COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

CASE NO. 2022-00372

FILING REQUIREMENTS

VOLUME 4

Duke Energy Kentucky, Inc.
Case No. 2022-00372
Forecasted Test Period Filing Requirements
Table of Contents

Vol. #	Tab #	Filing Requirement	Description	Sponsoring Witness
1	1	KRS 278.180	30 days' notice of rates to PSC.	Amy B. Spiller
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	Amy B. Spiller
1	3	807 KAR 5:001 Section 12(2)	(a) Amount and kinds of stock authorized. (b) Amount and kinds of stock issued and outstanding. (c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise. (d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions. (e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year. (f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year. (g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year. (h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year. (i) Detailed income statement and balance sheet.	Christopher R. Bauer Danielle L. Weatherston
1	4	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	Amy B. Spiller
1	5	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	Amy B. Spiller

1	6	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	Amy B. Spiller
1	7	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	Amy B. Spiller
1	8	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	Amy B. Spiller 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	Bruce L. Sailers
1	11	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailers
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.	Grady "Tripp" S. Carpenter
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.	Grady "Tripp" S. Carpenter Lisa D. Steinkuhl Huyen C. Dang
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.	Lisa D. Steinkuhl
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.	Grady "Tripp" S. Carpenter

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.	Grady "Tripp" S. Carpenter
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.	Lisa D. Steinkuhl
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.	Grady "Tripp" S. Carpenter Dominic "Nick" J. Melillo William C. Luke
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.	Grady "Tripp" S. Carpenter
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.	Grady "Tripp" S. Carpenter
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.	Grady "Tripp" S. Carpenter Dominic "Nick" J. Melillo William C. Luke
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.	Grady "Tripp" S. Carpenter Dominic "Nick" J. Melillo William C. Luke

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.	Grady “Tripp” S. Carpenter Max W. McClellan John D. Swez
1	29	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	Danielle L. Weatherston
1	30	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	Christopher 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).	Danielle L. Weatherston
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.	Christopher 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.	Danielle L. Weatherston
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.	Danielle L. Weatherston
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.	Grady “Tripp” S. Carpenter Danielle L. Weatherston
3-8	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.	Danielle L. Weatherston
8	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.	Danielle L. Weatherston
8	38	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	Christopher R. Bauer

8	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
8	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	Lisa D. Steinkuhl
8	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
9	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
9	43	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than $1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
9	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.	Lisa D. Steinkuhl

9	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.	Lisa D. Steinkuhl Huyen C. Dang Grady "Tripp" S. Carpenter John R. Panizza James E. Ziolkowski Danielle L. Weatherston
9	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.	Lisa D. Steinkuhl
9	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.	Lisa D. Steinkuhl Grady "Tripp" S. Carpenter Huyen C. Dang James E. Ziolkowski
9	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
9	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.	Lisa D. Steinkuhl
9	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.	Lisa D. Steinkuhl Jacob J. Stewart
9	51	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Lisa D. Steinkuhl
9	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.	Danielle L. Weatherston Grady "Tripp" S. Carpenter
9	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.	Christopher R. Bauer
9	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.	Huyen C. Dang Danielle L. Weatherston Christopher R. Bauer Grady "Tripp" S. Carpenter
9	55	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailers
9	56	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailers
9	57	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailers
9	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

9	59	807 KAR 5:001 Section 16(10)	Request for waivers 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.	N/A
9	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
9	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

9	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

9	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.	Bruce L. Sailers
9	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.	N/A

10	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
11	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedule Book (Schedules L-N)	Bruce L. Sailers
12	-	-	Work Papers	Various
13	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 3)	Various
14	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 3)	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 3)	Various
16-17	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

TAB 36 CONTINUED

- We read relevant regulatory orders issued by the Commissions, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commissions' treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management's recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commissions, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
    - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
    - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
    - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
    - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained an analysis from management and letters from internal legal counsel for asset retirement obligations specific to coal ash costs, regarding probability of recovery for deferred costs not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 1947.

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues	**$ 7,015**	$ 7,395	$ 7,300
Operating Expenses			
Fuel used in electric generation and purchased power	**1,682**	1,804	1,821
Operation, maintenance and other	**1,743**	1,868	2,130
Depreciation and amortization	**1,462**	1,388	1,201
Property and other taxes	**299**	292	295
Impairment charges	**476**	17	192
Total operating expenses	**5,662**	5,369	5,639
Gains (Losses) on Sales of Other Assets and Other, net	**1**	—	(1)
Operating Income	**1,354**	2,026	1,660
Other Income and Expenses, net	**177**	151	153
Interest Expense	**487**	463	439
Income Before Income Taxes	**1,044**	1,714	1,374
Income Tax Expense	**88**	311	303
Net Income	**$ 956**	$ 1,403	$ 1,071
Other Comprehensive Income, net of tax			
Reclassification into earnings from cash flow hedges	**—**	—	1
Other Comprehensive Income, net of tax	**—**	—	1
Comprehensive Income	**$ 956**	$ 1,403	$ 1,072

See Notes to Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	**2020**	**2019**
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 21**	$ 18
Receivables (net of allowance for doubtful accounts of $1 at 2020 and $3 at 2019)	**247**	324
Receivables of VIEs (net of allowance for doubtful accounts of $22 at 2020 and $7 at 2019)	**696**	642
Receivables from affiliated companies	**124**	114
Inventory	**1,010**	996
Regulatory assets	**473**	550
Other	**20**	21
Total current assets	**2,591**	2,665
Property, Plant and Equipment		
Cost	**50,640**	48,922
Accumulated depreciation and amortization	**(17,453)**	(16,525)
Net property, plant and equipment	**33,187**	32,397
Other Noncurrent Assets		
Regulatory assets	**2,996**	3,360
Nuclear decommissioning trust funds	**4,977**	4,359
Operating lease right-of-use assets, net	**110**	123
Other	**1,187**	1,149
Total other noncurrent assets	**9,270**	8,991
Total Assets	**$ 45,048**	$ 44,053
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 1,000**	$ 954
Accounts payable to affiliated companies	**199**	210
Notes payable to affiliated companies	**506**	29
Taxes accrued	**76**	46
Interest accrued	**117**	115
Current maturities of long-term debt	**506**	458
Asset retirement obligations	**264**	206
Regulatory liabilities	**473**	255
Other	**546**	611
Total current liabilities	**3,687**	2,884
Long-Term Debt	**11,412**	11,142
Long-Term Debt Payable to Affiliated Companies	**300**	300
Other Noncurrent Liabilities		
Deferred income taxes	**3,842**	3,921
Asset retirement obligations	**5,086**	5,528
Regulatory liabilities	**6,535**	6,423
Operating lease liabilities	**97**	102
Accrued pension and other post-retirement benefit costs	**73**	84
Investment tax credits	**236**	231
Other	**626**	627
Total other noncurrent liabilities	**16,495**	16,916
Commitments and Contingencies		
Equity		
Member's equity	**13,161**	12,818
Accumulated other comprehensive loss	**(7)**	(7)
Total equity	**13,154**	12,811
Total Liabilities and Equity	**$ 45,048**	$ 44,053

See Notes to Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 956**	$ 1,403	$ 1,071
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including amortization of nuclear fuel)	**1,731**	1,671	1,487
Equity component of AFUDC	**(62)**	(42)	(73)
(Gains) Losses on sales of other assets	**(1)**	—	1
Impairment charges	**476**	17	192
Deferred income taxes	**(260)**	133	305
Payments for asset retirement obligations	**(162)**	(278)	(230)
Provision for rate refunds	**(5)**	36	182
(Increase) decrease in			
Net realized and unrealized mark-to-market and hedging transactions	**(4)**	(8)	2
Receivables	**52**	(21)	(86)
Receivables from affiliated companies	**(10)**	68	(87)
Inventory	**(14)**	(48)	25
Other current assets	**209**	(73)	(161)
Increase (decrease) in			
Accounts payable	**55**	(50)	168
Accounts payable to affiliated companies	**(11)**	(20)	21
Taxes accrued	**30**	(127)	(65)
Other current liabilities	**(56)**	127	89
Other assets	**(101)**	(42)	(221)
Other liabilities	**(47)**	(37)	(90)
Net cash provided by operating activities	**2,776**	2,709	2,530
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(2,669)**	(2,714)	(2,706)
Purchases of debt and equity securities	**(1,602)**	(1,658)	(1,810)
Proceeds from sales and maturities of debt and equity securities	**1,602**	1,658	1,810
Other	**(164)**	(204)	(147)
Net cash used in investing activities	**(2,833)**	(2,918)	(2,853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**998**	886	1,983
Payments for the redemption of long-term debt	**(813)**	(6)	(1,205)
Notes payable to affiliated companies	**477**	(410)	335
Distributions to parent	**(600)**	(275)	(750)
Other	**(2)**	(1)	(23)
Net cash provided by financing activities	**60**	194	340
Net increase (decrease) in cash and cash equivalents	**3**	(15)	17
Cash and cash equivalents at beginning of period	**18**	33	16
Cash and cash equivalents at end of period	**$ 21**	$ 18	$ 33
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 481**	$ 433	$ 452
Cash paid for income taxes	**321**	122	89
Significant non-cash transactions:			
Accrued capital expenditures	**365**	347	302

See Notes to Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Gains (Losses) on Cash Flow Hedges	Total Equity
Balance at December 31, 2017	$ 11,368	$ (7)	$ 11,361
Net income	1,071	—	1,071
Other comprehensive income	—	1	1
Distributions to parent	(750)	—	(750)
Balance at December 31, 2018	$ 11,689	$ (6)	$ 11,683
Net income	1,403	—	1,403
Distributions to parent	(275)	—	(275)
Other	1	(1)	—
Balance at December 31, 2019	$ 12,818	$ (7)	$ 12,811
Net income	**956**	**—**	**956**
Distributions to parent	**(600)**	**—**	**(600)**
Other[(a)]	**(13)**	**—**	**(13)**
Balance at December 31, 2020	**$ 13,161**	**$ (7)**	**$ 13,154**

(a) Amounts primarily represent impacts due to implementation of a new accounting standard related to Credit Losses. See Note 1 for additional discussion.

See Notes to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Progress Energy, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Progress Energy, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1, 3, and 9 to the financial statements*.*

Critical Audit Matter Description

The Company is subject to rate regulation by the North Carolina Utilities Commission, South Carolina Public Service Commission and Florida Public Service Commission (collectively the “Commissions”), which have jurisdiction with respect to the electric rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $6.5 billion recorded as regulatory assets.

The Company’s rates are subject to regulatory rate-setting processes and annual earnings oversight. Rates charged to customers are determined and approved in regulatory proceedings based on an analysis of the Company’s costs to provide utility service and a return on the Company’s investment in the utility business. Regulatory decisions can have an impact on the recovery of costs, the rate of return earned on investment and the timing and amount of assets to be recovered by rates. The regulation of rates is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital. As discussed in Note 3, regulatory proceedings in recent years in North Carolina and South Carolina have focused on the recoverability of asset retirement obligations specific to coal ash. As a result, assessing the potential outcomes of future regulatory orders in North Carolina and South Carolina requires significant management judgment.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commissions; to support its assertions on the likelihood of future recovery for deferred costs. As such, auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities, a high degree of auditor judgment, and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.

- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.

- We read relevant regulatory orders issued by the Commissions, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commissions' treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management's recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commissions, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
  - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
  - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
  - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
  - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained an analysis from management and letters from internal legal counsel for asset retirement obligations specific to coal ash costs, regarding probability of recovery for deferred costs not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 1930.

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues	**$ 10,627**	$ 11,202	$ 10,728
Operating Expenses			
Fuel used in electric generation and purchased power	**3,479**	4,024	3,976
Operation, maintenance and other	**2,479**	2,495	2,613
Depreciation and amortization	**1,818**	1,845	1,619
Property and other taxes	**545**	561	529
Impairment charges	**495**	(24)	87
Total operating expenses	**8,816**	8,901	8,824
Gains on Sales of Other Assets and Other, net	**9**	—	24
Operating Income	**1,820**	2,301	1,928
Other Income and Expenses, net	**129**	141	165
Interest Expense	**790**	862	842
Income Before Income Taxes	**1,159**	1,580	1,251
Income Tax Expense	**113**	253	218
Net Income	**1,046**	1,327	1,033
Less: Net Income Attributable to Noncontrolling Interests	**1**	—	6
Net Income Attributable to Parent	**$ 1,045**	$ 1,327	$ 1,027
Net Income	**$ 1,046**	$ 1,327	$ 1,033
Other Comprehensive Income, net of tax			
Pension and OPEB adjustments	**(1)**	2	5
Net unrealized gain on cash flow hedges	**5**	5	6
Unrealized (losses) gains on available-for-sale securities	**(1)**	1	(1)
Other Comprehensive Income, net of tax	**3**	8	10
Comprehensive Income	**1,049**	1,335	1,043
Less: Comprehensive Income Attributable to Noncontrolling Interests	**1**	—	6
Comprehensive Income Attributable to Parent	**$ 1,048**	$ 1,335	$ 1,037

See Notes to Consolidated Financial Statements

PROGRESS ENERGY, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 59	$ 48
Receivables (net of allowance for doubtful accounts of $8 at 2020 and $7 at 2019)	228	220
Receivables of VIEs (net of allowance for doubtful accounts of $29 at 2020 and $9 at 2019)	901	830
Receivables from affiliated companies	157	76
Notes receivable from affiliated companies	—	164
Inventory	1,375	1,423
Regulatory assets (includes $53 at 2020 and $52 at 2019 related to VIEs)	758	946
Other (includes $39 at 2020 and 2019 related to VIEs)	109	210
Total current assets	3,587	3,917
Property, Plant and Equipment		
Cost	57,892	55,070
Accumulated depreciation and amortization	(18,368)	(17,159)
Generation facilities to be retired, net	29	246
Net property, plant and equipment	39,553	38,157
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $937 at 2020 and $989 at 2019 related to VIEs)	5,775	6,346
Nuclear decommissioning trust funds	4,137	3,782
Operating lease right-of-use assets, net	690	788
Other	1,227	1,049
Total other noncurrent assets	15,484	15,620
Total Assets	$ 58,624	$ 57,694
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 919	$ 1,104
Accounts payable to affiliated companies	289	310
Notes payable to affiliated companies	2,969	1,821
Taxes accrued	121	46
Interest accrued	202	228
Current maturities of long-term debt (includes $305 at 2020 and $54 at 2019 related to VIEs)	1,426	1,577
Asset retirement obligations	283	485
Regulatory liabilities	640	330
Other	793	902
Total current liabilities	7,642	6,803
Long-Term Debt (includes $1,252 at 2020 and $1,632 at 2019 related to VIEs)	17,688	17,907
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,396	4,462
Asset retirement obligations	5,866	5,986
Regulatory liabilities	5,051	5,225
Operating lease liabilities	623	697
Accrued pension and other post-retirement benefit costs	505	488
Other	462	383
Total other noncurrent liabilities	16,903	17,241
Commitments and Contingencies		
Equity		
Common stock, $0.01 par value, 100 shares authorized and outstanding at 2020 and 2019	—	—
Additional paid-in capital	9,143	9,143
Retained earnings	7,109	6,465
Accumulated other comprehensive loss	(15)	(18)
Total Progress Energy, Inc. stockholder's equity	16,237	15,590
Noncontrolling interests	4	3
Total equity	16,241	15,593
Total Liabilities and Equity	$ 58,624	$ 57,694

See Notes to Consolidated Financial Statements

PROGRESS ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 1,046**	$ 1,327	$ 1,033
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**2,327**	2,207	1,987
Equity component of AFUDC	**(42)**	(66)	(104)
Gains on sales of other assets	**(9)**	—	(24)
Impairment charges	**495**	(24)	87
Deferred income taxes	**(197)**	433	358
Payments for asset retirement obligations	**(384)**	(412)	(230)
Provision for rate refunds	**2**	15	122
(Increase) decrease in			
Net realized and unrealized mark-to-market and hedging transactions	**(9)**	(34)	18
Receivables	**(69)**	47	(207)
Receivables from affiliated companies	**(81)**	81	(137)
Inventory	**49**	62	121
Other current assets	**223**	184	(12)
Increase (decrease) in			
Accounts payable	**(62)**	(4)	217
Accounts payable to affiliated companies	**(21)**	(50)	109
Taxes accrued	**75**	(74)	8
Other current liabilities	**139**	25	129
Other assets	**(128)**	(341)	(896)
Other liabilities	**(177)**	(167)	(35)
Net cash provided by operating activities	**3,177**	3,209	2,544
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(3,488)**	(3,952)	(3,854)
Purchases of debt and equity securities	**(5,998)**	(1,511)	(1,753)
Proceeds from sales and maturities of debt and equity securities	**6,010**	1,504	1,769
Notes receivable from affiliated companies	**164**	(164)	240
Other	**(160)**	(190)	(162)
Net cash used in investing activities	**(3,472)**	(4,313)	(3,760)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**1,791**	2,187	1,833
Payments for the redemption of long-term debt	**(2,157)**	(1,667)	(771)
Notes payable to affiliated companies	**1,148**	586	430
Dividends to parent	**(400)**	—	(250)
Other	**(13)**	12	(1)
Net cash provided by financing activities	**369**	1,118	1,241
Net increase in cash, cash equivalents, and restricted cash	**74**	14	25
Cash, cash equivalents, and restricted cash at beginning of period	**126**	112	87
Cash, cash equivalents, and restricted cash at end of period	**$ 200**	$ 126	$ 112
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 819**	$ 892	$ 798
Cash paid for (received from) income taxes	**149**	(79)	(348)
Significant non-cash transactions:			
Accrued capital expenditures	**363**	447	478

See Notes to Consolidated Financial Statements

PROGRESS ENERGY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

			Accumulated Other Comprehensive Income (Loss)					
(in millions)	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholder's Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2017	$ 9,143	$ 4,350	$ (18)	$ 5	$ (12)	$ 13,468	$ (3)	$ 13,465
Net income	—	1,027	—	—	—	1,027	6	1,033
Other comprehensive income (loss)	—	—	6	(1)	5	10	—	10
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Dividends to parent	—	(250)	—	—	—	(250)	—	(250)
Other[(a)]	—	4	—	(5)	—	(1)	1	—
Balance at December 31, 2018	$ 9,143	$ 5,131	$ (12)	$ (1)	$ (7)	$ 14,254	$ 3	$ 14,257
Net income	—	1,327	—	—	—	1,327	—	1,327
Other comprehensive income	—	—	5	1	2	8	—	8
Other[(b)]	—	7	(3)	(1)	(2)	1	—	1
Balance at December 31, 2019	$ 9,143	$ 6,465	$ (10)	$ (1)	$ (7)	$ 15,590	$ 3	$ 15,593
Net income	**—**	**1,045**	**—**	**—**	**—**	**1,045**	**1**	**1,046**
Other comprehensive income (loss)	**—**	**—**	**5**	**(1)**	**(1)**	**3**	**—**	**3**
Dividends to parent	**—**	**(400)**	**—**	**—**	**—**	**(400)**	**—**	**(400)**
Other	**—**	**(1)**	**—**	**—**	**—**	**(1)**	**—**	**(1)**
Balance at December 31, 2020	**$ 9,143**	**$ 7,109**	**$ (5)**	**$ (2)**	**$ (8)**	**$ 16,237**	**$ 4**	**$ 16,241**

(a) Amounts in Retained Earnings and AOCI represent a cumulative-effect adjustment due to implementation of a new accounting standard related to Financial Instruments Classification and Measurement. See Note 1 for more information.
(b) Amounts in Retained Earnings and AOCI 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 Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Duke Energy Progress, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Duke Energy Progress, LLC and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1, 3, and 9 to the financial statements.

Critical Audit Matter Description

The Company is subject to rate regulation by the North Carolina Utilities Commission and by the South Carolina Public Service Commission (collectively the “Commissions”), which have jurisdiction with respect to the electric rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $4.5 billion recorded as regulatory assets.

The Company’s rates are subject to regulatory rate-setting processes and annual earnings oversight. Rates charged to customers are determined and approved in regulatory proceedings based on an analysis of the Company’s costs to provide utility service and a return on the Company’s investment in the utility business. Regulatory decisions can have an impact on the recovery of costs, the rate of return earned on investment and the timing and amount of assets to be recovered by rates. The regulation of rates is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital. As discussed in Note 3, regulatory proceedings in recent years in North Carolina and South Carolina have focused on the recoverability of asset retirement obligations specific to coal ash. As a result, assessing the potential outcomes of future regulatory orders in North Carolina and South Carolina requires significant management judgment.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commissions; to support its assertions on the likelihood of future recovery for deferred costs. As such, auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities, a high degree of auditor judgment, and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.

- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.

- We read relevant regulatory orders issued by the Commissions, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commissions' treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management's recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commissions, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
  - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
  - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
  - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
  - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained an analysis from management and letters from internal legal counsel for asset retirement obligations specific to coal ash costs, regarding probability of recovery for deferred costs not yet addressed in a regulatory order to assess management's assertion that amounts are probable of recovery.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 1930.

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	2020	2019	2018
Operating Revenues	$ 5,422	$ 5,957	$ 5,699
Operating Expenses			
Fuel used in electric generation and purchased power	1,743	2,012	1,892
Operation, maintenance and other	1,332	1,446	1,578
Depreciation and amortization	1,116	1,143	991
Property and other taxes	167	176	155
Impairment charges	499	12	33
Total operating expenses	4,857	4,789	4,649
Gains on Sales of Other Assets and Other, net	8	—	9
Operating Income	573	1,168	1,059
Other Income and Expenses, net	75	100	87
Interest Expense	269	306	319
Income Before Income Taxes	379	962	827
Income Tax (Benefit) Expense	(36)	157	160
Net Income and Comprehensive Income	$ 415	$ 805	$ 667

See Notes to Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 39	$ 22
Receivables (net of allowance for doubtful accounts of $4 at 2020 and $3 at 2019)	132	123
Receivables of VIEs (net of allowance for doubtful accounts of $19 at 2020 and $5 at 2019)	500	489
Receivables from affiliated companies	50	52
Inventory	911	934
Regulatory assets	492	526
Other	60	60
Total current assets	2,184	2,206
Property, Plant and Equipment		
Cost	35,759	34,603
Accumulated depreciation and amortization	(12,801)	(11,915)
Generation facilities to be retired, net	29	246
Net property, plant and equipment	22,987	22,934
Other Noncurrent Assets		
Regulatory assets	3,976	4,152
Nuclear decommissioning trust funds	3,500	3,047
Operating lease right-of-use assets, net	346	387
Other	740	651
Total other noncurrent assets	8,562	8,237
Total Assets	$ 33,733	$ 33,377
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 454	$ 629
Accounts payable to affiliated companies	215	203
Notes payable to affiliated companies	295	66
Taxes accrued	85	17
Interest accrued	99	110
Current maturities of long-term debt	603	1,006
Asset retirement obligations	283	485
Regulatory liabilities	530	236
Other	411	478
Total current liabilities	2,975	3,230
Long-Term Debt	8,505	7,902
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,298	2,388
Asset retirement obligations	5,352	5,408
Regulatory liabilities	4,394	4,232
Operating lease liabilities	323	354
Accrued pension and other post-retirement benefit costs	242	238
Investment tax credits	132	137
Other	102	92
Total other noncurrent liabilities	12,843	12,849
Commitments and Contingencies		
Equity		
Member's Equity	9,260	9,246
Total Liabilities and Equity	$ 33,733	$ 33,377

See Notes to Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 415**	$ 805	$ 667
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization (including amortization of nuclear fuel)	**1,299**	1,329	1,183
Equity component of AFUDC	**(29)**	(60)	(57)
Gains on sales of other assets	**(8)**	—	(9)
Impairment charges	**499**	12	33
Deferred income taxes	**(234)**	197	236
Payments for asset retirement obligations	**(304)**	(390)	(195)
Provisions for rate refunds	**2**	12	122
(Increase) decrease in			
Net realized and unrealized mark-to-market and hedging transactions	**1**	(6)	5
Receivables	**(4)**	21	(107)
Receivables from affiliated companies	**2**	(29)	(20)
Inventory	**23**	20	63
Other current assets	**98**	101	(201)
Increase (decrease) in			
Accounts payable	**(127)**	32	219
Accounts payable to affiliated companies	**12**	(75)	99
Taxes accrued	**68**	(46)	(11)
Other current liabilities	**157**	68	46
Other assets	**(207)**	(205)	(465)
Other liabilities	**3**	37	20
Net cash provided by operating activities	**1,666**	1,823	1,628
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(1,581)**	(2,108)	(2,220)
Purchases of debt and equity securities	**(1,555)**	(842)	(1,236)
Proceeds from sales and maturities of debt and equity securities	**1,516**	810	1,206
Other	**(57)**	(119)	(95)
Net cash used in investing activities	**(1,677)**	(2,259)	(2,345)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**1,296**	1,269	845
Payments for the redemption of long-term debt	**(1,085)**	(605)	(3)
Notes payable to affiliated companies	**229**	(228)	54
Distributions to parent	**(400)**	—	(175)
Other	**(12)**	(1)	(1)
Net cash provided by financing activities	**28**	435	720
Net increase (decrease) in cash and cash equivalents	**17**	(1)	3
Cash and cash equivalents at beginning of period	**22**	23	20
Cash and cash equivalents at end of period	**$ 39**	$ 22	$ 23
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 301**	$ 331	$ 303
Cash paid for (received from) income taxes	**123**	(30)	(112)
Significant non-cash transactions:			
Accrued capital expenditures	**149**	175	220

See Notes to Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)		Member's Equity
Balance at December 31, 2017	$	7,949
Net income		667
Distribution to parent		(175)
Balance at December 31, 2018	$	8,441
Net income		805
Balance at December 31, 2019	$	9,246
Net income		**415**
Distribution to parent		**(400)**
Other		**(1)**
Balance at December 31, 2020	**$**	**9,260**

See Notes to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Duke Energy Florida, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Duke Energy Florida, LLC and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1 and 3 to the financial statements.

Critical Audit Matter Description

The Company is subject to rate regulation by the Florida Public Service Commission (the “Commission”), which has jurisdiction with respect to the electric rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $2.1 billion recorded as regulatory assets.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commission; to support its assertions on the likelihood of future recovery for deferred costs. Given that management’s accounting judgments are based on assumptions about the outcome of future decisions by the Commission, auditing these judgments required specialized knowledge of accounting for rate regulation and the ratemaking process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.

- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.

- We read relevant regulatory orders issued by the Commission, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commission’s treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management’s recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commission, including the settlement agreement filed with the Commission subsequent to December 31, 2020, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
    - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
    - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
    - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
    - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 2001.

DUKE ENERGY FLORIDA, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues	**$ 5,188**	$ 5,231	$ 5,021
Operating Expenses			
Fuel used in electric generation and purchased power	**1,737**	2,012	2,085
Operation, maintenance and other	**1,131**	1,034	1,025
Depreciation and amortization	**702**	702	628
Property and other taxes	**381**	392	374
Impairment charges	**(4)**	(36)	54
Total operating expenses	**3,947**	4,104	4,166
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Income	**1,242**	1,127	856
Other Income and Expenses, net	**53**	48	86
Interest Expense	**326**	328	287
Income Before Income Taxes	**969**	847	655
Income Tax Expense	**198**	155	101
Net Income	**$ 771**	$ 692	$ 554
Other Comprehensive Income (Loss), net of tax			
Unrealized (losses) gains on available-for-sale securities	**(1)**	1	(1)
Other Comprehensive (Loss) Income, net of tax	**(1)**	1	(1)
Comprehensive Income	**$ 770**	$ 693	$ 553

See Notes to Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 11	$ 17
Receivables (net of allowance for doubtful accounts of $4 at 2020 and $3 at 2019)	94	96
Receivables of VIEs (net of allowance for doubtful accounts of $10 at 2020 and $4 at 2019)	401	341
Receivables from affiliated companies	3	—
Notes receivable from affiliated companies	—	173
Inventory	464	489
Regulatory assets (includes $53 at 2020 and $52 at 2019 related to VIEs)	265	419
Other (includes $39 at 2020 and 2019 related to VIEs)	41	58
Total current assets	1,279	1,593
Property, Plant and Equipment		
Cost	22,123	20,457
Accumulated depreciation and amortization	(5,560)	(5,236)
Net property, plant and equipment	16,563	15,221
Other Noncurrent Assets		
Regulatory assets (includes $937 at 2020 and $989 at 2019 related to VIEs)	1,799	2,194
Nuclear decommissioning trust funds	637	734
Operating lease right-of-use assets, net	344	401
Other	335	311
Total other noncurrent assets	3,115	3,640
Total Assets	$ 20,957	$ 20,454
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 465	$ 474
Accounts payable to affiliated companies	85	131
Notes payable to affiliated companies	196	—
Taxes accrued	82	43
Interest accrued	69	75
Current maturities of long-term debt (includes $305 at 2020 and $54 at 2019 related to VIEs)	823	571
Regulatory liabilities	110	94
Other	374	415
Total current liabilities	2,204	1,803
Long-Term Debt (includes $1,002 at 2020 and $1,307 at 2019 related to VIEs)	7,092	7,416
Other Noncurrent Liabilities		
Deferred income taxes	2,191	2,179
Asset retirement obligations	514	578
Regulatory liabilities	658	993
Operating lease liabilities	300	343
Accrued pension and other post-retirement benefit costs	231	218
Other	209	136
Total other noncurrent liabilities	4,103	4,447
Commitments and Contingencies		
Equity		
Member's equity	7,560	6,789
Accumulated other comprehensive loss	(2)	(1)
Total equity	7,558	6,788
Total Liabilities and Equity	$ 20,957	$ 20,454

See Notes to Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 771**	$ 692	$ 554
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	**1,019**	869	793
Equity component of AFUDC	**(12)**	(6)	(47)
Gains on sales of other assets	**(1)**	—	(1)
Impairment charges	**(4)**	(36)	54
Deferred income taxes	**27**	180	159
Payments for asset retirement obligations	**(80)**	(22)	(35)
(Increase) decrease in			
Net realized and unrealized mark-to-market and hedging transactions	**(14)**	(33)	7
Receivables	**(64)**	26	(100)
Receivables from affiliated companies	**(3)**	17	(26)
Inventory	**26**	42	58
Other current assets	**40**	156	59
Increase (decrease) in			
Accounts payable	**66**	(36)	(1)
Accounts payable to affiliated companies	**(46)**	40	17
Taxes accrued	**39**	(31)	40
Other current liabilities	**(7)**	(36)	82
Other assets	**85**	(131)	(429)
Other liabilities	**(181)**	(213)	(75)
Net cash provided by operating activities	**1,661**	1,478	1,109
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(1,907)**	(1,844)	(1,634)
Purchases of debt and equity securities	**(4,443)**	(669)	(517)
Proceeds from sales and maturities of debt and equity securities	**4,495**	695	563
Notes receivable from affiliated companies	**173**	(173)	313
Other	**(103)**	(67)	(65)
Net cash used in investing activities	**(1,785)**	(2,058)	(1,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**495**	918	988
Payments for the redemption of long-term debt	**(572)**	(262)	(769)
Notes payable to affiliated companies	**196**	(108)	108
Distribution to parent	**—**	—	(75)
Other	**(1)**	13	1
Net cash provided by financing activities	**118**	561	253
Net (decrease) increase in cash, cash equivalents, and restricted cash	**(6)**	(19)	22
Cash, cash equivalents, and restricted cash at beginning of period	**56**	75	53
Cash, cash equivalents, and restricted cash at end of period	**$ 50**	$ 56	$ 75
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 321**	$ 332	$ 270
Cash paid for (received from) income taxes	**138**	1	(120)
Significant non-cash transactions:			
Accrued capital expenditures	**214**	272	258

See Notes to Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		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	554	—	554
Other comprehensive loss	—	(1)	(1)
Distribution to parent	(75)	—	(75)
Other[(a)]	4	(5)	(1)
Balance at December 31, 2018	$ 6,097	$ (2)	$ 6,095
Net income	692	—	692
Other comprehensive income	—	1	1
Balance at December 31, 2019	$ 6,789	$ (1)	$ 6,788
Net income	**771**	**—**	**771**
Other comprehensive loss	**—**	**(1)**	**(1)**
Balance at December 31, 2020	**$ 7,560**	**$ (2)**	**$ 7,558**

(a) Amounts represent a cumulative-effect adjustment due to implementation of a new accounting standard related to Financial Instruments Classification and Measurement. See Note 1 for more information.

See Notes to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Duke Energy Ohio, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Duke Energy Ohio, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1 and 3 to the financial statements.

Critical Audit Matter Description

The Company is subject to rate regulation by the Public Utilities Commission of Ohio and by the Kentucky Public Service Commission (collectively the “Commissions”), which have jurisdiction with respect to the electric and gas rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $650 million recorded as regulatory assets.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commissions; to support its assertions on the likelihood of future recovery for deferred costs. Given that management’s accounting judgments are based on assumptions about the outcome of future decisions by the Commissions, auditing these judgments required specialized knowledge of accounting for rate regulation and the ratemaking process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.
- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- We read relevant regulatory orders issued by the Commissions, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commissions’ treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management’s recorded regulatory asset balances for completeness.
- For regulatory matters in process, we inspected the Company’s and intervenors’ filings with the Commissions, that may impact the Company’s future rates, for any evidence that might contradict management’s assertions.

- We evaluated the reasonableness of management’s judgments regarding the recoverability of regulatory asset balances by performing the following:
    - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
    - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
    - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
    - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 2002.

DUKE ENERGY OHIO, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues			
Regulated electric	**$ 1,405**	$ 1,456	$ 1,450
Regulated natural gas	**453**	484	506
Nonregulated electric and other	**—**	—	1
Total operating revenues	**1,858**	1,940	1,957
Operating Expenses			
Fuel used in electric generation and purchased power – regulated	**339**	388	412
Cost of natural gas	**73**	95	113
Operation, maintenance and other	**463**	520	480
Depreciation and amortization	**278**	265	268
Property and other taxes	**324**	308	290
Total operating expenses	**1,477**	1,576	1,563
Losses on Sales of Other Assets and Other, net	**—**	—	(106)
Operating Income	**381**	364	288
Other Income and Expenses, net	**16**	24	23
Interest Expense	**102**	109	92
Income From Continuing Operations Before Income Taxes	**295**	279	219
Income Tax Expense From Continuing Operations	**43**	40	43
Income From Continuing Operations	**252**	239	176
Loss From Discontinued Operations, net of tax	**—**	(1)	—
Net Income and Comprehensive Income	**$ 252**	$ 238	$ 176

See Notes to Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	**2020**	**2019**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 14	$ 17
Receivables (net of allowance for doubtful accounts of $4 at 2020 and $4 at 2019)	98	84
Receivables from affiliated companies	102	92
Inventory	110	135
Regulatory assets	39	49
Other	31	21
Total current assets	394	398
Property, Plant and Equipment		
Cost	11,022	10,241
Accumulated depreciation and amortization	(3,013)	(2,843)
Net property, plant and equipment	8,009	7,398
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	610	549
Operating lease right-of-use assets, net	20	21
Other	72	52
Total other noncurrent assets	1,622	1,542
Total Assets	$ 10,025	$ 9,338
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 279	$ 288
Accounts payable to affiliated companies	68	68
Notes payable to affiliated companies	169	312
Taxes accrued	247	219
Interest accrued	31	30
Current maturities of long-term debt	50	—
Asset retirement obligations	3	1
Regulatory liabilities	65	64
Other	70	75
Total current liabilities	982	1,057
Long-Term Debt	3,014	2,594
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	981	922
Asset retirement obligations	108	79
Regulatory liabilities	748	763
Operating lease liabilities	20	21
Accrued pension and other post-retirement benefit costs	113	100
Other	99	94
Total other noncurrent liabilities	2,069	1,979
Commitments and Contingencies		
Equity		
Common stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2020 and 2019	762	762
Additional paid-in capital	2,776	2,776
Retained earnings	397	145
Total equity	3,935	3,683
Total Liabilities and Equity	$ 10,025	$ 9,338

See Notes to Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 252**	$ 238	$ 176
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	**283**	269	271
Equity component of AFUDC	**(7)**	(13)	(11)
Losses on sales of other assets	**—**	—	106
Deferred income taxes	**31**	81	25
Payments for asset retirement obligations	**(2)**	(8)	(3)
Provision for rate refunds	**14**	7	24
(Increase) decrease in			
Receivables	**(13)**	20	(33)
Receivables from affiliated companies	**9**	22	19
Inventory	**25**	(9)	7
Other current assets	**(18)**	(5)	16
Increase (decrease) in			
Accounts payable	**2**	(17)	(19)
Accounts payable to affiliated companies	**—**	(10)	16
Taxes accrued	**30**	17	12
Other current liabilities	**3**	1	14
Other assets	**(32)**	(26)	(24)
Other liabilities	**(2)**	(41)	(26)
Net cash provided by operating activities	**575**	526	570
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(834)**	(952)	(827)
Notes receivable from affiliated companies	**(19)**	—	14
Other	**(48)**	(68)	(89)
Net cash used in investing activities	**(901)**	(1,020)	(902)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**467**	1,003	99
Payments for the redemption of long-term debt	**—**	(551)	(3)
Notes payable to affiliated companies	**(144)**	38	245
Net cash provided by financing activities	**323**	490	341
Net (decrease) increase in cash and cash equivalents	**(3)**	(4)	9
Cash and cash equivalents at beginning of period	**17**	21	12
Cash and cash equivalents at end of period	**$ 14**	$ 17	$ 21
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 97**	$ 97	$ 87
Cash received from income taxes	**—**	(37)	(6)
Significant non-cash transactions:			
Accrued capital expenditures	**104**	109	95
Non-cash equity contribution from parent	**—**	—	106

See Notes to Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(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	—	—	176	176
Contribution from parent	—	106	—	106
Balance at December 31, 2018	$ 762	$ 2,776	$ (93)	$ 3,445
Net income	—	—	238	238
Balance at December 31, 2019	$ 762	$ 2,776	$ 145	$ 3,683
Net income	**—**	**—**	**252**	**252**
Balance at December 31, 2020	**$ 762**	**$ 2,776**	**$ 397**	**$ 3,935**

See Notes to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the shareholder and the Board of Directors of Duke Energy Indiana, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Duke Energy Indiana, LLC and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1 and 3 to the financial statements.

Critical Audit Matter Description

The Company is subject to rate regulation by the Indiana Utility Regulatory Commission (the “Commission”), which has jurisdiction with respect to the electric rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $1.3 billion recorded as regulatory assets.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commission; to support its assertions on the likelihood of future recovery for deferred costs. Given that management’s accounting judgments are based on assumptions about the outcome of future decisions by the Commission, auditing these judgments required specialized knowledge of accounting for rate regulation and the ratemaking process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.
- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.
- We read relevant regulatory orders issued by the Commission, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commission’s treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management’s recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commission, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
  - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
  - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
  - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
  - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

Duke Energy Indiana Coal Ash Asset Retirement Obligations – Refer to Notes 3, 4, and 9 to the financial statements

Critical Audit Matter Description

Duke Energy Indiana has asset retirement obligations associated with coal ash impoundments at operating and retired coal generation facilities. These legal obligations are the result of Indiana state and federal regulations. There is significant judgment in determining the assumptions used in estimating the closure costs for each site since Duke Energy Indiana does not have approved closure plans for certain sites. Potential changes to the projected closure costs for each site as well as probability weightings for the cash flows associated with the different potential closure methods ("probability weightings") creates estimation uncertainty. The liability for coal ash asset retirement obligations at Duke Energy Indiana was $1,140 million at December 31, 2020.

We identified the asset retirement obligations associated with coal ash impoundments at Duke Energy Indiana as a critical audit matter because of the significant management estimates and assumptions, including projected closure costs as well as the different potential closure methods. The audit procedures to evaluate the reasonableness of management's estimates and assumptions related to potential changes to the projected closure costs for each site as well as probability weightings for the cash flows associated with the different potential closure methods required a high degree of auditor judgment and an increased extent of effort, including the need to involve our environmental specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the underlying estimated closure costs for coal ash asset retirement obligations at Duke Energy Indiana included the following, among others:

- We tested the effectiveness of controls over management's coal ash asset retirement obligation estimate, including those over management's determination of the estimated closure costs and probability weightings.

- We evaluated management's ability to accurately estimate future closure costs by comparing actual closure costs to management's historical estimates.

- We tested the mathematical accuracy of management's coal ash asset retirement obligation calculations, including the application of probability weightings.

- We made inquiries of internal and external legal counsel regarding the status of the legal matters associated with the probability weightings.

- We inspected the opinions from internal and external legal counsel supporting the probability weightings.

- We inspected the Company's filings with and orders from the Indiana Department of Environmental Management, for evidence that might contradict management's assertions regarding the estimated closure costs and probability weightings.

- With the assistance of our environmental specialists, we evaluated the reasonableness of management's estimated closure costs by comparing the costs to actual costs incurred at comparable coal ash impoundments, underlying contracts, and publicly available industry cost data, as applicable.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 2002.

DUKE ENERGY INDIANA, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues	**$ 2,795**	$ 3,004	$ 3,059
Operating Expenses			
Fuel used in electric generation and purchased power	**767**	935	1,000
Operation, maintenance and other	**762**	790	788
Depreciation and amortization	**569**	525	520
Property and other taxes	**81**	69	78
Impairment charges	**—**	—	30
Total operating expenses	**2,179**	2,319	2,416
Operating Income	**616**	685	643
Other Income and Expenses, net	**37**	41	45
Interest Expense	**161**	156	167
Income Before Income Taxes	**492**	570	521
Income Tax Expense	**84**	134	128
Net Income and Comprehensive Income	**$ 408**	$ 436	$ 393

See Notes to Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	**2020**	**2019**
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 7**	$ 25
Receivables (net of allowance for doubtful accounts of $3 at 2020 and $3 at 2019)	**55**	60
Receivables from affiliated companies	**112**	79
Inventory	**473**	517
Regulatory assets	**125**	90
Other	**37**	60
Total current assets	**809**	831
Property, Plant and Equipment		
Cost	**17,382**	16,305
Accumulated depreciation and amortization	**(5,661)**	(5,233)
Net property, plant and equipment	**11,721**	11,072
Other Noncurrent Assets		
Regulatory assets	**1,203**	1,082
Operating lease right-of-use assets, net	**55**	57
Other	**253**	234
Total other noncurrent assets	**1,511**	1,373
Total Assets	**$ 14,041**	$ 13,276
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 188**	$ 201
Accounts payable to affiliated companies	**88**	87
Notes payable to affiliated companies	**131**	30
Taxes accrued	**62**	49
Interest accrued	**51**	58
Current maturities of long-term debt	**70**	503
Asset retirement obligations	**168**	189
Regulatory liabilities	**111**	55
Other	**83**	112
Total current liabilities	**952**	1,284
Long-Term Debt	**3,871**	3,404
Long-Term Debt Payable to Affiliated Companies	**150**	150
Other Noncurrent Liabilities		
Deferred income taxes	**1,228**	1,150
Asset retirement obligations	**1,008**	643
Regulatory liabilities	**1,627**	1,685
Operating lease liabilities	**53**	55
Accrued pension and other post-retirement benefit costs	**171**	148
Investment tax credits	**168**	164
Other	**30**	18
Total other noncurrent liabilities	**4,285**	3,863
Commitments and Contingencies		
Equity		
Member's Equity	**4,783**	4,575
Total Liabilities and Equity	**$ 14,041**	$ 13,276

See Notes to Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 408**	$ 436	$ 393
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, and accretion	**572**	531	524
Equity component of AFUDC	**(23)**	(18)	(32)
Impairment charges	**—**	—	30
Deferred income taxes	**29**	156	95
Payments for asset retirement obligations	**(63)**	(48)	(69)
Provision for rate refunds	**—**	—	53
(Increase) decrease in			
Receivables	**8**	(8)	7
Receivables from affiliated companies	**—**	41	3
Inventory	**44**	(95)	28
Other current assets	**(3)**	76	(25)
Increase (decrease) in			
Accounts payable	**(12)**	(10)	37
Accounts payable to affiliated companies	**1**	4	5
Taxes accrued	**13**	(25)	(52)
Other current liabilities	**6**	15	14
Other assets	**(68)**	(74)	26
Other liabilities	**26**	16	(31)
Net cash provided by operating activities	**938**	997	1,006
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(888)**	(876)	(832)
Purchases of debt and equity securities	**(37)**	(26)	(48)
Proceeds from sales and maturities of debt and equity securities	**22**	20	44
Notes receivable from affiliated companies	**(33)**	—	—
Other	**48**	(49)	18
Net cash used in investing activities	**(888)**	(931)	(818)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**544**	485	—
Payments for the redemption of long-term debt	**(513)**	(213)	(3)
Notes payable to affiliated companies	**101**	(137)	6
Distributions to parent	**(200)**	(200)	(175)
Other	**—**	—	(1)
Net cash used in financing activities	**(68)**	(65)	(173)
Net (decrease) increase in cash and cash equivalents	**(18)**	1	15
Cash and cash equivalents at beginning of period	**25**	24	9
Cash and cash equivalents at end of period	**$ 7**	$ 25	$ 24
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 164**	$ 150	$ 162
Cash paid for (received from) income taxes	**36**	(6)	75
Significant non-cash transactions:			
Accrued capital expenditures	**101**	102	88

See Notes to Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)		Member's Equity
Balance at December 31, 2017	$	4,121
Net income		393
Distributions to parent		(175)
Balance at December 31, 2018	$	4,339
Net income		436
Distributions to parent		(200)
Balance at December 31, 2019	$	4,575
Net income		**408**
Distributions to parent		**(200)**
Balance at December 31, 2020	**$**	**4,783**

See Notes to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholder and the Board of Directors of Piedmont Natural Gas Company, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Piedmont Natural Gas Company, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Matters — Impact of Rate Regulation on the Financial Statements — Refer to Notes 1 and 3 to the financial statements.

Critical Audit Matter Description

The Company is subject to rate regulation by the North Carolina Utilities Commission, the Public Service Commission of South Carolina, and the Tennessee Public Utility Commission (collectively the “Commissions”), which have jurisdiction with respect to the gas rates of the Company. Management has determined it meets the criteria for the application of regulated operations accounting in preparing its financial statements under accounting principles generally accepted in the United States of America. Significant judgment can be required to determine if otherwise recognizable incurred costs qualify to be presented as a regulatory asset and deferred because such costs are probable of future recovery in customer rates. As of December 31, 2020, the Company has approximately $450 million recorded as regulatory assets.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management, including assumptions regarding the outcome of future decisions by the Commissions; to support its assertions on the likelihood of future recovery for deferred costs. Given that management’s accounting judgments are based on assumptions about the outcome of future decisions by the Commissions, auditing these judgments required specialized knowledge of accounting for rate regulation and the ratemaking process due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the recovery of regulatory assets included the following, among others:

- We tested the effectiveness of management’s controls over the evaluation of the likelihood of the recovery in future rates of regulatory assets and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates.

- We evaluated the Company’s disclosures related to the impacts of rate regulation, including the balances recorded and regulatory developments.

- We read relevant regulatory orders issued by the Commissions, regulatory statutes, interpretations, procedural memorandums, filings made by interveners, and other publicly available information to assess the likelihood of recovery in future rates based on precedents of the Commissions’ treatment of similar costs under similar circumstances. We evaluated the external information and compared it to management’s recorded regulatory asset balances for completeness.

- For regulatory matters in process, we inspected the Company's and intervenors' filings with the Commissions, that may impact the Company's future rates, for any evidence that might contradict management's assertions.

- We evaluated the reasonableness of management's judgments regarding the recoverability of regulatory asset balances by performing the following:
    - We inquired of management regarding changes in regulatory orders and regulatory asset balances during the year.
    - We evaluated the reasonableness of such changes based on our knowledge of commission-approved amortization, expected incurred costs, and recently approved regulatory orders, as applicable.
    - We utilized trend analyses to evaluate the historical consistency of regulatory asset balances.
    - We compared the recorded regulatory asset balance to an independently developed expectation of the corresponding balance.

- We obtained representation from management asserting that regulatory assets recorded on the financial statements are probable of recovery.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

We have served as the Company's auditor since 1951.

PIEDMONT NATURAL GAS COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Operating Revenues			
Regulated natural gas	**$ 1,286**	$ 1,369	$ 1,365
Nonregulated natural gas and other	**11**	12	10
Total operating revenues	**1,297**	1,381	1,375
Operating Expenses			
Cost of natural gas	**386**	532	584
Operation, maintenance and other	**322**	328	357
Depreciation and amortization	**180**	172	159
Property and other taxes	**53**	45	49
Impairment charges	**7**	—	—
Total operating expenses	**948**	1,077	1,149
Operating Income	**349**	304	226
Equity in earnings of unconsolidated affiliates	**9**	8	7
Other income and expense, net	**51**	20	14
Total other income and expenses	**60**	28	21
Interest Expense	**118**	87	81
Income Before Income Taxes	**291**	245	166
Income Tax Expense	**18**	43	37
Net Income and Comprehensive Income	**$ 273**	$ 202	$ 129

See Notes to Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
(in millions)	**2020**	**2019**
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $12 at 2020 and $6 at 2019)	**$ 250**	$ 241
Receivables from affiliated companies	**10**	10
Inventory	**68**	72
Regulatory assets	**153**	73
Other	**20**	28
Total current assets	**501**	424
Property, Plant and Equipment		
Cost	**9,134**	8,446
Accumulated depreciation and amortization	**(1,749)**	(1,681)
Net property, plant and equipment	**7,385**	6,765
Other Noncurrent Assets		
Goodwill	**49**	49
Regulatory assets	**302**	290
Operating lease right-of-use assets, net	**20**	24
Investments in equity method unconsolidated affiliates	**88**	83
Other	**270**	121
Total other noncurrent assets	**729**	567
Total Assets	**$ 8,615**	$ 7,756
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 230**	$ 215
Accounts payable to affiliated companies	**79**	3
Notes payable to affiliated companies	**530**	476
Taxes accrued	**23**	24
Interest accrued	**34**	33
Current maturities of long-term debt	**160**	—
Regulatory liabilities	**88**	81
Other	**69**	67
Total current liabilities	**1,213**	899
Long-Term Debt	**2,620**	2,384
Other Noncurrent Liabilities		
Deferred income taxes	**821**	708
Asset retirement obligations	**20**	17
Regulatory liabilities	**1,044**	1,131
Operating lease liabilities	**19**	23
Accrued pension and other post-retirement benefit costs	**8**	3
Other	**155**	148
Total other noncurrent liabilities	**2,067**	2,030
Commitments and Contingencies		
Equity		
Common stock, 0 par value: 100 shares authorized and outstanding at 2020 and 2019	**1,310**	1,310
Retained earnings	**1,405**	1,133
Total equity	**2,715**	2,443
Total Liabilities and Equity	**$ 8,615**	$ 7,756

See Notes to Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**$ 273**	$ 202	$ 129
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**182**	174	161
Equity component of AFUDC	**(19)**	—	—
Impairment charges	**7**	—	—
Deferred income taxes	**53**	136	(31)
Equity in (earnings) losses from unconsolidated affiliates	**(9)**	(8)	(7)
Provision for rate refunds	**(33)**	2	43
(Increase) decrease in			
Receivables	**10**	28	7
Receivables from affiliated companies	**—**	12	(15)
Inventory	**3**	(2)	(4)
Other current assets	**(66)**	(25)	71
Increase (decrease) in			
Accounts payable	**16**	(7)	15
Accounts payable to affiliated companies	**76**	(35)	25
Taxes accrued	**3**	(60)	65
Other current liabilities	**(11)**	1	21
Other assets	**(11)**	1	3
Other liabilities	**7**	(10)	(5)
Net cash provided by operating activities	**481**	409	478
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	**(901)**	(1,053)	(721)
Contributions to equity method investments	**—**	(16)	—
Other	**(28)**	(14)	(10)
Net cash used in investing activities	**(929)**	(1,083)	(731)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	**394**	596	100
Payments for the redemption of long-term debt	**—**	(350)	—
Notes payable to affiliated companies	**54**	278	(166)
Capital contribution from parent	**—**	150	300
Net cash provided by financing activities	**448**	674	234
Net decrease in cash and cash equivalents	**—**	—	(19)
Cash and cash equivalents at beginning of period	**—**	—	19
Cash and cash equivalents at end of period	**$ —**	$ —	$ —
Supplemental Disclosures:			
Cash paid for interest, net of amount capitalized	**$ 115**	$ 84	$ 79
Cash received from income taxes	**(36)**	(31)	(16)
Significant non-cash transactions:			
Accrued capital expenditures	**106**	109	96

See Notes to Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)	Common Stock	Retained Earnings	Total Equity
Balance at December 31, 2017	$ 860	$ 802	$ 1,662
Net income	—	129	129
Contribution from parent	300	—	300
Balance at December 31, 2018	$ 1,160	$ 931	$ 2,091
Net income	—	202	202
Contribution from parent	150	—	150
Balance at December 31, 2019	$ 1,310	$ 1,133	$ 2,443
Net income	**—**	**273**	**273**
Other	**—**	**(1)**	**(1)**
Balance at December 31, 2020	**$ 1,310**	**$ 1,405**	**$ 2,715**

See Notes to Consolidated Financial Statements

Index to Combined Notes To Consolidated Financial Statements

The notes to the consolidated financial statements are a combined presentation. The following table indicates the registrants to which the notes apply.

	Applicable Notes																								
Registrant	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**
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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Basis of Consolidation

Duke Energy is an energy company headquartered in Charlotte, North Carolina, subject to regulation by the FERC and other regulatory agencies listed below. Duke Energy operates in the U.S. primarily through its direct and indirect subsidiaries. Certain Duke Energy subsidiaries are also subsidiary registrants, including Duke Energy Carolinas; Progress Energy; 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 its separate Subsidiary Registrants, which along with Duke Energy, are collectively referred to as the Duke Energy Registrants.

The information in these combined notes relates to each of the Duke Energy Registrants as noted in the Index to Combined Notes to Consolidated Financial Statements. However, none of the Subsidiary Registrants make any representation as to information related solely to Duke Energy or the Subsidiary Registrants of Duke Energy other than itself.

These 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 17 for additional information on VIEs. These Consolidated Financial Statements also reflect the Duke Energy Registrants' proportionate share of certain jointly owned generation and transmission facilities. See Note 8 for additional information on joint ownership. Substantially all of the Subsidiary Registrants' operations qualify for regulatory accounting.

Duke Energy Carolinas is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Carolinas is subject to the regulatory provisions of the NCUC, PSCSC, NRC and FERC.

Progress Energy is a public utility holding company, which conducts operations through its wholly owned subsidiaries, Duke Energy Progress and Duke Energy Florida. Progress Energy is subject to regulation by FERC and other regulatory agencies listed below.

Duke Energy Progress is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Progress is subject to the regulatory provisions of the NCUC, PSCSC, NRC and FERC.

Duke Energy Florida is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Florida. Duke Energy Florida is subject to the regulatory provisions of the FPSC, NRC and FERC.

Duke Energy Ohio is a regulated public utility primarily engaged in the transmission and distribution of electricity in portions of Ohio and Kentucky, the generation and sale of electricity in portions of Kentucky and the transportation and sale of natural gas in portions of Ohio and Kentucky. Duke Energy Ohio conducts competitive auctions for retail electricity supply in Ohio whereby the energy price is recovered from retail customers and recorded in Operating Revenues on the Consolidated Statements of Operations and Comprehensive Income. Operations in Kentucky are conducted through its wholly owned subsidiary, Duke Energy Kentucky. References herein to Duke Energy Ohio collectively include Duke Energy Ohio and its subsidiaries, unless otherwise noted. Duke Energy Ohio is subject to the regulatory provisions of the PUCO, KPSC and FERC.

Duke Energy Indiana is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Indiana. Duke Energy Indiana is subject to the regulatory provisions of the IURC and FERC.

Piedmont is a regulated public utility primarily engaged in the distribution of natural gas in portions of North Carolina, South Carolina and Tennessee. Piedmont is subject to the regulatory provisions of the NCUC, PSCSC, TPUC and FERC.

Certain prior year amounts have been reclassified to conform to the current year presentation.

COVID-19

The COVID-19 pandemic is having a significant impact on global health and economic environments. In March 2020, the World Health Organization declared COVID-19 a global pandemic, and the federal government proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency. The Duke Energy Registrants are monitoring developments closely and responding appropriately. The company incurred approximately $112 million of incremental COVID-19 costs before deferral for the year ended December 31, 2020, included in Operation, maintenance and other on the Consolidated Statements of Operations. Further, the company waived approximately $64 million of late payment fees for the year ended December 31, 2020. The company has deferred approximately $76 million of the incremental costs, which were primarily bad debt expense, personal protective equipment and cleaning supplies, and a cost component of late payment fees. See Notes 3, 6, 17, 18 and 23 for additional information as well as steps taken to mitigate the impacts to our business and customers from the COVID-19 pandemic.

Other Current Assets and Liabilities

The following table provides a description of amounts included in Other within Current Assets or Current Liabilities that exceed 5% of total Current Assets or Current Liabilities on the Duke Energy Registrants' Consolidated Balance Sheets at either December 31, 2020, or 2019.

		December 31,	
(in millions)	**Location**	**2020**	**2019**
Duke Energy			
Other accrued liabilities	Current Liabilities	**$ 1,455**	$ 604
Accrued compensation	Current Liabilities	**662**	862
Duke Energy Carolinas			
Accrued compensation	Current Liabilities	**$ 213**	$ 271
Other accrued liabilities	Current Liabilities	**178**	147
Progress Energy			
Customer deposits	Current Liabilities	**$ 347**	$ 354
Duke Energy Florida			
Customer deposits	Current Liabilities	**$ 203**	$ 209
Duke Energy Ohio			
Gas Storage	Current Assets	**$ 21**	$ —
Duke Energy Indiana			
Income taxes receivable	Current Assets	**$ 9**	$ 44

Discontinued Operations

Duke Energy has elected to present cash flows of discontinued operations combined with cash flows of continuing operations. Unless otherwise noted, the notes to these consolidated financial statements exclude amounts related to discontinued operations for all periods presented. For the years ended December 31, 2020, 2019 and 2018, the Income (Loss) From Discontinued Operations, net of tax on Duke Energy's Consolidated Statements of Operations is entirely attributable to controlling interest.

Noncontrolling Interest

Duke Energy maintains a controlling financial interest in certain less than wholly owned nonregulated 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 Consolidated Balance Sheet.

Several operating agreements of Duke Energy's subsidiaries with noncontrolling interest are subject to allocations of 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 income 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, most of which is over the IRS recapture period, 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 income or loss allocated to each owner for the reporting period.

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.

During the third quarter of 2019, Duke Energy completed a sale of minority interest in a portion of certain renewable assets within the Commercial Renewables Segment for pretax proceeds to Duke Energy of $415 million. The portion of Duke Energy's commercial renewables energy portfolio sold includes 49% of 37 operating wind, solar and battery storage assets and 33% of 11 operating solar assets across the U.S. Duke Energy retained control of these assets, and, therefore, no gain or loss was recognized on the Consolidated Statements of Operations. The difference between the consideration received and the carrying value of the noncontrolling interest claim on net assets is $466 million, net of tax benefit of $8 million, and was recorded to equity.

The following table presents cash received for the sale of noncontrolling interest and allocated losses to noncontrolling interest for the years ended December 31, 2020, and 2019.

	December 31,	
(in millions)	**2020**	**2019**
Noncontrolling Interest Capital Contributions		
Cash received for the sale of noncontrolling interest to tax equity members	**$ 426**	$ 428
Cash received for the sale of noncontrolling interest to pro rata share members	**—**	415
Total Noncontrolling Interest Capital Contributions	**$ 426**	$ 843
Noncontrolling Interest Allocation of Income		
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	**$ 271**	$ 165
Allocated losses to noncontrolling members based on pro rata shares of ownership	**24**	12
Total Noncontrolling Interest Allocated Losses	**$ 295**	$ 177

2021 Sale of Minority Interest in Duke Energy Indiana

In January 2021, Duke Energy entered into a definitive agreement providing for the sale of a 19.9% minority interest in Duke Energy Indiana with an affiliate of GIC, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure. To facilitate the transaction, Duke Energy will issue and sell membership interests in Duke Energy Indiana Holdco, LLC. a newly created holding company that will own 100% of the issued and outstanding membership interests in Duke Energy Indiana. The transaction will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing is expected to be completed in the second quarter of 2021 and Duke Energy will issue and sell 11.1% of the membership interests in exchange for 50% of the purchase price. 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. At the second closing, Duke Energy will issue and sell additional membership interests such that GIC will own 19.9% of the membership interests for the remaining 50% of the purchase price. Duke Energy will continue to operate and retain control of Duke Energy Indiana and, therefore, no gain or loss is expected to be recognized in the Consolidated Statements of Operations. Additionally, the transaction will be reflected within Duke Energy Corporations' stockholders' equity as a sale of a noncontrolling interest.

Acquisitions

The Duke Energy Registrants consolidate assets and liabilities from acquisitions as of the purchase date and include earnings from acquisitions in consolidated earnings after the purchase date.

Significant Accounting Policies

Use of Estimates

In preparing financial statements that conform to GAAP, the Duke Energy Registrants 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.

Regulatory Accounting

The majority of the Duke Energy Registrants' operations are subject to price regulation for the sale of electricity and natural gas by state utility commissions or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient natural gas or electric services can be sold to recover those costs, the Duke Energy Registrants apply regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, regulatory assets and regulatory liabilities are recognized on the Consolidated Balance Sheets. Regulatory assets and liabilities are amortized consistent with the treatment of the related cost in the ratemaking process. Regulatory assets are reviewed for recoverability each reporting period. If a regulatory asset is no longer deemed probable of recovery, the deferred cost is charged to earnings. See Note 3 for further information.

Regulatory accounting rules also require recognition of a disallowance (also called "impairment") loss if it becomes probable that part of the cost of a plant under construction (or a recently completed plant or an abandoned plant) will be disallowed for ratemaking purposes and a reasonable estimate of the amount of the disallowance can be made. For example, if a cost cap is set for a plant still under construction, the amount of the disallowance is a result of a judgment as to the ultimate cost of the plant. These disallowances can require judgments on allowed future rate recovery.

When it becomes probable that regulated generation, transmission or distribution assets will be abandoned, the cost of the asset is removed from plant in service. The value that may be retained as a regulatory asset on the balance sheet for the abandoned property is dependent upon amounts that may be recovered through regulated rates, including any return. As such, an impairment charge could be partially or fully offset by the establishment of a regulatory asset if rate recovery is probable. The impairment charge for a disallowance of costs for regulated plants under construction, recently completed or abandoned is based on discounted cash flows.

The Duke Energy Registrants utilize cost-tracking mechanisms, commonly referred to as fuel adjustment clauses or PGA clauses. These clauses allow for the recovery of fuel and fuel-related costs, portions of purchased power, natural gas costs and hedging costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded either as an adjustment to Operating Revenues, Operating Expenses – Fuel used in electric generation or Operating Expenses – Cost of natural gas on the Consolidated Statements of Operations, with an off-setting impact on regulatory assets or liabilities.

Cash, Cash Equivalents and Restricted Cash

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents. Duke Energy, Progress Energy and Duke Energy Florida have restricted cash balances related primarily to collateral assets, escrow deposits and VIEs. See Note 17 for additional information. Restricted cash amounts are included in Other within Current Assets and Other Noncurrent Assets on the Consolidated Balance Sheets. The following table presents the components of cash, cash equivalents and restricted cash included in the Consolidated Balance Sheets.

	December 31, 2020			December 31, 2019		
	Duke Energy	Progress Energy	Duke Energy Florida	Duke Energy	Progress Energy	Duke Energy Florida
Current Assets						
Cash and cash equivalents	**$ 259**	**$ 59**	**$ 11**	$ 311	$ 48	$ 17
Other	**194**	**39**	**39**	222	39	39
Other Noncurrent Assets						
Other	**103**	**102**	**—**	40	39	—
Total cash, cash equivalents and restricted cash	**$ 556**	**$ 200**	**$ 50**	$ 573	$ 126	$ 56

Inventory

Inventory related to regulated operations is valued at historical cost. Inventory related to nonregulated operations is valued at the lower of cost or market. Inventory is charged to expense or capitalized to property, plant and equipment when issued, primarily using the average cost method. Excess or obsolete inventory is written down to the lower of cost or net realizable value. Once inventory has been written down, it creates a new cost basis for the inventory that is not subsequently written up. Provisions for inventory write-offs were not material at December 31, 2020, and 2019, respectively. The components of inventory are presented in the tables below.

	December 31, 2020							
(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	**$ 2,312**	**$ 785**	**$ 999**	**$ 673**	**$ 325**	**$ 78**	**$ 307**	**$ 12**
Coal	**561**	**186**	**193**	**131**	**63**	**16**	**165**	**—**
Natural gas, oil and other	**294**	**39**	**183**	**107**	**76**	**16**	**1**	**56**
Total inventory	**$ 3,167**	**$ 1,010**	**$ 1,375**	**$ 911**	**$ 464**	**$ 110**	**$ 473**	**$ 68**

	December 31, 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	$ 2,297	$ 768	$ 1,038	$ 686	$ 351	$ 79	$ 318	$ 5
Coal	586	187	186	138	48	15	198	—
Natural gas, oil and other	349	41	199	110	90	41	1	67
Total inventory	$ 3,232	$ 996	$ 1,423	$ 934	$ 489	$ 135	$ 517	$ 72

Investments in Debt and Equity Securities

The Duke Energy Registrants classify investments in equity securities as FV-NI and investments in debt securities as AFS. Both categories are recorded at fair value on the Consolidated Balance Sheets. Realized and unrealized gains and losses on securities classified as FV-NI are reported through net income. Unrealized gains and losses for debt securities classified as AFS are included in AOCI until realized, unless it is determined the carrying value of an investment has a credit loss. For certain investments of regulated operations, such as substantially all of the NDTF, realized and unrealized gains and losses (including any credit losses) on debt securities are recorded as a regulatory asset or liability. The credit loss portion of debt securities of nonregulated operations are included in earnings. Investments in debt and equity securities are classified as either current or noncurrent based on management's intent and ability to sell these securities, taking into consideration current market liquidity. See Note 15 for further information.

Goodwill

Duke Energy, Progress Energy, Duke Energy Ohio and Piedmont perform annual goodwill impairment tests as of August 31 each year at the reporting unit level, which is determined to be a business segment or one level below. Duke Energy, Progress Energy, Duke Energy Ohio and Piedmont update these tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value. See Note 11 for further information.

Intangible Assets

Intangible assets are included in Other in Other Noncurrent Assets on the Consolidated Balance Sheets. Generally, intangible assets are amortized using an amortization method that reflects the pattern in which the economic benefits of the intangible asset are consumed or on a straight-line basis if that pattern is not readily determinable. Amortization of intangibles is reflected in Depreciation and amortization on the Consolidated Statements of Operations. Intangible assets are subject to impairment testing and if impaired, the carrying value is accordingly reduced.

RECs are used to measure compliance with renewable energy standards and are held primarily for consumption. See Note 11 for further information.

Long-Lived Asset Impairments

The Duke Energy Registrants evaluate long-lived assets, excluding goodwill, for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written down to its then current estimated fair value and an impairment charge is recognized.

The Duke Energy Registrants assess fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Triggering events to reassess cash flows may include, but are not limited to, significant changes in commodity prices, the condition of an asset or management's interest in selling the asset.

Equity Method Investment Impairments

Investments in affiliates that are not controlled by Duke Energy, but over which it has significant influence, are accounted for using the equity method. Equity method investments are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the decline in value is considered to be other than temporary, the investment is written down to its estimated fair value, which establishes a new cost basis in the investment.

Impairment assessments use a discounted cash flow income approach and include consideration of the severity and duration of any decline in the fair value of the investments. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. Key inputs that involve estimates and significant management judgment include cash flow projections, selection of a discount rate, probability weighting of potential outcomes, and whether any decline in value is considered temporary.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. The Duke Energy Registrants capitalize all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See “Allowance for Funds Used During Construction and Interest Capitalized” for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by state utility commissions and/or the FERC when required. The composite weighted average depreciation rates, excluding nuclear fuel, are included in the table that follows.

	Years Ended December 31,		
	2020	**2019**	**2018**
Duke Energy	**3.0 %**	3.1 %	3.0 %
Duke Energy Carolinas	**2.8 %**	2.8 %	2.8 %
Progress Energy	**3.2 %**	3.1 %	2.9 %
Duke Energy Progress	**3.1 %**	3.1 %	2.9 %
Duke Energy Florida	**3.3 %**	3.1 %	3.0 %
Duke Energy Ohio	**2.9 %**	2.6 %	2.8 %
Duke Energy Indiana	**3.5 %**	3.3 %	3.3 %
Piedmont	**2.3 %**	2.4 %	2.5 %

In general, when the Duke Energy Registrants retire regulated property, plant and equipment, the original cost plus the cost of retirement, less salvage value and any depreciation already recognized, is charged to accumulated depreciation. However, when it becomes probable the asset will be retired substantially in advance of its original expected useful life or is abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Generation facilities to be retired, net on the Consolidated Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory assets on the Consolidated Balance Sheets if deemed recoverable (see discussion of long-lived asset impairments above). The carrying value of the asset is based on historical cost if the Duke Energy Registrants are allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the incremental borrowing rate.

When the Duke Energy Registrants sell entire regulated operating units, or retire or sell nonregulated properties, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Consolidated Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the applicable regulatory body. See Note 10 for additional information.

Leases

Duke Energy determines if an arrangement is a lease at contract inception based on whether the arrangement involves the use of a physically distinct identified asset and whether Duke Energy has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period as well as the right to direct the use of the asset. As a policy election, Duke Energy does not evaluate arrangements with initial contract terms of less than one year as leases.

Operating leases are included in Operating lease ROU assets, net, Other current liabilities and Operating lease liabilities on the Consolidated Balance Sheets. Finance leases are included in Property, plant and equipment, Current maturities of long-term debt and Long-Term Debt on the Consolidated Balance Sheets.

For lessee and lessor arrangements, Duke Energy has elected a policy to not separate lease and non-lease components for all asset classes. For lessor arrangements, lease and non-lease components are only combined under one arrangement and accounted for under the lease accounting framework if the non-lease components are not the predominant component of the arrangement and the lease component would be classified as an operating lease.

Nuclear Fuel

Nuclear fuel is classified as Property, Plant and Equipment on the Consolidated Balance Sheets.

Nuclear fuel in the front-end fuel processing phase is considered work in progress and not amortized until placed in service. Amortization of nuclear fuel is included within Fuel used in electric generation and purchased power on the Consolidated Statements of Operations. Amortization is recorded using the units-of-production method.

Allowance for Funds Used During Construction and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Consolidated Statements of Operations as non-cash income in Other income and expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense. After construction is completed, the Duke Energy Registrants are permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the ETR when capitalized and increases the ETR when depreciated or amortized. See Note 23 for additional information.

For nonregulated operations, interest is capitalized during the construction phase with an offsetting non-cash credit to Interest Expense on the Consolidated Statements of Operations.

Asset Retirement Obligations

AROs are recognized for legal obligations associated with the retirement of property, plant and equipment. Substantially all AROs are related to regulated operations. When recording an ARO, the present value of the projected liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. For operating plants, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired plants, the present value of the liability is recorded as a regulatory asset unless determined not to be probable of recovery.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. The Duke Energy Registrants receive amounts to fund the cost of the ARO for regulated operations through a combination of regulated revenues and earnings on the NDTF. As a result, amounts recovered in regulated revenues, earnings on the NDTF, accretion expense and depreciation of the associated asset are netted and deferred as a regulatory asset or liability.

Accounts Payable

During 2020, Duke Energy established a supply chain finance program (the “program”) with a global financial institution. The program is voluntary and allows Duke Energy suppliers, at their sole discretion, to sell their receivables from Duke Energy to the financial institution at a rate that leverages Duke Energy’s credit rating and, which may result in favorable terms compared to the rate available to the supplier on their own credit rating. Suppliers participating in the program, determine at their sole discretion which invoices they will sell to the financial institution. Suppliers’ decisions on which invoices are sold do not impact Duke Energy’s payment terms, which are based on commercial terms negotiated between Duke Energy and the supplier regardless of program participation. The commercial terms negotiated between Duke Energy and its suppliers are consistent regardless of whether the supplier elects to participate in the program. Duke Energy does not issue any guarantees with respect to the program and does not participate in negotiations between suppliers and the financial institution. Duke Energy does not have an economic interest in the supplier’s decision to participate in the program and receives no interest, fees or other benefit from the financial institution based on supplier participation in the program.

At December 31, 2020, $15 million, $1 million and $14 million of the outstanding Accounts payable balance for Duke Energy, Duke Energy Ohio and Piedmont, respectively, was sold to the financial institution by our suppliers. Suppliers invoices sold to the financial institution under the program totaled $45 million, $9 million and $36 million for the year ended December 31, 2020, for Duke Energy, Duke Energy Ohio and Piedmont, respectively. All activity related to amounts due to suppliers who elected to participate in the program are included within Net cash provided by operating activities on the Consolidated Statements of Cash Flows.

Revenue Recognition

Duke Energy recognizes revenue as customers obtain control of promised goods and services in an amount that reflects consideration expected in exchange for those goods or services. Generally, the delivery of electricity and natural gas results in the transfer of control to customers at the time the commodity is delivered and the amount of revenue recognized is equal to the amount billed to each customer, including estimated volumes delivered when billings have not yet occurred. See Note 18 for further information.

Derivatives and Hedging

Derivative and non-derivative instruments may be used in connection with commodity price and interest rate activities, including swaps, futures, forwards and options. All derivative instruments, except those that qualify for the NPNS exception, are recorded on the Consolidated Balance Sheets at fair value. Qualifying derivative instruments may be designated as either cash flow hedges or fair value hedges. Other derivative instruments (undesignated contracts) either have not been designated or do not qualify as hedges. The effective portion of the change in the fair value of cash flow hedges is recorded in AOCI. The effective portion of the change in the fair value of a fair value hedge is offset in net income by changes in the hedged item. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact.

Formal documentation, including transaction type and risk management strategy, is maintained for all contracts accounted for as a hedge. At inception and at least every three months thereafter, the hedge contract is assessed to see if it is highly effective in offsetting changes in cash flows or fair values of hedged items.

See Note 14 for further information.

Captive Insurance Reserves

Duke Energy has captive insurance subsidiaries that provide coverage, on an indemnity basis, to the Subsidiary Registrants as well as certain third parties, on a limited basis, for financial losses, primarily related to property, workers’ compensation and general liability. Liabilities include provisions for estimated losses incurred but not reported (IBNR), as well as estimated provisions for known claims. IBNR reserve estimates are primarily based upon historical loss experience, industry data and other actuarial assumptions. Reserve estimates are adjusted in future periods as actual losses differ from experience.

Duke Energy, through its captive insurance entities, also has reinsurance coverage with third parties for certain losses above a per occurrence and/or aggregate retention. Receivables for reinsurance coverage are recognized when realization is deemed probable.

Unamortized Debt Premium, Discount and Expense

Premiums, discounts and expenses incurred with the issuance of outstanding long-term debt are amortized over the term of the debt issue. The gain or loss on extinguishment associated with refinancing higher-cost debt obligations in the regulated operations is amortized over the remaining life of the original instrument. Amortization expense is recorded as Interest Expense in the Consolidated Statements of Operations and is reflected as Depreciation, amortization and accretion within Net cash provided by operating activities on the Consolidated Statements of Cash Flows.

Premiums, discounts and expenses are presented as an adjustment to the carrying value of the debt amount and included in Long-Term Debt on the Consolidated Balance Sheets presented.

Preferred Stock

Preferred stock is reviewed to determine the appropriate balance sheet classification and embedded features, such as call options, are evaluated to determine if they should be bifurcated and accounted for separately. Costs directly related to the issuance of preferred stock is recorded as a reduction of the proceeds received. The liability for the dividend is recognized when declared. The accumulated dividends on the cumulative preferred stock is recognized to net income available to Duke Energy Corporation in the EPS calculation. See Note 19 for further information.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities become probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are expensed. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets.

See Notes 3 and 4 for further information.

Pension and Other Post-Retirement Benefit Plans

Duke Energy maintains qualified, non-qualified and other post-retirement benefit plans. Eligible employees of the Subsidiary Registrants participate in the respective qualified, non-qualified and other post-retirement benefit plans and the Subsidiary Registrants are allocated their proportionate share of benefit costs. See Note 22 for further information, including significant accounting policies associated with these plans.

Severance and Special Termination Benefits

Duke Energy has severance plans under which in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits. A liability for involuntary severance is recorded once an involuntary severance plan is committed to by management if involuntary severances are probable and can be reasonably estimated. For involuntary severance benefits incremental to its ongoing severance plan benefits, the fair value of the obligation is expensed at the communication date if there are no future service requirements or over the required future service period. Duke Energy also offers special termination benefits under voluntary severance programs. Special termination benefits are recorded immediately upon employee acceptance absent a significant retention period. Otherwise, the cost is recorded over the remaining service period. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the benefits being offered. See Note 20 for further information.

Guarantees

If necessary, liabilities are recognized at the time of issuance or material modification of a guarantee for the estimated fair value of the obligation it assumes. Fair value is estimated using a probability weighted approach. The obligation is reduced over the term of the guarantee or related contract in a systematic and rational method as risk is reduced. Duke Energy recognizes a liability for the best estimate of its loss due to the nonperformance of the guaranteed party. This liability is recognized at the inception of a guarantee and is updated periodically. See Note 7 for further information.

Stock-Based Compensation

Stock-based compensation represents costs related to stock-based awards granted to employees and Board of Directors members. Duke Energy recognizes stock-based compensation based upon the estimated fair value of awards, net of estimated forfeitures at the date of issuance. The recognition period for these costs begins at either the applicable service inception date or grant date and continues throughout the requisite service period. Compensation cost is recognized as expense or capitalized as a component of property, plant and equipment. See Note 21 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. The Subsidiary Registrants are parties to a tax-sharing agreement with Duke Energy. Income taxes recorded represent amounts the Subsidiary Registrants would incur as separate C-Corporations. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. ITCs associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties. For ITCs associated with nonregulated operations see “Accounting for Renewable Energy Tax Credits.”

Accumulated deferred income taxes are valued using the enacted tax rate expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. In the event of a change in tax rates, deferred tax assets and liabilities are remeasured as of the enactment date of the new rate. To the extent that the change in the value of the deferred tax represents an obligation to customers, the impact of the remeasurement is deferred to a regulatory liability. Remaining impacts are recorded in income from continuing operations. Duke Energy's results of operations could be impacted if the estimate of the tax effect of reversing temporary differences is not reflective of actual outcomes, is modified to reflect new developments or interpretations of the tax law, revised to incorporate new accounting principles, or changes in the expected timing or manner of a reversal.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net in the Consolidated Statements of Operations.

See Note 23 for further information.

Accounting for Renewable Energy Tax Credits

When Duke Energy receives ITCs on wind or solar facilities associated with its nonregulated operations, it reduces the basis of the property recorded on the Consolidated Balance Sheets by the amount of the ITC and, therefore, the ITC benefit is ultimately recognized in the statement of operations through reduced depreciation expense. Additionally, certain tax credits and government grants result in an initial tax depreciable base in excess of the book carrying value by an amount equal to one half of the ITC. Deferred tax benefits are recorded as a reduction to income tax expense in the period that the basis difference is created.

When Duke Energy receives ITCs on wind or solar facilities associated with its regulated operations, the ITC is deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Duke Energy receives PTCs on wind facilities that are recognized as electricity is produced and records related amounts as a reduction of income tax expense.

Excise Taxes

Certain excise taxes levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis. Taxes for which Duke Energy operates merely as a collection agent for the state and local government are accounted for on a net basis. Excise taxes accounted for on a gross basis within both Operating Revenues and Property and other taxes in the Consolidated Statements of Operations were as follows.

	Years Ended December 31,		
(in millions)	**2020**	**2019**	**2018**
Duke Energy	**$ 415**	$ 421	$ 405
Duke Energy Carolinas	**43**	39	35
Progress Energy	**249**	256	241
Duke Energy Progress	**26**	21	19
Duke Energy Florida	**223**	235	222
Duke Energy Ohio	**96**	101	105
Duke Energy Indiana	**25**	23	22
Piedmont	**2**	2	2

Dividend Restrictions and Unappropriated Retained Earnings

Duke Energy does not have any current legal, regulatory or other restrictions on paying common stock dividends to shareholders. However, if Duke Energy were to defer dividend payments on the preferred stock, the declaration of common stock dividends would be prohibited. See Note 19 for more information. Additionally, as further described in Note 3, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio, Duke Energy Indiana and Piedmont have restrictions on paying dividends or otherwise advancing funds to Duke Energy due to conditions established by regulators in conjunction with merger transaction approvals. At December 31, 2020, and 2019, an insignificant amount of Duke Energy’s consolidated Retained earnings balance represents undistributed earnings of equity method investments.

New Accounting Standards

The following new accounting standard was adopted by Duke Energy Registrants in 2020.

Credit Losses. In June 2016, the FASB issued new accounting guidance for credit losses. Duke Energy adopted the new accounting guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year results. Duke Energy did not adopt any practical expedients.

Duke Energy recognizes allowances for credit losses based on management's estimate of losses expected to be incurred over the lives of certain assets or guarantees. Management monitors credit quality, changes in expected credit losses and the appropriateness of the allowance for credit losses on a forward-looking basis. Management reviews the risk of loss periodically as part of the existing assessment of collectability of receivables.

Duke Energy reviews the credit quality of its counterparties as part of its regular risk management process and requires credit enhancements, such as deposits or letters of credit, as appropriate and as allowed by regulators.

Duke Energy recorded cumulative effects of changes in accounting principles related to the adoption of new credit loss standard, for allowances and credit losses of trade and other receivables, insurance receivables and financial guarantees. These amounts are included in the Condensed Consolidated Balance Sheets in Receivables, Receivables of VIEs, Other Noncurrent Assets and Other Noncurrent Liabilities. See Notes 7 and 18 for more information.

Duke Energy recorded an adjustment for the cumulative effect of a change in accounting principle due to the adoption of this standard on January 1, 2020, as shown in the table below:

	December 31, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Piedmont
Total pretax impact to Retained Earnings	$ 120	$ 16	$ 2	$ 1	$ 1	$ 1

The following new accounting standard has been issued but not yet adopted by the Duke Energy Registrants as of December 31, 2020.

Reference Rate Reform. In March 2020, the FASB issued new accounting guidance for reference rate reform. This guidance is elective and provides expedients to facilitate financial reporting for the anticipated transition away from the London Inter-bank Offered Rate (LIBOR) and other interbank reference rates by the end of 2021. The optional expedients are effective for modification of existing contracts or new arrangements executed between March 12, 2020, through December 31, 2022.

Duke Energy has variable-rate debt and manages interest rate risk by entering into financial contracts including interest rate swaps that are generally indexed to LIBOR. Impacted financial arrangements extending beyond 2021 may require contractual amendment or termination to fully adapt to a post-LIBOR environment. Duke Energy is assessing these financial arrangements and is evaluating the use of optional expedients outlined in the new accounting guidance. Alternative index provisions are also being assessed and incorporated into new financial arrangements that extend beyond 2021. The full outcome of the transition away from LIBOR cannot be determined at this time, but is not expected to have a material impact on the financial statements.

2. BUSINESS SEGMENTS

Reportable segments are determined based on information used by the chief operating decision-maker in deciding how to allocate resources and evaluate the performance of the business. Duke Energy evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests and preferred stock dividends. Segment income, as discussed below, includes intercompany revenues and expenses that are eliminated on the Consolidated Financial Statements. Certain governance costs are allocated to each segment. In addition, direct interest expense and income taxes are included in segment income.

Products and services are sold between affiliate companies and reportable segments of Duke Energy at cost. Segment assets as presented in the tables that follow exclude all intercompany assets.

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 includes Duke Energy's regulated electric utilities in the Carolinas, Florida and the Midwest. The regulated electric utilities conduct operations through the Subsidiary Registrants that are substantially all regulated and, accordingly, qualify for regulatory accounting treatment. Electric Utilities and Infrastructure also includes Duke Energy's electric transmission infrastructure investments.

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. Gas Utilities and Infrastructure's operations are substantially all regulated and, accordingly, qualify for regulatory accounting treatment.

The Commercial Renewables segment is primarily comprised of nonregulated utility-scale wind and solar generation assets located throughout the U.S.

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 and Duke Energy’s wholly owned captive insurance company, Bison. Other also includes Duke Energy's interest in NMC. See Note 12 for additional information on the investment in NMC.

Business segment information is presented in the following tables. Segment assets presented exclude intercompany assets.

	Year Ended December 31, 2020						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated Revenues	$ 21,687	$ 1,653	$ 502	$ 23,842	$ 26	$ —	$ 23,868
Intersegment Revenues	33	95	—	128	71	(199)	—
Total Revenues	$ 21,720	$ 1,748	$ 502	$ 23,970	$ 97	$ (199)	$ 23,868
Interest Expense	$ 1,320	$ 135	$ 66	$ 1,521	$ 657	$ (16)	$ 2,162
Depreciation and amortization	4,068	258	199	4,525	209	(29)	4,705
Equity in earnings (losses) of unconsolidated affiliates	(1)	(2,017)	—	(2,018)	13	—	(2,005)
Income tax expense (benefit)	340	(349)	(65)	(74)	(162)	—	(236)
Segment income (loss)[(a)(b)(c)]	2,669	(1,266)	286	1,689	(426)	—	1,263
Less noncontrolling interest							295
Add back preferred stock dividend							107
Income from discontinued operations, net of tax							7
Net income							$ 1,082
Capital investments expenditures and acquisitions	$ 7,629	$ 1,309	$ 1,219	$ 10,157	$ 264	$ —	$ 10,421
Segment assets	138,225	13,849	6,716	158,790	3,598	—	162,388

(a) Electric Utilities and Infrastructure includes $948 million of Impairment charges and a reversal of $152 million included in Regulated electric operating revenue related to the CCR Settlement Agreement filed with the NCUC. Additionally, Electric Utilities and Infrastructure includes $19 million of Impairment charges related to the Clemson University Combined Heat and Power Plant, $5 million of Impairment charges related to the gas pipeline assets and $16 million of shareholder contributions within Operations, maintenance and other related to Duke Energy Carolinas' and Duke Energy Progress' 2019 North Carolina rate cases. See Note 3 for additional information.
(b) Gas Utilities and Infrastructure includes $2.1 billion recorded within Equity in (losses) earnings of unconsolidated affiliates and $7 million of Impairment charges related to gas pipeline investments. See Notes 3 and 12 for additional information.
(c) Other includes a $98 million reversal of 2018 severance costs due to a partial settlement in the Duke Energy Carolinas' 2019 North Carolina rate case. See Note 3 and 20 for additional information.

	Year Ended December 31, 2019						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated Revenues	$ 22,798	$ 1,770	$ 487	$ 25,055	$ 24	$ —	$ 25,079
Intersegment Revenues	33	96	—	129	71	(200)	—
Total Revenues	$ 22,831	$ 1,866	$ 487	$ 25,184	$ 95	$ (200)	$ 25,079
Interest Expense	$ 1,345	$ 117	$ 95	$ 1,557	$ 705	$ (58)	$ 2,204
Depreciation and amortization	3,951	256	168	4,375	178	(5)	4,548
Equity in earnings (losses) of unconsolidated affiliates	9	114	(4)	119	43	—	162
Income tax expense (benefit)	785	22	(115)	692	(173)	—	519
Segment income (loss)[(a)(b)]	3,536	432	198	4,166	(452)	—	3,714
Less noncontrolling interest							177
Add back preferred stock dividend							41
Loss from discontinued operations, net of tax							(7)
Net income							$ 3,571
Capital investments expenditures and acquisitions	$ 8,263	$ 1,539	$ 1,423	$ 11,225	$ 221	$ —	$ 11,446
Segment assets	135,561	13,921	6,020	155,502	3,148	188	158,838

(a) Electric Utilities and Infrastructure includes a $27 million reduction of a prior year impairment at Citrus County CC related to the plant's cost cap. See Note 3 for additional information.
(b) Gas Utilities and Infrastructure includes an after-tax impairment charge of $19 million for the remaining investment in Constitution. See Note 12 for additional information.

	Year Ended December 31, 2018						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated Revenues	$ 22,242	$ 1,783	$ 477	$ 24,502	$ 19	$ —	$ 24,521
Intersegment Revenues	31	98	—	129	70	(199)	—
Total Revenues	$ 22,273	$ 1,881	$ 477	$ 24,631	$ 89	$ (199)	$ 24,521
Interest Expense	$ 1,288	$ 106	$ 88	$ 1,482	$ 657	$ (45)	$ 2,094
Depreciation and amortization	3,523	245	155	3,923	152	(1)	4,074
Equity in earnings (losses) of unconsolidated affiliates	5	27	(1)	31	52	—	83
Income tax expense (benefit)[(a)]	799	78	(147)	730	(282)	—	448
Segment income (loss)[(b)(c)(d)(e)]	3,058	274	9	3,341	(694)	—	2,647
Less noncontrolling interest							22
Income from discontinued operations, net of tax							19
Net income							$ 2,644
Capital investments expenditures and acquisitions	$ 8,086	$ 1,133	$ 193	$ 9,412	$ 256	$ —	$ 9,668
Segment assets	125,364	12,361	4,204	141,929	3,275	188	145,392

(a) All segments include adjustments to the December 31, 2017, estimate of the income tax effects of the Tax Act. Electric Utilities and Infrastructure includes a $24 million expense, Gas Utilities and Infrastructure includes a $1 million expense, Commercial Renewables includes a $3 million benefit and Other includes a $2 million benefit. See Note 23 for additional information.
(b) Electric Utilities and Infrastructure includes after-tax regulatory and legislative impairment charges of $202 million related to rate case orders, settlements or other actions of regulators or legislative bodies and an after-tax impairment charge of $46 million related to the Citrus County CC at Duke Energy Florida. See Note 3 for additional information.
(c) Gas Utilities and Infrastructure includes an after-tax impairment charge of $42 million for the investment in Constitution. See Note 12 for additional information.
(d) Commercial Renewables includes an impairment charge of $91 million, net of $2 million Noncontrolling interests, related to goodwill. See Note 11 for additional information.
(e) Other includes $65 million of after-tax costs to achieve the Piedmont merger, $144 million of after-tax severance charges related to a companywide initiative and an $82 million after-tax loss on the sale of Beckjord described below. For additional information, see Note 1 for the Piedmont merger and Note 20 for severance charges.

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 Consolidated Statements of Operations for the year ended December 31, 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.

Geographical Information

Substantially all assets and revenues from continuing operations are within the U.S.

Major Customers

For the year ended December 31, 2020, revenues from one customer of Duke Energy Progress are $553 million. Duke Energy Progress has one reportable segment, Electric Utilities and Infrastructure. No other Subsidiary Registrant has an individual customer representing more than 10% of its revenues.

Products and Services

The following table summarizes revenues of the reportable segments by type.

(in millions)	Retail Electric	Wholesale Electric	Retail Natural Gas	Other	Total Revenues
2020					
Electric Utilities and Infrastructure	**$ 18,898**	**$ 1,878**	**$ —**	**$ 944**	**$ 21,720**
Gas Utilities and Infrastructure	**—**	**—**	**1,691**	**57**	**1,748**
Commercial Renewables	**—**	**434**	**—**	**68**	**502**
Total Reportable Segments	**$ 18,898**	**$ 2,312**	**$ 1,691**	**$ 1,069**	**$ 23,970**
2019					
Electric Utilities and Infrastructure	$ 19,745	$ 2,231	$ —	$ 855	$ 22,831
Gas Utilities and Infrastructure	—	—	1,782	84	1,866
Commercial Renewables	—	389	—	98	487
Total Reportable Segments	$ 19,745	$ 2,620	$ 1,782	$ 1,037	$ 25,184
2018					
Electric Utilities and Infrastructure	$ 19,013	$ 2,345	$ —	$ 915	$ 22,273
Gas Utilities and Infrastructure	—	—	1,817	64	1,881
Commercial Renewables	—	375	—	102	477
Total Reportable Segments	$ 19,013	$ 2,720	$ 1,817	$ 1,081	$ 24,631

Duke Energy Ohio

Duke Energy Ohio has two reportable segments, Electric Utilities and Infrastructure and Gas Utilities and Infrastructure.

Electric Utilities and Infrastructure transmits and distributes electricity in portions of Ohio and generates, distributes and sells electricity in portions of Northern Kentucky. Gas Utilities and Infrastructure transports and sells natural gas in portions of Ohio and Northern Kentucky. Both reportable segments conduct operations primarily through Duke Energy Ohio and its wholly owned subsidiary, Duke Energy Kentucky. The remainder of Duke Energy Ohio's operations is presented as Other.

All Duke Energy Ohio assets and revenues from continuing operations are within the U.S.

	Year Ended December 31, 2020					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	**$ 1,405**	**$ 453**	**$ 1,858**	**$ —**	**$ —**	**$ 1,858**
Interest expense	**$ 85**	**$ 17**	**$ 102**	**$ —**	**$ —**	**$ 102**
Depreciation and amortization	**200**	**78**	**278**	**—**	**—**	**278**
Income tax expense (benefit)	**19**	**26**	**45**	**(2)**	**—**	**43**
Segment income (loss)/Net income	**162**	**96**	**258**	**(6)**	**—**	**252**
Capital expenditures	**$ 548**	**$ 286**	**$ 834**	**$ —**	**$ —**	**$ 834**
Segment assets	**6,615**	**3,380**	**9,995**	**32**	**(2)**	**10,025**

	Year Ended December 31, 2019					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 1,456	$ 484	$ 1,940	$ —	$ —	$ 1,940
Interest expense	$ 80	$ 29	$ 109	$ —	$ —	$ 109
Depreciation and amortization	182	83	265	—	—	265
Income tax expense (benefit)	20	21	41	(1)	—	40
Segment income (loss)	159	85	244	(5)	—	239
Loss from discontinued operations, net of tax						(1)
Net income						$ 238
Capital expenditures	$ 680	$ 272	$ 952	$ —	$ —	$ 952
Segment assets	6,188	3,116	9,304	34	—	9,338

	Year Ended December 31, 2018					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 1,450	$ 506	$ 1,956	$ 1	$ —	$ 1,957
Interest expense	$ 67	$ 24	$ 91	$ 1	$ —	$ 92
Depreciation and amortization	183	85	268	—	—	268
Income tax expense (benefit)	47	24	71	(28)	—	43
Segment income (loss)/Net Income[(a)]	186	93	279	(103)	—	176
Capital expenditures	$ 655	$ 172	$ 827	$ —	$ —	$ 827
Segment assets	5,643	2,874	8,517	38	—	8,555

(a) Other includes the loss on the sale of Beckjord, see discussion above.

3. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

The Duke Energy Registrants record regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following tables present the regulatory assets and liabilities recorded on the Consolidated Balance Sheets of Duke Energy and Progress Energy. See separate tables below for balances by individual registrant.

	Duke Energy		Progress Energy	
	December 31,		December 31,	
(in millions)	2020	2019	2020	2019
Regulatory Assets				
AROs – coal ash	**$ 3,408**	$ 4,084	**$ 1,357**	$ 1,843
AROs – nuclear and other	**754**	739	**685**	668
Accrued pension and OPEB	**2,317**	2,391	**875**	897
Storm cost deferrals	**1,102**	1,399	**893**	1,214
Nuclear asset securitized balance, net	**991**	1,042	**991**	1,042
Debt fair value adjustment	**950**	1,019	**—**	—
Retired generation facilities	**417**	331	**363**	266
Post-in-service carrying costs (PISCC) and deferred operating expenses	**402**	329	**51**	33
Deferred asset – Lee and Harris COLA	**356**	388	**32**	38
Hedge costs deferrals	**351**	356	**148**	129
Advanced metering infrastructure (AMI)	**311**	338	**102**	114
Demand side management (DSM)/Energy Efficiency (EE)	**288**	343	**241**	241
Vacation accrual	**221**	214	**42**	41
Deferred fuel and purchased power	**213**	528	**162**	305
COR settlement	**128**	133	**33**	35
NCEMPA deferrals	**124**	72	**124**	72
Nuclear deferral	**123**	107	**35**	40
Derivatives – natural gas supply contracts	**122**	117	**—**	—
CEP deferral	**117**	76	**—**	—
Amounts due from customers	**110**	36	**—**	—
Qualifying facility contract buyouts	**107**	121	**107**	121
Customer connect project	**105**	65	**55**	37
Manufactured gas plant (MGP)	**104**	102	**—**	—
ABSAT, coal ash basin closure	**98**	65	**27**	15
Deferred pipeline integrity costs	**92**	79	**—**	—
Deferred severance charges	**86**	—	**29**	—
Incremental COVID-19 expenses	**76**	—	**23**	—
Other	**589**	544	**158**	141
Total regulatory assets	**14,062**	15,018	**6,533**	7,292
Less: current portion	**1,641**	1,796	**758**	946
Total noncurrent regulatory assets	**$ 12,421**	$ 13,222	**$ 5,775**	$ 6,346
Regulatory Liabilities				
Net regulatory liability related to income taxes	**$ 7,368**	$ 7,872	**$ 2,411**	$ 2,595
Costs of removal	**5,883**	5,756	**2,666**	2,561
AROs – nuclear and other	**1,512**	1,100	**—**	—
Provision for rate refunds	**344**	370	**123**	123
Accrued pension and OPEB	**177**	176	**—**	—
Amounts to be refunded to customers	**51**	34	**—**	—
Deferred fuel and purchased power	**18**	1	**—**	1
Other	**1,053**	739	**491**	275
Total regulatory liabilities	**16,406**	16,048	**5,691**	5,555
Less: current portion	**1,377**	784	**640**	330
Total noncurrent regulatory liabilities	**$ 15,029**	$ 15,264	**$ 5,051**	$ 5,225

Descriptions of regulatory assets and liabilities summarized in the tables above and below follow. See tables below for recovery and amortization periods at the separate registrants.

AROs – coal ash. Represents deferred depreciation and accretion related to the legal obligation to close ash basins. The costs are deferred until recovery treatment has been determined. See Notes 1 and 9 for additional information.

AROs – nuclear and other. Represents regulatory assets or liabilities, including deferred depreciation and accretion, related to legal obligations associated with the future retirement of property, plant and equipment, excluding amounts related to coal ash. The AROs relate primarily to decommissioning nuclear power facilities. The amounts also include certain deferred gains and losses on NDTF investments. See Notes 1 and 9 for additional information.

Accrued pension and OPEB. Accrued pension and OPEB represent regulatory assets and liabilities related to each of the Duke Energy Registrants' respective shares of unrecognized actuarial gains and losses and unrecognized prior service cost and credit attributable to Duke Energy's pension plans and OPEB plans. The regulatory asset or liability is amortized with the recognition of actuarial gains and losses and prior service cost and credit to net periodic benefit costs for pension and OPEB plans. The accrued pension and OPEB regulatory assets are expected to be recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

Storm cost deferrals. Represents deferred incremental costs incurred related to major weather-related events.

Nuclear asset securitized balance, net. Represents the balance associated with Crystal River Unit 3 retirement approved for recovery by the FPSC on September 15, 2015, and the upfront financing costs securitized in 2016 with issuance of the associated bonds. The regulatory asset balance is net of the AFUDC equity portion.

Debt fair value adjustment. Purchase accounting adjustments recorded to state the carrying value of Progress Energy and Piedmont at fair value in connection with the 2012 and 2016 mergers, respectively. Amount is amortized over the life of the related debt.

Retired generation facilities. Represents amounts to be recovered for facilities that have been retired and are probable of recovery.

Post-in-service carrying costs (PISCC) and deferred operating expenses. Represents deferred depreciation and operating expenses as well as carrying costs on the portion of capital expenditures placed in service but not yet reflected in retail rates as plant in service.

Deferred asset – Lee and Harris COLA. Represents deferred costs incurred for the canceled Lee and Harris nuclear projects.

Hedge costs deferrals. Amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled.

AMI. Represents deferred costs related to the installation of AMI meters and remaining net book value of non-AMI meters to be replaced at Duke Energy Carolinas, net book value of existing meters at Duke Energy Florida, Duke Energy Progress and Duke Energy Ohio and future recovery of net book value of electromechanical meters that have been replaced with AMI meters at Duke Energy Indiana.

DSM/EE. Deferred costs related to various DSM and EE programs recoverable through various mechanisms.

Vacation accrual. Represents vacation entitlement, which is generally recovered in the following year.

Deferred fuel and purchased power. Represents certain energy-related costs that are recoverable or refundable as approved by the applicable regulatory body.

COR settlement. Represents approved COR settlements that are being amortized over the average remaining lives, at the time of approval, of the associated assets.

NCEMPA deferrals. Represents retail allocated cost deferrals and returns associated with the additional ownership interest in assets acquired from NCEMPA in 2015.

Nuclear deferral. Includes amounts related to levelizing nuclear plant outage costs, which allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, resulting in the deferral of operations and maintenance costs associated with refueling.

Derivatives – natural gas supply contracts. Represents costs for certain long-dated, fixed quantity forward gas supply contracts, which are recoverable through PGA clauses.

CEP deferral. Represents deferred depreciation, PISCC and deferred property tax for Duke Energy Ohio Gas capital assets for the Capital Expenditure Program (CEP).

Amounts due from customers. Relates primarily to margin decoupling and IMR recovery mechanisms.

Qualifying facility contract buyouts. Represents termination payments for regulatory recovery through the capacity clause.

Customer connect project. Represents incremental operating expenses and carrying costs on deferred amounts related to the deployment of the new customer information system known as the Customer Connect Project.

MGP. Represents remediation costs incurred at former MGP sites and the deferral of costs to be incurred at Duke Energy Ohio's East End and West End sites.

ABSAT, coal ash basin closure. Represents deferred depreciation and returns associated with Ash Basin Strategic Action Team (ABSAT) capital assets related to converting the ash handling system from wet to dry.

Deferred pipeline integrity costs. Represents pipeline integrity management costs in compliance with federal regulations recovered through a rider mechanism.

Deferred severance charges. Represents costs incurred for employees separation from Duke Energy.

Incremental COVID-19 expenses. Represents incremental costs related to ensuring continuity and quality of service in a safe manner during the COVID-19 pandemic.

Net regulatory liability related to income taxes. Amounts for all registrants include regulatory liabilities related primarily to impacts from the Tax Act. See Note 23 for additional information. Amounts have no immediate impact on rate base as regulatory assets are offset by deferred tax liabilities.

Costs of removal. Represents funds received from customers to cover the future removal of property, plant and equipment from retired or abandoned sites as property is retired. Also includes certain deferred gains on NDTF investments.

Provisions for rate refunds. Represents estimated amounts due to customers based on recording interim rates subject to refund.

Amounts to be refunded to customers. Represents required rate reductions to retail customers by the applicable regulatory body.

RESTRICTIONS ON THE ABILITY OF CERTAIN SUBSIDIARIES TO MAKE DIVIDENDS, ADVANCES AND LOANS TO DUKE ENERGY

As a condition to the approval of merger transactions, the NCUC, PSCSC, PUCO, KPSC and IURC imposed conditions on the ability of Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio, Duke Energy Kentucky, Duke Energy Indiana and Piedmont to transfer funds to Duke Energy through loans or advances, as well as restricted amounts available to pay dividends to Duke Energy. Certain subsidiaries may transfer funds to the Parent by obtaining approval of the respective state regulatory commissions. These conditions imposed restrictions on the ability of the public utility subsidiaries to pay cash dividends as discussed below.

Duke Energy Progress and Duke Energy Florida also have restrictions imposed by their first mortgage bond indentures, which in certain circumstances, limit their ability to make cash dividends or distributions on common stock. Amounts restricted as a result of these provisions were not material at December 31, 2020.

Duke Energy Indiana has certain dividend restrictions as a result of the agreement entered in January 2021 to sell a minority interest to GIC. Duke Energy Indiana will not declare a dividend prior to the first closing, which is expected to be completed in the second quarter of 2021, and will declare dividends between the first closing and the second closing, which is required to be completed no later than January 2023, in accordance with the sale agreement. See additional information in Note 1.

Additionally, certain other subsidiaries of Duke Energy have restrictions on their ability to dividend, loan or advance funds to Duke Energy due to specific legal or regulatory restrictions, including, but not limited to, minimum working capital and tangible net worth requirements.

The restrictions discussed below were not a material amount of Duke Energy's and Progress Energy's net assets at December 31, 2020.

Duke Energy Carolinas

Duke Energy Carolinas must limit cumulative distributions subsequent to mergers to (i) the amount of retained earnings on the day prior to the closing of the mergers, plus (ii) any future earnings recorded.

Duke Energy Progress

Duke Energy Progress must limit cumulative distributions subsequent to the mergers between Duke Energy and Progress Energy and Duke Energy and Piedmont to (i) the amount of retained earnings on the day prior to the closing of the respective mergers, plus (ii) any future earnings recorded.

Duke Energy Ohio

Duke Energy Ohio will not declare and pay dividends out of capital or unearned surplus without the prior authorization of the PUCO. Duke Energy Ohio received FERC and PUCO approval to pay dividends from its equity accounts that are reflective of the amount that it would have in its retained earnings account had push-down accounting for the Cinergy merger not been applied to Duke Energy Ohio’s balance sheet. The conditions include a commitment from Duke Energy Ohio that equity, adjusted to remove the impacts of push-down accounting, will not fall below 30% of total capital.

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35% equity in its capital structure.

Duke Energy Indiana

Duke Energy Indiana must limit cumulative distributions subsequent to the merger between Duke Energy and Cinergy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded. In addition, Duke Energy Indiana will not declare and pay dividends out of capital or unearned surplus without prior authorization of the IURC.

Piedmont

Piedmont must limit cumulative distributions subsequent to the acquisition of Piedmont by Duke Energy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded.

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

2021 Coal Ash Settlement

On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the Coal Combustion Residuals Settlement Agreement (the “CCR Settlement Agreement”) with the North Carolina Public Staff (Public Staff), the North Carolina Attorney General’s Office and the Sierra Club (collectively, the "Settling Parties"), which was filed with the NCUC on January 25, 2021. The CCR Settlement Agreement resolves all coal ash prudence and cost recovery issues in connection with 2019 rate cases filed by Duke Energy Carolinas and Duke Energy Progress with the NCUC, as well as the equitable sharing issue on remand from the 2017 Duke Energy Carolinas and Duke Energy Progress 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 in North Carolina for Duke Energy Carolinas and Duke Energy Progress through January 2030 and February 2030 (the "Term"), respectively.

Duke Energy Carolinas and Duke Energy Progress agreed not to seek recovery of approximately $1 billion of systemwide deferred coal ash expenditures, but 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 Duke Energy Carolinas and Duke Energy Progress 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 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. Duke Energy Carolinas and Duke Energy Progress retain the ability to earn a full WACC return during the deferral period, which is the period from when costs are incurred until they are recovered in rates.

The Settling Parties agreed that execution by Duke Energy Carolinas and Duke Energy Progress of a settlement agreement between themselves and the NCDEQ 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 Settling Parties retain the right to challenge the reasonableness and prudence of actions taken by Duke Energy Carolinas and Duke Energy Progress and costs incurred to implement the scope of work agreed upon in the DEQ Settlement, after February 1, 2020, and March 1, 2020, for Duke Energy Carolinas and Duke Energy Progress, respectively. The Settling Parties further agreed to waive rights through the Term to challenge the reasonableness or prudence of Duke Energy Carolinas’ and Duke Energy Progress’ 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.

The Settling Parties agreed to a sharing arrangement for future coal ash insurance litigation proceeds between Duke Energy Carolinas and Duke Energy Progress and North Carolina customers, if achieved.

The settlement is subject to the review and approval of the NCUC. The Settling Parties requested an expedited review by the NCUC and anticipate an order on the pending 2019 North Carolina rate cases for Duke Energy Carolinas and Duke Energy Progress by the second quarter of 2021. On January 29, 2021, Duke Energy Carolinas and Duke Energy Progress filed joint motions with the Settling Parties seeking approval of the CCR Settlement Agreement, along with supporting testimony and exhibits from Duke Energy Carolinas and Duke Energy Progress. On February 5, 2021, the Public Staff filed testimony and exhibits supporting the CCR Settlement Agreement.

As a result of the CCR Settlement Agreement, Duke Energy Carolinas and Duke Energy Progress recorded a pretax charge of approximately $454 million and $494 million, respectively, in the fourth quarter of 2020 to Impairment charges and a reversal of approximately $50 million and $102 million, respectively, to Regulated electric operating revenues on the respective Consolidated Statements of Operations.

