant in service, new depreciation rates associated with the prior year North Carolina rate case and higher amortization of deferred coal ash costs associated with the prior year North Carolina rate case.

Interest Expense. The variance was primarily due to higher debt outstanding in the current year.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income partially offset by an increase in the amortization of excess deferred taxes. The ETRs for the six months ended June 30, 2019, and 2018, were 18.7 percent and 21.8 percent, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes.

Matters Impacting Future Results

On May 21, 2019, the PSCSC issued an order granting Duke Energy Carolinas request for a retail rate increase but denying recovery of certain coal ash costs. On May 31, 2019, Duke Energy Carolinas filed a Petition for Rehearing or Reconsideration and awaits the order on reconsideration detailing the commission's decision. Once the order is received, Duke Energy Carolinas has 30 days to file a notice of appeal with the South Carolina Supreme Court. Duke Energy Carolinas' results of operations, financial position and cash flows could be adversely impacted if coal ash costs are not ultimately approved for recovery. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

On May 18, 2016, the NCDEQ issued proposed risk classifications for all coal ash surface impoundments in North Carolina. All ash impoundments not previously designated as high priority by the Coal Ash Act were designated as intermediate risk. Certain impoundments classified as intermediate risk, however, were eligible for reassessment as low risk pursuant to legislation enacted on July 14, 2016. On November 14, 2018, NCDEQ issued final low-risk classifications for these impoundments, indicating that Duke Energy Carolinas had satisfied the permanent replacement water supply and certain dam improvement requirements set out in the Coal Ash Management Act. On April 1, 2019, NCDEQ issued a closure determination requiring Duke Energy Carolinas to excavate all remaining coal ash impoundments in North Carolina. On April 26, 2019, Duke Energy Carolinas filed a Petition for Contested Case Hearings in the Office of Administrative Hearings to challenge NCDEQ's April 1 Order. Duke Energy Carolinas intends to seek recovery of all costs through the ratemaking process consistent with previous proceedings. As the final closure plans and corrective action measures are developed and approved for each site, the closure work progresses, and the closure method scope and remedial action methods are determined, the complexity of work and the amount of coal combustion material could be different than originally estimated and, therefore, could materially impact Duke Energy Carolinas' results of operations, financial position and cash flows. See Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies," for additional information.

Duke Energy Carolinas is a party to multiple lawsuits and subject to fines and other penalties related to operations at certain North Carolina facilities with ash basins. In addition, the order issued in the Duke Energy Carolinas North Carolina rate case supporting recovery of past coal ash remediation costs has been appealed by various parties. The outcome of these appeals, lawsuits, fines and penalties could have an adverse impact on Duke Energy Carolinas' results of operations, financial position and cash flows. See Notes 3 and 4 to the Condensed Consolidated Financial Statements, "Regulatory Matters" and "Commitments and Contingencies," respectively, for additional information.

On June 22, 2018, Duke Energy Carolinas received an order from the NCUC, which denied the Grid Rider Stipulation and deferral treatment of grid improvement costs. Duke Energy Carolinas may petition for deferral of grid modernization costs outside of a general rate case proceeding if it can show financial hardship or a stipulation that includes greater consensus among intervening parties on costs being classified as grid modernization. Duke Energy Carolinas' results of operations, financial position and cash flows could be adversely impacted if grid modernization costs are not ultimately approved for recovery and/or deferral treatment.

During the last half of 2018, Duke Energy Carolinas' service territory was impacted by several named storms. Hurricane Florence, Hurricane Michael and Winter Storm Diego caused flooding, extensive damage and widespread power outages in the service territory. A significant portion of the incremental operation and maintenance expenses related to these storms have been deferred. On December 21, 2018, Duke Energy Carolinas filed with the NCUC a petition for approval to defer the incremental storm costs incurred to a regulatory asset for recovery in the next base rate case. An order from regulatory authorities disallowing the deferral and future recovery of storm restoration costs could have an adverse impact on Duke Energy Carolinas' results of operations, financial position and cash flows. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Duke Energy Registrants' Annual Reports on Form 10-K for the year ended December 31, 2018, for discussion of risks associated with the Tax Act.