COVID-19 Filings

North Carolina

On March 10, 2020, Governor Roy Cooper declared a state of emergency due to the COVID-19 pandemic. On March 19, 2020, the NCUC issued an order directing that utilities under its jurisdiction suspend disconnections for nonpayment of utility bills during the state of emergency and allow for customers to enter into payment arrangements to pay off arrearages accumulated during the state of emergency after the end of the state of emergency. Additionally, to help mitigate the financial impacts of the COVID-19 pandemic on their customers, on March 19, 2020, Duke Energy Carolinas and Duke Energy Progress filed a request with the NCUC seeking authorization to waive: (1) any late payment charges incurred by a residential or nonresidential customer, effective March 21, 2020; (2) the application of fees for checks returned for insufficient funds for residential and nonresidential customers; (3) the reconnection charge when a residential or nonresidential customer seeks to have service restored for those customers whose service was recently disconnected for nonpayment and to work with customers regarding the other requirements to restore service, including re-establishment of credit; and (4) the fees and charges associated with the use of credit cards or debit cards to pay residential electric utility bills, effective March 21, 2020. The NCUC granted the companies’ request on March 20, 2020.

On July 29, 2020, the NCUC issued its Order Lifting Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to Special Repayment Plans. The order contained the following: (1) public utilities may resume customer disconnections due to nonpayment for bills first rendered on or after September 1, 2020, after appropriate notice; (2) the late fee moratorium will continue through the end of the state of emergency or until further order of the Commission; (3) Duke Energy utilities may reinstate fees for checks returned for insufficient funds as well as transaction fees for use of credit cards or debit cards for bills first rendered on or after September 1, 2020; and (4) no sooner than September 1, 2020, the collection of past-due or delinquent accounts accrued up to and including August 31, 2020, may proceed subject to conditions. Duke Energy Carolinas and Duke Energy Progress resumed normal billing practices as of October 1, 2020, with the exception of the billing of late payment charges. Customers were notified of the resumption of normal billing practices, the option of deferred payment arrangements and where to find assistance, if necessary. Service disconnections for nonpayment for residential customers resumed on November 2, 2020.

Duke Energy Carolinas and Duke Energy Progress filed a joint petition on August 7, 2020, with the NCUC for deferral treatment of incremental costs and waived customer fees due to the COVID-19 pandemic. Comments on the joint petition were filed on November 5, 2020, and reply comments were filed on November 30, 2020. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

South Carolina

On March 13, 2020, Governor Henry McMaster declared a state of emergency due to the COVID-19 pandemic. The governor also issued a letter on March 14, 2020, to the ORS Executive Director regarding the suspension of disconnection of essential utility services for nonpayment. On March 18, 2020, the PSCSC issued an order approving such waivers, and also approved waivers for regulations related to late fees and reconnect fees. The PSCSC's order also required utilities to track the financial impacts of actions taken pursuant to such waivers for possible reporting to the PSCSC.

On May 13, 2020, the ORS filed a letter with the PSCSC that included a request from Governor McMaster that utilities proceed with developing and implementing plans for phasing in normal business operations. On May 14, 2020, the PSCSC conditionally vacated the regulation waivers regarding termination of service and suspension of disconnect fees. Prior to termination, utilities are to refer past-due customers to local organizations for assistance and/or deferred payment arrangements. Duke Energy Carolinas and Duke Energy Progress filed a report on June 30, 2020, as required by PSCSC order, reporting revenue impact, costs and savings related to COVID-19 to date. On August 14, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the PSCSC for approval of an accounting order to defer incremental COVID-19 related costs incurred through June 30, 2020, and for the ongoing months during the duration of the COVID-19 pandemic. The deferral request did not include lost revenues. Updates on cost impacts were filed on September 30, 2020, and included financial impacts through the end of August 2020. On October 16, 2020, the ORS requested the PSCSC delay taking formal action on the deferral request until the ORS and any intervenors complete discovery. The PSCSC issued an order on October 21, 2020, to grant additional time to complete discovery until January 20, 2021, and to establish a procedural schedule. Updates on cost impacts were filed on December 30, 2020, and included financial impacts through November 30, 2020. On January 15, 2021, ORS requested the PSCSC suspend the dates for the ORS report and public hearing. The ORS conferred with the companies regarding the status of the docket, and the parties mutually agreed that recently enacted federal laws addressing COVID-19 aid and recovery should be studied before further action is taken in this docket. On January 27, 2021, the PSCSC voted to grant the ORS request to suspend the virtual public hearing. ORS is to file its report on or before March 29, 2021.

On August 17, 2020, Duke Energy Carolinas and Duke Energy Progress filed an update on their planned return to normal operations during the COVID-19 pandemic. Normal billing practices resumed in South Carolina as of October 1, 2020, and service disconnections for nonpayment resumed on October 12, 2020. Customers were notified of the resumption of normal billing practices, the option of payment arrangements and where to find assistance, if necessary. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

2020 North Carolina Storm Securitization Filings

On October 26, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the NCUC, as agreed to in partial settlements reached in the 2019 North Carolina Rate Cases for Duke Energy Carolinas and Duke Energy Progress, seeking authorization for the financing of the costs of each utility's storm recovery activities required as a result of Hurricane Florence, Hurricane Michael, Hurricane Dorian and Winter Storm Diego. Specifically, Duke Energy Carolinas and Duke Energy Progress requested that the NCUC find that their storm recovery costs and related financing costs are appropriately financed by debt secured by storm recovery property, and that the Commission issue financing orders by which each utility may accomplish such financing using a securitization structure. On January 27, 2021, Duke Energy Carolinas, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, which is subject to review and approval of the NCUC, resolving certain accounting issues, including agreement to support an 18- to 20-year bond period. The total revenue requirement over a proposed 20-year bond period for the storm recovery charges is approximately $287 million for Duke Energy Carolinas and $920 million for Duke Energy Progress. A remote evidentiary hearing ended on January 29, 2021, and on February 1, 2021, the NCUC granted a motion by Duke Energy Carolinas and Duke Energy Progress for a temporary 30-day waiver of the 135-day time frame for the NCUC to issue orders on the joint petition, extending the deadline for the NCUC to issue an order to no later than April 9, 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Duke Energy Carolinas' Consolidated Balance Sheets.

(in millions)	December 31, 2020	2019	Earns/Pays a Return	Recovery/Refund Period Ends
Regulatory Assets[a]				
AROs – coal ash	**$ 1,414**	$ 1,696	(h)	(b)
Accrued pension and OPEB[c]	**427**	477	Yes	(i)
Storm cost deferrals	**205**	178	Yes	(b)
Retired generation facilities[c]	**11**	16	Yes	2023
PISCC[c]	**32**	33	Yes	(b)
Deferred asset – Lee COLA	**324**	350		(b)
Hedge costs deferrals[c]	**174**	198	Yes	2041
AMI	**154**	166	Yes	(b)
DSM/EE	**46**	100	(g)	(g)
Vacation accrual	**84**	80		2021
Deferred fuel and purchased power	**42**	222	(e)	2022
COR settlement	**95**	98	Yes	(b)
Nuclear deferral	**88**	67		2022
Customer connect project	**50**	28	Yes	(b)
ABSAT, coal ash basin closure	**71**	50	Yes	(b)
Deferred severance charges	**57**	—		2022
Incremental COVID-19 expenses	**31**	—	Yes	(b)
Other	**164**	151		(b)
Total regulatory assets	**3,469**	3,910		
Less: current portion	**473**	550		
Total noncurrent regulatory assets	**$ 2,996**	$ 3,360		
Regulatory Liabilities[a]				
Net regulatory liability related to income taxes[d]	**$ 2,874**	$ 3,060		(b)
Costs of removal[c]	**1,975**	1,936	Yes	(f)
AROs – nuclear and other	**1,512**	1,100		(b)
Provision for rate refunds[c]	**170**	175	Yes	
Accrued pension and OPEB[c]	**32**	39	Yes	(i)
Deferred fuel and purchased power	**18**	—	(e)	2020
Other	**427**	368		(b)
Total regulatory liabilities	**7,008**	6,678		
Less: current portion	**473**	255		
Total noncurrent regulatory liabilities	**$ 6,535**	$ 6,423		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Included in rate base.
(d) Includes regulatory liabilities related to the change in the federal tax rate as a result of the Tax Act and the change in the North Carolina tax rate, both discussed in Note 23. Portions are included in rate base.
(e) Pays interest on over-recovered costs in North Carolina. Includes certain purchased power costs in North Carolina and South Carolina and costs of distributed energy in South Carolina.
(f) Recovered over the life of the associated assets.
(g) Includes incentives on DSM/EE investments and is recovered through an annual rider mechanism.
(h) Earns a debt and equity return on coal ash expenditures for North Carolina and South Carolina retail customers as permitted by various regulatory orders.
(i) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

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. 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% and a capital structure of 52% equity and 48% debt. 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 June 22, 2018, order, Duke Energy Carolinas recorded a pretax charge of approximately $150 million to Impairment charges and Operation, maintenance and other on the 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 cost of service penalty by reducing the annual recovery of deferred coal ash costs by $14 million per year over a five-year recovery period.

The North Carolina Attorney General and other parties separately filed Notices of Appeal to the North Carolina Supreme Court. The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion on the consolidated appeals of the 2018 Duke Energy Carolinas and Duke Energy Progress rate case orders which affirmed, in part, and reversed and remanded, in part, the NCUC's decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff's equitable sharing argument. In response to a NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases, or in the alternative the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021. For information on a proposed settlement pending before the NCUC, see "2021 Coal Ash Settlement." Duke Energy Carolinas cannot predict the outcome of this matter.

2019 North Carolina Rate Case

On September 30, 2019, Duke Energy Carolinas filed an application with the NCUC for a net rate increase for retail customers of approximately $291 million, which represented an approximate 6% increase in annual base revenues. The gross rate case revenue increase request was $445 million, which was offset by an EDIT rider of $154 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for a rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Carolinas requested rates be effective no later than August 1, 2020. The NCUC established a procedural schedule with an evidentiary hearing to begin on March 23, 2020. On March 16, 2020, in consideration of public health and safety as a result of the COVID-19 pandemic, Duke Energy Carolinas filed a motion with the NCUC seeking a suspension of the procedural schedule in the rate case, including issuing discovery requests, and postponement of the evidentiary hearing for 60 days. Also on March 16, 2020, the NCUC issued an Order Postponing Hearing and Addressing Procedural Matters, which postponed the evidentiary hearing until further order by the Commission.

On March 25, 2020, Duke Energy Carolinas and the Public Staff filed an Agreement and Stipulation of Partial Settlement, which is subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. Major components of the settlement included:

- Removal of deferred storm costs from the rate case;
- Filing a petition seeking to securitize the deferred storm costs within 120 days of a commission order in this rate case regarding the reasonableness and prudency of the storm costs;
- Agreement of certain assumptions to demonstrate the quantifiable benefits to customers of a securitization financing; and
- Agreement on certain accounting matters, including recovery of employee incentives, severance, aviation costs and executive compensation.

On May 6, 2020, Duke Energy Carolinas, Duke Energy Progress and the Public Staff filed a joint motion requesting that the NCUC issue an order scheduling one consolidated evidentiary hearing to consider the companies' applications for net rate increases. On June 17, 2020, the NCUC issued an order adopting procedures for the expert witness hearings to take place in three phases: (1) a hearing on issues common to both rate cases conducted remotely; (2) a hearing on Duke Energy Carolinas specific rate case issues, followed immediately by; (3) a hearing on Duke Energy Progress specific rate case issues. On July 24, 2020, Duke Energy Carolinas filed its request for approval of its notice to customers required to implement temporary rates. On July 27, 2020, Duke Energy Carolinas filed a joint motion with Duke Energy Progress and the Public Staff notifying the Commission that the parties reached a joint partial settlement with the Public Staff. Also, on July 27, 2020, Duke Energy Carolinas filed a letter stating that it intended to update its temporary rates calculation to reflect the terms of the partial settlement.

On July 31, 2020, Duke Energy Carolinas and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement (Second Partial Settlement), which is subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. Major components of the Second Partial Settlement included:

- A return on equity of 9.6% and a capital structure of 52% equity and 48% debt;
- Agreement on amortization over a five-year period for unprotected federal EDIT flowbacks to customers;
- Agreement on the inclusion of plant in service and other revenue requirement updates through May 31, 2020, subject to Public Staff review. Annual revenue requirement associated with the May 31 update is estimated at $45 million; and
- Settlement to allow the deferral of costs for certain grid projects placed in service between June 1, 2020, and December 31, 2022, totaling $0.8 billion.

The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting, implementation of new depreciation rates and the amortization period of the loss on the hydro station sale.

On August 4, 2020, Duke Energy Carolinas filed an amended motion for approval of its amended notice to customers, seeking to exercise its statutory right to implement temporary rates subject to refund on or after August 24, 2020. The revenue requirement to be recovered, subject to refund, through the temporary rates is based on and consistent with the base rate component of the Second Partial Settlement with the Public Staff and excludes the items to be litigated noted above. Duke Energy Carolinas will not begin the amortization or implementation of these items until a final order is issued in the rate case and new base rates are implemented. These items will also be excluded when determining whether a refund of amounts collected through these temporary rates is needed. In addition, Duke Energy Carolinas also seeks authorization to place a temporary decrement EDIT Rider into effect, concurrent with the temporary base rate change. The temporary rate changes are not final rates and remain subject to the NCUC's determination of the just and reasonable rates to be charged by Duke Energy Carolinas on a permanent basis. The NCUC approved the August 4, 2020 amended temporary rates motion on August 6, 2020, and temporary rates went into effect on August 24, 2020.

The Duke Energy Carolinas evidentiary hearing concluded on September 18, 2020, and post-hearing filings were made with the NCUC from all parties by November 4, 2020. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021. Duke Energy Carolinas expects the NCUC to issue an order on its net rate increase by the second quarter of 2021. For information on a proposed settlement pending before the NCUC, see "2021 Coal Ash Settlement." 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.

After hearings in March 2019, the PSCSC issued an order on May 21, 2019, which included a return on equity of 9.5% and a capital structure of 53% equity and 47% 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%;
- 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% to be returned over a five-year period.

As a result of the 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 PSCSC 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. An order detailing the Commission's decision in the Directive was issued on October 18, 2019. Duke Energy Carolinas filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. On November 20, 2019, the South Carolina Energy Users Committee filed a Notice of Appeal and the ORS filed a Notice of Cross Appeal with the Supreme Court of South Carolina. On February 12, 2020, Duke Energy Carolinas and the ORS filed a joint motion to extend briefing schedule deadlines, which was approved by the Supreme Court of South Carolina on February 20, 2020. On March 10, 2020, the ORS filed a consent motion requesting withdrawal of their appeal, which was granted by the Supreme Court of South Carolina on April 30, 2020. Initial briefs were filed on April 21, 2020, which included the South Carolina Energy User's Committee brief arguing that the PSCSC erred in allowing Duke Energy Carolinas' recovery of costs related to the Lee Nuclear Station. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments have not yet been scheduled by the Supreme Court of South Carolina. Based on legal analysis and the filing of the appeal, Duke Energy Carolinas has not recorded an adjustment for its deferred coal ash costs in this matter. Duke Energy Carolinas cannot predict the outcome of this matter.

Duke Energy Progress

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Duke Energy Progress' Consolidated Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in millions)	2020	2019	a Return	Period Ends
Regulatory Assets[(a)]				
AROs – coal ash	$ **1,347**	$ 1,834	(h)	(b)
AROs – nuclear and other	**683**	509		(c)
Accrued pension and OPEB	**393**	423		(k)
Storm cost deferrals[(d)]	**785**	801	Yes	(b)
Retired generation facilities	**189**	83	Yes	(b)
PISCC and deferred operating expenses	**51**	33	Yes	2054
Deferred asset – Harris COLA	**32**	38		(b)
Hedge costs deferrals	**89**	85		(b)
AMI	**57**	61	Yes	(b)
DSM/EE[(e)]	**224**	216	(i)	(i)
Vacation accrual	**42**	41		2021
Deferred fuel and purchased power	**158**	266	(f)	2022
COR settlement	**33**	35	Yes	(e)
NCEMPA deferrals	**124**	72	(g)	2042
Nuclear deferral	**35**	40		2022
Customer connect project	**25**	17	Yes	(b)
ABSAT, coal ash basin closure	**27**	15	Yes	(b)
Deferred severance charges	**29**	—		2022
Incremental COVID-19 expenses	**23**	—	Yes	(b)
Other	**122**	109		(b)
Total regulatory assets	**4,468**	4,678		
Less: current portion	**492**	526		
Total noncurrent regulatory assets	$ **3,976**	$ 4,152		
Regulatory Liabilities[(a)]				
Net regulatory liability related to income taxes[(l)]	$ **1,662**	$ 1,802		(b)
Costs of removal	**2,666**	2,294	Yes	(j)
Provision for rate refunds	**123**	123	Yes	
Other	**473**	249		(b)
Total regulatory liabilities	**4,924**	4,468		
Less: current portion	**530**	236		
Total noncurrent regulatory liabilities	$ **4,394**	$ 4,232		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Recovery period for costs related to nuclear facilities runs through the decommissioning period of each unit.
(d) South Carolina storm costs are included in rate base.
(e) Included in rate base.
(f) Pays interest on over-recovered costs in North Carolina. Includes certain purchased power costs in North Carolina and South Carolina and costs of distributed energy in South Carolina.
(g) South Carolina retail allocated costs are earning a return.
(h) Earns a debt and equity return on coal ash expenditures for North Carolina and South Carolina retail customers as permitted by various regulatory orders.
(i) Includes incentives on DSM/EE investments and is recovered through an annual rider mechanism.
(j) Recovered over the life of the associated assets.
(k) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.
(l) Includes regulatory liabilities related to the change in the federal tax rate as a result of the Tax Act and the change in the North Carolina tax rate, both discussed in Note 23. Portions are included in rate base.

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 was subsequently adjusted to $420 million. 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% and a capital structure of 52% equity and 48% 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' 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 Consolidated Statements of Operations. The Public Staff, the North Carolina Attorney General and the Sierra Club filed notices of appeal to the North Carolina Supreme Court.

The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion on the consolidated appeals of the 2018 Duke Energy Carolinas and Duke Energy Progress rate case orders which affirmed, in part, and reversed and remanded, in part, the NCUC’s decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff’s equitable sharing argument. In response to a NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases or in the alternative the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021. For information on the proposed settlement pending before the NCUC, see "2021 Coal Ash Settlement." Duke Energy Progress cannot predict the outcome of this matter.

2019 North Carolina Rate Case

On October 30, 2019, Duke Energy Progress filed an application with the NCUC for a net rate increase for retail customers of approximately $464 million, which represented an approximate 12.3% increase in annual base revenues. The gross rate case revenue increase request was $586 million, which was offset by riders of $122 million, primarily an EDIT rider of $120 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Progress seeks to defer and recover incremental Hurricane Dorian storm costs in this proceeding and requests rates be effective no later than September 1, 2020. As a result of the COVID-19 pandemic, on March 24, 2020, the NCUC suspended the procedural schedule and postponed the previously scheduled evidentiary hearing on this matter indefinitely. On April 7, 2020, the NCUC issued an order partially resuming the procedural schedule requiring intervenors to file direct testimony on April 13, 2020. Public Staff filed supplemental direct testimony on April 23, 2020. Duke Energy Progress filed rebuttal testimony on May 4, 2020.

On June 2, 2020, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, which is subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. Major components of the settlement included:

- Removal of deferred storm costs from the rate case;
- Filing a petition seeking to securitize the deferred storm costs within 120 days of a commission order in this rate case regarding the reasonableness and prudency of the storm costs;
- Agreement of certain assumptions to demonstrate the quantifiable benefits to customers of a securitization financing;
- Agreement that the Asheville CC project is complete and in service and agreement on the amount to be included in rate base; and
- Agreement on certain accounting matters, including recovery of employee incentives, severance, aviation costs and executive compensation.

On May 6, 2020, Duke Energy Progress, Duke Energy Carolinas and the Public Staff filed a joint motion requesting that the NCUC issue an order scheduling one consolidated evidentiary hearing to consider the companies’ applications for net rate increases. On June 17, 2020, the NCUC issued an order adopting procedures for the expert witness hearings to take place in three phases: (1) a hearing on issues common to both rate cases conducted remotely; (2) a hearing on Duke Energy Carolinas specific rate case issues, followed immediately by; (3) a hearing on Duke Energy Progress specific rate case issues. On July 27, 2020, Duke Energy Progress filed a joint motion with Duke Energy Carolinas and the Public Staff notifying the Commission that the parties reached a joint partial settlement with the Public Staff.

On July 31, 2020, Duke Energy Progress and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement (Second Partial Settlement), which is subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. Major components of the Second Partial Settlement included:

- A return on equity of 9.6% and a capital structure of 52% equity and 48% debt;
- Agreement on amortization over a five-year period for unprotected federal EDIT flowbacks to customers;
- Agreement on the inclusion of plant in service and other revenue requirement updates through May 31, 2020, subject to Public Staff review. Annual revenue requirement associated with the May 31 update is estimated at $25 million; and
- Settlement to allow the deferral of costs for certain grid projects placed in service between June 1, 2020, and December 31, 2022, of $0.5 billion.

The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting and implementation of new depreciation rates.

On August 7, 2020, Duke Energy Progress filed a motion for approval of notice required to implement temporary rates, seeking to exercise its statutory right to implement temporary rates subject to refund on or after September 1, 2020. The revenue requirement to be recovered subject to refund through the temporary rates is based on and consistent with the terms of the base rate component of the settlement agreements with the Public Staff and excludes items to be litigated noted above. Duke Energy Progress will not begin the amortization or implementation of these items until a final determination is issued in the rate case and new base rates are implemented. These items will also be excluded when determining whether a refund of amounts collected through these temporary rates is needed. In addition, Duke Energy Progress also seeks authorization to place a temporary decrement EDIT Rider into effect, concurrent with the temporary base rate change. The temporary rate changes are not final rates and remain subject to the NCUC's determination of the just and reasonable rates to be charged by Duke Energy Progress on a permanent basis. The NCUC approved the August 7, 2020 temporary rates motion on August 11, 2020, and temporary rates went into effect on September 1, 2020.

The Duke Energy Progress evidentiary hearing concluded on October 6, 2020, and post-hearing filings were filed with the NCUC from all parties by December 4, 2020. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021. Duke Energy Progress expects the NCUC to issue an order on its net rate increase by the second quarter of 2021. For information on a proposed settlement pending before the NCUC, see "2021 Coal Ash Settlement." Duke Energy Progress cannot predict the outcome of this matter.

Hurricane Dorian

Hurricane Dorian reached the Carolinas in September 2019 as a Category 2 hurricane making landfall within Duke Energy Progress’ service territory. Total estimated incremental operation and maintenance expenses incurred to repair and restore the system are approximately $168 million with an additional $4 million in capital investments made for restoration efforts. Approximately $145 million and $179 million of the operation and maintenance expenses are deferred in Regulatory assets within Other Noncurrent Assets on the Consolidated Balance Sheets as of December 31, 2020, and December 31, 2019, respectively. A request for an accounting order to defer incremental storm costs associated with Hurricane Dorian was included in Duke Energy Progress' October 30, 2019, general rate case filing with the NCUC. Terms of the June 2, 2020, Agreement and Stipulation of Partial Settlement removed incremental storm costs from the general rate case. A petition seeking to securitize these costs, along with costs from Hurricane Florence, Hurricane Michael and Winter Storm Diego, was filed on October 26, 2020, with the NCUC. For information on the securitization filing, see "2020 North Carolina Storm Securitization Filings." Duke Energy Progress cannot predict the outcome of this matter.

On February 7, 2020, a petition was filed with the PSCSC in the 2019 storm deferrals docket requesting deferral of approximately $22 million in operation and maintenance expenses to an existing storm deferral balance previously approved by the PSCSC. The PSCSC voted to approve the request on March 4, 2020, and issued a final order on April 7, 2020. On July 1, 2020, Duke Energy Progress filed a supplemental true up reducing the actual costs to $17 million.

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.

After hearings in April 2019, the PSCSC issued an order on May 21, 2019, which included a return on equity of 9.5% and a capital structure of 53% equity and 47% 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%;
- 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%.

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 PSCSC 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. An order detailing the Commission's decision in the Directive was issued on October 18, 2019. Duke Energy Progress filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. The ORS filed a Notice of Cross Appeal on November 20, 2019. On February 12, 2020, Duke Energy Progress and the ORS filed a joint motion to extend briefing schedule deadlines, which was approved by the Supreme Court of South Carolina on February 20, 2020. On March 10, 2020, the ORS filed a consent motion requesting withdrawal of their appeal, which was granted by the Supreme Court of South Carolina on April 30, 2020. Initial briefs were filed on April 21, 2020. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments have not yet been scheduled by the Supreme Court of South Carolina. Based on legal analysis and the filing of the appeal, Duke Energy Progress has not recorded an adjustment for its deferred coal ash costs in this matter. Duke Energy Progress cannot predict the outcome of this matter.

Western Carolinas Modernization Plan

Duke Energy Progress retired the 376-MW Asheville coal-fired plant on January 29, 2020, at which time the net book value, including associated ash basin closure costs, of $214 million was transferred from Generation facilities to be retired, net to Regulatory assets within Current Assets and Other Noncurrent Assets on the Consolidated Balance Sheets.

On December 27, 2019, Asheville Combined Cycle Unit 5 Combustion Turbine and Unit 6 Steam Turbine Generator and the common systems that serve combined cycle units went into commercial operation. Duke Energy Progress placed the Unit 7 Combustion Turbine into commercial operation in simple-cycle mode on January 15, 2020. The Unit 8 Steam Turbine Generator went into commercial operation on April 5, 2020. On June 2, 2020, Duke Energy Progress filed a request with the PSCSC for an accounting order for the deferral of post-in-service costs incurred in connection with the addition of the Asheville combined-cycle generating plant. The petition requested the PSCSC issue an accounting order authorizing Duke Energy Progress to defer post-in-service costs including the Asheville combined-cycle's depreciation expense, property taxes, incremental operations and maintenance expenses and carrying costs at WACC of approximately $8 million annually. On June 17, 2020, the PSCSC voted to approve the petition and issued its final order on July 6, 2020.

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, which was approved with certain conditions on May 10, 2019. A hearing to update the NCUC on the status of the project was held on March 5, 2020. Construction began in May 2020 with commercial operation expected to begin in October 2021.

On July 27, 2020, Duke Energy Progress filed an application with the NCUC for a CPCN to construct the Woodfin Solar Facility, a 5-MW solar generating facility to be constructed on a closed landfill in Buncombe County. The expert hearing was held on November 18, 2020. Duke Energy Progress cannot predict the outcome of this matter.

FERC Return on Equity Complaints

On October 11, 2019, NCEMPA filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the Federal Power Act (FPA), alleging that the 11% stated return on equity (ROE) component contained in the demand formula rate in the Full Requirements Power Purchase Agreement (FRPPA) between NCEMPA and Duke Energy Progress is unjust and unreasonable. On July 16, 2020, the FERC set this matter for hearing and settlement judge procedures and established a refund effective date of October 11, 2019. In its order setting the matter for settlement, the FERC allowed for the consideration of variations to the base transmission-related ROE methodology developed in its Order No. 569-A, through the introduction of “specific facts and circumstances” involving issues specific to the case. It is Duke Energy Progress’ view that, in consideration of the specific facts and circumstances of risks under the provisions of the FRPPA, the stated 11% ROE is just and reasonable. The parties are currently in FERC settlement procedures. Duke Energy Progress cannot predict the outcome of this matter.

On October 16, 2020, NCEMC filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the FPA, alleging that the 11% stated ROE component in the demand formula rate in the Power Supply and Coordination Agreement between NCEMC and Duke Energy Progress is unjust and unreasonable. Under FPA Section 206, the earliest refund effective date that the FERC can establish is the date of the filing of the complaint. Duke Energy Progress responded to the complaint on November 20, 2020, demonstrating that the 11% ROE is just and reasonable for the service provided. The parties have filed additional pleadings. The FERC has not issued an order, and there is no deadline for the FERC to act. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Florida

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Duke Energy Florida's Consolidated Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in millions)	**2020**	**2019**	**a Return**	**Period Ends**
Regulatory Assets[a]				
AROs – coal ash[c]	**$ 10**	$ 9		(b)
AROs – nuclear and other[c]	**2**	159	Yes	(b)
Accrued pension and OPEB[c]	**482**	474	Yes	(g)
Storm cost deferrals[c]	**108**	413	(e)	(b)
Nuclear asset securitized balance, net	**991**	1,042		2036
Retired generation facilities[c]	**174**	183	Yes	(b)
Hedge costs deferrals	**59**	44	Yes	2038
AMI[c]	**45**	53	Yes	2032
DSM/EE[c]	**17**	25	Yes	2025
Deferred fuel and purchased power	**4**	39	(f)	2022
Qualifying facility contract buyouts	**107**	121	Yes	2034
Customer connect project	**30**	20		2037
Other	**35**	31	(d)	(b)
Total regulatory assets	**2,064**	2,613		
Less: current portion	**265**	419		
Total noncurrent regulatory assets	**$ 1,799**	$ 2,194		
Regulatory Liabilities[a]				
Net regulatory liability related to income taxes[c]	**$ 749**	$ 793		(b)
Costs of removal[c]	**—**	267	(d)	(b)
Deferred fuel and purchased power[c]	**—**	1	(f)	
Other	**19**	26	(d)	(b)
Total regulatory liabilities	**768**	1,087		
Less: current portion	**110**	94		
Total noncurrent regulatory liabilities	**$ 658**	$ 993		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Included in rate base.
(d) Certain costs earn/pay a return.
(e) Earns a debt return/interest once collections begin.
(f) Earns commercial paper rate.
(g) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

COVID-19 Filings

In March 2020, Governor Ron DeSantis directed the State Health Officer of Florida to declare a public health emergency in Florida related to the COVID-19 pandemic. The governor also issued an Executive Order on March 9, 2020, in which he declared a state of emergency in Florida and directed the Director of the Division of Emergency Management to implement the state's Comprehensive Emergency Management Plan. On March 19, 2020, Duke Energy Florida filed a request to modify its tariff to allow it to waive late fees for customers, and on April 6, 2020, the FPSC issued an order approving the request. Duke Energy Florida had already voluntarily waived reconnect fees and credit card fees and ceased disconnecting customers for nonpayment. On April 2, 2020, Duke Energy Florida filed a petition with the FPSC to accelerate a $78 million fuel cost refund to customers in the month of May 2020. Typically, the refund would be made over the course of 2021. The FPSC approved the petition on April 28, 2020. Duke Energy Florida resumed normal billing practices as of August 24, 2020, with the exception of the billing of late payment charges. Customers were notified of the resumption of normal billing practices, the option of deferred payment arrangements and where to find assistance, if necessary. Service disconnections for nonpayment for residential customers resumed on October 5, 2020.

2021 Settlement Agreement

On January 14, 2021, Duke Energy Florida filed a Settlement Agreement (the "Settlement") with the FPSC. The parties to the Settlement include Duke Energy Florida, the Office of Public Counsel (OPC), 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, Duke Energy Florida 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 during the years 2021, 2022 and 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 U.S. 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%. Duke Energy Florida will also be able to retain the DOE 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, Duke Energy Florida 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 Units 4-5, the approval of approximately $1 billion in 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 Duke Energy Florida’s Vision Florida program, which explores various emerging non-carbon emitting generation technology, distributed technologies and resiliency projects, among other things. The Settlement also resolves remaining unrecovered storm costs for hurricanes Dorian and Michael.

The Settlement is subject to the review and approval of the FPSC, which may occur in the second quarter of 2021. If the FPSC approves the Settlement, the new rates will be effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024. Duke Energy Florida cannot predict the outcome of this matter.

Storm Restoration Cost Recovery

Duke Energy Florida filed a petition with the FPSC on April 30, 2019, to recover $223 million of estimated retail incremental storm restoration costs for Hurricane Michael, consistent with the provisions in the 2017 Settlement, and the FPSC approved the petition on June 11, 2019. The FPSC also approved allowing 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. On November 22, 2019, Duke Energy Florida filed a petition for approval of actual retail recoverable storm restoration costs related to Hurricane Michael in the amount of $191 million plus interest. On May 19, 2020, Duke Energy Florida filed a supplemental true up reducing the actual retail recoverable storm restoration costs related to Hurricane Michael by approximately $3 million, resulting in a total request to recover $188 million actual retail recoverable storm restoration costs, plus interest. On November 12, 2020, Duke Energy Florida and OPC requested a 90 day abatement to engage in discussions to narrow the issues being litigated. The Prehearing Officer approved this request on November 16, 2020, and ordered Duke Energy Florida and OPC to update the commission on their discussions by February 12, 2021. Approximately $80 million and $204 million of these costs are included in Regulatory assets within Current Assets and Other Noncurrent Assets on the Consolidated Balance Sheets as of December 31, 2020, and December 31, 2019, respectively.

Duke Energy Florida filed a petition with the FPSC on December 19, 2019, to recover $169 million of estimated retail incremental storm restoration costs for Hurricane Dorian, consistent with the provisions in the 2017 Settlement and the FPSC approved the petition on February 24, 2020. Approximately $167 million of these costs are included in Regulatory assets within Current Assets and Other Noncurrent Assets on the Consolidated Balance Sheets as of December 31, 2019, representing recoverable costs under the FPSC’s storm rule and Duke Energy Florida's OATT formula rates. The amount at December 31, 2020 was immaterial. The final actual amount of $145 million was filed on September 30, 2020. Pursuant to the 2021 Settlement Agreement filed for FPSC approval on January 14, 2021, all matters regarding storm cost recovery relating to hurricanes Michael and Dorian have been resolved.

Clean Energy Connection

On July 1, 2020, Duke Energy Florida petitioned the FPSC for approval of a voluntary solar program. The program consists of 10 new solar generating facilities with combined capacity of approximately 750 MW. The program allows participants to support cost-effective solar development in Florida by paying a subscription fee based on per kilowatt-subscriptions and receiving a credit on their bill based on the actual generation associated with their portion of the solar portfolio. The estimated cost of the 10 new solar generation facilities is approximately $1 billion over the next four years, and this investment will be included in base rates offset by the revenue from the subscription fees. The credits will be included for recovery in the fuel cost recovery clause. A remote hearing was held on November 17, 2020, and post-hearing briefs were filed with the FPSC from all parties by December 9, 2020. The FPSC voted to approve the program on January 5, 2021, and issued its written order on January 26, 2021.

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 Crystal River Unit 3 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 (ADP), a joint venture between NorthStar Group Services, Inc. and Orano USA LLC. The agreement will allow for completion of the decommissioning of Crystal River Unit 3 by 2027, rather than 2074 as originally planned. Duke Energy Florida will also sell and assign the spent nuclear fuel, storage canisters, high-level waste and existing dry spent fuel storage installation and certain related assets, together with certain associated liabilities and obligations to ADP SF1, LLC. Duke Energy Florida expects that the assets of the Nuclear Decommissioning Trust Fund as of December 31, 2020, will be sufficient to cover the contract price. The U.S. Nuclear Regulatory Commission approved the transaction on April 1, 2020, and the FPSC issued an order approving the transaction on August 27, 2020. The transaction closed on October 1, 2020.

Citrus County CC

Construction of the 1,640-MW combined-cycle natural gas plant in Citrus County, Florida, began in October 2015 with an estimated cost of $1.5 billion, including AFUDC. Both units came online in the fourth quarter of 2018. The ultimate cost of the facility was estimated to be $1.6 billion, and Duke Energy Florida recorded Impairment charges on Duke Energy's Consolidated Statements of Operations of $60 million in the fourth quarter of 2018 for the overrun. In the year ended December 31, 2019, Duke Energy Florida recorded a $36 million reduction to the prior year impairment due to a decrease in the cost estimate of the Citrus County CC, primarily related to the settlement agreement with Fluor, the EPC contractor. This adjustment reduced the estimated cost of the facility to $1.5 billion.

Duke Energy Ohio

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Duke Energy Ohio's Consolidated Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in millions)	2020	2019	a Return	Period Ends
Regulatory Assets[(a)]				
AROs – coal ash	**$ 22**	$ 16	Yes	(b)
Accrued pension and OPEB	**149**	155		(g)
Storm cost deferrals	**4**	7		2023
PISCC and deferred operating expenses[(c)]	**16**	17	Yes	2083
Hedge costs deferrals	**7**	6		(b)
AMI	**36**	40		(b)
DSM/EE	**1**	2	(f)	(e)
Vacation accrual	**6**	5		2021
Deferred fuel and purchased power	**—**	1		2021
CEP deferral	**117**	76	Yes	(b)
MGP	**104**	102		(b)
Deferred pipeline integrity costs	**21**	17	Yes	(b)
Other	**166**	154		(b)
Total regulatory assets	**649**	598		
Less: current portion	**39**	49		
Total noncurrent regulatory assets	**$ 610**	$ 549		
Regulatory Liabilities[(a)]				
Net regulatory liability related to income taxes	**$ 628**	$ 654		(b)
Costs of removal	**68**	86		(d)
Provision for rate refunds	**45**	31		(b)
Accrued pension and OPEB	**17**	16		(g)
Other	**55**	40		(b)
Total regulatory liabilities	**813**	827		
Less: current portion	**65**	64		
Total noncurrent regulatory liabilities	**$ 748**	$ 763		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Included in rate base.
(d) Recovery over the life of the associated assets.
(e) Recovered via a rider mechanism.
(f) Includes incentives on DSM/EE investments.
(g) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

Duke Energy Ohio COVID-19 Filings

In response to the COVID-19 pandemic, on March 9, 2020, Governor Mike DeWine declared a state of emergency in the state of Ohio. The PUCO issued an order directing utilities to cease disconnections for nonpayment and waive late payment and reconnection fees and to minimize direct customer contact. The PUCO also directed utilities to maintain flexible payment plans and tariff interpretations to assist customers during this crisis and to seek any regulatory waivers, if necessary. In response, Duke Energy Ohio ceased all disconnections except for safety-related concerns and waived late payment and reconnection fees. On March 19, 2020, Duke Energy Ohio filed its compliance plan with the PUCO and sought waiver of several regulations to minimize direct customer contact. On May 4, 2020, Duke Energy Ohio filed a motion to suspend payment rules to enable proactive outreach to residential customers offering additional options for managing their utility bills. PUCO found the proposal to address the state of emergency and the accompanying waivers reasonable and directed Duke Energy Ohio to work with the PUCO Staff on a comprehensive plan for resumption of activities and operations, to be filed 45 days before resumption of activities. The transition plan to resume normal operations to pre-COVID-19 levels was filed on June 26, 2020, and approved by the PUCO on July 29, 2020. Pursuant to the transition plan, suspended work and activities resumed beginning August 10, 2020, and disconnections resumed on September 8, 2020, for nonresidential customers and October 5, 2020, for residential customers.

On April 16, 2020, Duke Energy Ohio filed an application for a Reasonable Arrangement to temporarily lower the minimum bill for demand-metered commercial and industrial customers. On June 17, 2020, the PUCO denied Duke Energy Ohio's application for a reasonable arrangement and ordered Duke Energy Ohio to work with the PUCO Staff on payment arrangements for impacted nonresidential customers.

On May 11, 2020, Duke Energy Ohio filed with the PUCO a request seeking deferral of incremental costs incurred, as well as specific miscellaneous lost revenues using existing uncollectible riders already in place for both electric and natural gas operations. Duke Energy Ohio would subsequently file for rider recovery at a later date. On June 17, 2020, the PUCO approved Duke Energy Ohio’s deferral application. The Commission denied the accrual of carrying costs and ordered Duke Energy Ohio to also track potential savings experienced as a result of COVID-19.

Duke Energy Kentucky COVID-19

In response to the COVID-19 pandemic, on March 6, 2020, Governor Andy Beshear declared a state of emergency in the commonwealth of Kentucky. The KPSC issued an order directing utilities to cease disconnections for nonpayment and waive late payment fees. The KPSC also directed utilities to maintain flexible payment plans and tariff interpretations to assist customers during this crisis and to seek any regulatory waivers, if necessary. In response, Duke Energy Kentucky ceased all disconnections except for safety-related concerns and waived late payment and reconnection fees. On September 21, 2020, the KPSC issued an order ending the disconnection moratorium for residential and nonresidential customers effective no earlier than October 20, 2020. Utilities are required to offer residential customers a default payment plan for any arrearages accumulated through the October 2020 billing cycle. Assessment of late payment charges for nonresidential customers resumed beginning October 20, 2020, and resumed for residential customers after December 31, 2020. Duke Energy Kentucky is following the order, as clarified on September 30, 2020, by the KPSC.

2017 Electric Security Plan Filing

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 April 13, 2018, Duke Energy Ohio, along with certain intervenors, filed a Stipulation and Recommendation (Stipulation) with the PUCO resolving that 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 approved new rider mechanisms relating to costs incurred to enhance the customer experience and transform the grid and a service reliability rider for vegetation management. On September 13, 2019, and September 16, 2019, Interstate Gas Supply/Retail Supply Association and the Ohio Consumers' Counsel (OCC), respectively, filed appeals to the Supreme Court of Ohio claiming the PUCO’s order was in error. On March 13, 2020, the Supreme Court of Ohio dismissed OCC's appeal. On April 22, 2020, the Supreme Court of Ohio dismissed all remaining appeals of the PUCO's December 19, 2018 order approving the Stipulation. The case has been resolved.

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%. On April 13, 2018, Duke Energy Ohio, along with certain intervenors, filed the Stipulation with the PUCO including a $19 million decrease in annual base distribution revenue with a return on equity unchanged from the current rate of 9.84% based upon a capital structure of 50.75% equity and 49.25% 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 Duke Energy Ohio'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 Power Future Initiatives Rider (formerly 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. On September 13, 2019, and September 16, 2019, Interstate Gas Supply/Retail Supply Association and the OCC, respectively, filed appeals to the Supreme Court of Ohio claiming the PUCO’s order was in error. On March 13, 2020, the Supreme Court of Ohio dismissed the OCC's appeal. On April 22, 2020, the Supreme Court of Ohio dismissed all remaining appeals of the PUCO's December 19, 2018 order approving the Stipulation. The case has been resolved.

Ohio Valley Electric Corporation

On March 31, 2017, Duke Energy Ohio filed for approval to adjust its existing 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, 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. On September 13, 2019, and September 16, 2019, Interstate Gas Supply/Retail Supply Association and the OCC filed appeals to the Supreme Court of Ohio claiming the PUCO's order was in error. On March 13, 2020, the Supreme Court of Ohio dismissed OCC's appeal. On April 22, 2020, the Supreme Court of Ohio dismissed all remaining appeals of the PUCO's December 19, 2018 order approving the Stipulation. The case has been resolved.

On July 23, 2019, House Bill 6 (HB 6) was signed into law that became effective January 1, 2020. Among other things, the bill allows for funding through a rider mechanism referred to as the Clean Air Fund (Rider CAF), of two nuclear generating facilities located in Northern Ohio owned by Energy Harbor (f/k/a FirstEnergy Solutions), repeal of energy efficiency mandates and recovery of prudently incurred costs, net of any revenues, for Ohio investor-owned utilities that are participants under the OVEC power agreement. The recovery is through a non-bypassable rider that replaced any existing recovery mechanism approved by the PUCO and will remain in place through 2030. As such, Duke Energy Ohio created the Legacy Generation Rider (Rider LGR) that replaced Rider PSR effective January 1, 2020. The amounts recoverable from customers are subject to an annual cap, with incremental costs that exceed such cap eligible for deferral and recovery subject to review. See Note 17 for additional discussion of Duke Energy Ohio's ownership interest in OVEC. In July 2020, legislation to repeal HB 6 was proposed in both the Ohio House and Senate, with subsequent hearings to receive witness testimony. On December 21, 2020, the Franklin County Circuit Court issued an injunction against the PUCO's Order that approved the nuclear plant funding through Rider CAF set to become effective on January 1, 2021. On December 28, 2020, in a separate proceeding, the Ohio Supreme Court, ordered a temporary stay on the implementation of Rider CAF. Duke Energy Ohio is not impacted by any changes in Rider CAF. The General Assembly's session ended without addressing HB 6. Duke Energy Ohio cannot predict the outcome of this matter.

Tax Act – Ohio

On December 21, 2018, Duke Energy Ohio filed an application to change its base rate tariffs 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% 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 occurred on August 7, 2019. Initial briefs were filed on September 11, 2019. Reply briefs were filed on September 25, 2019. Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

On February 26, 2020, the PUCO issued an order directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020, in response to changes in Ohio law that eliminated Ohio's energy efficiency mandates. On March 27, 2020, Duke Energy Ohio filed an Application for Rehearing seeking clarification on the final true up and reconciliation process after 2020. On April 22, 2020, the PUCO granted rehearing for further consideration. The PUCO issued two orders on November 18, 2020, on the application for rehearing. The first order was a Third Entry on Rehearing on the Duke Energy Ohio portfolio holding the cost cap previously imposed was unlawful, a shared savings cap of $8 million pretax should be imposed and lost distribution revenues could not be recovered after December 31, 2020. The second order directs all utilities set the rider to zero effective January 1, 2021, and to file a separate application for final reconciliation of all energy efficiency costs prior to December 31, 2020. On December 18, 2020, Duke Energy Ohio filed an application for rehearing. On January 13, 2021, the application for rehearing was granted for further consideration. Duke Energy Ohio cannot predict the outcome of this matter.

On October 9, 2020, Duke Energy Ohio filed an application to implement a voluntary efficiency program portfolio to commence on January 1, 2021. The application proposes a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review. As of January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs due to changes in Ohio law. Duke Energy Ohio cannot predict the outcome of this matter.

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) and that construction of the pipeline extension is expected to be completed before the 2021/2022 winter season. An evidentiary hearing for a Certificate of Environmental Compatibility and Public Need concluded on April 11, 2019. On November 21, 2019, the Ohio Power Siting Board (OPSB) approved Duke Energy Ohio's application subject to 41 conditions on construction. Applications for rehearing were filed by several stakeholders on December 23, 2019, arguing that the OPSB approval was incorrect. On February 20, 2020, the OPSB denied the rehearing requests. On April 15, 2020, Joint Appellants filed a notice of appeal at the Supreme Court of Ohio of the OPSB's decision approving Duke Energy Ohio's Central Corridor application. On June 4, 2020, the OPSB filed a motion to dismiss claims raised by one of the Joint Appellants and on August 5, 2020, the Supreme Court of Ohio dismissed one of the Joint Appellants from the appeal. Joint Appellants filed their merit briefs on August 26, 2020. Appellee briefs were filed October 15, 2020. Appellants' briefs were filed on November 24, 2020. On September 22, 2020, Duke Energy Ohio filed an application with the OPSB for approval to amend the certificated pipeline route due to changes in the route negotiated with property owners and municipalities. The staff report was filed on December 21, 2020, recommending approval subject to three conditions that reaffirm previous conditions, and provide guidance regarding local permitting and construction supervision.. On December 23, 2020, Duke Energy Ohio filed a letter indicating its acceptance of these conditions if required by the OPSB. On January 21, 2021, the OPSB approved the amended filing with the recommended conditions. On January 27, 2021, the Ohio Supreme Court set oral argument for March 31, 2021. Duke Energy Ohio cannot predict the outcome of this matter.

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 collected approximately $55 million in environmental remediation costs incurred between 2009 through 2012 through Rider MGP, which is currently suspended. 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 base rate case. To date, the PUCO has not ruled on Duke Energy Ohio's annual applications for the calendar years 2013 through 2019. 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. 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. Additionally, staff recommended that any discussion pertaining to Duke Energy Ohio's recovery of ongoing MGP costs should be directly tied to or netted against insurance proceeds collected by Duke Energy Ohio. An evidentiary hearing concluded on November 21, 2019. Initial briefs were filed on January 17, 2020, and reply briefs were filed on February 14, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

On March 31, 2020, Duke Energy Ohio filed its annual application to recover incremental remediation expense for the calendar year 2019 seeking recovery of approximately $39 million in remediation costs incurred during 2019. On July 23, 2020, the staff recommended a disallowance of approximately $4 million for work the staff believes occurred in areas not authorized for recovery. Additionally, the staff recommended insurance proceeds, net of litigation costs and attorney fees, should be reimbursed to customers and not be held by Duke Energy Ohio until all investigation and remediation is complete. Duke Energy Ohio filed comments in response to the staff report on August 21, 2020, and intervenor comments were filed on November 9, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

The 2012 PUCO order also contained conditional deadlines for completing the MGP environmental remediation and the deferral of 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 that must occur after December 31, 2019. On July 12, 2019, staff recommended the Commission deny the deferral authority request. On September 13, 2019, intervenor comments were filed opposing Duke Energy Ohio's request for continuation of existing deferral authority and on October 2, 2019, Duke Energy Ohio filed reply comments. Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Kentucky Electric Base Rate Case

On September 3, 2019, Duke Energy Kentucky filed a rate case with the KPSC requesting an increase in electric base rates of approximately $46 million. On January 31, 2020, Duke Energy Kentucky filed rebuttal testimony updating its rate increase request to approximately $44 million. Hearings concluded on February 20, 2020, and briefing was completed March 20, 2020. On April 27, 2020, the KPSC issued its decision approving a $24 million increase for Duke Energy Kentucky with a 9.25% return on equity. The KPSC denied Duke Energy Kentucky's major storm deferral mechanism and EV and battery storage pilots. The KPSC approved Duke Energy Kentucky's Green Source Advantage tariff. New customer rates were effective on May 1, 2020. On May 18, 2020, Duke Energy Kentucky filed its motion for rehearing and on June 4, 2020, the motion was granted in part and denied in part by the KPSC. On October 16, 2020, the KPSC issued an Order on Rehearing authorizing an additional $4 million increase in revenue requirement bringing the total authorized revenue requirement increase to $28 million. Revised customer rates took effect in November 2020. The case has been resolved.

Regional Transmission Organization Realignment

Duke Energy Ohio, including Duke Energy Kentucky, transferred control of its transmission assets from MISO to PJM, effective December 31, 2011. The PUCO approved a settlement related to Duke Energy Ohio's recovery of certain costs of the RTO realignment via a non-bypassable rider. Duke Energy Ohio is allowed to recover all MISO Transmission Expansion Planning (MTEP) costs directly or indirectly charged to Ohio customers. The KPSC also approved a request to effect the RTO realignment, subject to a commitment not to seek double recovery in a future rate case of the transmission expansion fees that may be charged by MISO and PJM in the same period or overlapping periods.

The following table provides a reconciliation of the beginning and ending balance of Duke Energy Ohio's recorded liability for its exit obligation and share of MTEP costs recorded in Other within Current Liabilities and Other Noncurrent Liabilities on the Consolidated Balance Sheets. The retail portions of MTEP costs billed by MISO are recovered by Duke Energy Ohio through a non-bypassable rider. As of December 31, 2020, and 2019, $37 million and $40 million, respectively, are recorded in Regulatory assets on Duke Energy Ohio's Consolidated Balance Sheets.

(in millions)	December 31, 2019	Provisions/ Adjustments	Cash Reductions	December 31, 2020
Duke Energy Ohio	$ 54	**$ (1)**	**$ (3)**	**$ 50**

Duke Energy Indiana

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Duke Energy Indiana's Consolidated Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in millions)	2020	2019	a Return	Period Ends
Regulatory Assets[(a)]				
AROs – coal ash	**$ 615**	$ 529	Yes	(b)
Accrued pension and OPEB	**245**	243		(e)
Retired generation facilities[(c)]	**43**	49	Yes	2030
PISCC and deferred operating expenses[(c)]	**303**	246	Yes	(b)
Hedge costs deferrals	**22**	23		(b)
AMI	**19**	18		2031
Vacation accrual	**12**	12		2021
Deferred fuel and purchased power	**9**	—		2021
Other	**60**	52		(b)
Total regulatory assets	**1,328**	1,172		
Less: current portion	**125**	90		
Total noncurrent regulatory assets	**$ 1,203**	$ 1,082		
Regulatory Liabilities[(a)]				
Net regulatory liability related to income taxes	**$ 956**	$ 1,008		(b)
Costs of removal	**599**	599		(d)
Accrued pension and OPEB	**100**	90		(e)
Amounts to be refunded to customers	**17**	—		(b)
Other	**66**	43		(b)
Total regulatory liabilities	**1,738**	1,740		
Less: current portion	**111**	55		
Total noncurrent regulatory liabilities	**$ 1,627**	$ 1,685		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Included in rate base.
(d) Refunded over the life of the associated assets.
(e) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

COVID-19 Filing

In response to the COVID-19 pandemic, on March 6, 2020, Governor Eric Holcomb declared a public health disaster emergency in the state of Indiana, which is currently still in effect. At that time, Duke Energy Indiana had already voluntarily suspended all disconnections and waived late payment fees and check return fees. The utility also waived credit card fees for residential customers. The Executive Order requiring utilities in the state to suspend disconnection of utility service expired July 1, 2020.

On May 8, 2020, Duke Energy Indiana, along with other Indiana utilities, filed a request with the IURC for approval of deferral treatment for costs and revenue reductions associated with the COVID-19 pandemic. The utilities requested initial deferral approval in July 2020, with individual subdockets for each utility to be established for consideration of utility-specific cost and revenue impacts, cost recovery timing and customer payment plans. On June 29, 2020, the IURC issued an order in Phase 1 wherein it extended the disconnection moratorium for jurisdictional utilities until August 14, 2020, along with requiring six-month payment arrangements, waiver of late fees, reconnection fees, convenience fees and deposits. The IURC permitted jurisdictional utilities to use regulatory accounting for any impacts associated with the prohibition on utility disconnections, waiver or exclusion of certain utility fees (i.e., late fees, convenience fees, deposits, and reconnection fees), the use of expanded payment arrangements to aid customers, and for COVID-19 related uncollectible and incremental bad debt expense. The IURC did not permit recovery of lost revenues due to load reduction or carrying costs. In Phase 2 filings, individual utilities may choose to request regulatory accounting for other COVID-19 related operation and maintenance costs wherein evidence of the impact of any costs or offsetting savings can be presented and considered in an evidentiary hearing. On August 12, 2020, the IURC issued a supplemental order extending the requirement for six-month payment arrangements and waiver of certain customer fees for another 60 days but did not extend the disconnect moratorium. As such, Duke Energy Indiana resumed service disconnections for nonpayment in mid-September 2020. Normal billing practices resumed in mid-October 2020, except that Duke Energy Indiana has committed to provide extended payment arrangements into 2021 and to waive credit card and pay station fees for residential customers through the end of 2020. Customers were notified of the resumption of normal billing practices, the option of deferred payment arrangements and where to find assistance, if necessary. Duke Energy Indiana cannot predict the outcome of this matter.

2019 Indiana Rate Case

On July 2, 2019, Duke Energy Indiana filed a general rate case with the IURC for a rate increase for retail customers of approximately $395 million. The rebuttal case, filed on December 4, 2019, updated the requested revenue requirement to result in a 15.6% or $396 million average retail rate increase, including the impacts of the Utility Receipts Tax. Hearings concluded on February 7, 2020. On June 29, 2020, the IURC issued the order in the rate case approving a revenue increase of $146 million before certain adjustments and ratemaking refinements. The order provided for an overall cost of capital of 5.7% based on a 9.7% return on equity and a 53% equity component of the capital structure, and approved Duke Energy Indiana's requested forecasted rate base of $10.2 billion as of December 31, 2020, including the Edwardsport Integrated Gasification Combined Cycle (IGCC) Plant. The IURC reduced Duke Energy Indiana's request by slightly more than $200 million, when accounting for the utility receipts tax and other adjustments. Approximately 50% of the reduction is due to a prospective change in depreciation and use of regulatory asset for the end-of-life inventory at retired generating plants, approximately 20% is due to the approved 9.7% return on equity versus requested 10.4% and approximately 20% is related to miscellaneous earnings neutral adjustments. Step one rates are estimated to be approximately 75% of the total and became effective on July 30, 2020. Step two rates are estimated to be the remaining 25% of the total rate increase and will be implemented in mid-2021. Several groups filed notices of appeal of the IURC order on July 29, 2020. Appellate briefs were filed on October 14, 2020, focusing on three issues: wholesale sales allocations, coal ash basin cost recovery and the Edwardsport IGCC operating and maintenance expense level approved. The appeal was fully briefed in January 2021, and a decision is expected in the first or second quarter of 2021. Duke Energy Indiana cannot predict the outcome of this matter.

2020 Indiana Coal Ash Recovery Case

In Duke Energy Indiana’s rate case, the IURC approved coal ash basin closure costs expended through 2018 including financing costs as a regulatory asset and included in rate base. The IURC opened a subdocket to deal with the post-2018 coal ash related expenditures. Duke Energy Indiana filed testimony on April 15, 2020, in the coal ash subdocket requesting recovery for the post-2018 coal ash basin closure costs for plans that have been approved by the Indiana Department of Environmental Management as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020, and the parties have agreed on a delayed briefing schedule that allows for the Indiana Rate Case appeal to proceed. Briefing will be completed by mid-May 2021. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

Regulatory Assets and Liabilities

The following tables present the regulatory assets and liabilities recorded on Piedmont's Consolidated Balance Sheets.

	December 31,		Earns/Pays	Recovery/Refund
(in millions)	2020	2019	a Return	Period Ends
Regulatory Assets[a]				
AROs – nuclear and other	**$ 20**	$ 16		(d)
Accrued pension and OPEB[c]	**88**	90		(f)
Vacation accrual	**12**	12		2021
Derivatives – natural gas supply contracts[e]	**122**	117		
Amounts due from customers	**110**	36	Yes	(b)
Deferred pipeline integrity costs[c]	**71**	62		2023
Other	**32**	30		(b)
Total regulatory assets	**455**	363		
Less: current portion	**153**	73		
Total noncurrent regulatory assets	**$ 302**	$ 290		
Regulatory Liabilities[a]				
Net regulatory liability related to income taxes	**$ 499**	$ 555		(b)
Costs of removal	**575**	574		(d)
Provision for rate refunds	**6**	41	Yes	
Accrued pension and OPEB[c]	**3**	3		(f)
Amounts to be refunded to customers	**34**	34	Yes	(b)
Other	**15**	5		(b)
Total regulatory liabilities	**1,132**	1,212		
Less: current portion	**88**	81		
Total noncurrent regulatory liabilities	**$ 1,044**	$ 1,131		

(a) Regulatory assets and liabilities are excluded from rate base unless otherwise noted.
(b) The expected recovery or refund period varies or has not been determined.
(c) Included in rate base.
(d) Recovery over the life of the associated assets.
(e) Balance will fluctuate with changes in the market. Current contracts extend into 2031.
(f) Recovered primarily over the average remaining service periods or life expectancies of employees covered by the benefit plans. See Note 22 for additional detail.

COVID-19 Filings

North Carolina

On March 10, 2020, Governor Roy Cooper declared a state of emergency due to the COVID-19 pandemic. On March 19, 2020, the NCUC issued on order directing that utilities under its jurisdiction suspend disconnections for nonpayment of utility bills during the state of emergency and allow for customers to enter into payment arrangements to pay off arrearages accumulated during the state of emergency after the end of the state of emergency. Additionally, to help mitigate the financial impacts of the COVID-19 pandemic on their customers, on March 19, 2020, Piedmont filed a request with the NCUC seeking authorization to waive: (1) any late payment charges incurred by a residential or nonresidential customer, effective March 21, 2020; (2) the application of fees for checks returned for insufficient funds for residential and nonresidential customers; (3) the reconnection charge when a residential or nonresidential customer seeks to have service restored for those customers whose service was recently disconnected for nonpayment and to work with customers regarding the other requirements to restore service, including re-establishment of credit; and (4) the fees and charges associated with the use of credit cards or debit cards to pay residential electric utility bills, effective March 21, 2020. The NCUC granted Piedmont’s request on March 20, 2020.

On July 29, 2020, the NCUC issued its Order Lifting Disconnection Moratorium and Allowing Collection of Arrearages Pursuant to Special Repayment Plans. The order contained the following: (1) public utilities may resume customer disconnections due to nonpayment for bills first rendered on or after September 1, 2020, after appropriate notice; (2) the late fee moratorium will continue through the end of the state of emergency or until further order of the commission; (3) Duke Energy utilities may reinstate fees for checks returned for insufficient funds as well as transaction fees for use of credit cards or debit cards for bills first rendered on or after September 1, 2020; and (4) no sooner than September 1, 2020, the collection of past-due or delinquent accounts accrued up to and including August 31, 2020, may proceed subject to conditions.

Normal billing practices resumed as of October 1, 2020, with the exception of billing of late payment charges. Service disconnections for nonpayment resumed on November 4, 2020. Customers were notified of the resumption of normal billing practices, the option of payment arrangements and where to find assistance, if necessary. The NCUC's moratorium for the billing of late payment charges is still in effect until further order from the NCUC. Piedmont cannot predict the outcome of this matter.

South Carolina

On March 13, 2020, Governor Henry McMaster declared a state of emergency due to the COVID-19 pandemic. The governor also issued a letter on March 14, 2020, to the ORS Executive Director regarding the suspension of disconnection of essential utility services for nonpayment. On March 18, 2020, the PSCSC issued an order approving such waivers, and also approved waivers for regulations related to late fees and reconnect fees. The PSCSC's order also required utilities to track the financial impacts of actions taken pursuant to such waivers for possible reporting to the PSCSC.

On May 13, 2020, the ORS filed a letter with the PSCSC that included a request from Governor McMaster that utilities proceed with developing and implementing plans for phasing in normal business operations. On May 14, 2020, the PSCSC conditionally vacated the regulation waivers regarding termination of service and suspension of disconnect fees. Prior to termination, utilities are to refer past-due customers to local organizations for assistance and/or deferred payment arrangements. Piedmont filed a report on June 30, 2020, as required by PSCSC order, reporting revenue impact, costs and savings related to COVID-19 to date. Updates on cost impacts were filed on September 30, 2020, and on December 31, 2020, and included financial impacts through the end of August 2020, and the end of November 2020, respectively.

On September 30, 2020, Piedmont filed an update on its planned return to normal operations during the COVID-19 pandemic. Normal billing practices resumed as of October 1, 2020, and service disconnections for nonpayment resumed on November 4, 2020. Customers were notified of the resumption of normal billing practices, the option of payment arrangements and where to find assistance, if necessary.

Tennessee

On March 12, 2020, Governor Bill Lee declared a state of emergency due to the COVID-19 pandemic. In an effort to help mitigate the financial impacts of the COVID-19 pandemic on their customers, on March 20, 2020, Piedmont filed a request with the TPUC seeking authorization to waive, effective March 21, 2020: (1) any late payment charges incurred by a residential or nonresidential customer; (2) the application of fees for checks returned for insufficient funds for residential and nonresidential customers; and (3) the reconnection charge when a residential or nonresidential customer seeks to have service restored for those customers whose service was recently disconnected for nonpayment and to work with customers regarding the other requirements to restore service, including re-establishment of credit. The TPUC granted Piedmont's request by Order issued March 31,2020. The Order also stated that customers were not relieved of their obligation to pay for utility services received.

The TPUC held its regularly scheduled Commission Conference electronically on August 10, 2020, and on September 16, 2020, issued an Order Lifting Suspension of Disconnections of Service for Lack of Payment with Conditions, effective August 29, 2020. The conditions relate to required customer communications, payment plan options for past-due amounts and ongoing reporting to the TPUC. Potential recovery of costs related to the COVID-19 pandemic may be considered in future, individual docketed proceedings.

On October 15, 2020, Piedmont filed a report on its planned return to normal operations during the COVID-19 pandemic. Normal billing practices resumed as of October 1, 2020, and service disconnections for nonpayment resumed on November 4, 2020. Customers were notified of the resumption of normal billing practices, the option of payment arrangements and where to find assistance, if necessary.

2020 Tennessee Rate Case

On July 2, 2020, Piedmont filed an application with the TPUC, its first general rate case in Tennessee in nine years, for a rate increase for retail customers of approximately $30 million, which represents an approximate 15% increase in annual revenues. The rate increase is driven by significant infrastructure upgrade investments since its previous rate case. Approximately half of the plant additions being added to rate base are categories of capital investment not covered under the IMR mechanism, which was approved in 2013. Piedmont amended its requested increase to approximately $26 million in December 2020. As authorized under Tennessee law, Piedmont implemented interim rates on January 2, 2021, at the level requested in its adjusted request. A settlement reached with the Tennessee Consumer Advocate in mid-January was filed with the TPUC on February 2, 2021. The settlement results in an increase of revenues of approximately $16 million and a ROE of 9.8%. At a hearing on February 16, 2021, the TPUC voted to accept the settlement, with new rates effective January 2, 2021. Piedmont must refund customers the difference between bills previously rendered under interim rates and such bills if rendered under approved rates, plus interest.

2021 North Carolina Rate Case

On February 19, 2021, Piedmont filed notice with the NCUC of its intent to file a general rate case on or about March 22, 2021. Piedmont's last general rate case in North Carolina was filed in April 2019, with rates effective November 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. On August 13, 2019, Piedmont, the Public Staff, and two groups representing industrial customers filed an Agreement and Stipulation Settlement resolving issues in the base rate proceeding, which included a return on equity of 9.7% and a capital structure of 52% equity and 48% debt. Other major components of the Stipulation included:

- An annual increase in revenues of $109 million before consideration of riders associated with federal and state tax reform;
- A decrease through a rider mechanism of $23 million per year to return unprotected federal EDIT over a five-year period and deferred revenues related to the federal rate reduction of $37 million to be returned over one year;
- A decrease through a rider mechanism of $21 million per year related to reductions in the North Carolina state income tax rate to be returned over a three-year period;
- An overall cap on net revenue increase of $83 million. This will impact Piedmont beginning November 1, 2022, only if the company does not file another general rate case in the interim;

- Continuation of the IMR mechanism; and
- Establishment of a new deferral mechanism for certain Distribution Integrity Management Program (DIMP) operations and maintenance expenses incurred effective November 1, 2019, and thereafter.

On October 31, 2019, the NCUC approved the Stipulation and the revised customer rates were effective November 1, 2019.

OTHER REGULATORY MATTERS

Atlantic Coast Pipeline, LLC

Atlantic Coast Pipeline (ACP pipeline) was planned to be an approximately 600-mile interstate natural gas pipeline running from West Virginia to North Carolina. Duke Energy indirectly owns a 47% interest, which is accounted for as an equity method investment through its Gas Utilities and Infrastructure segment.

On April 15, 2020, the United States District Court for the District of Montana granted partial summary judgment in favor of the plaintiffs in Northern Plains Resource Council v. U.S. Army Corps of Engineers (USACE) (Northern Plains), vacating USACE’s Nationwide Permit 12 (NWP 12) and remanding it to USACE for consultation under the Endangered Species Act (ESA) of 1973. In Northern Plains, the court ruled that NWP 12 was unlawful because USACE did not consult under the ESA with the U.S. Fish and Wildlife Service and/or National Marine Fisheries Service prior to NWP 12’s reissuance in 2017. Because NWP 12 has been vacated and its application enjoined, USACE currently has suspended verification of any new or pending applications under NWP 12 until further court action clarifies the situation.

On May 28, 2020, the U.S. Court of Appeals for the Ninth Circuit issued a ruling that limited the NWP 12 vacatur to energy infrastructure projects. In July 2020, the Supreme Court of the United States issued an order allowing other new oil and gas pipeline projects to use the NWP 12 process pending appeal to the U.S. Court of Appeals for the Ninth Circuit; however, that did not decrease the uncertainty associated with an eventual ruling. Together, these rulings indicated that the timeline to reinstate the necessary water crossing permits for ACP would likely cause further delays and cost increases.

On July 5, 2020, Dominion Energy, Inc. announced a sale of substantially all of its gas transmission and storage segment assets, operations core to the ACP pipeline project.

As a result of the uncertainty created by the NWP 12 rulings, the potential impact on the cost and schedule for the project, the ongoing legal challenges and the risk of additional legal challenges and delays through the construction period and Dominion’s decision to sell substantially all of its gas transmission and storage segment assets, Duke Energy's Board of Directors and management decided that it was not prudent to continue to invest in the project. On July 5, 2020, Duke Energy and Dominion announced the cancellation of the ACP pipeline project.

As a result, Duke Energy recorded pretax charges to earnings of approximately $2.1 billion for the year ended December 31, 2020, within Equity in (losses) earnings of unconsolidated affiliates on the Duke Energy Consolidated Statements of Operations. The tax benefit associated with this cancellation was $393 million and is recorded in Income Tax Expense (Benefit) Expense on the Duke Energy Consolidated Statements of Operations. Additional charges of less than $20 million are expected to be recorded within the next three years as ACP incurs obligations to exit operations.

As part of the pretax charges to earnings of approximately $2.1 billion, Duke Energy has liabilities related to the cancellation of the ACP pipeline project of $928 million and $8 million within Other Current Liabilities and Other Noncurrent Liabilities, respectively, in the Gas Utilities and Infrastructure segment. The liability represents Duke Energy's obligation of approximately $860 million to fund ACP's outstanding debt and $76 million to satisfy remaining ARO requirements to restore construction sites.

See Notes 7 and 12 for additional information regarding this transaction.

Potential Coal Plant Retirements

The Subsidiary Registrants periodically file integrated resource plans (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 Consolidated Balance Sheets as of December 31, 2020, 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)]	604	$ 113
Allen Steam Station Units 4-5[(b)]	526	338
Cliffside Unit 5[(b)]	546	350
Duke Energy Progress		
Mayo Unit 1[(b)]	746	676
Roxboro Units 3-4[(b)]	1,409	484
Duke Energy Florida		
Crystal River Units 4-5[(c)]	1,430	1,696
Duke Energy Indiana		
Gallagher Units 2 and 4[(d)]	280	102
Gibson Units 1-5[(e)]	2,845	1,866
Cayuga Units 1-2[(e)]	1,005	777
Total Duke Energy	9,391	$ 6,402

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Units 1 through 3 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. Unit 3 with a capacity of 270 MW and a net book value of $26 million at December 31, 2020, is expected to be retired in March 2021.

(b) These units are included in the IRP filed by Duke Energy Carolinas and Duke Energy Progress in North Carolina and South Carolina on September 1, 2020. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. In 2019, Duke Energy Carolinas and Duke Energy Progress filed North Carolina rate cases that included depreciation studies that accelerate end-of-life dates for these plants. A decision by NCUC is expected by the end of the first quarter 2021.

(c) On January 14, 2021, Duke Energy Florida filed a settlement agreement with the FPSC, which proposed depreciation rates reflecting retirement dates for Duke Energy Florida's last two coal-fired generating facilities, Crystal River Units 4-5, eight years ahead of schedule in 2034 rather than in 2042, in support of Duke Energy's carbon reduction goals. A request for the FPSC to hold a hearing has been made and a decision by the FPSC is expected in the second quarter 2021.

(d) 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. In February 2021, upon approval by MISO of a new retirement date, Duke Energy Indiana determined it would modify the retirement date to June 1, 2021.

(e) 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, included proposed depreciation rates reflecting retirement dates from 2026 to 2038. The depreciation rates reflecting these updated retirement dates were approved by the IURC as part of the rate case order issued on June 29, 2020.

4. COMMITMENTS AND CONTINGENCIES

INSURANCE

General Insurance

The Duke Energy Registrants have insurance and reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. The Duke Energy Registrants' coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations. The Duke Energy Registrants self-insure their electric transmission and distribution lines against loss due to storm damage and other natural disasters. As discussed further in Note 3, Duke Energy Florida maintains a storm damage reserve and has a regulatory mechanism to recover the cost of named storms on an expedited basis.

The cost of the Duke Energy Registrants' coverage can fluctuate from year to year reflecting claims history and conditions of the insurance and reinsurance markets.

In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on the Duke Energy Registrants' results of operations, cash flows or financial position. Each company is responsible to the extent losses may be excluded or exceed limits of the coverage available.

Nuclear Insurance

Duke Energy Carolinas owns and operates McGuire and Oconee and operates and has a partial ownership interest in Catawba. McGuire and Catawba each have two reactors. Oconee has three reactors. The other joint owners of Catawba reimburse Duke Energy Carolinas for certain expenses associated with nuclear insurance per the Catawba joint owner agreements.

Duke Energy Progress owns and operates Robinson, Brunswick and Harris. Robinson and Harris each have one reactor. Brunswick has two reactors.

Duke Energy Florida owns Crystal River Unit 3, which permanently ceased operation in 2013 and reached a SAFSTOR condition in January 2018 after the successful transfer of all used nuclear fuel assemblies to an on-site dry cask storage facility.

In the event of a loss, terms and amounts of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Carolinas', Duke Energy Progress' and Duke Energy Florida's results of operations, cash flows or financial position. Each company is responsible to the extent losses may be excluded or exceed limits of the coverage available.

Nuclear Liability Coverage

The Price-Anderson Act requires owners of nuclear reactors to provide for public nuclear liability protection per nuclear incident up to a maximum total financial protection liability. The maximum total financial protection liability, which is approximately $13.8 billion, is subject to change every five years for inflation and for the number of licensed reactors. Total nuclear liability coverage consists of a combination of private primary nuclear liability insurance coverage and a mandatory industry risk-sharing program to provide for excess nuclear liability coverage above the maximum reasonably available private primary coverage. The U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims.

Primary Liability Insurance

Duke Energy Carolinas and Duke Energy Progress have purchased the maximum reasonably available private primary nuclear liability insurance as required by law, which is $450 million per station. Duke Energy Florida has purchased $100 million primary nuclear liability insurance in compliance with the law.

Excess Liability Program

This program provides $13.3 billion of coverage per incident through the Price-Anderson Act's mandatory industry-wide excess secondary financial protection program of risk pooling. This amount is the product of potential cumulative retrospective premium assessments of $138 million times the current 97 licensed commercial nuclear reactors in the U.S. Under this program, licensees could be assessed retrospective premiums to compensate for public nuclear liability damages in the event of a nuclear incident at any licensed facility in the U.S. Retrospective premiums may be assessed at a rate not to exceed $20.5 million per year per licensed reactor for each incident. The assessment may be subject to state premium taxes.

Nuclear Property and Accidental Outage Coverage

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are members of Nuclear Electric Insurance Limited (NEIL), an industry mutual insurance company, which provides property damage, nuclear accident decontamination and premature decommissioning insurance for each station for losses resulting from damage to its nuclear plants, either due to accidents or acts of terrorism. Additionally, NEIL provides accidental outage coverage for losses in the event of a major accidental outage at an insured nuclear station.

Pursuant to regulations of the NRC, each company's property damage insurance policies provide that all proceeds from such insurance be applied, first, to place the plant in a safe and stable condition after a qualifying accident and second, to decontaminate the plant before any proceeds can be used for decommissioning, plant repair or restoration.

Losses resulting from acts of terrorism are covered as common occurrences, such that if terrorist acts occur against one or more commercial nuclear power plants insured by NEIL within a 12-month period, they would be treated as one event and the owners of the plants where the act occurred would share one full limit of liability. The full limit of liability is currently $3.2 billion. NEIL sublimits the total aggregate for all of their policies for non-nuclear terrorist events to approximately $1.8 billion.

Each nuclear facility has accident property damage, nuclear accident decontamination and premature decommissioning liability insurance from NEIL with limits of $1.5 billion, except for Crystal River Unit 3. Crystal River Unit 3's limit is $50 million and is on an actual cash value basis. All nuclear facilities except for Catawba and Crystal River Unit 3 also share an additional $1.25 billion nuclear accident insurance limit above their dedicated underlying limit. This shared additional excess limit is not subject to reinstatement in the event of a loss. Catawba has a dedicated $1.25 billion of additional nuclear accident insurance limit above its dedicated underlying limit. Catawba and Oconee also have an additional $750 million of non-nuclear accident property damage limit. All coverages are subject to sublimits and significant deductibles.

NEIL's Accidental Outage policy provides some coverage, similar to business interruption, for losses in the event of a major accident property damage outage of a nuclear unit. Coverage is provided on a weekly limit basis after a significant waiting period deductible and at 100% of the applicable weekly limits for 52 weeks and 80% of the applicable weekly limits for up to the next 110 weeks. Coverage is provided until these applicable weekly periods are met, where the accidental outage policy limit will not exceed $490 million for McGuire and Catawba, $434 million for Harris, $420 million for Brunswick, $392 million for Oconee and $336 million for Robinson. NEIL sublimits the accidental outage recovery up to the first 104 weeks of coverage not to exceed $328 million from non-nuclear accidental property damage. Coverage amounts decrease in the event more than one unit at a station is out of service due to a common accident. All coverages are subject to sublimits and significant deductibles.

Potential Retroactive Premium Assessments

In the event of NEIL losses, NEIL's board of directors may assess member companies' retroactive premiums of amounts up to 10 times their annual premiums for up to six years after a loss. NEIL has never exercised this assessment. The maximum aggregate annual retrospective premium obligations for Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are $156 million, $93 million and $1 million, respectively. Duke Energy Carolinas' maximum assessment amount includes 100% of potential obligations to NEIL for jointly owned reactors. Duke Energy Carolinas would seek reimbursement from the joint owners for their portion of these assessment amounts.

ENVIRONMENTAL

The Duke Energy Registrants are subject to federal, state and local laws regarding air and water quality, hazardous and solid waste disposal, coal ash and other environmental matters. These laws can be changed from time to time, imposing new obligations on the Duke Energy Registrants. The following environmental matters impact all of the Duke Energy Registrants.

Remediation Activities

In addition to the ARO recorded as a result of various environmental regulations, discussed in Note 9, 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 in the 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 Other within Other Noncurrent Liabilities on the Consolidated Balance Sheets.

(in millions)	December 31, 2020	December 31, 2019
Reserves for Environmental Remediation		
Duke Energy	**$ 75**	$ 58
Duke Energy Carolinas	**19**	11
Progress Energy	**19**	16
Duke Energy Progress	**6**	4
Duke Energy Florida	**12**	9
Duke Energy Ohio	**22**	19
Duke Energy Indiana	**6**	4
Piedmont	**10**	8

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	**$ 25**
Duke Energy Carolinas	**12**
Duke Energy Ohio	**4**
Piedmont	**2**

LITIGATION

Duke Energy Carolinas and Duke Energy Progress

Coal Ash Insurance Coverage Litigation

In March 2017, Duke Energy Carolinas and Duke Energy Progress filed a civil action in the North Carolina Business 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. Fact discovery has been completed. The parties filed dispositive pretrial motions relating to key legal issues on December 4, 2020. Hearings on these motions are scheduled to begin on February 24, 2021, and trial is scheduled for January 24, 2022. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

NTE Carolinas II, LLC Litigation

In November 2017, Duke Energy Carolinas entered into a standard FERC large generator interconnection agreement (LGIA) with NTE Carolinas II, LLC (NTE), a company that proposed to build a combined-cycle natural gas plant in Rockingham County, North Carolina. On September 6, 2019, Duke Energy Carolinas filed a lawsuit in Mecklenburg County Superior Court against NTE for breach of contract and alleging that NTE's failure to pay benchmark payments for Duke Energy Carolinas' transmission system upgrades required under the interconnection agreement constituted a termination of the interconnection agreement. Duke Energy Carolinas is seeking a monetary judgment against NTE because NTE failed to make multiple milestone payments. The lawsuit was moved to federal court in North Carolina. NTE filed a motion to dismiss Duke Energy Carolinas’ complaint and brought counterclaims alleging anti-competitive conduct and violations of state and federal statutes. Duke Energy Carolinas filed a motion to dismiss NTE's counterclaims.

On May 21, 2020, in response to a NTE petition challenging Duke Energy Carolina's termination of the LGIA, FERC issued a ruling (i) that it has exclusive jurisdiction to determine whether a transmission provider may terminate a LGIA, (ii) FERC approval is required to terminate a conforming LGIA if objected to by the interconnection customer, and (iii) Duke Energy may not announce the termination of a conforming LGIA unless FERC has approved the termination.

On August 17, 2020, the court denied both NTE’s and Duke Energy Carolinas’ Motion to Dismiss. The parties are in active discovery and trial is scheduled for June 20, 2022. Duke Energy Carolinas cannot predict the outcome of this matter.

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 December 31, 2020, there were 145 asserted claims for non-malignant cases with the cumulative relief sought of up to $39 million and 56 asserted claims for malignant cases with the cumulative relief sought of up to $20 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 $572 million and $604 million at December 31, 2020, and 2019, respectively. These reserves are classified in Other within Other Noncurrent Liabilities and Other within Current Liabilities on the Consolidated Balance Sheets. These reserves are based upon Duke Energy Carolinas' best estimate for current and future asbestos claims through 2040 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 2040 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-insurance 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 $714 million in excess of the self-insured retention. Receivables for insurance recoveries were $704 million and $742 million at December 31, 2020, and 2019, respectively. These amounts are classified in Other within Other Noncurrent Assets and Receivables within Current Assets on the 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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The reserve for credit losses for insurance receivables for the asbestos-related injuries and damages based on adoption of the new standard is $15 million for Duke Energy and Duke Energy Carolinas as of December 31, 2020. The insurance receivable is evaluated based on the risk of default and the historical losses, current conditions and expected conditions around collectability. Management evaluates the risk of default annually based on payment history, credit rating and changes in the risk of default from credit agencies.

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 $200 million for Duke Energy Progress and Duke Energy Florida, respectively. Discovery is ongoing and a trial is expected to occur in 2021.

Duke Energy Florida

Power Purchase Dispute Arbitration

Duke Energy Florida, on behalf of its customers, entered into a PPA for the purchase of firm capacity and energy from a qualifying facility under the Public Utilities Regulatory Policies Act of 1978. Duke Energy Florida determined the qualifying facility did not perform in accordance with the PPA, and Duke Energy Florida terminated the PPA. The qualifying facility counterparty filed a confidential American Arbitration Association (AAA) arbitration demand, challenging the termination of the PPA and seeking damages. Duke Energy Florida denies liability and is vigorously defending the arbitration claim.

The final arbitration hearing occurred during the week of December 7, 2020. An arbitral award has not yet been issued. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Indiana

Coal Ash Basin Closure Plan Appeal

On January 27, 2020, Hoosier Environmental Council filed a Petition for Administrative Review with the Indiana Office of Environmental Adjudication (the court) challenging the Indiana Department of Environmental Management's December 10, 2019, partial approval of Duke Energy Indiana's ash pond closure plan. On March 11, 2020, Duke Energy Indiana filed a Motion to Dismiss. On May 5, 2020, the court denied the motion. The parties have completed discovery and will now prepare to file dispositive motions. Summary judgment briefing will be completed by March 30, 2021. If these claims survive dispositive motions, a hearing is scheduled for April 26, 2021. Duke Energy Indiana cannot predict the outcome of this matter. See Note 9 for additional information.

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. Reserves are classified on the 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.

	December 31,	
(in millions)	**2020**	**2019**
Reserves for Legal Matters		
Duke Energy	**$ 68**	$ 62
Duke Energy Carolinas	**2**	2
Progress Energy	**61**	55
Duke Energy Progress	**13**	12
Duke Energy Florida	**28**	22
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 Consolidated Balance Sheets and have uncapped maximum potential payments. See Note 7 for more information.

Purchase Obligations

Purchased Power

Duke Energy Progress, Duke Energy Florida and Duke Energy Ohio have ongoing purchased power contracts, including renewable energy contracts, with other utilities, wholesale marketers, co-generators and qualified facilities. These purchased power contracts generally provide for capacity and energy payments. In addition, Duke Energy Progress and Duke Energy Florida have various contracts to secure transmission rights.

The following table presents executory purchased power contracts with terms exceeding one year, excluding contracts classified as leases.

		Minimum Purchase Amount at December 31, 2020						
(in millions)	Contract Expiration	2021	2022	2023	2024	2025	Thereafter	Total
Duke Energy Progress[(a)]	2025-2032	$ 66	$ 73	$ 66	$ 67	$ 69	$ 69	$ 410
Duke Energy Florida[(b)]	2023-2025	335	354	374	262	91	—	1,416
Duke Energy Ohio[(c)(d)]	2022	130	55	—	—	—	—	185

(a) Contracts represent either 100% of net plant output or vary.
(b) Contracts represent 100% of net plant output.
(c) Contracts represent between 1% and 11% of net plant output.
(d) Excludes PPA with OVEC. See Note 17 for additional information.

Gas Supply and Capacity Contracts

Duke Energy Ohio and Piedmont routinely enter into long-term natural gas supply commodity and capacity commitments and other agreements that commit future cash flows to acquire services needed in their businesses. These commitments include pipeline and storage capacity contracts and natural gas supply contracts to provide service to customers. Costs arising from the natural gas supply commodity and capacity commitments, while significant, are pass-through costs to customers and are generally fully recoverable through the fuel adjustment or PGA procedures and prudence reviews in North Carolina and South Carolina and under the Tennessee Incentive Plan in Tennessee. In the Midwest, these costs are recovered via the Gas Cost Recovery Rate in Ohio or the Gas Cost Adjustment Clause in Kentucky. The time periods for fixed payments under pipeline and storage capacity contracts are up to 15 years. The time periods for fixed payments under natural gas supply contracts are up to six years. The time period for the natural gas supply purchase commitments is up to 11 years.

Certain storage and pipeline capacity contracts require the payment of demand charges that are based on rates approved by the FERC in order to maintain rights to access the natural gas storage or pipeline capacity on a firm basis during the contract term. The demand charges that are incurred in each period are recognized in the Consolidated Statements of Operations and Comprehensive Income as part of natural gas purchases and are included in Cost of natural gas.

The following table presents future unconditional purchase obligations under natural gas supply and capacity contracts as of December 31, 2020.

(in millions)	Duke Energy	Duke Energy Ohio	Piedmont
2021	**$ 311**	**$ 41**	**$ 270**
2022	**270**	**28**	**242**
2023	**197**	**20**	**177**
2024	**139**	**17**	**122**
2025	**125**	**14**	**111**
Thereafter	**662**	**60**	**602**
Total	**$ 1,704**	**$ 180**	**$ 1,524**

5. LEASES

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 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 Carolinas entered into a sale-leaseback arrangement in December 2019, to construct and occupy an office tower. The lease agreement was evaluated as a sale-leaseback of real estate and it was determined that the transaction did not qualify for sale-leaseback accounting. As a result, the transaction is being accounted for as a financing. For this transaction, Duke Energy Carolinas will continue to record the real estate on the Consolidated Balance Sheets within Property, Plant and Equipment as if it were the legal owner and will continue to recognize depreciation expense over the estimated useful life. In addition, a liability will be recorded for the failed sale-leaseback obligation within Long-Term Debt on the Consolidated Balance Sheets, with the monthly lease payments commencing after the construction phase being split between interest expense and principal pay down of the debt.

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 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 $275 million, $264 million and $268 million for the years ended December 31, 2020, 2019, and 2018, respectively. Renewable energy projects owned by Duke Energy and accounted for as operating leases had a cost basis of $3,335 million and $3,349 million and accumulated depreciation of $848 million and $721 million at December 31, 2020, and 2019, respectively. These assets are principally classified as nonregulated electric generation and transmission assets.

Piedmont has certain agreements with Duke Energy Carolinas for the construction and transportation of natural gas pipelines to supply its natural gas plant needs. Piedmont accounts for these pipeline lateral contracts as sales-type leases since the present value of the sum of the lease payments equals the fair value of the assets. These pipeline lateral assets owned by Piedmont had a current net investment basis of $2 million and $4 million as of December 31, 2020, and 2019, respectively, and a long-term net investment basis of $205 million and $70 million as of December 31, 2020, and 2019, respectively. These assets are classified in Other, within Current Assets and Other Noncurrent Assets, respectively, on Piedmont's Consolidated Balance Sheets. Duke Energy Carolinas accounts for the contracts as finance leases. The activity for these contracts is eliminated in consolidation at Duke Energy.

The following tables present the components of lease expense.

	Year Ended December 31, 2020							
(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)]	$ 283	$ 53	$ 162	$ 72	$ 90	$ 11	$ 19	$ 7
Short-term lease expense[(a)]	4	—	2	1	1	—	1	—
Variable lease expense[(a)]	30	13	13	5	8	—	1	1
Finance lease expense								
Amortization of leased assets[(b)]	119	8	24	6	18	—	1	—
Interest on lease liabilities[(c)]	61	30	44	37	7	—	—	—
Total finance lease expense	180	38	68	43	25	—	1	—
Total lease expense	$ 497	$ 104	$ 245	$ 121	$ 124	$ 11	$ 22	$ 8

(a) Included in Operations, maintenance and other or, for barges and railcars, Fuel used in electric generation and purchased power on the Consolidated Statements of Operations.
(b) Included in Depreciation and amortization on the Consolidated Statements of Operations.
(c) Included in Interest Expense on the Consolidated Statements of Operations.

	Year Ended December 31, 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)]	$ 292	$ 47	$ 161	$ 69	$ 92	$ 11	$ 20	$ 5
Short-term lease expense[(a)]	16	5	9	4	5	1	2	—
Variable lease expense[(a)]	47	22	22	16	6	—	1	1
Finance lease expense								
Amortization of leased assets[(b)]	111	6	21	5	16	1	—	—
Interest on lease liabilities[(c)]	61	15	42	33	9	—	1	—
Total finance lease expense	172	21	63	38	25	1	1	—
Total lease expense	$ 527	$ 95	$ 255	$ 127	$ 128	$ 13	$ 24	$ 6

(a) Included in Operations, maintenance and other or, for barges and railcars, Fuel used in electric generation and purchased power on the Consolidated Statements of Operations.
(b) Included in Depreciation and amortization on the Consolidated Statements of Operations.
(c) Included in Interest Expense on the Consolidated Statements of Operations.

The following table presents rental expense for operating leases, as reported under the former lease standard. These amounts are included in Operation, maintenance and other and Fuel used in electric generation and purchased power on the 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.

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
2021	$ 229	$ 24	$ 99	$ 44	$ 55	$ 2	$ 5	$ 5
2022	212	22	95	40	55	2	4	5
2023	202	20	95	41	54	2	4	5
2024	186	14	95	41	54	2	4	5
2025	162	10	85	31	54	2	4	5
Thereafter	870	51	376	252	124	20	59	—
Total operating lease payments	1,861	141	845	449	396	30	80	25
Less: present value discount	(344)	(24)	(149)	(95)	(54)	(9)	(24)	(2)
Total operating lease liabilities[(a)]	$ 1,517	$ 117	$ 696	$ 354	$ 342	$ 21	$ 56	$ 23

(a) Certain operating lease payments include renewal options that are reasonably certain to be exercised.

The following table presents finance lease maturities and a reconciliation of the undiscounted cash flows to finance lease liabilities.

	December 31, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
2021	$ 186	$ 38	$ 68	$ 43	$ 25	$ 1
2022	173	38	68	43	25	1
2023	174	38	68	43	25	1
2024	119	38	52	43	9	1
2025	51	38	48	43	5	1
Thereafter	762	502	481	475	6	26
Total finance lease payments	1,465	692	785	690	95	31
Less: amounts representing interest	(620)	(398)	(408)	(394)	(14)	(21)
Total finance lease liabilities	$ 845	$ 294	$ 377	$ 296	$ 81	$ 10

The following tables contain additional information related to leases.

		December 31, 2020							
(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	**$ 1,524**	**$ 110**	**$ 690**	**$ 346**	**$ 344**	**$ 20**	**$ 55**	**$ 20**
Finance	Net property, plant and equipment	**797**	**312**	**416**	**297**	**119**	**—**	**7**	**—**
Total lease assets		**$ 2,321**	**$ 422**	**$ 1,106**	**$ 643**	**$ 463**	**$ 20**	**$ 62**	**$ 20**
Liabilities									
Current									
Operating	Other current liabilities	**$ 177**	**$ 20**	**$ 73**	**$ 31**	**$ 42**	**$ 1**	**$ 3**	**$ 4**
Finance	Current maturities of long-term debt	**129**	**5**	**26**	**7**	**19**	**—**	**—**	**—**
Noncurrent									
Operating	Operating lease liabilities	**1,340**	**97**	**623**	**323**	**300**	**20**	**53**	**19**
Finance	Long-Term Debt	**716**	**289**	**351**	**289**	**62**	**—**	**10**	**—**
Total lease liabilities		**$ 2,362**	**$ 411**	**$ 1,073**	**$ 650**	**$ 423**	**$ 21**	**$ 66**	**$ 23**

		December 31, 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	$ 1,658	$ 123	$ 788	$ 387	$ 401	$ 21	$ 57	$ 24
Finance	Net property, plant and equipment	926	198	443	308	135	—	7	—
Total lease assets		$ 2,584	$ 321	$ 1,231	$ 695	$ 536	$ 21	$ 64	$ 24
Liabilities									
Current									
Operating	Other current liabilities	$ 208	$ 27	$ 95	$ 37	$ 58	$ 1	$ 3	$ 4
Finance	Current maturities of long-term debt	119	7	24	6	18	—	—	—
Noncurrent									
Operating	Operating lease liabilities	1,432	102	697	354	343	21	55	23
Finance	Long-Term Debt	850	172	381	301	80	—	10	—
Total lease liabilities		$ 2,609	$ 308	$ 1,197	$ 698	$ 499	$ 22	$ 68	$ 27

	Year Ended December 31, 2020							
(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	**$ 271**	**$ 31**	**$ 124**	**$ 52**	**$ 72**	**$ 2**	**$ 6**	**$ 5**
Operating cash flows from finance leases	**61**	**30**	**44**	**37**	**7**	**—**	**—**	**—**
Financing cash flows from finance leases	**119**	**8**	**24**	**6**	**18**	**—**	**1**	**—**
Lease assets obtained in exchange for new lease liabilities (non-cash)								
Operating[(b)]	**$ 116**	**$ 17**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1**	**$ —**
Finance	**125**	**125**	**—**	**—**	**—**	**—**	**—**	**—**

(a) No amounts were classified as investing cash flows from operating leases for the year ended December 31, 2020.
(b) Does not include ROU assets recorded as a result of the adoption of the new lease standard.

	Year Ended December 31, 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	$ 285	$ 34	$ 131	$ 53	$ 78	$ 2	$ 7	$ 7
Operating cash flows from finance leases	61	15	42	33	9	—	1	—
Financing cash flows from finance leases	111	6	21	5	16	1	—	—
Lease assets obtained in exchange for new lease liabilities (non-cash)								
Operating[(b)]	$ 194	$ 44	$ 30	$ 30	$ —	$ —	$ —	$ 1
Finance	251	76	175	175	—	—	—	—

(a) No amounts were classified as investing cash flows from operating leases for the year ended December 31, 2019.
(b) Does not include ROU assets recorded as a result of the adoption of the new lease standard.

	December 31, 2020							
	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	**10**	**9**	**10**	**12**	**8**	**17**	**18**	**5**
Finance leases	**13**	**19**	**15**	**17**	**11**	**—**	**25**	**—**
Weighted average discount rate[(a)]								
Operating leases	**3.8 %**	**3.4 %**	**3.8 %**	**3.9 %**	**3.8 %**	**4.2 %**	**4.2 %**	**3.6 %**
Finance leases	**8.4 %**	**11.6 %**	**11.9 %**	**12.4 %**	**8.2 %**	**— %**	**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.

	December 31, 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	8	17	18	6
Finance leases	13	19	16	18	11	—	26	—
Weighted average discount rate[(a)]								
Operating leases	3.9 %	3.5 %	3.8 %	3.9 %	3.8 %	4.2 %	4.1 %	3.6 %
Finance leases	8.1 %	11.8 %	11.9 %	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 Debt and Related Terms

The following tables summarize outstanding debt.

	December 31, 2020								
(in millions)	Weighted Average Interest Rate	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unsecured debt, maturing 2021-2078	3.71 %	$ 23,669	$ 1,150	$ 3,150	$ 700	$ 350	$ 1,180	$ 403	$ 2,800
Secured debt, maturing 2021-2052	2.67 %	4,270	543	1,584	252	1,332	—	—	—
First mortgage bonds, maturing 2021-2050[(a)]	4.00 %	29,177	10,008	14,100	7,875	6,225	1,850	3,219	—
Finance leases, maturing 2022-2051[(b)]	6.96 %	845	294	377	296	81	—	10	—
Tax-exempt bonds, maturing 2027-2041[(c)]	0.75 %	477	—	48	48	—	77	352	—
Notes payable and commercial paper[(d)]	0.51 %	3,407	—	—	—	—	—	—	—
Money pool/intercompany borrowings		—	806	3,119	445	196	194	281	530
Fair value hedge carrying value adjustment		4	4	—	—	—	—	—	—
Unamortized debt discount and premium, net[(e)]		1,217	(20)	(31)	(19)	(11)	(29)	(18)	(5)
Unamortized debt issuance costs[(f)]		(330)	(62)	(113)	(44)	(62)	(14)	(25)	(15)
Total debt	3.62 %	$ 62,736	$ 12,723	$ 22,234	$ 9,553	$ 8,111	$ 3,258	$ 4,222	$ 3,310
Short-term notes payable and commercial paper		(2,873)	—	—	—	—	—	—	—
Short-term money pool/intercompany borrowings		—	(506)	(2,969)	(295)	(196)	(169)	(131)	(530)
Current maturities of long-term debt[(g)]		(4,238)	(506)	(1,426)	(603)	(823)	(50)	(70)	(160)
Total long-term debt[(g)]		$ 55,625	$ 11,711	$ 17,839	$ 8,655	$ 7,092	$ 3,039	$ 4,021	$ 2,620

(a) Substantially all electric utility property is mortgaged under mortgage bond indentures.
(b) Duke Energy includes $24 million and $341 million of finance lease purchase accounting adjustments related to Duke Energy Progress and Duke Energy Florida, respectively, related to PPAs that are not accounted for as finance leases in their respective financial statements because of grandfathering provisions in GAAP.
(c) Substantially all tax-exempt bonds are secured by first mortgage bonds, letters of credit or the Master Credit Facility.
(d) Includes $625 million classified as Long-Term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that backstop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted average days to maturity for Duke Energy's commercial paper program was 23 days.
(e) Duke Energy includes $1,196 million and $117 million in purchase accounting adjustments related to Progress Energy and Piedmont, respectively.
(f) Duke Energy includes $33 million in purchase accounting adjustments primarily related to the merger with Progress Energy.
(g) Refer to Note 17 for additional information on amounts from consolidated VIEs.

	December 31, 2019								
(in millions)	Weighted Average Interest Rate	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unsecured debt, maturing 2020-2078	4.02 %	$ 22,477	$ 1,150	$ 3,650	$ 700	$ 350	$ 1,110	$ 405	$ 2,399
Secured debt, maturing 2020-2052	3.30 %	4,537	544	1,722	335	1,387	—	—	—
First mortgage bonds, maturing 2020-2049[(a)]	4.13 %	27,977	9,557	13,800	7,575	6,225	1,449	3,169	—
Finance leases, maturing 2022-2051[(b)]	6.60 %	969	179	405	307	98	—	10	—
Tax-exempt bonds, maturing 2022-2041[(c)]	2.90 %	730	243	48	48	—	77	362	—
Notes payable and commercial paper[(d)]	1.98 %	3,588	—	—	—	—	—	—	—
Money pool/intercompany borrowings		—	329	1,970	216	—	337	180	476
Fair value hedge carrying value adjustment		5	5	—	—	—	—	—	—
Unamortized debt discount and premium, net[(e)]		1,294	(23)	(29)	(17)	(11)	(30)	(19)	(2)
Unamortized debt issuance costs[(f)]		(316)	(55)	(111)	(40)	(62)	(12)	(20)	(13)
Total debt	3.92 %	$ 61,261	$ 11,929	$ 21,455	$ 9,124	$ 7,987	$ 2,931	$ 4,087	$ 2,860
Short-term notes payable and commercial paper		(3,135)	—	—	—	—	—	—	—
Short-term money pool/intercompany borrowings		—	(29)	(1,821)	(66)	—	(312)	(30)	(476)
Current maturities of long-term debt[(g)]		(3,141)	(458)	(1,577)	(1,006)	(571)	—	(503)	—
Total long-term debt[(g)]		$ 54,985	$ 11,442	$ 18,057	$ 8,052	$ 7,416	$ 2,619	$ 3,554	$ 2,384

(a) Substantially all electric utility property is mortgaged under mortgage bond indentures.
(b) Duke Energy includes $44 million and $419 million of finance lease purchase accounting adjustments related to Duke Energy Progress and Duke Energy Florida, respectively, related to PPAs that are not accounted for as finance leases in their respective financial statements because of grandfathering provisions in GAAP.
(c) Substantially all tax-exempt bonds are secured by first mortgage bonds, letters of credit or the Master Credit Facility.
(d) Includes $625 million that was classified as Long-Term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that backstop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted average days to maturity for Duke Energy's commercial paper programs was 14 days.
(e) Duke Energy includes $1,275 million and $137 million in purchase accounting adjustments related to Progress Energy and Piedmont, respectively.
(f) Duke Energy includes $37 million in purchase accounting adjustments primarily related to the merger with Progress Energy.
(g) Refer to Note 17 for additional information on amounts from consolidated VIEs.

Current Maturities of Long-Term Debt

The following table shows the significant components of Current maturities of Long-Term Debt on the 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	December 31, 2020
Unsecured Debt[a]			
Duke Energy (Parent)	May 2021	0.721 % [b]	$ 500
Piedmont	June 2021	4.240 %	160
Duke Energy (Parent)	September 2021	3.550 %	500
Duke Energy (Parent)	September 2021	1.800 %	750
Duke Energy Florida	November 2021	0.482 % [b]	200
Secured Debt			
Duke Energy Florida	April 2021	0.972 % [b]	250
First Mortgage Bonds			
Duke Energy Carolinas	June 2021	3.900 %	500
Duke Energy Florida	August 2021	3.100 %	300
Duke Energy Progress	September 2021	3.000 %	500
Duke Energy Progress	September 2021	8.625 %	100
Other[c]			478
Current maturities of long-term debt			$ 4,238

(a) During October 2020, Progress Energy early retired $500 million of unsecured debt with an original maturity of January 15, 2021.
(b) Debt has a floating interest rate.
(c) Includes finance lease obligations, amortizing debt and small bullet maturities.

Maturities and Call Options

The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable, commercial paper and money pool borrowings and debt issuance costs for the Subsidiary Registrants.

	December 31, 2020							
(in millions)	Duke Energy[a]	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
2021	$ 4,238	$ 506	$ 1,426	$ 603	$ 823	$ 50	$ 70	$ 160
2022	4,905	721	1,736	1,208	78	—	84	—
2023	3,356	1,008	638	561	77	325	3	45
2024	1,344	9	76	10	66	—	4	40
2025	3,153	310	725	661	64	270	154	205
Thereafter	41,983	9,745	14,802	6,274	6,878	2,486	3,818	2,350
Total long-term debt, including current maturities	$ 58,979	$ 12,299	$ 19,403	$ 9,317	$ 7,986	$ 3,131	$ 4,133	$ 2,800

(a) Excludes $1,346 million in purchase accounting adjustments related to the Progress Energy merger and the Piedmont acquisition.

The Duke Energy Registrants have the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

Short-Term Obligations Classified as Long-Term Debt

Tax-exempt bonds that may be put to the Duke Energy Registrants at the option of the holder and certain commercial paper issuances and money pool borrowings are classified as Long-Term Debt on the Consolidated Balance Sheets. These tax-exempt bonds, commercial paper issuances and money pool borrowings, which are short-term obligations by nature, are classified as long-term due to Duke Energy's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's Master Credit Facility and other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy has the ability to refinance these short-term obligations on a long-term basis. The following tables show short-term obligations classified as long-term debt.

	December 31, 2020				
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana
Tax-exempt bonds	**$ 312**	**$ —**	**$ —**	**$ 27**	**$ 285**
Commercial paper[(a)]	**625**	**300**	**150**	**25**	**150**
Total	**$ 937**	**$ 300**	**$ 150**	**$ 52**	**$ 435**

	December 31, 2019				
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana
Tax-exempt bonds	$ 312	$ —	$ —	$ 27	$ 285
Commercial paper[(a)]	625	300	150	25	150
Total	$ 937	$ 300	$ 150	$ 52	$ 435

(a) Progress Energy amounts are equal to Duke Energy Progress amounts.

Summary of Significant Debt Issuances

The following tables summarize significant debt issuances (in millions).

			Year Ended December 31, 2020							
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unsecured Debt										
May 2020[(a)]	Jun 2030	2.450 %	**$ 500**	**$ 500**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
May 2020[(b)]	Jun 2050	3.350 %	**400**	**—**	**—**	**—**	**—**	**—**	**—**	**400**
August 2020[(c)]	Feb 2022	0.400 % [(d)]	**700**	**—**	**—**	**700**	**—**	**—**	**—**	**—**
September 2020[(e)]	Sep 2025	0.900 %	**650**	**650**	**—**	**—**	**—**	**—**	**—**	**—**
September 2020[(e)]	Jun 2030	2.450 %	**350**	**350**	**—**	**—**	**—**	**—**	**—**	**—**
First Mortgage Bonds										
January 2020[(f)]	Feb 2030	2.450 %	**500**	**—**	**500**	**—**	**—**	**—**	**—**	**—**
January 2020[(f)]	Aug 2049	3.200 %	**400**	**—**	**400**	**—**	**—**	**—**	**—**	**—**
March 2020[(g)]	Apr 2050	2.750 %	**550**	**—**	**—**	**—**	**—**	**—**	**550**	**—**
May 2020[(b)]	Jun 2030	2.125 %	**400**	**—**	**—**	**—**	**—**	**400**	**—**	**—**
June 2020[(b)]	Jun 2030	1.750 %	**500**	**—**	**—**	**—**	**500**	**—**	**—**	**—**
August 2020[(h)]	Aug 2050	2.500 %	**600**	**—**	**—**	**600**	**—**	**—**	**—**	**—**
Total issuances			**$ 5,550**	**$ 1,500**	**$ 900**	**$ 1,300**	**$ 500**	**$ 400**	**$ 550**	**$ 400**

(a) Debt issued to repay $500 million borrowing made under Duke Energy (Parent) revolving credit facility in March 2020, and for general corporate purposes.
(b) Debt issued to repay short-term debt and for general corporate purposes.
(c) Debt issued to repay $700 million term loan due December 2020.
(d) Debt issuance has a floating interest rate.
(e) Debt issued to repay a portion of outstanding commercial paper, to repay a portion of Duke Energy (Parent)'s outstanding $1.7 billion term loan due March 2021 and for general corporate purposes.
(f) Debt issued to repay at maturity $450 million first mortgage bonds due June 2020 and for general corporate purposes.
(g) Debt issued to repay at maturity $500 million first mortgage bonds due July 2020 and to pay down short-term debt.
(h) Debt issued to repay at maturity $300 million first mortgage bonds due September 2020 and for general corporate purposes.

			Year Ended December 31, 2019							
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unsecured Debt										
March 2019[a]	Mar 2022	2.538 % [b]	$ 300	$ 300	$ —	$ —	$ —	$ —	$ —	$ —
March 2019[a]	Mar 2022	3.227 %	300	300	—	—	—	—	—	—
May 2019[e]	Jun 2029	3.500 %	600	—	—	—	—	—	—	600
June 2019[a]	Jun 2029	3.400 %	600	600	—	—	—	—	—	—
June 2019[a]	Jun 2049	4.200 %	600	600	—	—	—	—	—	—
July 2019[g]	Jul 2049	4.320 %	40	—	—	—	—	40	—	—
September 2019[g]	Oct 2025	3.230 %	95	—	—	—	—	95	—	—
September 2019[g]	Oct 2029	3.560 %	75	—	—	—	—	75	—	—
November 2019[h]	Nov 2021	2.167 % [b]	200	—	—	—	200	—	—	—
First Mortgage Bonds										
January 2019[c]	Feb 2029	3.650 %	400	—	—	—	—	400	—	—
January 2019[c]	Feb 2049	4.300 %	400	—	—	—	—	400	—	—
March 2019[d]	Mar 2029	3.450 %	600	—	—	600	—	—	—	—
August 2019[a]	Aug 2029	2.450 %	450	—	450	—	—	—	—	—
August 2019[a]	Aug 2049	3.200 %	350	—	350	—	—	—	—	—
September 2019[f]	Oct 2049	3.250 %	500	—	—	—	—	—	500	—
November 2019[i]	Dec 2029	2.500 %	700	—	—	—	700	—	—	—
Total issuances			$ 6,210	$ 1,800	$ 800	$ 600	$ 900	$ 1,010	$ 500	$ 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.
(f) Debt issued to retire $150 million of pollution control bonds, pay down short-term debt and for general corporate purposes.
(g) Debt issued to repay at maturity $100 million debentures due October 2019, pay down short-term debt and for general corporate purposes.
(h) Debt issued to fund storm restoration costs and for general corporate purposes.
(i) Debt issued to reimburse the payment of existing and new Eligible Green Expenditures in Florida.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2020, Duke Energy amended its existing $8 billion Master Credit Facility to extend the termination date to March 2025. The Duke Energy Registrants, excluding Progress Energy, 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.

The table below includes the current borrowing sublimits and available capacity under these credit facilities.

	December 31, 2020							
(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	$ 1,475	$ 1,250	$ 800	$ 625	$ 600	$ 600
Reduction to backstop issuances								
Commercial paper[b]	(2,239)	—	(736)	(407)	(179)	(176)	(257)	(484)
Outstanding letters of credit	(40)	(34)	(4)	(2)	—	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity	$ 5,640	$ 2,616	$ 735	$ 841	$ 621	$ 449	$ 262	$ 116

(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 in the Consolidated Balance Sheets.

Term Loan Facility

In response to market volatility and ongoing liquidity impacts from COVID-19, in March 2020, Duke Energy (Parent) entered into a $1.5 billion, 364-day Term Loan Credit Agreement, borrowing the full $1.5 billion available on March 19, 2020. The term loan contained a provision for increasing the amount available for borrowing by up to $500 million. Duke Energy (Parent) exercised this provision on March 27, 2020, borrowing an additional $188 million. Proceeds were used to reduce outstanding commercial paper and for general corporate purposes. The loan was repaid by Duke Energy (Parent) as of December 31, 2020. Refer to Note 1 for additional information on the COVID-19 pandemic.

Three-Year Revolving Credit Facility

Duke Energy (Parent) has a $1 billion revolving credit facility. The facility had an initial termination date of June 2020, but in May 2019, Duke Energy extended the termination date of the facility to May 2022. Borrowings under this facility will be used for general corporate purposes. As of December 31, 2020, $500 million has been drawn under this facility. This balance is classified as Long-term debt on Duke Energy's Consolidated Balance Sheets. Any undrawn commitments can be drawn, and borrowings can be prepaid, at any time throughout the term of the facility. During the first quarter of 2020, an additional $500 million was drawn under this facility to manage liquidity impacts from COVID-19. The additional $500 million was paid down during the second quarter of 2020. The terms and conditions of the facility are generally consistent with those governing Duke Energy's Master Credit Facility.

Duke Energy Progress Term Loan Facility

In December 2018, Duke Energy Progress entered into a two-year term loan facility with commitments totaling $700 million. Borrowings under the facility were used to pay storm-related costs, pay down commercial paper and to partially finance an upcoming bond maturity. As of December 31, 2019, the entire $700 million had been drawn under the term loan and was classified as Current maturities of long-term debt on Duke Energy Progress' Consolidated Balance Sheets. In August 2020, Duke Energy Progress repaid its $700 million two-year term loan facility.

Other Debt Matters

In September 2019, Duke Energy filed a Form S-3 with the SEC. Under this Form S-3, which is uncapped, the Duke Energy Registrants, excluding Progress Energy, may issue debt and other securities, including preferred stock, in the future at amounts, prices and with terms to be determined at the time of future offerings. The registration statement was filed to replace a similar prior filing upon expiration of its three-year term and also allows for the issuance of common and preferred stock by Duke Energy.

Duke Energy has an effective Form S-3 with the SEC to sell up to $3 billion of variable denomination floating-rate demand notes, called PremierNotes. The Form S-3 states that no more than $1.5 billion of the notes will be outstanding at any particular time. The notes are offered on a continuous basis and bear interest at a floating rate per annum determined by the Duke Energy PremierNotes Committee, or its designee, on a weekly basis. The interest rate payable on notes held by an investor may vary based on the principal amount of the investment. The notes have no stated maturity date, are non-transferable and may be redeemed in whole or in part by Duke Energy or at the investor’s option at any time. The balance as of December 31, 2020, and 2019, was $1,168 million and $1,049 million, respectively. The notes are short-term debt obligations of Duke Energy and are reflected as Notes payable and commercial paper on Duke Energy’s Consolidated Balance Sheets.

Money Pool

The Subsidiary Registrants, excluding Progress Energy, are eligible to receive support for their short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating in this arrangement. The money pool is structured such that the Subsidiary Registrants, excluding Progress Energy, separately manage their cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy (Parent), may loan funds to its participating subsidiaries, but may not borrow funds through the money pool. Accordingly, as the money pool activity is between Duke Energy and its wholly owned subsidiaries, all money pool balances are eliminated within Duke Energy’s Consolidated Balance Sheets.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the Subsidiary Registrants' Consolidated Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-Term Debt Payable to Affiliated Companies on the Subsidiary Registrants' Consolidated Balance Sheets.

Restrictive Debt Covenants

The Duke Energy Registrants' debt and credit agreements contain various financial and other covenants. Duke Energy's Master Credit Facility contains a covenant requiring the debt-to-total capitalization ratio not to exceed 65% for each borrower, excluding Piedmont, and 70% for Piedmont. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2020, each of the Duke Energy Registrants was in compliance with all covenants related to their debt agreements. In addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the debt or credit agreements contain material adverse change clauses.

Other Loans

As of December 31, 2020, and 2019, Duke Energy had loans outstanding of $817 million, including $35 million at Duke Energy Progress and $777 million, including $36 million at Duke Energy Progress, respectively, against the cash surrender value of life insurance policies it owns on the lives of its executives. The amounts outstanding were carried as a reduction of the related cash surrender value that is included in Other within Other Noncurrent Assets on the Consolidated Balance Sheets.

7. GUARANTEES AND INDEMNIFICATIONS

Duke Energy has various financial and performance guarantees and indemnifications with non-consolidated entities, which are issued in the normal course of business. As discussed below, these contracts include performance guarantees, standby letters of credit, debt guarantees and indemnifications. Duke Energy enters into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. At December 31, 2020, Duke Energy does not believe conditions are likely for significant performance under these guarantees, except for ACP as described below. To the extent liabilities are incurred as a result of the activities covered by the guarantees, such liabilities are included on the accompanying Consolidated Balance Sheets.

On January 2, 2007, Duke Energy completed the spin-off of its previously wholly owned natural gas businesses to shareholders. Guarantees issued by Duke Energy or its affiliates, or assigned to Duke Energy prior to the spin-off, remained with Duke Energy subsequent to the spin-off. Guarantees issued by Spectra Capital or its affiliates prior to the spin-off remained with Spectra Capital subsequent to the spin-off, except for guarantees that were later assigned to Duke Energy. Duke Energy has indemnified Spectra Capital against any losses incurred under certain of the guarantee obligations that remain with Spectra Capital. At December 31, 2020, the maximum potential amount of future payments associated with these guarantees were $56 million, the majority of which expires by 2028.

In October 2017, ACP executed a $3.4 billion revolving credit facility with a stated maturity date of October 2021. Duke Energy entered into a guarantee agreement to support its share of the ACP revolving credit facility. In July 2020, ACP reduced the size of the credit facility to $1.9 billion. Duke Energy's maximum exposure to loss under the terms of the guarantee is $860 million as of December 31, 2020. This amount represents 47% of the outstanding borrowings under the credit facility.

Duke Energy recognized the $860 million within Other Current Liabilities on the Consolidated Balance Sheets at December 31, 2020, of which $95 million was previously recognized due the adoption of new guidance for credit losses effective January 1, 2020. See Notes 3 and 12 for more information. The remaining reserve for credit losses for financial guarantees of $4 million at December 31, 2020, is included within Other Noncurrent Liabilities on the Duke Energy's Consolidated Balance Sheets. Management considers financial guarantees for evaluation under this standard based on the anticipated amount outstanding at the time of default. The reserve for credit losses is based on the evaluation of the contingent components of financial guarantees. Management evaluates the risk of default, exposure and length of time remaining in the period for each contract.

In addition to the Spectra Capital and ACP revolving credit facility guarantees above, Duke Energy has issued performance guarantees to customers and other third parties that guarantee the payment and performance of other parties, including certain non-wholly owned entities, as well as guarantees of debt of certain non-consolidated entities. If such entities were to default on payments or performance, Duke Energy would be required under the guarantees to make payments on the obligations of these entities. The maximum potential amount of future payments required under these guarantees as of December 31, 2020, was $56 million of which $53 million expire between 2021 and 2030, with the remaining performance guarantees having no contractual expiration. Additionally, certain guarantees have uncapped maximum potential payments; however, Duke Energy does not believe these guarantees will have a material effect on its results of operations, cash flows or financial position.

Duke Energy uses bank-issued standby letters of credit to secure the performance of wholly owned and non-wholly owned entities to a third party or customer. Under these arrangements, Duke Energy has payment obligations to the issuing bank that are triggered by a draw by the third party or customer due to the failure of the wholly owned or non-wholly owned entity to perform according to the terms of its underlying contract. At December 31, 2020, Duke Energy had issued a total of $566 million in letters of credit, which expire between 2021 and 2023. The unused amount under these letters of credit was $76 million.

Duke Energy recognized $11 million and $23 million as of December 31, 2020, and 2019, respectively, primarily in Other within Other Noncurrent Liabilities on the Consolidated Balance Sheets, for the guarantees discussed above. As current estimates change, additional losses related to guarantees and indemnifications to third parties, which could be material, may be recorded by the Duke Energy Registrants in the future.

8. JOINT OWNERSHIP OF GENERATING AND TRANSMISSION FACILITIES

The Duke Energy Registrants maintain ownership interests in certain jointly owned generating and transmission facilities. The Duke Energy Registrants are entitled to a share of the generating capacity and output of each unit equal to their respective ownership interests. The Duke Energy Registrants pay their ownership share of additional construction costs, fuel inventory purchases and operating expenses. The Duke Energy Registrants share of revenues and operating costs of the jointly owned facilities is included within the corresponding line in the Consolidated Statements of Operations. Each participant in the jointly owned facilities must provide its own financing.

The following table presents the Duke Energy Registrants' interest of jointly owned plant or facilities and amounts included on the Consolidated Balance Sheets. All facilities are operated by the Duke Energy Registrants and are included in the Electric Utilities and Infrastructure segment.

	December 31, 2020			
(in millions except for ownership interest)	**Ownership Interest**	**Property, Plant and Equipment**	**Accumulated Depreciation**	**Construction Work in Progress**
Duke Energy Carolinas				
Catawba (units 1 and 2)[(a)]	**19.25 %**	**$ 1,017**	**$ 518**	**$ 23**
W.S. Lee CC[(b)]	**87.27 %**	**632**	**49**	**1**
Duke Energy Indiana				
Gibson (unit 5)[(c)]	**50.05 %**	**447**	**199**	**4**
Vermillion[(d)]	**62.50 %**	**174**	**101**	**1**
Transmission and local facilities[(c)]	**Various**	**5,817**	**1,508**	**150**

(a) Jointly owned with North Carolina Municipal Power Agency Number 1, NCEMC and PMPA.
(b) Jointly owned with NCEMC.
(c) Jointly owned with WVPA and IMPA.
(d) Jointly owned with WVPA.

9. ASSET RETIREMENT OBLIGATIONS

Duke Energy records an ARO when it has a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Certain assets of the Duke Energy Registrants have an indeterminate life, such as transmission and distribution facilities, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these AROs will be recorded when a fair value is determinable.

The Duke Energy Registrants' regulated operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from state commissions. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. The Duke Energy Registrants do not accrue the estimated cost of removal for any nonregulated assets. See Note 3 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Consolidated Balance Sheets.

The following table presents the AROs recorded on the Consolidated Balance Sheets.

	December 31, 2020							
(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)]	**$ 6,845**	**$ 2,695**	**$ 4,101**	**$ 3,642**	**$ 459**	**$ —**	**$ —**	**$ —**
Closure of ash impoundments	**5,778**	**2,597**	**1,973**	**1,950**	**23**	**67**	**1,140**	**—**
Other	**381**	**58**	**75**	**43**	**32**	**44**	**36**	**20**
Total asset retirement obligation	**$ 13,004**	**$ 5,350**	**$ 6,149**	**$ 5,635**	**$ 514**	**$ 111**	**$ 1,176**	**$ 20**
Less: Current portion	**718**	**264**	**283**	**283**	**—**	**3**	**168**	**—**
Total noncurrent asset retirement obligation	**$ 12,286**	**$ 5,086**	**$ 5,866**	**$ 5,352**	**$ 514**	**$ 108**	**$ 1,008**	**$ 20**

(a) Duke Energy amount includes purchase accounting adjustments related to the merger with Progress Energy.

Nuclear Decommissioning Liability

AROs related to nuclear decommissioning are based on site-specific cost studies. The NCUC, PSCSC and FPSC require updated cost estimates for decommissioning nuclear plants every five years.

The following table summarizes information about the most recent site-specific nuclear decommissioning cost studies. Decommissioning costs are stated in 2018 or 2019 dollars, depending on the year of the cost study, and include costs to decommission plant components not subject to radioactive contamination.

(in millions)	Annual Funding Requirement[(a)]	Decommissioning Costs[(a)]	Year of Cost Study
Duke Energy	$ 27	$ 9,105	2018 or 2019
Duke Energy Carolinas[(b)(c)]	—	4,365	2018
Duke Energy Progress[(d)]	27	4,181	2019
Duke Energy Florida[(e)]	—	559	N/A

(a) Amounts for Progress Energy equal the sum of Duke Energy Progress and Duke Energy Florida.
(b) Decommissioning cost for Duke Energy Carolinas reflects its ownership interest in jointly owned reactors. Other joint owners are responsible for decommissioning costs related to their interest in the reactors.
(c) Duke Energy Carolinas' site-specific nuclear decommissioning cost study completed in 2018 was filed with the NCUC and PSCSC in 2019. A new funding study was also completed and filed with the NCUC and PSCSC in 2019.
(d) Duke Energy Progress' site-specific nuclear decommissioning cost study completed in 2019 was filed with the NCUC and PSCSC in March 2020. Duke Energy Progress also completed a funding study, which was filed with the NCUC and PSCSC in July 2020.
(e) During 2019, Duke Energy Florida reached an agreement to transfer decommissioning work for Crystal River Unit 3 to a third party and decommissioning costs are based on the agreement with this third party rather than a cost study. Regulatory approval was received from the NRC and the FPSC in April 2020 and August 2020, respectively. See Note 3 for more information.

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 NDTF investments are managed and invested in accordance with applicable requirements of various regulatory bodies including the NRC, FERC, NCUC, PSCSC, FPSC and the IRS.

Use of the NDTF investments is restricted to nuclear decommissioning activities including license termination, spent fuel and site restoration. The license termination and spent fuel obligations relate to contaminated decommissioning and are recorded as AROs. The site restoration obligation relates to non-contaminated decommissioning and is recorded to cost of removal within Regulatory liabilities on the Consolidated Balance Sheets.

The following table presents the fair value of NDTF assets legally restricted for purposes of settling AROs associated with nuclear decommissioning. Duke Energy Florida entered into an agreement with a third party to decommission 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 16 for additional information related to the fair value of the Duke Energy Registrants' NDTFs.

	December 31,	
(in millions)	2020	2019
Duke Energy	$ 7,726	$ 6,766
Duke Energy Carolinas	4,381	3,837
Duke Energy Progress	3,345	2,929

Nuclear Operating Licenses

Operating licenses for nuclear units are potentially subject to extension. The following table includes the current expiration of nuclear operating licenses.

Unit	Year of Expiration
Duke Energy Carolinas	
Catawba Units 1 and 2	2043
McGuire Unit 1	2041
McGuire Unit 2	2043
Oconee Units 1 and 2	2033
Oconee Unit 3	2034
Duke Energy Progress	
Brunswick Unit 1	2036
Brunswick Unit 2	2034
Harris	2046
Robinson	2030

The NRC has acknowledged permanent cessation of operation and permanent removal of fuel from the reactor vessel at Crystal River Unit 3. Therefore, the license no longer authorizes operation of the reactor. During 2019, Duke Energy Florida entered into an agreement for the accelerated decommissioning of Crystal River Unit 3. Regulatory approval was received from the NRC and the FPSC in April 2020 and August 2020, respectively. See Note 3 for more information.

Closure of Ash Impoundments

The Duke Energy Registrants are subject to state and federal regulations covering the closure of coal ash impoundments, including the EPA CCR rule and the Coal Ash Act, and other agreements. AROs recorded on the Duke Energy Registrants' Consolidated Balance Sheets include the legal obligation for closure of coal ash basins and the disposal of related ash as a result of these regulations and agreements.

The ARO amount recorded on the Consolidated Balance Sheets is based upon estimated closure costs for impacted ash impoundments. The amount recorded represents the discounted cash flows for estimated closure costs based upon specific closure plans. Actual costs to be incurred will be dependent upon factors that vary from site to site. The most significant factors are the method and time frame of closure at the individual sites. Closure methods considered include removing the water from ash basins, consolidating material as necessary and capping the ash with a synthetic barrier, excavating and relocating the ash to a lined structural fill or lined landfill or recycling the ash for concrete or some other beneficial use. The ultimate method and timetable for closure will be in compliance with standards set by federal and state regulations and other agreements. The ARO amount will be adjusted as additional information is gained through the closure and post-closure process, including acceptance and approval of compliance approaches, which may change management assumptions, and may result in a material change to the balance. See ARO Liability Rollforward section below for information on revisions made to the coal ash liability during 2020 and 2019.

Asset retirement costs associated with the AROs for operating plants and retired plants are included in Net property, plant and equipment and Regulatory assets, respectively, on the Consolidated Balance Sheets. See Note 3 for additional information on Regulatory assets related to AROs.

Cost recovery for future expenditures will be pursued through the normal ratemaking process with federal and state utility commissions, which permit recovery of necessary and prudently incurred costs associated with Duke Energy's regulated operations. See Note 3 for additional information on recovery of coal ash costs.

ARO Liability Rollforward

The following tables present changes in the liability associated with AROs.

(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	$ 10,467	$ 3,949	$ 5,411	$ 4,820	$ 591	$ 93	$ 722	$ 19
Accretion expense[(a)]	508	235	252	227	25	3	28	1
Liabilities settled[(b)]	(895)	(329)	(499)	(460)	(39)	(12)	(54)	—
Liabilities incurred in the current year	25	18	7	—	7	—	—	—
Revisions in estimates of cash flows[(c)]	3,213	1,861	1,300	1,306	(6)	(4)	136	(3)
Balance at December 31, 2019	13,318	5,734	6,471	5,893	578	80	832	17
Accretion expense[(a)]	**542**	**258**	**246**	**225**	**21**	**4**	**33**	**1**
Liabilities settled[(b)]	**(724)**	**(198)**	**(451)**	**(358)**	**(93)**	**(2)**	**(74)**	**—**
Liabilities incurred in the current year	**22**	**—**	**5**	**—**	**5**	**—**	**—**	**—**
Revisions in estimates of cash flows[(d)]	**(154)**	**(444)**	**(122)**	**(125)**	**3**	**29**	**385**	**2**
Balance at December 31, 2020	**$ 13,004**	**$ 5,350**	**$ 6,149**	**$ 5,635**	**$ 514**	**$ 111**	**$ 1,176**	**$ 20**

(a) Substantially all accretion expense for the years ended December 31, 2020, and 2019, relates to Duke Energy's regulated operations and has been deferred in accordance with regulatory accounting treatment.
(b) Amounts primarily relate to ash impoundment closures and nuclear decommissioning.
(c) Amounts primarily relate to increases in closure estimates for certain ash impoundments as a result of the NCDEQ's April 1, 2019, Order and the related settlement agreement dated December 31, 2019.
(d) Primarily relates to decreases due to revised basin closure cost estimates, partially offset by increases related to new closure plan approvals, post closure maintenance and beneficiation costs. Duke Energy Indiana estimates also include the impacts of closure estimates for certain ash impoundments due to the impact of Hoosier Environmental Council's petition filed with the court challenging the Indiana Department of Environmental Management's partial approval of Duke Energy Indiana's ash pond closure plan. See Note 4 for more information on Hoosier Environmental Council's petition. 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.

10. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the property, plant and equipment for Duke Energy and its subsidiary registrants.

	December 31, 2020								
(in millions)	Average Remaining Useful Life (Years)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Land		$ 2,046	$ 536	$ 908	$ 463	$ 445	$ 171	$ 118	$ 279
Plant – Regulated									
Electric generation, distribution and transmission	39	117,107	44,059	50,785	31,375	19,410	6,255	16,008	—
Natural gas transmission and distribution	54	10,799	—	—	—	—	3,136	—	7,663
Other buildings and improvements	36	2,038	740	459	197	262	374	300	165
Plant – Nonregulated									
Electric generation, distribution and transmission	27	5,444	—	—	—	—	—	—	—
Other buildings and improvements	10	519	—	—	—	—	—	—	—
Nuclear fuel		3,284	1,837	1,447	1,447	—	—	—	—
Equipment	15	2,608	620	759	498	261	385	238	122
Construction in process		6,645	1,645	2,013	709	1,304	407	409	581
Other	14	5,090	1,203	1,521	1,070	441	294	309	324
Total property, plant and equipment[(a)(e)]		155,580	50,640	57,892	35,759	22,123	11,022	17,382	9,134
Total accumulated depreciation – regulated[(b)(c)]		(46,216)	(17,453)	(18,368)	(12,801)	(5,560)	(3,013)	(5,661)	(1,749)
Total accumulated depreciation – nonregulated[(d)(e)]		(2,611)	—	—	—	—	—	—	—
Generation facilities to be retired, net		29	—	29	29	—	—	—	—
Total net property, plant and equipment		$ 106,782	$ 33,187	$ 39,553	$ 22,987	$ 16,563	$ 8,009	$ 11,721	$ 7,385

(a) Includes finance leases of $832 million, $335 million, $416 million, $297 million, $119 million and $10 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana, respectively, primarily within Plant – Regulated. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of $141 million, $24 million and $117 million, respectively, of accumulated amortization of finance leases.
(b) Includes $1,832 million, $1,010 million, $822 million and $822 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.
(c) Includes accumulated amortization of finance leases of $12 million, $23 million and $3 million at Duke Energy, Duke Energy Carolinas and Duke Energy Indiana, respectively.
(d) Includes accumulated amortization of finance leases of $23 million at Duke Energy.
(e) Includes gross property, plant and equipment cost of consolidated VIEs of $6,394 million and accumulated depreciation of consolidated VIEs of $1,242 million at Duke Energy.

In 2020, Duke Energy evaluated recoverability of its renewable merchant plants principally located in the Electric Reliability Council of Texas West market and in the PJM West market due to declining market pricing and declining long-term forecasted energy prices, primarily driven by lower forecasted natural gas prices. Duke Energy determined that the assets were not impaired because the carrying value of $210 million approximates the aggregate estimated future undiscounted cash flows. A continued decline in energy market pricing would likely result in a future impairment. Duke Energy retained 51% ownership interest in these facilities following the 2019 transaction to sell a minority interest in certain renewable assets. See Note 1 for further information.

	December 31, 2019								
(in millions)	Average Remaining Useful Life (Years)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Land		$ 2,091	$ 520	$ 884	$ 449	$ 435	$ 150	$ 117	$ 388
Plant – Regulated									
Electric generation, distribution and transmission	39	111,739	42,723	48,142	30,018	18,124	5,838	15,032	—
Natural gas transmission and distribution	54	9,839	—	—	—	—	2,892	—	6,947
Other buildings and improvements	32	1,810	714	401	162	239	269	278	148
Plant – Nonregulated									
Electric generation, distribution and transmission	28	5,103	—	—	—	—	—	—	—
Other buildings and improvements	9	488	—	—	—	—	—	—	—
Nuclear fuel		3,253	1,891	1,362	1,362	—	—	—	—
Equipment	13	2,313	546	665	452	213	319	205	128
Construction in process		6,102	1,389	2,149	1,114	1,035	504	381	531
Other	13	4,916	1,139	1,467	1,046	411	269	292	304
Total property, plant and equipment[(a)][(e)]		147,654	48,922	55,070	34,603	20,457	10,241	16,305	8,446
Total accumulated depreciation – regulated[(b)(c)]		(43,419)	(16,525)	(17,159)	(11,915)	(5,236)	(2,843)	(5,233)	(1,681)
Total accumulated depreciation – nonregulated[(d)(e)]		(2,354)	—	—	—	—	—	—	—
Generation facilities to be retired, net		246	—	246	246	—	—	—	—
Total net property, plant and equipment		$ 102,127	$ 32,397	$ 38,157	$ 22,934	$ 15,221	$ 7,398	$ 11,072	$ 6,765

(a) Includes finance leases of $952 million, $211 million, $443 million, $308 million, $135 million, and $10 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana, respectively, primarily within Plant – Regulated. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of $143 million, $17 million and $126 million, respectively, of accumulated amortization of finance leases.
(b) Includes $1,807 million, $1,082 million, $725 million and $725 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.
(c) Includes accumulated amortization of finance leases of $6 million, $13 million, and $3 million at Duke Energy, Duke Energy Carolinas and Duke Energy Indiana, respectively.
(d) Includes accumulated amortization of finance leases of $20 million at Duke Energy.
(e) Includes gross property, plant and equipment cost of consolidated VIEs of $5,747 million and accumulated depreciation of consolidated VIEs of $1,041 million at Duke Energy.

The following tables present capitalized interest, which includes the debt component of AFUDC.

	Years Ended December 31,		
(in millions)	**2020**	2019	2018
Duke Energy	**$ 112**	$ 159	$ 161
Duke Energy Carolinas	**28**	30	35
Progress Energy	**17**	31	51
Duke Energy Progress	**12**	28	26
Duke Energy Florida	**5**	3	25
Duke Energy Ohio	**26**	22	17
Duke Energy Indiana	**10**	26	27
Piedmont	**8**	26	17

11. GOODWILL AND INTANGIBLE ASSETS

GOODWILL

Duke Energy

The following table presents goodwill by reportable segment for Duke Energy included on Duke Energy's Consolidated Balance Sheets at December 31, 2020, and 2019.

(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total
Goodwill Balance at December 31, 2019	$ 17,379	$ 1,924	$ 122	$ 19,425
Accumulated impairment charges	—	—	(122)	(122)
Goodwill balance at December 31, 2019, adjusted for accumulated impairment charges	**$ 17,379**	**$ 1,924**	**$ —**	**$ 19,303**
Goodwill Balance at December 31, 2020	**$ 17,379**	**$ 1,924**	**$ 122**	**$ 19,425**
Accumulated impairment charges	**—**	**—**	**(122)**	**(122)**
Goodwill balance at December 31, 2020, adjusted for accumulated impairment charges	**$ 17,379**	**$ 1,924**	**$ —**	**$ 19,303**

(a) Duke Energy evaluated the recoverability of goodwill during 2018 and 2017 and recorded impairment charges of $93 million and $29 million, respectively, related to the Commercial Renewables reporting unit included in Impairment charges on Duke Energy's Consolidated Statements of Operations. The fair value of the reporting unit was determined based on the income approach and market approach in 2018 and 2017, respectively. See "Goodwill Impairment Testing" below for the results of the 2020 goodwill impairment test.

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 Consolidated Balance Sheets at December 31, 2020, and 2019.

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.

Goodwill Impairment Testing

Duke Energy, Progress Energy, Duke Energy Ohio and Piedmont are required to perform an annual goodwill impairment test as of the same date each year and, accordingly, perform their annual impairment testing of goodwill as of August 31. Duke Energy, Progress Energy, Duke Energy Ohio and Piedmont update their test between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value. As the fair value for Duke Energy, Progress Energy, Duke Energy Ohio and Piedmont exceeded their respective carrying values at the date of the annual impairment analysis, no goodwill impairment charges were recorded in 2020.

INTANGIBLE ASSETS

The following tables show the carrying amount and accumulated amortization of intangible assets included in Other within Other Noncurrent Assets on the Consolidated Balance Sheets of the Duke Energy Registrants at December 31, 2020, and 2019.

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Emission allowances	$ 8	$ —	$ 5	$ 2	$ 3	$ —	$ 2	$ —
Renewable energy certificates	196	65	130	130	—	1	—	—
Natural gas, coal and power contracts	24	—	—	—	—	—	24	—
Renewable operating and development projects	107	—	—	—	—	—	—	—
Other	20	—	—	—	—	—	—	—
Total gross carrying amounts	355	65	135	132	3	1	26	—
Accumulated amortization – natural gas, coal and power contracts	(23)	—	—	—	—	—	(23)	—
Accumulated amortization – renewable operating and development projects	(34)	—	—	—	—	—	—	—
Accumulated amortization – other	(3)	—	—	—	—	—	—	—
Total accumulated amortization	(60)	—	—	—	—	—	(23)	—
Total intangible assets, net	$ 295	$ 65	$ 135	$ 132	$ 3	$ 1	$ 3	$ —

	December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Emission allowances	$ 18	$ —	$ 5	$ 2	$ 3	$ —	$ 12	$ —
Renewable energy certificates	172	53	118	118	—	1	—	—
Natural gas, coal and power contracts	24	—	—	—	—	—	24	—
Renewable operating and development projects	89	—	—	—	—	—	—	—
Other	2	—	—	—	—	—	—	—
Total gross carrying amounts	305	53	123	120	3	1	36	—
Accumulated amortization – natural gas, coal and power contracts	(21)	—	—	—	—	—	(21)	—
Accumulated amortization – renewable operating and development projects	(34)	—	—	—	—	—	—	—
Accumulated amortization – other	(1)	—	—	—	—	—	—	—
Total accumulated amortization	(56)	—	—	—	—	—	(21)	—
Total intangible assets, net	$ 249	$ 53	$ 123	$ 120	$ 3	$ 1	$ 15	$ —

Amortization Expense

Amortization expense amounts for natural gas, coal and power contracts, renewable operating projects and other intangible assets are immaterial for the years ended December 31, 2020, 2019 and 2018, and are expected to be immaterial for the next five years as of December 31, 2020.

12. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

EQUITY METHOD INVESTMENTS

Investments in affiliates that are not controlled by Duke Energy, but over which it has significant influence, are accounted for using the equity method.

The following table presents Duke Energy's investments in unconsolidated affiliates accounted for under the equity method, as well as the respective equity in earnings, by segment.

	Years Ended December 31,					
	2020		2019		2018	
(in millions)	Investments	Equity in earnings	Investments	Equity in earnings	Investments	Equity in earnings
Electric Utilities and Infrastructure	$ 105	$ (1)	$ 122	$ 9	$ 97	$ 6
Gas Utilities and Infrastructure	215	(2,017)	1,388	114	1,003	27
Commercial Renewables	534	—	314	(4)	201	(1)
Other	107	13	112	43	108	51
Total	$ 961	$ (2,005)	$ 1,936	$ 162	$ 1,409	$ 83

During the years ended December 31, 2020, 2019 and 2018, Duke Energy received distributions from equity investments of $37 million, $55 million and $108 million, respectively, which are included in Other assets within Cash Flows from Operating Activities on the Consolidated Statements of Cash Flows. During the years ended December 31, 2020, 2019 and 2018, Duke Energy received distributions from equity investments of $133 million, $11 million and $137 million, respectively, which are included in Return of investment capital within Cash Flows from Investing Activities on the Consolidated Statements of Cash Flows.

During the years ended December 31, 2020, 2019 and 2018, Piedmont received distributions from equity investments of $2 million, $1 million and $1 million, respectively, which are included in Other assets within Cash Flows from Operating Activities and $2 million, $4 million and $3 million, respectively, which are included within Cash Flows from Investing Activities on the Consolidated Statements of Cash Flows.

Significant investments in affiliates accounted for under the equity method are discussed below.

Electric Utilities and Infrastructure

Duke Energy owns 50% interests in both DATC and Pioneer, which build, own and operate electric transmission facilities in North America.

Gas Utilities and Infrastructure

The table below outlines Duke Energy's ownership interests in natural gas pipeline companies and natural gas storage facilities.

		Investment Amount (in millions)	
		December 31,	
Entity Name	Ownership Interest	2020	2019
Pipeline Investments[a]			
ACP[b]	47 %	$ —	$ 1,179
Sabal Trail	7.5 %	120	121
Cardinal[c]	21.49 %	9	9
Storage Facilities			
Pine Needle[c]	45 %	27	28
Hardy Storage[c]	50 %	56	51
Other	29.68 %	3	—
Total Investments[d]		$ 215	$ 1,388

(a) Duke Energy recorded OTTIs of $25 million and $55 million within Equity in (losses) earnings of unconsolidated affiliates on Duke Energy's Consolidated Statements of Operations for the years ended December 31, 2019, and 2018, respectively, to completely impair its 24% ownership interest in Constitution.
(b) In 2020, Duke Energy determined it would no longer continue its investment in the construction of the ACP pipeline. See Notes 3 and 7 for further information.
(c) Piedmont owns the Cardinal, Pine Needle and Hardy Storage investments.
(d) Duke Energy includes purchase accounting adjustments related to Piedmont.

Commercial Renewables

DS Cornerstone, LLC, which owns wind farm projects in the U.S. was part of a sale of minority interest in a certain portion of renewable assets in 2019. See Note 1 for more information on the sale. Prior to the sale, Duke Energy had a 50% interest in DS Cornerstone, LLC. After the sale, Duke Energy has a 26% interest in the investment.

As of December 31, 2020, Duke Energy completed its acquisition of 70 distributed fuel cell projects from Bloom Energy Corporation, which approximates 43 MW of capacity serving commercial and industrial customers across the U.S. Duke Energy is not the primary beneficiary of the distributed fuel cell portfolio and does not consolidate these assets.

Other

Duke Energy has a 17.5% indirect economic ownership interest and 25% board representation and voting rights interest in NMC, which owns and operates a methanol and MTBE business in Jubail, Saudi Arabia.

Significant Subsidiaries

For the year ended December 31, 2020, Duke Energy's investment in ACP met the requirements of S-X Rule 4-08(g) to provide summarized financial information. The following table provides summary information for ACP as required under S-X Rule 1-02(bb) for the comparative periods in Duke Energy's consolidated balance sheets and consolidated statements of operations.

	December 31,	
(in millions)	**2020**	**2019**
Current assets	$ 43	$ 17
Noncurrent assets	93	4,091
Current liabilities	1,965	37
Noncurrent liabilities	167	1,760
Membership interests	(1,996)	2,311

	Years Ended December 31,		
	2020	**2019**	**2018**
Net revenues	$ —	$ —	$ —
Operating loss	(4,612)	(5)	(6)
Net (loss) income	(4,512)	246	138
Net (loss) income attributable to Duke Energy	$ (2,121)	$ 116	$ 65

13. RELATED PARTY TRANSACTIONS

The Subsidiary Registrants engage in related party transactions in accordance with the applicable state and federal commission regulations. Refer to the 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 in the Consolidated Statements of Operations and Comprehensive Income are presented in the following table.

	Years Ended December 31,		
(in millions)	2020	2019	2018
Duke Energy Carolinas			
Corporate governance and shared service expenses[(a)]	**$ 753**	$ 841	$ 985
Indemnification coverages[(b)]	**20**	20	22
Joint Dispatch Agreement (JDA) revenue[(c)]	**25**	60	84
JDA expense[(c)]	**114**	186	207
Intercompany natural gas purchases[(d)]	**15**	15	15
Progress Energy			
Corporate governance and shared service expenses[(a)]	**$ 715**	$ 778	$ 906
Indemnification coverages[(b)]	**36**	37	34
JDA revenue[(c)]	**114**	186	207
JDA expense[(c)]	**25**	60	84
Intercompany natural gas purchases[(d)]	**75**	76	78
Duke Energy Progress			
Corporate governance and shared service expenses[(a)]	**$ 420**	$ 462	$ 577
Indemnification coverages[(b)]	**17**	15	13
JDA revenue[(c)]	**114**	186	207
JDA expense[(c)]	**25**	60	84
Intercompany natural gas purchases[(d)]	**75**	76	78
Duke Energy Florida			
Corporate governance and shared service expenses[(a)]	**$ 295**	$ 316	$ 329
Indemnification coverages[(b)]	**19**	22	21
Duke Energy Ohio			
Corporate governance and shared service expenses[(a)]	**$ 326**	$ 354	$ 374
Indemnification coverages[(b)]	**4**	4	5
Duke Energy Indiana			
Corporate governance and shared service expenses[(a)]	**$ 401**	$ 412	$ 405
Indemnification coverages[(b)]	**8**	7	7
Piedmont			
Corporate governance and shared service expenses[(a)]	**$ 140**	$ 138	$ 170
Indemnification coverages[(b)]	**3**	3	2
Intercompany natural gas sales[(d)]	**90**	91	93
Natural gas storage and transportation costs[(e)]	**23**	23	25

(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 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 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 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 Consolidated Statements of Operations and Comprehensive Income. These intercompany revenues and expenses are eliminated in consolidation.

(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 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. See Note 6 for more information regarding money pool. These transactions of the Subsidiary Registrants are incurred in the ordinary course of business and are eliminated in consolidation.

As discussed in Note 17, 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
December 31, 2020							
Intercompany income tax receivable	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 9**	**$ 10**
Intercompany income tax payable	**31**	**33**	**46**	**35**	**2**	**—**	**—**
December 31, 2019							
Intercompany income tax receivable	$ —	$ 125	$ 28	$ —	$ 9	$ 28	$ 13
Intercompany income tax payable	5	—	—	2	—	—	—

14. 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 Consolidated Balance Sheets. Cash collateral related to derivative instruments executed under master netting arrangements is offset against the collateralized derivatives on the Consolidated Balance Sheets. The cash impacts of settled derivatives are recorded as operating activities on the 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 years ended December 31, 2020, 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 segment 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 Consolidated Statements of Operations and Comprehensive Income.

The following tables show notional amounts of outstanding derivatives related to interest rate risk.

	December 31, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 632	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	400	750	750	—	27
Total notional amount[(a)]	$ 1,809	$ 400	$ 750	$ 750	$ —	$ 27

	December 31, 2019					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 993	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,277	450	800	250	550	27
Total notional amount[(a)]	$ 2,270	$ 450	$ 800	$ 250	$ 550	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $632 million in cash flow hedges as of December 31, 2020, and $693 million in cash flow hedges as of December 31, 2019.

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 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. To manage risk associated with commodity prices, the Duke Energy Registrants may enter into long-term power purchase or sales contracts and long-term natural gas supply agreements.

Cash Flow Hedges

For derivatives designated as hedging the exposure to variable cash flows of a future transaction, referred to as a cash flow hedge, 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. Gains and losses reclassified out of accumulated other comprehensive income (loss) for the year ended December 31, 2020, 2019 and 2018, were not material. Duke Energy’s commodity derivatives designated as hedges include long-term electricity sales in the Commercial Renewables segment.

Undesignated Contracts

For the Subsidiary Registrants, bulk power electricity 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 gas cost 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.

	December 31, 2020						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	35,409	—	—	—	2,559	10,802	—
Natural gas (millions of Dth)	678	145	158	158	—	2	373

	December 31, 2019						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)	15,858	—	—	—	1,887	13,971	—
Natural gas (millions of Dth)	704	130	160	160	—	3	411

(a) Duke Energy includes 22,048 GWh that relates to cash flow hedges.

LOCATION AND FAIR VALUE OF DERIVATIVE ASSETS AND LIABILITIES RECOGNIZED IN THE 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 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	December 31, 2020							
(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	**$ 30**	**$ 14**	**$ 9**	**$ 9**	**$ —**	**$ 1**	**$ 6**	**$ 1**
Noncurrent	**13**	**6**	**6**	**6**	**—**	**—**	**—**	**—**
Total Derivative Assets – Commodity Contracts	**$ 43**	**$ 20**	**$ 15**	**$ 15**	**$ —**	**$ 1**	**$ 6**	**$ 1**
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	**$ 18**	**$ —**	**$ 18**	**$ 18**	**$ —**	**$ —**	**$ —**	**$ —**
Total Derivative Assets – Interest Rate Contracts	**$ 18**	**$ —**	**$ 18**	**$ 18**	**$ —**	**$ —**	**$ —**	**$ —**
Total Derivative Assets	**$ 61**	**$ 20**	**$ 33**	**$ 33**	**$ —**	**$ 1**	**$ 6**	**$ 1**

Derivative Liabilities	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Designated as Hedging Instruments								
Current	**$ 14**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Noncurrent	**70**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Not Designated as Hedging Instruments								
Current	**$ 30**	**$ 13**	**$ 2**	**$ 2**	**$ —**	**$ —**	**$ 1**	**$ 15**
Noncurrent	**137**	**3**	**27**	**12**	**—**	**—**	**—**	**107**
Total Derivative Liabilities – Commodity Contracts	**$ 251**	**$ 16**	**$ 29**	**$ 14**	**$ —**	**$ —**	**$ 1**	**$ 122**
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	**$ 15**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Noncurrent	**48**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Not Designated as Hedging Instruments								
Current	**5**	**4**	**—**	**—**	**—**	**1**	**—**	**—**
Noncurrent	**5**	**—**	**—**	**—**	**—**	**5**	**—**	**—**
Total Derivative Liabilities – Interest Rate Contracts	**$ 73**	**$ 4**	**$ —**	**$ —**	**$ —**	**$ 6**	**$ —**	**$ —**
Total Derivative Liabilities	**$ 324**	**$ 20**	**$ 29**	**$ 14**	**$ —**	**$ 6**	**$ 1**	**$ 122**

Derivative Assets	December 31, 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	$ 17	$ —	$ —	$ —	$ —	$ 3	$ 13	$ 1
Noncurrent	1	—	—	—	—	1	—	—
Total Derivative Assets – Commodity Contracts	$ 18	$ —	$ —	$ —	$ —	$ 4	$ 13	$ 1
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	6	—	6	—	6	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 6	$ —	$ 6	$ —	$ 6	$ —	$ —	$ —
Equity Securities Contracts								
Not Designated as Hedging Instruments								
Current	$ 1	$ —	$ 1	$ —	$ 1	$ —	$ —	$ —
Total Derivative Assets – Equity Securities Contracts	$ 1	$ —	$ 1	$ —	$ 1	$ —	$ —	$ —
Total Derivative Assets	$ 25	$ —	$ 7	$ —	$ 7	$ 4	$ 13	$ 1

Derivative Liabilities	December 31, 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	$ 67	$ 33	$ 26	$ 26	$ —	$ —	$ 1	$ 7
Noncurrent	156	10	37	22	—	—	—	110
Total Derivative Liabilities – Commodity Contracts	$ 223	$ 43	$ 63	$ 48	$ —	$ —	$ 1	$ 117
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 19	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	21	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	8	6	1	1	—	1	—	—
Noncurrent	5	—	—	—	—	5	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 53	$ 6	$ 1	$ 1	$ —	$ 6	$ —	$ —
Equity Securities Contracts								
Not Designated as Hedging Instruments								
Current	$ 24	$ —	$ 24	$ —	$ 24	$ —	$ —	$ —
Total Derivative Liabilities – Equity Securities Contracts	$ 24	$ —	$ 24	$ —	$ 24	$ —	$ —	$ —
Total Derivative Liabilities	$ 300	$ 49	$ 88	$ 49	$ 24	$ 6	$ 1	$ 117

OFFSETTING ASSETS AND LIABILITIES

The following tables present the line items on the 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	December 31, 2020							
(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	$ 48	$ 14	$ 27	$ 27	$ —	$ 1	$ 6	$ 1
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 45	$ 12	$ 25	$ 25	$ —	$ 1	$ 6	$ 1
Noncurrent								
Gross amounts recognized	$ 13	$ 6	$ 6	$ 6	$ —	$ —	$ —	$ —
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 8	$ 5	$ 2	$ 2	$ —	$ —	$ —	$ —

Derivative Liabilities	December 31, 2020							
(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	$ 64	$ 17	$ 2	$ 2	$ —	$ 1	$ 1	$ 15
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 61	$ 15	$ —	$ —	$ —	$ 1	$ 1	$ 15
Noncurrent								
Gross amounts recognized	$ 260	$ 3	$ 27	$ 12	$ —	$ 5	$ —	$ 107
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 255	$ 2	$ 23	$ 8	$ —	$ 5	$ —	$ 107

Derivative Assets	December 31, 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	$ 24	$ —	$ 7	$ —	$ 7	$ 3	$ 13	$ 1
Gross amounts offset	(1)	—	(1)	—	(1)	—	—	—
Net amounts presented in Current Assets: Other	$ 23	$ —	$ 6	$ —	$ 6	$ 3	$ 13	$ 1
Noncurrent								
Gross amounts recognized	$ 1	$ —	$ —	$ —	$ —	$ 1	$ —	$ —
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 1	$ —	$ —	$ —	$ —	$ 1	$ —	$ —

Derivative Liabilities	December 31, 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	$ 118	$ 39	$ 51	$ 27	$ 24	$ 1	$ 1	$ 7
Gross amounts offset	(24)	—	(24)	—	(24)	—	—	—
Net amounts presented in Current Liabilities: Other	$ 94	$ 39	$ 27	$ 27	$ —	$ 1	$ 1	$ 7
Noncurrent								
Gross amounts recognized	$ 182	$ 10	$ 37	$ 22	$ —	$ 5	$ —	$ 110
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 182	$ 10	$ 37	$ 22	$ —	$ 5	$ —	$ 110

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.

	December 31, 2020			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress
Aggregate fair value of derivatives in a net liability position	**$ 24**	**$ 9**	**$ 14**	**$ 14**
Fair value of collateral already posted	**—**	**—**	**—**	**—**
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	**24**	**9**	**14**	**14**

	December 31, 2019			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress
Aggregate fair value of derivatives in a net liability position	$ 79	$ 35	$ 44	$ 44
Fair value of collateral already posted	—	—	—	—
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered	79	35	44	44

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.

15. 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 investment manager agreements and 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 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 has a credit loss. The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value is related to a credit loss. If a credit loss exists, the unrealized credit loss is included in earnings. There were no material credit losses as of December 31, 2020, and 2019.

Other Investments amounts are recorded in Other within Other Noncurrent Assets on the 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.

	December 31, 2020			December 31, 2019		
(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	**$ —**	**$ —**	**$ 177**	$ —	$ —	$ 101
Equity securities	**4,138**	**54**	**6,235**	3,523	55	5,661
Corporate debt securities	**76**	**1**	**806**	37	1	603
Municipal bonds	**22**	**—**	**370**	13	—	368
U.S. government bonds	**51**	**—**	**1,361**	33	1	1,256
Other debt securities	**8**	**—**	**180**	3	—	141
Total NDTF Investments	**$ 4,295**	**$ 55**	**$ 9,129**	$ 3,609	$ 57	$ 8,130
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 127**	$ —	$ —	$ 52
Equity securities	**79**	**—**	**146**	57	—	122
Corporate debt securities	**8**	**—**	**110**	3	—	67
Municipal bonds	**5**	**—**	**86**	4	—	94
U.S. government bonds	**—**	**—**	**42**	2	—	41
Other debt securities	**—**	**—**	**47**	—	—	56
Total Other Investments	**$ 92**	**$ —**	**$ 558**	$ 66	$ —	$ 432
Total Investments	**$ 4,387**	**$ 55**	**$ 9,687**	$ 3,675	$ 57	$ 8,562

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	**$ 149**
Due after one through five years	**922**
Due after five through 10 years	**671**
Due after 10 years	**1,260**
Total	**$ 3,002**

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were as follows.

	Years Ended December 31,		
(in millions)	2020	2019	2018
FV-NI:			
Realized gains	**$ 366**	$ 172	$ 168
Realized losses	**174**	151	126
AFS:			
Realized gains	**96**	94	22
Realized losses	**51**	67	51

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.

	December 31, 2020			December 31, 2019		
(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	**$ —**	**$ —**	**$ 30**	$ —	$ —	$ 21
Equity securities	**2,442**	**23**	**3,685**	1,914	8	3,154
Corporate debt securities	**49**	**1**	**510**	21	1	361
Municipal bonds	**6**	**—**	**91**	3	—	96
U.S. government bonds	**25**	**—**	**475**	16	1	578
Other debt securities	**7**	**—**	**174**	3	—	137
Total NDTF Investments	**$ 2,529**	**$ 24**	**$ 4,965**	$ 1,957	$ 10	$ 4,347

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	**$ 14**
Due after one through five years	**299**
Due after five through 10 years	**279**
Due after 10 years	**658**
Total	**$ 1,250**

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were as follows.

	Years Ended December 31,		
(in millions)	2020	2019	2018
FV-NI:			
Realized gains	**$ 64**	$ 113	$ 89
Realized losses	**99**	107	73
AFS:			
Realized gains	**60**	55	19
Realized losses	**37**	38	35

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.

	December 31, 2020			December 31, 2019		
(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	**$ —**	**$ —**	**$ 147**	$ —	$ —	$ 80
Equity securities	**1,696**	**31**	**2,550**	1,609	47	2,507
Corporate debt securities	**27**	**—**	**296**	16	—	242
Municipal bonds	**16**	**—**	**279**	10	—	272
U.S. government bonds	**26**	**—**	**886**	17	—	678
Other debt securities	**1**	**—**	**6**	—	—	4
Total NDTF Investments	**$ 1,766**	**$ 31**	**$ 4,164**	$ 1,652	$ 47	$ 3,783
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 106**	$ —	$ —	$ 49
Municipal bonds	**3**	**—**	**26**	3	—	51
Total Other Investments	**$ 3**	**$ —**	**$ 132**	$ 3	$ —	$ 100
Total Investments	**$ 1,769**	**$ 31**	**$ 4,296**	$ 1,655	$ 47	$ 3,883

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	**$ 109**
Due after one through five years	**567**
Due after five through 10 years	**298**
Due after 10 years	**519**
Total	**$ 1,493**

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were as follows.

	Years Ended December 31,		
(in millions)	2020	2019	2018
FV-NI:			
Realized gains	**$ 302**	$ 59	$ 79
Realized losses	**75**	44	53
AFS:			
Realized gains	**24**	36	3
Realized losses	**13**	29	15

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.

	December 31, 2020			December 31, 2019		
(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	$ —	$ —	$ 76	$ —	$ —	$ 53
Equity securities	1,617	31	2,459	1,258	21	2,077
Corporate debt securities	27	—	296	16	—	242
Municipal bonds	16	—	279	10	—	272
U.S. government bonds	26	—	412	16	—	403
Other debt securities	1	—	6	—	—	4
Total NDTF Investments	$ 1,687	$ 31	$ 3,528	$ 1,300	$ 21	$ 3,051
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 2
Total Other Investments	$ —	$ —	$ 1	$ —	$ —	$ 2
Total Investments	$ 1,687	$ 31	$ 3,529	$ 1,300	$ 21	$ 3,053

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	$ 21
Due after one through five years	259
Due after five through 10 years	210
Due after 10 years	503
Total	$ 993

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were as follows.

	Years Ended December 31,		
(in millions)	2020	2019	2018
FV-NI:			
Realized gains	$ 52	$ 38	$ 68
Realized losses	59	33	48
AFS:			
Realized gains	24	7	2
Realized losses	13	5	10

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.

	December 31, 2020			December 31, 2019		
(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	**$ —**	**$ —**	**$ 71**	$ —	$ —	$ 27
Equity securities	**79**	**—**	**91**	351	26	430
U.S. government bonds	**—**	**—**	**474**	1	—	275
Total NDTF Investments[(a)]	**$ 79**	**$ —**	**$ 636**	$ 352	$ 26	$ 732
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 1**	$ —	$ —	$ 4
Municipal bonds	**3**	**—**	**26**	3	—	51
Total Other Investments	**$ 3**	**$ —**	**$ 27**	$ 3	$ —	$ 55
Total Investments	**$ 82**	**$ —**	**$ 663**	$ 355	$ 26	$ 787

(a) During the years ended December 31, 2020, and 2019, Duke Energy Florida continued to receive reimbursements from the NDTF for costs related to ongoing decommissioning activity of the Crystal River Unit 3.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	**$ 88**
Due after one through five years	**308**
Due after five through 10 years	**88**
Due after 10 years	**16**
Total	**$ 500**

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were as follows.

	Years Ended December 31,		
(in millions)	2020	2019	2018
FV-NI:			
Realized gains	**$ 250**	$ 21	$ 11
Realized losses	**16**	11	5
AFS:			
Realized gains	**—**	29	1
Realized losses	**—**	24	5

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.

	December 31, 2020			December 31, 2019		
(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						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ —
Equity securities	58	—	97	43	—	81
Corporate debt securities	—	—	3	—	—	6
Municipal bonds	1	—	38	1	—	36
U.S. government bonds	—	—	4	—	—	2
Total Investments	$ 59	$ —	$ 143	$ 44	$ —	$ 125

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2020
Due in one year or less	$ 3
Due after one through five years	17
Due after five through 10 years	10
Due after 10 years	15
Total	$ 45

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the years ended December 31, 2020, 2019 and 2018, were immaterial.

16. 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 net asset value per share practical expedient. The net asset value 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.

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 NYSE 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. Commodity derivatives with observable forward curves are classified as Level 2. 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 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 Consolidated Balance Sheets. Derivative amounts in the tables below for all Duke Energy Registrants exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type for the Duke Energy Registrants.

	December 31, 2020				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	**$ 177**	**$ 177**	**$ —**	**$ —**	**$ —**
NDTF equity securities	**6,235**	**6,189**	**—**	**—**	**46**
NDTF debt securities	**2,717**	**874**	**1,843**	**—**	**—**
Other equity securities	**146**	**146**	**—**	**—**	**—**
Other debt securities	**285**	**37**	**248**	**—**	**—**
Other cash and cash equivalents	**127**	**127**	**—**	**—**	**—**
Derivative assets	**61**	**1**	**53**	**7**	**—**
Total assets	**9,748**	**7,551**	**2,144**	**7**	**46**
Derivative liabilities	**(324)**	**—**	**(240)**	**(84)**	**—**
Net assets (liabilities)	**$ 9,424**	**$ 7,551**	**$ 1,904**	**$ (77)**	**$ 46**

	December 31, 2019				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	$ 101	$ 101	$ —	$ —	$ —
NDTF equity securities	5,684	5,633	—	—	51
NDTF debt securities	2,368	725	1,643	—	—
Other equity securities	122	122	—	—	—
Other debt securities	258	39	219	—	—
Other cash and cash equivalents	52	52	—	—	—
Derivative assets	25	3	7	15	—
Total assets	8,610	6,675	1,869	15	51
NDTF equity security contracts	(23)	—	(23)	—	—
Derivative liabilities	(277)	(15)	(145)	(117)	—
Net assets (liabilities)	$ 8,310	$ 6,660	$ 1,701	$ (102)	$ 51

The following table provides reconciliations of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

	Derivatives (net)	
	Years Ended December 31,	
(in millions)	2020	2019
Balance at beginning of period	**$ (102)**	$ (113)
Total pretax realized or unrealized losses included in comprehensive income	**(84)**	—
Purchases, sales, issuances and settlements:		
Purchases	**14**	37
Settlements	**(19)**	(44)
Net transfers Out of Level 3[(a)]	**117**	—
Total (losses) gains included on the Consolidated Balance Sheet	**(3)**	18
Balance at end of period	**$ (77)**	$ (102)

(a) Transferred from Level 3 to Level 2 because observable market data became available.

DUKE ENERGY CAROLINAS

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	**$ 30**	**$ 30**	**$ —**	**$ —**
NDTF equity securities	**3,685**	**3,639**	**—**	**46**
NDTF debt securities	**1,250**	**192**	**1,058**	**—**
Derivative assets	**20**	**—**	**20**	**—**
Total assets	**4,985**	**3,861**	**1,078**	**46**
Derivative liabilities	**(20)**	**—**	**(20)**	**—**
Net assets	**$ 4,965**	**$ 3,861**	**$ 1,058**	**$ 46**

	December 31, 2019			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 21	$ 21	$ —	$ —
NDTF equity securities	3,154	3,103	—	51
NDTF debt securities	1,172	206	966	—
Total assets	4,347	3,330	966	51
Derivative liabilities	(49)	—	(49)	—
Net assets	$ 4,298	$ 3,330	$ 917	$ 51

PROGRESS ENERGY

The following table provides recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020			December 31, 2019		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 147	$ 147	$ —	$ 80	$ 80	$ —
NDTF equity securities	2,550	2,550	—	2,530	2,530	—
NDTF debt securities	1,467	682	785	1,196	519	677
Other debt securities	26	—	26	51	—	51
Other cash and cash equivalents	106	106		49	49	—
Derivative assets	33	—	33	7	—	7
Total assets	4,329	3,485	844	3,913	3,178	735
NDTF equity security contracts	—	—	—	(23)	—	(23)
Derivative liabilities	(29)	—	(29)	(65)	—	(65)
Net assets	$ 4,300	$ 3,485	$ 815	$ 3,825	$ 3,178	$ 647

DUKE ENERGY PROGRESS

The following table provides recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020			December 31, 2019		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 76	$ 76	$ —	$ 53	$ 53	$ —
NDTF equity securities	2,459	2,459	—	2,077	2,077	—
NDTF debt securities	993	237	756	921	244	677
Other cash and cash equivalents	1	1	—	2	2	—
Derivative assets	33	—	33	—	—	—
Total assets	3,562	2,773	789	3,053	2,376	677
Derivative liabilities	(14)	—	(14)	(49)	—	(49)
Net assets	$ 3,548	$ 2,773	$ 775	$ 3,004	$ 2,376	$ 628

DUKE ENERGY FLORIDA

The following table provides recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020			December 31, 2019		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 71	$ 71	$ —	$ 27	$ 27	$ —
NDTF equity securities	91	91	—	453	453	—
NDTF debt securities	474	445	29	275	275	—
Other debt securities	26	—	26	51	—	51
Other cash and cash equivalents	1	1	—	4	4	—
Derivative assets	—	—	—	7	—	7
Total assets	663	608	55	817	759	58
NDTF equity security contracts	—	—	—	(23)	—	(23)
Derivative liabilities	—	—	—	(1)	—	(1)
Net assets	$ 663	$ 608	$ 55	$ 793	$ 759	$ 34

DUKE ENERGY OHIO

The recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets were not material at December 31, 2020, and 2019.

DUKE ENERGY INDIANA

The following table provides recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020				December 31, 2019			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Other equity securities	$ 97	$ 97	$ —	$ —	$ 81	$ 81	$ —	$ —
Other debt securities	45	—	45	—	44	—	44	—
Other cash equivalents	1	1	—	—	—	—	—	—
Derivative assets	6	—	—	6	13	2	—	11
Total assets	149	98	45	6	138	83	44	11
Derivative liabilities	(1)	(1)	—	—	(1)	(1)	—	—
Total assets	$ 148	$ 97	$ 45	$ 6	$ 137	$ 82	$ 44	$ 11

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)	
	Years Ended December 31,	
(in millions)	2020	2019
Balance at beginning of period	$ 11	$ 22
Purchases, sales, issuances and settlements:		
Purchases	10	28
Settlements	(13)	(36)
Total losses included on the Consolidated Balance Sheet	(2)	(3)
Balance at end of period	$ 6	$ 11

PIEDMONT

The following table provides recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets.

	December 31, 2020			December 31, 2019		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 3
Derivative assets	$ 1	$ 1	$ —	$ 1	$ 1	$ —
Derivative liabilities	(122)	—	(122)	(117)	—	(117)
Net (liabilities) assets	$ (121)	$ 1	$ (122)	$ (116)	$ 1	$ (117)

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)	
	Years Ended December 31,	
(in millions)	2020	2019
Balance at beginning of period	$ (117)	$ (141)
Net transfers Out of Level 3[a]	117	—
Total gains and settlements	—	24
Balance at end of period	$ —	$ (117)

(a) Transferred from Level 3 to Level 2 because observable market data became available.

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following tables include quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	December 31, 2020				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	**$ (84)**	Discounted cash flow	Forward electricity curves – price per MWh	**$ 14.68 – $ 151.84**	**$ 28.84**
Duke Energy Ohio					
FTRs	**1**	RTO auction pricing	FTR price – per MWh	**0.25 – 1.68**	**0.79**
Duke Energy Indiana					
FTRs	**6**	RTO auction pricing	FTR price – per MWh	**(2.40) – 7.41**	**1.05**
Duke Energy					
Total Level 3 derivatives	**$ (77)**				

	December 31, 2019				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy Ohio					
FTRs	$ 4	RTO auction pricing	FTR price – per MWh	$ 0.59 – $ 3.47	$ 2.07
Duke Energy Indiana					
FTRs	11	RTO auction pricing	FTR price – per MWh	(0.66) – 9.24	1.15
Piedmont					
Natural gas contracts	(117)	Discounted cash flow	Forward natural gas curves – price per MMBtu	1.59 – 2.46	1.91
Duke Energy					
Total Level 3 derivatives	$ (102)				

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.

	December 31, 2020		December 31, 2019	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 59,863**	**$ 69,292**	$ 58,126	$ 63,062
Duke Energy Carolinas	**12,218**	**14,917**	11,900	13,516
Progress Energy	**19,264**	**23,470**	19,634	22,291
Duke Energy Progress	**9,258**	**10,862**	9,058	9,934
Duke Energy Florida	**7,915**	**9,756**	7,987	9,131
Duke Energy Ohio	**3,089**	**3,650**	2,619	2,964
Duke Energy Indiana	**4,091**	**5,204**	4,057	4,800
Piedmont	**2,780**	**3,306**	2,384	2,642

(a) Book value of long-term debt includes $1.3 billion as of December 31, 2020, and $1.5 billion as of December 31, 2019, 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 December 31, 2020, and December 31, 2019, 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.

17. VARIABLE INTEREST ENTITIES

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the activities of the VIE that most significantly impact its economic performance and (ii) what party has rights to receive benefits or is obligated to absorb losses that could potentially be significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment.

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 years ended December 31, 2020, 2019 and 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 LLCs 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. The sole source of funds to satisfy the related debt obligations is cash collections from the receivables. Amounts borrowed under the credit facilities for DERF and DEPR are reflected on the Consolidated Balance Sheets as Long-Term Debt. Amounts borrowed under the credit facilities for DEFR are reflected on the Consolidated Balance Sheets as Current maturities of long-term debt.

Due to the COVID-19 pandemic, as described in Note 1, the Duke Energy Registrants suspended customer disconnections for nonpayment. Since taking action to suspend customer disconnections for nonpayment, certain jurisdictions have now returned to normal operations and billing practices. The full impact of COVID-19 and the Duke Energy Registrant's related response on customers' ability to pay for service is uncertain. However, the level of past-due receivables at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida have increased significantly during the COVID-19 pandemic, and it is reasonably possible eventual write-offs of customer receivables may increase over current estimates. In 2020, DERF, DEPR and DEFR executed amendments to their credit facilities to manage the impact of past-due receivables resulting from the suspension of customer disconnections from COVID-19. See Note 3 for information about COVID-19 filings with state utility commissions.

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 the 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. 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 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% cash and 25% 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.

Due to the COVID-19 pandemic, as described in Note 1, the Duke Energy Registrants suspended customer disconnections for nonpayment. Since taking action to suspend customer disconnections for nonpayment, certain jurisdictions have now returned to normal operations and billing practices. The full impact of COVID-19 and the Duke Energy Registrant's related response on customers' ability to pay for service is uncertain. However, the level of past-due receivables at Duke Energy Ohio and Duke Energy Indiana have increased significantly during the COVID-19 pandemic, and it is reasonably possible eventual write-offs of customer receivables may increase over current estimates. In July of 2020, CRC executed an amendment to its credit facility to manage the impact of past-due receivables resulting from the suspension of customer disconnections from COVID-19. See Note 3 for information about COVID-19 filings with state utility commissions.

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 is not held 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	February 2023	December 2022	April 2023	April 2021
Credit facility amount	$ 350	$ 475	$ 350	$ 250
Amounts borrowed at December 31, 2020	**350**	**364**	**250**	**250**
Amounts borrowed at December 31, 2019	350	474	325	250
Restricted Receivables at December 31, 2020	**547**	**696**	**500**	**397**
Restricted Receivables at December 31, 2019	522	642	489	336

Nuclear Asset-Recovery Bonds – Duke Energy Florida Project Finance, LLC (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 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 Consolidated Balance Sheets.

	December 31,	
(in millions)	2020	2019
Receivables of VIEs	**$ 4**	$ 5
Regulatory Assets: Current	**53**	52
Current Assets: Other	**39**	39
Other Noncurrent Assets: Regulatory assets	**937**	989
Current Liabilities: Other	**10**	10
Current maturities of long-term debt	**55**	54
Long-Term Debt	**1,002**	1,057

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 renewable assets 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 Consolidated Balance Sheets related to Commercial Renewables VIEs.

	December 31,	
(in millions)	2020	2019
Current Assets: Other	$ 257	$ 203
Property, Plant and Equipment: Cost	6,394	5,747
Accumulated depreciation and amortization	(1,242)	(1,041)
Other Noncurrent Assets: Other	67	106
Current maturities of long-term debt	167	162
Long-Term Debt	1,569	1,541
Other Noncurrent Liabilities: AROs	148	127
Other Noncurrent Liabilities: Other	316	228

NON-CONSOLIDATED VIEs

The following tables summarize the impact of non-consolidated VIEs on the Consolidated Balance Sheets.

	December 31, 2020				
	Duke Energy			Duke Energy Ohio	Duke Energy Indiana
(in millions)	Pipeline Investments	Commercial Renewables	Total		
Receivables from affiliated companies	$ —	$ —	$ —	$ 83	$ 110
Investments in equity method unconsolidated affiliates	—	530	530	—	—
Other noncurrent assets	31	—	31	—	—
Total assets	$ 31	$ 530	$ 561	$ 83	$ 110
Other current liabilities	928	5	933	—	—
Other noncurrent liabilities	8	10	18	—	—
Total liabilities	$ 936	$ 15	$ 951	$ —	$ —
Net assets (liabilities)	$ (905)	$ 515	$ (390)	$ 83	$ 110

	December 31, 2019				
	Duke Energy			Duke Energy Ohio	Duke Energy Indiana
(in millions)	Pipeline Investments	Commercial Renewables	Total		
Receivables from affiliated companies	$ —	$ (1)	$ (1)	$ 64	$ 77
Investments in equity method unconsolidated affiliates	1,179	300	1,479	—	—
Total assets	$ 1,179	$ 299	$ 1,478	$ 64	$ 77
Taxes accrued	(1)	—	(1)	—	—
Other current liabilities	—	4	4	—	—
Deferred income taxes	59	—	59	—	—
Other noncurrent liabilities	—	11	11	—	—
Total liabilities	$ 58	$ 15	$ 73	$ —	$ —
Net assets	$ 1,121	$ 284	$ 1,405	$ 64	$ 77

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 PPA with OVEC, which is discussed below, and future exit costs associated with the cancellation of the ACP pipeline, as discussed below.

Pipeline Investments

Duke Energy has investments in various joint ventures to construct and operate pipeline projects. 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.

Duke Energy has a 47% ownership interest in ACP. In 2020, Duke Energy determined that it would no longer invest in the construction of the ACP pipeline. The current liability related to the cancellation of the ACP pipeline represents Duke Energy's continuing obligation to fund its share of ACP's obligations. See Notes 3, 7 and 12 for further information regarding this transaction.

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.

OVEC

Duke Energy Ohio's 9% 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 Inter-Company Power Agreement (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 Corp. and an ICPA counterparty with a power participation ratio of 4.85%, 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. In July 2020, legislation was proposed to repeal HB 6. Duke Energy cannot predict the outcome of this matter. See Note 3 for additional information.

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. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated bases of the subordinated notes are not materially different than their face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10% and a 20% unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Ohio and Duke Energy Indiana on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the notes since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an OTTI has occurred.

Key assumptions used in estimating fair value are detailed in the following table.

	Duke Energy Ohio		Duke Energy Indiana	
	2020	**2019**	**2020**	**2019**
Anticipated credit loss ratio	**0.5 %**	0.6 %	**0.3 %**	0.3 %
Discount rate	**1.6 %**	3.3 %	**1.6 %**	3.3 %
Receivable turnover rate	**13.4 %**	13.4 %	**11.3 %**	11.5 %

The following table shows the gross and net receivables sold.

	Duke Energy Ohio		Duke Energy Indiana	
	December 31,		December 31,	
(in millions)	**2020**	**2019**	**2020**	**2019**
Receivables sold	**$ 270**	$ 253	**$ 344**	$ 307
Less: Retained interests	**83**	64	**110**	77
Net receivables sold	**$ 187**	$ 189	**$ 234**	$ 230

The following table shows sales and cash flows related to receivables sold.

	Duke Energy Ohio			Duke Energy Indiana		
	Years Ended December 31,			Years Ended December 31,		
(in millions)	2020	2019	2018	2020	2019	2018
Sales						
Receivables sold	**$ 1,905**	$ 1,979	$ 1,987	**$ 2,631**	$ 2,837	$ 2,842
Loss recognized on sale	**10**	14	13	**12**	17	16
Cash flows						
Cash proceeds from receivables sold	**1,875**	1,993	1,967	**2,586**	2,860	2,815
Collection fees received	**1**	1	1	**1**	1	1
Return received on retained interests	**4**	6	6	**5**	9	9

Cash flows from sales of receivables are reflected within Cash Flows From Operating Activities and Cash Flows from Investing Activities on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Cash Flows.

Collection fees received in connection with servicing transferred accounts receivable are included in Operation, maintenance and other on Duke Energy Ohio's and Duke Energy Indiana's Consolidated Statements of Operations and Comprehensive Income. The loss recognized on sales of receivables is calculated monthly by multiplying receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted average formula that considers charge-off history, late charge history and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is the prior month-end LIBOR plus a fixed rate of 1%.

18. REVENUE

Duke Energy recognizes revenue consistent with amounts billed under tariff offerings or at contractually agreed upon rates based on actual physical delivery of electric or natural gas service, including estimated volumes delivered when billings have not yet occurred. As such, the majority of Duke Energy's revenues have fixed pricing based on the contractual terms of the published tariffs, with variability in expected cash flows attributable to the customer's volumetric demand and ultimate quantities of energy or natural gas supplied and used during the billing period. The stand-alone selling price of related sales are designed to support recovery of prudently incurred costs and an appropriate return on invested assets and are primarily governed by published tariff rates or contractual agreements approved by relevant regulatory bodies. As described in Note 1, certain excise taxes and franchise fees levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis as part of revenues. Duke Energy elects to account for all other taxes net of revenues.

Performance obligations are satisfied over time as energy or natural gas is delivered and consumed with billings generally occurring monthly and related payments due within 30 days, depending on regulatory requirements. In no event does the timing between payment and delivery of the goods and services exceed one year. Using this output method for revenue recognition provides a faithful depiction of the transfer of electric and natural gas service as customers obtain control of the commodity and benefit from its use at delivery. Additionally, Duke Energy has an enforceable right to consideration for energy or natural gas delivered at any discrete point in time and will recognize revenue at an amount that reflects the consideration to which Duke Energy is entitled for the energy or natural gas delivered.

As described above, the majority of Duke Energy's tariff revenues are at-will and, as such, related contracts with customers have an expected duration of one year or less and will not have future performance obligations for disclosure. Additionally, other long-term revenue streams, including wholesale contracts, generally provide services that are part of a single performance obligation, the delivery of electricity or natural gas. As such, other than material fixed consideration under long-term contracts, related disclosures for future performance obligations are also not applicable.

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.

Retail electric service is generally marketed throughout Duke Energy's electric service territory through standard service offers. The standard service offers are through tariffs determined by regulators in Duke Energy's regulated service territory. Each tariff, which is assigned to customers based on customer class, has multiple components such as an energy charge, a demand charge, a basic facilities charge and applicable riders. Duke Energy considers each of these components to be aggregated into a single performance obligation for providing electric service, or in the case of distribution only customers in Duke Energy Ohio, for delivering electricity. Electricity is considered a single performance obligation satisfied over time consistent with the series guidance and is provided and consumed over the billing period, generally one month. Retail electric service is typically provided to at-will customers who can cancel service at any time, without a substantive penalty. Additionally, Duke Energy adheres to applicable regulatory requirements in each jurisdiction to ensure the collectability of amounts billed and appropriate mitigating procedures are followed when necessary. As such, revenue from contracts with customers for such contracts is equivalent to the electricity supplied and billed in that period (including unbilled estimates).

Wholesale electric service is generally provided under long-term contracts using cost-based pricing. FERC regulates costs that may be recovered from customers and the amount of return companies are permitted to earn. Wholesale contracts include both energy and demand charges. For full requirements contracts, Duke Energy considers both charges as a single performance obligation for providing integrated electric service. For contracts where energy and demand charges are considered separate performance obligations, energy and demand are each a distinct performance obligation under the series guidance and are satisfied as energy is delivered and stand-ready service is provided on a monthly basis. This service represents consumption over the billing period and revenue is recognized consistent with billings and unbilled estimates, which generally occur monthly. Contractual amounts owed are typically trued up annually based upon incurred costs in accordance with FERC published filings and the specific customer's actual peak demand. Estimates of variable consideration related to potential additional billings or refunds owed are updated quarterly.

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)	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Progress Energy	$ 93	$ 107	$ 44	$ 45	$ 7	$ 51	$ 347
Duke Energy Progress	8	8	8	8	—	—	32
Duke Energy Florida	85	99	36	37	7	51	315
Duke Energy Indiana	5	—	7	12	12	24	60

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 revenue 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.

Retail natural gas service is marketed throughout Duke Energy's natural gas service territory using published tariff rates. The tariff rates are established by regulators in Duke Energy's service territories. Each tariff, which is assigned to customers based on customer class, have multiple components, such as a commodity charge, demand charge, customer or monthly charge and transportation costs. Duke Energy considers each of these components to be aggregated into a single performance obligation for providing natural gas service. For contracts where Duke Energy provides all of the customer's natural gas needs, the delivery of natural gas is considered a single performance obligation satisfied over time, and revenue is recognized monthly based on billings and unbilled estimates as service is provided and the commodity is consumed over the billing period. Additionally, natural gas service is typically at-will and customers can cancel service at any time, without a substantive penalty. Duke Energy also adheres to applicable regulatory requirements to ensure the collectability of amounts billed and receivable and appropriate mitigating procedures are followed when necessary.

Certain long-term individually negotiated contracts exist to provide natural gas service. These contracts are regulated and approved by state commissions. The negotiated contracts have multiple components, including a natural gas and a demand charge, similar to retail natural gas contracts. Duke Energy considers each of these components to be a single performance obligation for providing natural gas service. This service represents consumption over the billing period, generally one month.

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)	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Piedmont	$ 65	$ 64	$ 61	$ 59	$ 58	$ 319	$ 626

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.

The delivery of electricity is a performance obligation satisfied over time and represents generation and consumption of the electricity over the billing period, generally one month. The delivery of RECs is a performance obligation satisfied at a point in time and represents delivery of each REC generated by the wind or solar facility. The majority of self-generated RECs are bundled with energy in Duke Energy's contracts and, as such, related revenues are recognized as energy is generated and delivered as that pattern is consistent with Duke Energy's performance. Commercial Renewables recognizes revenue based on the energy generated and billed for the period, generally one month, at contractual rates (including unbilled estimates) according to the invoice practical expedient. Amounts are typically due within 30 days of invoice.

Commercial Renewables also earns revenues from installation of distributed solar generation resources, which is primarily composed of EPC projects to deliver functioning solar power systems, generally completed within two to 12 months from commencement of construction. The installation of distributed solar generation resources is a performance obligation that is satisfied over time. Revenue from fixed-price EPC contracts is recognized using the input method as work is performed based on the estimated ratio of incurred costs to estimated total costs.

Other

The remainder of Duke Energy's operations is presented as Other, which does not include material revenues from contracts with customers.

Disaggregated Revenues

For the Electric and Gas Utility and Infrastructure segments, revenue by customer class is most meaningful to Duke Energy as each respective customer class collectively represents unique customer expectations of service, generally has different energy and demand requirements, and operates under tailored, regulatory approved pricing structures. Additionally, each customer class is impacted differently by weather and a variety of economic factors including the level of population growth, economic investment, employment levels, and regulatory activities in each of Duke Energy's jurisdictions. As such, analyzing revenues disaggregated by customer class allows Duke Energy to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. For the Commercial Renewables segment, the majority of revenues from contracts with customers are from selling all of the unit-contingent output at contractually defined pricing under long-term PPAs with consistent expectations regarding the timing and certainty of cash flows. Disaggregated revenues are presented as follows:

	Year Ended December 31, 2020							
(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	$ 9,806	$ 2,997	$ 5,017	$ 2,059	$ 2,958	$ 726	$ 1,064	$ —
General	6,194	2,233	2,779	1,312	1,467	442	740	—
Industrial	2,859	1,137	901	649	252	137	683	—
Wholesale	1,864	380	1,228	1,034	194	32	224	—
Other revenues	914	281	596	294	302	82	72	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 21,637	$ 7,028	$ 10,521	$ 5,348	$ 5,173	$ 1,419	$ 2,783	$ —
Gas Utilities and Infrastructure								
Residential	$ 930	$ —	$ —	$ —	$ —	$ 300	$ —	$ 630
Commercial	446	—	—	—	—	117	—	329
Industrial	127	—	—	—	—	17	—	110
Power Generation	—	—	—	—	—	—	—	34
Other revenues	87	—	—	—	—	17	—	70
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,590	$ —	$ —	$ —	$ —	$ 451	$ —	$ 1,173
Commercial Renewables								
Revenue from contracts with customers	$ 227	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 26	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 23,480	$ 7,028	$ 10,521	$ 5,348	$ 5,173	$ 1,870	$ 2,783	$ 1,173
Other revenue sources[(a)]	$ 388	$ (13)	$ 106	$ 74	$ 15	$ (12)	$ 12	$ 124
Total revenues	$ 23,868	$ 7,015	$ 10,627	$ 5,422	$ 5,188	$ 1,858	$ 2,795	$ 1,297

(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.

	Year Ended December 31, 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	$ 9,863	$ 3,044	$ 4,998	$ 2,144	$ 2,854	$ 733	$ 1,087	$ —
General	6,431	2,244	2,935	1,368	1,567	451	802	—
Industrial	3,071	1,215	934	675	259	147	774	—
Wholesale	2,212	462	1,468	1,281	187	46	235	—
Other revenues	770	276	548	317	231	80	89	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 22,347	$ 7,241	$ 10,883	$ 5,785	$ 5,098	$ 1,457	$ 2,987	$ —
Gas Utilities and Infrastructure								
Residential	$ 976	$ —	$ —	$ —	$ —	$ 315	$ —	$ 661
Commercial	508	—	—	—	—	130	—	378
Industrial	141	—	—	—	—	19	—	122
Power Generation	—	—	—	—	—	—	—	51
Other revenues	129	—	—	—	—	19	—	110
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,754	$ —	$ —	$ —	$ —	$ 483	$ —	$ 1,322
Commercial Renewables								
Revenue from contracts with customers	$ 223	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 24	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 24,348	$ 7,241	$ 10,883	$ 5,785	$ 5,098	$ 1,940	$ 2,987	$ 1,322
Other revenue sources[(a)]	$ 731	$ 154	$ 319	$ 172	$ 133	$ —	$ 17	$ 59
Total revenues	$ 25,079	$ 7,395	$ 11,202	$ 5,957	$ 5,231	$ 1,940	$ 3,004	$ 1,381

(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.

	Year Ended December 31, 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	$ 9,587	$ 2,981	$ 4,785	$ 2,019	$ 2,766	$ 743	$ 1,076	$ —
General	6,127	2,119	2,809	1,280	1,529	422	778	—
Industrial	2,974	1,180	904	642	262	131	760	—
Wholesale	2,324	508	1,462	1,303	159	57	298	—
Other revenues	717	320	502	320	182	73	91	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 21,729	$ 7,108	$ 10,462	$ 5,564	$ 4,898	$ 1,426	$ 3,003	$ —
Gas Utilities and Infrastructure								
Residential	$ 1,000	$ —	$ —	$ —	$ —	$ 331	$ —	$ 669
Commercial	514	—	—	—	—	135	—	378
Industrial	147	—	—	—	—	18	—	128
Power Generation	—	—	—	—	—	—	—	54
Other revenues	139	—	—	—	—	19	—	120
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,800	$ —	$ —	$ —	$ —	$ 503	$ —	$ 1,349
Commercial Renewables								
Revenue from contracts with customers	$ 209	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 19	$ —	$ —	$ —	$ —	$ 1	$ —	$ —
Total revenue from contracts with customers	$ 23,757	$ 7,108	$ 10,462	$ 5,564	$ 4,898	$ 1,930	$ 3,003	$ 1,349
Other revenue sources[(a)]	$ 764	$ 192	$ 266	$ 135	$ 123	$ 27	$ 56	$ 26
Total revenues	$ 24,521	$ 7,300	$ 10,728	$ 5,699	$ 5,021	$ 1,957	$ 3,059	$ 1,375

(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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The following table presents the reserve for credit losses for trade and other receivables based on adoption of the new standard.

	Year Ended December 31, 2020							
(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, 2019	$ 76	$ 10	$ 16	$ 8	$ 7	$ 4	$ 3	$ 6
Cumulative Change in Accounting Principle	5	1	2	1	1	—	—	1
Write-Offs	(58)	(13)	(23)	(8)	(14)	—	—	(6)
Credit Loss Expense	75	13	29	9	20	—	—	11
Other Adjustments	48	12	13	13	—	—	—	—
Balance at December 31, 2020	**$ 146**	**$ 23**	**$ 37**	**$ 23**	**$ 14**	**$ 4**	**$ 3**	**$ 12**

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, including the impacts of COVID-19, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables. Due to the COVID-19 pandemic, as described in Note 1, certain jurisdictions have resumed standard billing and credit practices, disconnections for nonpayment and late payment charges, all of which were previously suspended in the first quarter of 2020. The specific actions taken by each Duke Energy Registrant are described in Note 3 and the impact of COVID-19 on certain receivables financing entities are described in Note 17. The impact of COVID-19 and Duke Energy's related response on customers' ability to pay for service is uncertain, and it is reasonably possible eventual write-offs of customer receivables may increase over current estimates.

The aging of trade receivables is presented in the table below. Duke Energy considers receivables greater than 30 days outstanding past due.

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unbilled Receivables	$ 969	$ 328	$ 283	$ 167	$ 116	$ 2	$ 16	$ 86
0-30 days	1,789	445	707	398	307	60	26	149
30-60 days	185	80	54	25	29	8	3	8
60-90 days	22	1	10	4	6	2	1	3
90+ days	119	16	32	9	23	30	12	9
Deferred Payment Arrangements[(a)]	215	96	80	52	28	—	—	7
Trade and Other Receivables	**$ 3,299**	**$ 966**	**$ 1,166**	**$ 655**	**$ 509**	**$ 102**	**$ 58**	**$ 262**

(a) Due to certain customer financial hardships created by the COVID-19 pandemic and resulting stay-at-home orders, Duke Energy permitted customers to defer payment of past-due amounts through an installment payment plan over a period of several months.

IMPACT OF WEATHER AND THE TIMING OF BILLING PERIODS

Revenues and costs are influenced by seasonal weather patterns. Peak sales of electricity occur during the summer and winter months, which results in higher revenue and cash flows during these periods. By contrast, lower sales of electricity occur during the spring and fall, allowing for scheduled plant maintenance. Residential and general service customers are more impacted by weather than industrial customers. Estimated weather impacts are based on actual current period weather compared to normal weather conditions. Normal weather conditions are defined as the long-term average of actual historical weather conditions. Heating degree days measure the variation in weather based on the extent the average daily temperature falls below a base temperature. Cooling degree days measure the variation in weather based on the extent the average daily temperature rises above the base temperature. Each degree of temperature below the base temperature counts as one heating degree day and each degree of temperature above the base temperature counts as one cooling degree day.

The estimated impact of weather on earnings for Electric Utilities and Infrastructure is based on the temperature variances from a normal condition and customers' historic usage patterns. The methodology used to estimate the impact of weather does not consider all variables that may impact customer response to weather conditions, such as humidity in the summer or wind chill in the winter. The precision of this estimate may also be impacted by applying long-term weather trends to shorter-term periods.

Gas Utilities and Infrastructure's costs and revenues are influenced by seasonal patterns due to peak natural gas sales occurring during the winter months as a result of space heating requirements. Residential customers are the most impacted by weather. There are certain regulatory mechanisms for the North Carolina, South Carolina, Tennessee, Ohio and Kentucky service territories that normalize the margins collected from certain customer classes during the winter. In North Carolina, rate design provides protection from both weather and other usage variations such as conservation, while South Carolina, Tennessee and Kentucky revenues are adjusted solely based on weather. Ohio primarily employs a fixed charge each month regardless of the season and usage.

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 Consolidated Balance Sheets as shown in the following table.

	December 31,	
(in millions)	2020	2019
Duke Energy	$ 969	$ 843
Duke Energy Carolinas	328	298
Progress Energy	283	217
Duke Energy Progress	167	122
Duke Energy Florida	116	95
Duke Energy Ohio	2	1
Duke Energy Indiana	16	16
Piedmont	86	78

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 Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana. See Note 17 for further information. These receivables for unbilled revenues are shown in the table below.

	December 31,	
(in millions)	2020	2019
Duke Energy Ohio	$ 87	$ 82
Duke Energy Indiana	134	115

19. STOCKHOLDERS' EQUITY

Basic EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, 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 equity forward sale agreements, were exercised or settled. Duke Energy's participating securities are RSUs that are entitled to dividends declared on Duke Energy common stock during the RSUs vesting periods. Dividends declared on preferred stock are recorded on the Consolidated Statements of Operations as a reduction of net income to arrive at net income available to Duke Energy common stockholders. Dividends accumulated on preferred stock are an adjustment to net income used in the calculation of basic and diluted EPS.

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.

	Years Ended December 31,		
(in millions, except per share amounts)	2020	2019	2018
Net Income available to Duke Energy common stockholders	$ 1,270	$ 3,707	$ 2,666
Less: Income (Loss) from discontinued operations	7	(7)	19
Accumulated preferred stock dividends adjustment	1	(15)	—
Less: Impact of participating securities	2	5	5
Income from continuing operations available to Duke Energy common stockholders	$ 1,262	$ 3,694	$ 2,642
Weighted average common shares outstanding – basic	737	729	708
Equity forwards	1	—	—
Weighted average common shares outstanding – diluted	738	729	708
EPS from continuing operations available to Duke Energy common stockholders			
Basic and Diluted	$ 1.71	$ 5.07	$ 3.73
Potentially dilutive items excluded from the calculation[(a)]	2	2	2
Dividends declared per common share	$ 3.82	$ 3.75	$ 3.64
Dividends declared on Series A preferred stock per depositary share	$ 1.437	$ 1.03	$ —
Dividends declared on Series B preferred stock per share	$ 49.292	$ —	$ —

(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

In November 2019, Duke Energy filed a prospectus supplement and executed an Equity Distribution Agreement (EDA) under which it may sell up to $1.5 billion of its common stock through a new ATM offering program, including an equity forward sales component. Under the terms of the EDA, Duke Energy may issue and sell shares of common stock through September 2022.

Separately, in November 2019, Duke Energy marketed an equity offering of 28.75 million shares of common stock through an Underwriting Agreement. In connection with the offering, Duke Energy entered into equity forward sales agreements with an initial forward price of $85.99 per share. In March 2020, Duke Energy marketed approximately 940,000 shares of common stock through an equity forward transaction under the ATM with an initial forward price of $89.76 per share. In May 2020, Duke Energy marketed approximately 903,000 shares of common stock through an equity forward transaction under the ATM with an initial forward price of $82.44 per share. In August 2020, Duke Energy marketed approximately 936,000 shares of common stock through an equity forward transaction under the ATM with an initial forward price of $79.52 per share.

In December 2020, Duke Energy physically settled the equity forwards by delivering 32 million shares of common stock in exchange for net cash proceeds of approximately $2.6 billion.

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 with proceeds 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% per annum. Dividends are payable quarterly in arrears on the 16th day of March, June, September and December, and began on June 16, 2019.

The Series A 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 Series A 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.

On September 12, 2019, Duke Energy completed the issuance of 1 million shares of its Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, at a price of $1,000 per share. The transaction resulted in net proceeds of $989 million after issuance costs with proceeds being used to pay down short-term debt, repay at maturity $500 million senior notes due September 2019, and for general corporate purposes. The preferred stock has a $1,000 liquidation preference per share and earns dividends on a cumulative basis at an initial rate of 4.875% per annum. Dividends are payable semiannually in arrears on the 16th day of March and September, and began on March 16, 2020. On September 16, 2024, the First Call Date, and any fifth anniversary of the First Call Date (each a Reset Date), the dividend rate will reset based on the then current five-year U.S. Treasury rate plus a spread of 3.388%.

The Series B 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 Series B Preferred Stock at a redemption price of $1,020 per share, in whole but not in part, at any time within 120 days after a ratings event. The second call option allows Duke Energy to call the preferred stock, in whole or in part, on the First Call Date or any subsequent Reset Date at a redemption price in cash equal to $1,000 per share. Duke Energy is also required to redeem all accumulated and unpaid dividends if either call option is exercised.

Dividends issued on its Series A and Series B Preferred Stock are subject to approval by the Board of Directors. However, the deferral of dividend payments on the preferred stock prohibits the declaration of common stock dividends.

The Series A and Series B Preferred Stock rank, 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 and Series B Preferred Stock that is expressly made subordinated to the Series A and Series B Preferred Stock;
- on a parity with any class or series of capital stock established after the original issue date of the Series A and Series B Preferred Stock that is not expressly made senior or subordinated to the Series A or Series B Preferred Stock;
- junior to any class or series of capital stock established after the original issue date of the Series A and Series B Preferred Stock that is expressly made senior to the Series A or Series B Preferred Stock;
- junior to all 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.

Holders of Series A and Series B 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 Series A and Series B Preferred Stock include the right to vote as a single class, respectively, 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 for Series A Preferred Stock or three semiannual full dividend periods for Series B Preferred Stock. If dividends are deferred for a cumulative total of six quarterly full dividend periods for Series A Preferred Stock or three semiannual full dividend periods for Series B Preferred Stock, whether or not for consecutive dividend periods, holders of the respective preferred stock have the right to elect two additional Board members to the Board of Directors.

20. SEVERANCE

During 2020, as a result of partial settlements between Duke Energy Carolinas, Duke Energy Progress and the Public Staff, Duke Energy Carolinas and Duke Energy Progress deferred as Regulatory assets on the Consolidated Balance Sheets, approximately $65 million and $33 million, respectively, of previously recorded severance charges within Operation, maintenance and other on the Consolidated Statements of Operations. These severance charges were previously recorded during 2018, as Duke Energy reviewed its operations and identified opportunities for improvement to better serve its customers. This operational review included the company's workforce strategy and staffing levels to ensure the company was staffed with the right skill sets and number of teammates to execute the long-term vision for Duke Energy. As such, Duke Energy extended voluntary and involuntary severance benefits to certain employees in specific areas as a part of workforce planning and digital transformation efforts. See Note 3 for more information.

The following table presents the direct and allocated severance and related charges accrued for approximately 30 employees in 2020, 140 employees in 2019, and 1,900 employees in 2018, by the Duke Energy Registrants within Operation, maintenance and other on the Consolidated Statements of Operations.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Year Ended December 31, 2020[(a)(b)]	**$ (85)**	**$ (58)**	**$ (28)**	**$ (31)**	**$ 3**	**$ —**	**$ —**	**$ —**
Year Ended December 31, 2019	16	8	6	3	3	—	1	1
Year Ended December 31, 2018	187	102	69	52	17	6	7	2

(a) Includes unamortized deferred severance charges of approximately $(86) million, $(57) million, $(29) million and $(29) million for Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.
(b) Includes adjustments associated with 2018 severance charges of approximately $(6) million, $(2) million, $(3) million and $(2) million for Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.

The table below presents the severance liability for past and ongoing severance plans including the plans described above.

(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, 2019	$ 41	$ 11	$ 13	$ 6	$ 7	$ 1	$ 2	$ —
Provision/Adjustments	**1**	**—**	**—**	**(2)**	**2**	**(1)**	**—**	**—**
Cash Reductions	**(31)**	**(9)**	**(10)**	**(3)**	**(7)**	**—**	**(1)**	**—**
Balance at December 31, 2020	**$ 11**	**$ 2**	**$ 3**	**$ 1**	**$ 2**	**$ —**	**$ 1**	**$ —**

21. STOCK-BASED COMPENSATION

The Duke Energy Corporation 2015 Long-Term Incentive Plan (the 2015 Plan) provides for the grant of stock-based compensation awards to employees and outside directors. The 2015 Plan reserves 10 million shares of common stock for issuance. Duke Energy has historically issued new shares upon exercising or vesting of share-based awards. However, Duke Energy may use a combination of new share issuances and open market repurchases for share-based awards that are exercised or vest in the future. Duke Energy has not determined with certainty the amount of such new share issuances or open market repurchases.

The following table summarizes the total expense recognized by the Duke Energy Registrants, net of tax, for stock-based compensation.

	Years Ended December 31,		
(in millions)	2020	2019	2018
Duke Energy	$ 61	$ 65	$ 56
Duke Energy Carolinas	22	24	20
Progress Energy	23	24	21
Duke Energy Progress	15	15	13
Duke Energy Florida	9	9	8
Duke Energy Ohio	4	5	4
Duke Energy Indiana	6	6	5
Piedmont	3	3	3

Duke Energy's pretax stock-based compensation costs, the tax benefit associated with stock-based compensation expense and stock-based compensation costs capitalized are included in the following table.

	Years Ended December 31,		
(in millions)	2020	2019	2018
RSU awards	$ 46	$ 44	$ 43
Performance awards	38	45	35
Pretax stock-based compensation cost	$ 84	$ 89	$ 78
Stock-based compensation costs capitalized	5	5	5
Stock-based compensation expense	$ 79	$ 84	$ 73
Tax benefit associated with stock-based compensation expense	$ 18	$ 19	$ 17

RESTRICTED STOCK UNIT AWARDS

RSU awards generally vest over periods from immediate to three years. Fair value amounts are based on the market price of Duke Energy's common stock on the grant date. The following table includes information related to RSU awards.

	Years Ended December 31,		
	2020	2019	2018
Shares granted (in thousands)	498	571	649
Fair value (in millions)	$ 50	$ 51	$ 49

The following table summarizes information about RSU awards outstanding.

	Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)
Outstanding at December 31, 2019	1,010	$ 83
Granted	498	100
Vested	(532)	82
Forfeited	(37)	92
Outstanding at December 31, 2020	939	93
RSU awards expected to vest	898	93

The total grant date fair value of shares vested during the years ended December 31, 2020, 2019 and 2018, was $43 million, $49 million and $43 million, respectively. At December 31, 2020, Duke Energy had $31 million of unrecognized compensation cost, which is expected to be recognized over a weighted average period of 23 months.

PERFORMANCE AWARDS

Stock-based performance awards generally vest after three years if performance targets are met. The actual number of shares issued will range from zero to 200% of target shares, depending on the level of performance achieved.

Performance awards contain performance conditions and a market condition. The performance conditions are based on Duke Energy's cumulative adjusted EPS and total incident case rate (total incident case rate is one of our key employee safety metrics). The market condition is based on TSR of Duke Energy relative to a predefined peer group.

Relative TSR is valued using a path-dependent model that incorporates expected relative TSR into the fair value determination of Duke Energy's performance-based share awards. The model uses three-year historical volatilities and correlations for all companies in the predefined peer group, including Duke Energy, to simulate Duke Energy's relative TSR as of the end of the performance period. For each simulation, Duke Energy's relative TSR associated with the simulated stock price at the end of the performance period plus expected dividends within the period results in a value per share for the award portfolio. The average of these simulations is the expected portfolio value per share. Actual life to date results of Duke Energy's relative TSR for each grant are incorporated within the model. For performance awards granted in 2020, the model used a risk-free interest rate of 1.4%, which reflects the yield on three-year Treasury bonds as of the grant date, and an expected volatility of 13.6% based on Duke Energy's historical volatility over three years using daily stock prices.

The following table includes information related to stock-based performance awards.

	Years Ended December 31,		
	2020	2019	2018
Shares granted assuming target performance (in thousands)	**319**	320	372
Fair value (in millions)	**$ 34**	$ 27	$ 27

The following table summarizes information about stock-based performance awards outstanding and assumes payout at the target level.

	Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)
Outstanding at December 31, 2019	1,109	$ 80
Granted	**319**	**105**
Vested	**(448)**	**81**
Forfeited	**(18)**	**88**
Outstanding at December 31, 2020	**962**	**87**
Stock-based performance awards expected to vest	**937**	**87**

The total grant date fair value of shares vested during the years ended December 31, 2020, and 2019, was $36 million and $23 million, respectively. At December 31, 2020, Duke Energy had $23 million of unrecognized compensation cost, which is expected to be recognized over a weighted average period of 21 months.

22. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT RETIREMENT PLANS

Duke Energy and certain subsidiaries maintain, and the Subsidiary Registrants participate in, qualified, non-contributory defined benefit retirement plans. The Duke Energy plans cover most employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings, age or age and years of service and interest credits. Certain employees are eligible for benefits that use a final average earnings formula. Under these final average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year, four-year, or five-year average earnings, (ii) highest three-year, four-year, or five-year average earnings in excess of covered compensation per year of participation (maximum of 35 years) or (iii) highest three-year average earnings times years of participation in excess of 35 years. Duke Energy also maintains, and the Subsidiary Registrants participate in, non-qualified, non-contributory defined benefit retirement plans that cover certain executives. The qualified and non-qualified, non-contributory defined benefit plans are closed to new participants.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations. Actuarial gains experienced by the defined benefit retirement plans in remeasuring plan assets as of December 31, 2020, and 2019, were attributable to actual investment performance that exceeded expected investment performance. Actuarial losses experienced by the defined benefit retirement plans in remeasuring plan obligations as of December 31, 2020, and 2019, were primarily attributable to the decrease in the discount rate used to measure plan obligations.

As a result of the application of settlement accounting due to total lump-sum benefit payments exceeding the settlement threshold (defined as the sum of the service cost and interest cost on projected benefit obligation components of net periodic pension costs) for one of its qualified pension plans, Duke Energy recognized settlement charges of $94 million, primarily as a regulatory asset within Other Noncurrent Assets on the Consolidated Balance Sheets as of December 31, 2019 (an immaterial amount was recorded in Other income and expenses, net within the Consolidated Statement of Operations).

Settlement charges recognized by the Subsidiary Registrants as of December 31, 2019, which represent amounts allocated by Duke Energy for employees of the Subsidiary Registrants and allocated charges for their proportionate share of settlement charges for employees of Duke Energy's shared services affiliate, were $53 million for Duke Energy Carolinas, $26 million for Progress Energy, $20 million for Duke Energy Progress, $6 million for Duke Energy Florida, $4 million for Duke Energy Indiana, $2 million for Duke Energy Ohio and $8 million for Piedmont.

The settlement charges reflect 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 benefit payments as of December 31, 2019. Settlement charges recognized as a regulatory asset within Other Noncurrent Assets on the Consolidated Balance Sheets are amortized over the average remaining service period for participants in the plan. Amortization of settlement charges is disclosed in the tables below as a component of net periodic pension costs.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective benefit plan for the periods presented prior to capitalization of amounts reflected as Net property, plant and equipment, on the Consolidated Balance Sheets. Only the service cost component of net periodic benefit costs is eligible to be capitalized. The remaining non-capitalized portions of net periodic benefit costs are classified as either: (1) service cost, which is recorded in Operations, maintenance and other on the Consolidated Statements of Operations; or as (2) components of non-service cost, which is recorded in Other income and expenses, net, on the Consolidated Statements of Operations. Amounts presented in the tables below for the Subsidiary Registrants represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of the Subsidiary Registrants. Additionally, the Consolidated Statements of Operations of the Subsidiary Registrants also include allocated net periodic benefit costs for their proportionate share of pension and post-retirement benefit cost for employees of Duke Energy's shared services affiliate that provide support to the Subsidiary Registrants. However, in the tables below, these amounts are only presented within the Duke Energy column (except for amortization of settlement charges). These allocated amounts are included in the governance and shared service costs discussed in Note 13.

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 does not anticipate making any contributions in 2021. The following table includes information related to the Duke Energy Registrants' contributions to its qualified defined benefit pension plans.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Contributions Made:								
2020	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
2019	77	7	57	4	53	2	2	1
2018	141	46	45	25	20	—	8	—

QUALIFIED PENSION PLANS

Components of Net Periodic Pension Costs

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	**$ 165**	**$ 51**	**$ 48**	**$ 27**	**$ 21**	**$ 5**	**$ 9**	**$ 6**
Interest cost on projected benefit obligation	**269**	**62**	**85**	**38**	**46**	**15**	**22**	**9**
Expected return on plan assets	**(572)**	**(145)**	**(190)**	**(87)**	**(101)**	**(28)**	**(42)**	**(21)**
Amortization of actuarial loss	**128**	**28**	**41**	**18**	**23**	**6**	**12**	**9**
Amortization of prior service credit	**(32)**	**(8)**	**(3)**	**(2)**	**(1)**	**—**	**(2)**	**(9)**
Amortization of settlement charges	**18**	**9**	**7**	**6**	**1**	**—**	**1**	**1**
Net periodic pension costs(a)(b)	**$ (24)**	**$ (3)**	**$ (12)**	**$ —**	**$ (11)**	**$ (2)**	**$ —**	**$ (5)**

	Year Ended December 31, 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	$ 158	$ 49	$ 46	$ 26	$ 20	$ 4	$ 9	$ 5
Interest cost on projected benefit obligation	317	75	100	45	54	18	26	10
Expected return on plan assets	(567)	(147)	(178)	(88)	(89)	(28)	(43)	(22)
Amortization of actuarial loss	108	24	39	15	24	4	8	8
Amortization of prior service credit	(32)	(8)	(3)	(2)	(1)	—	(2)	(9)
Amortization of settlement charges	6	2	1	1	—	2	—	—
Net periodic pension costs(a)(b)	$ (10)	$ (5)	$ 5	$ (3)	$ 8	$ —	$ (2)	$ (8)

	Year Ended 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
Service cost	$ 182	$ 58	$ 51	$ 29	$ 22	$ 5	$ 11	$ 7
Interest cost on projected benefit obligation	299	72	94	43	50	17	23	11
Expected return on plan assets	(559)	(147)	(178)	(85)	(91)	(28)	(42)	(22)
Amortization of actuarial loss	132	29	44	21	23	5	10	11
Amortization of prior service credit	(32)	(8)	(3)	(2)	(1)	—	(2)	(10)
Net periodic pension costs[(a)(b)]	$ 22	$ 4	$ 8	$ 6	$ 3	$ (1)	$ —	$ (3)

(a) Duke Energy amounts exclude $4 million, $4 million and $5 million for the years ended December 2020, 2019 and 2018, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.
(b) Duke Energy Ohio amounts exclude $2 million, $2 million and $2 million for the years ended December 2020, 2019 and 2018, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Regulatory assets, net increase (decrease)	**$ (62)**	**$ (39)**	**$ (26)**	**$ (30)**	**$ 4**	**$ (2)**	**$ 5**	**$ (1)**
Accumulated other comprehensive loss (income)								
Deferred income tax expense (benefit)	**$ 2**	**$ —**	**$ 1**	**$ —**	**$ 1**	**$ —**	**$ —**	**$ —**
Amortization of prior year service credit	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amortization of prior year actuarial losses	**(11)**	**—**	**(1)**	**—**	**(3)**	**—**	**—**	**—**
Net amount recognized in accumulated other comprehensive income	**$ (8)**	**$ —**	**$ —**	**$ —**	**$ (2)**	**$ —**	**$ —**	**$ —**

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Regulatory assets, net (decrease) increase	$ (212)	$ (156)	$ (79)	$ (59)	$ (20)	$ 12	$ 22	$ —
Accumulated other comprehensive (income) loss								
Deferred income tax expense (benefit)	$ 20	$ —	$ 1	$ —	$ (1)	$ —	$ —	$ —
Amortization of prior year service credit	1	—	—	—	—	—	—	—
Amortization of prior year actuarial losses	(15)	—	(2)	—	3	—	—	—
Net amount recognized in accumulated other comprehensive income	$ 6	$ —	$ (1)	$ —	$ 2	$ —	$ —	$ —

Reconciliation of Funded Status to Net Amount Recognized

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Change in Projected Benefit Obligation								
Obligation at prior measurement date	$ 8,321	$ 1,923	$ 2,608	$ 1,170	$ 1,424	$ 481	$ 693	$ 292
Service cost	157	49	46	26	20	4	8	5
Interest cost	269	62	85	38	46	15	22	9
Actuarial loss	433	83	144	50	93	21	46	14
Transfers	—	8	(8)	(8)	—	15	—	—
Benefits paid	(541)	(137)	(160)	(83)	(76)	(34)	(49)	(27)
Benefits paid – settlements	(5)	—	—	—	—	—	(5)	—
Obligation at measurement date	$ 8,634	$ 1,988	$ 2,715	$ 1,193	$ 1,507	$ 502	$ 715	$ 293
Accumulated Benefit Obligation at measurement date	$ 8,577	$ 1,989	$ 2,684	$ 1,194	$ 1,476	$ 493	$ 709	$ 294
Change in Fair Value of Plan Assets								
Plan assets at prior measurement date	$ 8,910	$ 2,263	$ 2,898	$ 1,364	$ 1,515	$ 443	$ 667	$ 335
Actual return on plan assets	973	247	319	149	166	48	71	35
Benefits paid	(541)	(137)	(160)	(83)	(76)	(34)	(49)	(27)
Benefits paid – settlements	(5)	—	—	—	—	—	(5)	—
Transfers	—	8	(8)	(8)	—	15	—	—
Plan assets at measurement date	$ 9,337	$ 2,381	$ 3,049	$ 1,422	$ 1,605	$ 472	$ 684	$ 343
Funded status of plan	$ 703	$ 393	$ 334	$ 229	$ 98	$ (30)	$ (31)	$ 50

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Change in Projected Benefit Obligation								
Obligation at prior measurement date	$ 7,869	$ 1,954	$ 2,433	$ 1,125	$ 1,295	$ 435	$ 618	$ 264
Service cost	150	47	43	25	18	4	8	5
Interest cost	317	75	100	45	54	18	26	10
Actuarial loss	716	101	223	87	135	54	87	33
Transfers	—	11	—	—	—	—	—	—
Benefits paid	(731)	(265)	(191)	(112)	(78)	(30)	(46)	(20)
Obligation at measurement date	$ 8,321	$ 1,923	$ 2,608	$ 1,170	$ 1,424	$ 481	$ 693	$ 292
Accumulated Benefit Obligation at measurement date	$ 8,262	$ 1,923	$ 2,578	$ 1,170	$ 1,392	$ 471	$ 686	$ 292
Change in Fair Value of Plan Assets								
Plan assets at prior measurement date	$ 8,233	$ 2,168	$ 2,606	$ 1,268	$ 1,322	$ 405	$ 611	$ 305
Employer contributions	77	7	57	4	53	2	2	1
Actual return on plan assets	1,331	342	426	204	218	66	100	49
Benefits paid	(731)	(265)	(191)	(112)	(78)	(30)	(46)	(20)
Transfers	—	11	—	—	—	—	—	—
Plan assets at measurement date	$ 8,910	$ 2,263	$ 2,898	$ 1,364	$ 1,515	$ 443	$ 667	$ 335
Funded status of plan	$ 589	$ 340	$ 290	$ 194	$ 91	$ (38)	$ (26)	$ 43

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Prefunded pension[(a)]	$ 780	$ 393	$ 379	$ 229	$ 143	$ 58	$ 79	$ 50
Noncurrent pension liability[(b)]	$ 77	$ —	$ 45	$ —	$ 45	$ 88	$ 110	$ —
Net asset (liability) recognized	$ 703	$ 393	$ 334	$ 229	$ 98	$ (30)	$ (31)	$ 50
Regulatory assets	$ 1,910	$ 381	$ 691	$ 283	$ 408	$ 110	$ 209	$ 80
Accumulated other comprehensive (income) loss								
Deferred income tax benefit	$ (21)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Prior service credit	(2)	—	—	—	—	—	—	—
Net actuarial loss	100	—	2	—	—	—	—	—
Net amounts recognized in accumulated other comprehensive loss	$ 77	$ —	$ 2	$ —	$ —	$ —	$ —	$ —

	December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Prefunded pension[(a)]	$ 621	$ 340	$ 322	$ 194	$ 123	$ 38	$ 57	$ 43
Noncurrent pension liability[(b)]	$ 32	$ —	$ 32	$ —	$ 32	$ 76	$ 83	$ —
Net asset recognized	$ 589	$ 340	$ 290	$ 194	$ 91	$ (38)	$ (26)	$ 43
Regulatory assets	$ 1,972	$ 420	$ 717	$ 313	$ 404	$ 112	$ 204	$ 81
Accumulated other comprehensive (income) loss								
Deferred income tax benefit	$ (23)	$ —	$ (1)	$ —	$ (1)	$ —	$ —	$ —
Prior service credit	(3)	—	—	—	—	—	—	—
Net actuarial loss	111	—	3	—	3	—	—	—
Net amounts recognized in accumulated other comprehensive loss	$ 85	$ —	$ 2	$ —	$ 2	$ —	$ —	$ —
Amounts to be recognized in net periodic pension costs in the next year								
Unrecognized net actuarial loss	$ 135	$ 29	$ 43	$ 19	$ 24	$ 7	$ 10	$ 9
Unrecognized prior service credit	(32)	(8)	(3)	(2)	(1)	(1)	(2)	(9)

(a) Included in Other within Other Noncurrent Assets on the Consolidated Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Consolidated Balance Sheets.

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets

	December 31, 2020				
(in millions)	Duke Energy	Progress Energy	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Projected benefit obligation	$ 4,914	$ 828	$ 828	$ 184	$ 293
Accumulated benefit obligation	4,856	796	796	176	285
Fair value of plan assets	4,837	783	783	96	183

	December 31, 2019	
(in millions)	Duke Energy Ohio	Duke Energy Indiana
Projected benefit obligation	$ 155	$ 260
Accumulated benefit obligation	146	252
Fair value of plan assets	79	177

Assumptions Used for Pension Benefits Accounting

The discount rate used to determine the current year pension obligation and following year's pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high-quality corporate bonds that generate sufficient cash flow to provide for projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

The average remaining service period for participants in active plans and life expectancy of participants in inactive plans is 13 years for Duke Energy, Duke Energy Indiana and Duke Energy Ohio, 14 years for Progress Energy, Duke Energy Progress and Duke Energy Florida, 12 years for Duke Energy Carolinas and nine years for Piedmont.

The following tables present the assumptions or range of assumptions used for pension benefit accounting.

	December 31,		
	2020	2019	2018
Benefit Obligations			
Discount rate	**2.60%**	3.30%	4.30%
Interest crediting rate	**4.00%**	4.00%	4.00%
Salary increase	**3.50 % – 4.00%**	3.50 % – 4.00%	3.50 % – 4.00%
Net Periodic Benefit Cost			
Discount rate	**3.30%**	4.30%	3.60%
Interest crediting rate	**4.00%**	4.00%	4.00%
Salary increase	**3.50 % – 4.00%**	3.50 % – 4.00%	3.50 % – 4.00%
Expected long-term rate of return on plan assets	**6.85%**	6.85%	6.50%

Expected Benefit Payments

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Years ending December 31,								
2021	$ 667	$ 169	$ 177	$ 94	$ 82	$ 40	$ 53	$ 29
2022	650	170	176	92	83	39	51	25
2023	655	174	181	95	85	38	49	22
2024	644	168	184	96	87	37	49	21
2025	617	163	181	93	88	35	47	19
2025-2029	2,745	677	846	399	443	154	217	83

NON-QUALIFIED PENSION PLANS

The accumulated benefit obligation, which equals the projected benefit obligation for non-qualified pension plans, was $320 million for Duke Energy, $13 million for Duke Energy Carolinas, $111 million for Progress Energy, $33 million for Duke Energy Progress, $45 million for Duke Energy Florida, $4 million for Duke Energy Ohio, $2 million for Duke Energy Indiana and $4 million for Piedmont as of December 31, 2020.

Employer contributions, which equal benefits paid for non-qualified pension plans, were $23 million for Duke Energy, $2 million for Duke Energy Carolinas, $8 million for Progress Energy, $3 million for Duke Energy Progress and $3 million for Duke Energy Florida for the year ended December 31, 2020. Employer contributions were not material for Duke Energy Ohio, Duke Energy Indiana or Piedmont for the year ended December 31, 2020.

Net periodic pension costs for non-qualified pension plans were not material for the years ended December 31, 2020, 2019 or 2018.

OTHER POST-RETIREMENT BENEFIT PLANS

Duke Energy provides, and the Subsidiary Registrants participate in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care benefits include medical, dental and prescription drug coverage and are subject to certain limitations, such as deductibles and copayments.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2020, 2019 or 2018.

Components of Net Periodic Other Post-Retirement Benefit Costs

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 4	$ 1	$ 1	$ —	$ —	$ —	$ 1	$ —
Interest cost on accumulated post-retirement benefit obligation	23	5	10	5	4	1	2	1
Expected return on plan assets	(13)	(8)	—	—	—	—	—	(2)
Amortization of actuarial loss	2	—	1	—	1	—	4	—
Amortization of prior service credit	(14)	(4)	(3)	(1)	(2)	(1)	(1)	(2)
Net periodic post-retirement benefit costs [(a)(b)]	$ 2	$ (6)	$ 9	$ 4	$ 3	$ —	$ 6	$ (3)

	Year Ended December 31, 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	$ 4	$ 1	$ 1	$ —	$ 1	$ —	$ 1	$ —
Interest cost on accumulated post-retirement benefit obligation	30	7	12	7	5	1	3	1
Expected return on plan assets	(12)	(7)	—	—	—	—	—	(1)
Amortization of actuarial loss	4	2	1	—	1	—	4	—
Amortization of prior service credit	(19)	(5)	(8)	(1)	(7)	(1)	(1)	(2)
Net periodic post-retirement benefit costs[(a)(b)]	$ 7	$ (2)	$ 6	$ 6	$ —	$ —	$ 7	$ (2)

	Year Ended 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
Service cost	$ 6	$ 1	$ 1	$ —	$ 1	$ 1	$ 1	$ 1
Interest cost on accumulated post-retirement benefit obligation	28	7	12	6	6	1	3	1
Expected return on plan assets	(13)	(8)	—	—	—	—	—	(2)
Amortization of actuarial loss	6	3	1	1	—	—	4	—
Amortization of prior service credit	(19)	(5)	(8)	(1)	(7)	(1)	(1)	(2)
Net periodic post-retirement benefit costs[(a)(b)]	$ 8	$ (2)	$ 6	$ 6	$ —	$ 1	$ 7	$ (2)

(a) Duke Energy amounts exclude $6 million, $6 million and $7 million for the years ended December 2020, 2019 and 2018, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.
(b) Duke Energy Ohio amounts exclude $1 million, $2 million and $2 million for the years ended December 2020, 2019 and 2018, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.

Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Regulatory assets, net increase (decrease)	$ 9	$ —	$ 9	$ 6	$ 3	$ —	$ (4)	$ —
Regulatory liabilities, net increase (decrease)	$ (10)	$ (7)	$ —	$ —	$ —	$ —	$ (1)	$ —
Accumulated other comprehensive (income) loss								
Deferred income tax benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Amortization of prior year service credit	1	—	—	—	—	—	—	—
Net amount recognized in accumulated other comprehensive income	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Regulatory assets, net increase (decrease)	$ (127)	$ —	$ (127)	$ (82)	$ (45)	$ —	$ (5)	$ —
Regulatory liabilities, net increase (decrease)	$ (152)	$ 1	$ (149)	$ (93)	$ (56)	$ (1)	$ (4)	$ 3
Accumulated other comprehensive (income) loss								
Deferred income tax benefit	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Amortization of prior year actuarial gain	(4)	—	—	—	—	—	—	—
Net amount recognized in accumulated other comprehensive income	$ (4)	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Reconciliation of Funded Status to Accrued Other Post-Retirement Benefit Costs

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Change in Projected Benefit Obligation								
Accumulated post-retirement benefit obligation at prior measurement date	**$ 723**	**$ 175**	**$ 303**	**$ 168**	**$ 135**	**$ 29**	**$ 64**	**$ 30**
Service cost	**4**	**1**	**1**	**—**	**—**	**—**	**1**	**—**
Interest cost	**23**	**5**	**10**	**5**	**4**	**1**	**2**	**1**
Plan participants' contributions	**15**	**3**	**5**	**3**	**2**	**1**	**2**	**—**
Actuarial losses	**19**	**8**	**8**	**5**	**2**	**—**	**1**	**1**
Benefits paid	**(75)**	**(18)**	**(28)**	**(15)**	**(13)**	**(4)**	**(9)**	**(2)**
Accumulated post-retirement benefit obligation at measurement date	**$ 709**	**$ 174**	**$ 299**	**$ 166**	**$ 130**	**$ 27**	**$ 61**	**$ 30**
Change in Fair Value of Plan Assets								
Plan assets at prior measurement date	**$ 220**	**$ 130**	**$ (1)**	**$ (1)**	**$ —**	**$ 9**	**$ 5**	**$ 34**
Actual return on plan assets	**24**	**14**	**—**	**—**	**—**	**—**	**1**	**4**
Benefits paid	**(75)**	**(18)**	**(28)**	**(15)**	**(13)**	**(4)**	**(9)**	**(2)**
Employer contributions	**53**	**10**	**23**	**11**	**10**	**3**	**8**	**1**
Plan participants' contributions	**15**	**3**	**5**	**3**	**2**	**1**	**2**	**—**
Plan assets at measurement date	**$ 237**	**$ 139**	**$ (1)**	**$ (2)**	**$ (1)**	**$ 9**	**$ 7**	**$ 37**
Funded status of plan	**$ (472)**	**$ (35)**	**$ (300)**	**$ (168)**	**$ (131)**	**$ (18)**	**$ (54)**	**$ 7**

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Change in Projected Benefit Obligation								
Accumulated post-retirement benefit obligation at prior measurement date	$ 728	$ 174	$ 303	$ 166	$ 137	$ 29	$ 67	$ 30
Service cost	4	1	1	—	1	—	1	—
Interest cost	30	7	12	7	5	1	3	1
Plan participants' contributions	16	3	6	3	2	1	2	—
Actuarial losses	28	9	13	9	5	1	2	—
Benefits paid	(83)	(19)	(32)	(17)	(15)	(3)	(11)	(1)
Accumulated post-retirement benefit obligation at measurement date	$ 723	$ 175	$ 303	$ 168	$ 135	$ 29	$ 64	$ 30
Change in Fair Value of Plan Assets								
Plan assets at prior measurement date	$ 195	$ 115	$ —	$ —	$ —	$ 8	$ 5	$ 29
Actual return on plan assets	32	20	(1)	—	—	1	—	6
Benefits paid	(83)	(19)	(32)	(17)	(15)	(3)	(11)	(1)
Employer contributions	60	11	26	13	13	2	9	—
Plan participants' contributions	16	3	6	3	2	1	2	—
Plan assets at measurement date	$ 220	$ 130	$ (1)	$ (1)	$ —	$ 9	$ 5	$ 34
Funded status of plan	$ (503)	$ (45)	$ (304)	$ (169)	$ (135)	$ (20)	$ (59)	$ 4

Amounts Recognized in the Consolidated Balance Sheets

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Prefunded post-retirement benefit	**$ 8**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1**	**$ —**	**$ 7**
Current post-retirement liability[a]	**9**	**—**	**6**	**4**	**2**	**2**	**—**	**—**
Noncurrent post-retirement liability[b]	**471**	**35**	**294**	**164**	**129**	**17**	**54**	**—**
Net liability (asset) recognized	**$ 472**	**$ 35**	**$ 300**	**$ 168**	**$ 131**	**$ 18**	**$ 54**	**$ (7)**
Regulatory assets	**$ 144**	**$ —**	**$ 144**	**$ 88**	**$ 56**	**$ —**	**$ 32**	**$ —**
Regulatory liabilities	**$ 139**	**$ 32**	**$ —**	**$ —**	**$ —**	**$ 17**	**$ 62**	**$ 3**
Accumulated other comprehensive (income) loss								
Deferred income tax expense	**$ 3**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Prior service credit	**(1)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net actuarial gain	**(13)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net amounts recognized in accumulated other comprehensive income	**$ (11)**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

	December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current post-retirement liability[a]	$ 9	$ —	$ 5	$ 3	$ 2	$ 1	$ —	$ —
Noncurrent post-retirement liability[b]	494	45	299	163	133	19	59	(4)
Total accrued post-retirement liability	$ 503	$ 45	$ 304	$ 166	$ 135	$ 20	$ 59	$ (4)
Regulatory assets	$ 135	$ —	$ 135	$ 82	$ 53	$ —	$ 36	$ —
Regulatory liabilities	$ 149	$ 39	$ —	$ —	$ —	$ 17	$ 63	$ 3
Accumulated other comprehensive (income) loss								
Deferred income tax expense	$ 3	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Prior service credit	(2)	—	—	—	—	—	—	—
Net actuarial gain	(13)	—	—	—	—	—	—	—
Net amounts recognized in accumulated other comprehensive income	$ (12)	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Amounts to be recognized in net periodic pension expense in the next year								
Unrecognized net actuarial loss	$ 5	$ 3	$ 1	$ —	$ 1	$ —	$ —	$ —
Unrecognized prior service credit	(14)	(4)	(3)	(1)	(2)	(1)	(1)	(2)

(a) Included in Other within Current Liabilities on the Consolidated Balance Sheets.
(b) Included in Accrued pension and other post-retirement benefit costs on the Consolidated Balance Sheets.

Assumptions Used for Other Post-Retirement Benefits Accounting

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high-quality corporate bonds that generate sufficient cash flow to provide for projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

The average remaining service period of active covered employees is eight years for Duke Energy, seven years for Progress Energy, Duke Energy Florida and Duke Energy Ohio and six years for Duke Energy Carolinas, Duke Energy Progress, Duke Energy Indiana and Piedmont.

The following tables present the assumptions used for other post-retirement benefits accounting.

	December 31,		
	2020	**2019**	**2018**
Benefit Obligations			
Discount rate	**2.60 %**	3.30 %	4.30 %
Net Periodic Benefit Cost			
Discount rate	**3.30 %**	4.30 %	3.60 %
Expected long-term rate of return on plan assets	**6.85 %**	6.85 %	6.50 %
Assumed tax rate	**23 %**	23 %	35 %

Assumed Health Care Cost Trend Rate

	December 31,	
	2020	**2019**
Health care cost trend rate assumed for next year	**6.25 %**	6.00 %
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	**4.75 %**	4.75 %
Year that rate reaches ultimate trend	**2028**	2026

Expected Benefit Payments

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Years ending December 31,								
2021	$ 73	$ 17	$ 28	$ 15	$ 12	$ 3	$ 8	$ 2
2022	66	16	26	14	12	3	7	2
2023	62	15	25	14	11	3	6	2
2024	58	14	24	13	11	2	6	2
2025	54	13	22	12	10	2	5	2
2026-2030	223	54	94	52	41	9	21	11

PLAN ASSETS

Description and Allocations

Duke Energy Master Retirement Trust

Assets for both the qualified pension and other post-retirement benefits are maintained in the Duke Energy Master Retirement Trust. Approximately 98% of the Duke Energy Master Retirement Trust assets were allocated to qualified pension plans and approximately 2% were allocated to other post-retirement plans (comprised of 401(h) accounts), as of December 31, 2020, and 2019. The investment objective of the Duke Energy Master Retirement Trust is to invest in a diverse portfolio of assets that is expected to generate positive surplus return over time (i.e., asset growth greater than liability growth) subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for plan participants.

As of December 31, 2020, Duke Energy assumes pension and other post-retirement plan assets will generate a long-term rate of return of 6.5%. The expected long-term rate of return was developed using a weighted average calculation of expected returns based primarily on future expected returns across asset classes considering the use of active asset managers, where applicable. The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their higher expected returns. Debt securities are primarily held to hedge the qualified pension plan. Return seeking debt securities, hedge funds and other global securities are held for diversification. Investments within asset classes are diversified to achieve broad market participation and reduce the impact of individual managers or investments.

Effective January 1, 2020, the target asset allocation for the Duke Energy Retirement Master Trust is 58% liability hedging assets and 42% return-seeking assets. Duke Energy periodically reviews its asset allocation targets, and over time, as the funded status of the benefit plans increase, the level of asset risk relative to plan liabilities may be reduced to better manage Duke Energy's benefit plan liabilities and reduce funded status volatility.

The Duke Energy Master Retirement Trust is authorized to engage in the lending of certain plan assets. Securities lending is an investment management enhancement that utilizes certain existing securities of the Duke Energy Master Retirement Trust to earn additional income. Securities lending involves the loaning of securities to approved parties. In return for the loaned securities, the Duke Energy Master Retirement Trust receives collateral in the form of cash and securities as a safeguard against possible default of any borrower on the return of the loan under terms that permit the Duke Energy Master Retirement Trust to sell the securities. The Duke Energy Master Retirement Trust mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned, with additional collateral obtained or refunded as necessary. The fair value of securities on loan was approximately $482 million and $351 million at December 31, 2020, and 2019, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned at December 31, 2020, and 2019, respectively. Securities lending income earned by the Duke Energy Master Retirement Trust was immaterial for the years ended December 31, 2020, 2019 and 2018, respectively.

Qualified pension and other post-retirement benefits for the Subsidiary Registrants are derived from the Duke Energy Master Retirement Trust, as such, each are allocated their proportionate share of the assets discussed below.

The following table includes the target asset allocations by asset class at December 31, 2020, and the actual asset allocations for the Duke Energy Master Retirement Trust.

	Target	Actual Allocation at December 31,	
	Allocation	2020	2019
Global equity securities	28 %	**30 %**	27 %
Global private equity securities	1 %	**1 %**	1 %
Debt securities	58 %	**55 %**	57 %
Return seeking debt securities	4 %	**5 %**	5 %
Hedge funds	3 %	**3 %**	3 %
Real estate and cash	6 %	**6 %**	7 %
Total	100 %	**100 %**	100 %

Other post-retirement assets

Duke Energy's other post-retirement assets are comprised of Voluntary Employees' Beneficiary Association (VEBA) trusts and 401(h) accounts held within the Duke Energy Master Retirement Trust. Duke Energy's investment objective is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants.

The following table presents target and actual asset allocations for the VEBA trusts at December 31, 2020.

	Target	Actual Allocation at December 31,	
	Allocation	2020	2019
U.S. equity securities	30 %	**36 %**	35 %
Non-U.S. equity securities	6 %	**6 %**	9 %
Real estate	2 %	**2 %**	2 %
Debt securities	45 %	**42 %**	37 %
Cash	17 %	**14 %**	17 %
Total	100 %	**100 %**	100 %

Fair Value Measurements

Duke Energy classifies recurring and non-recurring fair value measurements based on the fair value hierarchy as discussed in Note 16.

Valuation methods of the primary fair value measurements disclosed below are as follows:

Investments in equity securities

Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the reporting period. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. Prices have not been adjusted to reflect after-hours market activity. The majority of investments in equity securities are valued using Level 1 measurements. When the price of an institutional commingled fund is unpublished, it is not categorized in the fair value hierarchy, even though the funds are readily available at the fair value.

Investments in corporate debt securities and U.S. government securities

Most debt investments are valued based on a calculation using 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. Most debt valuations are Level 2 measurements. If the market for a particular fixed-income security is relatively inactive or illiquid, the measurement is Level 3. U.S. Treasury debt is typically Level 2.

Investments in short-term investment funds

Investments in short-term investment funds are valued at the net asset value of units held at year end and are readily redeemable at the measurement date. Investments in short-term investment funds with published prices are valued as Level 1. Investments in short-term investment funds with unpublished prices are valued as Level 2.

Duke Energy Master Retirement Trust

The following tables provide the fair value measurement amounts for the Duke Energy Master Retirement Trust qualified pension and other post-retirement assets.

	December 31, 2020				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized[b]
Equity securities	$ 3,202	$ 3,162	$ —	$ —	$ 40
Corporate debt securities	4,162	—	4,162	—	—
Short-term investment funds	397	247	150	—	—
Partnership interests	97	—	—	—	97
Hedge funds	198	—	—	—	198
U.S. government securities	1,164	—	1,164	—	—
Governments bonds – foreign	73	—	73	—	—
Cash	98	98	—	—	—
Net pending transactions and other investments	88	34	54	—	—
Total assets[a]	$ 9,479	$ 3,541	$ 5,603	$ —	$ 335

(a) Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont were allocated approximately 26%, 32%, 15%, 17%, 5%, 7% and 4%, respectively, of the Duke Energy Master Retirement Trust at December 31, 2020. Accordingly, all amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.
(b) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy.

	December 31, 2019				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized[b]
Equity securities	$ 2,730	$ 2,712	$ —	$ —	$ 18
Corporate debt securities	3,999	—	3,999	—	—
Short-term investment funds	545	455	90	—	—
Partnership interests	104	—	—	—	104
Hedge funds	206	—	—	—	206
U.S. government securities	1,231	—	1,231	—	—
Guaranteed investment contracts	11	—	—	11	—
Governments bonds – foreign	78	—	78	—	—
Cash	75	75	—	—	—
Net pending transactions and other investments	46	(43)	89	—	—
Total assets[a]	$ 9,025	$ 3,199	$ 5,487	$ 11	$ 328

(a) Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont were allocated approximately 26%, 31%, 15%, 17%, 5%, 7% and 4%, respectively, of the Duke Energy Master Retirement Trust at December 31, 2019. Accordingly, all amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.
(b) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy.

The following table provides a reconciliation of beginning and ending balances of Duke Energy Master Retirement Trust qualified pension and other post-retirement assets at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

(in millions)		2020		2019
Balance at January 1	$	**11**	$	27
Sales		**(12)**		(18)
Total gains and other, net		**1**		2
Transfer of Level 3 assets to other classifications		**—**		—
Balance at December 31	$	**—**	$	11

Other post-retirement assets

The following tables provide the fair value measurement amounts for VEBA trust assets.

	December 31, 2020			
(in millions)		Total Fair Value		Level 2
Cash and cash equivalents	**$**	**5**	**$**	**5**
Real estate		**1**		**1**
Equity securities		**23**		**23**
Debt securities		**19**		**19**
Total assets	**$**	**48**	**$**	**48**

	December 31, 2019			
(in millions)		Total Fair Value		Level 2
Cash and cash equivalents	$	9	$	9
Real estate		1		1
Equity securities		22		22
Debt securities		18		18
Total assets	$	50	$	50

EMPLOYEE SAVINGS PLANS

Retirement Savings Plan

Duke Energy or its affiliates sponsor, and the Subsidiary Registrants participate in, employee savings plans that cover substantially all U.S. employees. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100% of employee before-tax and Roth 401(k) contributions of up to 6% of eligible pay per pay period. Dividends on Duke Energy shares held by the savings plans are charged to retained earnings when declared and shares held in the plans are considered outstanding in the calculation of basic and diluted EPS.

For new and rehired employees who are not eligible to participate in Duke Energy's defined benefit plans, an additional employer contribution of 4% of eligible pay per pay period, which is subject to a three-year vesting schedule, is provided to the employee's savings plan account. Certain Piedmont employees whose participation in a prior Piedmont defined benefit plan (that was frozen as of December 31, 2017) are eligible for employer transition credit contributions of 3% to 5% of eligible pay per period, for each pay period during the three-year period ending December 31, 2020.

The following table includes pretax employer matching contributions made by Duke Energy and expensed by the Subsidiary Registrants.

(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana		Piedmont
Years ended December 31,																
2020	**$**	**213**	**$**	**67**	**$**	**57**	**$**	**38**	**$**	**19**	**$**	**5**	**$**	**11**	**$**	**13**
2019		214		66		58		38		20		5		11		13
2018		213		68		58		40		19		4		10		12

23. INCOME TAXES

Consolidated Appropriations Act

On December 27, 2020, President Trump signed the Consolidated Appropriations Act (CAA) into law. In addition to the CAA providing funding for government operations, it also provided tax provisions to assist with COVID-19 relief, including extending certain expiring tax provisions. The Company has reviewed the provisions of the CAA and has determined that there is no material impact on the 2020 financial statements as a result of the CAA being signed into law.

CARES Act

On March 27, 2020, the CARES Act was enacted. The CARES Act is an emergency economic stimulus package in response to the COVID-19 pandemic. Among other provisions, the CARES Act accelerates the remaining AMT credit refund allowances resulting in taxpayers being able to immediately claim a refund in full for any AMT credit carryforwards and deferral of certain 2020 payroll taxes. In the third quarter of 2020, Duke Energy received $572 million related to these AMT credit carryforwards and $19 million of interest income. In addition, the Company has deferred approximately $117 million of payroll taxes, with 50% payable by December 31, 2021, and the remaining 50% payable by December 31, 2022. The other provisions within the CARES Act do not materially impact Duke Energy's income tax accounting. See Note 1 for information on COVID-19.

Tax Act

On December 22, 2017, President Trump signed the Tax Act into law. Among other provisions, the Tax Act lowered the corporate federal income tax rate from 35% to 21%, limits interest deductions outside of regulated utility operations, requires the normalization of excess deferred taxes associated with property under the average rate assumption method as a prerequisite to qualifying for accelerated depreciation and repealed the federal manufacturing deduction. The Tax Act also repealed the corporate AMT and stipulates a refund of 50% of remaining AMT credit carryforwards (to the extent the credits exceed regular tax for the year) for tax years 2018, 2019, and 2020, with all remaining AMT credits to be refunded in tax year 2021.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin (SAB) 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act, which provides guidance on accounting for the Tax Act's impact. SAB 118 provides a measurement period, which in no case should extend beyond one year from the Tax Act enactment date, during which a company acting in good faith may complete the accounting for the impacts of the Tax Act under ASC Topic 740. In accordance with SAB 118, a company must reflect the income tax effects of the Tax Act in the reporting period in which the accounting under ASC Topic 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete, a company can determine a reasonable estimate for those effects and record a provisional estimate in the financial statements in the first reporting period in which a reasonable estimate can be determined.

As of December 31, 2018, the accounting for the effects of the Tax Act was complete. During the year ended December 31, 2018, Duke Energy recorded the following measurement period adjustments in accordance with SAB 118:

- Additional tax expense of $23 million related to the completion of the analysis of Duke Energy's existing regulatory liability related to deferred taxes;
- A $10 million tax benefit for the remeasurement of deferred tax assets and deferred tax liabilities primarily related to the guidance on bonus depreciation issued by the IRS in August 2018, affecting the computation of the Company's 2017 Federal income tax liability;
- Additional tax expense of $7 million related to the portion of the deferred tax asset as of December 31, 2017, that represents nondeductible long-term incentives under the Tax Act's limitation on the deductibility of executive compensation; and
- During the fourth quarter of 2018, the Company released the $76 million valuation allowance that it recorded in the first quarter of 2018 as a result of additional guidance published by the IRS that stated refundable AMT credits would not be subject to sequestration.
- The majority of Duke Energy's operations are regulated and it is expected that the Subsidiary Registrants will ultimately pass on the savings associated with the amount representing the remeasurement of deferred tax balances related to regulated operations to customers. For Duke Energy's regulated operations, where the reduction is expected to be returned to customers in future rates, the remeasurement has been deferred as a regulatory liability. During 2018, Duke Energy recorded an additional regulatory liability of $83 million, representing the revaluation of those deferred tax balances. The Subsidiary Registrants continue to respond to requests from regulators in various jurisdictions to determine the timing and magnitude of savings they will pass on to customers.

In addition, during 2018, Duke Energy reclassified $573 million of AMT credit carryforwards from noncurrent deferred tax liabilities to a current federal income tax receivable. In 2019, Duke Energy received a refund of $573 million related to AMT credit carryforwards based on the filing of Duke Energy's 2018 income tax return in 2019 and reclassified $286 million of AMT credits from noncurrent deferred tax liabilities to a current federal income tax receivable.

Income Tax Expense

Components of Income Tax Expense

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current income taxes								
Federal	$ (281)	$ 314	$ 280	$ 181	$ 148	$ 10	$ 48	$ (27)
State	(9)	35	29	17	24	1	7	(8)
Foreign	1	—	—	—	—	—	—	—
Total current income taxes	(289)	349	309	198	172	11	55	(35)
Deferred income taxes								
Federal	155	(171)	(167)	(180)	1	30	12	60
State	(92)	(86)	(24)	(49)	25	2	17	(7)
Total deferred income taxes[(a)]	63	(257)	(191)	(229)	26	32	29	53
ITC amortization	(10)	(4)	(5)	(5)	—	—	—	—
Income tax (benefit) expense from continuing operations	(236)	88	113	(36)	198	43	84	18
Tax expense from discontinued operations	2	—	—	—	—	—	—	—
Total income tax (benefit) expense included in Consolidated Statements of Operations	$ (234)	$ 88	$ 113	$ (36)	$ 198	$ 43	$ 84	$ 18

(a) Total deferred income taxes includes the generation of NOL carryforwards and tax credit carryforwards of $20 million at Duke Energy Carolinas, $3 million at Duke Energy Progress, $8 million at Duke Energy Indiana, and $11 million at Piedmont. In addition, total deferred income taxes includes utilization of NOL carryforwards and tax credit carryforwards of $39 million at Progress Energy, $30 million at Duke Energy Florida and $79 million at Duke Energy.

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Current income taxes								
Federal	$ (299)	$ 164	$ (173)	$ (36)	$ (43)	$ (41)	$ (23)	$ (92)
State	10	13	(7)	(3)	18	(1)	1	(1)
Foreign	2	—	—	—	—	—	—	—
Total current income taxes	(287)	177	(180)	(39)	(25)	(42)	(22)	(93)
Deferred income taxes								
Federal	855	175	422	220	153	77	128	133
State	(38)	(37)	17	(18)	27	5	28	3
Total deferred income taxes[(a)]	817	138	439	202	180	82	156	136
ITC amortization	(11)	(4)	(6)	(6)	—	—	—	—
Income tax expense from continuing operations	519	311	253	157	155	40	134	43
Tax benefit from discontinued operations	(2)	—	—	—	—	—	—	—
Total income tax expense included in Consolidated Statements of Operations	$ 517	$ 311	$ 253	$ 157	$ 155	$ 40	$ 134	$ 43

(a) Total deferred income taxes includes the generation of tax credit carryforwards of $8 million at Duke Energy Carolinas. In addition, total deferred income taxes includes utilization of NOL carryforwards and tax credit carryforwards of $243 million at Progress Energy, $35 million at Duke Energy Progress, $152 million at Duke Energy Florida, $25 million at Duke Energy Ohio, $60 million at Duke Energy Indiana, $90 million at Piedmont and $775 million at Duke Energy.

	Year Ended 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 income taxes								
Federal	$ (647)	$ (8)	$ (135)	$ (71)	$ (49)	$ 20	$ 29	$ 67
State	(11)	6	(5)	(5)	(10)	(1)	3	1
Foreign	3	—	—	—	—	—	—	—
Total current income taxes	(655)	(2)	(140)	(76)	(59)	19	32	68
Deferred income taxes								
Federal	1,064	299	341	256	115	21	74	(36)
State	49	11	20	(17)	45	3	22	5
Total deferred income taxes(a)(b)	1,113	310	361	239	160	24	96	(31)
ITC amortization	(10)	(5)	(3)	(3)	—	—	—	—
Income tax expense from continuing operations	448	303	218	160	101	43	128	37
Tax benefit from discontinued operations	(26)	—	—	—	—	—	—	—
Total income tax expense included in Consolidated Statements of Operations	$ 422	$ 303	$ 218	$ 160	$ 101	$ 43	$ 128	$ 37

(a) Includes benefits of NOL carryforwards and tax credit carryforwards of $22 million at Duke Energy Carolinas, $293 million at Progress Energy, $59 million at Duke Energy Progress, $219 million at Duke Energy Florida, $17 million at Duke Energy Ohio, $21 million at Duke Energy Indiana and $39 million at Piedmont. In addition, total deferred income taxes includes utilization of NOL carryforwards and tax credit carryforwards of $18 million at Duke Energy.

(b) For the year ended December 31, 2018, the Company has revised the December 31, 2017, estimates of the income tax effects of the Tax Act, in accordance with SAB 118. See the Statutory Rate Reconciliation section below for additional information on the Tax Act's impact on income tax expense .

Duke Energy Income from Continuing Operations before Income Taxes

	Years Ended December 31,		
(in millions)	2020	2019	2018
Domestic	**$ 826**	$ 4,053	$ 3,018
Foreign	**13**	44	55
Income from continuing operations before income taxes	**$ 839**	$ 4,097	$ 3,073

Statutory Rate Reconciliation

The following tables present a reconciliation of income tax expense at the U.S. federal statutory tax rate to the actual tax expense from continuing operations.

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Income tax expense, computed at the statutory rate of 21%	**$ 176**	**$ 219**	**$ 243**	**$ 80**	**$ 204**	**$ 62**	**$ 103**	**$ 61**
State income tax, net of federal income tax effect	**(80)**	**(40)**	**4**	**(25)**	**39**	**2**	**19**	**(12)**
Amortization of excess deferred income tax	**(276)**	**(82)**	**(118)**	**(68)**	**(49)**	**(20)**	**(36)**	**(21)**
AFUDC equity income	**(48)**	**(13)**	**(9)**	**(6)**	**(3)**	**(2)**	**(4)**	**(10)**
AFUDC equity depreciation	**103**	**19**	**10**	**5**	**5**	**1**	**4**	**—**
Noncontrolling Interests	**62**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Renewable energy PTCs	**(110)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Other tax credits	**(37)**	**(13)**	**(16)**	**(14)**	**(2)**	**(1)**	**(3)**	**(2)**
Tax true up	**(12)**	**(3)**	**1**	**(5)**	**5**	**—**	**(1)**	**1**
Other items, net	**(14)**	**1**	**(2)**	**(3)**	**(1)**	**1**	**2**	**1**
Income tax (benefit) expense from continuing operations	**$ (236)**	**$ 88**	**$ 113**	**$ (36)**	**$ 198**	**$ 43**	**$ 84**	**$ 18**
Effective tax rate	**(28.1)%**	**8.4 %**	**9.7 %**	**(9.5)%**	**20.4 %**	**14.6 %**	**17.1 %**	**6.2 %**

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Income tax expense, computed at the statutory rate of 21%	$ 860	$ 360	$ 332	$ 202	$ 178	$ 59	$ 120	$ 51
State income tax, net of federal income tax effect	(22)	(19)	8	(17)	35	3	22	2
Amortization of excess deferred income tax	(121)	(29)	(64)	(10)	(54)	(12)	(6)	(10)
AFUDC equity income	(52)	(9)	(14)	(13)	(1)	(3)	(3)	—
AFUDC equity depreciation	34	19	10	5	5	1	4	—
Renewable energy PTCs	(120)	—	—	—	—	—	—	—
Other tax credits	(23)	(11)	(9)	(7)	(2)	(1)	(1)	(1)
Tax true up	(64)	(9)	(8)	(3)	(5)	(7)	(1)	—
Other items, net	27	9	(2)	—	(1)	—	(1)	1
Income tax expense from continuing operations	$ 519	$ 311	$ 253	$ 157	$ 155	$ 40	$ 134	$ 43
Effective tax rate	12.7 %	18.1 %	16.0 %	16.3 %	18.3 %	14.3 %	23.5 %	17.6 %

	Year Ended 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
Income tax expense, computed at the statutory rate of 21%	$ 645	$ 288	$ 263	$ 174	$ 137	$ 46	$ 109	$ 35
State income tax, net of federal income tax effect	30	14	13	(17)	28	2	20	4
Amortization of excess deferred income tax	(61)	—	(55)	(1)	(54)	(3)	(2)	—
AFUDC equity income	(42)	(15)	(22)	(12)	(10)	(2)	(2)	—
AFUDC equity depreciation	31	18	9	5	4	1	4	—
Renewable energy PTCs	(129)	—	—	—	—	—	—	—
Other tax credits	(28)	(7)	(13)	(5)	(8)	(1)	(1)	(3)
Tax Act[(a)]	20	1	25	19	—	2	—	—
Other items, net	(18)	4	(2)	(3)	4	(2)	—	1
Income tax expense from continuing operations	$ 448	$ 303	$ 218	$ 160	$ 101	$ 43	$ 128	$ 37
Effective tax rate	14.6 %	22.1 %	17.4 %	19.3 %	15.4 %	19.6 %	24.6 %	22.3 %

(a) For the year ended December 31, 2018, the Company revised the December 31, 2017, estimates of the income tax effects of the Tax Act, in accordance with SAB 118. Amounts primarily include but are not limited to items that are excluded for ratemaking purposes related certain wholesale fixed-rate contracts, remeasurement of nonregulated net deferred tax liabilities, Federal NOLs, and valuation allowance on foreign tax credits.

Valuation allowances have been established for certain state NOL carryforwards and state income tax credits that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in State income tax, net of federal income tax effect, in the above tables.

Valuation allowances have been established for foreign tax credits that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in Tax Act in the above tables.

DEFERRED TAXES

Net Deferred Income Tax Liability Components

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Deferred credits and other liabilities	**$ 286**	**$ 85**	**$ 87**	**$ 67**	**$ 18**	**$ 21**	**$ 7**	**$ 38**
Lease obligations	**515**	**96**	**208**	**120**	**87**	**5**	**16**	**5**
Pension, post-retirement and other employee benefits	**236**	**(30)**	**68**	**24**	**38**	**16**	**26**	**(5)**
Progress Energy merger purchase accounting adjustments[(a)]	**441**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Tax credits and NOL carryforwards	**3,909**	**285**	**508**	**179**	**282**	**16**	**183**	**29**
Regulatory liabilities and deferred credits	**—**	**11**	**—**	**—**	**—**	**18**	**—**	**—**
Investments and other assets	**—**	**—**	**—**	**—**	**—**	**7**		**—**
Other	**93**	**8**	**14**	**9**	**4**	**7**	**1**	**8**
Valuation allowance	**(586)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total deferred income tax assets	**4,894**	**455**	**885**	**399**	**429**	**90**	**233**	**75**
Investments and other assets	**(2,267)**	**(1,127)**	**(669)**	**(507)**	**(164)**	**—**	**(14)**	**(48)**
Accelerated depreciation rates	**(10,729)**	**(3,170)**	**(3,868)**	**(1,778)**	**(2,124)**	**(1,071)**	**(1,433)**	**(844)**
Regulatory assets and deferred debits, net	**(1,142)**	**—**	**(744)**	**(412)**	**(332)**	**—**	**(14)**	**(4)**
Total deferred income tax liabilities	**(14,138)**	**(4,297)**	**(5,281)**	**(2,697)**	**(2,620)**	**(1,071)**	**(1,461)**	**(896)**
Net deferred income tax liabilities	**$ (9,244)**	**$ (3,842)**	**$ (4,396)**	**$ (2,298)**	**$ (2,191)**	**$ (981)**	**$ (1,228)**	**$ (821)**

(a) Primarily related to lease obligations and debt fair value adjustments.

The following table presents the expiration of tax credits and NOL carryforwards.

	December 31, 2020		
(in millions)	Amount	Expiration Year	
General Business Credits	$ 2,033	2024 — 2040	
Federal NOL carryforwards[a] [f]	154	2024 — Indefinite	
Capital loss carryforward[e]	85	2024	
State carryforwards and credits[b] [f]	340	2021 — Indefinite	
Foreign NOL carryforwards[c]	12	2027 — 2037	
Foreign Tax Credits[d]	1,272	2024 — 2027	
Charitable contribution carryforwards	13	2025	
Total tax credits and NOL carryforwards	$ 3,909		

(a) A valuation allowance of $4 million has been recorded on the Federal NOL carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
(b) A valuation allowance of $97 million has been recorded on the state NOL and attribute carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
(c) A valuation allowance of $12 million has been recorded on the foreign NOL carryforwards, as presented in the Net Deferred Income Tax Liability Components table.
(d) A valuation allowance of $388 million has been recorded on the foreign tax credits, as presented in the Net Deferred Income Tax Liability Components table.
(e) A valuation allowance of $85 million has been recorded on the Federal capital loss carryforward, as presented in the Net Deferred Income Tax Liability Components table.
(f) Indefinite carryforward for Federal NOLs, and NOLs for states that have adopted the Tax Act's NOL provisions, generated in tax years beginning after December 31, 2017.

	December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Deferred credits and other liabilities	$ 125	$ 24	$ 25	$ 49	$ —	$ 14	$ 5	$ 22
Lease obligations	462	72	193	92	102	5	17	6
Pension, post-retirement and other employee benefits	303	(5)	88	38	44	17	27	(3)
Progress Energy merger purchase accounting adjustments[a]	389	—	—	—	—	—	—	—
Tax credits and NOL carryforwards	3,925	262	486	176	253	16	176	19
Regulatory liabilities and deferred credits	—	—	—	—	—	36	52	42
Investments and other assets	—	—	—	—	—	10	—	2
Other	97	5	8	3	2	8	1	6
Valuation allowance	(587)	—	—	—	—	—	—	—
Total deferred income tax assets	4,714	358	800	358	401	106	278	94
Investments and other assets	(1,664)	(981)	(577)	(390)	(190)	—	(12)	—
Accelerated depreciation rates	(10,813)	(3,254)	(3,798)	(1,918)	(1,913)	(1,028)	(1,416)	(802)
Regulatory assets and deferred debits, net	(1,115)	(44)	(887)	(438)	(477)	—	—	—
Total deferred income tax liabilities	(13,592)	(4,279)	(5,262)	(2,746)	(2,580)	(1,028)	(1,428)	(802)
Net deferred income tax liabilities	$ (8,878)	$ (3,921)	$ (4,462)	$ (2,388)	$ (2,179)	$ (922)	$ (1,150)	$ (708)

(a) Primarily related to finance lease obligations and debt fair value adjustments.

UNRECOGNIZED TAX BENEFITS

The following tables present changes to unrecognized tax benefits.

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unrecognized tax benefits – January 1	$ 126	$ 8	$ 9	$ 6	$ 3	$ 1	$ 1	$ 4
Gross decreases – tax positions in prior periods	(2)	—	—	—	—	—	—	—
Gross increases – current period tax positions	4	2	1	—	—	—	—	—
Reduction due to lapse of statute of limitations	(3)	—	—	—	—	—	—	(3)
Total changes	(1)	2	1	—	—	—	—	(3)
Unrecognized tax benefits – December 31	$ 125	$ 10	$ 10	$ 6	$ 3	$ 1	$ 1	$ 1

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unrecognized tax benefits – January 1	$ 24	$ 6	$ 9	$ 6	$ 3	$ 1	$ 1	$ 4
Unrecognized tax benefits increases	105	2	1	1	—	—	—	—
Gross decreases – tax positions in prior periods	(3)	—	(1)	(1)	—	—	—	—
Total changes	102	2	—	—	—	—	—	—
Unrecognized tax benefits – December 31	$ 126	$ 8	$ 9	$ 6	$ 3	$ 1	$ 1	$ 4

	Year Ended 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
Unrecognized tax benefits – January 1	$ 25	$ 5	$ 5	$ 5	$ 5	$ 1	$ 1	$ 3
Unrecognized tax benefits increases (decreases)								
Gross decreases – tax positions in prior periods	(2)	(1)	—	—	(4)	—	—	—
Gross increases – tax positions in prior periods	7	2	4	1	2	—	—	1
Decreases due to settlements	(6)	—	—	—	—	—	—	—
Total changes	(1)	1	4	1	(2)	—	—	1
Unrecognized tax benefits – December 31	$ 24	$ 6	$ 9	$ 6	$ 3	$ 1	$ 1	$ 4

The following table includes additional information regarding the Duke Energy Registrants' unrecognized tax benefits at December 31, 2020. Duke Energy Registrants do not anticipate a material increase or decrease in unrecognized tax benefits within the next 12 months.

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Amount that if recognized, would affect the effective tax rate or regulatory liability[(a)]	$ 122	$ 10	$ 10	$ 6	$ 3	$ 1	$ 1	$ 1

(a) The Duke Energy Registrants are unable to estimate the specific amounts that would affect the ETR versus the regulatory liability.

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2016. With few exceptions, Duke Energy and its subsidiaries are no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 2016.

24. OTHER INCOME AND EXPENSES, NET

The components of Other income and expenses, net on the Consolidated Statements of Operations are as follows.

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Interest income	**$ 32**	**$ 4**	**$ 8**	**$ 2**	**$ 6**	**$ 4**	**$ 6**	**$ 17**
AFUDC equity	**154**	**62**	**42**	**29**	**12**	**7**	**23**	**19**
Post in-service equity returns	**27**	**17**	**8**	**8**	**—**	**1**	**1**	**—**
Nonoperating income, other	**240**	**94**	**71**	**36**	**35**	**4**	**7**	**15**
Other income and expense, net	**$ 453**	**$ 177**	**$ 129**	**$ 75**	**$ 53**	**$ 16**	**$ 37**	**$ 51**

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Interest income	$ 31	$ 1	$ 11	$ —	$ 11	$ 10	$ 10	$ 1
AFUDC equity	139	42	66	60	6	13	18	—
Post in-service equity returns	29	20	7	7	—	1	—	—
Nonoperating income, other	231	88	57	33	31	—	13	19
Other income and expense, net	$ 430	$ 151	$ 141	$ 100	$ 48	$ 24	$ 41	$ 20

	Year Ended 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
Interest income	$ 20	$ 1	$ 18	$ 1	$ 18	$ 7	$ 9	$ 1
AFUDC equity	221	73	104	57	47	11	32	—
Post in-service equity returns	15	9	5	5	—	1	—	—
Nonoperating income, other	143	70	38	24	21	4	4	13
Other income and expense, net	$ 399	$ 153	$ 165	$ 87	$ 86	$ 23	$ 45	$ 14

25. SUBSEQUENT EVENTS

For information on subsequent events related to the sale of a minority interest in Duke Energy Indiana and regulatory matters, see Notes 1 and 3, respectively.

In February 2021, a severe winter storm impacted certain Commercial Renewables assets in Texas. Extreme weather conditions limited the ability for these solar and wind facilities to generate and sell electricity into the Electric Reliability Council of Texas market. The financial impact of the storm is estimated to be between approximately $75 million and $100 million on a pre-tax basis.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated the effectiveness of their disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2020, and, based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective in providing reasonable assurance of compliance.

Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated changes in internal control over financial reporting (as such term is defined in Rules 13a-15 and 15d-15 under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2020, and have concluded no change has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

The Duke Energy Registrants' management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Duke Energy Registrants' internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with GAAP. Due to inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of the internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The Duke Energy Registrants' management, including their Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of their internal control over financial reporting as of December 31, 2020, based on the framework in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that its internal controls over financial reporting were effective as of December 31, 2020.

Deloitte & Touche LLP, Duke Energy's independent registered public accounting firm, has issued an attestation report on the effectiveness of Duke Energy's internal control over financial reporting, which is included herein. This report is not applicable to the Subsidiary Registrants as these companies are not accelerated or large accelerated filers.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Duke Energy Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Duke Energy Corporation and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 25, 2021, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 25, 2021

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding Duke Energy's Executive Officers is set forth in Part I, Item 1, "Business – Information about Our Executive Officers," in this Annual Report on Form 10-K. Duke Energy will provide information that is responsive to the remainder of this Item 10 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report. That information is incorporated in this Item 10 by reference.

ITEM 11. EXECUTIVE COMPENSATION

Duke Energy will provide information that is responsive to this Item 11 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report. That information is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table shows information as of December 31, 2020, about securities to be issued upon exercise of outstanding options, warrants and rights under Duke Energy's equity compensation plans, along with the weighted average exercise price of the outstanding options, warrants and rights and the number of securities remaining available for future issuance under the plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,256,542 (2)	n/a	4,450,675 (3)
Equity compensation plans not approved by security holders	143,272 (4)	n/a	n/a (5)
Total	3,399,814	n/a	4,450,675

(1) As of December 31, 2020, no options were outstanding under equity compensation plans.
(2) Includes RSUs and performance shares (assuming the maximum payout level) granted under the Duke Energy Corporation 2015 Long-Term Incentive Plan, as well as shares that could be payable with respect to certain compensation deferred under the Duke Energy Corporation Executive Savings Plan (Executive Savings Plan) or the Directors' Savings Plan.
(3) Includes shares remaining available for issuance pursuant to stock awards under the Duke Energy Corporation 2015 Long-Term Incentive Plan.
(4) Includes shares that could be payable with respect to certain compensation deferred under the Executive Savings Plan or the Duke Energy Corporation Directors' Savings Plan (Directors' Savings Plan), each of which is a non-qualified deferred compensation plan described in more detail below.
(5) The number of shares remaining available for future issuance under equity compensation plans not approved by security holders cannot be determined because it is based on the amount of future voluntary deferrals, if any, under the Executive Savings Plan and the Directors' Savings Plan.

Under the Executive Savings Plan, participants can elect to defer a portion of their base salary and short-term incentive compensation. Participants also receive a company matching contribution in excess of the contribution limits prescribed by the Internal Revenue Code under the Duke Energy Retirement Savings Plan, which is the 401(k) plan in which employees are generally eligible to participate. Eligible participants may also earn pay credits based on age and length of service on eligible earnings that exceed limited prescribed by the Internal Revenue Code.

In general, payments are made following termination of employment or death in the form of a lump sum or installments, as selected by the participant. Participants may direct the deemed investment of their accounts (with certain exceptions) among investment options available under the Duke Energy Retirement Savings Plan, including the Duke Energy Common Stock Fund. Participants may change their investment elections on a daily basis. Deferrals of equity awards are credited with earnings and losses based on the performance of the Duke Energy Common Stock Fund. The benefits payable under the plan are unfunded and subject to the claims of Duke Energy's creditors.

Under the Directors' Savings Plan, outside directors may elect to defer all or a portion of their annual compensation, generally consisting of retainers. Deferred amounts are credited to an unfunded account, the balance of which is adjusted for the performance of phantom investment options, including the Duke Energy Common Stock Fund, as elected by the director, and generally are paid when the director terminates his or her service from the Board of Directors.

Duke Energy will provide additional information that is responsive to this Item 12 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report. That information is incorporated in this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Duke Energy will provide information that is responsive to this Item 13 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report. That information is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Deloitte provided professional services to the Duke Energy Registrants. The following tables present the Deloitte fees for services rendered to the Duke Energy Registrants during 2020 and 2019.

	Year Ended December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Types of Fees								
Audit Fees[a]	**$ 12.9**	**$ 3.0**	**$ 4.5**	**$ 2.3**	**$ 2.2**	**$ 1.9**	**$ 1.7**	**$ 1.3**
Audit-Related Fees[b]	**1.7**	**0.2**	**0.3**	**0.1**	**0.2**	**0.3**	**0.1**	**—**
Tax Fees[c]	**0.1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total Fees	**$ 14.7**	**$ 3.2**	**$ 4.8**	**$ 2.4**	**$ 2.4**	**$ 2.2**	**$ 1.8**	**$ 1.3**

	Year Ended December 31, 2019							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Types of Fees								
Audit Fees[a]	$ 13.5	$ 4.6	$ 5.3	$ 3.1	$ 2.2	$ 0.9	$ 1.4	$ 0.8
Audit-Related Fees[b]	0.6	0.1	0.2	0.1	0.1	0.2	—	—
Tax Fees[c]	0.2	0.1	0.1	—	—	—	—	—
Total Fees	$ 14.3	$ 4.8	$ 5.6	$ 3.2	$ 2.3	$ 1.1	$ 1.4	$ 0.8

(a) Audit Fees are fees billed, or expected to be billed, by Deloitte for professional services for the financial statement audits, audit of the Duke Energy Registrants' financial statements included in the Annual Report on Form 10-K, reviews of financial statements included in Quarterly Reports on Form 10-Q, and services associated with securities filings such as comfort letters and consents.
(b) Audit-Related Fees are fees billed, or expected to be billed, by Deloitte for assurance and related services that are reasonably related to the performance of an audit or review of financial statements, including statutory reporting requirements.
(c) Tax Fees are fees billed by Deloitte for tax return assistance and preparation, tax examination assistance and professional services related to tax planning and tax strategy.

To safeguard the continued independence of the independent auditor, the Audit Committee of Duke Energy adopted a policy that all services provided by the independent auditor require preapproval by the Audit Committee. Pursuant to the policy, certain audit services, audit-related services, tax services and other services have been specifically preapproved up to fee limits. In the event the cost of any of these services may exceed the fee limits, the Audit Committee must specifically approve the service. All services performed in 2020 and 2019 by the independent accountant were approved by the Audit Committee pursuant to the preapproval policy.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Consolidated Financial Statements and Supplemental Schedules included in Part II of this Annual Report are as follows:

Duke Energy Corporation
Consolidated Financial Statements
Consolidated Statements of Operations for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2020, 2019 and 2018
Notes to the Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm
All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Carolinas, LLC
Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Progress Energy, Inc.
Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Progress, LLC
Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Florida, LLC
Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Ohio, Inc.
Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2020, 2019 and 2018
Notes to the Consolidated Financial Statements
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

EXHIBITS

Duke Energy Indiana, LLC

Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
Consolidated Balance Sheets as of December 31, 2020, and 2019
Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Piedmont Natural Gas Company, Inc.

Consolidated Financial Statements
Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2020, 2019 and 2018
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All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

EXHIBITS

EXHIBIT INDEX

Exhibits filed herewith are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated. Items constituting management contracts or compensatory plans or arrangements are designated by a double asterisk (**). The Company agrees to furnish upon request to the Commission a copy of any omitted schedules or exhibits upon request on all items designated by a triple asterisk (***).

Exhibit Number		Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
2.1	Agreement and Plan of Merger between Duke Energy Corporation, Diamond Acquisition Corporation and Progress Energy, Inc., dated as of January 8, 2011 (incorporated by reference to Exhibit 2.1 to Duke Energy Corporation's Current Report on Form 8-K filed on January 11, 2011, File No. 1-32853).	X		X					
2.2	Agreement and Plan of Merger between Piedmont Natural Gas Company, Duke Energy Corporation and Forest Subsidiary, Inc. (incorporated by reference to Exhibit 2.1 to Duke Energy Corporation's Current Report on Form 8-K filed on October 26, 2015, File No. 1-32853).	X							X
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Duke Energy Corporation's Current Report on Form 8-K filed on May 20, 2014, File No. 1-32853).	X							
3.2	Amended and Restated By-Laws of Duke Energy Corporation (incorporated by reference to Exhibit 3.1 to Duke Energy Corporation's Current Report on Form 8-K filed on January 4, 2016, File No. 1-32853).	X							
3.3	Articles of Organization including Articles of Conversion (incorporated by reference to Exhibit 3.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on April 7, 2006, File No. 1-4928).		X						
3.3.1	Amended Articles of Organization, effective October 1, 2006 (incorporated by reference to Exhibit 3.1 to Duke Energy Carolinas, LLC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, filed on November 13, 2006, File No. 1-4928).		X						
3.4	Amended Articles of Incorporation of Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company), effective October 23, 1996, (incorporated by reference to Exhibit 3(a) to registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, filed on November 13, 1996, File No. 1-1232).						X		
3.4.1	Amended Articles of Incorporation, effective September 19, 2006 (incorporated by reference to Exhibit 3.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, filed on November 17, 2006, File No. 1-1232).						X		
3.5	Certificate of Conversion of Duke Energy Indiana, LLC (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on January 4, 2016, File No. 1-3543).							X	
3.5.1	Articles of Entity Conversion of Duke Energy Indiana, LLC (incorporated by reference to Exhibit 3.2 to registrant's Current Report on Form 8-K filed on January 4, 2016, File No. 1-3543).							X	
3.5.2	Plan of Entity Conversion of Duke Energy Indiana, LLC (incorporated by reference to Exhibit 3.3 to registrant's Current Report on Form 8-K filed on January 4, 2016, File No. 1-3543).							X	
3.5.3	Articles of Organization of Duke Energy Indiana, LLC (incorporated by reference to Exhibit 3.4 to registrant's Current Report on Form 8-K filed on January 4, 2016, File No. 1-3543).							X	
3.5.4	Limited Liability Company Operating Agreement of Duke Energy Indiana, LLC (incorporated by reference to Exhibit 3.5 to registrant's Current Report on Form 8-K filed on January 4, 2016, File No. 1-3543).							X	
3.6	Limited Liability Company Operating Agreement of Duke Energy Carolinas, LLC (incorporated by reference to Exhibit 3.2 to registrant's Current Report on Form 8-K filed on April 7, 2006, File No. 1-4928).		X						
3.7	Regulations of Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company), effective July 23, 2003 (incorporated by reference to Exhibit 3.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, filed on August 13, 2003, File No. 1-1232).						X		
3.8	Articles of Organization including Articles of Conversion for Duke Energy Progress, LLC (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3382).				X				
3.8.1	Plan of Conversion of Duke Energy Progress, Inc. (incorporated by reference to Exhibit 3.2 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3382).				X				
3.8.2	Limited Liability Company Operating Agreement of Duke Energy Progress, LLC (incorporated by reference to Exhibit 3.3 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3382).				X				
3.9	Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective June 15, 2000 (incorporated by reference to Exhibit 3(a)(1) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, filed on August 14, 2000, File No. 1-3382).			X					
3.9.1	Articles of Amendment to the Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective December 4, 2000 (incorporated by reference to Exhibit 3(b)(1) to registrant's Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 28, 2002, File No. 1-3382).			X					
3.9.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective May 10, 2006 (incorporated by reference to Exhibit 3(a) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30,			X					

	2006, filed on August 9, 2006, File No. 1-15929).								
3.9.3	By-Laws of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective May 10, 2006 (incorporated by reference to Exhibit 3(b) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed on August 9, 2006, File No. 1-15929).			X					
3.10	Articles of Conversion for Duke Energy Florida, LLC (incorporated by reference to Exhibit 3.4 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3274).					X			
3.10.1	Articles of Organization for Duke Energy Florida, LLC (incorporated by reference to Exhibit 3.5 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3274).					X			
3.10.2	Plan of Conversion of Duke Energy Florida, Inc. (incorporated by reference to Exhibit 3.6 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3274).					X			
3.10.3	Limited Liability Company Operating Agreement of Duke Energy Florida, LLC (incorporated by reference to Exhibit 3.7 to registrant's Current Report on Form 8-K filed on August 4, 2015, File No. 1-3274).					X			
3.11	Amended and Restated Articles of Incorporation of Piedmont Natural Gas Company, Inc., dated as of October 3, 2016 (incorporated by reference to Exhibit 3.1 to registrant's Annual Report on Form 10-K for the fiscal year ended October 31, 2016, filed on December 22, 2016, File No. 001-06196).								X
3.11.1	Bylaws of Piedmont Natural Gas Company, Inc., as amended and restated effective October 3, 2016 (incorporated by reference to Exhibit 3.2 to registrant's Current Report on Form 8-K filed on October 3, 2016, File No. 1-06196).								X
3.12	Certificate of Designations with respect to Series A Preferred Stock, dated March 28, 2019 (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on March 29, 2019, File No. 1-32853).	X							
3.13	Certificate of Designation with respect to the Series B Preferred Stock, dated September 11, 2019 (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on September 12, 2019, File No. 1-32853).	X							
3.14	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896,under the headings "Description of Common Stock," "Description of Preferred Stock," "Description of Depositary Shares," "Description of Stock Purchase Contracts and Stock Purchase Units," and "Description of Debt Securities").	X							
3.15	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-01, under the heading "Description of Debt Securities").								X
3.16	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-02, under the headings "Description of First Mortgage Bonds" and "Description of Debt Securities").				X				
3.17	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-03, under the headings "Description of First Mortgage Bonds" and "Description of Unsecured Debt Securities").						X		
3.18	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-04, under the headings "Description of First Mortgage Bonds" and "Description of Unsecured Debt Securities").							X	
3.19	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-05, under the headings "Description of First Mortgage Bonds" and "Description of Debt Securities").					X			
3.20	Description of Registered Securities (incorporated by reference from the registrant's prospectus contained in Form S-3 filed on September 23, 2019, File No. 333-233896-06, under the headings "Description of First and Refunding Mortgage Bonds," "Description of Senior Notes," and "Description of Subordinate Notes").		X						
4.1	Indenture between Duke Energy Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of June 3, 2008 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on June 16, 2008, File No. 1-32853).	X							
4.1.1	First Supplemental Indenture, dated as of June 16, 2008 (incorporated by reference to Exhibit 4.2 to Duke Energy Corporation's Current Report on Form 8-K filed on June 16, 2008, File No. 1-32853).	X							
4.1.2	Second Supplemental Indenture, dated as of January 26, 2009 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on January 26, 2009, File No. 1-32853).	X							
4.1.3	Third Supplemental Indenture, dated as of August 28, 2009 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on August 28, 2009, File No. 1-32853).	X							
4.1.4	Fourth Supplemental Indenture, dated as of March 25, 2010 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on March 25, 2010, File No. 1-32853).	X							
4.1.5	Fifth Supplemental Indenture, dated as of August 25, 2011 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on August 25, 2011, File No. 1-32853).	X							
4.1.6	Sixth Supplemental Indenture, dated as of November 17, 2011 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on November 17, 2011, File No. 1-32853).	X							
4.1.7	Seventh Supplemental Indenture, dated as of August 16, 2012 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's	X							

	Current Report on Form 8-K filed on August 16, 2012, File No. 1-32853).		
4.1.8	Eighth Supplemental Indenture, dated as of January 14, 2013 (incorporated by reference to Exhibit 2 to the Registration Statement of Form 8-A of Duke Energy Corporation filed on January 14, 2013, File No. 1-32853).	X	
4.1.9	Ninth Supplemental Indenture, dated as of June 13, 2013 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on June 13, 2013, File No. 1-32853).	X	
4.1.10	Tenth Supplemental Indenture, dated as of October 11, 2013 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on October 11, 2013, File No. 1-32853).	X	
4.1.11	Eleventh Supplemental Indenture, dated as of April 4, 2014 (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on April 4, 2014, File No. 1-32853).	X	
4.1.12	Twelfth Supplemental Indenture, dated as of November 19, 2015 (incorporated by reference to Exhibit 4.2 to Duke Energy Corporation's Current Report on Form 8-K filed on November 19, 2015, File No. 1-32853).	X	
4.1.13	Thirteenth Supplemental Indenture, dated as of April 18, 2016, to the indenture dated as of June 3, 2008, between Duke Energy Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on May 5, 2016, File No. 1-32853).	X	
4.1.14	Fourteenth Supplemental Indenture, dated as of August 12, 2016 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 12, 2016, File No. 1-32853).	X	
4.1.15	Fifteenth Supplemental Indenture, dated as of April 11, 2017 (incorporated by reference to Exhibit 4.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 9, 2017, File No. 1-32853).	X	
4.1.16	Sixteenth Supplemental Indenture, dated as of June 13, 2017 (incorporated by reference to Exhibit 4.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed on August 3, 2017, File No. 1-32853).	X	
4.1.17	Seventeenth Supplemental Indenture, dated as of August 10, 2017 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 10, 2017, File No. 1-32853).	X	
4.1.18	Eighteenth Supplemental Indenture, dated as of March 29, 2018 (incorporated by reference to Exhibit 4.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed on May 10, 2018, File No. 1-32853).	X	
4.1.19	Nineteenth Supplemental Indenture, dated as of May 16, 2018 (incorporated by reference to Exhibit 4.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed on August 2, 2018, File No. 1-32853).	X	
4.1.20	Twentieth Supplemental Indenture (incorporated by reference to Exhibit 4.2 to registrant's Registration Statement on Form 8-A filed on September 17, 2018, File No. 1-32853).	X	
4.1.21	Twenty-first Supplemental Indenture (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 11, 2019, File no. 1-32853).	X	
4.1.22	Twenty-second Supplemental Indenture, dated as of June 7, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on June 7, 2019, File No. 1-32853).	X	
4.1.23	Twenty-third Supplemental Indenture, dated as of May 15, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 15, 2020, File No. 1-32853).	X	
4.1.24	Twenty-fourth Supplemental Indenture, dated as of September 11, 2020 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on September 11, 2020, File No. 1-32853).	X	
4.2	Senior Indenture between Duke Energy Carolinas, LLC and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), dated as of September 1, 1998 (incorporated by reference to Exhibit 4-D-1 to registrant's Post-Effective Amendment No. 2 to Registration Statement on Form S-3 filed on April 7, 1999, File No. 333-14209).		X
4.2.1	Fifteenth Supplemental Indenture, dated as of April 3, 2006 (incorporated by reference to Exhibit 4.4.1 to registrant's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483-03).		X
4.2.2	Sixteenth Supplemental Indenture, dated as of June 5, 2007 (incorporated by reference to Exhibit 4.1 registrant's Current Report on Form 8-K filed on June 6, 2007, File No. 1-4928).		X
4.3	First and Refunding Mortgage from Duke Energy Carolinas, LLC to The Bank of New York Mellon Trust Company, N.A., successor trustee to Guaranty Trust Company of New York, dated as of December 1, 1927 (incorporated by reference to Exhibit 7(a) to registrant's Form S-1, effective October 15, 1947, File No. 2-7224).		X
4.3.1	Instrument of Resignation, Appointment and Acceptance among Duke Energy Carolinas, LLC, JPMorgan Chase Bank, N.A., as Trustee, and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of September 24, 2007, (incorporated by reference to Exhibit 4.6.1 to registrant's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483).		X
4.3.2	Ninth Supplemental Indenture, dated as of February 1, 1949 (incorporated by reference to Exhibit 7(j) to registrant's Form S-1 filed on February 3, 1949, File No. 2-7808).		X
4.3.3	Twentieth Supplemental Indenture, dated as of June 15, 1964 (incorporated by reference to Exhibit 4-B-20 to registrant's Form S-1 filed on August 23, 1966, File No. 2-25367).		X
4.3.4	Twenty-third Supplemental Indenture, dated as of February 1, 1968 (incorporated by reference to Exhibit 2-B-26 to registrant's Form S-9 filed		X

	on January 21, 1969, File No. 2-31304).		
4.3.5	Sixtieth Supplemental Indenture, dated as of March 1, 1990 (incorporated by reference to Exhibit 4-B-61 to registrant's Annual Report on Form 10-K for the year ended December 31, 1990, File No.1-4928).	X	
4.3.6	Sixty-third Supplemental Indenture, dated as of July 1, 1991 (incorporated by reference to Exhibit 4-B-64 to registrant's Registration Statement on Form S-3 filed on February 13, 1992, File No. 33-45501).	X	
4.3.7	Eighty-fourth Supplemental Indenture, dated as of March 20, 2006 (incorporated by reference to Exhibit 4.6.9 to registrant's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483-03).	X	
4.3.8	Eighty-fifth Supplemental Indenture, dated as of January 10, 2008 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on January 11, 2008, File No.1-4928).	X	
4.3.9	Eighty-seventh Supplemental Indenture, dated as of April 14, 2008 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on April 15, 2008, File No.1-4928).	X	
4.3.10	Eighty-eighth Supplemental Indenture, dated as of November 17, 2008 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on November 20, 2008, File No.1-4928).	X	
4.3.11	Ninetieth Supplemental Indenture, dated as of November 19, 2009 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on November 19, 2009, File No.1-4928).	X	
4.3.12	Ninety-first Supplemental Indenture, dated as of June 7, 2010 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on June 7, 2010, File No.1-4928).	X	
4.3.13	Ninety-third Supplemental Indenture, dated as of May 19, 2011 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on May 19, 2011, File No.1-4928).	X	
4.3.14	Ninety-fourth Supplemental Indenture, dated as of December 8, 2011 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on December 8, 2011, File No.1-4928).	X	
4.3.15	Ninety-fifth Supplemental Indenture, dated as of September 21, 2012 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC’s Current Report on Form 8-K filed on September 21, 2012, File No.1-4928).	X	
4.3.16	Ninety-sixth Supplemental Indenture, dated as of March 12, 2015, between Duke Energy Carolinas, LLC and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on March 12, 2015, File No. 1-4928).	X	
4.3.17	Ninety-seventh Supplemental Indenture, dated as of March 11, 2016 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on March 11, 2016, File No. 1-4928).	X	
4.3.18	Ninety-eighth Supplemental Indenture, dated as of November 17, 2016 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on November 17, 2016, File No. 1-4928).	X	
4.3.19	Ninety-ninth Supplemental Indenture, dated as of November 14, 2017 (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC Current Report on Form 8-K filed on November 14, 2017, File No. 1-4928).	X	
4.3.20	One Hundredth Supplemental Indenture, dated as of March 1, 2018 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 1, 2018, File No. 1-4928).	X	
4.3.21	One-Hundred and Second Supplemental Indenture, dated as of August 14, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 14, 2019, File No. 1-04928).	X	
4.3.22	One-Hundred and Third Supplemental Indenture, dated as of January 8, 2020 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on January 8, 2020, File No. 1-4928).	X	
4.3.23	One-Hundred and Fourth Supplemental Indenture, dated as of January 8, 2020 (incorporated by reference to Exhibit 4.3 to registrant's Current Report on Form 8-K filed on January 8, 2020, File No. 1-4928).	X	
4.4	Mortgage and Deed of Trust between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and The Bank of New York Mellon (formerly Irving Trust Company) and Frederick G. Herbst (Tina D. Gonzalez, successor), as Trustees, dated as of May 1, 1940.		X
4.4.1	First through Fifth Supplemental Indentures thereto (incorporated by reference to Exhibit 2(b), File No. 2-64189).		X
4.4.2	Sixth Supplemental Indenture dated April 1, 1960 (incorporated by reference to Exhibit 2(b)-5, File No. 2-16210).		X
4.4.3	Seventh Supplemental Indenture dated November 1, 1961 (incorporated by reference to Exhibit 2(b)-6, File No. 2-16210).		X
4.4.4	Eighth Supplemental Indenture dated July 1, 1964 (incorporated by reference to Exhibit 4(b)-8, File No. 2-19118).		X
4.4.5	Ninth Supplemental Indenture dated April 1, 1966 (incorporated by reference to Exhibit 4(b)-2, File No. 2-22439).		X
4.4.6	Tenth Supplemental Indenture dated October 1, 1967 (incorporated by reference to Exhibit 4(b)-2, File No. 2-24624).		X
4.4.7	Eleventh Supplemental Indenture dated October 1, 1968 (incorporated by reference to Exhibit 2(c), File No. 2-27297).		X
4.4.8	Twelfth Supplemental Indenture dated January 1, 1970 (incorporated by reference to Exhibit 2(c), File No. 2-30172).		X
4.4.9	Thirteenth Supplemental Indenture dated August 1, 1970 (incorporated by reference to Exhibit 2(c), File No. 2-35694).		X
4.4.10	Fourteenth Supplemental Indenture dated January 1, 1971 (incorporated by reference to Exhibit 2(c), File No. 2-37505).		X
4.4.11	Fifteenth Supplemental Indenture dated October 1, 1971 (incorporated by reference to Exhibit 2(c), File No. 2-39002).		X
4.4.12	Sixteenth Supplemental Indenture dated May 1, 1972 (incorporated by reference to Exhibit 2(c), File No. 2-41738).		X
4.4.13	Seventeenth Supplemental Indenture dated November 1, 1973 (incorporated by reference to Exhibit 2(c), File No. 2-43439).		X
4.4.14	Eighteenth Supplemental Indenture dated (incorporated by reference to Exhibit 2(c), File No. 2-47751).		X

4.4.15	Nineteenth Supplemental Indenture dated May 1, 1974 (incorporated by reference to Exhibit 2(c), File No. 2-49347).	X
4.4.16	Twentieth Supplemental Indenture dated December 1, 1974 (incorporated by reference to Exhibit 2(c), File No. 2-53113).	X
4.4.17	Twenty-first Supplemental Indenture dated April 15, 1975 (incorporated by reference to Exhibit 2(d), File No. 2-53113).	X
4.4.18	Twenty-second Supplemental Indenture dated October 1, 1977 (incorporated by reference to Exhibit 2(c), File No. 2-59511).	X
4.4.19	Twenty-third Supplemental Indenture dated June 1, 1978 (incorporated by reference to Exhibit 2(c), File No. 2-61611).	X
4.4.20	Twenty-fourth Supplemental Indenture dated May 15, 1979 (incorporated by reference to Exhibit 2(d), File No. 2-64189).	X
4.4.21	Twenty-fifth Supplemental Indenture dated November 1, 1979 (incorporated by reference to Exhibit 2(c), File No. 2-65514).	X
4.4.22	Twenty-sixth Supplemental Indenture dated November 1, 1979 (incorporated by reference to Exhibit 2(c), File No. 2-66851).	X
4.4.23	Twenty-seventh Supplemental Indenture dated April 1, 1980 (incorporated by reference to Exhibit 2 (d), File No. 2-66851).	X
4.4.24	Twenty-eighth Supplemental Indenture dated October 1, 1980 (incorporated by reference to Exhibit 4(b)-1, File No. 2-81299).	X
4.4.25	Twenty-ninth Supplemental Indenture dated October 1, 1980 (incorporated by reference to Exhibit 4(b)-2, File No. 2-81299).	X
4.4.26	Thirtieth Supplemental Indenture dated December 1, 1982 (incorporated by reference to Exhibit 4(b)- 3, File No. 2-81299).	X
4.4.27	Thirty-first Supplemental Indenture dated March 15, 1983 (incorporated by reference to Exhibit 4(c)-1, File No. 2-95505).	X
4.4.28	Thirty-second Supplemental Indenture dated March 15, 1983 (incorporated by reference to Exhibit 4(c)-2, File No. 2-95505).	X
4.4.29	Thirty-third Supplemental Indenture dated December 1, 1983 (incorporated by reference to Exhibit 4(c)-3, File No. 2-95505).	X
4.4.30	Thirty-fourth Supplemental Indenture dated December 15, 1983 (incorporated by reference to Exhibit 4(c)-4, File No. 2-95505).	X
4.4.31	Thirty-fifth Supplemental Indenture dated April 1, 1984 (incorporated by reference to Exhibit 4(c)-5, File No. 2-95505).	X
4.4.32	Thirty-sixth Supplemental Indenture dated June 1, 1984 (incorporated by reference to Exhibit 4(c)-6, File No. 2-95505).	X
4.4.33	Thirty-seventh Supplemental Indenture dated June 1, 1984 (incorporated by reference to Exhibit 4(c)-7, File No. 2-95505).	X
4.4.34	Thirty-eighth Supplemental Indenture dated June 1, 1984 (incorporated by reference to Exhibit 4(c)- 8, File No. 2-95505).	X
4.4.35	Thirty-ninth Supplemental Indenture dated April 1, 1985 (incorporated by reference to Exhibit 4(b), File No. 33-25560).	X
4.4.36	Fortieth Supplemental Indenture dated October 1, 1985 (incorporated by reference to Exhibit 4(c), File No. 33-25560).	X
4.4.37	Forty-first Supplemental Indenture dated March 1, 1986 (incorporated by reference to Exhibit 4(d), File No. 33-25560).	X
4.4.38	Forty-second Supplemental Indenture dated July 1, 1986 (incorporated by reference to Exhibit 4(e), File No. 33-25560).	X
4.4.39	Forty-third Supplemental Indenture dated January 1, 1987 (incorporated by reference to Exhibit 4(f), File No. 33-25560).	X
4.4.40	Forty-fourth Supplemental Indenture dated December 1, 1987 (incorporated by reference to Exhibit 4(g), File No. 33-25560).	X
4.4.41	Forty-fifth Supplemental Indenture dated September 1, 1988 (incorporated by reference to Exhibit 4(h), File No. 33-25560).	X
4.4.42	Forty-sixth Supplemental Indenture dated April 1, 1989 (incorporated by reference to Exhibit 4(b), File No. 33-33431).	X
4.4.43	Forty-seventh Supplemental Indenture dated August 1, 1989 (incorporated by reference to Exhibit 4(c), File No. 33-33431).	X
4.4.44	Forty-eighth Supplemental Indenture dated November 15, 1990 (incorporated by reference to Exhibit 4(b), File No. 33-38298).	X
4.4.45	Forty-ninth Supplemental Indenture dated November 15, 1990 (incorporated by reference to Exhibit 4(c), File No. 33-38298).	X
4.4.46	Fiftieth Supplemental Indenture dated February 15, 1991 (incorporated by reference to Exhibit 4(h), File No. 33-42869).	X
4.4.47	Fifty-first Supplemental Indenture dated April 1, 1991 (incorporated by reference to Exhibit 4(i), File No. 33-42869).	X
4.4.48	Fifty-second Supplemental Indenture dated September 15, 1991(incorporated by reference to Exhibit 4(e), File No. 33-48607).	X
4.4.49	Fifty-third Supplemental Indenture dated January 1, 1992 (incorporated by reference to Exhibit 4(f), File No. 33-48607).	X
4.4.50	Fifty-fourth Supplemental Indenture dated April 15, 1992 (incorporated by reference to Exhibit 4 (g), File No. 33-48607).	X
4.4.51	Fifty-fifth Supplemental Indenture dated July 1, 1992 (incorporated by reference to Exhibit 4(e), File No. 33-55060).	X
4.4.52	Fifty-sixth Supplemental Indenture dated October 1, 1992 (incorporated by reference to Exhibit 4(f), File No. 33-55060).	X
4.4.53	Fifty-seventh Supplemental Indenture dated February 1, 1993 (incorporated by reference to Exhibit 4(e), File No. 33-60014).	X
4.4.54	Fifty-eighth Supplemental Indenture dated March 1, 1993 (incorporated by reference to Exhibit 4(f), File No. 33-60014).	X
4.4.55	Fifty-ninth Supplemental Indenture dated July 1, 1993 (incorporated by reference to Exhibit 4(a) to Post-Effective Amendment No. 1, File No. 33-38349).	X
4.4.56	Sixtieth Supplemental Indenture dated July 1, 1993 (incorporated by reference to Exhibit 4(b) to Post-Effective Amendment No. 1, File No. 33-38349).	X
4.4.57	Sixty-first Supplemental Indenture dated August 15, 1993 (incorporated by reference to Exhibit 4(e), File No. 33-50597).	X

4.4.58	Sixty-second Supplemental Indenture dated January 15, 1994 (incorporated by reference to Exhibit 4 to Duke Energy Progress' Current Report on Form 8-K dated January 19, 1994, File No. 1-3382).	X
4.4.59	Sixty-third Supplemental Indenture dated May 1, 1994 (incorporated by reference to Exhibit 4(f) for Duke Energy Progress' Form S-3, File No. 033-57835).	X
4.4.60	Sixty-fourth Supplemental Indenture dated August 15, 1997 (incorporated by reference to Exhibit to Duke Energy Progress' Current Report on Form 8-K dated August 26, 1997, File No. 1-3382).	X
4.4.61	Sixty-fifth Supplemental Indenture dated April 1, 1998 (incorporated by reference to Exhibit 4(b) for Duke Energy Progress' Registration Statement on Form S-3 filed December 18, 1998, File No. 333-69237).	X
4.4.62	Sixty-sixth Supplemental Indenture dated March 1, 1999 (incorporated by reference to Exhibit 4(c) to Duke Energy Progress' Current Report on Form 8-K filed on March 19, 1999, File No. 1-3382).	X
4.4.63	Form of Carolina Power & Light Company First Mortgage Bond, 6.80% Series Due August 15, 2007 (incorporated by reference to Exhibit 4 to Duke Energy Progress' Form 10-Q for the period ended September 30, 1998, File No. 1-3382).	X
4.4.64	Sixty-eighth Supplemental Indenture dated April 1, 2000 (incorporated by reference to Exhibit No. 4(b) to Duke Energy Progress' Current Report on Form 8-K filed on April 20, 2000, File No. 1-3382).	X
4.4.65	Sixty-ninth Supplemental Indenture dated June 1, 2000 (incorporated by reference to Exhibit No. 4b(2) to Duke Energy Progress' Annual Report on Form 10-K for the year ended December 31, 2000, filed on March 29, 2001, File No. 1-3382).	X
4.4.66	Seventieth Supplemental Indenture dated July 1, 2000 (incorporated by reference to Exhibit 4b(3) to Duke Energy Progress' Annual Report on Form 10-K for the year ended December 31, 2000, filed on March 29, 2001, File No. 1-3382).	X
4.4.67	Seventy-first Supplemental Indenture dated February 1, 2002 (incorporated by reference to Exhibit 4b(2) to Duke Energy Progress' Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 28, 2002, File No. 1-3382 and 1-15929).	X
4.4.68	Seventy-second Supplemental Indenture, dated as of September 1, 2003 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on September 12, 2003, File No. 1-3382).	X
4.4.69	Seventy-third Supplemental Indenture, dated as of March 1, 2005 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 22, 2005, File No. 1-3382).	X
4.4.70	Seventy-fourth Supplemental Indenture, dated as of November 1, 2005 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on November 30, 2005, File No. 1-3382).	X
4.4.71	Seventy-fifth Supplemental Indenture, dated as of March 1, 2008 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 13, 2008, File No. 1-3382).	X
4.4.72	Seventy-sixth Supplemental Indenture, dated as of January 1, 2009 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on January 15, 2009, File No. 1-3382).	X
4.4.73	Seventy-seventh Supplemental Indenture, dated as of June 18, 2009 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on June 23, 2009, File No. 1-3382).	X
4.4.74	Seventy-eighth Supplemental Indenture, dated as of September 1, 2011 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on September 15, 2011, File No. 1-3382).	X
4.4.75	Seventy-ninth Supplemental Indenture, dated as of May 1, 2012 (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on May 18, 2012, File No. 1-3382).	X
4.4.76	Eightieth Supplemental Indenture, dated as of March 1, 2013 (incorporated by reference to Exhibit 4.1 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 12, 2013, File No. 1-3382).	X
4.4.77	Eighty-second Supplemental Indenture, dated as of March 1, 2014, between Duke Energy Progress, Inc. and The Bank of New York Mellon (formerly Irving Trust Company) and Tina D. Gonzalez (successor to Frederick G. Herbst) and forms of global notes (incorporated by reference to Exhibit 4.1 to Duke Energy Progress, Inc.'s Current Report on Form 8-K filed on March 6, 2014, File No. 1-3382).	X
4.4.78	Eighty-third Supplemental Indenture, dated as of November 1, 2014, between Duke Energy Progress, Inc. and The Bank of New York Mellon (formerly Irving Trust Company) and Tina D. Gonzalez (successor to Frederick G. Herbst) and forms of global notes (incorporated by reference to Exhibit 4.1 to Duke Energy Progress, Inc.'s Current Report on Form 8-K filed on November 20, 2014, File No. 1-3382).	X
4.4.79	Eighty-fifth Supplemental Indenture, dated as of August 1, 2015 (incorporated by reference to Exhibit 4.1 to Duke Energy Progress, LLC's Current Report on Form 8-K filed on August 13, 2015, File No. 1-3382).	X
4.4.80	Eighty-sixth Supplemental Indenture, dated as of September 1, 2016 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 16, 2016, File No. 1-15929).	X

4.4.81	Eighty-seventh Supplemental Indenture, dated as of September 1, 2017 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 8, 2017, File No. 1-3382).	X	
4.4.82	Eighty-ninth Supplemental Indenture (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 7, 2019, File no. 1-3382).	X	
4.4.83	Ninetieth Supplemental Indenture, dated as of August 1, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 20, 2020, File No. 1-3382).	X	
4.4.84	First Supplemental Indenture, dated as of August 1, 2020 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on August 20, 2020, File No. 1-3382).	X	
4.5	Indenture (for Debt Securities) between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and The Bank of New York Mellon (successor in interest to The Chase Manhattan Bank), as Trustee (incorporated by reference to Exhibit 4(a) to registrant's Current Report on Form 8-K filed on November 5, 1999, File No. 1-3382).	X	
4.6	Indenture (for [Subordinated] Debt Securities) (open ended) (incorporated by reference to Exhibit 4(a)(2) to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Registration Statement on Form S-3 filed on November 18, 2008, File No. 333-155418).	X	
4.7	Indenture (for First Mortgage Bonds) between Duke Energy Florida, Inc. (formerly Florida Power Corporation) and The Bank of New York Mellon (as successor to Guaranty Trust Company of New York and The Florida National Bank of Jacksonville), as Trustee, dated as of January 1, 1944, (incorporated by reference to Exhibit B-18 to registrant's Form A-2, File No. 2-5293).		X
4.7.1	Seventh Supplemental Indenture (incorporated by reference to Exhibit 4(b) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).		X
4.7.2	Eighth Supplemental Indenture (incorporated by reference to Exhibit 4(c) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).		X
4.7.3	Sixteenth Supplemental Indenture (incorporated by reference to Exhibit 4(d) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).		X
4.7.4	Twenty-ninth Supplemental Indenture (incorporated by reference to Exhibit 4(c) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 17, 1982, File No. 2-79832).		X
4.7.5	Thirty-eighth Supplemental Indenture, dated as of July 25, 1994 (incorporated by reference to exhibit 4(f) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on August 29, 1994, File No. 33-55273).		X
4.7.6	Forty-first Supplemental Indenture, dated as of February 1, 2003 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Duke Energy Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on February 21, 2003, File No. 1-3274).		X
4.7.7	Forty-second Supplemental Indenture, dated as of April 1, 2003 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, filed on August 11, 2003, File No. 1-3274).		X
4.7.8	Forty-third Supplemental Indenture, dated as of November 1, 2003 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on November 21, 2003, File No. 1-3274).		X
4.7.9	Forty-fourth Supplemental Indenture, dated as of August 1, 2004 (incorporated by reference to Exhibit 4(m) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 16, 2005, File No. 1-3274).		X
4.7.10	Forty-sixth Supplemental Indenture, dated as of September 1, 2007 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on September 19, 2007, File No. 1-3274).		X
4.7.11	Forty-seventh Supplemental Indenture, dated as of December 1, 2007 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on December 13, 2007, File No. 1-3274).		X
4.7.12	Forty-eighth Supplemental Indenture, dated as of June 1, 2008 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on June 18, 2008, File No. 1-3274).		X
4.7.13	Forty-ninth Supplemental Indenture, dated as of March 1, 2010 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on March 25, 2010, File No. 1-3274).		X
4.7.14	Fiftieth Supplemental Indenture, dated as of August 11, 2011 (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on August 18, 2011, File No. 1-3274).		X
4.7.15	Fifty-first Supplemental Indenture, dated as of November 1, 2012 (incorporated by reference to Exhibit 4.1 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on November 20, 2012, File No. 1-3274).		X
4.7.16	Fifty-third Supplemental Indenture, dated as of September 1, 2016 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 9, 2016, File No. 1-03274).		X

4.7.17	Fifty-fifth Supplemental Indenture, dated as of June 1, 2018 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on June 21, 2018, File No. 1-3274).	X		
4.7.18	Fifty-sixth Supplemental Indenture, dated as of November 1, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on November 26, 2019, File No. 1-3274).	X		
4.7.19	Fifty-seventh Supplemental Indenture, dated as of June 1, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on June 11, 2020, File No. 1-3274).	X		
4.8	Indenture (for Debt Securities) between Duke Energy Florida, Inc. (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) and The Bank of New York Mellon Trust Company, National Association (successor in interest to J.P. Morgan Trust Company, National Association), as Trustee, dated as of December 7, 2005 (incorporated by reference to Exhibit 4(a) to registrant's Current Report on Form 8-K filed on December 13, 2005, File No. 1-3274).	X		
4.8.1	First Supplemental Indenture, dated as of December 12, 2017 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on December 12, 2017, File No. 1-03274).	X		
4.8.2	Second Supplemental Indenture, dated as of November 26, 2019 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on November 26, 2019, File No. 1-3274).	X		
4.9	Indenture (for [Subordinated] Debt Securities) (open ended) (incorporated by reference to Exhibit 4(a)(2) Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Registration Statement on Form S-3 filed on November 18, 2008, File No. 333-155418).	X		
4.10	Original Indenture (Unsecured Debt Securities) between Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company) and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of May 15, 1995 (incorporated by reference to Exhibit 3 to registrant's Form 8-A filed on July 27, 1995, File No. 1-1232).		X	
4.10.1	First Supplemental Indenture, dated as of June 1, 1995 (incorporated by reference to Exhibit 4 B to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, filed on August 11, 1995, File No. 1-1232).		X	
4.10.2	Seventh Supplemental Indenture, dated as of June 15, 2003 (incorporated by reference to Exhibit 4.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, filed on August 13, 2003, File No. 1-1232).		X	
4.11	Original Indenture (First Mortgage Bonds) between Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company) and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of August 1, 1936 (incorporated by reference to an exhibit to registrant's Registration Statement No. 2-2374).		X	
4.11.1	Fortieth Supplemental Indenture, dated as of March 23, 2009 (incorporated by reference to Exhibit 4.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Current Report on Form 8-K filed on March 24, 2009, File No. 1-1232).		X	
4.11.2	Forty-second Supplemental Indenture, dated as of September 6, 2013 (incorporated by reference to Exhibit 4.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Current Report on Form 8-K filed on September 6, 2013, File No. 1-1232).		X	
4.11.3	Forty-fourth Supplemental Indenture, dated as of June 23, 2016 (incorporated by reference to Exhibit 4.1 registrant's Current Report on Form 8-K filed on June 23, 2016, File No. 1-1232).		X	
4.11.4	Forty-fifth Supplemental Indenture, dated as of March 27, 2017 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 27,2017, File No. 1-01232).		X	
4.11.5	Forty-sixth Supplemental Indenture, dated as of January 8, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on January 8, 2019, File No. 1-1232).		X	
4.11.6	Forty-seventh Supplemental Indenture, dated as of May 21, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 21, 2020, File No. 1-1232).		X	
4.12	Indenture between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of November 15, 1996 (incorporated by reference to Exhibit 4(v) to the Cinergy Corp. Form 10-K for the year ended December 31, 1996, filed on March 27, 1997, File No. 1-11377).			X
4.12.1	Third Supplemental Indenture, dated as of March 15, 1998 (incorporated by reference to Exhibit 4-w to Cinergy Corp.'s Annual Report on Form 10-K for the year ended December 31, 1997, filed on March 27, 1998, File No. 1-11377).			X
4.12.2	Eighth Supplemental Indenture, dated as of September 23, 2003 (incorporated by reference to Exhibit 4.2 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, filed on November 13, 2003, File No. 1-3543).			X
4.12.3	Ninth Supplemental Indenture, dated as of October 21, 2005 (incorporated by reference to Exhibit 4.7.3 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 29, 2010, File No. 333-169633).			X
4.12.4	Tenth Supplemental Indenture, dated as of June 9, 2006 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report on Form 8-K filed on June 15, 2006, File No. 1-3543).			X
4.13	Original Indenture (First Mortgage Bonds) between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and Deutsche Bank National Trust Company, as Successor Trustee, dated as of September 1, 1939, (filed as an exhibit in File No. 70-258).			X
4.13.1	Tenth Supplemental Indenture, dated as of July 1, 1952, (filed as an exhibit in File No. 2-9687).			X
4.13.2	Twenty-third Supplemental Indenture, dated as of January 1, 1977, (filed as an exhibit in File No. 2-57828).			X
4.13.3	Twenty-fifth Supplemental Indenture, dated as of September 1, 1978, (filed as an exhibit in File No. 2-62543).			X

4.13.4	Twenty-sixth Supplemental Indenture, dated as of September 1, 1978, (filed as an exhibit in File No. 2-62543).		X
4.13.5	Thirtieth Supplemental Indenture, dated as of August 1, 1980, (filed as an exhibit in File No. 2-68562).		X
4.13.6	Thirty-fifth Supplemental Indenture, dated as of March 30, 1984, (filed as an exhibit to registrant's Annual Report on Form 10-K for the year ended December 31, 1984, File No. 1-3543).		X
4.13.7	Forty-sixth Supplemental Indenture, dated as of June 1, 1990, (filed as an exhibit to registrant's Annual Report on Form 10-K for the year ended December 31, 1991, File No. 1-3543).		X
4.13.8	Forty-seventh Supplemental Indenture, dated as of July 15, 1991, (filed as an exhibit to registrant's Annual Report on Form 10-K for the year ended December 31, 1991, File No. 1-3543).		X
4.13.9	Forty-eighth Supplemental Indenture, dated as of July 15, 1992, (filed as an exhibit to registrant's Annual Report on Form 10-K for the year ended December 31, 1992, File No. 1-3543).		X
4.13.10	Fifty-second Supplemental Indenture, dated as of April 30, 1999 (incorporated by reference to Exhibit 4 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, filed on May 13, 1999, File No. 1-3543).		X
4.13.11	Fifty-seventh Supplemental Indenture, dated as of August 21, 2008 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report Form 8-K filed on August 21, 2008, File No. 1-3543).		X
4.13.12	Fifty-eighth Supplemental Indenture, dated as of December 19, 2008 (incorporated by reference to Exhibit 4.8.12 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 29, 2010, File No. 333-169633-02).		X
4.13.13	Fifty-ninth Supplemental Indenture, dated as of March 23, 2009 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report on Form 8-K filed on March 24, 2009, File No. 1-3543).		X
4.13.14	Sixtieth Supplemental Indenture, dated as of June 1, 2009 (incorporated by reference to Exhibit 4.8.14 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 29, 2010, File No. 333-169633-02).		X
4.13.15	Sixty-first Supplemental Indenture, dated as of October 1, 2009 (incorporated by reference to Exhibit 4.8.15 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 29, 2010, File No. 333-169633-02).		X
4.13.16	Sixty-second Supplemental Indenture, dated as of July 9, 2010 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report on Form 8-K filed on July 9, 2010, File No. 1-3543).		X
4.13.17	Sixty-third Supplemental Indenture, dated as of September 23, 2010 (incorporated by reference to Exhibit 4.8.17 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 29, 2010, File No. 333-169633-02).		X
4.13.18	Sixty-fourth Supplemental Indenture, dated as of December 1, 2011 (incorporated by reference to Exhibit 4(d)(2)(xviii) to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Registration Statement on Form S-3 filed on September 30, 2013, File No. 333-191462-03).		X
4.13.19	Sixty-fifth Supplemental Indenture, dated as of March 15, 2012 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report on Form 8-K filed on March 15, 2012, File No. 1-3543).		X
4.13.20	Sixty-sixth Supplemental Indenture, dated as of July 11, 2013 (incorporated by reference to Exhibit 4.1 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Current Report on Form 8-K filed on July 11, 2013, File No. 1-3543).		X
4.13.21	Sixty-seventh Supplemental Indenture, dated as of January 1, 2016, between Duke Energy Indiana, Inc. and Deutsche Bank National Trust Company, as Trustee, supplementing and amending the Indenture of Mortgage or Deed of Trust, dated September 1, 1939, between Duke Energy Indiana, Inc. and Deutsche Bank National Trust Company, as Trustee (incorporated by reference to Exhibit 4.2 to Duke Energy Indiana, LLC's (formerly PSI Energy, Inc.) Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on May 5, 2016, File No. 1-3543).		X
4.13.22	Sixty-eighth Supplemental Indenture, dated as of May 12, 2016 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 12, 2016, File No. 1-3543).		X
4.13.23	Sixty-ninth Supplemental Indenture, dated as of September 27, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 27, 2019, File No. 1-3543).		X
4.13.24	Seventieth Supplemental Indenture, dated as of March 12, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 12, 2020, File No. 1-3543).		X
4.14	Repayment Agreement between Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company) and The Dayton Power and Light Company, dated as of December 23, 1992, (filed with registrant's Annual Report on Form 10-K for the year ended December 31, 1992, File No. 1-1232).	X	
4.15	Unsecured Promissory Note between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and the Rural Utilities Service, dated as of October 14, 1998 (incorporated by reference to Exhibit 4 to registrant's Annual Report on Form 10-K for the year ended December 31, 1998, filed on March 8, 1999, File No. 1-3543).		X
4.16	6.302% Subordinated Note between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and Cinergy Corp., dated as of February 5, 2003 (incorporated by reference to Exhibit 4(yyy) to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, filed on May 12,2003, File No. 1-3543).		X
4.17	6.403% Subordinated Note between Duke Energy Indiana, LLC (formerly		X

	PSI Energy, Inc.) and Cinergy Corp., dated as of February 5, 2003 (incorporated by reference to Exhibit 4(zzz) to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, filed on May 12, 2003, File No. 1-3543).		
4.18	Contingent Value Obligation Agreement between Progress Energy, Inc. (formerly CP&L Energy, Inc.) and The Chase Manhattan Bank, as Trustee, dated as of November 30, 2000 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on December 1, 2000, File No. 1-3382).	X	
4.19	Form of 3.47% Series A Senior Notes due July 16, 2027 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 29, 2012, File No. 1-06196).		X
4.20	Form of 3.57% Series B Senior Notes due July 16, 2027 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on March 29, 2012, File No. 1-06196).		X
4.21	Form of 4.65% Senior Notes due 2043 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on August 1, 2013, File No. 1-06196).		X
4.22	Form of 4.10% Senior Notes due 2034 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on September 18, 2014, File No. 1-06196).		X
4.23	Form of 3.60% Senior Notes due 2025 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on September 14, 2015, File No. 1-06196).		X
4.24	Form of 3.64% Senior Notes due 2046 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on July 28, 2016, File No. 1-06196).		X
4.25	Form of 4.24% Series B Senior Notes due June 6, 2021 (incorporated by reference to Exhibit 4.2 to registrant's Current Report on Form 8-K filed on May 12, 2011, File No. 1-06196).		X
4.26	Indenture, dated as of April 1, 1993, between Piedmont and The Bank of New York Mellon Trust Company, N.A. (as successor to Citibank, N.A.), Trustee (incorporated by reference to Exhibit 4.1 to registrant's Registration Statement on Form S-3 filed on May 16, 1995, File No. 33-59369).		X
4.26.1	Second Supplemental Indenture, dated as of June 15, 2003, between Piedmont and Citibank, N.A., Trustee (incorporated by reference to Exhibit 4.3 to registrant's Registration Statement on Form S-3 filed on June 19, 2003, File No. 333-106268).		X
4.26.2	Fourth Supplemental Indenture, dated as of May 6, 2011, between Piedmont Natural Gas Company, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to registrant's Registration Statement on Form S-3-ASR filed on July 7, 2011, File No. 333-175386).		X
4.26.3	Fifth Supplemental Indenture, dated August 1, 2013, between the Company and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 1, 2013, File No. 1-06196).		X
4.26.4	Sixth Supplemental Indenture, dated September 18, 2014, between the Company and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 18, 2014, File No. 1-06196).		X
4.26.5	Seventh Supplemental Indenture, dated September 14, 2015, between the Company and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 14, 2015, File No. 1-06196).		X
4.26.6	Eighth Supplemental Indenture, dated July 28, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on July 28, 2016, File No. 1-06196).		X
4.26.7	Ninth Supplemental Indenture, dated as of May 24, 2019 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 24, 2019, File No. 1-6196).		X
4.26.8	Tenth Supplemental Indenture, dated as of May 21, 2020 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 21, 2020, File No. 1-6196).		X
4.27	Medium-Term Note, Series A, dated as of October 6, 1993 (incorporated by reference to Exhibit 4.8 to registrant's Annual Report on Form 10-K for the year ended October 31, 1993, File No. 1-06196).		X
4.28	Medium-Term Note, Series A, dated as of September 19, 1994 (incorporated by reference to Exhibit 4.9 to registrant's Annual Report on Form 10-K for the year ended October 31, 1994, File No. 1-06196).		X
4.29	Form of 6% Medium-Term Note, Series E, dated as of December 19, 2003 (incorporated by reference to Exhibit 99.2 to registrant's Current Report on Form 8-K filed on December 23, 2003, File No. 1-06196).		X
4.30	Form of Master Global Note (incorporated by reference to Exhibit 4.4 to registrant's Registration Statement on Form S-3 filed on April 30, 1997, File No. 333-26161).		X
4.31	Pricing Supplement of Medium-Term Notes, Series B, dated October 3, 1995 (incorporated by reference to Exhibit 4.10 to registrant's Annual Report on Form 10-K for the year ended October 31, 1995, File No. 1-06196).		X
4.32	Pricing Supplement of Medium-Term Notes, Series B, dated October 4, 1996 (incorporated by reference to Exhibit 4.11 to registrant's Annual Report on Form 10-K for the year ended October 31, 1996, File No. 1-06196).		X
4.33	Pricing Supplement of Medium-Term Notes, Series C, dated September 15, 1999 (incorporated by reference to Rule 424(b)(3) Pricing Supplement to Form S-3 Registration Statement Nos. 33-59369 and 333-26161).		X
4.34	Agreement of Resignation, Appointment and Acceptance dated as of March 29, 2007, by and among Piedmont Natural Gas Company, Inc., Citibank, N.A., and The Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 2007, filed on June 8, 2007, File		X

	No. 1-06196).								
10.1	Agreements with Piedmont Electric Membership Corporation, Rutherford Electric Membership Corporation and Blue Ridge Electric Membership Corporation (incorporated by reference to Exhibit 10.15 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed on August 9, 2006, File No. 1-32853).		X						
10.2	Asset Purchase Agreement between Saluda River Electric Cooperative, Inc., as Seller, and Duke Energy Carolinas, LLC, as Purchaser, dated as of December 20, 2006 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on December 27, 2006, File No. 1-4928).		X						
10.3	Settlement between Duke Energy Corporation, Duke Energy Carolinas, LLC and the U.S. Department of Justice resolving Duke Energy's used nuclear fuel litigation against the U.S. Department of Energy, dated as of March 6, 2007 (incorporated by reference to Item 8.01 to registrant's Current Report on Form 8-K filed on March 12, 2007, File No. 1-4928).		X						
10.4	Letter Agreement between Georgia Natural Gas Company and Piedmont Energy Company dated February 12, 2016 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on February 18, 2016, File No. 1-06196).								X
10.5	Assignment of Membership Interests dated as of October 3, 2016 between Piedmont ACP Company, LLC and Dominion Atlantic Coast Pipeline, LLC, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on October 7, 2016, File No. 1-06196).								X
10.6	Agreements between Piedmont Electric Membership Corporation, Rutherford Electric Membership Corporation and Blue Ridge Electric Membership Corporation (incorporated by reference to Exhibit 10.15 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed on August 9, 2006, File No. 1-32853).		X						
10.7	Conveyance and Assignment Agreement, dated as of October 3, 2016, by and between Piedmont Energy Company and Georgia Natural Gas Company (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on October 3, 2016, File No. 1-06196).								X
10.8	Engineering, Procurement and Construction Management Agreement between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and Bechtel Power Corporation, dated as of December 15, 2008 (incorporated by reference to Exhibit 10.16 to registrant's Annual Report on Form 10-K for the year ended December 31, 2008, filed on March 13, 2009, File No. 1-3543). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)							X	
10.9	Formation and Sale Agreement between Duke Ventures, LLC, Crescent Resources, LLC, Morgan Stanley Real Estate Fund V U.S. L.P., Morgan Stanley Real Estate Fund V Special U.S., L.P., Morgan Stanley Real Estate Investors V U.S., L.P., MSP Real Estate Fund V, L.P., and Morgan Stanley Strategic Investments, Inc., dated as of September 7, 2006 (incorporated by reference to Exhibit 10.3 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006, filed on November 9, 2006, File No. 1-32853).	X							
10.10	Operating Agreement of Pioneer Transmission, LLC (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, filed on November 7, 2008, File No. 1-32853).	X							
10.11**	Amended and Restated Duke Energy Corporation Directors' Saving Plan, dated as of January 1, 2014 (incorporated by reference to Exhibit 10.32 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 28, 2014, File No. 1-32853).	X							
10.12	Engineering, Procurement and Construction Management Agreement between Duke Energy Indiana, LLC (formerly PSI Energy, Inc.) and Bechtel Power Corporation, dated as of December 15, 2008 (incorporated by reference to Item 1.01 to registrant's Current Report on Form 8-K filed on December 19, 2008, File Nos. 1-32853 and 1-3543). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)	X						X	
10.13**	Duke Energy Corporation Executive Severance Plan (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on January 13, 2011, File No. 1-32853).	X							
10.14	$6,000,000,000 Five-Year Credit Agreement between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Carolina Power and Light Company d/b/a Duke Energy Progress, Inc. and Florida Power Corporation, d/b/a Duke Energy Florida, Inc., as Borrowers, the lenders listed therein, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A. and The Royal Bank of Scotland plc, as Co-Syndication Agents and Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, Industrial and Commercial Bank of China Limited, New York Branch, JPMorgan Chase Bank, N.A. and UBS Securities LLC, as Co-Documentation Agents, dated as of November 18, 2011 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on November 25, 2011, File Nos. 1-32853, 1-4928, 1-1232 and 1-3543).	X	X				X	X	
10.14.1	Amendment No. 1 and Consent between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, Inc., Duke Energy Florida, Inc., and Wells Fargo Bank, National Association, dated as of December 18, 2013 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on December 23, 2013, File Nos. 1-32853, 1-4928, 1-3382, 1-3274, 1-1232 and 1-3543).	X	X		X	X	X	X	
10.14.2	Amendment No. 2 and Consent between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, Inc., and Duke Energy Florida, Inc., the Lenders party hereto, the issuing Lenders party hereto, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender, dated as of January 30, 2015 (incorporated by reference to Exhibit 10.1 of registrant's Current Report on Form 8-K filed on February 5, 2015, File Nos. 1-32853, 1-4928, 1-1232, 1-3543, 1-3382	X	X		X	X	X	X	

	and 1-3274).								
10.14.3	Amendment No. 3 and Consent, dated as of March 16, 2017, among the registrants, the Lenders party thereto, the issuing Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on March 17, 2017, File Nos. 1-32853, 1-04928, 1-03382, 1-03274, 1-01232, 1-03543, 1-06196).	X	X		X	X	X	X	X
10.14.4	Amendment No.4 and Consent, dated as of March 18, 2019, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, LLC, Duke Energy Kentucky, Inc., Duke Energy Progress, LLC, Duke Energy Florida, LLC, and Piedmont Natural Gas Company, Inc., the Lenders party thereto, the Issuing Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on March 21, 2019, File Nos. 1-32853. 1-4928, 1-3382, 1-3274, 1-1232, 1-3543, 1-6196).	X	X		X	X	X	X	X
10.14.5	Amendment No. 5 and Consent, dated as of March 16, 2020, among registrants', the Lenders party thereto, the Issuing Lenders party thereto, and Wells Fargo Bank, N.A., as Administrative Agent, and Swingline Lender (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on March 17, 2020, File Nos. 1-32853, 1-4928, 1-3382, 1-3274, 1-1232, 1-3543, 1-6196).	X	X		X	X	X	X	X
10.15**	Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Appendix A to registrant's Form DEF 14A filed on March 22, 2010, File No. 1-32853).	X							
10.15.1**	Amendment to Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed on August 8, 2012, File No. 1-32853).	X							
10.16**	Duke Energy Corporation 2015 Long-Term Incentive Plan (incorporated by reference to Appendix C to registrant's DEF 14A filed on March 26, 2015, File No. 1-32853).	X							
10.16.1**	Amendment to Duke Energy Corporation 2015 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.16.1 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 28, 2019, File No. 1-32853).	X							
10.17**	Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.4 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed on May 9, 2017, File No. 1-32853).	X							
10.18**	Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.24 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 21, 2018, File No. 1-32853).	X							
10.19**	Performance-Based Retention Award Agreement (incorporated by reference to Exhibit 10.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 9, 2017, File No. 1-32853).	X							
10.20**	Performance Award Agreement (incorporated by reference to Exhibit 10.3 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed on May 9, 2017, File No. 1-32853).	X							
10.21**	Performance Award Agreement (incorporated by reference to Exhibit 10.27 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 21, 2018, File No. 1-32853).	X							
10.22**	Performance Share Award Agreement (incorporated by reference to Exhibit 10.2 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed on May 9, 2019, File No. 1-32853).	X							
10.23**	Performance Award Agreement (incorporated by reference to Exhibit 10.4 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 12, 2020, File No. 1-32853).	X							
10.24**	Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.3 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed on May 9, 2019, File No. 1-32853).	X							
10.25	Settlement Agreement between Duke Energy Corporation, the North Carolina Utilities Commission Staff and the North Carolina Public Staff, dated as of November 28, 2012 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on November 29, 2012, File No. 1-32853).	X							
10.26	Settlement Agreement between Duke Energy Corporation and the North Carolina Attorney General, dated as of December 3, 2012 (incorporated by reference Item 7.01 to registrant's Current Report on Form 8-K filed on December 3, 2012, File No. 1-32853).	X							
10.27	Settlement Agreement between Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, and The North Carolina Department of Environmental Quality, dated as of December 31, 2019 (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on January 2, 2020, File Nos. 1-4928, 1-3382).		X		X				
10.28	Duke Energy Carolinas Summary of Partial Settlement in North Carolina Rate Case (incorporated by reference to Exhibit 99.1 to registrant's Current Report on Form 8-K filed on March 26, 2020, File Nos. 1-32853, 1-4928, 1-3382).	X	X		**X**				
10.29**	Form of Change-in-Control Agreement (incorporated by reference to Exhibit 10.58 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2012, filed on March 1, 2013, File No. 1-32853).	X							
10.30**	Amended and Restated Duke Energy Corporation Executive Cash Balance Plan, dated as of January 1, 2014 (incorporated by reference to Exhibit 10.52 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 28, 2014, File No. 1-32852).	X							
10.30.1**	Amended and Restated Duke Energy Corporation Executive Cash Balance Plan, dated as of September 30, 2020 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on September 25, 2020, File No. 1-32853).	X							
10.31	Purchase, Construction and Ownership Agreement, dated as of July 30,				X				

	1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency, amending letter, dated as of February 18, 1982, and amendment, dated as of February 24, 1982 (incorporated by reference to Exhibit 10(a) to registrant's File No. 33-25560).								
10.32	Operating and Fuel Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency, amending letters, dated as of August 21, 1981, and December 15, 1981, and amendment, dated as of February 24, 1982 (incorporated by reference to Exhibit 10(b) to registrant's File No. 33-25560).				X				
10.33	Power Coordination Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency and amending letter, dated as of January 29, 1982 (incorporated by reference to Exhibit 10(c) to registrant's File No. 33-25560).				X				
10.34	Amendment, dated as of December 16, 1982, to Purchase, Construction and Ownership Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Eastern Municipal Power Agency (incorporated by reference to Exhibit 10(d) to registrant's File No. 33-25560).				X				
10.35**	Progress Energy, Inc. 2007 Equity Incentive Plan (incorporated by reference to Exhibit C to registrant's Form DEF 14A filed on March 30, 2007, File No. 1-15929).			X					
10.36	Precedent and Related Agreements between Duke Energy Florida, Inc. (formerly Florida Power Corporation d/b/a Progress Energy Florida, Inc. ("PEF")), Southern Natural Gas Company, Florida Gas Transmission Company ("FGT"), and BG LNG Services, LLC ("BG"), including: a) Precedent Agreement between Southern Natural Gas Company and PEF, dated as of December 2, 2004; b) Gas Sale and Purchase Contract between BG and PEF, dated as of December 1, 2004; c) Interim Firm Transportation Service Agreement by and between FGT and PEF, dated as of December 2, 2004; d) Letter Agreement between FGT and PEF, dated as of December 2, 2004, and Firm Transportation Service Agreement between FGT and PEF to be entered into upon satisfaction of certain conditions precedent; e) Discount Agreement between FGT and PEF, dated as of December 2, 2004; f) Amendment to Gas Sale and Purchase Contract between BG and PEF, dated as of January 28, 2005; and g) Letter Agreement between FGT and PEF, dated as of January 31, 2005 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K/A filed on March 15, 2005, File Nos. 1-15929 and 1-3274). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)			X		X			
10.37	Engineering, Procurement and Construction Agreement between Duke Energy Florida, Inc. (formerly Florida Power Corporation d/b/a/ Progress Energy Florida, Inc.), as owner, and a consortium consisting of Westinghouse Electric Company LLC and Stone & Webster, Inc., as contractor, for a two-unit AP1000 Nuclear Power Plant, dated as of December 31, 2008 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on March 2, 2009, File Nos. 1-15929 and 1-3274). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)			X		X			
10.38**	Employment Agreement between Duke Energy Corporation and Lynn J. Good, dated as of June 17, 2013 (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Current Report on Form 8-K filed on June 18, 2013, File No. 1-32853).	X							
10.38.1**	Amendment to Employment Agreement between Duke Energy Corporation and Lynn J. Good, dated as of June 25, 2015 (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Current Report on Form 8-K filed on June 29, 2015, File No. 1-32853).	X							
10.39**	Duke Energy Corporation Executive Short-Term Incentive Plan, dated as of February 25, 2013 (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Current Report on Form 8-K filed on May 7, 2013, File No. 1-32853).	X							
10.40**	Duke Energy Corporation 2017 Director Compensation Program Summary (incorporated by reference to Exhibit 10.3 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed on August 3, 2017, File No. 1-32853).	X							
10.41**	Amended and Restated Duke Energy Corporation Executive Savings Plan, dated as of January 1, 2014 (incorporated by reference to Exhibit 10.82 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 28, 2014, File No. 1-32853).	X							
10.41.1**	Amendment to Duke Energy Corporation Executive Savings Plan, dated as of January 1, 2014 (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed on November 3, 2017, File No. 1-32853).	X							
10.41.2**	Amendment to Duke Energy Corporation Executive Savings Plan, dated as of October 1, 2020 (incorporated by reference to Exhibit 10.2 to Duke Energy Corporation's Current Report on Form 8-K filed on September 25, 2020, File No. 1-32853).	X							
10.42	Agreement between Duke Energy SAM, LLC, Duke Energy Ohio, Inc., Duke Energy Commercial Enterprise, Inc. and Dynegy Resource I, LLC, dated as of August 21, 2014 (incorporated by reference to Exhibit 10.61 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2014, filed on March 2, 2015, File No. 1-32853).	X					X		
10.43	Asset Purchase Agreement between Duke Energy Progress, Inc. and North Carolina Eastern Municipal Power Agency, dated as of September 5, 2014 (incorporated by reference to Exhibit 10.62 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December	X			X				

	31, 2014, filed on March 2, 2015, File No. 1-32853).		
10.44	Accelerated Stock Repurchase Program executed by Goldman, Sachs & Co., and JPMorgan Chase Bank, N.A. on April 6, 2015, under an agreement with Duke Energy Corporation (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Current Report on Form 8-K filed on April 6, 2015, File No. 1-32853).	X	
10.45	Plea Agreement between Duke Energy Corporation and the Court of the Eastern District of North Carolina in connection with the May 14, 2015, Dan River Grand Jury Settlement (incorporated by reference to Exhibit 10.3 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed on August 7, 2015, File No. 1-32853).	X	
10.46	Plea Agreement between Duke Energy Corporation and the Court of the Eastern District of North Carolina in connection with the May 14, 2015, Dan River Grand Jury Settlement (incorporated by reference to Exhibit 10.4 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, filed on August 7, 2015, File No. 1-32853).	X	
10.47	Purchase and Sale Agreement by and among Duke Energy International Group S.à.r.l., Duke Energy International Brazil Holdings S.à.r.l. and China Three Gorges (Luxembourg) Energy S.à.r.l., dated as of October 10, 2016 (incorporated by reference to Exhibit 2.1 to registrant's Current Report on Form 8-K filed on October 13, 2016, File No. 1-32853).	X	
10.48	Purchase and Sale Agreement by and among Duke Energy Brazil Holdings II, C.V., Duke Energy International Uruguay Investments SRL, Duke Energy International Group S.à.r.l., Duke Energy International España Holdings SL, Duke Energy International Investments No. 2 Ltd., ISQ Enerlam Aggregator, L.P., and Enerlam (UK) Holdings Ltd., dated as of October 10, 2016 (incorporated by reference to Exhibit 2.2. to registrant's Current Report on Form 8-K filed on October 13, 2016, File No. 1-32853).	X	
10.49**	Amended and Restated Employment Agreement, dated May 25, 2012, between Piedmont Natural Gas Company, Inc. and Franklin H. Yoho (incorporated by reference to Exhibits 10.1 and 10.2 to Piedmont Natural Gas Company, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 31, 2012, filed on September 7, 2012, File No. 1-06196).	X	
10.50**	Severance Agreements with Thomas E. Skains and Franklin H. Yoho, dated September 4, 2007 (incorporated by reference to Exhibits 10.2 and 10.2a to Piedmont Natural Gas Company, Inc's Quarterly Report on Form 10-Q for the quarter ended July 31, 2007, filed on September 7, 2007, File No. 1-06196).	X	
10.51**	Piedmont Natural Gas Company, Inc. Incentive Compensation Plan (incorporated by reference to Exhibit 10.64 to registrant's Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017, File No. 1-32853).	X	
10.51.1**	First Amendment to Piedmont Natural Gas Company, Inc. Incentive Compensation Plan (incorporated by reference to Exhibit 4.2 to registrant's Registration Statement on Form S-8 filed on October 3, 2016, File No. 1-32853).	X	
10.52**	Waiver of Certain Rights to Terminate for Good Reason between Duke Energy Corporation and Franklin H. Yoho (incorporated by reference to Exhibit 10.66 to registrant's Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017, File No. 1-32853).	X	
10.53**	Notice of Non-Renewal of Employment Agreement between Duke Energy Corporation and Franklin H. Yoho (incorporated by reference to Exhibit 10.67 to registrant's Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017, File No. 1-32853).	X	
10.54**	Retention Award Agreement, dated as of October 24, 2015, between Duke Energy Corporation and Franklin H. Yoho (incorporated by reference to Exhibit 10.68 to registrant's Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017, File No. 1-32853).	X	
10.55**	Consulting Agreement, dated as of October 4, 2019, between Duke Energy Corporation and Franklin H. Yoho (incorporated by reference to Exhibit 10.54 to registrant's Annual Report of Form 10-K for the year ended December 31, 2019, filed on February 20, 2020, File No. 1-32853).	X	
10.56	$1,000,000,000 Credit Agreement, dated as of June 14, 2017, among Duke Energy Corporation, the lenders listed therein, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as C0-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on June 14, 2017, File No. 1-32853).	X	
10.57	$1,000,000,000 Credit Agreement, dated as of May 15, 2019, among Duke Energy Corporation, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A., and U.S. Bank, National Association, as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on May 16, 2019, File No. 1-32853).	X	
10.58	$1.5 billion 364-Day Term Loan Credit Agreement, dated as of March 19, 2020, among the registrant, as Borrower, certain Lenders from time to time parties thereto, and PNC Bank, N.A., as Administrative Agent, and registrant's borrowing of the remaining $500 million under registrant's existing $1 billion revolving credit facility on March 17, 2020 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on March 19, 2020, File No. 1-32853).	X	

10.58.1	Joinder Agreement, dated as of March 27, 2020, by and among, the registrant, each of the Incremental Lenders listed therein, and PNC Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 12, 2020, File No. 1-32853).	X							
10.59	Note Purchase Agreement, dated as of May 6, 2011, among Piedmont Natural Gas Company, Inc. and the Purchasers party thereto (incorporated by reference to Exhibit 10 to registrant's Current Report on Form 8-K filed on May 12, 2011, File No. 1-06196).								X
10.60	Amended and Restated Limited Liability Company Agreement of Constitution Pipeline Company, LLC dated April 9, 2012, by and among Williams Partners Operating LLC and Cabot Pipeline Holdings LLC (incorporated by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2013, filed on March 6, 2013, File No. 1-06196).								X
10.60.1	First Amendment to Amended and Restated Limited Liability Company Agreement of Constitution Pipeline Company, LLC, dated as of November 9, 2012, by and among Constitution Pipeline Company, LLC, Williams Partners Operating LLC, Cabot Pipeline Holdings LLC, and Piedmont Constitution Pipeline Company, LLC (incorporated by reference to Exhibit 10.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2013, filed on March 6, 2013, File No. 1-06196).								X
10.60.2	Second Amendment to Amended and Restated Limited Liability Company Agreement of Constitution Pipeline Company, LLC, dated as of May 29, 2013, by and among Constitution Pipeline Company, LLC, Williams Partners Operating LLC, Cabot Pipeline Holdings LLC, Piedmont Constitution Pipeline Company, LLC, and Capitol Energy Ventures Corp. (incorporated by reference to Exhibit 99.1 to registrant's Current Report on Form 8-K filed on September 4, 2013, File No. 1-06196).								X
10.61	Second Amended and Restated Limited Liability Company Agreement of SouthStar Energy Services LLC, dated as of September 1, 2013, by and between Georgia Natural Gas Company and Piedmont Energy Company (incorporated by reference to Exhibit 10.39 to registrant's Annual Report on Form 10-K for the year ended October 31, 2013, filed on December 23, 2013, File No. 1-06196).								X
10.62	Limited Liability Company Agreement of Atlantic Coast Pipeline, LLC, dated as of September 2, 2014, by and between Dominion Atlantic Coast Pipeline, LLC, Duke Energy ACP, LLC, Piedmont ACP Company, LLC, and Maple Enterprise Holdings, Inc. (incorporated by reference to Exhibit 10.35 to registrant's Annual Report on Form 10-K for the year ended October 31, 2014, filed on December 23, 2014, File No. 1-06196).								X
10.63	Engineering, Procurement and Construction Agreement between Duke Energy Business Services, LLC, as agent for and on behalf of Piedmont Natural Gas Company Inc. and Matrix Service, Inc., dated as of April 30, 2019 (incorporated by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed on August 6, 2019, File No. 1-06196). (Portions of the exhibit have been omitted for confidentiality.)								X
10.64	Decommissioning Services Agreement between Duke Energy Florida, LLC, and ADP CR3, LLC, and ADP SF1, LLC (incorporated by reference to Exhibit 10.3 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed on August 6, 2019, File No. 2-5293). (Portions of the exhibit have been omitted for confidentiality.)					X			
10.65	Form of Forward Sale Agreement (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on November 8, 2019, File No. 1-32853).	X							
10.66	Lease Agreement dated as of December 23, 2019, between the registrant and CGA 525 South Tryon TIC 1, LLC, a Delaware limited liability company, CGA 525 South Tryon TIC 2, LLC, a Delaware limited liability company, and CK 525 South Tryon TIC, LLC, a Delaware limited liability company (incorporated by reference to Exhibit 10.64 to registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 20, 2020, File No. 1-4928).		X						
10.67	Construction Agency Agreement dated as of December 23, 2019, between the registrant and CGA 525 South Tryon TIC 1, LLC, a Delaware limited liability company, CGA 525 South Tryon TIC 2, LLC, a Delaware limited liability company, and CK 525 South Tryon TIC, LLC, a Delaware limited liability company (incorporated by reference to Exhibit 10.65 to registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 20, 2020, File No. 1-4928).		X						
*21	List of Subsidiaries	X							
*23.1.1	Consent of Independent Registered Public Accounting Firm.	X							
*23.1.2	Consent of Independent Registered Public Accounting Firm.		X						
*23.1.3	Consent of Independent Registered Public Accounting Firm.				X				
*23.1.4	Consent of Independent Registered Public Accounting Firm.					X			
*23.1.5	Consent of Independent Registered Public Accounting Firm.						X		
*23.1.6	Consent of Independent Registered Public Accounting Firm.							X	
*23.1.7	Consent of Independent Registered Public Accounting Firm.								X
*24.1	Power of attorney authorizing Lynn J. Good and others to sign the Annual Report on behalf of the registrant and certain of its directors and officers.	X							
*24.2	Certified copy of resolution of the Board of Directors of the registrant authorizing power of attorney.	X							
*31.1.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.1.2	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						
*31.1.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.1.4	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.1.5	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.1.6	Certification of the Chief Executive Officer Pursuant to Section 302 of the						X		

	Sarbanes-Oxley Act of 2002.								
*31.1.7	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.1.8	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X
*31.2.1	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.2.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						
*31.2.3	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.2.4	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.2.5	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.2.6	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X		
*31.2.7	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.2.8	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X
*32.1.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.1.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.1.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.1.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.1.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.1.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		
*32.1.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.1.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*32.2.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.2.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.2.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.2.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.2.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.2.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		
*32.2.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.2.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*101.INS	XBRL Instance Document (this does not appear in the Interactive Data File because it's XBRL tags are embedded within the Inline XBRL document).	X	X	X	X	X	X	X	X
*101.SCH	XBRL Taxonomy Extension Schema Document	X	X	X	X	X	X	X	X
*101.CAL	XBRL Taxonomy Calculation Linkbase Document	X	X	X	X	X	X	X	X
*101.LAB	XBRL Taxonomy Label Linkbase Document	X	X	X	X	X	X	X	X
*101.PRE	XBRL Taxonomy Presentation Linkbase Document	X	X	X	X	X	X	X	X
*101.DEF	XBRL Taxonomy Definition Linkbase Document	X	X	X	X	X	X	X	X
*104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	X	X	X	X	X	X	X	X

The total amount of securities of each respective registrant or its subsidiaries authorized under any instrument with respect to long-term debt not filed as an exhibit does not exceed 10% of the total assets of such registrant and its subsidiaries on a consolidated basis. Each registrant agrees, upon request of the SEC, to furnish copies of any or all of such instruments to it.

SIGNATURES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY CORPORATION
(Registrant)

By: /s/ LYNN J. GOOD

Lynn J. Good
Chair, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chair, President and Chief Executive Officer (Principal Executive Officer and Director)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

Michael G. Browning*	John T. Herron*
Annette K. Clayton*	William E. Kennard*
Theodore F. Craver, Jr.*	E. Marie McKee*
Robert M. Davis*	Marya M. Rose*
Daniel R. DiMicco*	Thomas E. Skains*
Nicholas C. Fanandakis*	William E. Webster, Jr.*
Lynn J. Good*	

Steven K. Young, by signing his name hereto, does hereby sign this document on behalf of the registrant and on behalf of each of the above-named persons previously indicated by asterisk (*) pursuant to a power of attorney duly executed by the registrant and such persons, filed with the Securities and Exchange Commission as an exhibit hereto.

By: /s/ STEVEN K. YOUNG
Attorney-In-Fact

Date: February 25, 2021

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY CAROLINAS, LLC
(Registrant)
By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiaa M. Jamil

/s/ JULIA S. JANSON
Julia S. Janson

Date: February 25, 2021

SIGNATURES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

PROGRESS ENERGY, INC.
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ KODWO GHARTEY-TAGOE
Kodwo Ghartey-Tagoe

/s/ LYNN J. GOOD
Lynn J. Good

Date: February 25, 2021

SIGNATURES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY PROGRESS, LLC
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ DOUGLAS F ESAMANN
Douglas F Esamann

/s/ KODWO GHARTEY-TAGOE
Kodwo Ghartey-Tagoe

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiaa M. Jamil

/s/ JULIA S. JANSON
Julia S. Janson

Date: February 25, 2021

SIGNATURES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY FLORIDA, LLC
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ DOUGLAS F ESAMANN
Douglas F Esamann

/s/ KODWO GHARTEY-TAGOE
Kodwo Ghartey-Tagoe

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiaa M. Jamil

/s/ JULIA S. JANSON
Julia S. Janson

Date: February 25, 2021

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY OHIO, INC.
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ DOUGLAS F ESAMANN
Douglas F Esamann

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiaa M. Jamil

Date: February 25, 2021

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

DUKE ENERGY INDIANA, LLC
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ DOUGLAS F ESAMANN
Douglas F Esamann

/s/ KELLEY A. KARN
Kelley A. Karn

/s/ STAN PINEGAR
Stan Pinegar

Date: February 25, 2021

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 25, 2021

PIEDMONT NATURAL GAS COMPANY, INC.
(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

(i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)

(ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

(iii) /s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)

(iv) Directors:

/s/ DOUGLAS F ESAMANN
Douglas F Esamann

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiaa M. Jamil

Date: February 25, 2021

EXHIBIT 21

LIST OF SUBSIDIARIES

The following is a list of certain Duke Energy subsidiaries (50% owned or greater) and their respective states or countries of incorporation as of December 31, 2020:

2018 ESA Project Company, LLC (Delaware)
226HC 8me LLC (Delaware)
Advance SC LLC (South Carolina)
Baker House Apartments LLC (North Carolina)
Bethel Price Solar, LLC (Delaware)
Bison Insurance Company Limited (South Carolina)
Black Mountain Solar, LLC (Arizona)
Blue Rose Wind Holdings, LLC (Delaware)
Blue Rose Wind, LLC (Delaware)
Broad River Solar, LLC (Delaware)
Caldwell Power Company (North Carolina)
Capitan Corporation (Tennessee)
Caprock Solar 1 LLC (Delaware)
Caprock Solar 2 LLC (Delaware)
Caprock Solar Holdings 1, LLC (Delaware)
Caprock Solar Holdings 2, LLC (Delaware)
Carofund, Inc. (North Carolina)
CaroHome, LLC (North Carolina)
Carolina Solar Power, LLC (Delaware)
Catamount Energy Corporation (Vermont)
Catamount Rumford Corporation (Vermont)
Catamount Sweetwater 1 LLC (Vermont)
Catamount Sweetwater 2 LLC (Vermont)
Catamount Sweetwater 3 LLC (Vermont)
Catamount Sweetwater 4-5 LLC (Vermont)
Catamount Sweetwater 6 LLC (Vermont)
Catamount Sweetwater Corporation (Vermont)
Catamount Sweetwater Holdings LLC (Vermont)
Catawba Mfg. & Electric Power Co. (North Carolina)
CEC UK1 Holding Corp. (Vermont)
CEC UK2 Holding Corp. (Vermont)
Century Group Real Estate Holdings, LLC (South Carolina)
CGP Global Greece Holdings, SA (Greece)
Cimarron Windpower II, LLC (Delaware)
Cinergy Climate Change Investments, LLC (Delaware)
Cinergy Corp. (Delaware)
Cinergy Global (Cayman) Holdings, Inc. (Cayman Islands)
Cinergy Global Holdings, Inc. (Delaware)
Cinergy Global Power, Inc. (Delaware)
Cinergy Global Resources, Inc. (Delaware)
Cinergy Global Tsavo Power (Cayman Islands)
Cinergy Receivables Company LLC (Delaware)

Cinergy Solutions - Utility, Inc. (Delaware)
Claiborne Energy Services, Inc. (Louisiana)
Clear Skies Solar Holdings, LLC (Delaware)
Clear Skies Solar, LLC (Delaware)
Colonial Eagle Solar, LLC (Delaware)
Conetoe II Solar, LLC (North Carolina)
CPRE 1 Holdings, LLC (Delaware)
CPRE 1, LLC (Delaware)
Creswell Alligood Solar, LLC (Delaware)
CS Murphy Point, LLC (North Carolina)
CSCC Holdings Limited Partnership (Canada (British Columbia))
D/FD Holdings, LLC (Delaware)
D/FD International Services Brasil Ltda. (Brazil)
D/FD Operating Services LLC (Delaware)
DATC Midwest Holdings, LLC (Delaware)
DATC Path 15 Transmission, LLC (Delaware)
DATC Path 15, LLC (Delaware)
DATC SLTP, LLC (Delaware)
DE Nuclear Engineering, Inc. (North Carolina)
DE1 Holdings, LLC (Delaware)
DEGS O&M, LLC (Delaware)
DEGS of Narrows, LLC (Delaware)
DEGS Wind Supply II, LLC (Delaware)
DEGS Wind Supply, LLC (Delaware)
DEPHCO Logistics, LLC (Delaware)
DER CPRE 1, LLC (Delaware)
DER Holstein Holdings, LLC (Delaware)
DER Holstein TX Holdings, LLC (Delaware)
DER Holstein, LLC (Delaware)
DER Rambler Solar, LLC (Delaware)
DETMI Management, Inc. (Colorado)
Dixilyn-Field (Nigeria) Limited (Nigeria)
Dixilyn-Field Drilling Company (Delaware)
Dogwood Solar, LLC (Delaware)
DS Cornerstone LLC (Delaware)
DTMSI Management Ltd. (British Columbia)
Duke Energy ACP, LLC (Delaware)
Duke Energy Americas, LLC (Delaware)
Duke Energy Arabian Limited (Gibraltar)
Duke Energy Beckjord Storage LLC (Delaware)
Duke Energy Beckjord, LLC (Delaware)
Duke Energy Brazil Holdings I, C.V.
Duke Energy Breeze Holdings, LLC (Delaware)
Duke Energy Business Services LLC (Delaware)
Duke Energy Carolinas Plant Operations, LLC (Delaware)
Duke Energy Carolinas, LLC (North Carolina)
Duke Energy China Corp. (Delaware)

Duke Energy Clean Energy Resources, LLC (Delaware)
Duke Energy Commercial Enterprises, Inc. (Indiana)
Duke Energy Corporate Services, Inc. (Delaware)
Duke Energy Florida Project Finance, LLC (Delaware)
Duke Energy Florida Receivables LLC (Delaware)
Duke Energy Florida Solar Solutions, LLC (Delaware)
Duke Energy Florida, LLC (Florida)
Duke Energy Fuel Cell Holdings, LLC (Delaware)
Duke Energy Fuel Cell, LLC (Delaware)
Duke Energy Generation Services, Inc. (Delaware)
Duke Energy Golden Vista, LLC (Delaware)
Duke Energy Group Holdings, LLC (Delaware)
Duke Energy Group, LLC (Delaware)
Duke Energy Indiana, LLC (Indiana)
Duke Energy Industrial Sales, LLC (Delaware)
Duke Energy International Uruguay Investments, S.R.L. (Uruguay)
Duke Energy International, LLC (Delaware)
Duke Energy Kentucky, Inc. (Kentucky)
Duke Energy Luxembourg II, LLC (Delaware)
Duke Energy Merchants, LLC (Delaware)
Duke Energy Mesteno, LLC (Delaware)
Duke Energy North America, LLC (Delaware)
Duke Energy Ohio, Inc. (Ohio)
Duke Energy One Services, LLC (Delaware)
Duke Energy One, Inc. (Delaware)
Duke Energy Pipeline Holding Company, LLC (Delaware)
Duke Energy Progress Receivables LLC (Delaware)
Duke Energy Progress, LLC (North Carolina)
Duke Energy Receivables Finance Company, LLC (Delaware)
Duke Energy Registration Services, Inc. (Delaware)
Duke Energy Renewable Services, LLC (Delaware)
Duke Energy Renewables Commercial, LLC (Delaware)
Duke Energy Renewables Holding Company, LLC (Delaware)
Duke Energy Renewables NC Solar, LLC (Delaware)
Duke Energy Renewables Solar Holdings, Inc. (Delaware)
Duke Energy Renewables Solar I, LLC (Delaware)
Duke Energy Renewables Solar, LLC (Delaware)
Duke Energy Renewables Storage, LLC (Delaware)
Duke Energy Renewables Wind I, LLC (Delaware)
Duke Energy Renewables Wind, LLC (Delaware)
Duke Energy Renewables, Inc. (Delaware)
Duke Energy Royal, LLC (Delaware)
Duke Energy Sabal Trail, LLC (Delaware)
Duke Energy SAM, LLC (Delaware)
Duke Energy Services Canada ULC (British Columbia)
Duke Energy Services, Inc. (Delaware)
Duke Energy Shoreham Holdings, LLC (Delaware)

Duke Energy Shoreham, LLC (Delaware)
Duke Energy Skyhigh 2, LLC (Delaware)
Duke Energy Skyhigh, LLC (Delaware)
Duke Energy Sun Holdings, LLC (Delaware)
Duke Energy Supply Company, LLC (Delaware)
Duke Energy Transmission Holding Company, LLC (Delaware)
Duke Energy Vermillion II, LLC (Delaware)
Duke Investments, LLC (Delaware)
Duke Project Services, Inc. (North Carolina)
Duke Supply Network, LLC (Delaware)
Duke SustainRNG Holding Corp. (Delaware)
Duke SustainRNG LLC (Delaware)
Duke Technologies, Inc. (Delaware)
Duke Ventures II, LLC (Delaware)
Duke Ventures Real Estate, LLC (Delaware)
Duke Ventures, LLC (Nevada)
Duke/Fluor Daniel (North Carolina)
Duke/Fluor Daniel Caribbean, S.E. (Puerto Rico)
Duke/Fluor Daniel El Salvador S.A. de C.V. (El Salvador)
Duke/Fluor Daniel International (Nevada)
Duke/Fluor Daniel International Services (Nevada)
Duke/Fluor Daniel International Services (Trinidad) Ltd. (Trinidad and Tobago)
Duke-American Transmission Company, LLC (Delaware)
Duke-Reliant Resources, Inc. (Delaware)
East Blackland Holdings LLC
East Blackland Solar Project 1 LLC
Eastman Whipstock do Brasil Ltda. (Brazil)
Eastover Land Company (Kentucky)
Eastover Mining Company (Kentucky)
Emerald State Solar Holdings, LLC (Delaware)
Emerald State Solar, LLC (Delaware)
Energy Pipelines International Company (Delaware)
Equinox Vermont Corporation (Vermont)
eTransEnergy, LLC (Delaware)
Everetts Wildcat Solar, LLC (Delaware)
Federal Way Powerhouse LLC (Delaware)
Florida Progress Funding Corporation (Delaware)
Florida Progress, LLC (Florida)
Franklin Solar LLC (Idaho)
Free State Windpower, LLC (Delaware)
Fresh Air Energy X, LLC (North Carolina)
Frontier Windpower II, LLC (Delaware)
Frontier Windpower, LLC (Delaware)
Garysburg Solar LLC (Delaware)
Gaston Solar LLC (Delaware)
Gato Montes Solar, LLC (Delaware)
Golden Vista Energy Holdings, LLC (Delaware)

Green Frontier Windpower Holdings, LLC (Delaware)
Green Frontier Windpower, LLC (Delaware)
Greenville Gas and Electric Light and Power Company (South Carolina)
Grove Arcade Restoration LLC (North Carolina)
Happy Jack Windpower, LLC (Delaware)
Hardy Storage Company, LLC (West Virginia)
HGA Development, LLC (North Carolina)
High Noon Solar Holdings, LLC (Delaware)
High Noon Solar, LLC (Delaware)
Highlander Solar 1, LLC (Delaware)
Highlander Solar 2, LLC (Delaware)
Historic Property Management, LLC (North Carolina)
Holstein Solar Holdings, LLC (Delaware)
HXOap Solar One, LLC (North Carolina)
Ironwood Windpower, LLC (Delaware)
Ironwood-Cimarron Windpower Holdings, LLC (Delaware)
Jackpot Holdings, LLC (Idaho)
Kentucky May Coal Company, LLC (Virginia)
Kit Carson Windpower II Holdings, LLC (Delaware)
Kit Carson Windpower II, LLC (Delaware)
Kit Carson Windpower, LLC (Delaware)
KO Transmission Company (Kentucky)
Lapetus Energy Project, LLC (Delaware)
Laurel Hill Wind Energy, LLC (Pennsylvania)
Ledyard Windpower, LLC (Texas)
Long Farm 46 Solar, LLC (North Carolina)
Longboat Solar, LLC (Delaware)
Los Vientos Windpower IA Holdings, LLC (Delaware)
Los Vientos Windpower IA, LLC (Delaware)
Los Vientos Windpower IB Holdings, LLC (Delaware)
Los Vientos Windpower IB, LLC (Delaware)
Los Vientos Windpower III Holdings, LLC (Delaware)
Los Vientos Windpower III, LLC (Delaware)
Los Vientos Windpower IV Holdings, LLC (Delaware)
Los Vientos Windpower IV, LLC (Delaware)
Los Vientos Windpower V Holdings, LLC (Delaware)
Los Vientos Windpower V, LLC (Delaware)
Martins Creek Solar NC, LLC (North Carolina)
Maryneal Windpower, LLC (Delaware)
Marzahl Powerhouse NJ LLC (Delaware)
MCP, LLC (South Carolina)
Mesquite Creek Wind LLC (Delaware)
Mesteno Energy Holdings, LLC (Delaware)
Mesteno Windpower, LLC (Delaware)
Miami Power Corporation (Indiana)
Murphy Farm Power, LLC (North Carolina)
Nemaha Windpower, LLC (Delaware)

North Allegheny Wind, LLC (Delaware)
North Carolina Renewable Properties, LLC (North Carolina)
North Rosamond Solar, LLC (Delaware)
NorthSouth Insurance Company Limited (South Carolina)
Notrees Windpower, LP (Delaware)
Ocotillo Windpower, LP (Delaware)
Palmer Solar LLC (Delware)
PanEnergy Corp. (Delaware)
Path 15 Funding KBT, LLC (Delaware)
Path 15 Funding TV, LLC (Delaware)
Path 15 Funding, LLC (Delaware)
PeakNet Services, LLC (Delaware)
PeakNet, LLC (Delaware)
PHX Management Holdings, LLC (Delaware)
Piedmont ACP Company, LLC (North Carolina)
Piedmont Constitution Pipeline Company, LLC (North Carolina)
Piedmont ENCNG Company, LLC (North Carolina)
Piedmont Energy Company (North Carolina)
Piedmont Energy Partners, Inc. (North Carolina)
Piedmont Hardy Storage Company, LLC (North Carolina)
Piedmont Interstate Pipeline Company (North Carolina)
Piedmont Intrastate Pipeline Company (North Carolina)
Piedmont Natural Gas Company, Inc. (North Carolina)
PIH Tax Credit Fund III, Inc. (Florida)
PIH Tax Credit Fund IV, Inc. (Florida)
PIH Tax Credit Fund V, Inc. (Florida)
PIH, Inc. (Florida)
Pioneer Transmission, LLC (Indiana)
Pisgah Ridge Solar, LLC (Delaware)
Pleasant Grove Solar, LLC (Delaware)
Potter Road Powerhouse LLC (Delaware)
Powerhouse Square, LLC (North Carolina)
PRAIRIE, LLC (North Carolina)
Progress Capital Holdings, Inc. (Florida)
Progress Energy EnviroTree, Inc. (North Carolina)
Progress Energy, Inc. (North Carolina)
Progress Fuels, LLC (Delaware)
Progress Synfuel Holdings, Inc. (Delaware)
Progress Telecommunications Corporation (Florida)
Project Oxygen Holdings I, LLC (Delaware)
Project Oxygen Holdings, LLC (Delaware)
PT Holding Company LLC (Delaware)
Pumpjack Solar I, LLC (Delaware)
Rambler Solar Holdings, LLC (Delaware)
RE Ajo 1 LLC (Delaware)
RE AZ Holdings LLC (Delaware)
RE Bagdad Solar 1 LLC (Delaware)

RE Gattaca Holdings LLC
RE Haast Holdings LLC
RE Inverness Holdings LLC
RE Rambler LLC (Delaware)
RE SFCity1 GP, LLC (Delaware)
RE SFCity1 Holdco LLC (Delaware)
RE SFCity1, LP (Delaware)
REC Solar Commercial Corporation (Delaware)
Rio Bravo Solar I, LLC (Delaware)
Rio Bravo Solar II, LLC (Delaware)
River Road Solar, LLC (North Carolina)
Rosamond Renewables, LLC (Delaware)
Rosamond Solar AQ LLC (Delaware)
Rosamond Solar Holdings, LLC (Delaware)
Rosamond Solar Portfolio, LLC (Delaware)
RP-Orlando, LLC (Delaware)
Sandy River Timber, LLC (South Carolina)
Seaboard Solar LLC (Delaware)
Seville Solar Holding Company, LLC (Delaware)
Seville Solar One LLC (Delaware)
Seville Solar Two, LLC (Delaware)
Shirley Wind, LLC (Wisconsin)
Shoreham Energy Holdings, LLC (Delaware)
Shoreham Solar Commons LLC (Delaware)
Silver Sage Windpower, LLC (Delaware)
Skyhigh Sun 2, LLC (Delaware)
Skyhigh Sun, LLC (Delaware)
Solar Star North Carolina I, LLC (Delaware)
Solar Star North Carolina II, LLC (Delaware)
SolNCPower10, L.L.C. (North Carolina)
SolNCPower5, LLC (North Carolina)
SolNCPower6, LLC (North Carolina)
South Construction Company, Inc. (Indiana)
South Dixon Solar, LLC (Delaware)
Southbound Solar, LLC (Delaware)
Southern Power Company (North Carolina)
Speedway Solar NC, LLC (Delaware)
Stenner Creek Solar LLC (Delaware)
Stony Knoll Solar, LLC (Delaware)
Strategic Resource Solutions Corp., A North Carolina Enterprise Corporation (North Carolina)
Summit Wind Energy Mesquite Creek, LLC (Delaware)
Sweetwater Development LLC (Texas)
Sweetwater Wind 4 LLC (Delaware)
Sweetwater Wind 5 LLC (Delaware)
Sweetwater Wind Power L.L.C. (Texas)
Symphony Breeze, LLC (Delaware)
Symphony Sun, LLC (Delaware)

Symphony Wind Holdings, LLC (Delaware)
Tarboro Solar LLC (Delaware)
Taylorsville Solar, LLC (Delaware)
TBP Properties, LLC (South Carolina)
TE Notrees, LLC (Delaware)
TE Ocotillo, LLC (Delaware)
TES Anchor Solar 23 LLC (Delaware)
TES Rowtier Solar 23 LLC (Delaware)
Texoma Wind Holdings, LLC (Delaware)
Texoma Wind, LLC (Delaware)
Three Buttes Windpower, LLC (Delaware)
Top of the World Wind Energy Holdings LLC (Delaware)
Top of the World Wind Energy LLC (Delaware)
TRES Timber, LLC (South Carolina)
Tri-State Improvement Company (Ohio)
TX Solar I LLC (Delaware)
Victory Solar LLC (Delaware)
Washington Airport Solar, LLC (Delaware)
Washington Millfield Solar, LLC (Delaware)
Washington White Post Solar, LLC (Delaware)
Wateree Power Company (South Carolina)
West Texas Angelos Holdings LLC (Delaware)
Westbound Solar 2, LLC (Delaware)
Westbound Solar 3, LLC (Delaware)
Westbound Solar, LLC (Delaware)
Western Carolina Power Company (North Carolina)
Western Vista Solar Holdings, LLC (Delaware)
Western Vista Solar, LLC (Delaware)
Wild Jack Solar Holdings LLC (Delaware)
Wild Jack Solar LLC (Delaware)
Wildwood Solar I, LLC (Delaware)
Wildwood Solar II, LLC (Delaware)
Wind Star Holdings, LLC (Delaware)
Wind Star Renewables, LLC (Delaware)
Windsor Cooper Hill Solar, LLC (Delaware)
Winton Solar LLC (Delaware)
WNC Institutional Tax Credit Fund, L.P. (California)
Woodland Solar LLC (Delaware)
Zephyr Power Transmission LLC (Delaware)

EXHIBIT 23.1.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-234348, 333-233896 and 333-229450 on Form S-3, and Registration Statement Nos. 333-213930, 333-210068, 333-203940, 333-172899, 333-168502, 333-168500, 333-141023 (including Post-effective Amendment No. 1 thereto), and 333-132933 (including Post-effective Amendment Nos. 1 and 2 thereto) on Form S-8 of our reports dated February 25, 2021, relating to the consolidated financial statements of Duke Energy Corporation and subsidiaries, and the effectiveness of Duke Energy Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Duke Energy Corporation for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-06 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements of Duke Energy Carolinas, LLC and subsidiaries appearing in this Annual Report on Form 10-K of Duke Energy Carolinas, LLC for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-02 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements Duke Energy Progress, LLC and subsidiaries appearing in this Annual Report on Form 10-K of Duke Energy Progress, LLC for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-05 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements of Duke Energy Florida, LLC and subsidiaries appearing in this Annual Report on Form 10-K of Duke Energy Florida, LLC for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.5

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-03 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements of Duke Energy Ohio, Inc. and subsidiaries appearing in this Annual Report on Form 10-K of Duke Energy Ohio, Inc. for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.6

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-04 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements of Duke Energy Indiana, LLC and subsidiaries appearing in this Annual Report on Form 10-K of Duke Energy Indiana, LLC for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

Exhibit 23.1.7

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-233896-01 on Form S-3 of our report dated February 25, 2021, relating to the consolidated financial statements of Piedmont Natural Gas, Inc. and subsidiaries appearing in this Annual Report on Form 10-K of Piedmont Natural Gas, Inc. for the year ended December 31, 2020.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 25, 2021

EXHIBIT 24.1

DUKE ENERGY CORPORATION

Power of Attorney

FORM 10-K

**Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2020
(Annual Report)**

The undersigned Duke Energy Corporation, a Delaware corporation, and certain of its officers and/or directors, do each hereby constitute and appoint Lynn J. Good, Steven K. Young, David S. Maltz and Dwight L. Jacobs, and each of them, to act as attorneys-in-fact for and in the respective names, places and stead of the undersigned, to execute, seal, sign and file with the Securities and Exchange Commission the Annual Report on Form 10-K for the year ended December 31, 2020, of said Duke Energy Corporation and any and all amendments thereto, hereby granting to said attorneys-in-fact, and each of them, full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or proper to be done in and about the premises, as fully to all intents and purposes as the undersigned, or any of them, might or could do if personally present, hereby ratifying and approving the acts of said attorneys-in-fact.

Executed as of the 25th day of February, 2021.

DUKE ENERGY CORPORATION

By: /s/ LYNN J. GOOD

Lynn J. Good

Chair, President and
Chief Executive Officer

(Corporate Seal)

ATTEST:

/s/ KENNA C. JORDAN

Kenna C. Jordan

Assistant Corporate Secretary

SIGNATURE	TITLE
/s/ LYNN J. GOOD Lynn J. Good	Chair, President and Chief Executive Officer (Principal Executive Officer and Director)
/s/ STEVEN K. YOUNG Steven K. Young	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ DWIGHT L. JACOBS Dwight L. Jacobs	Senior Vice President, Chief Accounting Officer, Tax and Controller (Principal Accounting Officer)
/s/ MICHAEL G. BROWNING Michael G. Browning	Independent Lead Director
/s/ ANNETTE K. CLAYTON Annette K. Clayton	Director
/s/ THEODORE F. CRAVER, JR. Theodore F. Craver, Jr.	Director
/s/ ROBERT M. DAVIS Robert M. Davis	Director
/s/ DANIEL R. DIMICCO Daniel R. DiMicco	Director
/s/ NICHOLAS C. FANANDAKIS Nicholas C. Fanandakis	Director
/s/ JOHN T. HERRON John T. Herron	Director
/s/ WILLIAM E. KENNARD William E. Kennard	Director
/s/ E. MARIE MCKEE E. Marie McKee	Director
/s/ MARYA M. ROSE Marya M. Rose	Director
/s/ THOMAS E. SKAINS Thomas E. Skains	Director
/s/ WILLIAM E. WEBSTER, JR. William E. Webster, Jr.	Director

EXHIBIT 24.2

DUKE ENERGY CORPORATION

CERTIFIED RESOLUTIONS

Form 10-K Annual Report Resolutions

FURTHER RESOLVED, that each officer and director who may be required to execute such 2020 Form 10-K or any amendments thereto (whether on behalf of the Corporation or as an officer or director thereof, or by attesting the seal of the Corporation or otherwise) be and hereby is authorized to execute a Power of Attorney appointing Lynn J. Good, David S. Maltz, Steven K. Young, and Dwight L. Jacobs, and each of them, as true and lawful attorneys and agents to execute in his or her name, place and stead (in any such capacity) such 2020 Form 10-K, as may be deemed necessary and proper by such officers, and any and all amendments thereto and all instruments necessary or advisable in connection therewith, to attest the seal of the Corporation thereon and to file the same with the SEC, each of said attorneys and agents to have power to act with or without the others and to have full power and authority to do and perform in the name and on behalf of each of such officers and directors, or both, as the case may be, every act whatsoever necessary or advisable to be done in the premises as fully and to all intents and purposes as any such officer or director might or could do in person.

* * * * * * *

I, KODWO GHARTEY-TAGOE, Executive Vice President, Chief Legal Officer and Corporate Secretary of Duke Energy Corporation, do hereby certify that the foregoing is a full, true and complete extract from the Minutes of the meeting of the Board of Directors of said Corporation held on February 25, 2021 at which meeting a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said Duke Energy Corporation, this the 25th day of February, 2021.

/s/ KODWO GHARTEY-TAGOE

Kodwo Ghartey-Tagoe

Executive Vice President, Chief Legal Officer and Corporate Secretary

EXHIBIT 31.1.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chair, President and
Chief Executive Officer

EXHIBIT 31.1.2

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.3

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.4

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.5

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Florida, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.6

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Ohio, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.7

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Indiana, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.8

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this annual report on Form 10-K of Piedmont Natural Gas Company, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.2.1

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.3

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.4

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.5

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Florida, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.6

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Ohio, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.7

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Duke Energy Indiana, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.8

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this annual report on Form 10-K of Piedmont Natural Gas Company, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Duke Energy Corporation (“Duke Energy”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chair, President and Chief Executive Officer of Duke Energy, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy.

/s/ LYNN J. GOOD

Lynn J. Good
Chair, President and Chief Executive Officer

February 25, 2021

EXHIBIT 32.1.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Duke Energy Carolinas, LLC ("Duke Energy Carolinas") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Carolinas, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Carolinas.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer
February 25, 2021

EXHIBIT 32.1.3

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Progress Energy, Inc. (“Progress Energy”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Progress Energy, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Progress Energy.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer
February 25, 2021

EXHIBIT 32.1.4

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Progress, LLC (“Duke Energy Progress") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Duke Energy Progress, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Progress.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer
February 25, 2021

EXHIBIT 32.1.5

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Duke Energy Florida, LLC (“Duke Energy Florida") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Duke Energy Florida, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Florida.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer
February 25, 2021

EXHIBIT 32.1.6

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Ohio, Inc. (“Duke Energy Ohio”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Duke Energy Ohio, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Ohio.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer
February 25, 2021

EXHIBIT 32.1.7

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Indiana, LLC ("Duke Energy Indiana") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Indiana, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Indiana.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

February 25, 2021

EXHIBIT 32.1.8

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Piedmont Natural Gas Company, Inc. ("Piedmont") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Piedmont, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Piedmont.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

February 25, 2021

EXHIBIT 32.2.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Corporation ("Duke Energy") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Carolinas, LLC ("Duke Energy Carolinas") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Carolinas, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Carolinas.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.3

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Progress Energy, Inc. (“Progress Energy”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Progress Energy, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Progress Energy.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Duke Energy Progress, LLC ("Duke Energy Progress") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Progress, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Progress.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

February 25, 2021

EXHIBIT 32.2.5

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Florida, LLC ("Duke Energy Florida") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Florida, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Florida.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.6

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Ohio, Inc. (“Duke Energy Ohio”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Ohio, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Ohio.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.7

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Duke Energy Indiana, LLC ("Duke Energy Indiana") on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Indiana, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Indiana.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

EXHIBIT 32.2.8

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Piedmont Natural Gas Company, Inc. (“Piedmont”) on Form 10-K for the period ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Piedmont, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Piedmont.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer
February 25, 2021

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 March 31, 2021

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
	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
1-15929	**PROGRESS ENERGY, INC.** (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-2155481
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
1-3274	**DUKE ENERGY FLORIDA, LLC** (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853	59-0247770
1-1232	**DUKE ENERGY OHIO, INC.** (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853	31-0240030
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 April 30, 2021:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	769,218,956

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.

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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:

- 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 United States 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;

FORWARD-LOOKING STATEMENTS

- 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 United States 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 Office of Public Counsel and other customer representatives
2017 Settlement	Second Revised and Restated Settlement Agreement in 2017 among Duke Energy Florida, the Florida Office of Public Counsel and other customer representatives, which replaces and supplants the 2013 Settlement
ACP	Atlantic Coast Pipeline, LLC, a limited liability company owned by Dominion Energy, Inc. and Duke Energy
ACP pipeline	The approximately 600-mile canceled interstate natural gas pipeline
AFS	Available for Sale
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligations
Bison	Bison Insurance Company Limited
CCR	Coal Combustion Residuals
Coal Ash Act	North Carolina Coal Ash Management Act of 2014
the company	Duke Energy Corporation and its subsidiaries
COVID-19	Coronavirus Disease 2019
CRC	Cinergy Receivables Company, LLC
Crystal River Unit 3	Crystal River Unit 3 Nuclear Plant
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
Duke Energy	Duke Energy Corporation (collectively with its subsidiaries)
Duke Energy Ohio	Duke Energy Ohio, Inc.
Duke Energy Progress	Duke Energy Progress, LLC
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
EDIT	Excess deferred income tax
EPA	U.S. Environmental Protection Agency
EPS	Earnings Per Share
ETR	Effective tax rate
Exchange Act	Securities Exchange Act of 1934
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
FTR	Financial transmission rights
GAAP	Generally accepted accounting principles in the U.S.
GAAP Reported Earnings	Net Income Available to Duke Energy Corporation Common Stockholders
GAAP Reported EPS	Basic Earnings Per Share Available to Duke Energy Corporation common stockholders

GLOSSARY OF TERMS

GIC	GIC Private Limited
GWh	Gigawatt-hours
IGCC	Integrated Gasification Combined Cycle
IMR	Integrity Management Rider
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
KPSC	Kentucky Public Service Commission
LLC	Limited Liability Company
MGP	Manufactured gas plant
MW	Megawatt
MWh	Megawatt-hour
NCUC	North Carolina Utilities Commission
NDTF	Nuclear decommissioning trust funds
NPNS	Normal purchase/normal sale
OPEB	Other Post-Retirement Benefit Obligations
OVEC	Ohio Valley Electric Corporation
Piedmont	Piedmont Natural Gas Company, Inc.
PJM	Pennsylvania-New Jersey-Maryland Interconnection
PPA	Purchase Power Agreement
Progress Energy	Progress Energy, Inc.
PSCSC	Public Service Commission of South Carolina
PUCO	Public Utilities Commission of Ohio
RTO	Regional Transmission Organization
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

ITEM 1. FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
(in millions, except per share amounts)	**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

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Net Income	**$ 941**	$ 890
Other Comprehensive Income (Loss), net of tax[a]		
Pension and OPEB adjustments	**2**	1
Net unrealized gains (losses) on cash flow hedges	**29**	(81)
Reclassification into earnings from cash flow hedges	**3**	2
Unrealized (losses) gains on available-for-sale securities	**(8)**	1
Other Comprehensive Income (Loss), net of tax	**26**	(77)
Comprehensive Income	**967**	813
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**44**	62
Comprehensive Income Attributable to Duke Energy	**1,011**	875
Less: Preferred Dividends	**39**	39
Comprehensive Income Available to Duke Energy Corporation Common Stockholders	**$ 972**	$ 836

(a) Net of income tax impacts of approximately $8 million and $23 million for the three months ended March 31, 2021, and 2020, respectively.

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

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 941**	$ 890
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,385**	1,301
Equity in losses (earnings) of unconsolidated affiliates	**17**	(44)
Equity component of AFUDC	**(42)**	(40)
Deferred income taxes	**86**	422
Payments for asset retirement obligations	**(114)**	(132)
(Increase) decrease in		
Receivables	**377**	466
Inventory	**91**	(92)
Other current assets	**(47)**	(131)
Increase (decrease) in		
Accounts payable	**(467)**	(657)
Taxes accrued	**104**	113
Other current liabilities	**(263)**	(455)
Other assets	**51**	(37)
Other liabilities	**(31)**	(50)
Net cash provided by operating activities	**2,088**	1,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(2,215)**	(2,832)
Contributions to equity method investments	**—**	(77)
Purchases of debt and equity securities	**(1,584)**	(1,392)
Proceeds from sales and maturities of debt and equity securities	**1,601**	1,347
Disbursements to canceled equity method investments	**(855)**	—
Other	**(84)**	(68)
Net cash used in investing activities	**(3,137)**	(3,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	**608**	1,954
Issuance of common stock	**5**	40
Payments for the redemption of long-term debt	**(76)**	(292)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	**50**	1,784
Payments for the redemption of short-term debt with original maturities greater than 90 days	**(909)**	(17)
Notes payable and commercial paper	**2,046**	(198)
Contributions from noncontrolling interests	**303**	103
Dividends paid	**(783)**	(707)
Other	**(59)**	(74)
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
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 921**	$ 934
Non-cash dividends	**—**	27

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

						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 Gains (Losses) on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	$ 1,962	733	$ 1	$ 40,881	$ 4,108	$ (51)	$ 3	$ (82)	$ 46,822	$ 1,129	$47,951
Net income (loss)	—	—	—	—	899	—	—	—	899	(48)	851
Other comprehensive (loss) income	—	—	—	—	—	(65)	1	1	(63)	(14)	(77)
Common stock issuances, including dividend reinvestment and employee benefits	—	2	—	50	—	—	—	—	50	—	50
Common stock dividends	—	—	—	—	(695)	—	—	—	(695)	—	(695)
Contributions from noncontrolling interests, net of transaction costs	—	—	—	—	—	—	—	—	—	103	103
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(7)	(7)
Other[(a)]	—	—	—	(1)	(91)	—	—	—	(92)	(1)	(93)
Balance at March 31, 2020	$ 1,962	735	$ 1	$ 40,930	$ 4,221	$ (116)	$ 4	$ (81)	$ 46,921	$ 1,162	$48,083
Balance at December 31, 2020	$ 1,962	769	$ 1	$ 43,767	$ 2,471	$ (167)	$ 6	$ (76)	$ 47,964	$ 1,220	$49,184
Net income (loss)	**—**	**—**	**—**	**—**	**953**	**—**	**—**	**—**	**953**	**(51)**	**902**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**25**	**(8)**	**2**	**19**	**7**	**26**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**(3)**	**—**	**—**	**—**	**—**	**(3)**	**—**	**(3)**
Common stock dividends	**—**	**—**	**—**	**—**	**(744)**	**—**	**—**	**—**	**(744)**	**—**	**(744)**
Contributions from noncontrolling interests, net of transaction costs	**—**	**—**	**—**	**(3)**	**—**	**—**	**—**	**—**	**(3)**	**303**	**300**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(7)**	**(7)**
Balance at March 31, 2021	**$ 1,962**	**769**	**$ 1**	**$ 43,761**	**$ 2,680**	**$ (142)**	**$ (2)**	**$ (74)**	**48,186**	**$ 1,472**	**$49,658**

(a) Amounts in Retained earnings primarily represent impacts due to implementation of a new accounting standard related to Current Estimated Credit Losses. See Note 1 for additional discussion.

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues	**$ 1,716**	$ 1,748
Operating Expenses		
Fuel used in electric generation and purchased power	**422**	453
Operation, maintenance and other	**441**	386
Depreciation and amortization	**359**	343
Property and other taxes	**83**	81
Impairment of assets and other charges	**—**	2
Total operating expenses	**1,305**	1,265
Gains on Sales of Other Assets and Other, net	**—**	1
Operating Income	**411**	484
Other Income and Expenses, net	**48**	43
Interest Expense	**124**	123
Income Before Income Taxes	**335**	404
Income Tax Expense	**23**	65
Net Income and Comprehensive Income	**$ 312**	$ 339

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12	$ 21
Receivables (net of allowance for doubtful accounts of $2 at 2021 and $1 at 2020)	171	247
Receivables of VIEs (net of allowance for doubtful accounts of $32 at 2021 and $22 at 2020)	613	696
Receivables from affiliated companies	119	124
Inventory	1,021	1,010
Regulatory assets	433	473
Other	90	20
Total current assets	2,459	2,591
Property, Plant and Equipment		
Cost	51,027	50,640
Accumulated depreciation and amortization	(17,690)	(17,453)
Net property, plant and equipment	33,337	33,187
Other Noncurrent Assets		
Regulatory assets	3,028	2,996
Nuclear decommissioning trust funds	5,147	4,977
Operating lease right-of-use assets, net	105	110
Other	1,185	1,187
Total other noncurrent assets	9,465	9,270
Total Assets	$ 45,261	$ 45,048
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 643	$ 1,000
Accounts payable to affiliated companies	206	199
Notes payable to affiliated companies	508	506
Taxes accrued	138	76
Interest accrued	128	117
Current maturities of long-term debt	507	506
Asset retirement obligations	258	264
Regulatory liabilities	559	473
Other	440	546
Total current liabilities	3,387	3,687
Long-Term Debt	11,522	11,412
Long-Term Debt Payable to Affiliated Companies	300	300
Other Noncurrent Liabilities		
Deferred income taxes	3,913	3,842
Asset retirement obligations	5,117	5,086
Regulatory liabilities	6,540	6,535
Operating lease liabilities	93	97
Accrued pension and other post-retirement benefit costs	72	73
Investment tax credits	235	236
Other	616	626
Total other noncurrent liabilities	16,586	16,495
Commitments and Contingencies		
Equity		
Member's equity	13,473	13,161
Accumulated other comprehensive loss	(7)	(7)
Total equity	13,466	13,154
Total Liabilities and Equity	$ 45,261	$ 45,048

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 312**	$ 339
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**428**	414
Equity component of AFUDC	**(16)**	(14)
Deferred income taxes	**(8)**	22
Payments for asset retirement obligations	**(35)**	(41)
(Increase) decrease in		
Receivables	**156**	156
Receivables from affiliated companies	**5**	27
Inventory	**(11)**	(72)
Other current assets	**(48)**	96
Increase (decrease) in		
Accounts payable	**(255)**	(253)
Accounts payable to affiliated companies	**7**	15
Taxes accrued	**62**	87
Other current liabilities	**(77)**	(108)
Other assets	**43**	(60)
Other liabilities	**(17)**	(10)
Net cash provided by operating activities	**546**	598
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(622)**	(724)
Purchases of debt and equity securities	**(1,128)**	(607)
Proceeds from sales and maturities of debt and equity securities	**1,128**	607
Notes receivable from affiliated companies	**—**	(436)
Other	**(43)**	(18)
Net cash used in investing activities	**(665)**	(1,178)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**142**	910
Payments for the redemption of long-term debt	**(33)**	(2)
Notes payable to affiliated companies	**2**	(29)
Distributions to parent	**—**	(300)
Other	**(1)**	(1)
Net cash provided by financing activities	**110**	578
Net decrease in cash and cash equivalents	**(9)**	(2)
Cash and cash equivalents at beginning of period	**21**	18
Cash and cash equivalents at end of period	**$ 12**	$ 16
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 268**	$ 254

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

			Accumulated Other Comprehensive Loss	
(in millions)	**Member's Equity**		**Net Losses on Cash Flow Hedges**	**Total Equity**
Balance at December 31, 2019	$ 12,818		$ (7)	$ 12,811
Net income	339		—	339
Distributions to parent	(300)		—	(300)
Other[(a)]	(13)		—	(13)
Balance at March 31, 2020	$ 12,844		$ (7)	$ 12,837
Balance at December 31, 2020	$ 13,161		$ (7)	$ 13,154
Net income	**312**		**—**	**312**
Balance at March 31, 2021	**$ 13,473**		**$ (7)**	**$ 13,466**

(a) Amounts primarily represent impacts due to implementation of a new accounting standard related to Current Estimated Credit Losses. See Note 1 for additional discussion.

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues	**$ 2,505**	$ 2,422
Operating Expenses		
Fuel used in electric generation and purchased power	**795**	763
Operation, maintenance and other	**601**	554
Depreciation and amortization	**485**	452
Property and other taxes	**142**	135
Total operating expenses	**2,023**	1,904
Losses on Sales of Other Assets and Other, net	**—**	(1)
Operating Income	**482**	517
Other Income and Expenses, net	**43**	32
Interest Expense	**192**	206
Income Before Income Taxes	**333**	343
Income Tax Expense	**43**	60
Net Income	**$ 290**	$ 283
Net Income	**$ 290**	$ 283
Other Comprehensive Income, net of tax		
Net unrealized gains on cash flow hedges	**1**	1
Unrealized (losses) gains on available-for-sale securities	**(1)**	1
Other Comprehensive Income, net of tax	**—**	2
Comprehensive Income	**$ 290**	$ 285

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 74	$ 59
Receivables (net of allowance for doubtful accounts of $8 at 2021 and 2020)	166	228
Receivables of VIEs (net of allowance for doubtful accounts of $29 at 2021 and 2020)	749	901
Receivables from affiliated companies	76	157
Inventory	1,336	1,375
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	821	758
Other (includes $14 at 2021 and $39 at 2020 related to VIEs)	257	109
Total current assets	3,479	3,587
Property, Plant and Equipment		
Cost	58,546	57,892
Accumulated depreciation and amortization	(18,718)	(18,368)
Generation facilities to be retired, net	29	29
Net property, plant and equipment	39,857	39,553
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $927 at 2021 and $937 at 2020 related to VIEs)	5,749	5,775
Nuclear decommissioning trust funds	4,263	4,137
Operating lease right-of-use assets, net	720	690
Other	1,267	1,227
Total other noncurrent assets	15,654	15,484
Total Assets	$ 58,990	$ 58,624
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 796	$ 919
Accounts payable to affiliated companies	321	289
Notes payable to affiliated companies	2,844	2,969
Taxes accrued	143	121
Interest accrued	187	202
Current maturities of long-term debt (includes $305 at 2021 and 2020 related to VIEs)	2,127	1,426
Asset retirement obligations	267	283
Regulatory liabilities	702	640
Other	744	793
Total current liabilities	8,131	7,642
Long-Term Debt (includes $1,322 at 2021 and $1,252 at 2020 related to VIEs)	17,056	17,688
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,489	4,396
Asset retirement obligations	5,859	5,866
Regulatory liabilities	5,126	5,051
Operating lease liabilities	648	623
Accrued pension and other post-retirement benefit costs	501	505
Other	500	462
Total other noncurrent liabilities	17,123	16,903
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 100 shares authorized and outstanding at 2021 and 2020	—	—
Additional paid-in capital	9,143	9,143
Retained earnings	7,400	7,109
Accumulated other comprehensive loss	(15)	(15)
Total Progress Energy, Inc. stockholders' equity	16,528	16,237
Noncontrolling interests	2	4
Total equity	16,530	16,241
Total Liabilities and Equity	$ 58,990	$ 58,624

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 290**	$ 283
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**575**	552
Equity component of AFUDC	**(13)**	(14)
Deferred income taxes	**79**	80
Payments for asset retirement obligations	**(69)**	(79)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**6**	1
Receivables	**214**	149
Receivables from affiliated companies	**81**	27
Inventory	**39**	(40)
Other current assets	**(150)**	43
Increase (decrease) in		
Accounts payable	**(69)**	(211)
Accounts payable to affiliated companies	**32**	19
Taxes accrued	**23**	71
Other current liabilities	**(60)**	(128)
Other assets	**(27)**	(38)
Other liabilities	**(64)**	(56)
Net cash provided by operating activities	**887**	659
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(796)**	(972)
Purchases of debt and equity securities	**(517)**	(651)
Proceeds from sales and maturities of debt and equity securities	**537**	643
Notes receivable from affiliated companies	**—**	164
Other	**(59)**	(39)
Net cash used in investing activities	**(835)**	(855)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**98**	—
Payments for the redemption of long-term debt	**(34)**	(283)
Notes payable to affiliated companies	**(125)**	479
Other	**(2)**	(1)
Net cash (used in) provided by financing activities	**(63)**	195
Net decrease in cash, cash equivalents and restricted cash	**(11)**	(1)
Cash, cash equivalents and restricted cash at beginning of period	**200**	126
Cash, cash equivalents and restricted cash at end of period	**$ 189**	$ 125
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 317**	$ 310

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

			Accumulated Other Comprehensive Income (Loss)					
	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	$ 9,143	$ 6,465	$ (10)	$ (1)	$ (7)	$ 15,590	$ 3	$ 15,593
Net income	—	283	—	—	—	283	—	283
Other comprehensive income	—	—	1	1	—	2	—	2
Other	—	(1)	—	—	—	(1)	—	(1)
Balance at March 31, 2020	$ 9,143	$ 6,747	$ (9)	$ —	$ (7)	$ 15,874	$ 3	$ 15,877
Balance at December 31, 2020	$ 9,143	$ 7,109	$ (5)	$ (2)	$ (8)	$ 16,237	$ 4	$ 16,241
Net income	**—**	**290**	**—**	**—**	**—**	**290**	**—**	**290**
Other comprehensive income (loss)	**—**	**—**	**1**	**(1)**	**—**	**—**	**—**	**—**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Other	**—**	**1**	**—**	**—**	**—**	**1**	**(1)**	**—**
Balance at March 31, 2021	**$ 9,143**	**$ 7,400**	**$ (4)**	**$ (3)**	**$ (8)**	**$ 16,528**	**$ 2**	**$ 16,530**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues	**$ 1,401**	$ 1,338
Operating Expenses		
Fuel used in electric generation and purchased power	**436**	405
Operation, maintenance and other	**357**	305
Depreciation and amortization	**285**	287
Property and other taxes	**49**	47
Total operating expenses	**1,127**	1,044
Losses on Sales of Other Assets and Other, net	**—**	(1)
Operating Income	**274**	293
Other Income and Expenses, net	**24**	22
Interest Expense	**69**	69
Income Before Income Taxes	**229**	246
Income Tax Expense	**19**	42
Net Income and Comprehensive Income	**$ 210**	$ 204

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		March 31, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	46	$	39
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)		80		132
Receivables of VIEs (net of allowance for doubtful accounts of $19 at 2021 and 2020)		422		500
Receivables from affiliated companies		70		50
Inventory		882		911
Regulatory assets		469		492
Other		138		60
Total current assets		2,107		2,184
Property, Plant and Equipment				
Cost		36,077		35,759
Accumulated depreciation and amortization		(13,064)		(12,801)
Generation facilities to be retired, net		29		29
Net property, plant and equipment		23,042		22,987
Other Noncurrent Assets				
Regulatory assets		4,033		3,976
Nuclear decommissioning trust funds		3,645		3,500
Operating lease right-of-use assets, net		386		346
Other		759		740
Total other noncurrent assets		8,823		8,562
Total Assets	$	33,972	$	33,733
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	339	$	454
Accounts payable to affiliated companies		225		215
Notes payable to affiliated companies		163		295
Taxes accrued		73		85
Interest accrued		71		99
Current maturities of long-term debt		1,302		603
Asset retirement obligations		267		283
Regulatory liabilities		618		530
Other		383		411
Total current liabilities		3,441		2,975
Long-Term Debt		7,904		8,505
Long-Term Debt Payable to Affiliated Companies		150		150
Other Noncurrent Liabilities				
Deferred income taxes		2,374		2,298
Asset retirement obligations		5,366		5,352
Regulatory liabilities		4,454		4,394
Operating lease liabilities		356		323
Accrued pension and other post-retirement benefit costs		240		242
Investment tax credits		131		132
Other		86		102
Total other noncurrent liabilities		13,007		12,843
Commitments and Contingencies				
Equity				
Member's Equity		9,470		9,260
Total Liabilities and Equity	$	33,972	$	33,733

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 210**	$ 204
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**331**	331
Equity component of AFUDC	**(8)**	(10)
Deferred income taxes	**6**	43
Payments for asset retirement obligations	**(46)**	(75)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**2**	(2)
Receivables	**131**	133
Receivables from affiliated companies	**(20)**	2
Inventory	**29**	(22)
Other current assets	**(21)**	54
Increase (decrease) in		
Accounts payable	**(62)**	(220)
Accounts payable to affiliated companies	**10**	5
Taxes accrued	**(12)**	26
Other current liabilities	**(25)**	(73)
Other assets	**(35)**	(48)
Other liabilities	**(15)**	(8)
Net cash provided by operating activities	**475**	340
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(400)**	(466)
Purchases of debt and equity securities	**(382)**	(550)
Proceeds from sales and maturities of debt and equity securities	**380**	540
Other	**(29)**	(16)
Net cash used in investing activities	**(431)**	(492)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**98**	—
Payments for the redemption of long-term debt	**(2)**	(1)
Notes payable to affiliated companies	**(132)**	163
Other	**(1)**	—
Net cash (used in) provided by financing activities	**(37)**	162
Net increase in cash and cash equivalents	**7**	10
Cash and cash equivalents at beginning of period	**39**	22
Cash and cash equivalents at end of period	**$ 46**	$ 32
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 96**	$ 87

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)		Member's Equity
Balance at December 31, 2019	$	9,246
Net income		204
Balance at March 31, 2020	$	9,450
Balance at December 31, 2020	$	9,260
Net income		**210**
Balance at March 31, 2021	**$**	**9,470**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	2021	2020
Operating Revenues	$ 1,101	$ 1,080
Operating Expenses		
Fuel used in electric generation and purchased power	359	358
Operation, maintenance and other	242	245
Depreciation and amortization	200	165
Property and other taxes	93	88
Total operating expenses	894	856
Operating Income	207	224
Other Income and Expenses, net	18	10
Interest Expense	80	84
Income Before Income Taxes	145	150
Income Tax Expense	28	30
Net Income	$ 117	$ 120
Other Comprehensive Income, net of tax		
Unrealized (losses) gains on available-for-sale securities	(1)	1
Comprehensive Income	$ 116	$ 121

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 22	$ 11
Receivables (net of allowance for doubtful accounts of $5 at 2021 and $4 at 2020)	84	94
Receivables of VIEs (net of allowance for doubtful accounts of $10 at 2021 and 2020)	327	401
Receivables from affiliated companies	7	3
Inventory	455	464
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	352	265
Other (includes $14 at 2021 and $39 at 2020 related to VIEs)	82	41
Total current assets	1,329	1,279
Property, Plant and Equipment		
Cost	22,459	22,123
Accumulated depreciation and amortization	(5,646)	(5,560)
Net property, plant and equipment	16,813	16,563
Other Noncurrent Assets		
Regulatory assets (includes $927 at 2021 and $937 at 2020 related to VIEs)	1,717	1,799
Nuclear decommissioning trust funds	617	637
Operating lease right-of-use assets, net	333	344
Other	355	335
Total other noncurrent assets	3,022	3,115
Total Assets	$ 21,164	$ 20,957
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 457	$ 465
Accounts payable to affiliated companies	108	85
Notes payable to affiliated companies	279	196
Taxes accrued	84	82
Interest accrued	75	69
Current maturities of long-term debt (includes $305 at 2021 and 2020 related to VIEs)	824	823
Regulatory liabilities	84	110
Other	356	374
Total current liabilities	2,267	2,204
Long-Term Debt (includes $972 at 2021 and $1,002 at 2020 related to VIEs)	7,060	7,092
Other Noncurrent Liabilities		
Deferred income taxes	2,209	2,191
Asset retirement obligations	493	514
Regulatory liabilities	672	658
Operating lease liabilities	292	300
Accrued pension and other post-retirement benefit costs	230	231
Other	267	209
Total other noncurrent liabilities	4,163	4,103
Commitments and Contingencies		
Equity		
Member's equity	7,677	7,560
Accumulated other comprehensive loss	(3)	(2)
Total equity	7,674	7,558
Total Liabilities and Equity	$ 21,164	$ 20,957

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 117**	$ 120
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**243**	219
Equity component of AFUDC	**(4)**	(4)
Deferred income taxes	**74**	34
Payments for asset retirement obligations	**(24)**	(5)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**2**	3
Receivables	**83**	15
Receivables from affiliated companies	**(4)**	—
Inventory	**10**	(19)
Other current assets	**(101)**	7
Increase (decrease) in		
Accounts payable	**(7)**	11
Accounts payable to affiliated companies	**23**	(20)
Taxes accrued	**3**	31
Other current liabilities	**(41)**	(58)
Other assets	**12**	13
Other liabilities	**(48)**	(46)
Net cash provided by operating activities	**338**	301
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(396)**	(506)
Purchases of debt and equity securities	**(134)**	(101)
Proceeds from sales and maturities of debt and equity securities	**157**	103
Notes receivable from affiliated companies	**—**	173
Other	**(30)**	(23)
Net cash used in investing activities	**(403)**	(354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for the redemption of long-term debt	**(33)**	(282)
Notes payable to affiliated companies	**83**	305
Other	**—**	(1)
Net cash provided by financing activities	**50**	22
Net decrease in cash, cash equivalents and restricted cash	**(15)**	(31)
Cash, cash equivalents and restricted cash at beginning of period	**50**	56
Cash, cash equivalents and restricted cash at end of period	**$ 35**	$ 25
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 222**	$ 223

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

			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, 2019	$ 6,789		$ (1)	$ 6,788
Net income	120		—	120
Other comprehensive income	—		1	1
Balance at March 31, 2020	$ 6,909		$ —	$ 6,909
Balance at December 31, 2020	$ 7,560		$ (2)	$ 7,558
Net income	**117**		**—**	**117**
Other comprehensive loss	**—**		**(1)**	**(1)**
Balance at March 31, 2021	**$ 7,677**		**$ (3)**	**$ 7,674**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues		
Regulated electric	**$ 363**	$ 346
Regulated natural gas	**169**	152
Total operating revenues	**532**	498
Operating Expenses		
Fuel used in electric generation and purchased power	**82**	87
Cost of natural gas	**51**	37
Operation, maintenance and other	**108**	123
Depreciation and amortization	**74**	68
Property and other taxes	**92**	83
Total operating expenses	**407**	398
Operating Income	**125**	100
Other Income and Expenses, net	**5**	3
Interest Expense	**25**	24
Income Before Income Taxes	**105**	79
Income Tax Expense	**14**	14
Net Income and Comprehensive Income	**$ 91**	$ 65

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 18	$ 14
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)	98	98
Receivables from affiliated companies	60	102
Inventory	108	110
Regulatory assets	54	39
Other	18	31
Total current assets	356	394
Property, Plant and Equipment		
Cost	11,199	11,022
Accumulated depreciation and amortization	(3,049)	(3,013)
Net property, plant and equipment	8,150	8,009
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	620	610
Operating lease right-of-use assets, net	20	20
Other	75	72
Total other noncurrent assets	1,635	1,622
Total Assets	$ 10,141	$ 10,025
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 266	$ 279
Accounts payable to affiliated companies	56	68
Notes payable to affiliated companies	270	169
Taxes accrued	192	247
Interest accrued	32	31
Current maturities of long-term debt	50	50
Asset retirement obligations	8	3
Regulatory liabilities	59	65
Other	67	70
Total current liabilities	1,000	982
Long-Term Debt	3,015	3,014
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,001	981
Asset retirement obligations	104	108
Regulatory liabilities	739	748
Operating lease liabilities	20	20
Accrued pension and other post-retirement benefit costs	114	113
Other	97	99
Total other noncurrent liabilities	2,075	2,069
Commitments and Contingencies		
Equity		
Common Stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2021 and 2020	762	762
Additional paid-in capital	2,776	2,776
Retained earnings	488	397
Total equity	4,026	3,935
Total Liabilities and Equity	$ 10,141	$ 10,025

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 91**	$ 65
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**75**	69
Equity component of AFUDC	**(2)**	(1)
Deferred income taxes	**12**	14
(Increase) decrease in		
Receivables	**—**	1
Receivables from affiliated companies	**5**	40
Inventory	**2**	14
Other current assets	**(5)**	8
Increase (decrease) in		
Accounts payable	**8**	(19)
Accounts payable to affiliated companies	**(12)**	—
Taxes accrued	**(55)**	(49)
Other current liabilities	**(8)**	2
Other assets	**(16)**	(2)
Other liabilities	**1**	(5)
Net cash provided by operating activities	**96**	137
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(220)**	(217)
Notes receivable from affiliated companies	**37**	—
Other	**(10)**	(10)
Net cash used in investing activities	**(193)**	(227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable to affiliated companies	**101**	87
Net cash provided by financing activities	**101**	87
Net increase (decrease) in cash and cash equivalents	**4**	(3)
Cash and cash equivalents at beginning of period	**14**	17
Cash and cash equivalents at end of period	**$ 18**	$ 14
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 84**	$ 66

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance at December 31, 2019	$ 762	$ 2,776	$ 145	$ 3,683
Net income	—	—	65	65
Balance at March 31, 2020	$ 762	$ 2,776	$ 210	$ 3,748
Balance at December 31, 2020	$ 762	$ 2,776	$ 397	$ 3,935
Net income	**—**	**—**	**91**	**91**
Balance at March 31, 2021	**$ 762**	**$ 2,776**	**$ 488**	**$ 4,026**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues	**$ 745**	$ 692
Operating Expenses		
Fuel used in electric generation and purchased power	**217**	194
Operation, maintenance and other	**178**	186
Depreciation and amortization	**152**	132
Property and other taxes	**21**	22
Total operating expenses	**568**	534
Operating Income	**177**	158
Other Income and Expenses, net	**9**	10
Interest Expense	**50**	43
Income Before Income Taxes	**136**	125
Income Tax Expense	**24**	26
Net Income and Comprehensive Income	**$ 112**	$ 99

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 17	$ 7
Receivables (net of allowance for doubtful accounts of $3 at 2021 and 2020)	63	55
Receivables from affiliated companies	62	112
Notes receivable from affiliated companies	51	—
Inventory	436	473
Regulatory assets	151	125
Other	34	37
Total current assets	814	809
Property, Plant and Equipment		
Cost	17,548	17,382
Accumulated depreciation and amortization	(5,821)	(5,661)
Net property, plant and equipment	11,727	11,721
Other Noncurrent Assets		
Regulatory assets	1,217	1,203
Operating lease right-of-use assets, net	54	55
Other	251	253
Total other noncurrent assets	1,522	1,511
Total Assets	$ 14,063	$ 14,041
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 163	$ 188
Accounts payable to affiliated companies	72	88
Notes payable to affiliated companies	—	131
Taxes accrued	122	62
Interest accrued	59	51
Current maturities of long-term debt	123	70
Asset retirement obligations	176	168
Regulatory liabilities	119	111
Other	82	83
Total current liabilities	916	952
Long-Term Debt	3,818	3,871
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	1,230	1,228
Asset retirement obligations	997	1,008
Regulatory liabilities	1,629	1,627
Operating lease liabilities	52	53
Accrued pension and other post-retirement benefit costs	172	171
Investment tax credits	168	168
Other	35	30
Total other noncurrent liabilities	4,283	4,285
Commitments and Contingencies		
Equity		
Member's Equity	4,896	4,783
Total Liabilities and Equity	$ 14,063	$ 14,041

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 112**	$ 99
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**153**	133
Equity component of AFUDC	**(5)**	(6)
Deferred income taxes	**(12)**	16
Payments for asset retirement obligations	**(10)**	(12)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**1**	—
Receivables	**(9)**	15
Receivables from affiliated companies	**—**	3
Inventory	**38**	(21)
Other current assets	**(23)**	25
Increase (decrease) in		
Accounts payable	**1**	(13)
Accounts payable to affiliated companies	**(16)**	(21)
Taxes accrued	**71**	43
Other current liabilities	**20**	(27)
Other assets	**3**	(4)
Other liabilities	**12**	8
Net cash provided by operating activities	**336**	238
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(186)**	(210)
Purchases of debt and equity securities	**(5)**	(5)
Proceeds from sales and maturities of debt and equity securities	**4**	2
Notes receivable from affiliated companies	**(1)**	(543)
Other	**(7)**	(6)
Net cash used in investing activities	**(195)**	(762)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	544
Notes payable to affiliated companies	**(131)**	(30)
Net cash (used in) provided by financing activities	**(131)**	514
Net increase (decrease) in cash and cash equivalents	**10**	(10)
Cash and cash equivalents at beginning of period	**7**	25
Cash and cash equivalents at end of period	**$ 17**	$ 15
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 74**	$ 70

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)		Member's Equity
Balance at December 31, 2019	$	4,575
Net income		99
Balance at March 31, 2020	$	4,674
Balance at December 31, 2020	$	4,783
Net income		**112**
Other		**1**
Balance at March 31, 2021	**$**	**4,896**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Operating Revenues	**$ 606**	$ 512
Operating Expenses		
Cost of natural gas	**225**	162
Operation, maintenance and other	**78**	80
Depreciation and amortization	**48**	45
Property and other taxes	**14**	12
Total operating expenses	**365**	299
Operating Income	**241**	213
Other Income and Expenses, net	**17**	12
Interest Expense	**29**	27
Income Before Income Taxes	**229**	198
Income Tax Expense	**26**	20
Net Income and Comprehensive Income	**$ 203**	$ 178

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		March 31, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	1	$	—
Receivables (net of allowance for doubtful accounts of $14 at 2021 and $12 at 2020)		257		250
Receivables from affiliated companies		10		10
Notes receivable from affiliated companies		198		—
Inventory		37		68
Regulatory assets		100		153
Other		12		20
Total current assets		615		501
Property, Plant and Equipment				
Cost		9,358		9,134
Accumulated depreciation and amortization		(1,809)		(1,749)
Net property, plant and equipment		7,549		7,385
Other Noncurrent Assets				
Goodwill		49		49
Regulatory assets		324		302
Operating lease right-of-use assets, net		19		20
Investments in equity method unconsolidated affiliates		88		88
Other		274		270
Total other noncurrent assets		754		729
Total Assets	$	8,918	$	8,615
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	166	$	230
Accounts payable to affiliated companies		58		79
Notes payable to affiliated companies		—		530
Taxes accrued		68		23
Interest accrued		37		34
Current maturities of long-term debt		160		160
Regulatory liabilities		70		88
Other		73		69
Total current liabilities		632		1,213
Long-Term Debt		2,967		2,620
Other Noncurrent Liabilities				
Deferred income taxes		837		821
Asset retirement obligations		20		20
Regulatory liabilities		1,015		1,044
Operating lease liabilities		17		19
Accrued pension and other post-retirement benefit costs		8		8
Other		179		155
Total other noncurrent liabilities		2,076		2,067
Commitments and Contingencies				
Equity				
Common stock, no par value: 100 shares authorized and outstanding at 2021 and 2020		1,635		1,310
Retained earnings		1,608		1,405
Total equity		3,243		2,715
Total Liabilities and Equity	$	8,918	$	8,615

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 203**	$ 178
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**48**	46
Equity component of AFUDC	**(6)**	(5)
Deferred income taxes	**(12)**	12
Equity in earnings from unconsolidated affiliates	**(2)**	(2)
(Increase) decrease in		
Receivables	**(8)**	65
Receivables from affiliated companies	**—**	(3)
Inventory	**31**	33
Other current assets	**66**	(9)
Increase (decrease) in		
Accounts payable	**(63)**	(76)
Accounts payable to affiliated companies	**(21)**	9
Taxes accrued	**45**	12
Other current liabilities	**(16)**	(12)
Other assets	**2**	1
Other liabilities	**(2)**	(19)
Net cash provided by operating activities	**265**	230
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(200)**	(231)
Notes receivable from affiliated companies	**(198)**	—
Other	**(8)**	(5)
Net cash used in investing activities	**(406)**	(236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**347**	—
Notes payable to affiliated companies	**(530)**	10
Capital contributions from parent	**325**	—
Net cash provided by financing activities	**142**	10
Net increase in cash and cash equivalents	**1**	4
Cash and cash equivalents at beginning of period	**—**	—
Cash and cash equivalents at end of period	**$ 1**	$ 4
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 106**	$ 114

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Common Stock	Retained Earnings	Total Equity
Balance at December 31, 2019	$ 1,310	$ 1,133	$ 2,443
Net income	—	178	178
Other	—	(1)	(1)
Balance at March 31, 2020	$ 1,310	$ 1,310	$ 2,620
Balance at December 31, 2020	$ 1,310	$ 1,405	$ 2,715
Net income	**—**	**203**	**203**
Contribution from parent	**325**	**—**	**325**
Balance at March 31, 2021	**$ 1,635**	**$ 1,608**	**$ 3,243**

See Notes to Condensed Consolidated Financial Statements

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**
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, 2020.

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 11 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.

OTHER CURRENT LIABILITIES

Included in Other within Current Liabilities on the Duke Energy Condensed Consolidated Balance Sheet is a current liability of $46 million and $936 million as of March 31, 2021, and December 31, 2020, respectively. The current liability, initially recorded in 2020, primarily represented Duke Energy's share of ACP's obligations of outstanding debt and to satisfy ARO requirements to restore construction sites. See Notes 3 and 11 for further information.

NONCONTROLLING INTEREST

Duke Energy maintains a controlling financial interest in certain less than wholly owned nonregulated 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 Hypothetical Liquidation at Book Value (HLBV) method in allocating income 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 over the IRS recapture period, 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 income or loss allocated to each owner for the reporting period.

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.

The following table presents cash received for the sale of noncontrolling interest and allocated losses to noncontrolling interest for the three months ended March 31, 2021, and 2020.

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Noncontrolling Interest Capital Contributions		
Cash received for the sale of noncontrolling interest to tax equity members	**$ 303**	$ 103
Cash received for the sale of noncontrolling interest to pro rata share members	**—**	—
Total Noncontrolling Interest Capital Contributions	**303**	103
Noncontrolling Interest Allocation of Income		
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	**43**	49
Allocated losses (gains) to noncontrolling members based on pro rata shares of ownership	**8**	(1)
Total Noncontrolling Interest Allocated Losses	**$ 51**	$ 48

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 Notes 9 and 11 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.

	March 31, 2021			December 31, 2020		
	Duke Energy	**Progress Energy**	**Duke Energy Florida**	**Duke Energy**	**Progress Energy**	**Duke Energy Florida**
Current Assets						
Cash and cash equivalents	**$ 379**	**$ 74**	**$ 22**	$ 259	$ 59	$ 11
Other	**210**	**13**	**13**	194	39	39
Other Noncurrent Assets						
Other	**103**	**102**	**—**	103	102	—
Total cash, cash equivalents and restricted cash	**$ 692**	**$ 189**	**$ 35**	$ 556	$ 200	$ 50

INVENTORY

Provisions for inventory write-offs were not material at March 31, 2021, and December 31, 2020. The components of inventory are presented in the tables below.

	March 31, 2021							
(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	**$ 2,365**	**$ 816**	**$ 1,011**	**$ 680**	**$ 332**	**$ 77**	**$ 313**	**$ 11**
Coal	**464**	**170**	**160**	**101**	**59**	**12**	**122**	**—**
Natural gas, oil and other fuel	**247**	**35**	**165**	**101**	**64**	**19**	**1**	**26**
Total inventory	**$ 3,076**	**$ 1,021**	**$ 1,336**	**$ 882**	**$ 455**	**$ 108**	**$ 436**	**$ 37**

	December 31, 2020							
(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	$ 2,312	$ 785	$ 999	$ 673	$ 325	$ 78	$ 307	$ 12
Coal	561	186	193	131	63	16	165	—
Natural gas, oil and other fuel	294	39	183	107	76	16	1	56
Total inventory	$ 3,167	$ 1,010	$ 1,375	$ 911	$ 464	$ 110	$ 473	$ 68

NEW ACCOUNTING STANDARDS

No new accounting standards were adopted by the Duke Energy Registrants in 2021, but the following accounting standard was adopted by the Duke Energy Registrants in 2020.

Current Expected Credit Losses. In June 2016, the Financial Accounting Standards Board (FASB) issued new accounting guidance for credit losses. Duke Energy adopted the new accounting guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year results. Duke Energy did not adopt any practical expedients.

Duke Energy recognizes allowances for credit losses based on management's estimate of losses expected to be incurred over the lives of certain assets or guarantees. Management monitors credit quality, changes in expected credit losses and the appropriateness of the allowance for credit losses on a forward-looking basis. Management reviews the risk of loss periodically as part of the existing assessment of collectability of receivables.

Duke Energy reviews the credit quality of its counterparties as part of its regular risk management process and requires credit enhancements, such as deposits or letters of credit, as appropriate and as allowed by regulators.

Duke Energy recorded cumulative effects of changes in accounting principles related to the adoption of new credit loss standard, for allowances for credit losses of trade and other receivables, insurance receivables and financial guarantees. These amounts are included in the Condensed Consolidated Balance Sheets in Receivables, Receivables of VIEs, Other Noncurrent Assets and Other Noncurrent Liabilities. See Notes 4 and 12 for more information.

Duke Energy recorded an adjustment for the cumulative effect of a change in accounting principle due to the adoption of this standard on January 1, 2020, as shown in the table below:

	January 1, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Piedmont
Total pretax impact to Retained Earnings	$ 120	$ 16	$ 2	$ 1	$ 1	$ 1

The following new accounting standard has been issued but not yet adopted by the Duke Energy Registrants as of March 31, 2021.

Reference Rate Reform. In March 2020, the FASB issued new accounting guidance for reference rate reform. This guidance is elective and provides expedients to facilitate financial reporting for the anticipated transition away from the London Inter-bank Offered Rate (LIBOR) and other interbank reference rates by the end of 2021. The optional expedients are effective for modification of existing contracts or new arrangements executed between March 12, 2020, through December 31, 2022.

Duke Energy has variable-rate debt and manages interest rate risk by entering into financial contracts including interest rate swaps that are generally indexed to LIBOR. Impacted financial arrangements extending beyond 2021 may require contractual amendment or termination to fully adapt to a post-LIBOR environment. Duke Energy is assessing these financial arrangements and is evaluating the use of optional expedients outlined in the new accounting guidance. Alternative index provisions are also being assessed and incorporated into new financial arrangements that extend beyond 2021. The full outcome of the transition away from LIBOR cannot be determined at this time, but is not expected to have a material impact on the financial statements.

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. In 2021, Duke Energy continues to monitor recoverability of its renewable merchant plants located in the Electric Reliability Council of Texas West market and in the PJM West market due to declining market pricing and declining long-term forecasted energy prices, primarily driven by lower forecasted natural gas prices. The assets were not impaired as of March 31, 2021, because the carrying value of approximately $210 million continues to approximate the aggregate estimated future undiscounted cash flows. A continued decline in energy market pricing would likely result in a future impairment. Duke Energy retained 51% ownership interest in these facilities following the 2019 transaction to sell a minority interest in certain renewable assets.

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 ownership interest in National Methanol Company.

Business segment information is presented in the following tables. Segment assets presented exclude intercompany assets.

	Three Months Ended March 31, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,273	$ 752	$ 119	$ 6,144	$ 6	$ —	$ 6,150
Intersegment revenues	8	23	—	31	20	(51)	—
Total revenues	$ 5,281	$ 775	$ 119	$ 6,175	$ 26	$ (51)	$ 6,150
Segment income (loss)[(a)]	$ 820	$ 245	$ 27	$ 1,092	$ (139)	$ —	$ 953
Less: Noncontrolling interests							51
Add: Preferred stock dividend							39
Net Income							$ 941
Segment assets	$ 138,734	$ 14,139	$ 6,894	$ 159,767	$ 3,710	$ (12)	$ 163,465

	Three Months Ended March 31, 2020						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,174	$ 640	$ 129	$ 5,943	$ 6	$ —	$ 5,949
Intersegment revenues	9	24	—	33	17	(50)	—
Total revenues	$ 5,183	$ 664	$ 129	$ 5,976	$ 23	$ (50)	$ 5,949
Segment income (loss)[(b)]	$ 705	$ 249	$ 57	$ 1,011	$ (112)	$ —	$ 899
Less: Noncontrolling interests							48
Add: Preferred stock dividend							39
Net Income							$ 890

(a) Commercial Renewables includes a $35 million loss related to Texas Storm Uri, of which $8 million is recorded within Nonregulated electric and other revenues, $2 million within Operations, maintenance and other, $29 million within Equity in (losses) earnings of unconsolidated affiliates and $12 million within Loss Attributable to Noncontrolling Interests on the Condensed Consolidated Statements of Operations. See Note 4 for additional information. Gas Utilities and Infrastructure includes $6 million, recorded within Equity in (losses) earnings of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments. See Note 3 for additional information.

(b) Other includes a $98 million reversal, recorded within Operations, maintenance and other on the Condensed Consolidated Statements of Operations, related to 2018 severance costs due to the partial settlement of the Duke Energy Carolinas 2019 North Carolina rate case. See Note 3 for additional information.

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 March 31, 2021					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 363	$ 169	$ 532	$ —	$ —	$ 532
Segment income/Net income	$ 50	$ 43	$ 93	$ (2)	$ —	$ 91
Segment assets	$ 6,544	$ 3,575	$ 10,119	$ 29	$ (7)	$ 10,141

	Three Months Ended March 31, 2020				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 346	$ 152	$ 498	$ —	$ 498
Segment income/Net income	$ 30	$ 36	$ 66	$ (1)	$ 65

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

2021 Coal Ash Settlement

On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the Coal Combustion Residuals Settlement Agreement (the “CCR Settlement Agreement”) with the North Carolina Public Staff (Public Staff), the North Carolina Attorney General’s Office and the Sierra Club (collectively, the "Settling Parties"), which was filed with the NCUC on January 25, 2021. The CCR Settlement Agreement resolves all coal ash prudence and cost recovery issues in connection with 2019 rate cases filed by Duke Energy Carolinas and Duke Energy Progress with the NCUC, as well as the equitable sharing issue on remand from the 2017 Duke Energy Carolinas and Duke Energy Progress 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 in North Carolina for Duke Energy Carolinas and Duke Energy Progress through January 2030 and February 2030 (the "Term"), respectively.

Duke Energy Carolinas and Duke Energy Progress agreed not to seek recovery of approximately $1 billion of systemwide deferred coal ash expenditures, but 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 Duke Energy Carolinas and Duke Energy Progress 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 will be set at 150 basis points lower than the authorized return on equity (ROE) then in effect, with a capital structure composed of 48% debt and 52% equity. Duke Energy Carolinas and Duke Energy Progress retain the ability to earn a full WACC return during the deferral period, which is the period from when costs are incurred until they are recovered in rates.

The Settling Parties agreed that execution by Duke Energy Carolinas and Duke Energy Progress of a settlement agreement between themselves and the NCDEQ 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 Settling Parties retain the right to challenge the reasonableness and prudence of actions taken by Duke Energy Carolinas and Duke Energy Progress and costs incurred to implement the scope of work agreed upon in the DEQ Settlement, after February 1, 2020, and March 1, 2020, for Duke Energy Carolinas and Duke Energy Progress, respectively. The Settling Parties further agreed to waive rights through the Term to challenge the reasonableness or prudence of Duke Energy Carolinas’ and Duke Energy Progress’ 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.

The Settling Parties agreed to a sharing arrangement for future coal ash insurance litigation proceeds between Duke Energy Carolinas and Duke Energy Progress and North Carolina customers, if achieved.

On January 29, 2021, Duke Energy Carolinas and Duke Energy Progress filed joint motions with the Settling Parties seeking approval of the CCR Settlement Agreement, along with supporting testimony and exhibits from Duke Energy Carolinas and Duke Energy Progress. On February 5, 2021, the Public Staff filed testimony and exhibits supporting the CCR Settlement Agreement.

As a result of the CCR Settlement Agreement, Duke Energy Carolinas and Duke Energy Progress recorded a pretax charge of approximately $454 million and $494 million, respectively, in the fourth quarter of 2020 to Impairment charges and a reversal of approximately $50 million and $102 million, respectively, to Regulated electric operating revenues on the respective Consolidated Statements of Operations.

The Coal Ash Settlement was approved without modification in the NCUC Orders in the 2019 rate cases on March 31, 2021, and April 16, 2021, for Duke Energy Carolinas and Duke Energy Progress, respectively.

2020 North Carolina Storm Securitization Filings

On October 26, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the NCUC, as agreed to in partial settlements reached in the 2019 North Carolina Rate Cases for Duke Energy Carolinas and Duke Energy Progress, seeking authorization for the financing of the costs of each utility's storm recovery activities required as a result of Hurricane Florence, Hurricane Michael, Hurricane Dorian and Winter Storm Diego. Specifically, Duke Energy Carolinas and Duke Energy Progress requested that the NCUC find that their storm recovery costs and related financing costs are appropriately financed by debt secured by storm recovery property, and that the commission issue financing orders by which each utility may accomplish such financing using a securitization structure. On January 27, 2021, Duke Energy Carolinas, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, which is subject to review and approval of the NCUC, resolving certain accounting issues, including agreement to support an 18- to 20-year bond period. The total revenue requirement over a proposed 20-year bond period for the storm recovery charges is approximately $287 million for Duke Energy Carolinas and $920 million for Duke Energy Progress. A remote evidentiary hearing ended on January 29, 2021, and on February 1, 2021, the NCUC granted a motion by Duke Energy Carolinas and Duke Energy Progress for a temporary 30-day waiver of the 135-day time frame for the NCUC to issue orders on the joint petition, extending the deadline for the NCUC to issue an order to May 10, 2021. In the NCUC Orders in the 2019 rate cases on March 31, 2021, and April 16, 2021, for Duke Energy Carolinas and Duke Energy Progress, respectively, the reasonableness and prudence of the deferred storm costs was approved. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

COVID-19 Filings

North Carolina

Duke Energy Carolinas and Duke Energy Progress filed a joint petition on August 7, 2020, with the NCUC for deferral treatment of incremental costs and waived customer fees due to the COVID-19 pandemic. Comments on the joint petition were filed on November 5, 2020, and reply comments were filed on November 30, 2020. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

South Carolina

Duke Energy Carolinas and Duke Energy Progress filed a report on June 30, 2020, as required by PSCSC order, reporting revenue impact, costs and savings related to COVID-19 to date. On August 14, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the PSCSC for approval of an accounting order to defer incremental COVID-19 related costs incurred through June 30, 2020, and for the ongoing months during the duration of the COVID-19 pandemic. The deferral request did not include lost revenues. Updates on cost impacts were filed on September 30, 2020, and included financial impacts through the end of August 2020. On October 16, 2020, the South Carolina Office of Regulatory Staff (ORS) requested the PSCSC delay taking formal action on the deferral request until the ORS and any intervenors complete discovery. The PSCSC issued an order on October 21, 2020, to grant additional time to complete discovery until January 20, 2021, and to establish a procedural schedule. Updates on cost impacts were filed on December 30, 2020, and included financial impacts through November 30, 2020. On January 15, 2021, the ORS requested the PSCSC suspend the dates for the ORS report and public hearing. The ORS conferred with the companies regarding the status of the docket, and the parties mutually agreed that recently enacted federal laws addressing COVID-19 aid and recovery should be studied before further action is taken in this docket. On January 27, 2021, the PSCSC voted to grant the ORS request to suspend the virtual public hearing. The ORS filed its report on April 16, 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

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. 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 an ROE of 9.9% and a capital structure of 52% equity and 48% debt. On June 22, 2018, the NCUC issued an order approving the Stipulation of Partial Settlement and requiring a revenue reduction.

The North Carolina Attorney General and other parties separately filed Notices of Appeal to the North Carolina Supreme Court. The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion, which affirmed, in part, and reversed and remanded, in part, the NCUC's decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff's equitable sharing argument. In response to a NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases, or in the alternative the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021, and approved by the NCUC on March 31, 2021.

2019 North Carolina Rate Case

On September 30, 2019, Duke Energy Carolinas filed an application with the NCUC for a net rate increase for retail customers of approximately $291 million, which represented an approximate 6% increase in annual base revenues. The gross rate case revenue increase request was $445 million, which was offset by an EDIT rider of $154 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for a rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Carolinas requested rates be effective no later than August 1, 2020. The NCUC established a procedural schedule with an evidentiary hearing to begin on March 23, 2020. On March 16, 2020, in consideration of public health and safety as a result of the COVID-19 pandemic, Duke Energy Carolinas filed a motion with the NCUC seeking a suspension of the procedural schedule in the rate case, including issuing discovery requests, and postponement of the evidentiary hearing for 60 days. Also on March 16, 2020, the NCUC issued an Order Postponing Hearing and Addressing Procedural Matters, which postponed the evidentiary hearing until further order by the commission.

On March 25, 2020, Duke Energy Carolinas and the Public Staff filed an Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. On July 24, 2020, Duke Energy Carolinas filed its request for approval of its notice to customers required to implement temporary rates. On July 27, 2020, Duke Energy Carolinas filed a joint motion with Duke Energy Progress and the Public Staff notifying the commission that the parties reached a joint partial settlement with the Public Staff. Also on July 27, 2020, Duke Energy Carolinas filed a letter stating that it intended to update its temporary rates calculation to reflect the terms of the partial settlement. On July 31, 2020, Duke Energy Carolinas and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement (Second Partial Settlement), subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting, implementation of new depreciation rates and the amortization period of the loss on the hydro station sale.

On August 4, 2020, Duke Energy Carolinas filed an amended motion for approval of its amended notice to customers, seeking to exercise its statutory right to implement temporary rates subject to refund on or after August 24, 2020. The revenue requirement to be recovered, subject to refund, through the temporary rates was based on and consistent with the base rate component of the Second Partial Settlement and excluded the items to be litigated noted above. The NCUC approved the August 4, 2020 amended temporary rates motion on August 6, 2020, and temporary rates went into effect on August 24, 2020.

The Duke Energy Carolinas evidentiary hearing concluded on September 18, 2020, and post-hearing filings were made with the NCUC from all parties by November 4, 2020. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021.

On March 31, 2021, the NCUC issued an order approving the March 25, 2020, and July 31, 2020, partial settlements. The order includes approval of 1) an ROE of 9.6% based upon a capital structure of 52% equity and 48% debt; 2) deferral treatment of approximately $800 million of grid improvement projects with a return; 3) a flow back period of five years for unprotected federal EDIT; and 4) the reasonableness and prudence of $213 million of deferred storm costs, which were removed from the rate case and for which Duke Energy Carolinas filed a petition seeking securitization in October 2020. Additionally, the order approved without modification the CCR Settlement Agreement.

The order denied Duke Energy Carolinas' proposal to shorten the remaining depreciable lives of certain Duke Energy Carolinas coal-fired generating units, indicating the appropriate proceeding for the review of generating plant retirements is Duke Energy Carolinas' integrated resource planning (IRP) proceeding.

On April 12, 2021, Duke Energy Carolinas filed its final revenue requirement with the NCUC, which results in a net increase of approximately $33 million. Revised customer rates are expected to become effective in June 2021.

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.

After hearings in March 2019, the PSCSC issued an order on May 21, 2019, which included an ROE of 9.5% and a capital structure of 53% equity and 47% 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%;
- 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% to be returned over a five-year period.

As a result of the 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 PSCSC 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, ROE and the recovery of a return on deferred operation and maintenance expenses. An order detailing the commission's decision in the Directive was issued on October 18, 2019. Duke Energy Carolinas filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. On November 20, 2019, the South Carolina Energy Users Committee filed a Notice of Appeal with the Supreme Court of South Carolina. Initial briefs were filed on April 21, 2020, which included the South Carolina Energy User's Committee brief arguing that the PSCSC erred in allowing Duke Energy Carolinas' recovery of costs related to the Lee Nuclear Station. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments before the Supreme Court of South Carolina have been scheduled to occur on May 26, 2021. Based on legal analysis and the filing of the appeal, Duke Energy Carolinas has not recorded an adjustment for its deferred coal ash costs in this matter. 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 was subsequently adjusted to $420 million. 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 an ROE of 9.9% and a capital structure of 52% equity and 48% debt. On February 23, 2018, the NCUC issued an order approving the stipulation. The Public Staff, the North Carolina Attorney General and the Sierra Club filed notices of appeal to the North Carolina Supreme Court.

The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion, which affirmed, in part, and reversed and remanded, in part, the NCUC's decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff's equitable sharing argument. In response to a NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases or in the alternative the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021, and approved by the NCUC on April 16, 2021.

2019 North Carolina Rate Case

On October 30, 2019, Duke Energy Progress filed an application with the NCUC for a net rate increase for retail customers of approximately $464 million, which represented an approximate 12.3% increase in annual base revenues. The gross rate case revenue increase request was $586 million, which was offset by riders of $122 million, primarily an EDIT rider of $120 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Progress sought to defer and recover incremental Hurricane Dorian storm costs in this proceeding and requested rates be effective no later than September 1, 2020. As a result of the COVID-19 pandemic, on March 24, 2020, the NCUC suspended the procedural schedule and postponed the previously scheduled evidentiary hearing on this matter indefinitely. On April 7, 2020, the NCUC issued an order partially resuming the procedural schedule requiring intervenors to file direct testimony on April 13, 2020. Public Staff filed supplemental direct testimony on April 23, 2020. Duke Energy Progress filed rebuttal testimony on May 4, 2020.

On June 2, 2020, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. On July 27, 2020, Duke Energy Progress filed a joint motion with Duke Energy Carolinas and the Public Staff notifying the commission that the parties reached a joint partial settlement with the Public Staff. On July 31, 2020, Duke Energy Progress and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting and implementation of new depreciation rates.

On August 7, 2020, Duke Energy Progress filed a motion for approval of notice required to implement temporary rates, seeking to exercise its statutory right to implement temporary rates subject to refund on or after September 1, 2020. The revenue requirement to be recovered subject to refund through the temporary rates was based on and consistent with the terms of the base rate component of the settlement agreements with the Public Staff and excluded items to be litigated noted above. Duke Energy Progress will not begin the amortization or implementation of these items until a final determination is issued in the rate case and new base rates are implemented. These items will also be excluded when determining whether a refund of amounts collected through these temporary rates is needed. In addition, Duke Energy Progress also sought authorization to place a temporary decrement EDIT Rider into effect, concurrent with the temporary base rate change. The temporary rate changes are not final rates and remain subject to the NCUC's determination of the just and reasonable rates to be charged by Duke Energy Progress on a permanent basis. The NCUC approved the August 7, 2020 temporary rates motion on August 11, 2020, and temporary rates went into effect on September 1, 2020.

The Duke Energy Progress evidentiary hearing concluded on October 6, 2020, and post-hearing filings were filed with the NCUC from all parties by December 4, 2020. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021.

On April 16, 2021, the NCUC issued an order approving the June 2, 2020, and July 31, 2020, partial settlements. The order includes approval of 1) an ROE of 9.6% based upon a capital structure of 52% equity and 48% debt; 2) deferral treatment of approximately $400 million of grid improvement projects with a return; 3) a flow back period of five years for unprotected federal EDIT; and 4) the reasonableness and prudence of approximately $714 million of deferred storm costs, which were removed from the rate case and for which Duke Energy Progress filed a petition seeking securitization in October 2020. Additionally, the order approved without modification the CCR Settlement Agreement.

The order denied Duke Energy Progress' proposal to shorten the remaining depreciable lives of certain Duke Energy Progress coal-fired generating units, indicating the appropriate proceeding for the review of generating plant retirements is Duke Energy Progress' IRP proceeding.

On April 26, 2021, Duke Energy Progress filed its final revenue requirement with the NCUC, which results in a net increase of approximately $178 million. Revised customer rates are expected to become effective in June 2021.

Hurricane Dorian

Hurricane Dorian reached the Carolinas in September 2019 as a Category 2 hurricane making landfall within Duke Energy Progress' service territory. Total estimated incremental operation and maintenance expenses incurred to repair and restore the system are approximately $168 million with an additional $4 million in capital investments made for restoration efforts. Approximately $145 million of the operation and maintenance expenses are deferred in Regulatory assets within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of March 31, 2021, and December 31, 2020. A request for an accounting order to defer incremental storm costs associated with Hurricane Dorian was included in Duke Energy Progress' October 30, 2019, general rate case filing with the NCUC. Terms of the June 2, 2020, Agreement and Stipulation of Partial Settlement removed incremental storm costs from the general rate case. A petition seeking to securitize these costs, along with costs from Hurricane Florence, Hurricane Michael and Winter Storm Diego, was filed on October 26, 2020, with the NCUC. For information on the securitization filing, see "2020 North Carolina Storm Securitization Filings." 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.

After hearings in April 2019, the PSCSC issued an order on May 21, 2019, which included an ROE of 9.5% and a capital structure of 53% equity and 47% 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%;
- 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%.

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 PSCSC 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, ROE 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. An order detailing the commission's decision in the Directive was issued on October 18, 2019. Duke Energy Progress filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. Initial briefs were filed on April 21, 2020. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments before the Supreme Court of South Carolina have been scheduled to occur on May 26, 2021. Based on legal analysis and the filing of the appeal, Duke Energy Progress has not recorded an adjustment for its deferred coal ash costs in this matter. Duke Energy Progress cannot predict the outcome of this matter.

Western Carolinas Modernization Plan

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, which was approved with certain conditions on May 10, 2019. A hearing to update the NCUC on the status of the project was held on March 5, 2020. Construction began in May 2020 with commercial operation expected to begin in October 2021.

On July 27, 2020, Duke Energy Progress filed an application with the NCUC for a CPCN to construct the Woodfin Solar Facility, a 5-MW solar generating facility to be constructed on a closed landfill in Buncombe County. The expert hearing was held on November 18, 2020. The application was approved and a CPCN was granted by order of the NCUC on April 20, 2021.

FERC Return on Equity Complaints

On October 11, 2019, North Carolina Eastern Municipal Power Agency (NCEMPA) filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the Federal Power Act (FPA), alleging that the 11% stated ROE component contained in the demand formula rate in the Full Requirements Power Purchase Agreement (FRPPA) between NCEMPA and Duke Energy Progress is unjust and unreasonable. On July 16, 2020, the FERC set this matter for hearing and settlement judge procedures and established a refund effective date of October 11, 2019. In its order setting the matter for settlement, the FERC allowed for the consideration of variations to the base transmission-related ROE methodology developed in its Order No. 569-A, through the introduction of “specific facts and circumstances” involving issues specific to the case. The parties reached a settlement in principle at a settlement conference on January 7, 2021, and filed a settlement package on March 10, 2021. The FERC Trial Staff filed comments in support of the settlement. On April 19, 2021, the Settlement Judge certified the settlement to the FERC as an uncontested settlement and recommended approval by the FERC. Duke Energy Progress cannot predict the outcome of this matter.

On October 16, 2020, North Carolina Electric Membership Corporation (NCEMC) filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the FPA, alleging that the 11% stated ROE component in the demand formula rate in the Power Supply and Coordination Agreement between NCEMC and Duke Energy Progress is unjust and unreasonable. Under FPA Section 206, the earliest refund effective date that the FERC can establish is the date of the filing of the complaint. Duke Energy Progress responded to the complaint on November 20, 2020, seeking dismissal, demonstrating that the 11% ROE is just and reasonable for the service provided. The parties filed responsive pleadings and are awaiting an order from the FERC. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Florida

2021 Settlement Agreement

On January 14, 2021, Duke Energy Florida filed a Settlement Agreement (the “Settlement”) with the FPSC. The parties to the Settlement include Duke Energy Florida, the Office of Public Counsel (OPC), 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, Duke Energy Florida 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 during the years 2021, 2022 and 2023. The parties also agreed to a 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 U.S. 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%. Duke Energy Florida will also be able to retain the DOE award of approximately $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, Duke Energy Florida 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 Units 4-5, the approval of approximately $1 billion in 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 Duke Energy Florida’s Vision Florida program, which explores various emerging non-carbon emitting generation technology, distributed technologies and resiliency projects, among other things. The Settlement also resolves remaining unrecovered storm costs for hurricanes Dorian and Michael.

The FPSC approved the Settlement on May 4, 2021. Revised customer rates will be effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

Storm Restoration Cost Recovery

Duke Energy Florida filed a petition with the FPSC on April 30, 2019, to recover $223 million of estimated retail incremental storm restoration costs for Hurricane Michael, consistent with the provisions in the 2017 Settlement, and the FPSC approved the petition on June 11, 2019. The FPSC also approved allowing 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. On November 22, 2019, Duke Energy Florida filed a petition for approval of actual retail recoverable storm restoration costs related to Hurricane Michael in the amount of $191 million plus interest. On May 19, 2020, Duke Energy Florida filed a supplemental true up reducing the actual retail recoverable storm restoration costs related to Hurricane Michael by approximately $3 million, resulting in a total request to recover $188 million actual retail recoverable storm restoration costs, plus interest. Approximately $42 million and $80 million of these costs are included in Regulatory assets within Current Assets and Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of March 31, 2021, and December 31, 2020, respectively.

Duke Energy Florida filed a petition with the FPSC on December 19, 2019, to recover $169 million of estimated retail incremental storm restoration costs for Hurricane Dorian, consistent with the provisions in the 2017 Settlement and the FPSC approved the petition on February 24, 2020. The final actual amount of $145 million was filed on September 30, 2020. The Settlement was approved by the FPSC and all matters regarding storm cost recovery relating to Hurricane Michael and Hurricane Dorian are resolved.

Clean Energy Connection

On July 1, 2020, Duke Energy Florida petitioned the FPSC for approval of a voluntary solar program. The program consists of 10 new solar generating facilities with combined capacity of approximately 750 MW. The program allows participants to support cost-effective solar development in Florida by paying a subscription fee based on per kilowatt-subscriptions and receiving a credit on their bill based on the actual generation associated with their portion of the solar portfolio. The estimated cost of the 10 new solar generation facilities is approximately $1 billion over the next four years, and this investment will be included in base rates offset by the revenue from the subscription fees. The credits will be included for recovery in the fuel cost recovery clause. A remote hearing was held on November 17, 2020, and post-hearing briefs were filed with the FPSC from all parties by December 9, 2020. The FPSC voted to approve the program on January 5, 2021, and issued its written order on January 26, 2021.

On February 24, 2021, the League of United Latin American Citizens filed a notice of appeal of the FPSC’s Order approving the Clean Energy Connection to the Florida Supreme Court. The FPSC approval order remains in effect pending the outcome of the appeal. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Ohio House Bill 6

On July 23, 2019, House Bill 6 was signed into law that became effective January 1, 2020. Among other things, the bill allows for funding, through a rider mechanism referred to as the Clean Air Fund (Rider CAF), of two nuclear generating facilities located in Northern Ohio owned by Energy Harbor (f/k/a FirstEnergy Solutions), repeal of energy efficiency mandates and recovery of prudently incurred costs, net of any revenues, for Ohio investor-owned utilities that are participants under the OVEC power agreement. The recovery is through a non-bypassable rider that replaced any existing recovery mechanism approved by the PUCO and will remain in place through 2030. As such, Duke Energy Ohio created the Legacy Generation Rider (Rider LGR) that replaced Rider PSR effective January 1, 2020. The amounts recoverable from customers are subject to an annual cap, with incremental costs that exceed such cap eligible for deferral and recovery subject to review. See Note 11 for additional discussion of Duke Energy Ohio's ownership interest in OVEC. House Bill 128 was signed into law on March 31, 2021, which becomes effective June 30, 2021. The bill removes nuclear plant funding from Rider CAF and does not impact OVEC cost recovery.

Energy Efficiency Cost Recovery

On February 26, 2020, the PUCO issued an order directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020, in response to changes in Ohio law that eliminated Ohio's energy efficiency mandates. On March 27, 2020, Duke Energy Ohio filed an Application for Rehearing seeking clarification on the final true up and reconciliation process after 2020. On November 18, 2020, the PUCO issued two orders on the application for rehearing. The first order was a Third Entry on Rehearing on the Duke Energy Ohio portfolio holding the cost cap previously imposed was unlawful, a shared savings cap of $8 million pretax should be imposed and lost distribution revenues could not be recovered after December 31, 2020. The second order directs all utilities set the rider to zero effective January 1, 2021, and to file a separate application for final reconciliation of all energy efficiency costs prior to December 31, 2020. On December 18, 2020, Duke Energy Ohio filed an application for rehearing. On January 13, 2021, the application for rehearing was granted for further consideration. Duke Energy Ohio cannot predict the outcome of this matter.

On October 9, 2020, Duke Energy Ohio filed an application to implement a voluntary efficiency program portfolio to commence on January 1, 2021. The application proposes a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review. As of January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs due to changes in Ohio law. Duke Energy Ohio cannot predict the outcome of this matter.

Natural Gas Pipeline Extension

Duke Energy Ohio is installing 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) and that construction of the pipeline extension will be completed before the 2021/2022 winter season. An evidentiary hearing for a Certificate of Environmental Compatibility and Public Need concluded on April 11, 2019. On November 21, 2019, the Ohio Power Siting Board (OPSB) approved Duke Energy Ohio's application subject to 41 conditions on construction. Applications for rehearing were filed by several stakeholders on December 23, 2019, arguing that the OPSB approval was incorrect. On February 20, 2020, the OPSB denied the rehearing requests. On April 15, 2020, Joint Appellants filed a notice of appeal at the Supreme Court of Ohio of the OPSB's decision approving Duke Energy Ohio's Central Corridor application. The appeal was fully briefed and the Ohio Supreme Court oral argument was held on March 31, 2021. Duke Energy Ohio cannot predict the outcome of this matter.

On September 22, 2020, Duke Energy Ohio filed an application with the OPSB for approval to amend the certificated pipeline route due to changes in the route negotiated with property owners and municipalities. On January 21, 2021, the OPSB approved the amended filing with recommended conditions that reaffirm previous conditions and provide guidance regarding local permitting and construction supervision. Duke Energy Ohio cannot predict the outcome of this matter.

MGP Cost Recovery

In an order issued in 2013, the PUCO approved Duke Energy Ohio's deferral and recovery of costs related to environmental remediation at two sites (East End and West End) that housed former MGP operations. Duke Energy Ohio has collected approximately $55 million in environmental remediation costs incurred between 2009 through 2012 through Rider MGP, which is currently suspended. 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 base rate case. To date, the PUCO has not ruled on Duke Energy Ohio's annual applications for the calendar years 2013 through 2019. 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. 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. Additionally, staff recommended that any discussion pertaining to Duke Energy Ohio's recovery of ongoing MGP costs should be directly tied to or netted against insurance proceeds collected by Duke Energy Ohio. An evidentiary hearing concluded on November 21, 2019. Initial briefs were filed on January 17, 2020, and reply briefs were filed on February 14, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

On March 31, 2020, Duke Energy Ohio filed its annual application to recover incremental remediation expense for the calendar year 2019 seeking recovery of approximately $39 million in remediation costs incurred during 2019. On July 23, 2020, the staff recommended a disallowance of approximately $4 million for work the staff believes occurred in areas not authorized for recovery. Additionally, the staff recommended insurance proceeds, net of litigation costs and attorney fees, should be reimbursed to customers and not be held by Duke Energy Ohio until all investigation and remediation is complete. Duke Energy Ohio filed comments in response to the staff report on August 21, 2020, and intervenor comments were filed on November 9, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

The 2012 PUCO order also contained conditional deadlines for completing the MGP environmental remediation and the deferral of 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 that must occur after December 31, 2019. On July 12, 2019, staff recommended the commission deny the deferral authority request. On September 13, 2019, intervenor comments were filed opposing Duke Energy Ohio's request for continuation of existing deferral authority and on October 2, 2019, Duke Energy Ohio filed reply comments. Duke Energy Ohio cannot predict the outcome of this matter.

Tax Act – Ohio

On December 21, 2018, Duke Energy Ohio filed an application to change its base rate tariffs 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 tariff 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% 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 occurred on August 7, 2019. Initial briefs were filed on September 11, 2019. Reply briefs were filed on September 25, 2019. Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Kentucky Natural Gas Base Rate Case

On April 30, 2021, Duke Energy Kentucky filed a Notice of Intent with the KPSC to file a general natural gas rate case no earlier than 30 days from the date of the notice.

Duke Energy Indiana

2019 Indiana Rate Case

On July 2, 2019, Duke Energy Indiana filed a general rate case with the IURC for a rate increase for retail customers of approximately $395 million. The rebuttal case, filed on December 4, 2019, updated the requested revenue requirement to result in a 15.6% or $396 million average retail rate increase, including the impacts of the Utility Receipts Tax. Hearings concluded on February 7, 2020. On June 29, 2020, the IURC issued the order in the rate case approving a revenue increase of $146 million before certain adjustments and ratemaking refinements. The order provided for an overall cost of capital of 5.7% based on an ROE of 9.7% and a 53% equity component of the capital structure, and approved Duke Energy Indiana's requested forecasted rate base of $10.2 billion as of December 31, 2020, including the Edwardsport IGCC Plant. The IURC reduced Duke Energy Indiana's request by slightly more than $200 million, when accounting for the utility receipts tax and other adjustments. Approximately 50% of the reduction is due to a prospective change in depreciation and use of regulatory asset for the end-of-life inventory at retired generating plants, approximately 20% is due to the approved ROE of 9.7%versus the requested ROE of 10.4% and approximately 20% is related to miscellaneous earnings neutral adjustments. Step one rates are estimated to be approximately 75% of the total and became effective on July 30, 2020. Step two rates are estimated to be the remaining 25% of the total rate increase and will be implemented in mid-2021. Several groups appealed the IURC order to the Indiana Court of Appeals. Appellate briefs were filed on October 14, 2020, focusing on three issues: wholesale sales allocations, coal ash basin cost recovery and the Edwardsport IGCC operating and maintenance expense level approved. The appeal was fully briefed in January 2021 and an oral argument was held on April 8, 2021. A decision is expected in the second or third quarter of 2021. Duke Energy Indiana cannot predict the outcome of this matter.

2020 Indiana Coal Ash Recovery Case

In Duke Energy Indiana's 2019 rate case, the IURC approved coal ash basin closure costs expended through 2018 including financing costs as a regulatory asset and included in rate base. The IURC opened a subdocket to deal with the post-2018 coal ash related expenditures. Duke Energy Indiana filed testimony on April 15, 2020, in the coal ash subdocket requesting recovery for the post-2018 coal ash basin closure costs for plans that have been approved by the Indiana Department of Environmental Management as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020, and the parties have agreed on a delayed briefing schedule that allows for the Indiana Rate Case appeal to proceed. Briefing will be completed by mid-August 2021. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

2020 Tennessee Rate Case

On July 2, 2020, Piedmont filed an application with the TPUC, its first general rate case in Tennessee in nine years, for a rate increase for retail customers of approximately $30 million, which represents an approximate 15% increase in annual revenues. The rate increase is driven by significant infrastructure upgrade investments since Piedmont's previous rate case. Approximately half of the plant additions being added to rate base are categories of capital investment not covered under the IMR mechanism, which was approved in 2013. Piedmont amended its requested increase to approximately $26 million in December 2020. As authorized under Tennessee law, Piedmont implemented interim rates on January 2, 2021, at the level requested in its adjusted request. A settlement reached with the Tennessee Consumer Advocate in mid-January was filed with the TPUC on February 2, 2021. The settlement results in an increase of revenues of approximately $16 million and a ROE of 9.8%. On May 6, 2021, the TPUC issued an order approving the settlement. Revised customer rates became effective January 2, 2021. Piedmont refunded customers the difference between bills previously rendered under interim rates and such bills if rendered under approved rates, plus interest, in April 2021.

2021 North Carolina Rate Case

On March 22, 2021, Piedmont filed an application with the NCUC for a rate increase for retail customers of approximately $109 million, which represents an approximate 10% increase in retail revenues. The rate increase is driven by customer growth and significant infrastructure upgrade investments (plant additions) since the last general rate case. Approximately 30% of the plant additions being rolled into rate base are categories of plant investment that are covered under the IMR mechanism, which was originally approved as part of the 2013 North Carolina Rate Case. A hearing date has not yet been established. Piedmont cannot predict the outcome of this matter.

OTHER REGULATORY MATTERS

Atlantic Coast Pipeline, LLC

Atlantic Coast Pipeline (ACP pipeline) was planned to be an approximately 600-mile interstate natural gas pipeline running from West Virginia to North Carolina. Duke Energy indirectly owns a 47% interest, which is accounted for as an equity method investment through its Gas Utilities and Infrastructure segment.

As a result of the uncertainty created by various legal rulings, the potential impact on the cost and schedule for the project, the ongoing legal challenges and the risk of additional legal challenges and delays through the construction period and Dominion’s decision to sell substantially all of its gas transmission and storage segment assets, Duke Energy's Board of Directors and management decided that it was not prudent to continue to invest in the project. On July 5, 2020, Duke Energy and Dominion announced the cancellation of the ACP pipeline project.

As part of the pretax charges to earnings of approximately $2.1 billion recorded in June 2020, within Equity in (losses) earnings of unconsolidated affiliates on the Duke Energy Condensed Consolidated Statements of Operations, Duke Energy established liabilities related to the cancellation of the ACP pipeline project. In February 2021, Duke Energy paid approximately $855 million to fund ACP's outstanding debt, relieving Duke Energy of its guarantee. At March 31, 2021, there is $38 million and $48 million within Other Current Liabilities and Other Noncurrent Liabilities, respectively, in the Gas Utilities and Infrastructure segment. The liabilities represent Duke Energy's obligation of approximately $86 million to satisfy remaining ARO requirements to restore construction sites.

See Notes 1 and 11 for additional information regarding this transaction.

Potential Coal Plant Retirements

The Subsidiary Registrants periodically file integrated resource plans 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 integrated resource plans (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 March 31, 2021, and exclude capitalized asset retirement costs.

	Capacity (in MW)	Remaining Net Book Value (in millions)
Duke Energy Carolinas		
Allen Steam Station Units 1-2[(a)]	**334**	**$ 21**
Allen Steam Station Units 4-5[(b)]	**526**	**388**
Cliffside Unit 5[(b)]	**546**	**343**
Duke Energy Progress		
Mayo Unit 1[(b)]	**746**	**660**
Roxboro Units 3-4[(b)]	**1,409**	**478**
Duke Energy Florida		
Crystal River Units 4-5[(c)]	**1,430**	**1,683**
Duke Energy Indiana		
Gallagher Units 2 and 4[(d)]	**280**	**91**
Gibson Units 1-5[(e)]	**2,845**	**1,834**
Cayuga Units 1-2[(e)]	**1,005**	**755**
Total Duke Energy	**9,121**	**$ 6,253**

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Units 1 through 3 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. Unit 3 with a capacity of 270 MW and a net book value of $26 million at December 31, 2020, was retired in March 2021.

(b) These units are included in the IRP filed by Duke Energy Carolinas and Duke Energy Progress in North Carolina and South Carolina on September 1, 2020. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. In 2019, Duke Energy Carolinas and Duke Energy Progress filed North Carolina rate cases that included depreciation studies that accelerate end-of-life dates for these plants. NCUC issued orders in the 2019 rate cases of Duke Energy Carolinas and Duke Energy Progress on March 31, 2021, and April 16, 2021, respectively, in which the proposals to shorten the remaining depreciable lives of these units were denied, while indicating the IRP proceeding was the appropriate proceeding for the review of generating plant retirements.

(c) On January 14, 2021, Duke Energy Florida filed a settlement agreement with the FPSC, which proposed depreciation rates reflecting retirement dates for Duke Energy Florida's last two coal-fired generating facilities, Crystal River Units 4-5, eight years ahead of schedule in 2034 rather than in 2042. The settlement was approved by the FPSC on May 4, 2021.

(d) 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. In February 2021, upon approval by MISO of a new retirement date, Duke Energy Indiana determined it would modify the retirement date to June 1, 2021.

(e) 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, included proposed depreciation rates reflecting retirement dates from 2026 to 2038. The depreciation rates reflecting these updated retirement dates were approved by the IURC as part of the rate case order issued on June 29, 2020.

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 table contains 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.

(in millions)	March 31, 2021	December 31, 2020
Reserves for Environmental Remediation		
Duke Energy	**$ 74**	$ 75
Duke Energy Carolinas	**18**	19
Progress Energy	**18**	19
Duke Energy Progress	**6**	6
Duke Energy Florida	**12**	12
Duke Energy Ohio	**21**	22
Duke Energy Indiana	**5**	6
Piedmont	**11**	10

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	$ 20
Duke Energy Carolinas	12
Duke Energy Ohio	4

LITIGATION

Duke Energy

Texas Storm Uri Tort Litigation

Duke Energy and several Duke Energy renewables project companies have been named in multiple lawsuits arising out of Texas Storm Uri in mid-February 2021, and particularly, in the deregulated market managed by the Electric Reliability Council of Texas.. Currently, 15 state court actions have been filed in counties across Texas and one case is pending in federal court in Texas. These lawsuits, filed by individuals, seek recovery for property damages, personal injury and for wrongful death allegedly incurred by the plaintiffs as a result of power losses, which the plaintiffs claim was the result of the defendants' failure to take appropriate precautions. Certain defendants have moved to transfer all related cases including those naming Duke Energy entities into a Texas state court multi-district litigation proceeding for coordination before a single judge. No ruling has yet been issued on this motion. Duke Energy cannot predict the outcomes of these state and federal litigation matters.

Duke Energy Carolinas and Duke Energy Progress

Coal Ash Insurance Coverage Litigation

In March 2017, Duke Energy Carolinas and Duke Energy Progress filed a civil action in the North Carolina Business 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 U.S. Environmental Protection Agency CCR rule at 15 coal-fired plants in North Carolina and South Carolina. Fact discovery has been completed. The parties' fully briefed and argued motions relating to key legal matters are pending before the court for rulings. Trial remains scheduled for January 24, 2022. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

NTE Carolinas II, LLC Litigation

In November 2017, Duke Energy Carolinas entered into a standard FERC large generator interconnection agreement (LGIA) with NTE Carolinas II, LLC (NTE), a company that proposed to build a combined-cycle natural gas plant in Rockingham County, North Carolina. On September 6, 2019, Duke Energy Carolinas filed a lawsuit in Mecklenburg County Superior Court against NTE for breach of contract, alleging that NTE's failure to pay benchmark payments for Duke Energy Carolinas' transmission system upgrades required under the interconnection agreement constituted a termination of the interconnection agreement. Duke Energy Carolinas is seeking a monetary judgment against NTE because NTE failed to make multiple milestone payments. The lawsuit was moved to federal court in North Carolina. NTE filed a motion to dismiss Duke Energy Carolinas' complaint and brought counterclaims alleging anti-competitive conduct and violations of state and federal statutes. Duke Energy Carolinas filed a motion to dismiss NTE's counterclaims.

On May 21, 2020, in response to a NTE petition challenging Duke Energy Carolinas' termination of the LGIA, FERC issued a ruling (i) that it has exclusive jurisdiction to determine whether a transmission provider may terminate a LGIA, (ii) FERC approval is required to terminate a conforming LGIA if objected to by the interconnection customer, and (iii) Duke Energy may not announce the termination of a conforming LGIA unless FERC has approved the termination. FERC's Office of Enforcement also initiated an investigation of Duke Energy Carolinas into matters pertaining to the LGIA. Duke Energy Carolinas is cooperating with the Office of Enforcement but cannot predict the outcome of this investigation.

On August 17, 2020, the court denied both NTE's and Duke Energy Carolinas' Motion to Dismiss. The parties are in active discovery and trial is scheduled for June 20, 2022. Duke Energy Carolinas cannot predict the outcome of this matter.

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 March 31, 2021, there were 126 asserted claims for non-malignant cases with cumulative relief sought of up to $31 million, and 47 asserted claims for malignant cases with cumulative relief sought of up to $17 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 $564 million at March 31, 2021, and $572 million at December 31, 2020. 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 2040 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 2040 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 $714 million in excess of the self-insured retention. Receivables for insurance recoveries were $704 million at March 31, 2021, and December 31, 2020. 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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The reserve for credit losses for insurance receivables based on adoption of the new standard is $15 million for Duke Energy and Duke Energy Carolinas as of March 31, 2021, and December 31, 2020. The insurance receivable is evaluated based on the risk of default and the historical losses, current conditions and expected conditions around collectability. Management evaluates the risk of default annually based on payment history, credit rating and changes in the risk of default from credit agencies.

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 $200 million for Duke Energy Progress and Duke Energy Florida, respectively. Discovery is ongoing and a trial is expected to occur in 2021.

Duke Energy Florida

Power Purchase Dispute Arbitration

Duke Energy Florida, on behalf of its customers, entered into a PPA for the purchase of firm capacity and energy from a qualifying facility under the Public Utilities Regulatory Policies Act of 1978. Duke Energy Florida determined the qualifying facility did not perform in accordance with the PPA, and Duke Energy Florida terminated the PPA. The qualifying facility counterparty filed a confidential American Arbitration Association (AAA) arbitration demand, challenging the termination of the PPA and seeking damages.

The final arbitration hearing occurred during the week of December 7, 2020. An arbitral award was issued in March 2021, upholding Duke Energy Florida's positions on all issues and awarding the company termination costs.

Duke Energy Indiana

Coal Ash Basin Closure Plan Appeal

On January 27, 2020, Hoosier Environmental Council (HEC) filed a Petition for Administrative Review with the Indiana Office of Environmental Adjudication challenging the Indiana Department of Environmental Management's December 10, 2019, partial approval of Duke Energy Indiana's ash pond closure plan. On March 11, 2020, Duke Energy Indiana filed a Motion to Dismiss. On May 5, 2020, the court denied the motion. After hearing oral arguments in early April 2021 on Duke Energy Indiana's and HEC's competing Motions for Summary Judgment, on May 4, 2021, the administrative court rejected all of HEC's claims and issued a ruling in favor of Duke Energy Indiana. HEC has until June 3, 2021, to seek judicial review of the order. Duke Energy Indiana cannot predict the outcome of this matter.

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)	March 31, 2021	December 31, 2020
Reserves for Legal Matters		
Duke Energy	**$ 65**	$ 68
Duke Energy Carolinas	**3**	2
Progress Energy	**57**	61
Duke Energy Progress	**11**	13
Duke Energy Florida	**26**	28
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 uncapped 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. DEBT AND CREDIT FACILITIES

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

The following table summarizes significant debt issuances (in millions).

			Three Months Ended March 31, 2021							
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unsecured Debt										
March 2021[(a)]	Mar 2031	2.500 %	**$ 350**	**$ —**	$ —	$ —	$ —	$ —	$ —	**$ 350**
Total issuances			**$ 350**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 350**

(a) Debt issued to repay at maturity $160 million senior unsecured notes due June 2021, pay down short-term debt and for general corporate purposes.

In March 2021, Duke Energy Carolinas priced $1 billion of First Mortgage Bonds. The issuance and sale of securities settled in April 2021, in two separate tranches. The first tranche was issued for $550 million at a fixed interest rate of 2.55% and mature in April 2031. The second tranche was issued for $450 million at a fixed interest rate of 3.45% and mature in April 2051. Proceeds from the issuance will be used to repay at maturity $500 million of 3.90% First Mortgage Bonds due June 2021, pay down intercompany short-term debt and for general company 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	March 31, 2021
Unsecured Debt			
Duke Energy (Parent)	May 2021	0.698 % [(a)]	**500**
Piedmont	June 2021	4.240 %	**160**
Duke Energy (Parent)	September 2021	3.550 %	**500**
Duke Energy (Parent)	September 2021	1.800 %	**750**
Duke Energy Florida	November 2021	0.441 % [(a)]	**200**
Duke Energy Progress	February 2022	0.369 % [(a)]	**700**
Duke Energy (Parent)	March 2022	3.227 %	**300**
Duke Energy (Parent)	March 2022	0.827 % [(a)]	**300**
First Mortgage Bonds			
Duke Energy Carolinas	June 2021	3.900 %	**500**
Duke Energy Florida	August 2021	3.100 %	**300**
Duke Energy Progress	September 2021	3.000 %	**500**
Duke Energy Progress	September 2021	8.625 %	**100**
Duke Energy Indiana	January 2022	8.850 %	**53**
Other[(b)]			**723**
Current maturities of long-term debt			**$ 5,586**

(a) Debt has a floating interest rate.
(b) Includes finance lease obligations, amortizing debt, tax-exempt bonds with mandatory put options and small bullet maturities.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2021, Duke Energy amended its existing $8 billion Master Credit Facility to extend the termination date to March 2026. The Duke Energy Registrants, excluding Progress Energy, 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.

The table below includes the current borrowing sublimits and available capacity under these credit facilities.

	March 31, 2021							
(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	$ 1,475	$ 1,250	$ 700	$ 625	$ 600	$ 700
Reduction to backstop issuances								
Commercial paper[b]	(3,466)	(1,781)	(741)	(292)	(243)	(259)	(150)	—
Outstanding letters of credit	(31)	(25)	(4)	(2)	—	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 4,422	$ 844	$ 730	$ 956	$ 457	$ 366	$ 369	$ 700

(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

	March 31, 2021	
(in millions)	Facility size	Amount drawn
Duke Energy (Parent) Three-Year Revolving Credit Facility[a]	$ 1,000	$ 500

(a) During March 2021, Duke Energy extended the maturity date of the Three-Year Revolving Credit Facility from May 2022, to May 2024.

6. GOODWILL

Duke Energy

The following table presents the goodwill by reportable segment included on Duke Energy's Condensed Consolidated Balance Sheets at March 31, 2021, and December 31, 2020.

(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 March 31, 2021, and December 31, 2020.

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.

7. 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 March 31,	
(in millions)	**2021**	**2020**
Duke Energy Carolinas		
Corporate governance and shared service expenses[(a)]	**$ 203**	$ 134
Indemnification coverages[(b)]	**6**	5
Joint Dispatch Agreement (JDA) revenue[(c)]	**13**	7
JDA expense[(c)]	**40**	24
Intercompany natural gas purchases[(d)]	**14**	6
Progress Energy		
Corporate governance and shared service expenses[(a)]	**$ 181**	$ 146
Indemnification coverages[(b)]	**10**	9
JDA revenue[(c)]	**40**	24
JDA expense[(c)]	**13**	7
Intercompany natural gas purchases[(d)]	**19**	19
Duke Energy Progress		
Corporate governance and shared service expenses[(a)]	**$ 105**	$ 75
Indemnification coverages[(b)]	**5**	4
JDA revenue[(c)]	**40**	24
JDA expense[(c)]	**13**	7
Intercompany natural gas purchases[(d)]	**19**	19
Duke Energy Florida		
Corporate governance and shared service expenses[(a)]	**$ 76**	$ 71
Indemnification coverages[(b)]	**5**	5
Duke Energy Ohio		
Corporate governance and shared service expenses[(a)]	**$ 79**	$ 84
Indemnification coverages[(b)]	**1**	1
Duke Energy Indiana		
Corporate governance and shared service expenses[(a)]	**$ 113**	$ 106
Indemnification coverages[(b)]	**2**	2
Piedmont		
Corporate governance and shared service expenses[(a)]	**$ 33**	$ 34
Indemnification coverages[(b)]	**1**	1
Intercompany natural gas sales[(d)]	**33**	25
Natural gas storage and transportation costs[(e)]	**6**	6

(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 LNG Company, LLC, Hardy Storage Company, LLC and Cardinal Pipeline Company, LLC 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, such as pipeline lease arrangements, 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 11, 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
March 31, 2021							
Intercompany income tax receivable	**$ —**	**$ 84**	**$ —**	**$ 46**	**$ —**	**$ —**	**$ —**
Intercompany income tax payable	**31**	**—**	**12**	**—**	**2**	**36**	**39**
December 31, 2020							
Intercompany income tax receivable	$ —	$ —	$ —	$ —	$ —	$ 9	$ 10
Intercompany income tax payable	31	33	46	35	2	—	—

8. 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 accumulated other comprehensive loss for the three months ended March 31, 2021, and 2020, 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 segment 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.

	March 31, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 1,630	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,731	400	1,250	750	500	27
Total notional amount[(a)]	$ 3,361	$ 400	$ 1,250	$ 750	$ 500	$ 27

	December 31, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 632	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	400	750	750	—	27
Total notional amount[(a)]	$ 1,809	$ 400	$ 750	$ 750	$ —	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $631 million in cash flow hedges and $54 million in undesignated contracts as of March 31, 2021, and $632 million in cash flow hedges as of December 31, 2020.

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 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. To manage risk associated with commodity prices, the Duke Energy Registrants may enter into long-term power purchase or sales contracts and long-term natural gas supply agreements.

Cash Flow Hedges

For derivatives designated as hedging the exposure to variable cash flows of a future transaction, referred to as a cash flow hedge, 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. Gains and losses reclassified out of accumulated other comprehensive loss for the three months ended March 31, 2021, and 2020, were not material. Duke Energy’s commodity derivatives designated as hedges include long-term electricity sales in the Commercial Renewables segment.

Undesignated Contracts

For the Subsidiary Registrants, bulk power electricity 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.

	March 31, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	16,259	—	—	—	1,325	4,214	—
Natural gas (millions of dekatherms)	675	151	158	158	—	2	364

	December 31, 2020						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	35,409	—	—	—	2,559	10,802	—
Natural gas (millions of dekatherms)	678	145	158	158	—	2	373

(a) Duke Energy includes 10,720 GWh and 22,048 GWh related to cash flow hedges as of March 31, 2021, and December 31, 2020, 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	March 31, 2021							
(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	$ 32	$ 17	$ 12	$ 12	$ —	$ —	$ 2	$ 1
Noncurrent	14	7	7	7	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 46	$ 24	$ 19	$ 19	$ —	$ —	$ 2	$ 1
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 31	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Not Designated as Hedging Instruments								
Current	$ 129	$ 38	$ 84	$ 81	$ 3	$ —	$ —	$ —
Total Derivative Assets – Interest Rate Contracts	$ 160	$ 38	$ 84	$ 81	$ 3	$ —	$ —	$ —
Total Derivative Assets	$ 206	$ 62	$ 103	$ 100	$ 3	$ —	$ 2	$ 1

Derivative Liabilities	March 31, 2021							
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**	**Piedmont**
Commodity Contracts								
Designated as Hedging Instruments								
Current	$ 19	$ —	$ —	$ —	$ —	$ —	$ —	—
Noncurrent	109	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	$ 19	$ —	$ —	$ —	$ —	$ —	$ —	$ 19
Noncurrent	154	—	25	9	—	—	—	129
Total Derivative Liabilities – Commodity Contracts	$ 301	$ —	$ 25	$ 9	$ —	$ —	$ —	$ 148
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 15	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	25	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	4	—	3	—	3	1	—	—
Noncurrent	4	—	—	—	—	4	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 48	$ —	$ 3	$ —	$ 3	$ 5	$ —	$ —
Total Derivative Liabilities	$ 349	$ —	$ 28	$ 9	$ 3	$ 5	$ —	$ 148

Derivative Assets	December 31, 2020							
(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	$ 30	$ 14	$ 9	$ 9	$ —	$ 1	$ 6	$ 1
Noncurrent	13	6	6	6	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 43	$ 20	$ 15	$ 15	$ —	$ 1	$ 6	$ 1
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	$ 18	$ —	$ 18	$ 18	$ —	$ —	$ —	$ —
Total Derivative Assets – Interest Rate Contracts	$ 18	$ —	$ 18	$ 18	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 61	$ 20	$ 33	$ 33	$ —	$ 1	$ 6	$ 1

Derivative Liabilities	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Designated as Hedging Instruments								
Current	$ 14	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	70	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	$ 30	$ 13	$ 2	$ 2	$ —	$ —	$ 1	$ 15
Noncurrent	137	3	27	12	—	—	—	107
Total Derivative Liabilities – Commodity Contracts	$ 251	$ 16	$ 29	$ 14	$ —	$ —	$ 1	$ 122
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 15	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	48	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	5	4	—	—	—	1	—	—
Noncurrent	5	—	—	—	—	5	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 73	$ 4	$ —	$ —	$ —	$ 6	$ —	$ —
Total Derivative Liabilities	$ 324	$ 20	$ 29	$ 14	$ —	$ 6	$ 1	$ 122

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	March 31, 2021							
(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	$ 192	$ 55	$ 96	$ 93	$ 3	$ —	$ 2	$ 1
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Current Assets: Other	$ 192	$ 55	$ 96	$ 93	$ 3	$ —	$ 2	$ 1
Noncurrent								
Gross amounts recognized	$ 14	$ 7	$ 7	$ 7	$ —	$ —	$ —	$ —
Gross amounts offset	(4)	—	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 10	$ 7	$ 3	$ 3	$ —	$ —	$ —	$ —

Derivative Liabilities	March 31, 2021							
(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	$ 57	$ —	$ 3	$ —	$ 3	$ 1	$ —	$ 19
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 57	$ —	$ 3	$ —	$ 3	$ 1	$ —	$ 19
Noncurrent								
Gross amounts recognized	$ 292	$ —	$ 25	$ 9	$ —	$ 4	$ —	$ 129
Gross amounts offset	(4)	—	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 288	$ —	$ 21	$ 5	$ —	$ 4	$ —	$ 129

Derivative Assets	December 31, 2020							
(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	$ 48	$ 14	$ 27	$ 27	$ —	$ 1	$ 6	$ 1
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 45	$ 12	$ 25	$ 25	$ —	$ 1	$ 6	$ 1
Noncurrent								
Gross amounts recognized	$ 13	$ 6	$ 6	$ 6	$ —	$ —	$ —	$ —
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 8	$ 5	$ 2	$ 2	$ —	$ —	$ —	$ —

Derivative Liabilities	December 31, 2020							
(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	$ 64	$ 17	$ 2	$ 2	$ —	$ 1	$ 1	$ 15
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 61	$ 15	$ —	$ —	$ —	$ 1	$ 1	$ 15
Noncurrent								
Gross amounts recognized	$ 260	$ 3	$ 27	$ 12	$ —	$ 5	$ —	$ 107
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 255	$ 2	$ 23	$ 8	$ —	$ 5	$ —	$ 107

9. 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 fair value through net income (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 investment manager agreements and 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 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 has a credit loss. The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value is related to a credit loss. If a credit loss exists, the unrealized credit loss is included in earnings. There were no material credit losses as of March 31, 2021, and December 31, 2020.

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.

	March 31, 2021			December 31, 2020		
(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	$ —	$ —	$ 193	$ —	$ —	$ 177
Equity securities	4,363	47	6,379	4,138	54	6,235
Corporate debt securities	38	8	793	76	1	806
Municipal bonds	13	1	299	22	—	370
U.S. government bonds	31	18	1,559	51	—	1,361
Other debt securities	5	—	184	8	—	180
Total NDTF Investments	$ 4,450	$ 74	$ 9,407	$ 4,295	$ 55	$ 9,129
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 222	$ —	$ —	$ 127
Equity securities	86	—	154	79	—	146
Corporate debt securities	2	—	109	8	—	110
Municipal bonds	3	1	77	5	—	86
U.S. government bonds	—	1	55	—	—	42
Other debt securities	—	1	36	—	—	47
Total Other Investments	$ 91	$ 3	$ 653	$ 92	$ —	$ 558
Total Investments	$ 4,541	$ 77	$ 10,060	$ 4,387	$ 55	$ 9,687

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three months ended March 31, 2021, and 2020, were as follows.

	Three Months Ended	
(in millions)	March 31, 2021	March 31, 2020
FV-NI:		
Realized gains	$ 140	$ 23
Realized losses	23	65
AFS:		
Realized gains	18	20
Realized losses	13	6

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.

	March 31, 2021			December 31, 2020		
(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	$ —	$ —	$ 63	$ —	$ —	$ 30
Equity securities	2,531	23	3,738	2,442	23	3,685
Corporate debt securities	23	5	475	49	1	510
Municipal bonds	—	—	22	6	—	91
U.S. government bonds	16	9	669	25	—	475
Other debt securities	4	—	178	7	—	174
Total NDTF Investments	$ 2,574	$ 37	$ 5,145	$ 2,529	$ 24	$ 4,965

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three months ended March 31, 2021, and 2020, were as follows.

	Three Months Ended	
(in millions)	March 31, 2021	March 31, 2020
FV-NI:		
Realized gains	$ 128	$ 9
Realized losses	16	45
AFS:		
Realized gains	13	12
Realized losses	9	5

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.

	March 31, 2021			December 31, 2020		
(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	$ —	$ —	$ 130	$ —	$ —	$ 147
Equity securities	1,832	24	2,641	1,696	31	2,550
Corporate debt securities	15	3	318	27	—	296
Municipal bonds	13	1	277	16	—	279
U.S. government bonds	15	9	890	26	—	886
Other debt securities	1	—	6	1	—	6
Total NDTF Investments	$ 1,876	$ 37	$ 4,262	$ 1,766	$ 31	$ 4,164
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 107	$ —	$ —	$ 106
Municipal bonds	2	—	26	3	—	26
Total Other Investments	$ 2	$ —	$ 133	$ 3	$ —	$ 132
Total Investments	$ 1,878	$ 37	$ 4,395	$ 1,769	$ 31	$ 4,296

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three months ended March 31, 2021, and 2020, were as follows.

	Three Months Ended	
(in millions)	March 31, 2021	March 31, 2020
FV-NI:		
Realized gains	$ 12	$ 14
Realized losses	7	20
AFS:		
Realized gains	4	5
Realized losses	3	1

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.

	March 31, 2021			December 31, 2020		
(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	$ —	$ —	$ 95	$ —	$ —	$ 76
Equity securities	1,746	24	2,547	1,617	31	2,459
Corporate debt securities	15	3	291	27	—	296
Municipal bonds	13	1	277	16	—	279
U.S. government bonds	15	4	429	26	—	412
Other debt securities	1	—	6	1	—	6
Total NDTF Investments	$ 1,790	$ 32	$ 3,645	$ 1,687	$ 31	$ 3,528
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 1
Total Other Investments	$ —	$ —	$ 1	$ —	$ —	$ 1
Total Investments	$ 1,790	$ 32	$ 3,646	$ 1,687	$ 31	$ 3,529

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three months ended March 31, 2021, and 2020, were as follows.

	Three Months Ended	
(in millions)	March 31, 2021	March 31, 2020
FV-NI:		
Realized gains	$ 12	$ 14
Realized losses	7	20
AFS:		
Realized gains	4	5
Realized losses	3	1

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.

	March 31, 2021			December 31, 2020		
(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	$ —	$ —	$ 35	$ —	$ —	$ 71
Equity securities	86	—	94	79	—	91
Corporate debt securities	—	—	27	—	—	—
U.S. government bonds	—	5	461	—	—	474
Total NDTF Investments[(a)]	$ 86	$ 5	$ 617	$ 79	$ —	$ 636
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 2	$ —	$ —	$ 1
Municipal bonds	2	—	26	3	—	26
Total Other Investments	$ 2	$ —	$ 28	$ 3	$ —	$ 27
Total Investments	$ 88	$ 5	$ 645	$ 82	$ —	$ 663

(a) During the three months ended March 31, 2021, and the year ended December 31, 2020, Duke Energy Florida received 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 months ended March 31, 2021, and 2020, were immaterial.

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.

	March 31, 2021			December 31, 2020		
(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						
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ 1
Equity securities	62	—	102	58	—	97
Corporate debt securities	—	—	4	—	—	3
Municipal bonds	1	1	35	1	—	38
U.S. government bonds	—	—	6	—	—	4
Total Investments	$ 63	$ 1	$ 147	$ 59	$ —	$ 143

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three months ended March 31, 2021, and 2020, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	March 31, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Due in one year or less	$ 152	$ 7	$ 116	$ 18	$ 98	$ 5
Due after one through five years	1,013	375	579	267	312	18
Due after five through 10 years	693	310	289	217	72	9
Due after 10 years	1,254	652	533	501	32	13
Total	$ 3,112	$ 1,344	$ 1,517	$ 1,003	$ 514	$ 45

10. 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 net asset value (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.

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. Commodity derivatives with observable forward curves are classified as Level 2. 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, 2020, 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 8. See Note 9 for additional information related to investments by major security type for the Duke Energy Registrants.

	March 31, 2021				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	**$ 193**	**$ 193**	**$ —**	**$ —**	**$ —**
NDTF equity securities	**6,379**	**6,332**	**—**	**—**	**47**
NDTF debt securities	**2,835**	**1,019**	**1,816**	**—**	**—**
Other equity securities	**154**	**154**	**—**	**—**	**—**
Other debt securities	**277**	**49**	**228**	**—**	**—**
Other cash and cash equivalents	**222**	**222**	**—**	**—**	**—**
Derivative assets	**206**	**1**	**203**	**2**	**—**
Total assets	**10,266**	**7,970**	**2,247**	**2**	**47**
Derivative liabilities	**(349)**	**—**	**(221)**	**(128)**	**—**
Net assets (liabilities)	**$ 9,917**	**$ 7,970**	**$ 2,026**	**$ (126)**	**$ 47**

	December 31, 2020				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	$ 177	$ 177	$ —	$ —	$ —
NDTF equity securities	6,235	6,189	—	—	46
NDTF debt securities	2,717	874	1,843	—	—
Other equity securities	146	146	—	—	—
Other debt securities	285	37	248	—	—
Other cash and cash equivalents	127	127	—	—	—
Derivative assets	61	1	53	7	—
Total assets	9,748	7,551	2,144	7	46
Derivative liabilities	(324)	—	(240)	(84)	—
Net assets (liabilities)	$ 9,424	$ 7,551	$ 1,904	$ (77)	$ 46

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 March 31,	
(in millions)	2021	2020
Balance at beginning of period	$ (77)	$ (102)
Total pretax realized or unrealized losses included in comprehensive income	(44)	—
Purchases, sales, issuances and settlements:		
Settlements	(7)	(9)
Total gains included on the Condensed Consolidated Balance Sheet	2	23
Balance at end of period	$ (126)	$ (88)

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.

	March 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 63	$ 63	$ —	$ —
NDTF equity securities	3,738	3,691	—	47
NDTF debt securities	1,344	369	975	—
Derivative assets	62	—	62	—
Total assets	5,207	4,123	1,037	47

	December 31, 2020			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 30	$ 30	$ —	$ —
NDTF equity securities	3,685	3,639	—	46
NDTF debt securities	1,250	192	1,058	—
Derivative assets	20	—	20	—
Total assets	4,985	3,861	1,078	46
Derivative liabilities	(20)	—	(20)	—
Net assets	$ 4,965	$ 3,861	$ 1,058	$ 46

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.

	March 31, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 130	$ 130	$ —	$ 147	$ 147	$ —
NDTF equity securities	2,641	2,641	—	2,550	2,550	—
NDTF debt securities	1,491	650	841	1,467	682	785
Other debt securities	26	—	26	26	—	26
Other cash and cash equivalents	107	107	—	106	106	—
Derivative assets	103	—	103	33	—	33
Total assets	4,498	3,528	970	4,329	3,485	844
Derivative liabilities	(28)	—	(28)	(29)	—	(29)
Net assets	$ 4,470	$ 3,528	$ 942	$ 4,300	$ 3,485	$ 815

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.

	March 31, 2021			December 31, 2020		
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Total Fair Value**	**Level 1**	**Level 2**
NDTF cash and cash equivalents	**$ 95**	**$ 95**	**$ —**	$ 76	$ 76	$ —
NDTF equity securities	**2,547**	**2,547**	**—**	2,459	2,459	—
NDTF debt securities	**1,003**	**237**	**766**	993	237	756
Other cash and cash equivalents	**1**	**1**	**—**	1	1	—
Derivative assets	**100**	**—**	**100**	33	—	33
Total assets	**3,746**	**2,880**	**866**	3,562	2,773	789
Derivative liabilities	**(9)**	**—**	**(9)**	(14)	—	(14)
Net assets	**$ 3,737**	**$ 2,880**	**$ 857**	$ 3,548	$ 2,773	$ 775

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.

	March 31, 2021			December 31, 2020		
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Total Fair Value**	**Level 1**	**Level 2**
NDTF cash and cash equivalents	**$ 35**	**$ 35**	**$ —**	$ 71	$ 71	$ —
NDTF equity securities	**94**	**94**	**—**	91	91	—
NDTF debt securities	**488**	**413**	**75**	474	445	29
Other debt securities	**26**	**—**	**26**	26	—	26
Other cash and cash equivalents	**2**	**2**	**—**	1	1	—
Derivative assets	**3**	**—**	**3**	—	—	—
Total assets	**648**	**544**	**104**	663	608	55
Derivative liabilities	**(3)**	**—**	**(3)**	—	—	—
Net assets	**$ 645**	**$ 544**	**$ 101**	$ 663	$ 608	$ 55

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 March 31, 2021, and December 31, 2020.

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.

	March 31, 2021				December 31, 2020			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Other equity securities	**$ 102**	**$ 102**	**$ —**	**$ —**	$ 97	$ 97	$ —	$ —
Other debt securities	**45**	**—**	**45**	**—**	45	—	45	—
Other cash and cash equivalents	**—**	**—**	**—**	**—**	1	1	—	—
Derivative assets	**2**	**—**	**—**	**2**	6	—	—	6
Total assets	**$ 149**	**$ 102**	**$ 45**	**$ 2**	$ 149	$ 98	$ 45	$ 6
Derivative liabilities	**—**	**—**	**—**	**—**	(1)	(1)	—	—
Net assets	**$ 149**	**$ 102**	**$ 45**	**$ 2**	$ 148	$ 97	$ 45	$ 6

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 March 31,	
(in millions)	2021	2020
Balance at beginning of period	$ 6	$ 11
Purchases, sales, issuances and settlements:		
Settlements	(6)	(6)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	2	(3)
Balance at end of period	$ 2	$ 2

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.

	March 31, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	$ 1	$ 1	$ —	$ 1	$ 1	$ —
Derivative liabilities	(148)	—	(148)	(122)	—	(122)
Net (liabilities) assets	$ (147)	$ 1	$ (148)	$ (121)	$ 1	$ (122)

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 March 31,	
(in millions)	2021	2020
Balance at beginning of period	$ —	$ (117)
Total gains and settlements	—	26
Balance at end of period	$ —	$ (91)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following tables include quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	March 31, 2021				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	$ (128)	RTO forward pricing	Forward electricity curves – price per MWh	$ 15.55 - $ 134.48	$ 34.80
Duke Energy Indiana					
FTRs	2	RTO auction pricing	FTR price – per MWh	(1.02) - 7.23	0.80
Duke Energy					
Total Level 3 derivatives	$ (126)				

	December 31, 2020					
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range		Weighted Average Range
Duke Energy						
Electricity contracts	$ (84)	Discounted cash flow	Forward electricity curves – price per MWh	$ 14.68 -	$151.84	$28.84
Duke Energy Ohio						
FTRs	1	RTO auction pricing	FTR price – per MWh	0.25 -	1.68	0.79
Duke Energy Indiana						
FTRs	6	RTO auction pricing	FTR price – per MWh	(2.40) -	7.41	1.05
Duke Energy						
Total Level 3 derivatives	$ (77)					

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.

	March 31, 2021		December 31, 2020	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 60,354**	**$ 64,641**	$ 59,863	$ 69,292
Duke Energy Carolinas	**12,329**	**13,461**	12,218	14,917
Progress Energy	**19,333**	**21,838**	19,264	23,470
Duke Energy Progress	**9,356**	**10,131**	9,258	10,862
Duke Energy Florida	**7,884**	**9,018**	7,915	9,756
Duke Energy Ohio	**3,090**	**3,397**	3,089	3,650
Duke Energy Indiana	**4,091**	**4,691**	4,091	5,204
Piedmont	**3,127**	**3,412**	2,780	3,306

(a) Book value of long-term debt includes $1.3 billion at March 31, 2021, and December 31, 2020, of unamortized debt discount and premium, net of purchase accounting adjustments related to the mergers with Progress Energy and Piedmont that are excluded from fair value of long-term debt.

At both March 31, 2021, and December 31, 2020, 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.

11. 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 three months ended March 31, 2021, and the year ended December 31, 2020, 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 LLCs 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. The sole source of funds to satisfy the related debt obligations is cash collections from the receivables. Amounts borrowed under the credit facilities for DERF and DEPR are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt. Amounts borrowed under the credit facilities for DEFR are reflected on the Condensed Consolidated Balance Sheets as Current maturities of 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 the 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. 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% cash and 25% 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 is not held 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	February 2023	December 2022	April 2023	April 2023
Credit facility amount	$ 350	$ 475	$ 350	$ 250
Amounts borrowed at March 31, 2021	**350**	**430**	**350**	**250**
Amounts borrowed at December 31, 2020	350	364	250	250
Restricted Receivables at March 31, 2021	**472**	**613**	**422**	**323**
Restricted Receivables at December 31, 2020	547	696	500	397

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 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)	**March 31, 2021**	**December 31, 2020**
Receivables of VIEs	**$ 4**	$ 4
Regulatory Assets: Current	**54**	53
Current Assets: Other	**14**	39
Other Noncurrent Assets: Regulatory assets	**927**	937
Current Liabilities: Other	**2**	10
Current maturities of long-term debt	**55**	55
Long-Term Debt	**972**	1,002

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 renewable assets 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 Engineering, Procurement and Construction 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 Commercial Renewables VIEs.

(in millions)	March 31, 2021	December 31, 2020
Current Assets: Other	$ 319	$ 257
Property, Plant and Equipment: Cost	6,860	6,394
Accumulated depreciation and amortization	(1,297)	(1,242)
Other Noncurrent Assets: Other	66	67
Current maturities of long-term debt	167	167
Long-Term Debt	1,584	1,569
Other Noncurrent Liabilities: AROs	153	148
Other Noncurrent Liabilities: Other	331	316

NON-CONSOLIDATED VIEs

The following tables summarize the impact of non-consolidated VIEs on the Condensed Consolidated Balance Sheets.

	March 31, 2021				
	Duke Energy				
(in millions)	Pipeline Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 46	$ 60
Other current assets	4	—	4	—	$ —
Investments in equity method unconsolidated affiliates	3	480	483	—	—
Deferred tax asset	29	—	29	—	—
Total assets	$ 36	$ 480	$ 516	$ 46	$ 60
Other current liabilities	38	3	41	—	—
Other noncurrent liabilities	48	10	58	—	—
Total liabilities	$ 86	$ 13	$ 99	$ —	$ —
Net (liabilities) assets	$ (50)	$ 467	$ 417	$ 46	$ 60

	December 31, 2020				
	Duke Energy				
(in millions)	Pipeline Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 83	$ 110
Investments in equity method unconsolidated affiliates	—	530	530	—	—
Other noncurrent assets	31	—	31	—	—
Total assets	$ 31	$ 530	$ 561	$ 83	$ 110
Other current liabilities	928	5	933	—	—
Other noncurrent liabilities	8	10	18	—	—
Total liabilities	$ 936	$ 15	$ 951	$ —	$ —
Net assets (liabilities)	$ (905)	$ 515	$ (390)	$ 83	$ 110

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 future exit costs associated with the cancellation of the ACP pipeline and certain renewable energy project entities guarantees for debt services and operations and maintenance, as discussed below.

Pipeline Investments

Duke Energy has investments in various joint ventures to construct and operate pipeline projects. 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.

Duke Energy has a 47% ownership interest in ACP. In 2020, Duke Energy determined that it would no longer invest in the construction of the ACP pipeline. In February 2021, Duke Energy paid approximately $855 million to fund ACP's outstanding debt, relieving Duke Energy of its guarantee. See Notes 1 and 3 for further information regarding this transaction.

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.

OVEC

Duke Energy Ohio's 9% 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 Inter-Company Power Agreement (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. Duke Energy cannot predict the outcome in this matter. See Note 3 for additional information.

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)	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Receivables sold	**$ 241**	$ 270	**$ 285**	$ 344
Less: Retained interests	**46**	83	**60**	110
Net receivables sold	**$ 195**	$ 187	**$ 225**	$ 234

The following table shows sales and cash flows related to receivables sold.

	Duke Energy Ohio		Duke Energy Indiana	
	Three Months Ended March 31,		Three Months Ended March 31,	
(in millions)	2021	2020	2021	2020
Sales				
Receivables sold	**$ 561**	$ 537	**$ 698**	$ 647
Loss recognized on sale	**3**	4	**3**	4
Cash flows				
Cash proceeds from receivables sold	**$ 596**	$ 559	**$ 746**	$ 672
Return received on retained interests	**1**	2	**2**	2

Cash flows from sales of receivables are reflected within Cash Flows From Operating Activities and Cash Flows from Investing Activities on Duke Energy Ohio's and Duke Energy Indiana's Condensed Consolidated Statements of Cash Flows.

12. 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)	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Progress Energy	**$ 71**	$ 107	$ 44	$ 45	$ 7	$ 51	$ 325
Duke Energy Progress	**6**	8	8	8	—	—	30
Duke Energy Florida	**65**	99	36	37	7	51	295
Duke Energy Indiana	**2**	—	7	12	12	24	57

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 revenue 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)	**2021**	**2022**	**2023**	**2024**	**2025**	**Thereafter**	**Total**
Piedmont	**$ 50**	$ 67	$ 64	$ 61	$ 60	$ 335	$ 637

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 Renewable Energy Certificates (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 March 31, 2021							
(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	$ 2,462	$ 793	$ 1,162	$ 560	$ 602	$ 195	$ 313	$ —
General	1,419	502	624	306	318	104	189	—
Industrial	662	256	207	145	62	31	167	—
Wholesale	504	114	326	292	34	13	50	—
Other revenues	226	74	160	83	77	22	18	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,273	$ 1,739	$ 2,479	$ 1,386	$ 1,093	$ 365	$ 737	$ —
Gas Utilities and Infrastructure								
Residential	$ 460	$ —	$ —	$ —	$ —	$ 110	$ —	$ 351
Commercial	204	—	—	—	—	48	—	156
Industrial	50	—	—	—	—	7	—	43
Power Generation	—	—	—	—	—	—	—	22
Other revenues	47	—	—	—	—	5	—	26
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 761	$ —	$ —	$ —	$ —	$ 170	$ —	$ 598
Commercial Renewables								
Revenue from contracts with customers	$ 54	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 6,094	$ 1,739	$ 2,479	$ 1,386	$ 1,093	$ 535	$ 737	$ 598
Other revenue sources[(a)]	$ 56	$ (23)	$ 26	$ 15	$ 8	$ (3)	$ 8	$ 8
Total revenues	$ 6,150	$ 1,716	$ 2,505	$ 1,401	$ 1,101	$ 532	$ 745	$ 606

(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.

	Three Months Ended March 31, 2020							
(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	$ 2,261	$ 756	$ 1,064	$ 502	$ 562	$ 176	$ 265	$ —
General	1,492	549	648	319	329	114	181	—
Industrial	693	269	216	154	62	35	175	—
Wholesale	497	114	321	279	42	7	55	—
Other revenues	191	60	118	63	55	20	16	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,134	$ 1,748	$ 2,367	$ 1,317	$ 1,050	$ 352	$ 692	$ —
Gas Utilities and Infrastructure								
Residential	$ 362	$ —	$ —	$ —	$ —	$ 97	$ —	$ 264
Commercial	169	—	—	—	—	43	—	126
Industrial	41	—	—	—	—	6	—	36
Power Generation	—	—	—	—	—	—	—	11
Other revenues	30	—	—	—	—	6	—	24
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 602	$ —	$ —	$ —	$ —	$ 152	$ —	$ 461
Commercial Renewables								
Revenue from contracts with customers	$ 58	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 5,800	$ 1,748	$ 2,367	$ 1,317	$ 1,050	$ 504	$ 692	$ 461
Other revenue sources[(a)]	$ 149	$ —	$ 55	$ 21	$ 30	$ (6)	$ —	$ 51
Total revenues	$ 5,949	$ 1,748	$ 2,422	$ 1,338	$ 1,080	$ 498	$ 692	$ 512

(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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The following table presents the reserve for credit losses for trade and other receivables based on adoption of the new standard.

	Three Months Ended March 31, 2020 and 2021							
(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, 2019	$ 76	$ 10	$ 16	$ 8	$ 7	$ 4	$ 3	$ 6
Cumulative Change in Accounting Principle	5	1	2	1	1	—	—	1
Write-Offs	(10)	(3)	(4)	(2)	(2)	—	—	(1)
Credit Loss Expense	18	3	6	2	5	1	—	3
Balance at March 31, 2020	$ 89	$ 11	$ 20	$ 9	$ 11	$ 5	$ 3	$ 9
Balance at December 31, 2020	$ 146	$ 23	$ 37	$ 23	$ 14	$ 4	$ 3	$ 12
Write-Offs	(21)	(8)	(10)	(5)	(5)	—	—	(1)
Credit Loss Expense	17	10	7	2	5	—	—	3
Other Adjustments	5	9	3	3	1	—	—	—
Balance at March 31, 2021	**$ 147**	**$ 34**	**$ 37**	**$ 23**	**$ 15**	**$ 4**	**$ 3**	**$ 14**

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables.

The aging of trade receivables is presented in the table below. Duke Energy considers receivables greater than 30 days outstanding past due.

	March 31, 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unbilled Revenue[(a)(b)]	$ 758	$ 293	$ 183	$ 90	$ 93	$ 4	$ 16	$ 44
0-30 days	1,656	337	633	357	275	55	35	185
30-60 days	181	62	46	31	15	8	3	21
60-90 days	46	15	11	6	5	3	1	6
90+ days	120	31	26	4	22	28	11	7
Deferred Payment Arrangements[(c)]	170	80	53	37	16	4	—	8
Trade and Other Receivables	$ 2,931	$ 818	$ 952	$ 525	$ 426	$ 102	$ 66	$ 271

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unbilled Revenue[(a)(b)]	$ 969	$ 328	$ 283	$ 167	$ 116	$ 2	$ 16	$ 86
0-30 days	1,789	445	707	398	307	60	26	149
30-60 days	185	80	54	25	29	8	3	8
60-90 days	22	1	10	4	6	2	1	3
90+ days	119	16	32	9	23	30	12	9
Deferred Payment Arrangements[(c)]	215	96	80	52	28	—	—	7
Trade and Other Receivables	$ 3,299	$ 966	$ 1,166	$ 655	$ 509	$ 102	$ 58	$ 262

(a) Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed and are included within Receivables and Receivables of VIEs on the Condensed Consolidated Balance Sheets.
(b) 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 11 for further information. These receivables for unbilled revenues are $55 million and $87 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of March 31, 2021, and $87 million and $134 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of December 31, 2020.
(c) Due to certain customer financial hardships created by the COVID-19 pandemic and resulting stay-at-home orders, Duke Energy permitted customers to defer payment of past-due amounts through an installment payment plan over a period of several months.

13. STOCKHOLDERS' EQUITY

Basic EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, 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 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. Dividends declared on preferred stock are recorded on the Condensed Consolidated Statements of Operations as a reduction of net income to arrive at net income available to Duke Energy common stockholders. Dividends accumulated on preferred stock are an adjustment to net income used in the calculation of basic and diluted EPS.

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 March 31,	
(in millions, except per share amounts)	2021	2020
Net income available to Duke Energy common stockholders	$ 953	$ 899
Accumulated preferred stock dividends adjustment	12	13
Less: Impact of participating securities	1	1
Income from continuing operations available to Duke Energy common stockholders	$ 964	$ 911
Weighted average common shares outstanding – basic	769	734
Equity forwards	—	2
Weighted average common shares outstanding – diluted	769	736
EPS available to Duke Energy common stockholders		
Basic and diluted	$ 1.25	$ 1.24
Potentially dilutive items excluded from the calculation[(a)]	2	2
Dividends declared per common share	$ 0.965	$ 0.945
Dividends declared on Series A preferred stock per depositary share[(b)]	$ 0.359	$ 0.359
Dividends declared on Series B preferred stock per share[(c)]	$ 24.375	$ 24.917

(a) Performance stock awards were not included in the dilutive securities calculation because the performance measures related to the awards had not been met.
(b) 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock dividends are payable quarterly in arrears on the 16th day of March, June, September and December. The preferred stock has a $25 liquidation preference per depositary share.
(c) 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock dividends are payable semiannually in arrears on the 16th day of March and September. The preferred stock has a $1,000 liquidation preference per share.

14. 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.

QUALIFIED PENSION PLANS

The following tables include the components of net periodic pension costs for qualified pension plans.

	Three Months Ended March 31, 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 44	$ 14	$ 13	$ 7	$ 5	$ 1	$ 2	$ 1
Interest cost on projected benefit obligation	55	13	17	7	10	3	5	2
Expected return on plan assets	(139)	(35)	(47)	(21)	(26)	(7)	(10)	(5)
Amortization of actuarial loss	33	7	10	5	5	2	3	2
Amortization of prior service credit	(7)	(2)	(1)	—	—	—	—	(1)
Amortization of settlement charges	2	1	1	—	—	—	—	—
Net periodic pension costs	$ (12)	$ (2)	$ (7)	$ (2)	$ (6)	$ (1)	$ —	$ (1)

	Three Months Ended March 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 41	$ 12	$ 12	$ 6	$ 5	$ 1	$ 2	$ 1
Interest cost on projected benefit obligation	67	16	21	10	12	4	6	2
Expected return on plan assets	(143)	(36)	(48)	(22)	(25)	(7)	(11)	(5)
Amortization of actuarial loss	34	7	11	5	6	2	3	2
Amortization of prior service credit	(8)	(2)	(1)	—	—	—	—	(2)
Amortization of settlement charges	2	1	1	—	—	—	—	—
Net periodic pension costs	$ (7)	$ (2)	$ (4)	$ (1)	$ (2)	$ —	$ —	$ (2)

NON-QUALIFIED PENSION PLANS

Net periodic pension costs for non-qualified pension plans were not material for the three months ended March 31, 2021, and 2020.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three months ended March 31, 2021, and 2020.

15. 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 March 31,	
	2021	2020
Duke Energy	**8.2 %**	13.3 %
Duke Energy Carolinas	**6.9 %**	16.1 %
Progress Energy	**12.9 %**	17.5 %
Duke Energy Progress	**8.3 %**	17.1 %
Duke Energy Florida	**19.3 %**	20.0 %
Duke Energy Ohio	**13.3 %**	17.7 %
Duke Energy Indiana	**17.6 %**	20.8 %
Piedmont	**11.4 %**	10.1 %

The decrease in the ETR for Duke Energy for the three months ended March 31, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Carolinas for the three months ended March 31, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Progress Energy for the three months ended March 31, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Progress for the three months ended March 31, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Ohio for the three months ended March 31, 2021, was primarily due to an increase in amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Indiana for the three months ended March 31, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

16. SUBSEQUENT EVENTS

For information on subsequent events related to regulatory matters, commitments and contingencies and debt and credit facilities, see Notes 3, 4 and 5.

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 three months ended March 31, 2021, and with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

Executive Overview

Advancing Our Clean Energy Transformation

During the first quarter, we continued to move past the challenges from 2020 while executing on our clean energy transformation. In March of 2021, we expanded the company's senior management team and realigned roles and responsibilities to further accelerate our clean energy transition. This realignment will accelerate the execution of our strategy, clarify important roles in our clean energy transformation and position our company to grow – for our customers, communities, employees and investors.

To further our progress toward achieving net-zero carbon emissions, we will transform our fleet to shift away from coal and expect our largest source of energy in our regulated utilities will come from renewable energy resources, representing about 40% of our capacity in 2050. During the next five years, we have plans for $600 million in new battery storage investment across our regulated businesses. We expect storage investment to accelerate over this decade and beyond – and presently project more than 13,000 MW's of energy storage on our system by 2050. Our generation transition relies upon modernizing and enhancing our energy grid. We continue to install smart meters – more than 8.5 million so far – providing customers with more information about their energy use while helping us improve outage detection and restoration. By the end of 2021, nearly all of our customers will be served by smart meters.

We developed innovative IRPs in the Carolinas, outlining comprehensive proposals and offering six potential pathways to meet key carbon reduction milestones over the next 15 years while balancing affordability for customers. We've been working with stakeholder groups to help shape North Carolina's Clean Energy Plan, with a common goal of reaching net-zero carbon emissions in a way that best serves our customers and our state. This complements the efforts underway on regulatory reform, including the introduction of more efficient cost recovery mechanisms. We also continue to monitor legislative activity at the federal level and any potential impacts on our strategy and investments across the enterprise.

Regulatory Activity. During the first quarter of 2021, we continued to move our regulatory strategy forward. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

Duke Energy Carolinas 2019 Rate Case Order

- On March 31, 2021, the NCUC issued an order approving without modification previous settlements reached by Duke Energy Carolinas, the North Carolina Public Staff (the "Public Staff") and other parties on March 25, 2020, and July 31, 2020, which resolved certain issues in Duke Energy Carolinas' base rate case proceeding originally filed with the NCUC on September 31, 2019.
- The order approved without modification the Agreement and Stipulation of Partial Settlement filed with the NCUC on January 25, 2021, which resolved all coal ash prudence and cost recovery issues through early 2030, including in Duke Energy Carolinas' 2019 base rate case proceeding, as well as the equitable sharing issue on remand from the Duke Energy Carolinas 2017 North Carolina rate case as a result of the December 11, 2020, North Carolina Supreme Court opinion.
- The order also approved 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 over a period of five years, and the reasonableness and prudence of $213 million of deferred storm costs which were removed from the rate case and for which Duke Energy Carolinas filed a petition seeking to securitize the costs in October 2020.
- The order denied Duke Energy Carolinas' proposal to shorten the remaining depreciable lives of certain coal-fired generating plants, indicating that Duke Energy Carolinas' IRP proceeding was the appropriate proceeding for the review of generating plant retirements.

Duke Energy Progress 2019 Rate Case Order

- On April 16, 2021, the NCUC issued an order approving without modification previous settlements reached by Duke Energy Progress, the Public Staff and other parties on June 2, 2020, and July 31, 2020, which resolved certain issues in Duke Energy Progress' base rate case proceeding originally filed with the NCUC on October 30, 2019.
- The order approved without modification the Agreement and Stipulation of Partial Settlement filed with the NCUC on January 25, 2021, which resolved all coal ash prudence and cost recovery issues through early 2030, including in Duke Energy Progress' 2019 base rate case proceeding, as well as the equitable sharing issue on remand from the Duke Energy Progress 2017 North Carolina rate case as a result of the December 11, 2020, North Carolina Supreme Court opinion.

- ◦ The order also approved 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 over a period of five years, and the reasonableness and prudence of $714 million of deferred storm costs, which were removed from the rate case and for which Duke Energy Progress filed a petition seeking to securitize the costs in October 2020.
- ◦ The order denied Duke Energy Progress' proposal to shorten the remaining depreciable lives of certain coal-fired generating plants, indicating that Duke Energy Progress' IRP proceeding was the appropriate proceeding for the review of generating plant retirements.

Piedmont 2021 North Carolina Rate Case

- On March 22, 2021, Piedmont filed an application with the NCUC for a rate increase for retail customers of approximately $109 million, which represents an approximate 10% increase in retail revenues. The rate increase is driven by customer growth and significant infrastructure upgrade investments (plant additions) since the last general rate case.

Matters Impacting Future Results

The matters discussed herein could materially impact the future operating results, financial condition and cash flows of the Duke Energy Registrants and Business Segments.

Regulatory Matters

Coal Ash Costs

As a result of the NCDEQ settlement on December 31, 2019, Duke Energy Carolinas and Duke Energy Progress agreed to excavate seven of the nine remaining coal ash basins in North Carolina with ash moved to on-site lined landfills. At the two remaining basins, uncapped basin ash will be excavated and moved to off-site lined landfills. The majority of spend is expected to occur over the next 15-20 years. In January 2021, Duke Energy Carolinas and Duke Energy Progress reached a settlement agreement on recovery of coal ash costs as outlined in Note 3, "Regulatory Matters." The company agreed not to seek recovery of approximately $1 billion of deferred coal ash expenditures and Duke Energy Carolinas and Duke Energy Progress took a charge of approximately $500 million each in 2020. On March 31, 2021, and April 16, 2021, the NCUC approved the coal ash settlement for Duke Energy Carolinas and Duke Energy Progress, respectively.

In 2019, Duke Energy Carolinas and Duke Energy Progress received orders from the PSCSC denying recovery of certain coal ash costs. Duke Energy Carolinas and Duke Energy Progress have appealed these decisions to the South Carolina Supreme Court and those appeals are pending. An order from regulatory or judicial authorities that rejects our proposed settlement or disallows recovery of costs related to closure of these ash basins could have an adverse impact.

Duke Energy Indiana has interpreted the CCR rule to identify the coal ash basin sites impacted and has assessed the amounts of coal ash subject to the rule and a method of compliance. In 2020, the Hoosier Environmental Council filed a petition challenging the Indiana Department of Environmental Management's (IDEM) partial approval of five of Duke Energy Indiana's ash pond site closure plans at Gallagher Station. The petition does not challenge the other thirteen basin closures approved by IDEM at other Indiana stations. Interpretation of the requirements of the CCR rule is subject to further legal challenges and regulatory approvals, which could result in additional ash basin closure requirements, higher costs of compliance and greater AROs. Additionally, Duke Energy Indiana has retired facilities that are not subject to the CCR rule. Duke Energy Indiana may incur costs at these facilities to comply with environmental regulations or to mitigate risks associated with on-site storage of coal ash.

Rate Cases

In March 2021, Piedmont filed a general rate case with the NCUC. The outcome of this rate case could have a material impact.

MGP

The PUCO has 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. Duke Energy Ohio has filed for a request for extension of the deadline. A hearing on that request has not been scheduled. 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.

For additional information, see Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters."

Minority Interest Investment in Duke Energy Indiana

In January 2021, Duke Energy entered into a definitive agreement providing for a 19.9% minority interest investment in Duke Energy Indiana by an affiliate of GIC, Singapore's sovereign wealth fund. The transaction is subject to the satisfaction of certain customary conditions described in the investment agreement, including receipt of the approval of the FERC and completion of review by the Committee on Foreign Investments in the United States. Failure to obtain related approvals or satisfy the conditions in the investment agreement could result in the termination of the transaction and could result in an adverse impact.

Commercial Renewables

Duke Energy continues to monitor recoverability of renewable merchant plants located in the Electric Reliability Council of Texas West market and in the PJM West market, due to declining market pricing and declining long-term forecasted energy prices, primarily driven by lower forecasted natural gas prices. Based on the most recent recoverability test, the carrying value approximated the aggregate estimated future undiscounted cash flows for the assets under review. A continued decline in energy market pricing would likely result in a future impairment. Impairment of these assets could result in adverse impacts. For additional information, see Note 2 to the Condensed Consolidated Financial Statements, "Business Segments."

In February 2021, a severe winter storm impacted certain Commercial Renewables assets in Texas. Extreme weather conditions limited the ability for these solar and wind facilities to generate and sell electricity into the Electric Reliability Council of Texas market. Both lost revenues and higher than expected purchased power costs have negatively impacted the operating results of these generating units. The financial impact of the storm is expected to have a material impact on the Commercial Renewables segment's 2021 operating results. In addition, Duke Energy has been named in multiple lawsuits arising out of this winter storm, and particularly, the deregulated market managed by the Electric Reliability Council of Texas. For more information, see Notes 2 and 4 to the Condensed Consolidated Financial Statements, "Business Segments" and "Commitments and Contingencies," respectively.

COVID-19

Duke Energy cannot predict the extent to which the COVID-19 pandemic will impact its results of operations, financial position and cash flows in the future. Duke Energy will continue to actively monitor the impacts of COVID-19 including the economic slowdown caused by business closures or by reduced operations of businesses and governmental agencies. The pandemic and resultant economic slowdown continues to cause an increase in certain costs, such as bad debt, and a reduction in the demand for energy. Duke Energy has mitigation plans in place to partially offset these impacts, and the ability to execute these plans is critical to preserving future financial results. The company is in the process of reviewing the long-term real estate strategy due to a potential change of in-office work policies after the COVID-19 pandemic. The plan may result in a reduction of physical work space, which could create accounting impacts in 2021. Accounting impacts may include reassessments of lease terms and lease modifications, which could result in termination penalties, as well as, asset impairments on property, plant and equipment.

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, 2020, for discussion of risks associated with the Tax Act.

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 EPS. 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. 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 EPS are GAAP Reported Earnings and GAAP Reported EPS, respectively.

Special items included in the periods presented below include the following, 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 the Duke Energy Progress 2019 North Carolina rate cases.

Three Months Ended March 31, 2021, as compared to March 31, 2020

GAAP reported EPS was $1.25 for the first quarter of 2021 compared to $1.24 in the first quarter of 2020. GAAP reported EPS increased slightly due to favorable weather and positive rate case impacts, offset by the deferral of severance costs in the prior year, Texas Storm Uri impacts and share dilution from equity issuances.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy’s first quarter 2021 adjusted EPS was $1.26 compared to $1.14 for the first quarter of 2020. The increase in adjusted EPS was primarily due to better weather and positive rate case contributions, partially offset by Texas Storm Uri impacts, the loss of ACP and share dilution from equity issuances.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Three Months Ended March 31,			
	2021		2020	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 953**	**$ 1.25**	$ 899	$ 1.24
Adjustments:				
Gas Pipeline Investments[(a)]	**5**	**0.01**	—	—
Severance[(b)]	**—**	**—**	(75)	(0.10)
Adjusted Earnings/Adjusted EPS	**$ 958**	**$ 1.26**	$ 824	$ 1.14

(a) Net of tax benefit of $1 million.
(b) Net of tax expense of $23 million.

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 and preferred stock dividends. 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 March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 5,281**	$ 5,183	$ 98
Operating Expenses			
Fuel used in electric generation and purchased power	**1,462**	1,467	(5)
Operation, maintenance and other	**1,282**	1,325	(43)
Depreciation and amortization	**1,057**	977	80
Property and other taxes	**311**	303	8
Impairment of assets and other charges	**—**	2	(2)
Total operating expenses	**4,112**	4,074	38
Gains on Sales of Other Assets and Other, net	**—**	1	(1)
Operating Income	**1,169**	1,110	59
Other Income and Expenses, net	**104**	85	19
Interest Expense	**340**	339	1
Income Before Income Taxes	**933**	856	77
Income Tax Expense	**113**	151	(38)
Segment Income	**$ 820**	$ 705	$ 115
Duke Energy Carolinas GWh sales	**21,962**	21,236	726
Duke Energy Progress GWh sales	**16,537**	15,670	867
Duke Energy Florida GWh sales	**8,554**	8,617	(63)
Duke Energy Ohio GWh sales	**6,004**	5,823	181
Duke Energy Indiana GWh sales	**7,726**	7,606	120
Total Electric Utilities and Infrastructure GWh sales	**60,783**	58,952	1,831
Net proportional MW capacity in operation	**50,026**	49,561	465

Three Months Ended March 31, 2021, as compared to March 31, 2020

Electric Utilities and Infrastructure's higher segment income is due to better weather compared to prior year, lower labor related expenses and rate case contributions in various jurisdictions. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $92 million increase in retail sales, net of fuel revenues, due to better weather compared to prior year;
- a $33 million increase primarily due to higher base rate pricing from the Duke Energy Indiana retail rate case, partially offset by lower rider revenues;
- an $18 million increase in retail pricing due to base rate adjustments related to Duke Energy Florida annual increases from the 2017 Settlement Agreement and the solar base rate adjustment; and
- an $8 million increase in retail pricing primarily due to the Duke Energy Kentucky general rate case.

Partially offset by:

- a $24 million decrease in rider revenues at Duke Energy Carolinas primarily due to energy efficiency programs;
- a $15 million decrease in wholesale power revenues, net of fuel, at Duke Energy Florida primarily due to a restructured capacity contract which was converted to a seasonal contract; and
- an $8 million decrease in weather-normal retail sales volumes.

Operating Expenses. The variance was driven primarily by:

- an $80 million increase in depreciation and amortization primarily due to accelerated depreciation of retired coal units Crystal River 1 and 2, a change in depreciation rates from the Indiana, North Carolina and South Carolina retail rate cases and additional plant in service.

Partially offset by:

- a $43 million decrease in operation, maintenance and other primarily driven by lower labor related expenses, partially offset by higher storm costs.

Other Income and Expenses, net. The variance was primarily due to lower non-service pension costs and unrealized gains on the Duke Energy Florida nuclear decommissioning trust fund.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes, partially offset by an increase in pretax income. The ETRs for the three months ended March 31, 2021, and 2020, were 12.1% and 17.6%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes.

Gas Utilities and Infrastructure

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 775**	$ 664	$ 111
Operating Expenses			
Cost of natural gas	**276**	199	77
Operation, maintenance and other	**102**	110	(8)
Depreciation and amortization	**68**	66	2
Property and other taxes	**35**	30	5
Total operating expenses	**481**	405	76
Operating Income	**294**	259	35
Other Income and Expenses, net	**17**	49	(32)
Interest Expense	**33**	31	2
Income Before Income Taxes	**278**	277	1
Income Tax Expense	**33**	28	5
Segment Income	**$ 245**	$ 249	$ (4)
Piedmont LDC throughput (dekatherms)	**149,626,582**	148,503,995	1,122,587
Duke Energy Midwest LDC throughput (Mcf)	**37,109,003**	33,785,834	3,323,169

Three Months Ended March 31, 2021, as compared to March 31, 2020

Gas Utilities and Infrastructure's results were impacted primarily by the cancellation of the ACP pipeline offset by margin growth at Piedmont. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $77 million increase due to higher natural gas costs passed through to customers, higher volumes and increased off-system sales natural gas costs;
- an $11 million increase due to Tennessee base rate case increases; and
- a $7 million increase due to North Carolina IMR.

Operating Expenses. The variance was driven primarily by:

- a $77 million increase in cost of natural gas primarily due to higher natural gas prices, higher volumes and increased off-system sales natural gas costs.

Other Income and Expenses, net. The variance was primarily driven by the cancellation of the ACP pipeline.

Income Tax Expense. The increase in the tax expense was primarily due to a decrease in AFUDC equity, partially offset by an increase in the amortization of excess deferred taxes. The ETRs for the three months ended March 31, 2021, and 2020 were 11.9% and 10.1%, respectively. The increase in the ETR was primarily due to a decrease in AFUDC equity, partially offset by an increase in the amortization of excess deferred taxes.

Commercial Renewables

	Three Months Ended March 31,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 119**	$ 129	$ (10)
Operating Expenses			
Operation, maintenance and other	**72**	69	3
Depreciation and amortization	**53**	48	5
Property and other taxes	**9**	8	1
Total operating expenses	**134**	125	9
Operating Income	**(15)**	4	(19)
Other Income and Expenses, net	**(25)**	(1)	(24)
Interest Expense	**13**	18	(5)
Loss Before Income Taxes	**(53)**	(15)	(38)
Income Tax Benefit	**(29)**	(24)	(5)
Add: Loss Attributable to Noncontrolling Interests	**51**	48	3
Segment Income	**$ 27**	$ 57	$ (30)
Renewable plant production, GWh	**2,588**	2,437	151
Net proportional MW capacity in operation[(a)]	**4,294**	3,502	792

(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 March 31, 2021, as compared to March 31, 2020

Commercial Renewables' results were unfavorable primarily due to the impacts from Texas Storm Uri resulting in a $35 million pre-tax loss.

Operating Revenues. The variance was primarily driven by a $13 million decrease for lower market prices in the current year impacting the wind portfolio and a $8 million decrease due to low wind resource and operating downtime. This was partially offset by an $8 million increase for market sales in excess of market purchases during Texas Storm Uri and a $5 million increase due to growth of new projects.

Operating Expenses. The variance was primarily driven by a $7 million increase due to the growth of new projects placed in service and a $2 million increase associated with Texas Storm Uri.

Other Income and Expenses, net. The variance was primarily driven by a $29 million loss in equity earnings due to the impacts from Texas Storm Uri, partially offset by $4 million increase in equity earnings from the wind and distributed asset portfolios.

Interest Expense. The decrease was primarily driven by a $4 million gain on an interest rate swap that does not qualify for hedge accounting.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses, partially offset by a decrease in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The increase was driven primarily by $15 million for the growth of new projects financed by tax equity, partially offset by a $12 million loss resulting from Texas Storm Uri.

Other

	Three Months Ended March 31,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 26**	$ 23	$ 3
Operating Expenses	**28**	(89)	117
Operating (Loss) Income	**(2)**	112	(114)
Other Income and Expenses, net	**21**	(33)	54
Interest Expense	**151**	171	(20)
Loss Before Income Taxes	**(132)**	(92)	(40)
Income Tax Benefit	**(32)**	(19)	(13)
Less: Preferred Dividends	**39**	39	—
Net Loss	**$ (139)**	$ (112)	$ (27)

Three Months Ended March 31, 2021, as compared to March 31, 2020

The higher net loss was driven by the prior year reversal of severance charges incurred in previous periods, partially offset by higher returns on investments that fund certain employee benefit obligations and lower interest rates. The following is a detailed discussion of the variance drivers by line item.

Operating Expenses. The increase was primarily due to the 2020 reversal of severance charges, incurred as a result of a 2018 corporate cost savings initiative, due to reaching settlement for regulatory recovery and higher expenses associated with certain employee benefit obligations.

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 lower interest rates on floating rate debt.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses. The ETRs for the three months ended March 31, 2021, and 2020 were 24.2% and 20.7%, respectively. The increase in the ETR was primarily due to unfavorable tax impacts in the prior year related to lower investment returns on certain employee benefit obligations.

DUKE ENERGY CAROLINAS

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 1,716**	$ 1,748	$ (32)
Operating Expenses			
Fuel used in electric generation and purchased power	**422**	453	(31)
Operation, maintenance and other	**441**	386	55
Depreciation and amortization	**359**	343	16
Property and other taxes	**83**	81	2
Impairment of assets and other charges	**—**	2	(2)
Total operating expenses	**1,305**	1,265	40
Gains on Sales of Other Assets and Other, net	**—**	1	(1)
Operating Income	**411**	484	(73)
Other Income and Expenses, net	**48**	43	5
Interest Expense	**124**	123	1
Income Before Income Taxes	**335**	404	(69)
Income Tax Expense	**23**	65	(42)
Net Income	**$ 312**	$ 339	$ (27)

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	**2021**
Residential sales	**13.5 %**
General service sales	**(3.6)%**
Industrial sales	**(2.4)%**
Wholesale power sales	**15.0 %**
Joint dispatch sales	**33.0 %**
Total sales	**3.4 %**
Average number of customers	**2.1 %**

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $33 million decrease in fuel revenues due to lower prices and retail sales volumes;
- a $24 million decrease in rider revenues primarily due to energy efficiency programs; and
- a $14 million decrease in weather-normal retail sales volumes.

Partially offset by:

- a $50 million increase in retail sales due to better weather compared to prior year.

Operating Expenses. The variance was driven primarily by:

- a $55 million increase in operation, maintenance and other expense primarily driven by the deferral of 2018 severance costs due to the partial settlement agreement with the Public Staff of the NCUC related to the 2019 North Carolina retail rate case recorded in 2020; partially offset by lower nuclear outage costs; and
- a $16 million increase in depreciation and amortization expense primarily due to additional plant in service and new depreciation rates associated with the North Carolina rate cases.

Partially offset by:

- a $31 million decrease in fuel used in electric generation and purchased power primarily due to lower retail sales volumes.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes and a decrease in pretax income.

PROGRESS ENERGY

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 2,505**	$ 2,422	$ 83
Operating Expenses			
Fuel used in electric generation and purchased power	**795**	763	32
Operation, maintenance and other	**601**	554	47
Depreciation and amortization	**485**	452	33
Property and other taxes	**142**	135	7
Total operating expenses	**2,023**	1,904	119
Losses on Sales of Other Assets and Other, net	**—**	(1)	1
Operating Income	**482**	517	(35)
Other Income and Expenses, net	**43**	32	11
Interest Expense	**192**	206	(14)
Income Before Income Taxes	**333**	343	(10)
Income Tax Expense	**43**	60	(17)
Net Income	**290**	283	7

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $33 million increase in retail sales, net of fuel revenues, due to better weather compared to prior year;
- a $21 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $19 million increase in fuel and capacity revenues primarily due to recovery of the remaining value of retired coal units Crystal River 1 and 2; and
- an $18 million increase in retail pricing due to base rate adjustments related to annual increases from the 2017 Settlement Agreement and the solar base rate adjustment.

Partially offset by:

- a $15 million decrease in wholesale power revenues, net of fuel, primarily due to a restructured capacity contract, which was converted to a seasonal contract at Duke Energy Florida.

Operating Expenses. The variance was driven primarily by:

- a $47 million increase in operation, maintenance and other expense at Duke Energy Progress primarily driven by the deferral of 2018 severance costs due to the partial settlement agreement with the Public Staff of the NCUC related to the 2019 North Carolina retail rate case recorded in 2020, as well as increased storm costs;
- a $33 million increase in depreciation and amortization primarily due to accelerated depreciation of retired coal units Crystal River 1 and 2, and increase in plant base; and
- a $32 million increase in fuel used in electric generation and purchased power primarily due to higher demand and changes in generation mix at Duke Energy Progress.

Other Income and Expenses, net. The increase is primarily due to unrealized gains on the nuclear decommissioning trust fund and pension plan assets at Duke Energy Florida.

Interest Expense. The variance was driven primarily by lower intercompany interest expense and lower debt outstanding at Progress Energy, Inc.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes.

DUKE ENERGY PROGRESS

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 1,401**	$ 1,338	$ 63
Operating Expenses			
Fuel used in electric generation and purchased power	**436**	405	31
Operation, maintenance and other	**357**	305	52
Depreciation and amortization	**285**	287	(2)
Property and other taxes	**49**	47	2
Total operating expenses	**1,127**	1,044	83
Losses on Sales of Other Assets and Other, net	**—**	(1)	1
Operating Income	**274**	293	(19)
Other Income and Expenses, net	**24**	22	2
Interest Expense	**69**	69	—
Income Before Income Taxes	**229**	246	(17)
Income Tax Expense	**19**	42	(23)
Net Income	**$ 210**	$ 204	$ 6

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 period	**2021**
Residential sales	**18.7 %**
General service sales	**(0.9)%**
Industrial sales	**(1.8)%**
Wholesale power sales	**10.2 %**
Joint dispatch sales	**(7.6)%**
Total sales	**5.5 %**
Average number of customers	**2.0 %**

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $42 million increase in retail sales due to better weather compared to prior year; and
- a $21 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year.

Operating Expenses. The variance was driven primarily by:

- a $52 million increase in operation, maintenance and other expense primarily driven by the deferral of 2018 severance costs due to the partial settlement agreement with the Public Staff of the NCUC related to the 2019 North Carolina retail rate case recorded in 2020, as well as increased storm costs; and
- a $31 million increase in fuel used in electric generation and purchased power primarily due to higher demand and changes in generation mix.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes.

DUKE ENERGY FLORIDA

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 1,101**	$ 1,080	$ 21
Operating Expenses			
Fuel used in electric generation and purchased power	**359**	358	1
Operation, maintenance and other	**242**	245	(3)
Depreciation and amortization	**200**	165	35
Property and other taxes	**93**	88	5
Total operating expenses	**894**	856	38
Operating Income	**207**	224	(17)
Other Income and Expenses, net	**18**	10	8
Interest Expense	**80**	84	(4)
Income Before Income Taxes	**145**	150	(5)
Income Tax Expense	**28**	30	(2)
Net Income	**$ 117**	$ 120	$ (3)

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. Wholesale power sales include both billed and unbilled sales. 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 period	**2021**
Residential sales	**10.5 %**
General service sales	**(2.1)%**
Industrial sales	**5.6 %**
Wholesale and other	**38.2 %**
Total sales	**(0.7)%**
Average number of customers	**1.9 %**

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $19 million increase in fuel and capacity revenues primarily due to recovery of the remaining value of retired coal units Crystal River 1 and 2;
- an $18 million increase in retail pricing due to base rate adjustments related to annual increases from the 2017 Settlement Agreement and the solar base rate adjustment;
- an $8 million increase in rider revenues primarily due to increased volumes;
- a $7 million increase in transmission revenues and customer equipment rentals: and
- a $5 million increase in weather-normal retail sales volumes.

Partially offset by:

- a $15 million decrease in wholesale power revenues, net of fuel, primarily due to a restructured capacity contract which was converted to a seasonal contract;
- a $12 million decrease in storm revenues due to full recovery of Hurricane Dorian costs in the prior year; and
- a $9 million decrease in retail sales, net of fuel revenues, due to unfavorable weather in the current year.

Operating Expenses. The variance was driven primarily by:

- a $35 million increase in depreciation and amortization primarily due to accelerated depreciation of retired coal units Crystal River 1 and 2 and an increase in plant base.

Other Income and Expense, net. The increase is primarily due to lower non-service pension costs and unrealized gains on the nuclear decommissioning trust fund.

DUKE ENERGY OHIO

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues			
Regulated electric	**$ 363**	$ 346	$ 17
Regulated natural gas	**169**	152	17
Total operating revenues	**532**	498	34
Operating Expenses			
Fuel used in electric generation and purchased power	**82**	87	(5)
Cost of natural gas	**51**	37	14
Operation, maintenance and other	**108**	123	(15)
Depreciation and amortization	**74**	68	6
Property and other taxes	**92**	83	9
Total operating expenses	**407**	398	9
Operating Income	**125**	100	25
Other Income and Expenses, net	**5**	3	2
Interest Expense	**25**	24	1
Income Before Income Taxes	**105**	79	26
Income Tax Expense	**14**	14	—
Net Income	**$ 91**	$ 65	$ 26

The following table shows the percent changes in GWh sales of electricity, dekatherms of natural gas delivered and average number of electric and natural gas 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.

	Electric	Natural Gas
Increase (Decrease) over prior year	**2021**	**2021**
Residential sales	**13.0 %**	**13.6 %**
General service sales	**(1.2)%**	**12.0 %**
Industrial sales	**(2.2)%**	**(0.8)%**
Wholesale electric power sales	**115.8 %**	**n/a**
Other natural gas sales	**n/a**	**0.8 %**
Total sales	**3.1 %**	**9.8 %**
Average number of customers	**0.8 %**	**0.8 %**

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $10 million increase in fuel related revenues primarily due to higher prices and increased volumes;
- an $8 million increase in retail pricing primarily due to the Duke Energy Kentucky general rate case;
- a $7 million increase in revenues due to better weather compared to prior year;
- a $7 million increase in PJM transmission revenues as a result of increased capital spend;
- a $4 million increase in other revenues due to higher OVEC sales into PJM; and
- a $3 million increase in bulk power marketing sales.

Partially offset by:

- a $7 million decrease in retail revenue riders primarily due to the suspension of the Ohio energy efficiency rider and a decrease in the Kentucky gas weather normalization rider, partially offset by an increase in the distribution capital investment rider due to an increase in capital spend.

Operating Expenses. The variance was driven primarily by:

- a $9 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas;
- a $9 million increase in property and other taxes primarily due to increased plant in service, higher kilowatt and natural gas distribution taxes due to increased usage and a lower Network Integration Transmission Service tax deferral; and
- a $6 million increase in depreciation and amortization primarily driven by an increase in distribution plant.

. Partially offset by:

- a $15 million decrease in operations, maintenance and other expense primarily due lower vegetation management costs, employee-related expenses, environmental reserves and energy efficiency program costs in Ohio.

DUKE ENERGY INDIANA

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 745**	$ 692	$ 53
Operating Expenses			
Fuel used in electric generation and purchased power	**217**	194	23
Operation, maintenance and other	**178**	186	(8)
Depreciation and amortization	**152**	132	20
Property and other taxes	**21**	22	(1)
Total operating expenses	**568**	534	34
Operating Income	**177**	158	19
Other Income and Expenses, net	**9**	10	(1)
Interest Expense	**50**	43	7
Income Before Income Taxes	**136**	125	11
Income Tax Expense	**24**	26	(2)
Net Income	**$ 112**	$ 99	$ 13

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	**2021**
Residential sales	**12.3 %**
General service sales	**(0.2)%**
Industrial sales	**(2.6)%**
Wholesale power sales	**12.1 %**
Total sales	**1.6 %**
Average number of customers	**1.2 %**

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $33 million increase primarily due to higher base rate pricing from the Indiana retail rate case, net of lower rider revenues; and
- a $19 million increase in fuel revenues primarily due to higher fuel cost recovery driven by customer demand and fuel prices.

Operating Expenses. The variance was driven primarily by:

- a $23 million increase in fuel used in electric generation and purchased power expense primarily due to higher coal and natural gas costs; and
- a $20 million increase in depreciation and amortization primarily due to a change in depreciation rates from the Indiana retail rate case and additional plant in service.

Partially offset by:

- an $8 million decrease in operation, maintenance and other primarily due to lower outage and other contractor spend.

Interest Expense. The variance was driven by higher post-in-service carrying costs interest resulting from the Indiana retail rate case, partially offset by higher fixed-rate debt outstanding in the prior year.

PIEDMONT

Results of Operations

	Three Months Ended March 31,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 606**	$ 512	$ 94
Operating Expenses			
Cost of natural gas	**225**	162	63
Operation, maintenance and other	**78**	80	(2)
Depreciation and amortization	**48**	45	3
Property and other taxes	**14**	12	2
Total operating expenses	**365**	299	66
Operating Income	**241**	213	28
Other Income and Expenses, net	**17**	12	5
Interest Expense	**29**	27	2
Income Before Income Taxes	**229**	198	31
Income Tax Expense	**26**	20	6
Net Income	**$ 203**	$ 178	$ 25

The following table shows the percent changes in dekatherms delivered and average number of customers. The percentages for all throughput deliveries represent billed and unbilled sales. Amounts are not weather-normalized.

Increase (Decrease) over prior year	2021
Residential deliveries	**27.1 %**
Commercial deliveries	**16.0 %**
Industrial deliveries	**2.6 %**
Power generation deliveries	**(12.8)%**
For resale	**40.9 %**
Total throughput deliveries	**0.8 %**
Secondary market volumes	**5.4 %**
Average number of customers	**2.2 %**

The margin decoupling mechanism adjusts for variations in residential and commercial use per customer, including those due to weather and conservation. The weather normalization adjustment mechanisms mostly offset the impact of weather on bills rendered, but do not ensure full recovery of approved margin during periods when winter weather is significantly warmer or colder than normal.

Three Months Ended March 31, 2021, as compared to March 31, 2020

Operating Revenues. The variance was driven primarily by:

- a $63 million increase due to higher natural gas costs passed through to customers, higher volumes and higher off-system sales natural gas costs;
- an $11 million increase due to Tennessee base rate case increases; and
- a $7 million increase due to North Carolina IMR.

Operating Expenses. The variance was driven primarily by:

- a $63 million increase in cost of natural gas due to higher natural gas prices, higher volumes and higher off-system sales natural gas costs.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

Duke Energy relies primarily upon cash flows from operations, debt and equity issuances and its existing cash and cash equivalents to fund its liquidity and capital requirements. Duke Energy's capital requirements arise primarily from capital and investment expenditures, repaying long-term debt and paying dividends to shareholders. Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020, included a summary and detailed discussion of projected primary sources and uses of cash for 2021 to 2023.

In January 2021, Duke Energy entered into a definitive agreement with an affiliate of GIC, for GIC to make a minority interest investment of 19.9% in Duke Energy Indiana. The investment will be completed following two closings for an aggregate investment amount of approximately $2 billion. The first closing is expected to be completed in the second quarter of 2021 and Duke Energy will issue 11.1% of the membership interests in exchange for 50% of the total investment amount. Duke Energy has the discretion to determine the timing of the second closing, but the closing will occur no later than January 2023. At the second closing, Duke Energy will issue additional membership interests, so GIC's minority interest ownership is 19.9% of Duke Energy Indiana, for the remaining 50% of the total investment amount. Proceeds from the minority interest investment are expected to address common equity needs through 2025 to partially fund Duke Energy's $59 billion capital and investment expenditure plan.

As of March 31, 2021, Duke Energy had approximately $379 million of cash on hand, $4.4 billion available under its $8 billion Master Credit Facility and $500 million available under the $1 billion Three-Year Revolving Credit Facility. Duke Energy expects to have sufficient liquidity in the form of cash on hand, cash from operations and available credit capacity to support its funding needs. Refer to Note 5 to the Condensed Consolidated Financial Statements, "Debt and Credit Facilities," for information regarding Duke Energy's debt issuances and maturities, and available credit facilities including the Master Credit Facility.

Credit Ratings

In March 2021, Moody's Investors Services, Inc. (Moody's) downgraded by one notch the long-term credit ratings for Duke Energy (Parent) and Duke Energy Carolinas. The downgrade reflects Duke Energy's balance sheet objectives. The downgrade for Duke Energy (Parent) and Duke Energy Carolinas also considers the impact for Duke Energy Carolinas and Duke Energy Progress as a result of the 2019 rate case orders and approval of the CCR Settlement Agreement. While these agreements are indicative of a regulatory environment that remains broadly supportive of utility credit quality, their financial terms resulted in current impairment charges and lowered the amount of future cash flow Duke Energy Carolinas and Duke Energy Progress will receive in conjunction with their coal ash remediation spending. As part of the credit rating action, Moody's affirmed Duke Energy's (Parent) short-term and commercial paper credit ratings and confirmed the credit ratings for Duke Energy Progress. Following a January 2021, credit rating downgrade of Duke Energy (Parent) and its subsidiaries, Standard & Poor's Rating Services continues to maintain a stable outlook on Duke Energy Corporation and its subsidiaries as of March 31, 2021.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Cash flows provided by (used in):		
Operating activities	**$ 2,088**	$ 1,554
Investing activities	**(3,137)**	(3,022)
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

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

	Three Months Ended March 31,		
(in millions)	**2021**	**2020**	**Variance**
Net income	**$ 941**	$ 890	$ 51
Non-cash adjustments to net income	**1,446**	1,639	(193)
Payments for asset retirement obligations	**(114)**	(132)	18
Working capital	**(185)**	(843)	658
Net cash provided by operating activities	**$ 2,088**	$ 1,554	$ 534

The variance was primarily due to decreases in coal stock balances, incentive payments and the timing of payments.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Three Months Ended March 31,		
(in millions)	2021	2020	Variance
Capital, investment and acquisition expenditures	**$ (2,215)**	$ (2,909)	$ 694
Other investing items	**(922)**	(113)	(809)
Net cash used in investing activities	**$ (3,137)**	$ (3,022)	$ (115)

The variance relates primarily to payment made to fund ACP's outstanding debt, partially offset by decreases in capital expenditures due to lower overall investments in the Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables segments.

FINANCING CASH FLOWS

The following table summarizes key components of Duke Energy's financing cash flows.

	Three Months Ended March 31,		
(in millions)	2021	2020	Variance
Issuances of long-term debt, net	**$ 532**	$ 1,662	$ (1,130)
Issuances of common stock	**5**	40	(35)
Notes payable, commercial paper and other short-term borrowings	**1,187**	1,569	(382)
Dividends paid	**(783)**	(707)	(76)
Contributions from noncontrolling interests	**303**	103	200
Other financing items	**(59)**	(74)	15
Net cash provided by financing activities	**$ 1,185**	$ 2,593	$ (1,408)

The variance was primarily due to:

- a $1,130 million decrease in proceeds from net issuances of long-term debt primarily due to the timing of issuances and redemptions of long-term debt; and
- a $382 million decrease in net proceeds from issuances of notes payable and commercial paper.

Partially offset by:

- a $200 million increase related to contributions from noncontrolling interests for tax equity financing activity in the Commercial Renewables segment.

OTHER MATTERS

Environmental Regulations

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 and result in new obligations of the Duke Energy Registrants. Refer to Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for further information regarding potential plant retirements and regulatory filings related to the Duke Energy Registrants.

Off-Balance Sheet Arrangements

During the three months ended March 31, 2021, there were no material changes to Duke Energy's off-balance sheet arrangements. For additional information on Duke Energy's off-balance sheet arrangements, see "Off-Balance Sheet Arrangements" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

Contractual Obligations

Duke Energy enters into contracts that require payment of cash at certain specified periods, based on certain specified minimum quantities and prices. During the three months ended March 31, 2021, there were no material changes in Duke Energy's contractual obligations. For an in-depth discussion of Duke Energy's contractual obligations, see "Contractual Obligations" and "Quantitative and Qualitative Disclosures about Market Risk" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For an in-depth discussion of the Duke Energy Registrants' market risks, see “Quantitative and Qualitative Disclosures about Market Risk” in Item 7 of the Annual Report on Form 10-K for the Duke Energy Registrants. During the three months ended March 31, 2021, there were no material changes to the Duke Energy Registrants' disclosures about market risk.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated the effectiveness of their disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2021, and, based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated changes in internal control over financial reporting (as such term is defined in Rules 13a-15 and 15d-15 under the Exchange Act) that occurred during the fiscal quarter ended March 31, 2021, and have concluded no change has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding material legal proceedings, including regulatory and environmental matters, see Note 3, "Regulatory Matters," and Note 4, "Commitments and Contingencies," to the Condensed Consolidated Financial Statements. For additional information, see Item 3, "Legal Proceedings," in Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part I, “Item 1A. Risk Factors” in the Duke Energy Registrants' Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect the Duke Energy Registrants’ financial condition or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

EXHIBITS

ITEM 6. EXHIBITS

Exhibits filed herein are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated. Items constituting management contracts or compensatory plans or arrangements are designated by a double asterisk (**). The company agrees to furnish upon request to the commission a copy of any omitted schedules or exhibits upon request on all items designated by a triple asterisk (***).

Exhibit Number		Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
4.1	Eleventh Supplemental Indenture, dated as of March 11, 2021 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 11, 2021, File No. 1-6196).								X
4.2	One Hundred and Fifth Supplemental Indenture, dated as of April 1, 2021 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on April 1, 2021, File No. 1-0928).		X						
*10.1	Coal Combustion Residuals Settlement Agreement	X	X		X				
*10.2	Investment Agreement by and among Cinergy Corp., Duke Energy Indiana HoldCo, LLC, Duke Energy Corporation, and Epson Investment PTE. LTD.	X						X	
*10.3	First Amendment to $1,000,000,000 Credit Agreement, dated as of May 15, 2019, among registrant, the Lenders party thereto, The Bank of Nova Scotia, as Administrative Agent, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A., and U.S. Bank, National Association, as Co-Documentation Agents.	X							
*31.1.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.1.2	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						
*31.1.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.1.4	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.1.5	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.1.6	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X		
*31.1.7	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.1.8	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X
*31.2.1	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.2.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						

EXHIBITS

*31.2.3	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.2.4	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.2.5	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.2.6	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X		
*31.2.7	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.2.8	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X
*32.1.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.1.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.1.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.1.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.1.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.1.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		
*32.1.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.1.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*32.2.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.2.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.2.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.2.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.2.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.2.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		

EXHIBITS

*32.2.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.2.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*101.INS	XBRL Instance Document (this does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).	X	X	X	X	X	X	X	X
*101.SCH	XBRL Taxonomy Extension Schema Document.	X	X	X	X	X	X	X	X
*101.CAL	XBRL Taxonomy Calculation Linkbase Document.	X	X	X	X	X	X	X	X
*101.LAB	XBRL Taxonomy Label Linkbase Document.	X	X	X	X	X	X	X	X
*101.PRE	XBRL Taxonomy Presentation Linkbase Document.	X	X	X	X	X	X	X	X
*101.DEF	XBRL Taxonomy Definition Linkbase Document.	X	X	X	X	X	X	X	X
*104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	X	X	X	X	X	X	X	X

The total amount of securities of the registrant or its subsidiaries authorized under any instrument with respect to long-term debt not filed as an exhibit does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees, upon request of the SEC, to furnish copies of any or all of such instruments to it.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
PROGRESS ENERGY, INC.
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.

Date: May 10, 2021

/s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: May 10, 2021

/s/ DWIGHT L. JACOBS
Dwight L. Jacobs
Senior Vice President, Chief Accounting Officer,
Tax and Controller
(Principal Accounting Officer)

EXHIBIT 31.1.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chair, President and
Chief Executive Officer

EXHIBIT 31.1.2

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.3

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.4

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.5

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Florida, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.6

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Ohio, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.7

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Indiana, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.8

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Piedmont Natural Gas Company, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.2.1

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.3

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.4

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.5

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Florida, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.6

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Ohio, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.7

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Indiana, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.8

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Piedmont Natural Gas Company, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Corporation ("Duke Energy") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chair, President and Chief Executive Officer of Duke Energy, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy.

/s/ LYNN J. GOOD

Lynn J. Good
Chair, President and
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Carolinas, LLC (“Duke Energy Carolinas”) on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Duke Energy Carolinas, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Carolinas.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.3

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Progress Energy, Inc. (“Progress Energy”) on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lynn J. Good, Chief Executive Officer of Progress Energy, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Progress Energy.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.4

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Progress, LLC ("Duke Energy Progress") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Progress, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Progress.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.5

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Florida, LLC ("Duke Energy Florida") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Florida, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Florida.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.6

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Duke Energy Ohio, Inc. ("Duke Energy Ohio") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Ohio, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Ohio.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.7

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Indiana, LLC ("Duke Energy Indiana") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Duke Energy Indiana, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Indiana.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.1.8

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Piedmont Natural Gas Company, Inc. ("Piedmont") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lynn J. Good, Chief Executive Officer of Piedmont, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Piedmont.

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

May 10, 2021

EXHIBIT 32.2.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Corporation ("Duke Energy") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Carolinas, LLC ("Duke Energy Carolinas") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Carolinas, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Carolinas.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Progress Energy, Inc. (“Progress Energy”) on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Progress Energy, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Progress Energy.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.4

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Progress, LLC ("Duke Energy Progress") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Progress, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Progress.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.5

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Florida, LLC ("Duke Energy Florida") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Florida, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Florida.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.6

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Ohio, Inc. (“Duke Energy Ohio”) on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Ohio, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Ohio.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.7

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Duke Energy Indiana, LLC ("Duke Energy Indiana") on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Duke Energy Indiana, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Duke Energy Indiana.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

EXHIBIT 32.2.8

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Piedmont Natural Gas Company, Inc. (“Piedmont”) on Form 10-Q for the period ending March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Steven K. Young, Executive Vice President and Chief Financial Officer of Piedmont, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Piedmont.

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

May 10, 2021

Exhibit 10.1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. E-2, SUB 1131
DOCKET NO. E-2, SUB 1142
DOCKET NO. E-2, SUB 1103
DOCKET NO. E-2, SUB 1153
DOCKET NO. E-2, SUB 1219
DOCKET NO. E-2, SUB 1193

DOCKET NO. E-7, SUB 1146
DOCKET NO. E-7, SUB 819
DOCKET NO. E-7, SUB 1152
DOCKET NO. E-7, SUB 1110
DOCKET NO. E-7, Sub 1214
DOCKET NO. E-7, SUB 1213
DOCKET NO. E-7, SUB 1187

In the Matters of)
Applications of Duke Energy Progress, LLC) **COAL COMBUSTION**
and Duke Energy Carolinas, LLC for) **RESIDUALS**
Adjustment of Rates and Charges Applicable) **SETTLEMENT AGREEMENT**
To Electric Service in North Carolina)
)

This Coal Combustion Residuals Settlement Agreement is entered into as of the 22nd day of January, 2021, by and between Duke Energy Progress, LLC; Duke Energy Carolinas, LLC; the Public Staff-North Carolina Utilities Commission; the Attorney General's Office; and the Sierra Club.

I. DEFINITIONS. The following definitions shall apply for purposes of this Coal Combustion Residuals Settlement Agreement:

A. 2017 NC DEC Rate Case - Docket No. E-7, Sub 1146 and consolidated dockets.

B. 2017 NC DEP Rate Case - Docket No. E-2, Sub 1142 and consolidated dockets.

C. 2017 NC Rate Cases - 2017 NC DEP Rate Case and 2017 DEC Rate Case.

D. 2018 NC DEC Rate Order - June 22, 2018 Order Accepting Stipulation, Deciding Contested Issues, and Requiring Revenue Reduction, issued by the Commission in the 2017 NC DEC Rate Case.

E. 2018 NC DEP Rate Order - February 23, 2018 Order Accepting Stipulation, Deciding Contested Issues and Granting Partial Rate Increase, issued by the Commission in the 2017 NC DEP Rate Case.

F. 2018 NC Rate Orders - 2018 NC DEC Rate Order and 2018 NC DEP Rate Order.

G. 2019 NC DEC Rate Case - Docket No. E-7, Sub 1214 and consolidated dockets.

H. 2019 NC DEP Rate Case - Docket No. E-2, Sub 1219 and consolidated dockets.

I. 2019 NC Rate Cases - 2019 NC DEP Rate Case and 2019 DEC Rate Case.

J. AGO - North Carolina Attorney General's Office.

K. Amortization Period - the period of time over which rate recovery is authorized.

L. ARO - Asset Retirement Obligation.

M. CAMA - The North Carolina Coal Ash Management Act, S.L. 2014-122, which was subsequently amended in the Mountain Energy Act, S.L. 2015-110, and the Drinking Water Protection/Coal Ash Cleanup Act, S.L. 2016-95.

N. CCR - coal combustion residuals, or coal ash, a by-product of electricity generation by coal-fired power plants.

O. CCR Costs - expenditures made on or after January 1, 2015, in order to settle the Companies' legal ARO, recorded pursuant to the Financial Accounting Standards Board's Accounting Standard Codification Section 410, and resulting from the management of CCR, including requirements for closure of coal ash basins related to the Companies' coal-fired power plants, and including associated remediation and corrective action. CCR Costs do not include the gain or loss on the sale of CCR under N.C. Gen. Stat. § 62-133.2(a1)(9).

P. CCR Rule - Hazardous and Solid Waste Management System - Disposal of Coal Combustion Residuals from Electric Utilities (CCR Rule), *see* 80 Fed. Reg. 21301 (April 17, 2015).

Q. CCR Settlement Agreement - Coal Combustion Residuals Settlement Agreement.

R. Coal ash insurance litigation - litigation seeking reimbursement from insurance companies for CCR Costs.

S. Commission - North Carolina Utilities Commission.

T. Companies - DEC and DEP.

U. Company - DEC or DEP.

V. Customers - using and consuming public in the Companies' North Carolina retail territories.

W. DEC - Duke Energy Carolinas, LLC.

X. DEC Cost of Service Penalty - $70 million cost of service penalty imposed by the Commission in the 2017 NC DEC Case.

Y. Deferral Period - the period beginning at the time costs are initially incurred until they begin to be recovered in rates.

Z. DHEC - South Carolina Department of Health and Environmental Control.

AA. DEP - Duke Energy Progress, LLC.

AB. DEP Cost of Service Penalty - $30 million cost of service penalty imposed by the Commission upon DEP in the 2017 NC DEP Case.

AC. DEQ - North Carolina Department of Environmental Quality.

AD. DEQ Settlement - settlement agreement dated as of December 31, 2019, by and between, inter alia, the Companies and DEQ requiring closure of CCR impoundments at the Companies' sites, the material terms of which were incorporated into a consent order entered by the Wake County Superior Court on February 5, 2020.

AE. EPA - United States Environmental Protection Agency.

AF. Equitable Sharing - proposal that the net present value of CCR Costs (including Financing Costs incurred during the Deferral Period) net of any Reasonable and Prudent Disallowance and additional specific dollar disallowances related to Historical Practices would be shared between the Companies and Customers.

AG. Financing Costs - costs incurred by the Companies to finance CCR Costs during the Deferral Period and the Amortization Period.

AH. First and Second Partial Stipulations - First Partial Stipulation filed March 25, 2020, and Second Partial Stipulation filed July 31, 2020, in the 2019 DEC NC Rate Case; First Partial Stipulation filed June 2, 2020, and Second Partial Stipulation filed July 31, 2020, in the 2019 DEP NC Rate Case.

AI. Future CCR Costs - CCR Costs incurred by DEC from February 1, 2020, through January 31, 2030, and CCR Costs incurred by DEP from March 1, 2020, through February 28, 2030.

AJ. GAAP - Generally Accepted Accounting Principles.

AK. Historical Practices - The Companies' coal ash management practices prior to January 1, 2015.

AL. Historical Practice Arguments - Arguments that the Companies' Historical Practices were inadequate and led to unreasonable CCR Costs being incurred or led to CCR Costs being unreasonably higher than otherwise would have been incurred.

AM. Intervenor Settling Parties - Sierra Club, Public Staff and AGO.

AN. NC Rate Cases - 2017 and 2019 NC Rate Cases.

AO. Public Staff - Public Staff-North Carolina Utilities Commission.

AP. Reasonable and Prudent Disallowance - An adjustment to costs on the grounds that the costs were unreasonable or were imprudently incurred.

AQ. ROE - cost of equity.

AR. Settling Parties - Collectively, the Companies and the Intervenor Settling Parties.

AS. Settling Party - one of the Companies or the Intervenor Settling Parties.

AT. WACC - weighted average cost of capital, adjusted as appropriate to reflect income tax savings resulting from the deductibility of interest expense.

II. BACKGROUND AND STATEMENT OF PURPOSE

A. The Companies are public utilities operating under the laws of the State of North Carolina and are subject to regulation by the Commission. DEP is engaged in the business of generating, transmitting, distributing, and selling electric power to the public in an area of eastern North Carolina and eastern South Carolina, and an area in western North Carolina in and around the city of Asheville. DEC is engaged in the business of generating, transmitting, distributing, and selling electric power to the public in the central and western portions of North Carolina and western South Carolina.

B. The NC Rate Cases are currently pending before the Commission.

C. The Public Staff and the AGO represent the using and consuming public in the Companies' North Carolina retail territories ("Customers"), and are intervenors as of right in the NC Rate Cases. Sierra Club also is an intervenor in the NC Rate Cases, having been granted permission to intervene by the Commission.

D. A major issue in each of the NC Rate Cases concerns the extent to which the Companies may recover, and the manner in which they may recover, CCR Costs from Customers. CCR Costs arise from legal requirements that were imposed upon the Companies by various federal and state statutes, rules, regulations and directives, including the CCR Rule, CAMA, and various special orders, consent decrees, and agreements between the Companies (or each Company separately) and DEQ/DHEC.

E. These new legal requirements triggered GAAP provisions relating to the retirement of long-lived tangible assets, and specifically triggered a requirement that the Companies account for CCR Costs through ARO accounting. Each Company, as required by GAAP, established AROs with respect to its coal ash basins. CCR Costs, which are equal to the post-December 31, 2014, expenditures that the Companies must make to satisfy, or settle, their respective AROs, have all been deferred for North Carolina retail accounting and ratemaking purposes by orders of the Commission, and, pursuant to a model denominated by the Companies as "Spend/Defer/Recover", are sought to be recovered in rates in periodic rate case filings. Cost recovery sought by the Companies includes not only CCR Costs actually incurred, but also Financing Costs associated with (in each rate case) two distinct periods – a Deferral Period and an Amortization Period. In the 2019 NC DEC Rate Case and 2019 NC DEP Rate Case, the Deferral Period runs until the date new non-interim rates are implemented in those cases.

F. In the 2017 NC DEP Rate Case, DEP sought recovery of its CCR Costs incurred from January 1, 2015, through August 31, 2017, along with Financing Costs at its approved WACC during both the Deferral Period and the Amortization Period. In the 2017 NC DEC Rate Case, DEC sought recovery of its CCR Costs incurred from January 1, 2015, through December 31, 2017, along with Financing Costs at its approved WACC during both the Deferral Period and the Amortization Period. In the 2019 NC DEC Rate Case, DEC sought recovery of its CCR Costs incurred from January 1, 2018, through January 31, 2020, along with Financing Costs at its approved WACC during both the Deferral Period and the Amortization Period. In the 2019 NC DEP Rate Case, DEP sought recovery of its CCR Costs incurred from September 1, 2017, through February 29, 2020, along with Financing Costs at its approved WACC during both the Deferral Period and the Amortization Period. In all of the NC Rate Cases, the Companies proposed an Amortization Period of five years.

G. In each of the NC Rate Cases, various intervenors, including the Intervenor Settling Parties, generally opposed the Companies' requests for recovery of all of their CCR Costs from their Customers and sought to have the Commission disallow portions of the CCR Costs, and also sought to have the Commission deny recovery of all or part of the Financing Costs incurred (or, during the relevant Amortization Period, to be incurred). Without limitation, challenges to the Companies' recovery of CCR Costs and Financing Costs asserted in the NC Rate Cases may be categorized as follows:

i. <u>Cost disallowance premised upon alleged unreasonableness or imprudence of the Companies' incurrence of CCR Costs</u>. In each of the NC Rate Cases, the Public Staff challenged the Companies' execution of work required to be performed in order to meet the requirements of CAMA and the CCR Rule, including decisions made by the Companies with respect to siting and constructing new landfills and other ash management facilities, transporting coal ash, and constructing ash beneficiation facilities.

ii. <u>Cost disallowance premised upon the Companies' Historical Practices</u>. Certain intervenors have challenged the Companies' ability to recover CCR Costs and Financing Costs from Customers by advocating disallowance of all or a portion of these costs based upon Historical Practices Arguments.

iii. <u>Equitable Sharing</u>. The Public Staff has in each of the NC Rate Cases proposed disallowance based on an equitable sharing argument, pursuant to which the net present value of CCR Costs and the Financing Costs incurred during the Deferral Period, net of any Reasonable and Prudent Disallowance associated with either post-CAMA/CCR Rule work or Historical Practices, would be shared between the Companies and Customers. The Public Staff has advocated that the appropriate sharing percentage in each of the NC Rate Cases be approximately 50/50.

The Companies opposed disallowance of any CCR Costs or Financing Costs in the NC Rate Cases.

H. In the 2018 NC DEP Rate Order, the Commission determined that all CCR Costs, with the exception of approximately $9.5 million, could be recovered from Customers, and that in the exercise of its discretion, all Financing Costs at DEP's authorized WACC incurred during the Deferral Period and a five-year Amortization Period could be recovered from Customers. However, the Commission reduced the annual revenue requirement by $6 million (from the return on the unamortized balance in the rate base portion) for each of the five years during the Amortization Period, resulting in a $30 million DEP Cost of Service Penalty.

I. In the 2018 NC DEC Rate Order, the Commission decided that all CCR Costs could be recovered from Customers, and that, in the exercise of its discretion, all Financing Costs at DEC's authorized WACC incurred during the Deferral Period and a five-year Amortization Period could be recovered from Customers. However, the Commission reduced the annual revenue requirement by $14 million (from the return on the unamortized balance in the rate base portion) for each of the five years during the Amortization Period, resulting in a $70 million DEC Cost of Service Penalty.

J. The 2018 NC Rate Orders were appealed to the North Carolina Supreme Court by the AGO and Sierra Club, and a cross appeal was entered with respect to each 2018 NC Rate Order by the Public Staff. The Supreme Court decided the appeals in *State ex rel. Utils. Comm'n v. Stein* ("*Stein*"), Nos. 271A18 and 401A18, 2020 WL 7294770 (N.C. Dec. 11, 2020). The Supreme Court remanded the case back to the Commission for further proceedings consistent with the *Stein* opinion.

K. The Commission has not as yet decided the issues remanded to it by *Stein*. In addition, the 2019 Rate Cases have not yet been decided by the Commission.

L. The Settling Parties, without any admission of prudence, imprudence, error or fault, without waiver of any of their positions in the NC Rate Cases, and in order to avoid the expense, uncertainty, and inconvenience of further litigation, have agreed to resolve and settle all claims and disputes regarding the Companies' recovery from Customers of (i) CCR Costs and Financing Costs in the NC Rate Cases and (ii) CCR Costs and Financing Costs incurred through January 31, 2030 (DEC), and February 28, 2030 (DEP), in accordance with the terms and conditions of this CCR Settlement Agreement, and subject to approval by the Commission.

III. <u>AGREEMENT</u>

NOW, THEREFORE, for and in consideration of the mutual promises set forth in this CCR Settlement Agreement, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which the Settling Parties acknowledge, the Settling Parties agree as follows:

A. Interpretation of Background and Statement of Purpose. The statements in the Background and Statement of Purpose are intended solely to describe the background to this agreement and do not express an agreement, admission, or concession by any Settling Party as to the matters described therein.

B. Relationship to Other Settlement Agreements and Stipulations and Fuel Clause Cost Recovery. This CCR Settlement Agreement is not intended to impact or in any way modify any of the settlement agreements entered by the Companies and intervenors in the 2019 NC Rate Cases, including the First and Second Partial Stipulations. This CCR Settlement Agreement does not limit in any manner, and the Settling Parties agree that it is not intended to have any impact on the Companies' ability to recover, or on any party's right to challenge, the costs resulting from any sales of generation by-products pursuant to N.C. Gen. Stat. § 62-133.2.

C. DEQ Settlement. For purposes of CCR Cost recovery in Commission proceedings, and any appeals therefrom, each Intervenor Settling Party agrees that (i) closure of CCR impoundments at the Companies' sites as required by the DEQ Settlement, and (ii) the closure plans and corrective action plans for each site to be approved by DEQ (as may be amended by DEQ in the future) are reasonable, prudent, in the public interest, and consistent with law;

D. Waivers and Reservations. Each Intervenor Settling Party, with respect only to CCR Costs incurred by DEC through January 31, 2030, or by DEP through February 28, 2030:

i. Waives its right and ability, before any court or before any administrative body (including the Commission) or other dispute resolution tribunal, to assert – either on its own initiative or in support of another person's or entity's assertions – that Future CCR Costs, including Financing Costs, shall be shared between either Company and the Customers of such Company through (1) Equitable Sharing or (2) any other rate base or return adjustment that shares, for the CCR Costs that are not otherwise disallowed due to a Reasonable and Prudent Disallowance, the revenue requirement burden.

ii. Waives its right and ability, before any court or before any administrative body (including the Commission) or other dispute resolution tribunal, to challenge – either on its own initiative or in support of another person's or entity's challenges – any Future CCR Costs, along with any associated Financing Costs, on the basis of any Historical Practice Arguments.

iii. Reserves its right and ability, before any court or before any administrative body (including the Commission) or other dispute resolution tribunal, to propose a Reasonable and Prudent Disallowance for any Future CCR Costs, along with any associated Financing Costs.

E. Historical CCR Costs Incurred Through January 31, 2020 (DEC), and February 29, 2020 (DEP). In accordance with and furtherance of the Waivers and Reservations listed in paragraph III.D., the Settling Parties agree that in the Commission's decisions upon remand of the 2017 NC Rate Cases, and in its decisions in the pending 2019 NC Rate Cases, the Settling Parties request and support the Commission entering an order or orders that include all of the following:

i. Leaving in place its decision in the 2017 NC DEP Rate Case, including the $30 million DEP Cost of Service Penalty.

ii. Leaving in place its decision in the 2017 NC DEC Rate Case, including the $70 million DEC Cost of Service Penalty.

iii. In the 2019 NC DEC Rate Case, reducing the combination of CCR Costs and Financing Costs sought to be recovered from DEC Customers by $224 million, and permitting recovery of the remaining balance of CCR Costs and Financing Costs accrued during the Deferral Period over a five-year Amortization Period, with Financing Costs during the Amortization Period based upon a return premised upon DEC's cost of debt set forth in the Second Partial Stipulation, adjusted as appropriate to reflect the deductibility of interest expense, and an ROE 150 basis points lower than the 9.6% ROE set forth in the Second Partial Stipulation, with a capital structure of 48% debt and 52% equity; and

iv. In the 2019 NC DEP Rate Case, reducing the combination of CCR Costs and Financing Costs sought to be recovered from DEP Customers by $261 million, and permitting recovery of the remaining balance of CCR Costs and Financing Costs accrued during the Deferral Period over a five-year Amortization Period, with Financing Costs during the Amortization Period based upon a return premised upon DEP's cost of debt set forth in the Second Partial Stipulation, adjusted as appropriate to reflect the deductibility of interest expense, and an ROE 150 basis points lower than the 9.6% ROE set forth in the Second Partial Stipulation, with a capital structure of 48% debt and 52% equity.

The $224 million and $261 million reductions set out in subparagraphs (iii) and (iv) above shall reduce the 2019 NC Rate Case deferred CCR balances as of December 31, 2020, and the Companies shall not accrue after that date and attempt to recover from Customers any Financing Costs on those amounts.

The Settling Parties acknowledge and agree that the ROE reduction and the capital structure required by this paragraph III.E.: (i) are for purposes of settling recovery of

CCR Costs from Customers only, (ii) do not apply to any aspect of the Companies' cost of service other than recovery of CCR Costs, and (iii) do not reflect an admission by any Settling Party as to the Companies' actual ROE or appropriate capital structure ultimately awarded by the Commission in rate cases. The Settling Parties also acknowledge and agree that subparagraphs (iii) and (iv) above do not impact the CCR Costs and Financing Costs that were the subject of the 2017 NC Rate Cases; and that the ratemaking treatment of those costs as reflected in the Companies' interim rates in the 2019 NC Rate Cases should not change.

F. Future CCR Costs. In accordance with and furtherance of the Waivers and Reservations listed in paragraph III.D., with respect to Future CCR Costs, the Settling Parties support the Commission, in the next general rate case for each Company, entering an order or orders requiring the following:

i. DEC to forbear from seeking recovery of $108 million on any regulatory asset it establishes and is found by the Commission to be prudently incurred and reasonable in order to defer for recovery Future CCR Costs;

ii. DEP to forbear from seeking recovery of $162 million on any regulatory asset it establishes and is found by the Commission to be prudently incurred and reasonable in order to defer for recovery Future CCR Costs; and

iii. Recovery of remaining Future CCR Costs through the dates indicated in this subsection from Customers authorized by the Commission to include Financing Costs during the Deferral Periods based upon DEC and DEP's respective last authorized WACC returns, and recovery of Financing Costs during any Amortization Period based upon a return premised upon their respective Commission-approved embedded costs of debt, adjusted as appropriate to reflect the deductibility of interest expense, and an ROE 150 basis points lower than the authorized ROE then in effect, with a capital structure composed of 48% debt and 52% equity.

The $108 million and $162 million reductions set out in subdivisions (i) and (ii) above shall be applied to the balance of Future CCR Costs and Financing Costs accrued through December 31, 2020, that the Companies would otherwise seek to recover in a future rate case, and the Companies shall not accrue after December 31, 2020, and attempt to recover from Customers any Financing Costs on those amounts.

The Settling Parties acknowledge and agree that the reduced ROE and the capital structure required by this paragraph III.F.: (i) are for purposes of settling recovery of Future CCR Costs from Customers only, (ii) do not apply to any aspect of the Companies' cost of service other than recovery of Future CCR Costs, and (iii) do not reflect an admission by any Settling Party as to the Companies' actual ROE or appropriate capital structure.

The Settling Parties further agree that they will, prior to January 1, 2030, engage in good faith negotiations to resolve all issues and claims in connection with CCR Costs incurred by DEC after January 31, 2030, and by DEP after February 28, 2030. This provision does not place any obligation upon any Settling Party to resolve those issues and claims, and each Settling Party maintains complete discretion to approve or reject any proposed settlement for those issues and claims.

G. Coal ash insurance litigation proceeds. The Settling Parties agree that Customers will receive one hundred percent (100%) of the first **[BEGIN CONFIDENTIAL]** _______ **[END CONFIDENTIAL]** in NC retail allocable proceeds the Companies receive from any coal ash insurance litigation, without reduction for any attorneys' fees incurred. This amount shall be kept confidential, and redacted in any publicly filed or publicly available copy of this CCR Settlement Agreement. Any coal ash litigation proceeds received above this amount will be shared equally between Customers and the Companies without reduction for any attorneys' fees incurred. Any such proceeds due to Customers under this provision will be applied by the Companies in the form of an offset to CCR Costs. In any proceeding before the Commission, or in any appeals therefrom, the Settling Parties further agree not to oppose any request by the Companies to seek approval to defer their legal costs associated with the coal ash insurance litigation. The Intervenor Settling Parties reserve their respective rights to review and object to the recovery of such legal costs in future rate cases.

H. Timing of Implementation of New DEC Rates. In support of the planned deployment of DEC's new Customer Connect billing system in early April 2021, the Settling Parties agree to act in good faith and use their best efforts to support the implementation of DEC's new rates, when approved by the Commission, by no later than April 1, 2021. Further, if DEC is required by the Commission to refund to its customers any amount of temporary rates finally determined by the Commission to be excessive, plus up to 10% interest per annum, in accordance with its temporary rate authority under N.C. Gen. Stat. § 62-135, the Settling Parties agree not to oppose in any proceeding before the Commission, or in any appeal therefrom, a delay in the issuance of the refunds to customers until after DEC's Customer Connect system is deployed, on the condition that the refunds continue to accrue interest at the rate prescribed by the Commission.

I. Commitment to Support Settlement Agreement; Future Proceedings. The Settling Parties agree that this CCR Settlement Agreement represents a reasonable compromise of contested issues, and that its acceptance and approval by the Commission is in the public interest. In any proceeding before the Commission related to approval of this CCR Settlement Agreement or in any proceeding before the Commission related to Future CCR Costs, each Settling Party agrees that it: (i) shall not object to the pre-filed testimony and exhibits of any witness sponsored by another Settling Party on an issue resolved by and consistent with this CCR Settlement Agreement; (ii) waives the right to cross-examine any witness with respect to such pre-filed testimony and exhibits; (iii) reserves the right, consistent with its obligation to support this CCR Settlement Agreement in good faith, to address questions posed to any witness by a party not a party to this CCR Settlement Agreement or by a Commissioner; and (iv) may present witnesses and retains the right to cross-examine any witness, or object to the admission of testimony or exhibits sponsored by any witness, in connection with a Reasonable and Prudent Disallowance. The Public Staff and the AGO further agree that they will support this CCR Settlement Agreement in any appeal from an Order of the Commission in connection with approval of this Agreement. Sierra Club further agrees that it will not oppose this CCR Settlement Agreement in any appeal from an Order of the Commission in connection with approval of this Agreement.

J. Successors and Assigns. The provisions of this CCR Settlement Agreement will inure to the benefit of and be binding upon the heirs, successors and assigns in interest of the Settling Parties.

K. Further Assurances. Each Settling Party agrees that it will take any and all necessary steps, sign, and execute any and all necessary documents, agreements, or instruments which are required to implement the terms of this CCR Settlement Agreement and each Settling Party will refrain from taking any action, either expressly or impliedly, which would have the effect of prohibiting or hindering the performance of the other Settling Parties to this CCR Settlement Agreement.

L. Applicable Law and Interpretation. The laws of the State of North Carolina, without resort to the choice of law provisions thereof, will govern this CCR Settlement Agreement and its application. Each Settling Party agrees that it has been represented by its own counsel throughout any negotiations about and at the signing of this CCR Settlement Agreement and any other documents signed incidental thereto. Therefore, the Settling Parties agree that none of the provisions of this CCR Settlement Agreement will be construed against any Settling Party more strictly than against the other Settling Party.

M. Binding Effect. The Settling Parties acknowledge that this CCR Settlement Agreement represents an agreement between and among fewer than all of the parties to the 2017 NC Rate Cases and the 2019 NC Rate Cases, and must be approved by the Commission in order to become effective. The Settling Parties further acknowledge that this CCR Settlement Agreement is the product of negotiation and compromise of a complex set of issues, and no portion of this CCR Settlement Agreement is or will be binding on any of the Settling Parties unless the entire CCR Settlement Agreement is accepted by the Commission. If the Commission rejects any part of this CCR Settlement Agreement or approves this CCR Settlement Agreement subject to any change or condition or if the Commission's approval of this CCR Settlement Agreement is rejected or conditioned by a reviewing court, the Settling Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the CCR Settlement Agreement consistent with the order. No Settling Party shall withdraw from the CCR Settlement Agreement prior to complying with the foregoing sentence. If any Settling

Party withdraws from the CCR Settlement Agreement, each Settling Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the CCR Settlement Agreement and shall not be bound or prejudiced by the terms and conditions of the CCR Settlement Agreement.

N. Counterparts. This CCR Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution by facsimile, electronic signature, or electronically transmitted image of a signature shall be deemed to be, and shall have the same effect as, execution by original signature.

O. Entire Agreement. This CCR Settlement Agreement represents the entire agreement between the Settling Parties relating to the matters addressed herein and supersedes all prior negotiations, representations, or agreements between the Settling Parties, either written or oral. This CCR Settlement Agreement applicable to the NC Rate Cases may be amended only by written instrument designated as an amendment to this CCR Settlement Agreement and executed by all of the Settling Parties.

[SIGNATURES ON FOLLOWING PAGE]

The foregoing is agreed and stipulated this the 22nd day of January, 2021.

Duke Energy Carolinas, LLC

Duke Energy Progress, LLC

By: /s/ Stephen G. De May

Stephen G. De May
North Carolina President

Public Staff – North Carolina Utilities Commission

By: /s/ Christopher J. Ayers

Christopher J. Ayers
Executive Director

Attorney General's Office

By: /s/ W. Swain Wood

W. Swain Wood
First Assistant Attorney General and General Counsel

Sierra Club

By: /s/ Bridget M. Lee

Bridget M. Lee
Law Program Senior Attorney

Exhibit 10.2

INVESTMENT AGREEMENT

by and among

CINERGY CORP.,

DUKE ENERGY INDIANA HOLDCO, LLC,

DUKE ENERGY CORPORATION

and

EPSOM INVESTMENT PTE. LTD.

Dated as of January 28, 2021

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

INVESTMENT AGREEMENT

THIS INVESTMENT AGREEMENT (including all schedules and exhibits attached hereto, this "Agreement"), dated as of January 28, 2021 (the "Agreement Date"), is entered into by and among Cinergy Corp., a Delaware corporation ("Cinergy"), Duke Energy Indiana Holdco, LLC, a Delaware limited liability company ("DEI Holdco"), Duke Energy Corporation, a Delaware corporation ("Duke"), and Epsom Investment Pte. Ltd., a Singapore private limited company ("Investor") (Cinergy, DEI Holdco, Duke and Investor being sometimes hereinafter referred to individually as a "Party" and together as the "Parties"), with reference to the following:

RECITALS

WHEREAS, Duke owns, directly or indirectly, one hundred percent (100%) of the Equity Interests of Cinergy;

WHEREAS, Cinergy owns one hundred percent (100%) of the issued and outstanding membership interests of DEI Holdco (the "DEI Holdco Membership Interests");

WHEREAS, Cinergy owns one hundred percent (100%) of the issued and outstanding membership interests of Duke Energy Indiana, LLC, an Indiana limited liability company ("DEI" and such membership interests, the "DEI Membership Interests");

WHEREAS, prior to the First Closing (as defined below), (a) Cinergy will contribute to DEI Holdco one hundred percent (100%) of the DEI Membership Interests such that DEI Holdco owns one hundred percent (100%) of the DEI Membership Interests and (b) DEI Holdco will partially assume (the "Note Assumption") from Cinergy obligations under the note dated December 30, 2020 payable to Duke (the "Duke Note"), which assumption shall be limited to a principal amount equal to $2,050,000,000 (excluding, for the avoidance of doubt, any accrued interest prior to the date of such assumption) (the contributions described in clause (a) above, together with the Note Assumption described in clause (b) above, the "Contribution");

WHEREAS, on the terms and subject to the conditions set forth herein, DEI Holdco wishes to issue and sell to Investor, and Investor wishes to purchase from DEI Holdco, certain newly issued DEI Holdco Membership Interests such that, after giving effect to the Transactions (as defined below), Investor will own nineteen point nine percent (19.9%) (the "Aggregate Percentage") of the DEI Holdco Membership Interests; and

WHEREAS, contemporaneously with the First Closing, Cinergy, Investor and DEI Holdco will enter into an Amended and Restated Limited Liability Company Agreement of DEI Holdco substantially in the form attached hereto as Exhibit A (the "DEI Holdco A&R LLC Agreement") to memorialize their respective ownership of DEI Holdco Membership Interests and their mutual agreements and understandings relating to the ownership, management and operation of DEI Holdco.

NOW, THEREFORE, in consideration of the mutual covenants and agreements in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1 Definitions. As used in this Agreement the following terms have the following meanings:

"Acquired DEI Holdco Interests" means the DEI Holdco Membership Interests acquired by Investor at the First Closing and the DEI Holdco Membership Interests acquired by Investor at the Second Closing.

"Action or Proceeding" means any notice, charge, assertion, appeal, action, demand, inquiry, citation, summons, litigation, suit, proceeding, hearing, arbitration or investigation by or before any Governmental Authority or any validly constituted arbitral panel or similar body, of any nature (criminal, civil, administrative, regulatory, investigative or otherwise), and whether at law or at equity.

"Additional Capital Investment" means the amount (which, for purposes of Section 2.1, shall not exceed $300 million in the aggregate) of any cash equity capital contributions to, or investments of any additional cash equity capital in, DEI in the ordinary course of business and a manner consistent with past practice, including for the capital expenditures set forth on Schedule 1.1(a), made by Cinergy in DEI on or after the Agreement Date and prior to the First Closing.

"Adjusted Purchase Price" has the meaning given in Section 2.1(b).

"Adjustment Amount" means the product of (a) $10,000 and (b) the number of days in the period from (and including) the date on which the Parties receive FERC Approval to (but excluding) the First Closing Date.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first Person; provided, however, that no Person other than GIC Private Limited and its Subsidiaries and any entity managed or advised by GIC Private Limited or its Subsidiaries shall be deemed an Affiliate of Investor.

"Affiliate Contract" means any Contract between any of the Companies, on the one hand, and any Affiliate of any of the Companies (other than any other Company), on the other hand.

"Affiliate Guidelines" has the meaning given in Section 4.19(a).

"Aggregate Percentage" has the meaning given in the Recitals.

"Agreement" has the meaning given in the Preamble.

"Agreement Date" has the meaning given in the Preamble.

"AML Laws" has the meaning set forth in Section 4.18.

"Ancillary Agreements" means the agreements, instruments and certificates to be executed and delivered by a Party at or prior to a Closing pursuant to Section 2.2(e)(iv).

"Anti-Corruption Laws" means any Laws concerning or relating to bribery or corruption imposed, administered or enforced by any Governmental Authority.

"Applicable Rate" means, as of any given time, an interest rate per annum equal to the average of the United States three month Treasury bill rate, as available as published by *The Wall Street Journal*.

"Assets" means any and all direct and indirect interests in both tangible and intangible property, including all Permits, Real Property, Intellectual Property Rights and rights under Contracts.

"Authorized Signatory List" has the meaning given in Section 2.2(b).

"Balance Sheet Date" has the meaning given in Section 4.6(a).

"Base Purchase Price" means Two Billion Fifty Million Dollars ($2,050,000,000).

"Burdensome Condition" means any requirement or condition (a) to enter into any agreement or undertaking that requires the holding of direct or indirect Equity Interests in DEI Holdco through proxy holders or in a voting trust, (b) to alter the governance arrangements with respect to the Companies in a manner that adversely affects or limits the governance rights of Investor in any material respect, (c) to diminish in any material respect the scope of Investor's information rights with respect to the Companies (other than with respect to identified matters of national security), (d) to propose, negotiate, commit to or effect, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of any assets or businesses of the Investor, any of its Subsidiaries or their Affiliates or, after the First Closing, the Companies, (e) otherwise to take or commit to take any actions that would reasonably be expected to materially and adversely (i) affect one or more of the businesses, product lines or assets of Investor, its Subsidiaries or their Affiliates or, after the First Closing, the Companies, or (ii) limit the ability of Investor, its Subsidiaries or their Affiliates or, after the First Closing, the Companies, to retain, one or more of their businesses, product lines or assets, (f) to disclose any non-public information with respect to itself or its Affiliates (other than, with respect to Required Approvals, information of the type and to the extent previously provided with respect to such Required Approval in a proceeding by Investor or its Affiliates before the corresponding Governmental Authority in previous applications under substantially similar standards of confidentiality); provided that with respect to any requirement or condition from a Governmental Authority to disclose any non-public information with respect to itself or its Affiliates in connection with the

Transactions, Investor shall have entered into good faith discussions with Cinergy and the relevant Governmental Authority to, and shall have used its reasonable efforts to, provide other information, within the constraints imposed on GIC Private Limited and its Affiliates by applicable Law, organizational documents, existing internal policies and past practices, that attempted in good faith to address the topic(s) of inquiry then being made by such Governmental Authority, or (g) to commence or participate in any action, suit or other litigation proceeding (other than regulatory proceedings with respect to the Required Approvals).

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks in Singapore or New York, New York are authorized or required by Law to be closed.

"CFIUS" means the Committee on Foreign Investment in the United States, or any member agency thereof acting in its capacity as a member agency.

"CFIUS Approval" means (a) Cinergy, DEI Holdco and Investor have received a written notification issued by CFIUS that it has determined that the issuance and sale of the Acquired DEI Holdco Interests is not a "covered transaction" pursuant to the CFIUS Statute; (b) Cinergy, DEI Holdco and Investor shall have received written notice from CFIUS that CFIUS has concluded all action under the CFIUS Statute with respect to the issuance and sale of the Acquired DEI Holdco Interests, and there are no unresolved national security concerns with respect to the issuance and sale of the Acquired DEI Holdco Interests; or (c) if CFIUS has sent a report to the President of the United States requesting the President's decision with respect to the issuance and sale of the Acquired DEI Holdco Interests, then either (i) the President shall have announced a decision not to take any action to suspend, prohibit or place any limitations on the issuance and sale of the Acquired DEI Holdco Interests, or (ii) the time permitted by the CFIUS Statute for the President to announce any decision to suspend, prohibit or place any limitations on the issuance and sale of the Acquired DEI Holdco Interests shall have expired without any such action being announced or taken.

"CFIUS Notice" means a notice with respect to the Transactions submitted to CFIUS by Cinergy, DEI Holdco and Investor pursuant to 31 C.F.R. Part 800 Subpart E.

"CFIUS Statute" means Section 721 of Title VII of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565), and all applicable rules and regulations issued and effective thereunder.

"CFIUS Turndown" has the meaning given in Section 6.3(b)(iii).

"Charter Documents" means, with respect to any Person, all organizational documents and all shareholder agreements, member agreements or similar Contracts relating to the ownership or governance of such Person.

"Cinergy" has the meaning given in the Preamble.

"Cinergy Required Approvals" has the meaning given in Section 3.4.

"Cinergy Required Consents" has the meaning given in Section 3.4.

"Cinergy's Knowledge" means the actual knowledge, after inquiry of their respective direct reports, of each of the individuals set forth on Schedule 1.1(b); provided, however, that such individual(s) shall not have any personal liability for any breach of any provision of this Agreement so qualified.

"Claim Notice" has the meaning given in Section 10.5.

"Closing" has the meaning given in Section 2.2(a).

"Closing Actions" has the meaning given in Section 2.2(e).

"Closing Date" means the date upon which a Closing occurs.

"COBRA" has the meaning given in Section 4.12(c).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

"Companies" has the meaning given in the preamble to Article IV.

"Company Counsel" has the meaning set forth in Section 11.12.

"Company Data" means all confidential data, information, and data compilations contained in the IT Systems or databases of the Companies or, to the extent used by the Companies, the IT Systems or databases of their Affiliates, including Personal Data, that are used by the Companies.

"Company Intellectual Property" means all Intellectual Property Rights owned or purported to be owned by any of the Companies or, with respect to Intellectual Property Rights used in connection with the business or operations of the Companies, their Affiliates.

"Company Privacy Policies" means any (a) internal or external past or present data protection, data usage, data privacy and security policies of the Companies or, to the extent applicable to the Companies, of their Affiliates, (b) representations, obligations, promises or commitments of the Companies or, to the extent applicable to the Companies, of their Affiliates, relating to privacy, security, or the Processing of Personal Data, and (c) policies and obligations applicable to the Companies as a result of any certification relating to privacy, security, or the Processing of Personal Data.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated November 8, 2020, between Duke and GIC Special Investments Pte. Ltd.

"Contract" means any agreement, contract, lease, settlement, consensual obligation, promissory note, evidence of indebtedness, purchase order, letter of credit, license, promise or undertaking of any nature (whether written or oral and whether express or implied), including letters of intent, executed term sheets and similar evidences of an agreement in principle.

"Contribution" has the meaning given in the Recitals.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The term "Control" when used as a verb in the referenced clauses shall have a correlative meaning.

"Controlled Group Liability" means any and all Liabilities (a) under Title IV of ERISA, (b) under Section 302 or 4068(a) of ERISA, (c) under Section 412 or 4971 of the Code and (d) for violation of the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code or the group health requirements of Sections 701 et seq. of ERISA and Sections 9801 et seq. of the Code.

"COVID-19" means the coronavirus disease (COVID-19), caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020.

"COVID-19 Action" means a reasonable action taken (a) in response to the COVID-19 pandemic or (b) to comply with COVID-19 Measures applicable to the Companies, which actions are (i) reasonably consistent with (x) the actions taken by other similarly situated regulated utilities operating in the same region of the United States as DEI and its Subsidiaries or (y) the past practices of DEI and its Subsidiaries in response to COVID-19 prior to the date of this Agreement and (ii) in compliance with applicable Law.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester, safety or other Law, decree, judgment, injunction or other order, directive, guideline or recommendation promulgated by any Governmental Authority in connection with or in response to COVID-19.

"Data Breach" means any unauthorized Processing of Company Data or IT Systems, or any other data security incident requiring notification to any Person or Governmental Authority under Privacy Laws.

"Data Processor" means a natural or legal Person, public authority, agency or other body that Processes Personal Data on behalf of or at the direction of a Company.

"Debt" means all (a) obligations of a Person for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, including obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (b) obligations of such Person to pay any deferred purchase price, including "earn-out" payments, post-closing true-up obligations, conditional sale obligations, obligations under any title retention agreement or similar contingent obligations; (c) obligations under commodity hedging arrangements, exchange rate contracts, interest rate protection agreements or other hedging or derivatives arrangements, solely to the extent such obligations would have been considered indebtedness on the Reference Balance Sheet; (d) obligations to reimburse the issuer of any letter of credit, surety bond, performance bond or other guarantee of contractual performance, in each case to the extent drawn; (e) obligations of a Person under leases classified as capital or finance leases in its financial statements or required to be so classified in accordance with GAAP; (f) guarantees with respect to obligations of other Persons of the type referred to in clauses (a) through (e); and (g) obligations of the type referred to in clauses (a) through (f) of other Persons secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on any property or asset of such Person, including in each case, the outstanding principal amount, any unpaid or accrued interest and any other payment obligations in respect thereof. "Debt" does not include any (A) ordinary course intercompany obligations solely between or among the Companies to the extent eliminated in consolidation or (B) trade accounts payable of the Companies in favor of non-Affiliates that are incurred in the ordinary course of business and included in net working capital in accordance with GAAP.

"DEI" has the meaning given in the Recitals.

"DEI Holdco" has the meaning given in the Preamble.

"DEI Holdco A&R LLC Agreement" has the meaning given in the Recitals.

"DEI Holdco Membership Interests" has the meaning given in the Recitals.

"DEI Membership Interests" has the meaning given in the Recitals.

"DEI Plans" has the meaning given in Section 4.12(a).

"Duke" has the meaning given in the Preamble.

"Duke Consolidated Group" means the "affiliated group" (as defined in Section 1504 of the Code) of which Duke is the common parent.

"Duke Note" has the meaning given in the Recitals.

"Emergency Situation" means, with respect to the business of the Companies, any abnormal system condition or abnormal situation requiring immediate action to maintain system frequency or voltage or to prevent material loss of firm load, material equipment damage or tripping of system elements that could materially and adversely affect reliability of an electric system or any other occurrence or condition that otherwise requires immediate action to prevent an immediate and material threat to the safety of persons or the operational integrity of the Assets and business of the Companies or any other condition or occurrence requiring implementation of emergency procedures as defined by the applicable transmission grid operator or transmitting utility.

"Employee Benefit Plan" has the meaning given in Section 4.12(a).

"Environmental Claim" means any and all written or oral claims alleging potential Liability, administrative or judicial actions, suits, orders, liens, or notices alleging Liability, notices of violation, investigations, complaints, requests for information relating to the Release or threatened Release of Hazardous Substances, proceedings, or other written or oral communication, whether criminal, civil or administrative based upon, alleging, asserting, or claiming any actual or potential (a) violation of, or Liability under, any Environmental Law, (b) violation of any Environmental Permit, or (c) Liability for investigatory costs, cleanup costs, removal costs, remedial costs, response costs, monitoring costs, natural resource damages, property damage, personal injury, fines, or penalties arising out of, based on, resulting from, or related to the presence, Release, or threatened Release of any Hazardous Substances at any location.

"Environmental Laws" means any and all Laws relating to pollution, the protection of the indoor or outdoor environment or natural resources (including all air, surface water, groundwater, soil vapor or land, including land surface or subsurface, flora and fauna and other natural resources), historic or cultural resources, or human health and safety (to the extent related to exposure to harmful or deleterious substances), or relating to the processing, distribution, use, treatment, storage, disposal, Release or handling of, or exposure to Hazardous Substances.

"Environmental Permits" has the meaning given in Section 4.11(a).

"Equity Interests" means (i) capital stock, partnership or membership interests or units (whether general or limited), or any other voting securities or interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of the assets of, the issuing entity, or (ii) subscriptions, calls, warrants, options or commitments of any kind or character relating to, or entitling any Person or entity to acquire, or securities convertible into or exercisable or exchangeable for any of the foregoing.

"ERISA" has the meaning given in Section 4.12(a).

"ERISA Affiliate" means any trade or business (whether or not incorporated) that together with any of the Companies would be treated as a single employer within the meaning of Section 414 of the Code or Section 4001(b) of ERISA.

"Estimated Adjusted Purchase Price" has the meaning given in Section 2.1(e)(i).

"Estimated First Closing Purchase Price" has the meaning given in Section 2.1(e)(i).

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"FCC" means the Federal Communications Commission or any successor agency thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency thereto.

"FERC Approval" has the meaning given in Section 6.3(a).

"Financing Sources" has the meaning given in Section 6.11(d).

"First Closing" means the first Closing under this Agreement.

"First Closing Acquired Percentage" has the meaning given in Section 2.1(a).

"First Closing Date" means the date upon which the First Closing occurs.

"First Closing Purchase Price" has the meaning given in Section 2.1(c).

"FPA" means the Federal Power Act.

"Fundamental Representations" has the meaning given in Section 9.1.

"Funding Notice" has the meaning given in Section 2.2(b).

"GAAP" has the meaning given in Section 4.6(b).

"Good Utility Practice" means (a) any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry operating in the United States during the relevant time period or (b) any of the practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to optimum practices, methods or acts to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the United States of the performance of such practice, method or act.

"Government Official" means any officer or employee of a Governmental Authority, or any person acting in an official capacity for or on behalf of any such Governmental Authority, or any political party, party official, candidate for public office or political campaign.

"Governmental Approval" means any authorization, approval, consent, license, ruling, permit, tariff, certification, exception, exemption, variance, order, recognition, grant, confirmation, clearance, filing, declaration or registration (other than a Permit) from, of, or with any Governmental Authority.

"Governmental Authority" means any federal, national, regional, state, municipal or local government or special district, any political subdivision or any governmental, judicial, public, administrative, Tax, regulatory, arbitral, statutory or other instrumentality, tribunal, court, agency, authority, body, commission, bureau or entity having jurisdiction over the matter or Person in question, including, as applicable, FERC, the IURC, the NERC and MISO.

"Group Return" has the meaning given in Section 6.2(c).

"Hazardous Substances" means (a) any petrochemical or petroleum products, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, per- and polyfluoroalkyl substances and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants" or "pollutants" or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by, or which would reasonably be expected to give rise to Liability under, any applicable Environmental Law.

"Indemnified Group" has the meaning given in Section 10.1(a).

"Indemnified Party" has the meaning given in Section 10.1(a).

"Indemnitor" has the meaning given in Section 10.1(a).

"Information Security Program" means a written information security program that complies with Privacy Laws and that includes: (a) policies and procedures regarding the Processing of Personal Data; (b) administrative, technical and physical safeguards to protect the security, confidentiality, and integrity of any Personal Data Processed by any Company; (c) requirements for protecting the security, confidentiality, and integrity of any Personal Data Processed by, and IT Systems operated by, any third party operating on behalf of or at the direction or for the benefit of any Company; (d) disaster recovery, business continuity, incident response, and security plans, procedures and facilities; and (e) protections against Data Breaches, Malicious Code, and against loss, misuse or unauthorized access to and Processing of Company Data and IT Systems owned or controlled by the Companies.

"Intellectual Property Rights" means all intellectual property and intellectual property rights as they exist in any jurisdiction throughout the world, whether registered or unregistered, published or unpublished, including the following: (i) patents, patent applications and similar rights including provisionals, continuations, divisionals, continuations-in-part, reissues or reexaminations thereof; (ii) trademarks, service marks, trade dress, and registrations and applications for registration thereof, Internet domain names, and the goodwill associated with any of the foregoing; (iii) copyrightable works and copyrights and registrations and applications for registration thereof; (iv) rights in processes, software, technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing), formulae, customer lists or data, business and marketing plans, marketing information and other confidential information including trade secrets; and (v) rights in software (including source code, object code and embedded data, databases, collections of data, firmware and related information, documentation and manuals).

"Intercompany Transactions" has the meaning given in Section 4.19(b).

"Investor" has the meaning given in the Preamble.

"Investor Material Adverse Effect" has the meaning given in Section 5.1.

"Investor Required Approvals" has the meaning given in Section 5.4.

"Investor Required Consents" has the meaning given in Section 5.4.

"Investor's Knowledge" means the actual knowledge, after inquiry of their respective direct reports, of each of the individuals set forth on Schedule 1.1(d); provided, however, that such individual(s) shall not have any personal liability for any breach of any provision of this Agreement so qualified.

"IRS" means the U.S. Internal Revenue Service.

"IT Systems" means the hardware, software, firmware, middleware, equipment, electronics, platforms, servers, workstations, routers, hubs, switches, interfaces, data, databases, data communication lines, network and telecommunications equipment, websites and Internet-related information technology infrastructure, wide area network and other data communications or information technology equipment, owned, leased by, used by, for the benefit of, licensed to, or Processed in the conduct of the business of the Companies.

"IURC" means the Indiana Utility Regulatory Commission.

"Law" means any statute, law (including common law), ordinance, treaty, Order, rule or regulation of a Governmental Authority.

"Leased Real Property" means the real property leased by any of the Companies as lessee, which is primarily used, held primarily for use in, or necessary for, the business of such Company.

"Leases" means all leases, subleases, licenses, occupancy agreements, and any other agreements for the use, possession, or occupancy of any portions of the Real Property.

"Liabilities" means any direct or indirect liability, indebtedness, obligation, guarantee, commitment, damage, penalty, fine, assessment, charge, loss, claim, demand, or expense, whether accrued, unaccrued, absolute, contingent, asserted, unasserted, matured, unmatured, liquidated, unliquidated, known or unknown, secured or unsecured of every kind and description, including all expenses related thereto.

"Lien" means any mortgage, deed of trust, pledge, lien (including any Tax lien), charge, claim, option, right of first refusal, equitable interest, security interest, third party right, assignment, hypothecation, encumbrance, easement, right of way, title defect, encroachment, or other covenant, condition, agreement or arrangement that has the same or a similar effect to the granting of security or of any similar right of any kind (including any conditional sale or other title retention agreement).

"Lookback Date" means January 1, 2018.

"Loss" means, with respect to a Person, the amount of any loss, cost, expense, Tax, damage or liability, including interest, fines, reasonable legal and accounting fees, and expenses of a Person including, with respect to an owner of Acquired DEI Holdco Interests, any diminution in the value of such Acquired DEI Holdco Interests (assuming a proportionate, dollar-for-dollar reduction in the value of the Acquired DEI Holdco Interests based on the underlying reduction in value of the Companies and, for the avoidance of doubt, taking into account, if applicable (a) the percentage ownership of DEI Holdco of such owner, which, with respect to Investor, shall be deemed to be (i) from and after the First Closing, the First Closing Acquired Percentage and (ii) from and after the Second Closing, the Aggregate Percentage), (b) whether and when any Tax benefit will be recognized by the Companies in connection with the incurrence of any Loss, and (c) whether and when such Loss will actually be recovered through DEI's rates. If Investor issues a Claim Notice prior to the Second Closing, and the Second Closing subsequently occurs, the Aggregate Percentage shall apply to calculation of such Loss.

"Malicious Code" means any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," "ransomware," or "worm" (as such terms are commonly understood in the software industry) or any other code designed or intended to have, or capable of performing, any of the following functions: (a) disrupting, disabling, harming, interfering with or otherwise impeding in any manner the operation of, or providing access to, a computer system or network or other device on which such code is stored or installed, in each case without authorization; or (b) damaging or destroying any data or file without the user's consent. For the avoidance of doubt, none of the following are Malicious Code: (i) code that enables a third party licensor or service provider to disable, prevent access to, or delete software or data in accordance with the terms of the applicable Contract, and (ii) code that disables access to software or an IT System for security purposes, such as the use of incorrect passwords or other security tokens.

"Marketing Period" means, with respect to each Closing, the first period of thirty (30) consecutive days at the end of which (a) all conditions to such Closing in Article VII have been satisfied or waived (other than those conditions that can only be satisfied as of such Closing), and (b) Investor shall have the Required Information; provided, however, that any Marketing Period shall not be deemed to have commenced if, prior to the completion of such Marketing Period, (x) financial information for any fiscal quarter included in the Required Information becomes stale under Regulation S-X promulgated under the Securities Act, in which case the Marketing Period shall not be deemed to commence unless and until the earliest date on which the Company has furnished Investor with updated Required Information, (y) Deloitte & Touche LLP shall have withdrawn its audit opinion with respect to any of the annual financial statements included in the Required Information, in which case the Marketing Period shall not be deemed to commence unless and until, at the earliest, a new unqualified audit opinion is issued with respect to such financial statements by Deloitte & Touche LLP or another nationally-recognized independent public accounting firm or (z) any of the financial statements included in the Required Information shall have been restated or Duke or DEI shall have publicly announced, or the board of directors (or similar governing body) of Duke or DEI shall have determined, that a restatement of any such financial statements is required, in which case the Marketing Period shall be deemed not to commence until such restatement has been completed in a manner that is not materially adverse, or Duke or DEI, as applicable, has determined that no restatement shall be required in accordance with GAAP. If at any time after (i) with respect to the First Closing, the sixtieth (60th) day after CFIUS has accepted the CFIUS Notice and, (ii) with respect to the Second Closing, the date that Cinergy has delivered to Investor the Second Closing Notice (as applicable with respect to each Marketing Period, "Marketing Period Inside Date"), Cinergy reasonably believes that Cinergy or the Companies have provided the Required Information, Cinergy may deliver to Investor a notice to that effect (stating when it believes it completed such delivery), in which case the requirement to deliver the Required Information will be deemed to have been satisfied on the date such notice is received (subject to the terms of Required Information as to when information would go stale or otherwise be unusable), unless Investor in good faith reasonably believes Cinergy or the Companies have not completed the delivery of the Required Information and, within three (3) Business Days after the receipt of such notice from the Company, delivers a written notice to Cinergy to that effect (stating with specificity which portion(s) of the Required Information has not been delivered or is otherwise unsuitable).

"Marketing Period Inside Date" has the meaning given in the definition of Marketing Period.

"Material Adverse Effect" means any condition, circumstance, event or change that, individually or in the aggregate with any other such conditions, circumstances, events or changes, (a) with respect to Duke, Cinergy or DEI Holdco, has had or would reasonably be expected to have a material adverse effect on the ability of such Person to consummate the Transactions or to perform its obligations under the Transaction Documents, and (b) with respect to the Companies, has or would reasonably be expected to have a material adverse effect on the business, assets, financial condition or results of operations of the Companies, taken as a whole; provided, however, that a Material Adverse Effect shall not include any such condition, circumstance, event or change resulting from, relating to or arising out of (i) changes in economic or financial market conditions generally or in the industries in which the Companies operate, (ii) changes in international, national, regional or state wholesale or retail markets (including market description or pricing) for energy, electricity, capacity, fuel supply or ancillary services, including those due to actions by competitors, (iii) changes in general regulatory or political conditions, including any acts of war, civil unrest or terrorist activities (or similar activities), (iv) changes in international, national, regional or state electric transmission or distribution systems, including the operation or condition thereof, (v) any changes in the market price of commodities, including fuel and other consumables, or changes in the price of energy, capacity or ancillary services, (vi) effects of weather or meteorological events, including climate change, (vii) changes or adverse conditions in the securities markets, including those relating to debt financing, interest rates or currency exchange rates, (viii) any change in Law or GAAP or regulatory policy adopted by or approved by any Governmental Authority, (ix) the announcement, execution or delivery of this Agreement or the consummation of the Transactions (except that this clause (ix) shall not apply with respect to the representations or warranties in Section 3.4, Section 3.5 or Section 4.2 or, to the extent related thereto, the closing condition in Section 7.2(a)(i)), (x) any actions specifically required to be taken, or consented to by Investor, pursuant to this Agreement, (xi) natural disasters or "acts of God" or other "force majeure" events, including pandemics (including the COVID-19 pandemic) or any escalation or worsening thereof, or (xii) strikes, work stoppages or other labor disturbances; provided further that the items set forth in clauses (i) through (viii) and (xi) above shall be taken into account in determining whether a Material Adverse Effect has occurred or would be reasonably expected to occur to the extent such items have a disproportionate effect on the affected Companies taken as a whole relative to other participants in the industry and markets in which the affected Companies conduct their respective business.

"Material Contract" means (a) any Contract to which any of the Companies is a party, or by the terms of which any of the Companies or the Assets of any of the Companies may be bound (including Contracts to which Duke or an Affiliate is a party and for which any of the Companies currently benefits, or to which it contributes, pursuant to intercompany arrangements, whether documented or not), as to which the expected total cost of performing such contract by the applicable Company or Companies or the total revenue expected to be received under such Contract by the applicable Company or Companies in the ordinary course exceeds five million dollars ($5,000,000) per annum or twenty million dollars ($20,000,000) over the life of the Contract, (b) any Contract to which any of the Companies is a party or by which it is bound that provides for non-monetary obligations on the part of any of the Companies, the non-performance of which obligations would reasonably be expected to materially and adversely affect any Company, (c) any Affiliate Contract, (d) any Contract to which any of the Companies is a party or by which it is bound (i) containing exclusivity agreements with any material contractor, manufacturer, utility or supplier, (ii) containing covenants limiting the ability of any Company to engage in any line of business or to compete with any Person or in any geographic area, that are material to any Company, (iii) granting any Person a preferential or other right (including requirements, "most-favored-nation clause," or similar rights) to purchase or license any material Assets or any Equity Interests of any Company, (iv) that is a joint venture or joint ownership agreement (including all agreements for the ownership, participation, operation or maintenance of the Participation Facilities, as amended, and any other agreement for joint ownership, participation, operation or maintenance as joint tenants or tenants in common in properties or facilities), (v) that is with any Governmental Authority and material to any Company, (vi) that involves any resolution or settlement of any actual or threatened Action or Proceeding with a value in excess of ten million dollars ($10,000,000) or that provides for any injunctive or other non-monetary relief, (e) any Contract that limits or restricts or would, by its express terms, otherwise adversely affect the ability of any of the Companies to pay dividends or distributions and (f) any amendments or supplements to any of the foregoing; provided that the foregoing shall exclude Property Contracts.

"MISO" means the Midcontinent Independent System Operator, Inc.

"NERC" means the North American Electric Reliability Corporation.

"Note Assumption" has the meaning given in the Recitals.

"Order" means any legally binding award, injunction, judgment, decree, order, ruling, subpoena, verdict or other decision (other than a Permit) issued, promulgated or entered by or with any Governmental Authority or arbitrator of competent jurisdiction, applicable to a Party or its business or properties, or the Transactions.

"Owned Real Property" means the real property owned in fee by any of the Companies, which is primarily used, held primarily for use in, or necessary for, the business of such Company.

"Participation Facilities" means Gibson Unit No. 5 and the Vermillion Generating Facility.

"Party" or "Parties" has the meaning given in the Preamble.

"Permit" means all licenses, permits, certificates of authority, certificates of occupancy, exemptions, variances, authorizations, approvals, certifications, agreements, registrations, franchises and similar consents granted by a Governmental Authority in connection with the ownership or operation of the business of the Companies or the construction, ownership, use or occupancy of Real Property.

"Permitted Encumbrances" means (a) those restrictions on transfer imposed by (i) securities Laws or (ii) applicable Charter Documents of which copies have been made available to Investor, and (b) Liens for Taxes that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP.

"Permitted Real Property Liens" means, with respect to the Real Property and any interests therein, (a) all Liens for Taxes, assessments, both general and special, and other governmental charges that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with applicable Law and GAAP, (b) all Liens for mechanics', materialmen's, workmen's, repairmen's, warehousemen's, carriers' and similar Liens that are not yet due and payable or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with applicable Law and GAAP, (c) all building codes, entitlement and zoning ordinances, land use, environmental and other applicable Laws heretofore, now or hereafter enacted, made or issued, in each case, that do not materially impair the current occupancy or use of the Real Property for its intended purpose, (d) those exceptions to title set forth in any title policies of the Companies with respect to the Real Property that have been made available to Investor, (e) any matters that are disclosed by the surveys of the Real Property that have been made available to Investor, (f) all rights with respect to the ownership, mining, extraction and removal of oil, gas or minerals of whatever kind and character (including any rights to gravel, hard rock aggregate, or water extraction) that have been excepted or reserved prior to the Agreement Date in the public records, (g) any covenants, conditions, restrictions, easements, rights of way and similar matters affecting title to the Real Property and that have been filed in the public records prior to the Agreement Date and, in each case, that do not materially impair the current occupancy or use of the Real Property, and (h) rights of tenants under Leases of any portions of the Real Property that do not have any options to purchase or rights of first refusal with respect to such Real Property that do not materially impair the current occupancy or use thereof.

"Person" means any individual, sole proprietorship, company, corporation, partnership, joint venture, limited liability partnership, limited liability company, trust, association (whether incorporated or unincorporated), institution, Governmental Authority or any other entity.

"Personal Data" means information relating to or reasonably capable of being associated with an identified or identifiable person, device, or household, including, but not limited to: (a) a natural person's name, street address or specific geolocation information, date of birth, telephone number, email address, online contact information, photograph, biometric data, Social Security number, driver's license number, passport number, tax identification number, any government-issued identification number, financial account number, credit card number, any information that would permit access to a financial account, a user name and password that would permit access to an online account, health information, insurance account information, any persistent identifier such as customer number held in a cookie, an Internet Protocol address, a processor or device serial number, or a unique device identifier; or (b) "personal data," "personal information," "protected health information," "nonpublic personal information," or other similar terms as defined by applicable Privacy Laws.

"Privacy Laws" means (a) each Law relating to the protection or Processing of Personal Data that is applicable to any Company or any of their Affiliates, including if and as applicable, the Federal Trade Commission Act, 15 U.S.C. § 45; the CAN-SPAM Act of 2003, 15 U.S.C. § 7701, et seq.; the Telephone Consumer Protection Act, 47 U.S.C. § 227; the Health Insurance Portability and Accountability Act of 1996; the Health Information Technology for Economic and Clinical Health Act; the Fair Credit Reporting Act, 15 U.S.C. § 1681; the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801, et seq.; the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-22; the Stored Communications Act, 18 U.S.C. §§ 2701-12; the California Consumer Privacy Act, Cal. Civ. Code § 1798.100, et seq.; California Online Privacy Protection Act, Cal. Bus. & Prof. Code § 22575, et seq.; the New York Department of Financial Services Cybersecurity Regulation, 23 NYCRR § 500; and the South Carolina Privacy of Consumer Financial and Health Information Regulation, South Carolina Code § 69-58; Massachusetts Gen. Law Ch. 93H, 201 C.M.R. 17.00; Nev. Rev. Stat. 603A; Cal. Civ. Code § 1798.82; N.Y. Gen. Bus. Law § 899-aa, et seq.; Laws requiring notification to any Person or Governmental Authority in the event of a Data Breach; and all implementing regulations and requirements, and other similar Laws; (b) each contractual obligation relating to the Processing of Personal Data applicable to any Company or any of its Affiliates; and (c) each applicable binding rule, code of conduct, or other requirement of self-regulatory bodies and applicable industry standards, including, to the extent applicable, the Payment Card Industry Data Security Standard.

"Proceeding" has the meaning given in Section 11.8(b).

"Processing", "Process" or "Processed", with respect to Personal Data, means any collection, access, acquisition, storage, protection, use, recording, maintenance, operation, dissemination, re-use, disposal, disclosure, re-disclosure, destruction, transfer, modification, or any other processing (as defined by Privacy Laws) of such Personal Data.

"Property Contracts" means any Contracts to which any of the Companies is a party relating to the leasing or ownership of the Real Property, including the Real Property Leases.

"Proposed Financing" has the meaning given in Section 6.11(a).

"Proposed Statement" has the meaning given in Section 2.1(e)(i).

"PUHCA" means the Public Utility Holding Company Act of 2005.

"Real Property" means the Leased Real Property together with the Owned Real Property.

"Real Property Leases" means the leases pursuant to which the Companies hold leasehold interests in and to the Leased Real Property.

"Reference Balance Sheet" means the consolidated balance sheet of DEI, dated as of December 31, 2019, contained in DEI's Annual Report on Form 10-K for the year ended December 31, 2019.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of a Hazardous Substance to the indoor or outdoor environment.

"Representatives" means each Party's respective officers, directors, members, partners, limited partners, managers, employees, representatives, agents, attorneys, accountants or advisors.

"Required Approvals" has the meaning given in Section 5.4.

"Required Consents" has the meaning given in Section 5.4.

"Required Information" means, with respect to each Marketing Period, such financial and other information regarding the Companies as is customarily required in connection with the execution of financings of a type similar to a Proposed Financing or as otherwise reasonably requested by Investor in connection with a Proposed Financing, including (a) the audited consolidated balance sheet of the Companies as of the last day of each fiscal year ending December 31, 2019 and December 31, 2020 and each other fiscal year ending after December 31, 2020 and at least ninety (90) days prior to the commencement of such Marketing Period, the related audited consolidated statements of operations and cash flows of the Companies and changes in members' capital accounts for the fiscal year then ended and the opinion of Deloitte & Touche LLP as the auditor of the Companies with respect thereto and (b) the unaudited consolidated balance sheet of the Companies as of the last day of each fiscal quarter ending at least forty-five (45) days prior to the commencement of such Marketing Period and the related unaudited consolidated statements of operations and cash flows of the Companies and changes in members' capital accounts for the fiscal quarter then ended; provided, however, that, with respect to any of the foregoing financial statements for the years or quarters ended prior to the Agreement Date, such financial statements shall be prepared with respect to DEI rather than with respect to the Companies. All Required Information referred to in the prior sentence shall be prepared in accordance with GAAP. Required Information shall also include (i) financial data, a business description, a customary "Management's Discussion and Analysis of Financial Condition and Results of Operations" and customary due diligence materials with respect to the Companies of the type and form customarily included in an offering memorandum for private placements of notes under Rule 144A promulgated under the Securities Act, and as necessary to receive from Deloitte & Touche LLP as the auditor of the Companies (and any other auditor to the extent financial statements audited or reviewed by such auditor are or would be included in such offering memorandum) customary "comfort" (including "negative assurance" comfort) with respect to the financial information of DEI to be included in such offering memorandum, (ii) the consents of accountants for use of their unqualified audit reports in any materials relating to the applicable Proposed Financing; (iii) any replacements or restatements of, and supplements to, the information specified in items (a) through (b) above if any such information would go stale or otherwise be unusable for such purposes; and (iv) if requested in writing by Investor in accordance with Section 6.11(b), an update of the projections that Cinergy or its Representatives previously provided to Investor.

"Restricted Emergency Action" means entering into or effectuating, or otherwise agreeing, committing, deciding or delegating authority to take, any action that would be prohibited or restricted by Section 6.1(a)(i) – (xi), other than pursuant to Section 6.1(a)(i) with respect to Sections 7.1(a), 7.1(b)(ii), 7.2(b)(ii), 7.2(e) or 7.2(f) of the DEI Holdco A&R LLC Agreement.

"Review Period" has the meaning given in Section 2.1(e)(ii).

"RF" means the ReliabilityFirst Corporation.

"Sanctioned Person" means, at any time:

(a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or any other relevant sanctions authority;

(b) any Person operating, organized or resident in a country or territory which is the subject or target of any Sanctions (at the Agreement Date, Crimea, Cuba, Iran, North Korea and Syria);

(c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b); or

(d) any Person otherwise the subject of any Sanctions.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any applicable Governmental Authority.

"SEC" means the United States Securities and Exchange Commission or any successor agency thereto.

"SEC Reports" has the meaning given in Section 4.6(a).

"Second Closing" means the second Closing under this Agreement.

"Second Closing Acquired Percentage" means eight and eighty-five one-hundredths percent (8.85%).

"Second Closing Date" means the date upon which the Second Closing occurs.

"Second Closing Notice" has the meaning given in Section 2.2(c).

"Second Closing Purchase Price" has the meaning given in Section 2.1(d).

"Securities Act" has the meaning given in Section 5.11.

"Settlement Accountant" has the meaning given in Section 2.1(e)(ii).

"Specified Party" means (a) Investor or (b) any assignee of Investor hereunder as a result of an acquisition of DEI Holdco Membership Interests to which Investor (or a successor of Investor) has assigned its rights and interests hereunder in accordance with Section 11.4(c), so long as, in either case of clause (a), clause (b) or a combination thereof, each such Person is at the relevant time an "Investor 4.9% Member" as defined in the DEI Holdco A&R LLC Agreement.

"Statement of Objections" has the meaning given in Section 2.1(e)(ii).

"Subsidiary" means, with respect to any Person, any Person (other than a natural person) of which such first Person (either alone or through any other Subsidiary) owns, directly or indirectly, fifty percent (50%) or more of the stock or other equity voting or controlling interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such other Person.

"Survival Period" has the meaning given in Section 9.1.

"Tax" or "Taxes" means (i) all taxes, including all charges, fees, duties, levies or other assessments in the nature of taxes, imposed by any Governmental Authority, including income, gross receipts, excise, property, sales, gain, use, license, transfer, environmental, production, custom duty, unemployment, corporation, capital stock, transfer, franchise, payroll, withholding, social security, minimum, estimated, ad valorem, profit, gift, severance, value added, disability, recapture, occupancy, retaliatory or reciprocal, guaranty fund assessments, credit, occupation, leasing, employment, stamp, goods and services, utility and other taxes, including any interest, penalties or additions attributable thereto and (ii) any liability of any Company for the payment of amounts determined by reference to amounts in clause (i) pursuant to the Tax Sharing Agreement.

"Tax Proceeding" has the meaning given in Section 6.2(f).

"Tax Returns" means any return, declaration, report, claim for refund, form, or information return or statement relating to Taxes, including any such document prepared on a consolidated, combined or unitary basis, and also including any schedule or attachment thereto, and including any amendment thereof.

"Tax Sharing Agreement" means that certain Fourth Amended Agreement for Filing Consolidated Income Tax Returns and for Allocation of Consolidated Income Tax, dated as of

January 1, 2016, by and between Duke and its Subsidiaries (including DEI), as the same may be amended.

"Termination Date" has the meaning given in Section 8.1(b).

"Third-Party Claim" has the meaning given in Section 10.6(a).

"Transaction Documents" means, collectively, this Agreement, the Ancillary Agreements, the DEI Holdco A&R LLC Agreement and all other agreements between the Parties or their Affiliates entered into pursuant to the terms hereof in order to carry out the Closing Actions and the Transactions.

"Transactions" means (i) the issuance and sale of the Acquired DEI Holdco Interests by DEI Holdco to Investor and the purchase thereof by Investor from DEI Holdco, and the other transactions contemplated by this Agreement (including the Contribution) or the Ancillary Agreements and (ii) the transactions contemplated by the DEI Holdco A&R LLC Agreement.

"Transfer Taxes" means any and all transfer Taxes (excluding Taxes measured in whole or in part by net income), including sales, use, excise, goods and services, stock, conveyance, gross receipts, registration, business and occupation, securities transactions, real estate, land transfer, stamp, documentary, notarial, filing, recording, permit, license, authorization and similar Taxes, fees, duties, levies, customs, tariffs, imposts, assessments, obligations and charges.

"Treasury Regulations" means the regulations promulgated under the Code.

"Unknown Regulatory Approvals" means any notices, filings, approvals, consents or expirations of waiting periods required to be made or obtained to consummate the Second Closing under any Law or amendment of any Law promulgated after the date hereof and prior to the Second Closing.

"U.S." means United States of America.

"Willful Breach" means, with respect to any representation, warranty, agreement or covenant in this Agreement, a material breach caused by an intentional act or intentional omission (including an intentional failure to act to cure a breach) taken by a Party, where that Party knows that such intentional action or intentional omission would constitute a material breach of this Agreement.

ARTICLE II

SUMMARY OF TRANSACTIONS

Section 2.1 Sale and Purchase of Acquired DEI Holdco Interests.

(a) Sale and Purchase. Upon the terms and subject to conditions hereof:

(i) at the First Closing, (x) DEI Holdco shall issue and sell to Investor such number of DEI Holdco Membership Interests equal to eleven and five one-hundredths percent (11.05%) (the "First Closing Acquired Percentage") of the DEI Holdco Membership Interests issued and outstanding immediately after the First Closing, (y) Investor shall purchase and acquire from DEI Holdco such number of DEI Holdco Membership Interests equal to the First Closing Acquired Percentage of the DEI Holdco Membership Interests issued and outstanding immediately after the First Closing, and (z) the Parties shall take or cause to be taken the Closing Actions applicable to the First Closing; and

(ii) at the Second Closing, (x) DEI Holdco shall issue and sell to Investor, and Investor shall purchase and acquire from DEI Holdco, such number of DEI Holdco Membership Interests that, together with the DEI Holdco Membership Interests acquired at the First Closing, will equal the Aggregate Percentage of the DEI Holdco Membership Interests issued and outstanding immediately after the Second Closing, and (y) the Parties shall take or cause to be taken the Closing Actions applicable to the Second Closing.

(b) Purchase Price. The aggregate purchase price for the Acquired DEI Holdco Interests is an amount equal to (i) the Base Purchase Price *plus* (ii) an amount equal to the First Closing Acquired Percentage of any Additional Capital Investment made on or prior to the First Closing *minus* (iii) the Adjustment Amount (the "Adjusted Purchase Price"). At the First Closing, Investor shall pay the Estimated First Closing Purchase Price to DEI Holdco by wire transfer of immediately available funds to the account or accounts that DEI Holdco shall designate to Investor prior to the First Closing Date. At the Second Closing, Investor shall pay the Second Closing Purchase Price to DEI Holdco by wire transfer of immediately available funds to the account or accounts that DEI Holdco shall designate to Investor prior to the Second Closing Date.

(c) First Closing Purchase Price. The purchase price with respect to the First Closing (the "First Closing Purchase Price") shall be an amount of cash equal to (i) fifty percent (50%) of the Base Purchase Price *plus* (ii) an amount equal to the First Closing Acquired Percentage of any Additional Capital Investment made on or prior to the First Closing *minus* (iii) the Adjustment Amount.

(d) Second Closing Purchase Price. The purchase price with respect to the Second Closing (the "Second Closing Purchase Price") shall be an amount of cash equal to fifty percent (50%) of the Base Purchase Price.

(e) Cinergy's Statement; Post-Closing Adjustment to First Closing Purchase Price.

(i) At least four (4) Business Days prior to the First Closing Date, Cinergy shall provide Investor with a statement setting forth Cinergy's good faith estimate of the Adjusted Purchase Price (the "Estimated Adjusted Purchase Price") and of the First Closing Purchase Price (the "Estimated First Closing Purchase Price"), together with supporting calculations of any adjustments made pursuant to Section 2.1(b), if applicable, and documentation supporting the calculation of the Estimated Adjusted Purchase Price and any components thereof. Investor shall have the right to submit to Cinergy in writing any objections to the calculation of the amount of the Estimated Adjusted Purchase Price and any components thereof until 12:00 p.m. New York time on the Business Day prior to the First Closing Date. Cinergy shall review and discuss with Investor any such objections in good faith. DEI Holdco shall prepare and deliver to Cinergy and Investor, within thirty (30) days after the First Closing Date, a written determination (the "Proposed Statement") setting forth DEI Holdco's good faith determination of the Adjusted Purchase Price, together with supporting calculations of any adjustments made pursuant to Section 2.1(b), if applicable, and documentation supporting the calculation of the Adjusted Purchase Price and any components thereof.

(ii) Investor shall have ninety (90) days after the date of receipt by Investor of the Proposed Statement (the "Review Period") to review the Proposed Statement and related computations. In connection with the review of the Proposed Statement, the Parties shall exercise their governance rights under the DEI Holdco A&R LLC Agreement to cause the Companies and the Companies' Representatives to (and with respect to Cinergy, Cinergy shall and shall cause its Representatives to) give to the Parties and their respective Representatives reasonable access to the books, records and other materials of the Companies and the personnel of, and work papers prepared by or for, Cinergy, the Companies and their respective Representatives, including to such historical financial information relating to the Companies as either of the Parties or their respective Representatives may reasonably request, in each case, in order to permit the timely and complete review of the Proposed Statement. If Investor has accepted the Proposed Statement in writing or has not given written notice to Cinergy setting forth any objection to the Proposed Statement (a "Statement of Objections") prior to the expiration of the Review Period, then the Proposed Statement shall be final and binding upon the Parties. In the event that Investor delivers a Statement of Objections during the Review Period, Cinergy and Investor shall use their commercially reasonable efforts to agree on appropriate adjustments to the Proposed Statement within thirty (30) days following the receipt by Cinergy of the Statement of Objections. If Cinergy and Investor are unable to reach an agreement as to such amounts and adjustments within such thirty (30)-day period, then the matter shall be submitted as promptly as practicable to KPMG US LLP, or if KPMG US LLP is unwilling or unable to serve in such capacity, to such other independent accounting firm agreed to by Investor and Cinergy (such accountant, the "Settlement Accountant"), who shall resolve the matters still in dispute and adjust the Proposed Statement to reflect such resolution and its determination of the Adjusted Purchase Price; provided, however, that (A) the Settlement Accountant shall make its determination only as to those items or amounts in the Proposed Statement that Cinergy and Investor were unable to resolve and based solely on presentations and written submissions by Cinergy and Investor, without ex parte communications, and (B) the Settlement Accountant may not determine the Adjusted Purchase Price to be (1) in excess of the amount claimed by DEI Holdco in the Proposed Statement or (2) less than the amount claimed by Investor in the Statement of Objections. The Parties shall cause the Settlement Accountant to make such determination within forty-five (45) days following the submission of the matter to the Settlement Accountant for resolution, and such determination shall be final and binding upon Investor and Cinergy and may be entered and enforced in any court having jurisdiction. Each of Investor and Cinergy agrees that it shall not have any right to, and shall not, institute any Action or Proceeding of any kind challenging such determination or with respect to the matters that are the subject of this Section 2.1(e), except that the foregoing shall not preclude an Action or Proceeding to enforce such determination. In the event any dispute is submitted to the Settlement Accountant for resolution as provided in this Section 2.1(e)(ii), the fees, charges and expenses of the Settlement Accountant shall be paid one-half by Investor and one-half by Cinergy.

(iii) In the event that the Parties agree, or the Settlement Accountant determines, in accordance with Section 2.1(e)(ii) that the Adjusted Purchase Price should be decreased, then DEI Holdco shall pay, or cause to be paid, within five (5) Business Days following the determination of the final amounts pursuant to Section 2.1(e)(ii), to Investor, by wire transfer of immediately available funds, an amount equal to such decrease in the Adjusted Purchase Price together with interest thereon for the period from (and including) the First Closing Date to (but excluding) the date of payment, at the Applicable Rate on the First Closing Date.

(iv) In the event that the Parties agree, or the Settlement Accountant determines, in accordance with Section 2.1(e)(ii) that the Adjusted Purchase Price should be increased, then Investor shall pay, or cause to be paid, within five (5) Business Days following the determination of the final amounts pursuant to Section 2.1(e)(ii), to DEI Holdco, by wire transfer of immediately available funds, an amount equal to such increase in the Adjusted Purchase Price together with interest thereon for the period from (and including) the First Closing Date to (but excluding) the date of payment, at the Applicable Rate on the First Closing Date.

(f) Adjustments. Notwithstanding anything to the contrary in this Agreement, the Parties agree that any adjustments pursuant to Section 2.1(e) will be treated as adjustments to the Adjusted Purchase Price for all Tax purposes, to the maximum extent permitted by applicable Law. Schedule 2.1(f) sets forth illustrative examples of the adjustments referred to in this Section 2.1.

Section 2.2. Closings.

(a) Subject to the terms and conditions of this Agreement, the consummation of the Transactions contemplated by this Agreement in connection with the issuance and sale of the Acquired DEI Holdco Interests (each, a "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, located at 1440 New York Avenue, NW, Washington, DC, (or remotely via the electronic exchange of executed documents) at 10:00 a.m. (Eastern Prevailing Time) (i) with respect to the First Closing, on the tenth (10th) Business Day immediately following the date on which the conditions to First Closing set forth in Article VII have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the First Closing, but subject to the satisfaction or waiver of such conditions), or at such other time, date and place as the Parties may mutually agree in writing and (ii) with respect to the Second Closing, on the date set forth in the Second Closing Notice, which shall be at least sixty (60) days following the date of delivery to Investor of such Second Closing Notice, and on which date the conditions to the Second Closing set forth in Article VII shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Second

Closing, but subject to the satisfaction or waiver of such conditions), or at such other time, date and place as the Parties may mutually agree in writing; provided, however, that, if the Marketing Period with respect to any Closing has not ended by the end of such tenth (10th) Business Day or such sixty (60)-day period, as applicable to such Closing, then, subject to the continued satisfaction or waiver of the conditions set forth in Article VII at such time, such Closing shall occur instead on the earlier of (x) a date during the Marketing Period as may be specified by Investor on at least ten (10) Business Days' prior notice to Cinergy (unless a shorter period shall be agreed to by Investor and Cinergy) and (y) the tenth (10th) Business Day following the final day of the applicable Marketing Period.

(b) DEI Holdco shall provide Investor with at least five (5) Business Days prior written notice of each anticipated Closing Date (in the case of the Second Closing Date, in addition to the Second Closing Notice) by electronic mail or facsimile (with an original to promptly follow) substantially in the form attached hereto as Exhibit B and executed by a person set forth on the Authorized Signatory List (as defined below) (the "Funding Notice"). No later than ten (10) Business Days prior to each anticipated Closing Date, DEI Holdco shall deliver to Investor a notice substantially in the form attached hereto as Exhibit C (the "Authorized Signatory List"), setting forth those persons authorized to execute the applicable Funding Notice.

(c) At any time after the First Closing Date until November 18, 2022, DEI Holdco may deliver to Investor a notice setting forth the proposed Second Closing Date (the "Second Closing Notice"), which proposed Second Closing Date shall be no later than January 18, 2023. The Parties agree that if DEI Holdco has not delivered a Second Closing Notice by November 18, 2022, DEI Holdco shall be deemed to have delivered such notice on November 18, 2022, with the proposed Second Closing Date being January 18, 2023.

(d) Notwithstanding anything to the contrary in this Agreement, if the Second Closing has not occurred on or before February 28, 2023, either the Investor or Cinergy may, by notice in writing, terminate the obligations of the Parties to complete the Second Closing, whereupon all obligations of the Parties hereto with respect to the completion of the Second Closing shall be terminated; provided, however, that the right to terminate the obligations of the Parties with respect to the Second Closing pursuant to this Section 2.2(d) shall not be available to any Party whose breach of a representation, warranty, covenant or agreement under this Agreement has been the primary cause of the failure of the Second Closing to occur on or before such date; provided further that no such termination shall relieve a Party from any Liability for any Willful Breach of, or fraud in connection with, this Agreement occurring prior to such termination.

(e) At the applicable Closing, Cinergy, DEI Holdco and Investor (as applicable) shall take or cause to be taken the following actions (the "Closing Actions"):

(i) *Payment of Estimated Adjusted Purchase Price*. At the First Closing, Investor shall pay the Estimated First Closing Purchase Price to DEI Holdco, in accordance with the terms set forth in Section 2.1. At the Second Closing, Investor shall pay the Second Closing Purchase Price to DEI Holdco, in accordance with the terms set forth in Section 2.1.

(ii) *Issuance of Acquired DEI Holdco Interests*. At each Closing, DEI Holdco shall issue to Investor the Acquired DEI Holdco Interests acquired at such Closing registered in the name of Investor, and, unless Investor has requested otherwise at least five (5) Business Days prior to the applicable Closing, with certificates for such Acquired DEI Holdco Interests in the name of Investor, and DEI Holdco shall reflect such issuance to Investor in the books and records of DEI Holdco.

(iii) *DEI Holdco A&R LLC Agreement*. At the First Closing, Cinergy and DEI Holdco shall execute and deliver to Investor, and Investor shall execute and deliver to Cinergy and DEI Holdco, the DEI Holdco A&R LLC Agreement. At the Second Closing, Schedule A-2 of the DEI Holdco A&R LLC Agreement shall be deemed to replace and supersede Schedule A-1 thereto.

(iv) *Officers Certificates*. At each Closing, as applicable, (A) Cinergy shall deliver to Investor a certificate executed by a duly authorized officer of Cinergy certifying that, with respect to the First Closing, the conditions set forth in Sections 7.2(a)(i) and 7.2(a)(ii) have been satisfied and, with respect to the Second Closing, the conditions set forth in Sections 7.2(b)(i) and 7.2(b)(ii) have been satisfied and (B) Investor shall deliver to Cinergy a certificate executed by a duly authorized officer of Investor certifying that, with respect to the First Closing, the conditions set forth in Sections 7.3(a)(i) and 7.3(a)(ii) have been satisfied and, with respect to the Second Closing, the conditions set forth in Sections 7.3(b)(i) and 7.3(b)(ii) have been satisfied.

(v) *Contribution*. At the First Closing, Cinergy shall deliver to Investor copies of instruments reflecting the consummation of the Contribution, in form and substance reasonably satisfactory to Investor.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF CINERGY

Except as specifically disclosed in the schedules to this Agreement (each section of which qualifies the correspondingly numbered representation and warranty to the extent specified therein and such other representations and warranties to the extent a matter in such section is disclosed in such a way as to make its relevance to such other representation or warranty reasonably apparent), Duke, with respect to the representations as to Duke set forth in Sections 3.1 through 3.5, and Cinergy represent and warrant to Investor as of the Agreement Date and each Closing Date as follows:

Section 3.1 Organization. Each of Duke and Cinergy has been duly organized or created, is validly existing and is in good standing under the Laws of the State of Delaware. Each of Duke and Cinergy is qualified to do business in and is in good standing (with respect to all jurisdictions that recognize the concept of good standing) in all jurisdictions where the failure to qualify would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on Duke or Cinergy, as applicable.

Section 3.2 Authority and Power. Each of Duke, Cinergy and DEI Holdco has the requisite power and authority to enter into each of the Transaction Documents to which it is a party, consummate each of the transactions and undertakings contemplated thereby, and perform all of the terms and conditions thereof to be performed by Duke, Cinergy or DEI Holdco, as applicable. The execution, delivery and performance of each of the Transaction Documents to which Duke, Cinergy or DEI Holdco, as applicable, is a party and the consummation of each of the transactions and undertakings contemplated thereby have been duly authorized by all requisite action on the part of Duke, Cinergy or DEI Holdco, as applicable, under its Charter Documents.

Section 3.3 Valid and Binding Obligations. Each of the Transaction Documents to which Duke, Cinergy or DEI Holdco, as applicable, is a party has been duly and validly executed and delivered by Duke, Cinergy or DEI Holdco, as applicable, and, assuming the due and valid execution and delivery of the Transaction Documents by the other parties thereto, is enforceable against Duke, Cinergy or DEI Holdco, as applicable, in accordance with the terms thereof, except as such enforceability may be limited or denied by (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights and the enforcement of debtors' obligations generally and (b) general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 3.4 Approvals and Consents. Except for (a) those third-party consents listed on Schedule 3.4(a) (the "Cinergy Required Consents"), (b) FERC Approval and filings related thereto, (c) CFIUS Approval and filings related thereto (clauses (b) and (c), the "Cinergy Required Approvals"), (d) Unknown Regulatory Approvals (if any) and (e) such other filings, consents or approvals which, if not made or obtained, would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect, none of Duke, Cinergy, or the Companies is required to give any notice, make any filing, or obtain any third-party consent or approval (including Governmental Approvals) to execute, deliver or perform any of the Transaction Documents to which it is a party or to consummate the transactions contemplated thereby.

Section 3.5 No Violations. The execution, delivery and performance by Duke, Cinergy or DEI Holdco, as applicable, of each of the Transaction Documents to which it is a party does not, and the consummation of the transactions contemplated thereby will not: (a) violate the Charter Documents of Duke, Cinergy or DEI Holdco; (b) subject to obtaining the Cinergy Required Consents, violate or be in conflict with, or constitute a breach or default (or any event that, with or without due notice or lapse of time, or both, would constitute a default) under, any Contract to which Duke, Cinergy or DEI Holdco is a party or by which any of Cinergy's or DEI Holdco's properties or Assets are or may be bound (including Contracts to which Duke or an Affiliate is a party and for which any of the Companies currently benefits, or to which it contributes, pursuant to intercompany arrangements, whether documented or not); (c) subject to obtaining the Cinergy Required Approvals, violate any Law or Order applicable to Duke, Cinergy or DEI Holdco; or (d) result in the creation or imposition of any Lien on the Acquired DEI Holdco Interests or any Assets of any Company, other than, with respect to clauses (b) – (d), any such conflicts, violations, defaults or imposition of Liens that would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.6 No Litigation. There is no Action or Proceeding pending to which Cinergy is a party (and, to Cinergy's Knowledge, there is no Action or Proceeding threatened in writing or orally against Cinergy), in any such case at law or in equity, that would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.7 Equity Interests.

(a) Schedule 3.7(a) accurately sets forth the ownership structure of the Companies as of the date hereof and as of immediately prior to the First Closing (reflecting the Contribution). Except as set forth on Schedule 3.7(a), none of the Companies owns any Equity Interests of any other Person. Cinergy and each of the Companies owns, holds of record and is the beneficial owner of the Equity Interests shown as being owned by it on Schedule 3.7(a) free and clear of all Liens, restrictions on transfer or other encumbrances except as set forth on Schedule 3.7(a).

(b) No Persons other than Cinergy (and Investor pursuant to the Transaction Documents) own or have any interest in, or option or other right (contingent or otherwise), including any right of first refusal or right of first offer, to acquire the Equity Interests of any of the Companies. Except pursuant to the Transaction Documents or as set forth on Schedule 3.7(b), there is no (i) voting trust or agreement, membership agreement, pledge agreement, buy-sell agreement, right of first refusal, preemptive right, stock appreciation right, redemption or repurchase right, anti-dilutive right or proxy relating to the Equity Interests of any of the Companies, (ii) Contract restricting the transfer of, or requiring the registration for sale of, the Equity Interests of any of the Companies, or (iii) option, warrant, call, right or other Contract to issue, deliver, grant, convert, exchange, sell, subscribe for, purchase, redeem or acquire any of the Equity Interests of any of the Companies or agreement to enter into any Contract with respect thereto. None of the Companies has any obligation to make any payments to any Person that are calculated by reference to an Equity Interest of the Companies or the value of the Companies.

(c) Upon consummation of the issuance and sale of the Acquired DEI Holdco Interests by DEI Holdco to Investor, Investor will hold good and valid title to all of the Acquired DEI Holdco Interests free and clear of any and all Liens other than those created pursuant to agreements to which Investor or any of its Affiliates is a party. After giving effect to the applicable Transactions, (i) the Acquired DEI Holdco Interests acquired at the First Closing will constitute the First Closing Acquired Percentage of the DEI Holdco Membership Interests issued and outstanding immediately after the First Closing and (ii) immediately after the Second Closing, the Acquired DEI Holdco Interests will constitute the Aggregate Percentage of the DEI Holdco Membership Interests issued and outstanding immediately after the Second Closing.

Section 3.8 No Prior Activities. DEI Holdco was organized for the purpose of the Transactions, and from its formation to the First Closing has been engaged solely in activities contemplated by this Agreement, including, as of the First Closing, the Contribution and ownership of the DEI Membership Interests. As of the Agreement Date, DEI Holdco has no

Liabilities and, as of the First Closing, DEI Holdco will have no Liabilities other than the Duke Note.

Section 3.9 Brokers. Neither Cinergy nor its Affiliates has any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the Transactions for which Investor or any of the Companies could become liable or obligated.

Section 3.10 Duke Note. Duke and Cinergy have made available to Investor a true and correct copy of the Duke Note. The Duke Note has not been amended, amended and restated, supplemented or otherwise modified other than, as of the First Closing Date, as contemplated by, and pursuant to, the Note Assumption, and none of DEI Holdco, Duke or Cinergy have entered into any side agreement, oral agreement or other understanding with respect to the Duke Note. As of the First Closing Date, after giving effect to the Note Assumption, the portion of the Duke Note assumed by DEI Holdco has not been amended, amended and restated, supplemented or otherwise modified and none of DEI Holdco, Duke or Cinergy have entered into any side agreement, oral agreement or other understanding with respect to the transactions contemplated by the portion of the obligations under the Duke Note that are the subject of the Note Assumption. The portion of the obligations under the Duke Note to be assumed by DEI Holdco is properly characterized as a debt instrument for U.S. federal income tax purposes.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CINERGY REGARDING THE COMPANIES

Except as specifically disclosed in the schedules to this Agreement (each section of which qualifies the correspondingly numbered representation and warranty to the extent specified therein and such other representations and warranties to the extent a matter in such section is disclosed in such a way as to make its relevance to such other representation or warranty reasonably apparent), Cinergy represents and warrants to Investor with respect to DEI Holdco and its Subsidiaries, including DEI (collectively, the "Companies") as of the Agreement Date and each Closing Date as follows:

Section 4.1 Organization of the Companies. Each Company has been duly organized or created, is validly existing and is in good standing (with respect to jurisdictions that recognize the concept of good standing) under the Laws of the respective jurisdictions of their formation or creation. Each Company is qualified to do business in all jurisdictions where the failure to qualify would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.2 No Violations. Assuming that all filings, consents and approvals set forth on Schedule 4.2, if any, have been timely made or obtained, as applicable, the consummation of the Transactions does not and will not: (a) violate any Charter Document of any of the Companies; (b) violate or be in conflict with, or constitute a material default (or any event that, with or without due notice or lapse of time, or both, would constitute a material default) under, or cause or permit the acceleration of the maturity of, or give rise to any right of termination, cancellation, imposition of fees or penalties under, any Material Contract or any Permit; (c) violate any Law or Order applicable to any of the Companies; or (d) result in the creation or imposition of any Lien on any of the Assets of any of the Companies, other than, with respect to clauses (b) – (d), any such conflicts, violations, defaults or imposition of Liens that would not be reasonably likely to be, individually or in the aggregate, material to the Companies taken as a whole.

Section 4.3 Compliance with Laws. Since the Lookback Date: (a) each of the Companies is in compliance with all applicable Laws; (b) no notice, charge, claim, action or assertion has been filed, commenced or threatened in writing, or to Cinergy's Knowledge orally, against any of the Companies alleging any noncompliance or violation of any applicable Law; (c) to Cinergy's Knowledge, no investigation with respect to any material noncompliance or violation of any applicable Law by a Company has been commenced; (d) to Cinergy's Knowledge, no other investigation with respect to any noncompliance or violation of any applicable Law by a Company has been commenced and remains unresolved; and (e) none of the Companies has admitted to, or been found by a Governmental Authority to have engaged in any violation of any applicable Laws or been debarred from bidding for any contract or business, and to Cinergy's Knowledge, there are no circumstances which are likely to give rise to any such notice, charge, claim, action, assertion, investigation, admission, finding or debarment, except, in each case of clauses (a) – (e), as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.4 Permits.

(a) Each of the Companies currently holds in full force and effect and is in compliance with all Permits (other than Environmental Permits) as are necessary for each of the Companies to carry on its business, except as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(b) Neither Cinergy nor, to Cinergy's Knowledge, any of the Companies has received any written notice (i) of noncompliance or default with respect to any Permit or (ii) of the revocation, termination, or material modification of any Permit (other than Environmental Permits), except, in each case, as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.5 Litigation. There is no Action or Proceeding to which any of the Companies is a party or involving the Assets of any of the Companies (and there is no Action or Proceeding threatened in writing, or to Cinergy's Knowledge threatened orally, against any of the Companies or involving the Assets of any of the Companies), which would, if adversely determined, reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect. There is no unsatisfied judgment, penalty or award against any of the Companies or affecting the Assets of any of the Companies, except as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.6 SEC Reports, Financial Statements, Debt and Utility Filings and Reports.

(a) Since the Lookback Date, DEI has timely filed or furnished with the SEC all forms, reports, schedules, statements and other documents required to be filed or furnished under the Exchange Act (such forms, reports, schedules, statements and other documents filed or furnished since the Lookback Date, the "SEC Reports"), including (i) its Annual Report on Form 10-K for the year ended December 31, 2019, and (ii) its Quarterly Report on Form 10-Q for the period ended September 30, 2020 (the "Balance Sheet Date").

(b) The financial statements of DEI included in the SEC Reports (including the notes thereto) (i) have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto, (ii) comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, and (iii) and except that unaudited financial statements may not contain all footnotes required by GAAP, fairly present in all material respects the financial position of DEI and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal year-end audit adjustments. The Companies' system of internal controls over financial reporting is sufficient in all material respects to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP.

(c) Cinergy has made available to Investor copies of all material written correspondence sent to or received from the SEC by or on behalf of any of the Companies or their respective counsel or accountants since the Lookback Date and prior to the Agreement Date. As of the Agreement Date, there are no outstanding or unresolved comments in comment letters received from the SEC staff with respect to the SEC Reports. To Cinergy's Knowledge, as of the Agreement Date, none of the SEC Reports is the subject of ongoing SEC review. To Cinergy's Knowledge, as of the Agreement Date, there are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or threatened, in each case regarding any accounting practice of the Companies.

(d) Since the Balance Sheet Date, none of the Companies has incurred any Liabilities that would be required by GAAP, applied on a basis consistent with the Reference Balance Sheet, to be set forth on a consolidated balance sheet or notes thereto of DEI Holdco or DEI, except for Liabilities incurred (i) in the ordinary course of business, (ii) as set forth on Schedule 4.6(d)(ii), (iii) pursuant to the Note Assumption or (iv) as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. None of the Companies is a party to, or has any commitment to become a party to, any off balance sheet arrangement, including any "off balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K promulgated by the SEC).

(e) Schedule 4.6(e) lists all Debt of the Companies along with the outstanding balance of each such obligation or instrument set forth on Schedule 4.6(e) as of the Balance Sheet Date.

(f) Schedule 4.6(f) lists, as of the Agreement Date, all (i) guarantees by a Company of any Liabilities of Duke or any of its Affiliates (other than Liabilities of the Companies) and (ii) Debt of Duke or any of its Affiliates (other than the Companies) secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on any property or asset of a Company.

(g) All filings (other than immaterial filings) required to be made by any Company under PUHCA, the FPA, or the Communications Act of 1934 (in each case, including all regulations promulgated thereunder) have been filed with the SEC, FERC, NERC, the RF, the Department of Energy, the FCC or the IURC, including all forms, statements, reports, agreements (oral or written) and all documents, exhibits, amendments and supplements appertaining thereto, including all rates, tariffs, franchises, service agreements and related documents and all such filings complied, as of their respective dates, with all applicable requirements of the applicable statute and the rules and regulations thereunder, in each case, except for filings the failure of which to make or make in compliance with applicable Law would not be reasonably likely to be, individually or in the aggregate, material to the Companies, taken as a whole.

Section 4.7 Absence of Certain Changes.

Since the Balance Sheet Date (x) the business of the Companies has been conducted in all material respects in the ordinary course of business consistent with past practice, (y) prior to the Agreement Date, there has not occurred any change in the business of the Companies that has had or would reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect on the Companies and (z) none of the following has occurred nor has any Company or Cinergy agreed to do so:

(a) as of the Agreement Date, any matter, action or omission that would violate, or require disclosure or consent under, Section 6.1(a)(i), Section 6.1(a)(ii), Section 6.1(a)(iii), Section 6.1(a)(v), Section 6.1(a)(vi), or Section 6.1(a)(vii) if such action was taken after the date hereof (disregarding Section 6.1(b) for the purposes of this clause);

(b) as of the Agreement Date, any material and uninsured loss, damage, destruction, condemnation or other casualty of any material Asset of any Company;

(c) as of the Agreement Date, any material change in any method of accounting or accounting practice or policy of any Company, other than such changes required by GAAP and set forth in Schedule 4.7(c);

(d) as of the Agreement Date, any incurrence in Debt of any of the Companies that would increase the Debt of the Companies to an amount that exceeds the outstanding principal amount (or accreted amount, as applicable) of the Debt disclosed on Schedule 4.6(e) by more than twenty million dollars ($20,000,000) in the aggregate; or

(e) as of the Agreement Date, the declaration or payment by any of the Companies of any dividend or distribution to the holders of any Equity Interests in such Company (other than to another Company).

Section 4.8 Contracts.

(a) Except as would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect, (i) none of the Companies nor, to Cinergy's Knowledge, any counterparty to a Material Contract is in default of any obligation of a Material Contract and (ii) each of the Material Contracts is in full force and effect, is enforceable against, and constitutes a legal, valid, binding and enforceable obligation of the Company party thereto, and, to Cinergy's Knowledge, of the other parties thereto.

(b) Schedule 4.8(b) sets forth a true and complete listing of each Material Contract as of the Agreement Date.

Section 4.9 Real Property Matters. Except for any Liens existing or arising in connection with the First Mortgage Bonds issued by DEI from time to time pursuant to that certain Original Indenture (First Mortgage Bonds) between DEI (formerly PSI Energy, Inc.) and Deutsche Bank National Trust Company, as Successor Trustee, dated as of September 1, 1939, or as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect, (a) each Company has good and valid title to the Owned Real Property owned by it, and a good and valid leasehold interest in the Leased Real Property, as applicable, in each case free and clear of all Liens other than Permitted Real Property Liens, and (b) the interests of the Companies in the Real Property are not subject to or encumbered by any purchase option, right of first refusal or other contractual right or obligation to sell, assign or dispose of such interests in any Real Property. No right to use or occupy any other real property other than the Owned Real Property and the Leased Real Property is required for the operation of the business of the Companies as conducted on the Agreement Date, except as would not be reasonably likely to be, individually or in the aggregate, material to the Companies, taken as a whole. None of the Companies is in default in any material respect under any of the Real Property Leases and no fact, event or condition exists which with or without notice, the passage of time or both would constitute a default in any material respect by any Company under any of the Real Property Leases, in each case, except as would not be reasonably likely to be, individually or in the aggregate, material to the Companies, taken as a whole.

Section 4.10 Tax Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) all Tax Returns required to be filed by or with respect to the Companies have been timely filed (taking into account extensions), all such Tax Returns are correct and complete and all Taxes required to be paid by the Companies (whether or not shown as due on such Tax Returns) have been timely paid, (ii) there are no audits, claims or assessments regarding Taxes pending or, to Cinergy's Knowledge, threatened against the Companies, (iii) no issue has been raised by a Governmental Authority in any prior examination of a Tax Return filed by or on behalf of, but solely to the extent attributable to, any Company which, by application of the same or similar principles, could reasonably be expected to result in a proposed deficiency for any subsequent taxable period, (iv) none of the Companies has been subject to any claim made in writing by any Governmental Authority in a jurisdiction where such Company does not file a particular type of Tax Return or has not paid a particular type of Tax to the effect that such Company is required to file such Tax Return or pay such type of Tax in that jurisdiction, (v) all deficiencies asserted or assessments made as a result of any examination of the Tax Returns filed by or on behalf of, but solely to the extent attributable to, the Companies have been paid in full or otherwise finally resolved, (vi) there are no liens for Taxes upon the assets of the Companies except liens relating to current Taxes not yet due, (vii) all Taxes which the Companies are required by Law to withhold or to collect for payment have been duly withheld and paid to the appropriate Governmental Authority, (viii) no waiver of any statute of limitations relating to Taxes for which the Companies may be liable is in effect, and no written request for such a waiver is outstanding, (ix) the charges, accruals and reserves for Taxes with respect to the Companies reflected on the books of the Companies (excluding any provision for deferred income taxes) are adequate to cover Tax liabilities accruing through the end of the last period for which the Companies recorded items on their respective books, and since the end of the last period for which the Companies recorded items on their respective books, the Companies have not incurred any Tax liability, engaged in any transaction, or taken any other action, other than in the ordinary course of business, (x) there are no Tax rulings, requests for rulings or closing agreements with any Governmental Authority relating to Taxes for which the Companies may be liable that could affect any Company's liability for Taxes for any taxable period after the First Closing, (xi) none of the Companies is a party to or bound by any Tax allocation, sharing or indemnity agreements or arrangements other than the Tax Sharing Agreement or agreements or arrangements entered into in the ordinary course of business and not primarily related to Taxes, and (xii) other than the consolidated group of which Duke is the common parent, none of the Companies has ever been a member of a consolidated group filing for federal or state income Tax purposes.

(b) DEI Holdco is, or will be prior to the First Closing, properly treated as an association taxable as a corporation for U.S. federal income tax purposes as of its formation date.

Notwithstanding anything to the contrary in this Agreement, the representations and warranties in Section 4.12 and this Section 4.10 are Cinergy's sole and exclusive representations and warranties with respect to all matters relating to Taxes of or with respect to the Companies or any of their respective assets.

Section 4.11 Environmental Matters. Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect:

(a) Since the Lookback Date, the Companies have been in compliance with all applicable Environmental Laws, which compliance includes the possession of all Permits required under Environmental Laws to own and operate their Assets and conduct their operations

("Environmental Permits"), and with the terms and conditions thereof. Each of such Environmental Permits is in full force and effect. Neither Cinergy nor, to Cinergy's Knowledge, any of the Companies, has received any written notice (i) of noncompliance or default with respect to any Environmental Permit or (ii) of the revocation, termination or material modification of any Environmental Permit.

(b) None of the Companies is subject to any pending or threatened Environmental Claim.

(c) None of the Companies is subject to any Order pursuant to Environmental Laws or to any settlement of an Environmental Claim.

(d) There have been no Releases of Hazardous Substances on, at, under or migrating from (i) any of the real property currently or formerly owned or operated by any of the Companies or their predecessors, or (ii) to Cinergy's Knowledge, any real property on which any Hazardous Substances generated by the Companies or their predecessors has come to be located, that would reasonably be expected to result in Liability for any of the Companies.

(e) Cinergy has made available to Investor all material environmental reports and studies in the possession of the Companies prepared since the Lookback Date regarding the compliance of the Companies with Environmental Law and the potential liability of the Companies in connection with the Release of Hazardous Substances.

Notwithstanding anything to the contrary in this Agreement, the representations and warranties in this Section 4.11 and in Sections 4.6 through 4.8 are Cinergy's sole and exclusive representations and warranties with respect to Environmental Laws, Environmental Permits and any Liabilities arising under or with respect to any of the foregoing.

Section 4.12 Employees and Employee Benefit Plans; Labor.

(a) Each plan, program, policy, agreement or other arrangement providing for or regarding compensation or benefits, including severance, welfare, pension, retirement, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity or other equity, change in control, retention, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, or fringe benefits or compensation, including any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in any case, which is sponsored, maintained, contributed to or required to be contributed to by any of the Companies, with respect to which any of the Companies is a party or has Liability, or in which employees of any of the Companies participate (each an "Employee Benefit Plan"): (i) if intended to be "qualified" within the meaning of Section 401(a) of the Code, has received a currently effective favorable determination letter from the Internal Revenue Service, as to its qualification and, to Cinergy's Knowledge, no event has occurred that could reasonably be expected to adversely affect the tax-qualification of such Employee Benefit Plan; and (ii) has been established, operated and administered in all material respects in accordance with its terms and all applicable Laws, including ERISA and the Code. Each of the Companies (x) has timely satisfied all of its obligations with respect to each Employee Benefit Plan and (y) does not have any obligation to gross up, indemnify or otherwise reimburse any individual for any Taxes, interest, or penalties incurred by any current or former employee, including pursuant to Section 409A or 4999 of the Code. Schedule 4.12(a) sets forth a complete, current and accurate list of each Employee Benefit Plan maintained exclusively or primarily for the benefit of current or former employees of the Companies ("DEI Plans").

(b) There are no pending or, to Cinergy's Knowledge, threatened material claims by or on behalf of or otherwise involving any Employee Benefit Plan (other than routine claims for benefits), and no Employee Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Authority.

(c) Except as would not reasonably be expected to result in Liability to any of the Companies, none of the Companies or any ERISA Affiliate, (i) has incurred any Liability under Section 412 of the Code or Section 302 or Title IV of ERISA (including withdrawal liability under Section 4201 of ERISA) which remains unsatisfied; (ii) has failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) has engaged in any transaction which could reasonably be expected to give rise to Liability under Section 4069 or Section 4212(c) of ERISA or (iv) has violated Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code ("COBRA"). None of the Companies have incurred Taxes under Chapter 43 of the Code that remain unsatisfied or participated in any multiple employer welfare arrangement (within the meaning of Section 3(40)(A) of ERISA). None of the Companies contribute to or have any Liability with respect to any multiemployer plans within the meaning of Section 3(37) of ERISA.

(d) None of the Companies or any Employee Benefit Plan provides or has an obligation to provide (or otherwise has committed that it would provide) welfare benefits to any current or former employee of the Companies (or dependent thereof) following such employee's termination of employment, other than as required by COBRA.

(e) The consummation of the Transactions, whether alone or together with any other event, will not (i) entitle any current or former manager, officer, employee, independent contractor or consultant of any of the Companies (in each case, who is a natural person) to any payment or other benefit, (ii) accelerate the time of payment, funding or vesting, or increase the amount, of compensation or benefits due any such individual or (iii) result in any change in the compensation or benefits offered to any such individual.

(f) None of the Companies is a party to, nor bound by, any labor agreement, collective bargaining agreement or any other labor-related agreements or arrangements with any labor union. To Cinergy's Knowledge, there have been no material strikes, walkouts, slowdowns pickets, lockouts or other labor disputes at or affecting the operations of any of the Companies since the Lookback Date. There are no pending, and to Cinergy's Knowledge since the Lookback

Date, there have been no threatened, attempts to unionize any employees of any Company beyond those currently unionized.

(g) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) the Companies have complied, in all material respects, with all Laws, Contracts and Orders relating to employment, including, without limitation, all Laws concerning equal employment opportunity, leaves and absences, work authorization, wages, hours, classification of employees (both as exempt/non-exempt and as contractor/employee), hiring practices, terms and conditions of employment, discrimination, work breaks, wage payment, employment record keeping, labor relations, collective bargaining, immigration, occupational safety and health, privacy, harassment, retaliation, wrongful discharge, or the payment of social security or similar Taxes, each with respect to any past or present employee or applicant of any of the Companies, (ii) none of the Companies are engaged, and none has ever been engaged, in any unfair labor practice of any nature, and (iii) since the Lookback Date, there are and have been no lawsuits, investigations, grievances, arbitrations, demands, or other Actions or Proceedings of any kind pending or, to Cinergy's Knowledge, threatened against any Company related to any employment or other labor-related matter. There are no material sums owing from any Company to any employee, contractor or consultant of a Company, or former employee, contractor or consultant of a Company for any services or amounts required to be reimbursed or otherwise paid, other than reimbursement of expenses and accrued salary, wages, or fee payments for the current fee or payroll period or any other arrearages occurring in the ordinary course of business.

(h) To Cinergy's Knowledge, all Company employees are legally authorized to work in the location where assigned.

Section 4.13 Sufficiency of Assets; Liens.

(a) After giving effect to the Cinergy Required Consents and Cinergy Required Approvals, (i) the Assets and other rights owned by the Companies or leased, licensed or used by the Companies under Contracts with Persons other than Duke or its Affiliates, together with (ii) the Contractual rights of the Companies under the Affiliate Contracts, constitute all of the rights, Contracts, properties and Assets that are necessary and sufficient to conduct the business of the Companies in all material respects on the terms and in the manner conducted on the Agreement Date and the First Closing Date, and Duke and its Affiliates (other than the Companies) have no right, title or interest in any Assets, services, properties or Contractual rights used by, or for the benefit of the Companies, in each case in any material respect, except for any Assets, services, properties and Contractual rights made available to the Companies pursuant to the Affiliate Contracts.

(b) In the aggregate, the Assets owned, leased or licensed by or otherwise made available to the Companies are in reasonably good repair and operating condition (subject to normal wear and tear and maintenance and repair requirements in the ordinary course of business) and are adequate and suitable for the purposes for which they are presently being used, in each case in all material respects.

(c) Except as would not reasonably be likely to have, individually or in the aggregate, a Material Adverse Effect and except for Permitted Real Property Liens or Permitted Encumbrances, as applicable, the Assets and properties of the Companies are owned, leased or licensed by or otherwise made available to the Companies, free and clear of all Liens.

Section 4.14 Brokers. None of the Companies has any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the Transactions.

Section 4.15 Intellectual Property. Since the Lookback Date, none of the Companies, or with respect to the business or operations of the Companies, their Affiliates, has received any written charge, complaint, claim, demand, or notice alleging any infringement, misappropriation or violation of the Intellectual Property Rights of any Person. To Cinergy's Knowledge, no Person is infringing, misappropriating, or otherwise violating, or has in the past three (3) years infringed, misappropriated, or otherwise violated, any Company Intellectual Property.

Section 4.16 Regulatory Status.

(a) DEI is a "public utility", a "utility" and an "electric utility," in each case as such terms are defined in the Indiana Code and the FPA (as applicable). DEI is subject to regulation by the IURC and FERC. DEI is not a "holding company" under the PUHCA and is not regulated as a public utility by any state other than the State of Indiana. DEI Holdco is not a "public utility" under the FPA. DEI Holdco derives no more than thirteen percent (13%) of its "public-utility company" (as defined in the PUHCA) revenues, calculated pursuant to 18 C.F.R. § 366.3(c)(1), from outside the state of Indiana.

(b) DEI is a transmission-owning member in good standing of MISO and is, and has since the Lookback Date been, in compliance in all material respects with all applicable rules and requirements of MISO and is not and, has since the Lookback Date not been, in violation, default or breach of any of the terms, conditions or provisions of MISO's tariff, market rules or operating procedures, in each case, except as would not be reasonably likely to be, individually or in the aggregate, material to the Companies, taken as a whole.

(c) Duke, on behalf of DEI, has registered as a Balancing Authority, Distribution Provider, Generator Owner, Generator Operator, Resource Planner, Transmission Owner, Transmission Operator and Transmission Planner with NERC's regional entity, the RF. DEI has a compliance program and is, and has since the Lookback Date been, in compliance in with all applicable reliability standards of NERC and the RF, in each case, except as would not be reasonably likely to be, individually or in the aggregate, material to the Companies, taken as a whole. None of Duke, with respect to the Companies, or any of the Companies, to Cinergy's Knowledge, is the subject of an ongoing investigation or audit (formal or informal) by FERC or NERC that relates to DEI or that would reasonably be expected to result in costs or penalties allocable to DEI.

Section 4.17 Anti-Corruption; Anti-Bribery. The Companies have implemented and maintain in effect policies and procedures designed to ensure compliance in all material respects by them and their respective Representatives with all Anti-Corruption Laws and applicable Sanctions, and each of the Companies and their respective officers and directors and, to Cinergy's Knowledge, their respective employees and other Representatives are, and have been since the Lookback Date, in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and, to Cinergy's Knowledge, are not engaged in any activity that would reasonably be expected to result in any of Cinergy, the Companies or their respective Subsidiaries being designated as a Sanctioned Person. None of Cinergy, the Companies, their respective Subsidiaries or any of their respective directors, officers or employees, or, to Cinergy's Knowledge, any other Representative of Cinergy, the Companies or any of their respective Subsidiaries is a Sanctioned Person. Neither Cinergy nor any Company, nor, to Cinergy's Knowledge, any of their respective Representatives authorized to act, and acting on behalf of any of them has, directly or indirectly, in connection with the business of any Company:

(a) used any corporate or other funds to make or offer any unlawful gift, entertainment, payment, loan or transfer of anything of value to or for the benefit of any Government Official in violation of applicable Laws, for the purpose of (i) influencing any act or decision of such Government Official, (ii) inducing such Government Official to do or omit to do any act in violation of a lawful duty, (iii) obtaining or retaining business for or with any Person, (iv) expediting or securing the performance of official acts of a routine nature, or (v) otherwise securing any improper advantage; or

(b) otherwise violated any Anti-Corruption Laws.

Section 4.18 Anti-Money Laundering. The operations of each Company are, and have since the Lookback Date been, conducted at all times in compliance in all material respects with the requirements of applicable anti-money laundering Laws, including the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, the regulations administered by the Office of Foreign Assets Control and the anti-money laundering Laws of the various jurisdictions in which the Companies conduct business (collectively, "AML Laws"). As of the Agreement Date, no Action or Proceeding involving Cinergy or any Company with respect to the Companies' compliance with AML Laws is pending or, to Cinergy's Knowledge, threatened in writing.

Section 4.19 Intercompany Transactions.

(a) Schedule 4.19(a) sets forth a true and complete list of the Duke affiliate transaction guidelines and cost allocation methodologies (other than those included in the Affiliate Contracts) as of the Agreement Date (the "Affiliate Guidelines").

(b) Since the Balance Sheet Date, as of the Agreement Date, all transactions, charges, services, transfers, payments, accruals and other business or obligations (other than cash distributions paid by, prior to the Contribution, DEI to Cinergy or, after the Contribution, DEI Holdco to Cinergy) between any of the Companies, on the one hand, and Duke and its Affiliates (other than the Companies) on the other hand ("Intercompany Transactions"), were in compliance in all material respects with the terms of the Affiliate Contracts and Affiliate Guidelines, as applicable.

Section 4.20 Data Privacy; Cybersecurity.

(a) The Companies and their Affiliates have and, to Cinergy's Knowledge, with respect to the Processing of Personal Data on the Companies' behalf, their respective Data Processors have, since the Lookback Date, complied in all respects with all applicable Company Privacy Policies and Privacy Laws. To the extent required by Privacy Laws or Company Privacy Policies, (i) Personal Data is Processed by the Companies, their Affiliates and their respective Data Processors in an encrypted manner, and (ii) Personal Data is securely deleted or destroyed by the Companies, their Affiliates and their respective Data Processors. Neither the execution, delivery or performance of this Agreement nor any of the other Transaction Documents, nor the consummation of any of the Transactions violate any Privacy Laws or Company Privacy Policies. Where any Company or any of its Affiliates uses a Data Processor to Process Personal Data, the Data Processor has provided guarantees, warranties or covenants in relation to Processing of Personal Data, confidentiality, security measures and has agreed to comply with those obligations in a manner sufficient for the Companies' and their Affiliates' compliance with Privacy Laws.

(b) The Companies and their Affiliates have established an Information Security Program, and since the Lookback Date there have been no violations of the then-current Information Security Program. The Companies and their Affiliates have tested their respective Information Security Programs on a no less than annual basis and remediated all critical, high and medium risks and vulnerabilities. The IT Systems currently owned or controlled by the Companies and their Affiliates are in good working condition, operate and perform as necessary to conduct the business of the Companies and, to Cinergy's Knowledge, do not contain any Malicious Code. All Company Data will continue to be available for Processing by the Companies and their Affiliates immediately following each Closing on substantially the same terms and conditions as existed immediately before such Closing. None of the Companies or their Affiliates is in breach or default of any contractual obligation relating to its IT Systems or to Company Data and none of them transfers Personal Data internationally except where such transfers comply with Privacy Laws and Company Privacy Policies.

(c) Since the Lookback Date, the Companies and their Affiliates and, to Cinergy's Knowledge, their respective Data Processors, have not suffered a Data Breach, have not been required to notify any Person or Governmental Authority of any Data Breach, and have not been adversely affected by any Malicious Code or denial-of-service attacks on any IT Systems. Since the Lookback Date, none of the Companies, any of their Affiliates nor any third party acting at the direction or authorization of any Company or any of their Affiliates has paid any perpetrator of any actual or threatened Data Breach or cyber-attack, including, but not limited to a ransomware attack or a denial-of-service attack. Since the Lookback Date, none of the Companies or any of their Affiliates has received a written notice (including any enforcement notice), letter, or complaint from a Governmental Authority or any Person alleging noncompliance or potential noncompliance with any Privacy Laws or Company Privacy Policies and none of the Companies and their Affiliates has been subject to any proceeding relating to noncompliance or potential noncompliance with Privacy Laws or any Company's or its Affiliate's Processing of Personal Data.

Section 4.21 Exclusivity of Representations. The representations and warranties made by Cinergy in this Agreement are in lieu of and are exclusive of all other representations and warranties, including any implied warranties of merchantability, suitability or fitness for any particular purpose or any other implied warranty. Cinergy hereby disclaims any such other or implied representations or warranties, notwithstanding the delivery or disclosure to Investor or its directors, officers, employees, agents or representatives of any documentation or other information (including any pro forma financial information, supplemental data or financial projections or other forward-looking statements); provided, however, that nothing in this Section 4.21 shall be deemed to disclaim or waive (a) any claims of, or causes of action arising from, fraud or (b) representations or warranties under any other agreement.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS OF INVESTOR

Except as disclosed in the schedules to this Agreement (each section of which qualifies the correspondingly numbered representation and warranty to the extent specified therein and such other representations and warranties to the extent a matter in such section is disclosed in such a way as to make its relevance to such other representation or warranty reasonably apparent), Investor represents and warrants to Cinergy as of the Agreement Date as follows:

Section 5.1 Organization. Investor is a Singapore private limited company duly organized or created, validly existing and in good standing under the Laws of Singapore. Investor is qualified to do business in all jurisdictions where the failure to qualify would be reasonably likely to materially and adversely affect the ability of Investor to perform its obligations under the Transaction Documents or to consummate the Transactions (an "Investor Material Adverse Effect").

Section 5.2 Authority and Power. Investor has the requisite power and authority to enter into each of the Transaction Documents to which it is a party, consummate each of the transactions and undertakings contemplated thereby, and perform all the terms and conditions thereof to be performed by it. The execution, delivery and performance of each of the Transaction Documents to which Investor is a party and the consummation of each of the transactions and undertakings contemplated thereby have been duly authorized by all requisite action on the part of Investor under its Charter Documents.

Section 5.3 Valid and Binding Obligations. Each of the Transaction Documents to which Investor is a party has been duly and validly executed and delivered by Investor, and, assuming the due and valid execution and delivery of such Transaction Documents by the other parties thereto, is enforceable against Investor in accordance with the terms thereof, except as such enforceability may be limited or denied by (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights and the enforcement of debtors' obligations generally, and (b) general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 5.4 Approvals and Consents. Except for (a) those third-party consents listed on Schedule 5.4(a) ("Investor Required Consents" and together with the Cinergy Required Consents, the "Required Consents"), (b) FERC Approval and filings related thereto, (c) CFIUS Approval and filings related thereto (clauses (b) and (c), the "Investor Required Approvals" and together with the Cinergy Required Approvals, the "Required Approvals"), (d) Unknown Regulatory Approvals (if any) and (e) such other filings, consents or approvals which, if not made or obtained, would not be reasonably likely to have, individually or in the aggregate, an Investor Material Adverse Effect, Investor is not required to give any notice, make any filing, or obtain any third-party consent or approval (including Governmental Approvals) to execute, deliver or perform any of the Transaction Documents to which it is a party or to consummate the transactions contemplated thereby.

Section 5.5 No Violations. The execution, delivery and performance by Investor of each of the Transaction Documents to which it is a party does not, and the consummation of the transactions contemplated thereby will not (a) violate the Charter Documents of Investor, (b) subject to obtaining the Investor Required Consents, violate or be in conflict with, or constitute a default (or any event that, with or without due notice or lapse of time, or both, would constitute a default) under, any Contract to which Investor is a party or by which any of Investor's properties or Assets are or may be bound or (c) subject to obtaining the Investor Required Approvals, violate any applicable Law or Order, other than, with respect to clauses (b) and (c), any such conflicts, violations or defaults that would not reasonably be likely, individually or in the aggregate, to have an Investor Material Adverse Effect.

Section 5.6 No Litigation. There is no Action or Proceeding pending to which Investor is a party (and, to Investor's Knowledge, there is no Action or Proceeding threatened against Investor), in any such case at law or in equity, that would reasonably be likely to have, individually or in the aggregate, an Investor Material Adverse Effect.

Section 5.7 Bankruptcy. Investor has not filed a petition seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency, and no such petition has been filed against Investor. No general assignment of Investor's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee has been appointed for Investor.

Section 5.8 Brokers. Investor has no liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the Transactions for which Cinergy or the Companies could become liable.

Section 5.9 Regulatory Status. Except as identified and described in Schedule 5.9, neither Investor nor any "affiliate" of Investor as defined in 18 C.F.R. § 35.43 is a "public utility" as defined in the FPA, a "public-utility company" as defined in the PUHCA, or subject to the jurisdiction of the Indiana Utility Regulatory Commission.

Section 5.10 Financing; Source of Funds. Investor will when and as required by the terms of this Agreement have immediately available to it sufficient unrestricted funds and credit capacity to consummate the Transactions and to satisfy all of Investor's obligations under this Agreement (including as of each Closing Date), including the payment of the applicable portion of the Adjusted Purchase Price at each Closing, and all related fees and expenses. No funds to be paid to DEI Holdco by Investor will have been derived from, or constitute, either directly or indirectly, the proceeds of any criminal activity under AML Laws.

Section 5.11 Investment Intent. Investor acknowledges that neither the offer nor the sale of the DEI Holdco Membership Interests has been registered under the U.S. Securities Act of 1933 (the "Securities Act"), or under any state or foreign securities Laws. Investor is acquiring the Acquired DEI Holdco Interests for its own account for investment, without a view to, or for a resale in connection with, the distribution thereof in violation of the Securities Act or any applicable state or foreign securities Laws and with no present intention of distributing or reselling any part thereof. Investor will not so distribute or resell any of the Acquired DEI Holdco Interests in violation of any such Laws.

Section 5.12 Prohibited Transactions. Neither the acquisition by Investor nor the holding by Investor of the Acquired DEI Holdco Interests will result in a non-exempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

Section 5.13 No Other Representations. Investor acknowledges and agrees it is purchasing the Acquired DEI Holdco Interests without reliance on any express or implied representations or warranties of any nature made by or on behalf of Duke or Cinergy, except for the representations and warranties set forth in this Agreement or the Ancillary Agreements; provided, however, that nothing in this Section 5.13 shall be deemed to disclaim or waive (a) any claims of, or causes of action arising from, fraud or (b) representations or warranties under any other agreement.

ARTICLE VI

COVENANTS

Section 6.1 Conduct of Business after Signing.

(a) From the Agreement Date until the earlier of the termination of this Agreement or the First Closing, except (v) as required or expressly permitted by this Agreement or any Ancillary Agreement, (w) as set forth in Schedule 6.1, (x) as required by applicable Law or Order, (y) any COVID-19 Action or (z) with the prior written consent of Investor (which consent shall not be unreasonably withheld, delayed or conditioned), Cinergy shall cause each of the Companies to conduct the Companies' business in the ordinary course of business consistent with past practices, and to preserve, maintain and protect the Assets of each of the Companies, in each case, in material compliance with applicable Laws and material Permits and the Material

Contracts. Without limiting the foregoing, from the Agreement Date until the earlier of the termination of this Agreement or the First Closing, except (I) as required or expressly permitted by this Agreement or any Ancillary Agreement, (II) as set forth in Schedule 6.1, (III) as required by applicable Law or Order, or (IV) with the prior written consent of Investor (which consent shall not be unreasonably withheld, delayed or conditioned), Cinergy shall cause each of the Companies not to (and, in the case of Section 6.1(a)(v), to the extent related solely to the income or operations of the Companies, Duke shall not):

(i) enter into or effectuate, or otherwise agree, commit, decide or delegate authority to take, any action that would constitute a “Major Decision” (whether “Director Matters,” “Investor 4.9% Matters,” “Government Investor Member” matters or “Investor Matters”) or a “Permitted Material Business Deviation Decision” pursuant to and as defined in the DEI Holdco A&R LLC Agreement if such agreement were in effect at such time;

(ii) redeem, purchase or otherwise acquire any equity interest of any Person or any securities or obligations convertible into or exchangeable for any equity interest of any Person, or any options, warrants or conversion or other rights to acquire any equity interest in any Person or any such securities or obligations, or any other securities thereof;

(iii) fail to maintain its existence or merge or consolidate with any other Person or acquire all or substantially all of the Assets of any other Person or enter into any joint venture, partnership or similar venture with any other Person;

(iv) split, combine or reclassify any of its equity interests or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of their equity interests;

(v) prepare or file any material Tax Return inconsistent with past practice or, on any such material Tax Return, take any position, make any material election, or adopt any material method of Tax accounting that is inconsistent with positions taken, elections made or methods used in preparing or filing similar Tax Returns in prior periods, file any material amended Tax Return, settle or otherwise compromise any claim relating to a material amount of Taxes, enter into any closing agreement or similar agreement relating to Taxes, surrender any right to claim a material Tax refund, offset or other reduction in a material Tax liability, or request any ruling or similar guidance with respect to Taxes, in each case except to the extent such action is not reasonably expected to result in an increase in the Tax liability of the Companies for any Tax period;

(vi) enter into any new line of business;

(vii) liquidate, dissolve, reorganize or otherwise wind up its business or operations;

(viii) amend or modify its Charter Documents, other than in connection with the Contribution;

(ix) guarantee any Liabilities of Duke or any of its Affiliates (other than Liabilities of the Companies) or permit or suffer to exist any Lien on any of its properties or assets as security for any Debt of Duke or any of its Affiliates (other than the Companies);

i.declare or pay any dividend or distribution to the holders of any Equity Interests in such Company (other than to another Company); or

ii.agree or commit to do any of the foregoing.

(b) Notwithstanding anything to the contrary in this Agreement (except with respect to COVID-19 Actions, which are addressed in Section 6.1(a)), Cinergy may, from the Agreement Date until the earlier of the termination of this Agreement and the First Closing, cause any of the Companies to take reasonable actions in accordance with Good Utility Practice and in compliance with applicable Law (other than any Restricted Emergency Action), taking into account the geographic locations of such actions, as reasonably necessary in connection with any Emergency Situations; provided, however, that Cinergy shall provide Investor with reasonably prompt (and, to the extent reasonably practicable, prior) written notice of any such Emergency Situation and any such actions.

Section 6.2 Expenses; Tax Matters.

(a) Expenses. Except as otherwise provided in any other provision of this Agreement, all costs and expenses incurred in connection with this Agreement, the Transaction Documents and the Transactions shall be paid by the Party incurring such costs and expenses; provided, however, that Cinergy shall be responsible for any costs and expenses, including legal fees, brokers' fees or fees and expenses of other consultants and advisors, incurred by the Companies in connection with the Transactions. Investor shall be responsible for payment of any CFIUS filing fees.

(b) Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, (i) Investor shall be responsible for the timely payment of all Transfer Taxes arising out of the issuance of the Acquired DEI Holdco Interests and (ii) Cinergy shall be responsible for the timely payment of all Transfer Taxes arising out of the Contribution. In addition, Investor or Cinergy, as the case may be, shall prepare and timely file all necessary documentation and Tax Returns required to be filed with respect to the Transfer Taxes for which it is responsible pursuant to the preceding sentence. The Parties shall cooperate in an attempt to minimize the amount of such Taxes.

(c) Tax Returns. With respect to any income Tax Returns to be filed by or on behalf of a Company, not less than thirty (30) days prior to the due date for such income Tax Return, taking into account applicable extensions (or, if such due date is within thirty (30) days following the First Closing Date, as promptly as practicable following the First Closing Date), Duke shall provide Investor, or cause Investor to be provided, with a draft copy of such income Tax Return (along with any other information reasonably requested by Investor relating to such income Tax Returns and any Tax elections made on such income Tax Returns) for Investor's review and comment; provided, however, in the case of any such income Tax Returns that are filed on a consolidated, combined or unitary basis that includes Duke or any of its Subsidiaries other than the Companies (a "Group Return"), Duke shall provide Investor, or cause Investor to be provided, pro forma income Tax Returns reflecting solely the income and operations of the Companies and, in the case of DEI, are consistent with the pro forma returns provided to the IURC. Duke shall consider in good faith any comments to such income Tax Returns (or pro forma income Tax Returns) that are provided to Duke by Investor no later than fifteen (15) days prior to the due date for such income Tax Returns, taking into account applicable extensions. For the avoidance of doubt, and notwithstanding anything to the contrary contained herein or in any Transaction Document, in no event shall Duke or any of its Affiliates be required to provide any information to Investor that relates to a Group Return except to the extent such information relates solely to the Companies or relates to making a Tax election that is binding on all entities included in such Group Return.

(d) Tax Elections. Without the prior written consent of Investor, which consent shall not be unreasonably withheld, conditioned, or delayed, neither Duke nor any of its Subsidiaries (including the Companies) will make or cause to be made any Tax election that would reduce or limit the use of the Tax attributes of the Companies if such Tax election would be reasonably likely to have a material adverse effect on the Taxes payable by any Company or the payments due to any Company pursuant to the Tax Sharing Agreement, unless such adverse effect in any taxable period will be recovered by DEI through rates in the same taxable period or in two (2) succeeding taxable periods.

(e) Tax Sharing Payments. Duke shall promptly provide, or cause to be promptly provided, to Investor copies of the computations of all amounts payable by or to any Company under the Tax Sharing Agreement and reasonable access to all records, work papers, and other documents of or relating to the Companies which are reasonably necessary to verify such computations. Duke shall work, in good faith, taking into account all relevant circumstances surrounding the preparation of the computations, to provide such computations to Investor so that Investor has a reasonable opportunity to review the computations before any payment is made by or to the Companies pursuant to the Tax Sharing Agreement and provide comments, which Duke will consider in good faith.

(f) Tax Proceedings. Duke shall, or shall cause its Subsidiaries (including the Companies) to (i) promptly notify Investor of any proposed Tax audit or similar proceeding to the extent it relates to material Taxes for which any of the Companies may be liable (a "Tax Proceeding"), (ii) keep Investor reasonably apprised regarding the progress of any such Tax Proceeding, (iii) consult in good faith with Investor prior to taking any material action in connection with any such Tax Proceeding, provided that such consultation does not unreasonably delay or impede the progress of the Tax Proceeding, and (iv) defend any such Tax Proceeding diligently and in good faith as if the Companies were the only parties in interest. For the avoidance of doubt, and notwithstanding the foregoing, (A) none of Duke or any of its Affiliates shall be required to keep Investor apprised of, or consult with Investor on, any issue relating to any aspect of a Group Return that does not relate to, or affect the Tax Liability of, any Company, (B) in no event shall Duke or any of its Affiliates be required to provide any information to Investor that relates to a Group Return except to the extent such information relates solely to, and affects the Tax Liability of, the Companies, and (C) without limiting Investor's rights in the event of a breach of the covenant in the prior sentence, in no event shall Duke or any of its Affiliates be precluded from resolving any Tax Proceeding relating to a Group Return.

(g) Certain Transactions. Neither Duke nor any of its Subsidiaries (including the Companies) will cause any Company to participate in any "listed transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(2), "reportable transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(1) (with the exception of a "loss transaction" within the meaning of Treasury Regulation § 1.6011-4(b)(5)), as defined in Section 6707A(c) of the Code, or transaction of interest within the meaning of Treasury Regulation § 1.6011-4(b)(6), whether as a separate entity or as a member of a group filing a Group Return.

(h) Disaffiliation. Upon a disaffiliation of any Company that results in any Company no longer being included in the Duke Consolidated Group, the income, deductions, gains, losses, and other items of such disaffiliated Company will be allocated between the period on or prior to such disaffiliation and the period beginning on the day after such disaffiliation on a closing-of-the-books basis in a manner consistent with Treasury Regulation § 1.1502-76(b)(2) (or similar provision of state, local or foreign law) without any ratable allocation election under Treasury Regulation § 1.1502-76(b)(2)(ii)(D) (or similar provision of state, local or foreign law), unless Duke determines that it is beneficial to both Duke and Investor to use a ratable allocation method and Investor provides prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(i) Duke Note. Duke and its Affiliates shall not amend the terms of the Duke Note without Investor's prior written consent.

(j) FIRPTA Matters. If necessary to prevent or reduce withholding pursuant to Section 1445 of the Code on (i) payments made by DEI Holdco to Investor or (ii) payments made by a third party to Investor, in each case in respect of Investor's interest in DEI Holdco, Duke and its Affiliates shall reasonably cooperate with (including by providing reasonable and sufficient information to) Investor in connection with Investor obtaining a withholding certificate from the IRS pursuant to Treasury Regulation § 1.1445-3 or Treasury Regulation § 1.1445-6, as applicable (or any successor provision); provided, that in the case of any withholding certificate in respect of payments made under clause (i) above, DEI Holdco shall reimburse Investor for any reasonable and out-of-pocket costs and expenses incurred in obtaining such withholding certificate, but only to the extent that aggregate of all such costs and expenses incurred for all withholding certificates described in this Section 6.2(j) does not exceed $62,500.

Section 6.3 Regulatory Matters.

(a) FERC. As soon as practical following the execution of this Agreement but in no event later than twenty (20) Business Days from the Agreement Date, Cinergy and Investor will submit a joint application to the FERC pursuant to Section 203 of the FPA seeking FERC approval for the Transactions (the "FERC Approval"). Each Party shall cooperate with each other in the preparation and filing of such application to obtain the FERC Approval, and shall consider and incorporate in such filings all reasonable comments, if any, submitted by the other Party with respect thereto. The Parties shall use reasonable best efforts to obtain the FERC Approval at the earliest possible date after the date of filing. Each Party will bear its own costs of the preparation and prosecution of any such filing to obtain the FERC Approval. Until the earlier of the termination of this Agreement or the First Closing, neither Investor nor any of its Affiliates that are part of the Infrastructure Group of GIC Special Investments PTE Ltd. (other than portfolio companies as of the Agreement Date) shall acquire or enter into any contract to acquire direct or indirect control over an electric generation facility or its output or a public utility operating, in each case in the MISO market, if such action would reasonably be expected to materially impair or delay the consummation of the Transactions for any reason or result in the failure to satisfy any condition to the consummation of the Transactions.

(b) CFIUS.

(i) Each Party shall cooperate and use reasonable best efforts to do, or cause to be done, all things necessary to obtain CFIUS Approval. Such reasonable best efforts shall include: (A) as promptly as practicable after the date of this Agreement, but in no event later than twenty (20) Business Days from the Agreement Date (or such other date as the parties may mutually agree), preparing and filing, or causing to be filed, a draft CFIUS Notice, (B) as promptly as practicable after the resolution of all questions and comments received from CFIUS staff on the draft CFIUS Notice (or receipt of confirmation that the CFIUS staff have no such questions or comments), submitting the final CFIUS Notice to CFIUS pursuant to 31 C.F.R. Part 800 Subpart E; (C) providing any information requested by CFIUS or any other agency or branch of the U.S. government in connection with the CFIUS review, or investigation of the Transactions, within the time periods specified in the applicable regulations or otherwise specified by CFIUS staff; and (D) ensuring that any information furnished pursuant to the foregoing clauses (A) through (C) is true, correct and complete in all material respects.

(ii) Without limiting the generality of the foregoing, each Party shall, in connection with the efforts to obtain the CFIUS Approval, (A) cooperate in all respects and consult with each other in connection with the CFIUS Notice, including by allowing the other Parties a reasonable opportunity to review in advance and comment on drafts of filings and submissions and consider in good faith, the views of the other parties in connection with, any proposed written communication to CFIUS pertaining to the substance of the CFIUS Notice or matters related to the CFIUS process; (B) promptly inform the other Parties of any communication received by such Parties from, or given by such Parties to, CFIUS, by promptly providing copies to the other Parties of any such written communications, except for any exhibits to such communications providing personal identifying information and subject to redactions to preserve business confidential information; and (C) permit the other Parties to review in advance any communication that it gives to, and consult with one other in advance of any meeting, telephone call or conference with CFIUS, and to the extent not prohibited by CFIUS, give the other Parties the opportunity to attend and participate in any telephonic conferences or in-person meetings with CFIUS, in each of clauses (A), (B) and (C) of this Section 6.3(b)(ii) subject to confidentiality considerations contemplated by the CFIUS Statute or required by CFIUS.

(iii) Notwithstanding any other provision of this Agreement, if CFIUS notifies the Parties in writing that CFIUS (i) has completed its review or investigation or has determined that it requires no more time to review or investigate; and (ii) intends to send a report to the President recommending that the President act to suspend or prohibit the transactions contemplated by this Agreement (a "CFIUS Turndown"), none of the Parties shall have any further obligation to seek CFIUS Approval, and any party may in its discretion request withdrawal of the CFIUS Notice; provided that this right shall not be available to any Party whose material breach of any provision of this Agreement resulted in, or was a principal cause of, such CFIUS Turndown.

(c) Other Regulatory Filings. Each Party shall cooperate and use reasonable best efforts to prepare and file, or cause to be filed, as soon as practicable, but in no event later than twenty (20) Business Days from the Agreement Date, all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to use reasonable best efforts to obtain all necessary permits, consents, approvals and authorizations of all Governmental Authorities necessary or advisable to consummate the Transactions as soon as reasonably practicable and in any event prior to the Termination Date. Each Party shall have the right to review within a reasonable time in advance and to offer comments on any filing made after the Agreement Date and until the Termination Date (as the same may be extended hereunder) by the other Party (or Affiliates of the other Party) with any Governmental Authority with respect to the Transactions; provided, however, that, to the extent such filings contemplate confidential or sensitive information of a Party (or a Party's affiliates), the Parties shall (subject to the limitations set forth in this Agreement), in good faith, cooperate to provide the necessary or requested confidential or sensitive information in such a manner as to reasonably protect the interests of the disclosing Party, including, at the discretion of the Party from whom such information is sought, by providing it subject to a protective order, while not adversely affecting the timely consummation of the Transactions. Cinergy does not anticipate that any state utility regulatory commission consents or approvals will be required in connection with the transactions contemplated by this Agreement. In the event that any such approvals or consents or any Unknown Regulatory Approvals are required, Investor and Cinergy agree to use their respective reasonable best efforts to obtain such consents and approvals as promptly as practicable after the date hereof, and Cinergy shall be solely responsible for all costs and expenses in connection therewith. Notwithstanding anything to the contrary herein, Investor and its Affiliates shall not be required to take or agree to take any action that constitutes a Burdensome Condition in connection with Transactions (including pursuant to this Section 6.3 or Section 6.4) and, without the prior written consent of Investor, none of the Companies shall take, offer or accept, or agree, commit to agree or consent to any action, undertaking, term, condition, liability, obligation, commitment, sanction or other measure requiring Investor or its Affiliates to take any action that constitutes a Burdensome Condition.

(d) Copies and Notices. Except with respect to Taxes, (i) each Party shall promptly provide the other Party with copies of all filings made by such Party with any Governmental Authority in connection with this Agreement and the Transactions; provided, however, that, to the extent such filings include confidential or sensitive information of Investor, the portions thereof including such sensitive or confidential information may be redacted and, at the discretion of Investor, be provided only on an outside counsel basis or directly to the relevant Governmental Authority; and (ii) the Parties shall keep each other apprised of the status of matters relating to the completion of the Transactions, including promptly furnishing the other Party with copies of any notices or other communications received by Cinergy or Investor, as the case may be, or any of their respective Affiliates, from any third party or any Governmental Authority with respect to the Transactions. Each Party shall promptly provide the other Party with notice of any change or event that would reasonably be expected to materially impair such Party's ability to perform its obligations under or consummate the Transactions.

(e) Books and Records. Notwithstanding anything to the contrary in this Agreement, the Companies shall not be required to provide to Investor any portion of any Tax Return (or any supporting work papers or other documentation related thereto) of Duke or any of its Affiliates, other than to the extent such information relates solely to DEI Holdco, DEI or their respective Subsidiaries.

Section 6.4 Consents. Each Party shall cooperate and use reasonable best efforts to obtain the Required Consents as soon as reasonably practicable, and, to the extent a Closing occurs in the absence of any such consent, the Parties shall continue to use their reasonable best efforts to obtain all such consents after such Closing.

Section 6.5 Further Assurances. Each Party will, and, as applicable, will cause its Affiliates to, take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the Transactions in accordance with the terms hereof, including executing such further documents or instruments and taking such further actions as may be reasonably requested by another Party in order to consummate the Transactions in accordance with the terms hereof; provided, however, that this Section 6.5 shall not apply to the Parties' obligations in connection with obtaining the FERC Approval, CFIUS Approval, or any other permits, consents, approvals and authorizations of a Governmental Authority that may be necessary or advisable to consummate the Transactions, with respect to which the Parties' obligations are set forth in Section 6.3 and Section 6.4, respectively.

Section 6.6 Announcements. The Parties shall use reasonable efforts to consult with each other prior to issuing, and give each other the opportunity to review and comment upon, any press releases or any other public announcements with respect to this Agreement or the Transactions and shall not issue any such press release or public announcement prior to such consultation, except as may be required by applicable Law or obligations under any listing agreement with or rules of any national securities exchange and except for such press releases or public announcements that refer to this Agreement or the Transactions by using statements that previously have been made publicly. The Parties agree that the initial press release to be issued with respect to the Transactions shall be in the form consented to by Investor on January 28, 2021.

Section 6.7 Confidentiality. Investor and Cinergy each reaffirm and shall fulfill their obligations under the Confidentiality Agreement. For the avoidance of doubt, the Confidentiality Agreement shall continue in full force and effect regardless of any termination of this Agreement; provided, however, that, notwithstanding anything in the Confidentiality Agreement, Investor may disclose financial information concerning the Companies, including any financial models prepared in connection with the Transactions, to the extent reasonably necessary or advisable in connection with CFIUS, any other Required Approvals or Unknown Regulatory Approvals, or the Proposed Financing; provided further that, after the First Closing, to the extent that the DEI Holdco A&R LLC Agreement contains provisions that govern the confidential treatment of any information, the Confidentiality Agreement shall no longer apply to such information and all matters with respect to such information shall be governed by the DEI Holdco A&R LLC Agreement.

Section 6.8 Notice of Certain Event. Cinergy shall provide Investor with notice of any Additional Capital Investment with a description of the uses therefor reasonably promptly following the date of any such Additional Capital Investment.

Section 6.9 Contribution. Cinergy shall cause the Contribution to occur no earlier than the satisfaction of the condition set forth in Section 7.3(a)(iii)(x) and, in any event, no later than as soon as reasonably practicable after the satisfaction (or waiver by the applicable Parties) of the conditions set forth in Section 7.1(a) – (c) and Section 7.3(a)(iii).

Section 6.10 Distributions by DEI Holdco. From the First Closing Date until the earlier of the Second Closing or January 19, 2023, Cinergy shall cause DEI Holdco not to make any distribution to its members without the prior written consent of Investor, other than dividends or distributions not in excess of the aggregate amounts set forth on Schedule 1.1(c). From the date that Cinergy delivers the Second Closing Notice to the earlier of the Second Closing or January 19, 2023, Cinergy shall cause DEI Holdco not to make any distribution to its members without the prior written consent of Investor.

Section 6.11 Debt Financing Cooperation.

(a) Cinergy and DEI Holdco acknowledge that Investor intends to obtain debt financing to finance a portion of the Adjusted Purchase Price, which may include registered or private notes, syndicated loans and/or bank or other credit or debt facilities of any kind (and commitments in respect thereof) (any of the foregoing, the "Proposed Financing"). Notwithstanding anything to the contrary contained herein, Investor agrees that (i) none of the Companies or any of their respective Affiliates (other than Investor) shall have any liability (whether in contract, tort or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations under the agreements for the Proposed Financing and (ii) such Proposed Financing shall not contain any restrictive covenant or other obligations that are required to be performed or complied with by the Companies or any of their Affiliates (other than Investor).

(b) Until the Second Closing, Cinergy shall use reasonable best efforts to provide, and to cause its Affiliates, including the Companies, and its and their respective Representatives to provide, upon the reasonable request of Investor, cooperation in connection with Investor's Proposed Financing, including by: (i) participating (solely by teleconference or virtual meeting platforms) in a reasonable number of meetings and road shows, if any;

(ii) providing pertinent historical financial information reasonably requested by Investor in order to obtain or in connection with such financing, including the Required Information; (iii) preparing financial statements for the Companies (including by updating the projections that Cinergy or its Representatives previously provided to Investor, as Investor may reasonably request with reasonable advance notice from time to time; provided that, Investor may only request one such update prior to the First Closing and one such update between the First Closing and the Second Closing; provided, further, that (w) with respect to each Marketing Period, to enable the Investor to consider whether to request such updated projections, the Companies shall participate in one or more teleconferences or telephone calls with Investor at least 15 days before the applicable Marketing Period Inside Date; (x) such updated projections shall constitute Required Information with respect to each Closing only if Investor requests such update in writing prior to the applicable Marketing Period Inside Date with respect to such Closing; (y) Cinergy shall also provide to Investor updated projections for the Companies as and when any such projections are prepared by Cinergy or its Affiliates in the ordinary course of business or otherwise and (z) this Section 6.11(b) does not limit any right of Investor to request or require updates to projections or financial models with respect to the Companies pursuant to the DEI Holdco A&R LLC Agreement); (iv) assisting in the preparation of offering memoranda, private placement memoranda, prospectuses and similar documents in connection with such financing; (v) using reasonable best efforts to ensure that any syndication efforts of the lead arrangers or placement agents, as applicable. for the debt financing benefit from the existing lending relationships of the Companies; and (vi) requesting the consent of, and customary comfort letters from, the Companies' independent accountants (and providing customary management letters and requesting legal letters to obtain such consent) if necessary or desirable for Investor's use of the Companies' financial statements. The foregoing notwithstanding, none of Cinergy, the Companies nor any of their Subsidiaries or Affiliates shall be required to take or permit the taking of any action pursuant to this Section 6.11(b) that would: (A) require Cinergy, the Companies or any of their Affiliates or any persons who are officers or directors of such entities to pass resolutions or consents to approve or authorize the execution of the Proposed Financing or enter into or execute any certificate, document, opinion, instrument or agreement or agree to any change or modification of any existing certificate, document, instrument or agreement to the extent any such action would be effective prior to the First Closing (other than signing customary authorization letters), (B) require Cinergy or any of its Affiliates to pay any commitment or other similar fee or incur any other expense, liability or obligation in connection with such financing, (C) cause any director, officer, employee or stockholder of Cinergy or any of its Affiliates to incur any personal liability, (D) conflict with the organizational documents of Cinergy or any of its Affiliates or any Laws, (E) reasonably be expected to result in a material violation or breach of, or a default (with or without notice, lapse of time, or both) under, any Contract to which Cinergy or any of its Affiliates is a party (with a non-Affiliate), (F) require Cinergy or any of its Affiliates to provide access to or disclose information that Cinergy or any of its Affiliates reasonably determines would jeopardize any attorney-client privilege or other applicable privilege of Cinergy or any of its Affiliates (provided, however, that Cinergy shall use its reasonable efforts to provide such access or disclose such information in a manner that would not jeopardize such attorney-client or other applicable privilege), (G) cause any condition to the Closings set forth in this Agreement to fail to be satisfied or otherwise cause any breach of this Agreement that would provide Investor the right to terminate this Agreement or (H) require

Cinergy, the Companies or any of their Affiliates to provide any legal opinions. Nothing contained in this Section 6.11(b) or otherwise shall require Cinergy or any of its Affiliates at any time or any Company to be an issuer or other obligor with respect to the Proposed Financing.

(c) Investor shall, promptly, upon request by Cinergy, reimburse Cinergy or any of its Affiliates for all reasonable and documented out-of-pocket fees and expenses incurred by them in connection with such requested cooperation, and Investor shall indemnify, defend and hold harmless Cinergy and its Affiliates against any costs, expenses or liabilities incurred by them as a result of any Action or Proceeding against them arising out of any acts performed by them at Investor's request under this Section 6.11, except, in each case, to the extent such costs, expenses or liabilities result from (i) any material breach by Cinergy of this Agreement or (ii) gross negligence, fraud or willful misconduct of Cinergy, DEI Holdco, any other Company or any of their respective Affiliates, or any of their respective Representatives.

(d) All nonpublic or otherwise confidential information regarding the Companies obtained by Investor or its Representatives pursuant to this Section 6.11 prior to the First Closing shall be kept confidential in accordance with the Confidentiality Agreement and Section 6.7, except that such information may be disclosed to potential lenders, potential syndicate members, potential placement agents, other potential financing sources or potential participants and any agent for any of the foregoing ("Financing Sources"), subject to customary confidentiality undertakings by any such applicable Financing Source.

(e) Cinergy hereby consents to the use of the Companies' logos in connection with any financing relate to the Transactions; provided, however, that Investor shall ensure that such logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage the Companies or the Companies' reputation or goodwill and will comply with the Companies' reasonable usage requirements to the extent those requirements are consistent with this Section 6.11 and that they have been made available to Investor.

(f) Notwithstanding anything to the contrary, the Parties acknowledge and agree that the provisions contained in this Section 6.11 represent the sole obligation of Cinergy and its Affiliates with respect to cooperation in connection with the arrangement of any financing (including the Proposed Financing) to be obtained by Investor or its Affiliates prior to the First Closing, and no other provision of this Agreement (including the Exhibits and Schedules hereto) or the Ancillary Agreements shall be deemed to expand or modify such obligations with respect to the Proposed Financing prior to the First Closing. In no event shall the receipt or availability of any funds or financing (including, for the avoidance of doubt, the Proposed Financing) by Investor, any of its Affiliates or any other financing or other transactions be a condition to any of Investor's obligations under this Agreement.

Section 6.12 Intercompany Transactions.

(a) From the Agreement Date until the First Closing, Duke and Cinergy shall, and shall cause the Companies to, conduct and make all Intercompany Transactions in compliance in all material respects with the terms of the Affiliate Contracts and Affiliate Guidelines, as applicable.

(b) From and after the First Closing, Duke agrees with each Specified Party that, except as otherwise agreed in writing by such Specified Party, all Intercompany Transactions will be in accordance in all material respects with the affiliate agreements, affiliate standards and approved cost allocation methodologies that that have been filed with the IURC and, as applicable, other state public utility commissions in states where Duke owns other regulated electric utilities.

(c) From and after the First Closing, Duke agrees with each Specified Party, except as otherwise agreed in writing by such Specified Party, to provide, or cause to be provided, the services, management and support to the Companies such that the nature, quality, standard of care and skill and the service levels at which such services, management and support are performed are no less in any material respect than the nature, quality, standard of care and skill and service levels at which the substantially same services, management and support were performed by or on behalf of Duke and its Affiliates prior to the First Closing.

(d) From and after the First Closing, except for ordinary course amendments that do not involve changes to pricing or cost allocation methodology, Duke agrees with each Specified Party to disclose all material proposed amendments to affiliate agreements, affiliate standards and cost allocation methodologies to such Specified Party for review at least ten (10) Business Days before any proposed amendment, filing or submission to the IURC and, if such Specified Party requests, meet with such Specified Party to discuss the proposed changes. Each Specified Party shall have the right to consent to such amendment (which consent shall not be unreasonably withheld, delayed or conditioned) solely to the extent such amendment would disproportionally adversely affect the Companies (relative to other regulated electric utilities owned by Duke or its Affiliates (other than the Companies)) in any material respect.

(e) From and after the First Closing, Duke agrees with each Specified Party that if Duke proposes to change the allocation methodology under any affiliate agreements, affiliate standards and cost allocation methodologies Duke shall submit such proposed changes to the IURC if required by Law or otherwise in accordance with past practice.

Section 6.13 Access to Information. Cinergy shall, and shall cause the Companies to, afford to Investor and its Representatives reasonable access, upon reasonable notice during normal business hours during the period before the First Closing, to all the personnel, properties, books, contracts, commitments, records and financial, operating and other data of the Companies and, during such period, shall furnish promptly to Investor any information concerning the Companies as Investor may reasonably request; provided that such access does not unreasonably interfere with the normal operations of any of the Companies. Nothing set forth in this Agreement shall require Cinergy to, or to cause any Company to, (a) allow Investor or Representatives to, and Investor and its Representatives shall not, conduct any environmental site assessment, compliance evaluation or investigation at any of the facilities or properties of the Companies (but the foregoing shall not preclude Investor from receiving any environmental information concerning the Companies as Investor may reasonably request), (b) provide Investor or its Representatives with any information regarding Cinergy's or its Affiliate's businesses, assets, financial performance or condition or operations not involving the

Companies or (c) provide access to or disclose information where such access or disclosure would jeopardize any attorney-client privilege otherwise applicable with respect to such information or contravene any Law or binding agreement with any party that is not an Affiliate of Duke entered into prior to the date hereof by the Company providing such information; provided, however, that Cinergy shall use its reasonable efforts to provide such access and disclose such information in a manner that would not jeopardize such attorney-client privilege or violate such Law or agreement.

Section 6.14 Supplements to Schedules. Duke and Cinergy shall have the right, from time to time after the First Closing and prior to the Second Closing, by written notice to Investor, to supplement, modify or amend the schedules to this Agreement with respect to Article III or Article IV, with respect to any matter hereafter arising or discovered which if existing or known on or prior to the Agreement Date would have been required to be set forth or described therein. Notwithstanding the immediately preceding sentence, other than such supplements, modifications or amendments reflecting matters arising after the Agreement Date (x) in the ordinary course of business with respect to Schedules 4.6(e), 4.6(f), 4.8(b) and 4.12(a) (and, if required by this Agreement or the DEI Holdco A&R LLC Agreement, specifically approved or consented to by Investor) or (y) with respect to matters specifically approved or consented to in writing by Investor, in each case, which matters shall be deemed to be automatically incorporated into the schedules to this Agreement as if set forth therein on the Agreement Date, no supplements, modifications or amendments of the schedules to this Agreement shall be deemed to qualify, cure the defects to the representations and warranties to which such supplements, modifications or amendments relate or affect the rights of Investor or any member of its Indemnified Group under Article X; provided, however, that nothing herein shall be deemed to limit or otherwise affect, or constitute a waiver of, any rights of any Indemnified Party pursuant to Article X with respect to the First Closing; provided further that if the matters set forth on any supplement, modification or amendment to the schedules to this Agreement delivered pursuant to this Section 6.14 would reasonably be expected to have a Material Adverse Effect or otherwise result in the failure to satisfy any closing condition with respect to the Second Closing set forth in Section 7.1 or Section 7.2(b), then Investor shall have the right to terminate its obligations with respect to the Second Closing under this Agreement; provided further that, if, concurrent with any supplement, modification or amendment to the schedules to this Agreement delivered pursuant to this Section 6.14, Cinergy delivers a written acknowledgement to Investor that the matters set forth on such supplement, modification or amendment constitute a Material Adverse Effect or otherwise result in the failure to satisfy any closing condition with respect to the Second Closing set forth in Section 7.1 or Section 7.2(b), then (i) Investor shall have the right to deliver written notice of its election to terminate its obligations with respect to the Second Closing under this Agreement as set forth in the preceding proviso by delivery of written notice thereof to Cinergy within fifteen (15) Business Days after receipt of such written acknowledgement from Cinergy and, (ii) if Investor does not exercise its right to terminate its obligations with respect to the Second Closing under this Agreement in accordance with this Section 6.14 within such period, then (A) Investor shall have irrevocably waived any and all rights to terminate its obligations with respect to the Second Closing under this Agreement arising out of or relating to the matters disclosed in the applicable supplement, modification or amendment, and (B) such matters shall be deemed to be automatically incorporated into the schedules to this Agreement as if set forth therein on the Agreement Date. Duke and Cinergy shall not have the right to supplement, modify or amend schedules relating to Fundamental Representations or Schedules 1.1(a), 1.1(b), 1.1(c), 2.1(f) and 7.3(a)(iii).

Section 6.15 Receivable Sale Agreement Amendment. Cinergy will use, and will cause its Affiliates to use, reasonable best efforts to amend that certain Receivables Sale Agreement, dated as of November 5, 2010, by and among Cinergy Receivables Company LLC, as seller, Duke Energy Ohio, Inc., as initial servicer, The Bank of Nova Scotia, as program agent and the purchasers thereto (as amended by Amendment No. 10, dated as of December 19, 2017, Amendment No. 11, dated as of February 18, 2020, Amendment No. 12, dated as of July 23, 2020 and Amendment No. 13, dated as of October 23, 2020) to delete the reference to DEI in the definition of “Termination Event”, or to delete the reference in the definition of “Termination Event” to “100%” and replace it with “80%” with respect to DEI. If Cinergy is unable to obtain such an amendment prior to the First Closing, Cinergy will use reasonable best efforts to enable DEI to have access to a replacement facility.

ARTICLE VII

CONDITIONS

Section 7.1 Conditions to Obligations of Investor and Cinergy. The obligations of Investor, Cinergy and DEI Holdco hereunder to consummate the Transactions with respect to each Closing are subject to the satisfaction, at or before the applicable Closing, of the following conditions (all or any of which may be waived in whole or in part by mutual agreement of the Parties in their sole discretion):

(a) Orders. No temporary restraining order, preliminary or permanent injunction or other Order shall be in effect that enjoins, prohibits or otherwise prevents, or purports to enjoin, prohibit or otherwise prevent, the consummation of the Transactions;

(b) Laws. No Law shall have been enacted or shall be deemed applicable to the Transactions which makes the consummation of the Transactions illegal or prevents the Transactions from occurring;

(c) Litigation. No Action or Proceeding by or before any court or other Governmental Authority shall have been instituted or threatened in writing by any Governmental Authority or Person that would reasonably be expected to prevent or prohibit the consummation of the Transactions; and

(d) Contribution. The Contribution shall have occurred.

Section 7.2 Conditions to Obligations of Investor.

(a) First Closing. The obligation of Investor hereunder to consummate the Transactions with respect to the First Closing is subject to the satisfaction, at or before the First

Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Investor in its sole discretion):

(i) Representations and Warranties. (A) Each of the Fundamental Representations made by Duke or Cinergy in this Agreement (other than the representations and warranties in Section 4.6(f)) qualified as to materiality shall be true and correct in all respects as of the First Closing and not so qualified as to materiality shall be true and correct in all respects except for such inaccuracies as are de minimis in nature and amount relative to such representation and warranty taken as a whole, in each case as of the First Closing as if made on and as of the First Closing, except, in each case, to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties qualified as to materiality shall have been true and correct in all respects as of such earlier date and not so qualified as to materiality shall have been true and correct in all respects except for such inaccuracies as are de minimis in nature and amount as of such earlier date; (B) each of the representations and warranties made by Cinergy in Sections 4.6(e), 4.6(f), 4.17 and 4.18 shall be true and correct in all material respects as of the First Closing as if made on and as of the First Closing; and (C) each of the other representations and warranties made by Duke or Cinergy in this Agreement shall be true and correct in all respects as of the First Closing as if made on and as of the First Closing, except, (1) in each case, to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct in all respects as of such earlier date, and (2) to the extent that any and all failures of such representations and warranties to be so true and correct in all respects, taken as a whole, would not reasonably be expected to have a Material Adverse Effect on Duke, Cinergy or the Companies; provided, however, that, for purposes of determining the satisfaction of the condition in clause (B) and clause (C), no effect shall be given to any limitation or qualification as to materiality in such representations and warranties;

(ii) Performance. Each of Duke, Cinergy and DEI Holdco shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by it at or prior to the First Closing;

(iii) Consents and Approvals. (x) The Parties shall have obtained FERC Approval, (y) the Parties shall have obtained CFIUS Approval and (z) the Required Consents listed on Schedule 7.2(a)(iii) shall have been obtained and be in full force and effect, in each case, without any Burdensome Conditions;

(iv) No Material Adverse Effect. Since the Agreement Date, no Material Adverse Effect on Duke, Cinergy or the Companies shall have occurred and be continuing; and

(v) Deliveries at Closing. Each of Duke, Cinergy and DEI Holdco shall have executed and delivered (or caused to be executed and delivered) to Investor all agreements and other documents required to be executed and delivered by it to Investor pursuant to Section 2.2(e) at or prior to the First Closing.

(b) Second Closing. The obligation of Investor hereunder to consummate the Transactions with respect to the Second Closing is subject to the satisfaction, at or before the

Second Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Investor in its sole discretion):

(i) Representations and Warranties. (A) Each of the Fundamental Representations made by Duke or Cinergy in this Agreement (other than the representations and warranties in Section 4.6(f)) qualified as to materiality shall be true and correct in all respects as of the Second Closing and not so qualified as to materiality shall be true and correct in all respects except for such inaccuracies as are de minimis in nature and amount relative to such representation and warranty taken as a whole, in each case as of the Second Closing as if made on and as of the Second Closing, except, in each case, to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties qualified as to materiality shall have been true and correct in all respects as of such earlier date and not so qualified as to materiality shall have been true and correct in all respects except for such inaccuracies as are de minimis in nature and amount as of such earlier date; (B) each of the representations and warranties made by Duke or Cinergy in Sections 4.6(e), 4.6(f), 4.17 and 4.18 shall be true and correct in all material respects as of the Second Closing as if made on and as of the Second Closing; and (C) each of the other representations and warranties made by Duke or Cinergy in this Agreement shall be true and correct in all respects as of the Second Closing as if made on and as of the Second Closing, except, in each case, to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct in all respects as of such earlier date, and to the extent that any and all failures of such representations and warranties to be so true and correct in all respects, taken as a whole, would not reasonably be expected to have a Material Adverse Effect on Duke, Cinergy or the Companies; provided, however, that, for purposes of determining the satisfaction of the condition in clause (B) and clause (C), no effect shall be given to any limitation or qualification as to materiality in such representations and warranties;

(ii) Performance. (A) Each of Duke, Cinergy and DEI Holdco shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by it after the First Closing and at or prior to the Second Closing, and (B) each of Cinergy and DEI Holdco shall have complied in all material respects with all obligations and covenants required to be performed or complied with by it under the DEI Holdco A&R LLC Agreement;

(iii) Deliveries at Closing. Each of Cinergy and DEI Holdco shall have executed and delivered (or caused to be executed and delivered) to Investor all agreements and other documents required to be executed and delivered by it to Investor pursuant to Section 2.2(e) at or prior to the Second Closing;

(iv) No Material Adverse Effect. Since the Agreement Date, no Material Adverse Effect on the Companies shall have occurred and be continuing;

(v) Consents and Approvals. All Unknown Regulatory Approvals shall have been obtained and be in full force and effect, in each case, without any Burdensome Conditions; and

(vi) Put Exercise Notice. No "Put Exercise Notice" (as defined in the DEI Holdco A&R LLC Agreement) shall have been delivered in accordance with the DEI Holdco A&R LLC Agreement.

Section 7.3 Conditions to Obligations of Cinergy and DEI Holdco.

(a) First Closing. The obligation of Cinergy and DEI Holdco hereunder to consummate the Transactions with respect to the First Closing is subject to the satisfaction, at or before the First Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Cinergy in its sole discretion):

(i) Representations and Warranties. Each of the representations and warranties made by Investor in this Agreement shall be true and correct in all respects as of the First Closing as if made on and as of the First Closing, except, in each case, (i) to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date, or (ii) to the extent that any and all failures of such representations and warranties to be so true and correct in all respects, taken as a whole, would not reasonably be expected to have an Investor Material Adverse Effect;

(ii) Performance. Investor shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Investor at or prior to the First Closing;

(iii) Consents and Approvals. (x) The Parties shall have obtained FERC Approval, (y) the Parties shall have obtained CFIUS Approval and (z) the Required Consents listed on Schedule 7.3(a)(iii) shall have been obtained and be in full force and effect; and

(iv) Deliveries at Closing. Investor shall have executed and delivered (or caused to be executed and delivered) to Cinergy or DEI Holdco, as applicable, all agreements and other documents required to be executed and delivered to Cinergy or DEI Holdco pursuant to Section 2.2(e) at or prior to the First Closing, and Investor shall have made the payments required to be made by Investor at the First Closing pursuant to Section 2.1.

(b) Second Closing. The obligation of Cinergy and DEI Holdco hereunder to consummate the Transactions with respect to the Second Closing is subject to the satisfaction, at or before the Second Closing, of each of the following conditions (all or any of which may be waived in whole or in part by Cinergy in its sole discretion):

(i) Representations and Warranties. Each of the Fundamental Representations made by Investor in this Agreement shall be true and correct in all respects as of the Second Closing as if made on and as of the Second Closing, except, in each case, (i) to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date, or (ii) to the extent that any and all failures of such representations and warranties to be so true and correct in all respects, taken as a whole, would not reasonably be

expected to have a materially adverse effect on the ability of Investor to consummate the Transactions or to perform its obligations under this Agreement;

(ii) Performance. (A) Investor shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Investor after the First Closing and at or prior to the Second Closing, and (B) Investor shall have complied in all material respects with all obligations and covenants required to be performed or complied with by it under the DEI Holdco A&R LLC Agreement;

(iii) Deliveries at Closing. Investor shall have executed and delivered (or caused to be executed and delivered) to Cinergy or DEI Holdco, as applicable, all agreements and other documents required to be executed and delivered to Cinergy or DEI Holdco pursuant to Section 2.2(e) at or prior to the Second Closing, and Investor shall have made the payments required to be made by Investor at the Second Closing pursuant to Section 2.1;

(iv) Consents and Approvals. All Unknown Regulatory Approvals shall have been obtained and be in full force and effect; and

(v) Put Exercise Notice. No "Put Exercise Notice" (as defined in the DEI Holdco A&R LLC Agreement) shall have been delivered in accordance with the DEI Holdco A&R LLC Agreement.

ARTICLE VIII

TERMINATION

Section 8.1 Termination. This Agreement may be terminated and the Transactions may be abandoned at any time upon ten (10) days written notice of such termination to the other Party:

(a) by mutual written consent of Investor and Cinergy;

(b) by Investor or Cinergy if the First Closing has not occurred on or prior to the six (6) month anniversary of the Agreement Date (the "Termination Date"); provided, however, that if the sole reason that the First Closing has not occurred is that a consent or approval required by Section 7.2(a)(iii) or Section 7.3(a)(iii) has not been obtained on or prior to such date, such date shall automatically be extended by two (2) months (the end of such two-month extension period shall then be the "Termination Date"); provided, further, that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any Party whose breach of a representation, warranty, covenant or agreement under this Agreement has been the primary cause of the failure of the First Closing to occur on or before such date;

(c) by Investor prior to the First Closing if (i) Duke, Cinergy or DEI Holdco shall have breached or failed to perform any of the representations, warranties, covenants or agreements contained in this Agreement to be complied with by Duke, Cinergy or DEI Holdco, as applicable, such that any closing condition set forth in Section 7.1 or Section 7.2 could not be satisfied prior to the Termination Date or, if such breach or failure is capable of being cured, it shall not have been cured within the earlier of (x) thirty (30) days following receipt by Cinergy of notice of such breach or failure from Investor and (y) the Termination Date;

(d) by Cinergy prior to the First Closing if (i) Investor shall have breached or failed to perform any of the representations, warranties, covenants or agreements contained in this Agreement to be complied with by Investor such that any closing condition set forth in Section 7.1 or Section 7.3 could not be satisfied prior to the Termination Date or, if such breach or failure is capable of being cured, it shall not have been cured within the earlier of (x) thirty (30) days following receipt by Investor of notice of such breach or failure from Cinergy and (y) the Termination Date; or

(e) by Investor or Cinergy prior to the First Closing if a Governmental Authority shall have issued an Order or instituted any Action or Proceeding, in either case, having the effect of restraining, enjoining or otherwise prohibiting, or attempting to restrain, enjoin or otherwise prohibit, the Transactions and such Order shall become final and non-appealable or such Action or Proceeding shall have become final and non-appealable; provided that the right to terminate this Agreement under this Section 8.1(e) shall not be available to any Party whose action or failure to fulfill any obligation under this Agreement has been the primary cause of such Order, any Action or Proceeding.

Section 8.2 Effect of Termination.

(a) If this Agreement is validly terminated pursuant to Section 8.1, this Agreement will forthwith become null and void, except that Section 6.2, Section 6.7, this Section 8.2, and Article XI will continue to apply following any termination, and there will be no Liability on the part of Duke, Cinergy, DEI Holdco or Investor (or any of their respective Representatives or Affiliates) in respect of this Agreement except as provided in this Section 8.2.

(b) Notwithstanding anything to the contrary in this Agreement, nothing in this Section 8.2 shall relieve a Party from Liability for any Willful Breach of, or fraud in connection with, this Agreement occurring prior to such termination.

ARTICLE IX

SURVIVAL

Section 9.1 Survival of Representations, Warranties, Covenants and Agreements. The representations and warranties of the Parties contained in or made pursuant to this Agreement and the Ancillary Agreements shall survive until the date that is twelve (12) months following the applicable Closing Date; provided, however, that the representations and warranties of Cinergy and Duke set forth in Sections 3.1, 3.2, 3.3, 3.7, 3.8, 3.9, 3.10, 4.1, 4.6(f), 4.7(e) and 4.14 and the representations and warranties of Investor set forth in Sections 5.1, 5.2, 5.3 and 5.8 (collectively the "Fundamental Representations") shall survive until sixty (60) days following expiration of the applicable statute of limitations, and the representations and warranties of Cinergy in Section 4.13 shall survive until the date that is twenty-four (24) months following the applicable Closing Date (each of the foregoing, as applicable, the "Survival Period"). The Survival Period for covenants and agreements in this Agreement and the Ancillary Agreements shall be the earlier of (a) one (1) year following the specified term of such covenant or agreement (if any) or (b) sixty (60) days following expiration of the applicable statute of limitations. Any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement will survive the time at which it would otherwise terminate pursuant to this Section if written notice of a claim for the inaccuracy or breach of such representation or warranty or breach of such covenant or agreement giving rise to such indemnity right has been given to the Party from whom such indemnification may be sought prior to the time such representation, warranty, covenant or agreement would have expired.

ARTICLE X

INDEMNIFICATION AND REMEDIES

Section 10.1 General.

(a) Duke and Cinergy shall, severally and not jointly, defend, indemnify and hold harmless Investor, and Investor shall defend, indemnify and hold harmless Cinergy (the applicable indemnifying party, the "Indemnitor"), including, in the case of each non-indemnifying Party, such Party's Affiliates and their respective Representatives, successors and assigns (each, an "Indemnified Party," with each Party and its respective group of Indemnified Parties being referred to collectively as an "Indemnified Group") from and against any Loss suffered or incurred by any Indemnified Party to the extent arising out of, or resulting from:

(i) the inaccuracy of any representation or warranty of such Indemnitor (or its Affiliate) contained in this Agreement or the Ancillary Agreements; or

(ii) the breach or default by such Indemnitor (or its Affiliate) of any covenant or agreement of such Indemnitor (or its Affiliate) contained in this Agreement.

(b) Duke and Cinergy shall, jointly and severally, defend, indemnify and hold harmless Investor, the other members of Investor's Indemnified Group and the Companies from and against any Loss suffered or incurred by any such Person to the extent arising out of, or resulting from:

(i) any Controlled Group Liabilities with respect to any ERISA Affiliate, whether incurred or accrued before or after the First Closing Date;

(ii) any Liability of (1) Duke or (2) Affiliates of Duke other than the Companies, in each case arising out of or resulting from their business, Assets, Contracts, operations or transactions, whether arising before on or after the Agreement Date, excluding any Liability of (x) Duke or (y) Affiliates of Duke other than the Companies to the extent arising out of or resulting from the business, Assets, Contracts, operations or transactions of the Companies;

(iii) any services, products, support or assistance that any of the Companies or their predecessors provided to an Affiliate of the Companies that designed, developed, owned or operated a nuclear power plant;

(iv) any cash Taxes or any reduction in amounts payable to any of the Companies pursuant to the Tax Sharing Agreement, in each case attributable to the acceleration of any deferred intercompany gain of a Company pursuant to Treasury Regulation § 1.1502-13 (but only to the extent such Taxes have not already been paid by the Company under the Tax Sharing Agreement in connection with the creation of the deferred intercompany gain) as a result of the deconsolidation of such Company from the Duke Consolidated Group, unless such deconsolidation results from (A) a sale or other transfer of 100% of the interests in such Company or (B) any action taken by or at the direction of Investor; provided, that, for the avoidance of doubt, the calculation of such Taxes shall reflect the cost of the timing differences relating to the relevant income and loss items taken into account as a result of the deconsolidation event (as compared to if the deconsolidation event had not occurred); and

(v) any Taxes for which a Company may be liable pursuant to Treasury Regulation § 1.1502-6 or similar provisions of state, local or foreign law as a result of being or having been a member of a combined, consolidated, unitary or similar group that includes one or more entities other than the Companies.

Section 10.2 Period for Making Claims. No claim under Section 10.1(a)(i) or Section 10.1(a)(ii) may be made unless such Party shall have delivered a Claim Notice with respect to such claim for breach of a representation or warranty or covenant or agreement prior to the expiration of the applicable Survival Period.

Section 10.3 Limitations on Indemnification.

(a) With respect to any claim for indemnification arising from any breach or inaccuracy of any representations and warranties other than Fundamental Representations, each Party's liability under Section 10.1(a)(i) shall be limited to an amount equal to ten percent (10%) of the portion of the Adjusted Purchase Price that has been paid at the applicable time. As to any claim for indemnification for a breach or inaccuracy of any Fundamental Representation, each Party's liability under this Article X shall be limited to the portion of the Adjusted Purchase Price that has been paid at the applicable time.

(b) With respect to any claim for indemnification arising from any breach or inaccuracy of any representations and warranties other than Fundamental Representations, the Indemnified Party shall not be entitled to indemnification with respect to any Loss unless and until such Indemnified Party's Indemnified Group has incurred, sustained or become subject to aggregate Losses arising from the same circumstances or relating to the same fact pattern in excess of ten million dollars ($10,000,000).

(c) With respect to any claim for indemnification arising from any breach or inaccuracy of any representations and warranties other than Fundamental Representations, the Indemnified Party shall not be entitled to indemnification with respect to any Loss unless and until such Indemnified Party's Indemnified Group has incurred, sustained or become subject to aggregate Losses in excess of two percent (2.0%) of the Adjusted Purchase Price, and then only to the extent such Losses are in excess of two percent (2.0%) of the Adjusted Purchase Price.

(d) To the extent that any Indemnitor is not obligated to pay to any Indemnified Party any amount with respect to indemnification for Losses otherwise subject to indemnification solely as a result of the limitations set forth in Section 10.3(a) and, at any time, the Adjusted Purchase Price is increased to reflect any additional payments by Investor pursuant to Article II, the Indemnitor shall pay such additional amounts to such Indemnified Party, up to the aggregate limitations set forth in Section 10.3(a) with respect to the Adjusted Purchase Price, as so increased.

(e) The limitations set forth in this Section 10.3 shall not apply to claims of, or causes of action arising from, intentional misconduct, intentional or willful misrepresentation or fraud by any Party.

Section 10.4 Adjustments for Indemnity Payments. Except as otherwise required by Law, the Parties shall treat for all Tax purposes any indemnification payment made hereunder as an adjustment to the Adjusted Purchase Price.

Section 10.5 Procedure for Indemnification with Respect to Direct Claims. Whenever any direct claim shall arise for indemnification under this Article X, the Indemnified Party, after attaining knowledge of such claim, shall promptly notify the Indemnitor of the claim and, when known, the facts constituting the basis for such claim (such notice, a "Claim Notice"); provided, however, that the failure to provide such Claim Notice shall not release the Indemnitor from its obligations under this Article X except to the extent that the Indemnitor has been actually prejudiced by such failure. If, within thirty (30) days after receiving a Claim Notice, the Indemnitor notifies the Indemnified Party that it does not contest such Claim Notice or the Indemnitor does not give written notice to the Indemnified Party that it contests such Claim Notice, then the amount of indemnity payable for such claim shall be as set forth in the Indemnified Party's Claim Notice. If the Indemnitor contests such indemnity, the Parties shall attempt in good faith to reach an agreement with regard thereto within thirty (30) days of delivery of the Indemnitor's notice objecting to the claim. If the Parties cannot reach agreement within such thirty (30)-day period, the matter shall be resolved in accordance with the provisions of Section 11.8.

Section 10.6 Procedure for Indemnification with Respect to Third-Party Claims.

(a) Notice of Claim

. If any legal proceedings shall be instituted or any claim or demand shall be asserted by any third party in respect of which indemnification may be sought by any Indemnified Party under this Article X (each a "Third-Party Claim"), such Indemnified Party shall, reasonably promptly, submit a Claim Notice to the Indemnitor, specifying the nature of such Third-Party Claim and the amount or the estimated amount thereof to the extent then determinable, which estimate shall not be binding upon the Indemnified Party; provided that the failure of an Indemnified Party to give timely notice shall not affect its rights to indemnification under this Article X, except to the extent that the Indemnitor has been actually prejudiced by such failure. The Indemnitor shall notify the Indemnified Party as soon as reasonably practicable whether the Indemnitor disputes its liability to the Indemnified Party for such claim under this Article X; provided that the failure of an Indemnitor to give timely notice shall not affect its rights under this Article X, except to the extent that the Indemnified Party has been actually prejudiced by such failure.

(b) Conduct of Claim.

i. Except with respect to Taxes:

(1) If the Indemnitor notifies the Indemnified Party that the Indemnitor acknowledges its liability under this Article X and that it desires to defend the Indemnified Party with respect to the Third-Party Claim, the Indemnitor shall have the right, at its option and at its own expense, to be represented by counsel of its choice and to take control of the defense, negotiation and/or settlement of such Third-Party Claim, unless (1) the Indemnitor is also a party to such Third-Party Claim and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (2) the Third-Party Claim seeks an injunction or other equitable relief or relief other than monetary damages for which the Indemnified Party would be entitled to indemnification; provided that the Indemnified Party may participate in any such proceeding with counsel of its choice (which shall be at its own expense). If the Indemnitor assumes the defense of a Third-Party Claim in accordance with this Section 10.6, (x) the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnitor, and (y) the Indemnitor shall defend such Third-Party Claim in good faith to final conclusion or settlement of such Third-Party Claim. The Indemnitor shall be liable for the reasonable fees and expenses of counsel employed by the Indemnified Party for any period after the Indemnified Party has provided a Claim Notice with respect to a Third-Party Claim but the Indemnitor has not assumed the defense of a Third-Party Claim for which the Indemnified Party is entitled to indemnification pursuant to this Article X. The Indemnitor shall provide fifteen (15) days advance written notice of any proposed settlement or compromise to the Indemnified Party, and the Indemnitor shall not, without the Indemnified Party's prior written consent (not to be unreasonably withheld, conditioned or delayed), compromise or settle any Third-Party Claim, nor execute or otherwise agree to any consent decree, that (I) provides for other than monetary payment, (II) does not include as an unconditional term thereof the giving of a release from all liability with respect to such Third-Party Claim by each claimant or plaintiff to each Indemnified Party that is or may be subject to the Third-Party Claim, or (III) involves any finding or admission of any violation of Law or any violation of the rights of any Person.

(2) If the Indemnitor elects not to defend or settle such proceeding, claim or demand, the Indemnified Party shall provide ten (10) Business Days' advance written notice of any proposed settlement or compromise to the Indemnitor. Without the consent of the Indemnitor (not to be unreasonably withheld, conditioned or delayed), no Indemnified Party shall settle or compromise any Third-Party Claim for which the Indemnitor has acknowledged its

liability under this Article X, unless (I) the terms of such settlement are substantially the same as the proposed settlement or compromise delivered in the Claim Notice to the Indemnitor or (II) such settlement (x) provides only for the payment of money and does not include any admission of guilt or culpability and (y) includes a full release from all liability with respect to such claim by each claimant or plaintiff to each Indemnitor that is or may be subject to the Third-Party Claim.

(3) The Indemnitor and the Indemnified Party shall cooperate reasonably with each other in connection with the defense, negotiation or settlement of any Third-Party Claim.

(ii) Notwithstanding anything to the contrary in this Agreement, except as otherwise provided in the Transaction Documents, Cinergy shall have the right, at its option and at its own expense, to be represented by counsel of its choice and to participate in, or take control of, the defense, negotiation or settlement of any proceeding, claim or demand that relates to Taxes of Cinergy or any of its Affiliates (including DEI Holdco, DEI and any of their Subsidiaries).

(c) Payment of Third-Party Claims. After final non-appealable judgment or award shall have been rendered by a court, arbitration board or administrative agency of competent jurisdiction, or a settlement shall have been consummated, or the Indemnified Party and the Indemnitor shall have arrived at a mutually binding agreement with respect to each separate matter indemnified by the Indemnitor with respect to any Third-Party Claim, the Indemnified Party shall forward to the Indemnitor notice of any sums due and owing with respect to such Third-Party Claim at such time by the Indemnitor with respect to such matter, and such amount shall be paid within five (5) Business Days by the Indemnitor to the applicable Indemnified Party.

(d) Access to Information. If any Third-Party Claim is made against an Indemnified Party, the Indemnified Party shall use commercially reasonable efforts to make available to the Indemnitor those partners, members, officers and employees of the Indemnified Party whose assistance, testimony or presence is necessary to assist the Indemnitor in evaluating and in defending such claims; provided that any such access shall be conducted in such a manner as not to interfere unreasonably with the operations of the business of the Indemnified Party.

Section 10.7 Exclusive Remedy. Notwithstanding anything to the contrary which may be contained herein, the indemnities set forth in this Article X shall become effective as of the First Closing Date. Other than equitable remedies and except in the case of intentional misconduct, intentional or willful misrepresentation or fraud, the indemnities set forth in this Article X shall be the exclusive remedies of Investor and Cinergy and their respective Indemnified Groups due to the breach or inaccuracy of any representation or warranty, or the breach or default of any covenant or agreement, contained in this Agreement, and the Parties shall not be entitled to a rescission of this Agreement or to any further indemnification rights, breach or damages or claims of any nature whatsoever in respect thereof, all of which the Parties hereby waive.

Section 10.8 Damages Calculations.

(a) Except as expressly provided herein, no Party or its Affiliates, or other members of its Indemnified Group, shall be liable hereunder at any time for special or punitive damages or any Losses of the other Party or any of the members of their respective Indemnified Groups which are not the natural, probable and reasonably foreseeable result of the event giving rise to the Loss as contemplated by the Parties as of the Agreement Date, whether in contract, tort (including negligence), strict liability or otherwise, except to the extent payable to a third party.

(b) Each of Cinergy's and Duke's representations and warranties in this Agreement that contain any "Material Adverse Effect," "in all material respects," or other materiality (or correlative meaning) qualifications shall be deemed to exclude such qualifiers both for purposes of determining whether or not there is a breach of such representation or warranty and for purposes of calculating Losses under this Article X; provided, however, that the foregoing shall not apply to the word "Material" where it is included in any capitalized phrase serving as a defined term for purposes of this Agreement (e.g., the phrases "Material Contract" or "Material Supplier").

ARTICLE XI

MISCELLANEOUS

Section 11.1 Entire Agreement. This Agreement, the Confidentiality Agreement, and the other Transaction Documents constitute the entire agreement and understanding of the Parties in respect of the subject matter contained herein and therein and supersede all prior agreements and understandings between the Parties with respect to such subject matter.

Section 11.2 Notices. All notices, requests, consents and other communications under this Agreement must be in writing and shall be deemed to have been duly given and effective (a) immediately (or, if not delivered before 5:00 p.m. New York time on a Business Day, the next Business Day) if delivered by electronic mail (with confirmation of transmission) and if a hard copy is delivered by overnight delivery service the next Business Day, (b) on the date of delivery if by hand delivery (with confirmation of receipt) (or, if not delivered on a Business Day, the next Business Day) or (c) on the first Business Day following the date of dispatch (or, if not sent on a Business Day, the next Business Day after the date of dispatch) if sent by overnight service with a nationally recognized overnight delivery service (all fees prepaid). All notices shall be delivered to the following addresses, or such other addresses as may hereafter be designated in writing by such Party to the other Party:

(a) If to Investor:

Epsom Investment Pte. Ltd.
c/o GIC Pte Ltd
168 Robinson Road
#37-01 Capital Tower
Singapore, 068912
Attention: Goh Siang
Email: gohsiang@gic.com.sg

and

Epsom Investment Pte. Ltd.
c/o GIC Private Equity & Infrastructure
280 Park Avenue
New York, New York 10017
Attention: Alex Greenbaum; Saumil Agrawal
Email: alexgreenbaum@gic.com.sg; saumilagrawal@gic.com.sg

With copies (which shall not constitute notice) to:

Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Asi Kirmayer; Chris Barbuto
Email: akirmayer@sidley.com; cbarbuto@sidley.com

(b) If to Duke, Cinergy or DEI Holdco:

Duke Energy Corporation
550 S. Tryon Street, DEC45A
Charlotte, NC 28202
Attention: Greer Mendelow
Email: greer.mendelow@duke-energy.com

With copies (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
Attention: Pankaj Sinha
Email: psinha@skadden.com

Section 11.3 Severability. Any term or provision of this Agreement that is determined by a court of competent jurisdiction to be invalid or unenforceable for any reason shall, as to that jurisdiction, be ineffective solely to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is determined by a court of competent jurisdiction to be so broad as to be unenforceable, that provision shall be interpreted to be only so broad as is enforceable.

Section 11.4 Assignment; Third-Party Beneficiaries. Except as otherwise provided herein, all the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the Parties and their respective successors and permitted assigns. Neither this Agreement, nor any right hereunder, may be assigned by any Party without the prior written consent of the other Parties; provided, however, that Investor may assign its rights and obligations hereunder, without the consent of any other Party, (a) to any of its Affiliates, (b) by way of collateral security to any Financing Source, and (c) to an acquirer of its DEI Holdco Membership Interests. Except for (A) any Indemnified Party's right to indemnification pursuant to Article X and (B) the right of Investor, as described in this Section 11.4, to enforce the right of the Companies to indemnification set forth in Section 10.1(b), this Agreement is not intended to confer any rights or remedies hereunder upon any other Person except the Parties, it being for the exclusive benefit of the Parties and their respective successors and permitted assigns. The Parties agree that Investor shall have the right to act on behalf of any Company, including initiating any Action or Proceeding, to enforce any claim by the Company to indemnification under Section 10.1(b). Persons other than the Parties may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the Agreement Date or as of any other date.

Section 11.5 Amendments. This Agreement may be amended, modified or supplemented, with respect to any of the terms contained in this Agreement, only by written agreement (referring specifically to this Agreement) signed by or on behalf of all Parties and, with respect to Section 11.4(b), only with the consent of the Financing Sources.

Section 11.6 Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is made expressly in an instrument in writing specifically referring to this Agreement and executed and delivered by the Party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. The rights and remedies of the Parties are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise.

Section 11.7 Interpretation.

(a) When a reference is made in this Agreement to an Article, Section, Schedule, clause or Exhibit, such reference shall be to an Article, Section or clause of, or Exhibit to, this Agreement unless otherwise indicated, and the words "Agreement," "hereby," "herein," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including any Exhibits or Schedules) and not merely to the specific section, paragraph or clause in which such word appears. The table of contents and the Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and do not in any way affect the meaning or interpretation of this Agreement. The phrases "the date of this Agreement," "the date hereof" and terms of similar import, shall be deemed to refer to the Agreement Date. References to any statute are to that statute, as amended from time to time, and to the rules and regulations promulgated thereunder. Unless otherwise expressly provided herein, references to any agreement or document shall be a reference to such agreement or document as in effect on the Agreement Date and amended, modified or supplemented to the extent expressly permitted by the terms hereof and in effect from time to time, and shall include reference to all exhibits, schedules and other documents or agreements attached thereto or incorporated therein, including waivers or consents. Unless otherwise expressly provided herein, references to any Person include the successors and permitted assigns of that Person. Whenever the content of this Agreement permits, the masculine gender shall include the feminine and neuter genders, and a reference to singular or plural shall be interchangeable with the other. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. As used in this Agreement: (i) the term "including" and words of similar import mean "including, without limitation" unless otherwise specified, (ii) "$" and "dollars" refer to the currency of the United States of America, (iii) "or" shall include both the conjunctive and disjunctive and (iv) "any" shall mean "one or more". Unless the defined term "Business Days" is used, references to "days" in this Agreement refer to calendar days. Any document, list or other item shall be deemed to have been "made available" or "provided" to Investor for purposes of this Agreement only if such document, list or other item was posted at least two (2) Business Days before the Agreement Date in the Datasite electronic data room established by Cinergy for the Transaction.

(b) The Parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

(c) No summary of this Agreement prepared by or on behalf of any Party shall affect the meaning or interpretation of this Agreement.

Section 11.8 Governing Law; Consent to Jurisdiction; WAIVER OF JURY TRIAL.

(a) This Agreement, the legal relations between the Parties and the adjudication and the enforcement thereof, shall be governed by and interpreted and construed in accordance with the substantive laws of the State of Delaware, without regard to applicable choice of law provisions thereof.

(b) Each Party, by its execution hereof, (i) hereby irrevocably submits and consents to the exclusive jurisdiction of the state courts of the State of Delaware located in Wilmington, Delaware or the United States District Court for the District of Delaware for the purpose of any and all actions, suits or proceedings arising in whole or in part out of, related to, based upon or in connection with this Agreement or the subject matter hereof (each, a "Proceeding"), (ii) hereby waives to the extent not prohibited by applicable Law, and agrees not to assert, by way of motion, as a defense or otherwise, in any Proceeding, any claim that it is not subject to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution or that any such action brought in one of the above-named courts should be dismissed on grounds of forum non conveniens, should be transferred to any court other than one of the above-named courts or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by such court and (iii) hereby agrees not to commence any Proceeding other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any Proceeding to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise. Each Party hereby (A) consents to service of process in any such action in any manner permitted by Delaware Law, (B) agrees that service of process made in accordance with clause (A) or made by registered or certified mail, return receipt requested, at its address specified pursuant to Section 11.2, shall constitute good and valid service of process in any Proceeding and (C) waives and agrees not to assert (by way of motion, as a defense or otherwise) in any Proceeding any claim that service of process made in accordance with clauses (A) or (B) does not constitute good and valid service of process.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY PROCEEDING OR OTHER CONTROVERSY WHICH MAY ARISE IN CONNECTION WITH THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUCH PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS, OR THE FORMATION, BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) IT MAKES THIS WAIVER VOLUNTARILY AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.8.

Section 11.9 Specific Performance. The Parties agree that irreparable harm would occur and the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity. The Parties hereby waive in any action for specific performance the defense of adequacy of a remedy at law in connection therewith. The Parties further agree that (a) by seeking any remedy provided in this Section 11.9, a Party shall not in any respect waive its right to seek any other form of relief that may be available to it under this Agreement and (b) nothing contained in this Section 11.9 shall require a Party to institute any action for (or limit a Party's right to institute any action for) specific performance under this Section 11.9 prior to exercising any other right under this Agreement.

Section 11.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

Section 11.1 No Offset. No Party may offset any amount due to any other Party or any of such other Party's Affiliates against any amount owed or alleged to be owed from such other Party or its Affiliates under this Agreement or any other Transaction Document without the written consent of such other Party.

Section 11.12 Waiver; Conflicts. Recognizing that Skadden, Arps, Slate, Meagher & Flom LLP ("Company Counsel") has acted as legal counsel to Cinergy and DEI Holdco and certain of their Affiliates prior to the date hereof, and that Company Counsel intends to act as legal counsel to Cinergy and DEI Holdco and their Affiliates after the Closing, Investor hereby waives, on its own behalf and agrees to cause its respective Affiliates to waive, any conflicts that may arise in connection with Company Counsel representing Cinergy or DEI Holdco or its Affiliates, whether prior to or after the First Closing, solely as such representation may relate to the Transactions; provided, however, that such waiver shall not extend to any representation in connection with any litigation or other Action or Proceeding against Investor or its Affiliates. In addition, all communications involving attorney-client confidences between Cinergy or DEI Holdco and their respective Affiliates, on the one hand, and Company Counsel, on the other hand, in the course of the engagement with respect to negotiation, documentation and consummation of the Transactions shall be deemed to be attorney-client confidences that belong solely to Cinergy and DEI Holdco and their Affiliates (and not Investor). Accordingly, Investor shall not have the right to obtain access to any such communications or to the files of Company Counsel relating to such engagement at any time. Without limiting the generality of the foregoing, from and after the First Closing Date, (a) Cinergy and DEI Holdco and their Affiliates (and not Investor) shall be the sole holders of the attorney-client privilege with respect to such engagement, and Investor shall not be a holder thereof, (b) to the extent that files of Company Counsel in respect of such engagement constitute property of the client, only Cinergy and DEI Holdco and its Affiliates (and not Investor) shall hold such property rights and (c) Company Counsel shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to Investor by reason of any attorney-client relationship between Cinergy and DEI Holdco and Company Counsel or otherwise. This Section 11.12 shall be irrevocable, and no term of this Section 11.12 may be amended, waived or modified, without the prior written consent of Company Counsel.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Agreement Date.

CINERGY CORP.

By: /s/ Karl W. Newlin
Name: Karl W. Newlin
Title: SVP, Corporate Development & Treasurer

DUKE ENERGY INDIANA HOLDCO, LLC

By: /s/ Karl W. Newlin
Name: Karl W. Newlin
Title: SVP, Corporate Development & Treasurer

DUKE ENERGY CORPORATION

By: /s/ Lynn J. Good
Name: Lynn J. Good
Title: Chair, President & CEO

EPSOM INVESTMENT PTE. LTD.

By: /s/ Alexander Greenbaum
Name: Alexander Greenbaum
Title: Authorized Signatory

EXHIBIT 10.3

FIRST AMENDMENT TO CREDIT AGREEMENT

FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of March 18, 2021 relating to the Credit Agreement (as extended, amended, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement"), dated as of May 15, 2019, among Duke Energy Corporation, as Borrower ("Borrower"), the Lenders from time to time party thereto, The Bank of Nova Scotia, as Administrative Agent (in such capacity, the "Administrative Agent"), PNC Bank, National Association, Sumitomo Mitsui Banking Corporation and TD Bank, N.A., as Co-Syndication Agents, and Bank of China, New York Branch, BNP Paribas, Santander Bank, N.A. and U.S. Bank National Association, as Co- Documentation Agents (the Existing Credit Agreement as amended hereby and as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

1. Defined Terms. Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement.

2. Amendments. The undersigned lenders, constituting all of the Lenders immediately prior to the Amendment Effective Date (as defined below), consent to amend the Existing Credit Agreement as follows:

(a) The definition of "Commitment Termination Date" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

"**Commitment Termination Date**" means, for each Lender, May 15, 2024, or, if such day is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day.

3. Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent that the execution, delivery and performance by the Borrower of this Amendment are within the Borrower's powers, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any Governmental Authority (except for consents, authorizations or filings which have been obtained or made, as the case may be, and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation, by-laws, certificate of formation or the limited liability company agreement of the Borrower or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Material Subsidiaries.

4. Conditions Precedent to the Effectiveness of this Amendment. This Amendment shall become effective as of the date when, and only when, the following conditions precedent have been satisfied (such date, the "Amendment Effective Date"):

(a) the Administrative Agent shall have received counterparts of this Amendment duly executed by (A) the Borrower and (B) each Lender party hereto;

(b) the Borrower shall have paid to the Administrative Agent (x) for the account of each Lender, all documented fees due and payable to the Lenders on the Amendment Effective Date and (y) for the account of the Administrative Agent, all documented fees due and payable to the Administrative Agent on the Amendment Effective Date;

(c) the Administrative Agent shall have received all reasonable and documented out-of-pocket expenses to be paid or reimbursed to the Administrative Agent on the Amendment Effective Date (including, for the avoidance of doubt, legal fees of Davis Polk & Wardwell LLP);

(d) prior to and immediately after giving effect to this Amendment on the Amendment Effective Date, the representations and warranties in Section 3 of this Amendment shall be true and correct in all material respects; and

(e) prior to and immediately after giving effect to this Amendment on the Amendment Effective Date, (i) no Event of Default or Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrower contained in Article 4 of the Credit Agreement shall be true on and as of the Amendment Effective Date, except in the case of any such representation or warranty that expressly relates to a prior date, in which case such representation or warranty shall be true as of such prior date.

5. Governing Law; Submission to Jurisdiction. This Amendment shall be governed by and construed in accordance with the laws of the State of New York. The Borrower hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, of any State court located in the City and County of New York and any appellate court thereof for purposes of all legal proceedings arising out of or relating to this Amendment or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

6. Counterparts; Integration. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment, the Credit Agreement, the Notes, and any separate letter agreements with respect to fees payable to the Administrative Agent or the Lenders, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

7. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

8 .Incorporation; Execution. The provisions of this Amendment are deemed incorporated into the Credit Agreement as if fully set forth therein. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Existing Credit Agreement, nor constitute a waiver of any provision of the Existing Credit Agreement.

9. Ratification. The Existing Credit Agreement, as specifically amended by this Amendment, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

10. Reference. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Existing Credit Agreement, as amended by this Amendment.

[The remainder of this page is intentionally left blank; signature pages follow]

DUKE ENERGY CORPORATION,
as Borrower

By: ______________________________
Name: Michael S. Hendershott
Title: Assistant Treasurer

THE BANK OF NOVA SCOTIA, as
Administrative Agent and Lender

By:________________________________
Name: David Dewar
Title: Director

Bank of China, New York Branch, as
a Lender

By:______________________________
Name: Raymond Qiao
Title: Executive Vice President

BNP PARIBAS, as a Lender

By: ________________________
Name: Denis O'Meara
Title: Managing Director

By: ________________________
Name: Victor Padilla
Title: Vice President

PNC Bank, N.A., as a Lender

By:______________________________

Name: Alex Rolfe
Title: Vice President

SUMITOMO MITSUI BANKING
CORPORATION, as a Lender

By: ______________________________
Name: Katie Lee
Title: Director

TD Bank, N.A., as a Lender

By: ______________________
Name: Steve Levi
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: ______________________________
Name: James O'Shaughnessy
Title: Vice President

SANTANDER BANK, N.A., as a Lender

By: Pablo Urgoiti Digitally signed by Pablo Urgoiti Date: 2021.03.11 13:03:37 -05'00'
Name: Pablo Urgoiti
Title: Managing Director

By: Andres Barbosa
Name: Andres Barbosa
Title: Managing Director

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, 2021

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
	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
1-15929	**PROGRESS ENERGY, INC.** (a North Carolina corporation) 410 South Wilmington Street Raleigh, North Carolina 27601-1748 704-382-3853	56-2155481
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
1-3274	**DUKE ENERGY FLORIDA, LLC** (a Florida limited liability company) 299 First Avenue North St. Petersburg, Florida 33701 704-382-3853	59-0247770
1-1232	**DUKE ENERGY OHIO, INC.** (an Ohio corporation) 139 East Fourth Street Cincinnati, Ohio 45202 704-382-3853	31-0240030
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, 2021:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	769,337,598

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.

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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:

◦ 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;

FORWARD-LOOKING STATEMENTS

- 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;
- The actions of activist shareholders could disrupt our operations, impact our ability to execute on our business strategy, or cause fluctuations in the trading price of our common stock; 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 Office of Public Counsel and other customer representatives
2017 Settlement	Second Revised and Restated Settlement Agreement in 2017 among Duke Energy Florida, the Florida Office of Public Counsel and other customer representatives, which replaces and supplants the 2013 Settlement
2021 Settlement	Settlement Agreement in 2021 among Duke Energy Florida, the Florida Office of Public Counsel, the Florida Industrial Power Users Group, White Springs Agricultural Chemicals, Inc. d/b/a PSC Phosphate and NUCOR Steel Florida, Inc.
ACP	Atlantic Coast Pipeline, LLC, a limited liability company owned by Dominion Energy, Inc. and Duke Energy
ACP pipeline	The approximately 600-mile canceled interstate natural gas pipeline
AFS	Available for Sale
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligations
Bison	Bison Insurance Company Limited
Board	Duke Energy Board of Directors
CCR	Coal Combustion Residuals
Coal Ash Act	North Carolina Coal Ash Management Act of 2014
the company	Duke Energy Corporation and its subsidiaries
COVID-19	Coronavirus Disease 2019
CRC	Cinergy Receivables Company, LLC
Crystal River Unit 3	Crystal River Unit 3 Nuclear Plant
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
Duke Energy	Duke Energy Corporation (collectively with its subsidiaries)
Duke Energy Ohio	Duke Energy Ohio, Inc.
Duke Energy Progress	Duke Energy Progress, LLC
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
EDIT	Excess deferred income tax
Elliott	Elliott Investment Management, L.P.
EPS	Earnings Per Share
ETR	Effective tax rate
Exchange Act	Securities Exchange Act of 1934
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
FTR	Financial transmission rights
GAAP	Generally accepted accounting principles in the U.S.

GLOSSARY OF TERMS

GAAP Reported Earnings	Net Income Available to Duke Energy Corporation Common Stockholders
GAAP Reported EPS	Basic Earnings Per Share Available to Duke Energy Corporation common stockholders
GIC	GIC Private Limited
GWh	Gigawatt-hours
IMR	Integrity Management Rider
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
KPSC	Kentucky Public Service Commission
LLC	Limited Liability Company
MGP	Manufactured gas plant
MW	Megawatt
MWh	Megawatt-hour
NCUC	North Carolina Utilities Commission
NDTF	Nuclear decommissioning trust funds
NPNS	Normal purchase/normal sale
OPEB	Other Post-Retirement Benefit Obligations
OVEC	Ohio Valley Electric Corporation
Piedmont	Piedmont Natural Gas Company, Inc.
PJM	Pennsylvania-New Jersey-Maryland Interconnection
PPA	Purchase Power Agreement
Progress Energy	Progress Energy, Inc.
PSCSC	Public Service Commission of South Carolina
PUCO	Public Utilities Commission of Ohio
RTO	Regional Transmission Organization
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

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues				
Regulated electric	**$ 5,258**	$ 4,963	**$ 10,477**	$ 10,087
Regulated natural gas	**302**	263	**1,051**	901
Nonregulated electric and other	**198**	195	**380**	382
Total operating revenues	**5,758**	5,421	**11,908**	11,370
Operating Expenses				
Fuel used in electric generation and purchased power	**1,415**	1,349	**2,858**	2,796
Cost of natural gas	**79**	59	**355**	258
Operation, maintenance and other	**1,410**	1,353	**2,812**	2,692
Depreciation and amortization	**1,207**	1,150	**2,433**	2,280
Property and other taxes	**349**	334	**702**	679
Impairment of assets and other charges	**131**	6	**131**	8
Total operating expenses	**4,591**	4,251	**9,291**	8,713
Gains on Sales of Other Assets and Other, net	**2**	7	**2**	8
Operating Income	**1,169**	1,177	**2,619**	2,665
Other Income and Expenses				
Equity in earnings (losses) of unconsolidated affiliates	**9**	(1,968)	**(8)**	(1,924)
Other income and expenses, net	**128**	137	**255**	183
Total other income and expenses	**137**	(1,831)	**247**	(1,741)
Interest Expense	**572**	554	**1,107**	1,105
Income (Loss) Before Income Taxes	**734**	(1,208)	**1,759**	(181)
Income Tax Expense (Benefit)	**36**	(316)	**120**	(179)
Net Income (Loss)	**698**	(892)	**1,639**	(2)
Add: Net Loss Attributable to Noncontrolling Interests	**67**	90	**118**	138
Net Income (Loss) Attributable to Duke Energy Corporation	**765**	(802)	**1,757**	136
Less: Preferred Dividends	**14**	15	**53**	54
Net Income (Loss) Available to Duke Energy Corporation Common Stockholders	**$ 751**	$ (817)	**$ 1,704**	$ 82
Earnings (Loss) Per Share – Basic and Diluted				
Net income (loss) available to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 0.96**	$ (1.13)	**$ 2.21**	$ 0.11
Weighted Average Shares Outstanding				
Basic	**769**	735	**769**	734
Diluted	**769**	735	**769**	735

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)	**2021**	**2020**	**2021**	**2020**
Net Income (Loss)	**$ 698**	$ (892)	**$ 1,639**	$ (2)
Other Comprehensive Income (Loss), net of tax[(a)]				
Pension and OPEB adjustments	**—**	(1)	**2**	—
Net unrealized (losses) gains on cash flow hedges	**(97)**	5	**(68)**	(76)
Reclassification into earnings from cash flow hedges	**4**	2	**7**	4
Unrealized gains (losses) on available-for-sale securities	**4**	6	**(4)**	7
Other Comprehensive (Loss) Income, net of tax	**(89)**	12	**(63)**	(65)
Comprehensive Income (Loss)	**609**	(880)	**1,576**	(67)
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**68**	88	**112**	150
Comprehensive Income (Loss) Attributable to Duke Energy	**677**	(792)	**1,688**	83
Less: Preferred Dividends	**14**	15	**53**	54
Comprehensive Income (Loss) Available to Duke Energy Corporation Common Stockholders	**$ 663**	$ (807)	**$ 1,635**	$ 29

(a) Net of income tax impacts of approximately $27 million for the three months ended June 30, 2021, and $19 million and $20 million for the six months ended June 30, 2021, and 2020, respectively. All other periods presented include immaterial income tax impacts.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		June 30, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	**367**	$	259
Receivables (net of allowance for doubtful accounts of $45 at 2021 and $29 at 2020)		**868**		1,009
Receivables of VIEs (net of allowance for doubtful accounts of $78 at 2021 and $117 at 2020)		**2,220**		2,144
Inventory		**3,015**		3,167
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)		**1,793**		1,641
Other (includes $356 at 2021 and $296 at 2020 related to VIEs)		**722**		462
Total current assets		**8,985**		8,682
Property, Plant and Equipment				
Cost		**158,272**		155,580
Accumulated depreciation and amortization		**(49,752)**		(48,827)
Facilities to be retired, net		**121**		29
Net property, plant and equipment		**108,641**		106,782
Other Noncurrent Assets				
Goodwill		**19,303**		19,303
Regulatory assets (includes $914 at 2021 and $937 at 2020 related to VIEs)		**12,485**		12,421
Nuclear decommissioning trust funds		**9,886**		9,114
Operating lease right-of-use assets, net		**1,495**		1,524
Investments in equity method unconsolidated affiliates		**938**		961
Other (includes $89 at 2021 and $81 at 2020 related to VIEs)		**3,652**		3,601
Total other noncurrent assets		**47,759**		46,924
Total Assets	$	**165,385**	$	162,388
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	**2,716**	$	3,144
Notes payable and commercial paper		**3,296**		2,873
Taxes accrued		**692**		482
Interest accrued		**537**		537
Current maturities of long-term debt (includes $219 at 2021 and $472 at 2020 related to VIEs)		**4,976**		4,238
Asset retirement obligations		**691**		718
Regulatory liabilities		**1,309**		1,377
Other		**1,994**		2,936
Total current liabilities		**16,211**		16,305
Long-Term Debt (includes $3,796 at 2021 and $3,535 at 2020 related to VIEs)		**57,410**		55,625
Other Noncurrent Liabilities				
Deferred income taxes		**9,644**		9,244
Asset retirement obligations		**12,272**		12,286
Regulatory liabilities		**15,414**		15,029
Operating lease liabilities		**1,315**		1,340
Accrued pension and other post-retirement benefit costs		**995**		969
Investment tax credits		**770**		687
Other (includes $352 at 2021 and $316 at 2020 related to VIEs)		**1,809**		1,719
Total other noncurrent liabilities		**42,219**		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		**43,788**		43,767
Retained earnings		**2,687**		2,471
Accumulated other comprehensive loss		**(306)**		(237)
Total Duke Energy Corporation stockholders' equity		**48,132**		47,964
Noncontrolling interests		**1,413**		1,220
Total equity		**49,545**		49,184
Total Liabilities and Equity	$	**165,385**	$	162,388

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**$ 1,639**	$ (2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**2,753**	2,651
Equity in losses of unconsolidated affiliates	**8**	1,924
Equity component of AFUDC	**(83)**	(76)
Impairment of assets and other charges	**131**	8
Deferred income taxes	**119**	105
Payments for asset retirement obligations	**(263)**	(287)
Provision for rate refunds	**(13)**	(12)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**15**	(24)
Receivables	**85**	281
Inventory	**153**	(56)
Other current assets	**(297)**	(124)
Increase (decrease) in		
Accounts payable	**(297)**	(638)
Taxes accrued	**219**	273
Other current liabilities	**(326)**	(344)
Other assets	**77**	(201)
Other liabilities	**(47)**	(121)
Net cash provided by operating activities	**3,873**	3,357
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(4,636)**	(5,103)
Contributions to equity method investments	**(21)**	(164)
Purchases of debt and equity securities	**(3,182)**	(3,818)
Proceeds from sales and maturities of debt and equity securities	**3,217**	3,755
Disbursements to canceled equity method investments	**(855)**	—
Other	**(137)**	(141)
Net cash used in investing activities	**(5,614)**	(5,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	**4,627**	3,788
Issuance of common stock	**5**	57
Payments for the redemption of long-term debt	**(2,002)**	(1,951)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	**75**	1,866
Payments for the redemption of short-term debt with original maturities greater than 90 days	**(959)**	(113)
Notes payable and commercial paper	**1,299**	(129)
Contributions from noncontrolling interests	**318**	163
Dividends paid	**(1,541)**	(1,391)
Other	**(72)**	(108)
Net cash provided by financing activities	**1,750**	2,182
Net increase in cash, cash equivalents and restricted cash	**9**	68
Cash, cash equivalents and restricted cash at beginning of period	**556**	573
Cash, cash equivalents and restricted cash at end of period	**$ 565**	$ 641
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 990**	$ 945
Non-cash dividends	**—**	54

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2020 and 2021										
						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 Gains (Losses) on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2020	$ 1,962	735	$ 1	$ 40,930	$ 4,221	$ (116)	$ 4	$ (81)	$ 46,921	$ 1,162	$ 48,083
Net income (loss)	—	—	—	—	(817)	—	—	—	(817)	(90)	(907)
Other comprehensive income (loss)	—	—	—	—	—	5	6	(1)	10	2	12
Common stock issuances, including dividend reinvestment and employee benefits	—	—	—	66	—	—	—	—	66	—	66
Common stock dividends	—	—	—	—	(696)	—	—	—	(696)	—	(696)
Contribution from noncontrolling interests, net of transaction costs[(a)]	—	—	—	—	—	—	—	—	—	60	60
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(7)	(7)
Other	—	—	—	1	(1)	—	—	—	—	—	—
Balance at June 30, 2020	$ 1,962	$ 735	$ 1	$ 40,997	$ 2,707	$ (111)	$ 10	$ (82)	$ 45,484	$ 1,127	$ 46,611
Balance at March 31, 2021	$ 1,962	769	$ 1	$ 43,761	$ 2,680	$ (142)	$ (2)	$ (74)	$ 48,186	$ 1,472	$ 49,658
Net income (loss)	**—**	**—**	**—**	**—**	**751**	**—**	**—**	**—**	**751**	**(67)**	**684**
Other comprehensive (loss) income	**—**	**—**	**—**	**—**	**—**	**(92)**	**4**	**—**	**(88)**	**(1)**	**(89)**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**26**	**—**	**—**	**—**	**—**	**26**	**—**	**26**
Common stock dividends	**—**	**—**	**—**	**—**	**(744)**	**—**	**—**	**—**	**(744)**	**—**	**(744)**
Contribution from noncontrolling interests, net of transaction costs[(a)]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**15**	**15**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(5)**	**(5)**
Other	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**1**	**(1)**	**—**
Balance at June 30, 2021	**$ 1,962**	**$ 769**	**$ 1**	**$ 43,788**	**$ 2,687**	**$ (234)**	**$ 2**	**$ (74)**	**$ 48,132**	**$ 1,413**	**$ 49,545**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Six Months Ended June 30, 2020 and 2021										
						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 Gains (Losses) on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	$ 1,962	733	$ 1	$ 40,881	$ 4,108	$ (51)	$ 3	$ (82)	$ 46,822	$ 1,129	$ 47,951
Net income (loss)	—	—	—	—	82	—	—	—	82	(138)	(56)
Other comprehensive (loss) income	—	—	—	—	—	(60)	7	—	(53)	(12)	(65)
Common stock issuances, including dividend reinvestment and employee benefits	—	2	—	116	—	—	—	—	116	—	116
Common stock dividends	—	—	—	—	(1,391)	—	—	—	(1,391)	—	(1,391)
Contributions from noncontrolling interests, net of transaction costs[(a)]	—	—	—	—	—	—	—	—	—	163	163
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(14)	(14)
Other[(b)]	—	—	—	—	(92)	—	—	—	(92)	(1)	(93)
Balance at June 30, 2020	$ 1,962	735	$ 1	$ 40,997	$ 2,707	$ (111)	$ 10	$ (82)	$ 45,484	$ 1,127	$ 46,611
Balance at December 31, 2020	$ 1,962	769	$ 1	$ 43,767	$ 2,471	$ (167)	$ 6	$ (76)	$ 47,964	$ 1,220	$ 49,184
Net income (loss)	**—**	**—**	**—**	**—**	**1,704**	**—**	**—**	**—**	**1,704**	**(118)**	**1,586**
Other comprehensive (loss) income	**—**	**—**	**—**	**—**	**—**	**(67)**	**(4)**	**2**	**(69)**	**6**	**(63)**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**23**	**—**	**—**	**—**	**—**	**23**	**—**	**23**
Common stock dividends	**—**	**—**	**—**	**—**	**(1,488)**	**—**	**—**	**—**	**(1,488)**	**—**	**(1,488)**
Contributions from noncontrolling interests, net of transaction costs[(a)]	**—**	**—**	**—**	**(3)**	**—**	**—**	**—**	**—**	**(3)**	**318**	**315**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(12)**	**(12)**
Other	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**1**	**(1)**	**—**
Balance at June 30, 2021	**$ 1,962**	**769**	**$ 1**	**$ 43,788**	**$ 2,687**	**$ (234)**	**$ 2**	**$ (74)**	**$ 48,132**	**$ 1,413**	**$ 49,545**

(a) Relates to tax equity financing activity in the Commercial Renewables segment.
(b) Amounts in Retained earnings primarily represent impacts due to implementation of a new accounting standard related to Current Estimated Credit Losses. See Note 1 for additional discussion.

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 1,610**	$ 1,610	**$ 3,326**	$ 3,358
Operating Expenses				
Fuel used in electric generation and purchased power	**344**	376	**766**	829
Operation, maintenance and other	**435**	430	**876**	816
Depreciation and amortization	**363**	375	**722**	718
Property and other taxes	**74**	75	**157**	156
Impairment of assets and other charges	**75**	—	**75**	2
Total operating expenses	**1,291**	1,256	**2,596**	2,521
Gains (Losses) on Sales of Other Assets and Other, net	**2**	(1)	**2**	—
Operating Income	**321**	353	**732**	837
Other Income and Expenses, net	**44**	43	**92**	86
Interest Expense	**139**	125	**263**	248
Income Before Income Taxes	**226**	271	**561**	675
Income Tax Expense	**1**	37	**24**	102
Net Income and Comprehensive Income	**$ 225**	$ 234	**$ 537**	$ 573

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 36	$ 21
Receivables (net of allowance for doubtful accounts of $2 at 2021 and $1 at 2020)	180	247
Receivables of VIEs (net of allowance for doubtful accounts of $40 at 2021 and $22 at 2020)	769	696
Receivables from affiliated companies	111	124
Inventory	1,013	1,010
Regulatory assets	458	473
Other	88	20
Total current assets	2,655	2,591
Property, Plant and Equipment		
Cost	51,220	50,640
Accumulated depreciation and amortization	(17,709)	(17,453)
Facilities to be retired, net	93	—
Net property, plant and equipment	33,604	33,187
Other Noncurrent Assets		
Regulatory assets	2,970	2,996
Nuclear decommissioning trust funds	5,446	4,977
Operating lease right-of-use assets, net	100	110
Other	1,238	1,187
Total other noncurrent assets	9,754	9,270
Total Assets	$ 46,013	$ 45,048
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 675	$ 1,000
Accounts payable to affiliated companies	195	199
Notes payable to affiliated companies	471	506
Taxes accrued	203	76
Interest accrued	125	117
Current maturities of long-term debt	356	506
Asset retirement obligations	251	264
Regulatory liabilities	489	473
Other	425	546
Total current liabilities	3,190	3,687
Long-Term Debt	12,250	11,412
Long-Term Debt Payable to Affiliated Companies	300	300
Other Noncurrent Liabilities		
Deferred income taxes	3,937	3,842
Asset retirement obligations	5,116	5,086
Regulatory liabilities	6,810	6,535
Operating lease liabilities	87	97
Accrued pension and other post-retirement benefit costs	67	73
Investment tax credits	259	236
Other	605	626
Total other noncurrent liabilities	16,881	16,495
Commitments and Contingencies		
Equity		
Member's equity	13,399	13,161
Accumulated other comprehensive loss	(7)	(7)
Total equity	13,392	13,154
Total Liabilities and Equity	$ 46,013	$ 45,048

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 537**	$ 573
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**861**	854
Equity component of AFUDC	**(30)**	(29)
Impairment of assets and other charges	**75**	2
Deferred income taxes	**(41)**	31
Payments for asset retirement obligations	**(93)**	(86)
Provision for rate refunds	**(11)**	2
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**4**	—
Receivables	**—**	40
Receivables from affiliated companies	**13**	36
Inventory	**(3)**	(84)
Other current assets	**(45)**	170
Increase (decrease) in		
Accounts payable	**(266)**	(249)
Accounts payable to affiliated companies	**(4)**	(63)
Taxes accrued	**127**	120
Other current liabilities	**(152)**	(134)
Other assets	**8**	(83)
Other liabilities	**18**	(35)
Net cash provided by operating activities	**998**	1,065
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,251)**	(1,271)
Purchases of debt and equity securities	**(1,847)**	(1,017)
Proceeds from sales and maturities of debt and equity securities	**1,847**	1,017
Other	**(80)**	(73)
Net cash used in investing activities	**(1,331)**	(1,344)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,298**	938
Payments for the redemption of long-term debt	**(614)**	(454)
Notes payable to affiliated companies	**(35)**	102
Distributions to parent	**(300)**	(300)
Other	**(1)**	(1)
Net cash provided by financing activities	**348**	285
Net increase in cash and cash equivalents	**15**	6
Cash and cash equivalents at beginning of period	**21**	18
Cash and cash equivalents at end of period	**$ 36**	$ 24
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 315**	$ 256

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2020 and 2021		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at March 31, 2020	$ 12,844	$ (7)	$ 12,837
Net income	234	—	234
Other	1	—	1
Balance at June 30, 2020	$ 13,079	$ (7)	$ 13,072
Balance at March 31, 2021	$ 13,473	$ (7)	$ 13,466
Net income	**225**	**—**	**225**
Distributions to parent	**(300)**	**—**	**(300)**
Other	**1**	**—**	**1**
Balance at June 30, 2021	**$ 13,399**	**$ (7)**	**$ 13,392**

	Six Months Ended June 30, 2020 and 2021		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at December 31, 2019	$ 12,818	$ (7)	$ 12,811
Net income	573	—	573
Distributions to parent	(300)	—	(300)
Other[(a)]	(12)	—	(12)
Balance at June 30, 2020	$ 13,079	$ (7)	$ 13,072
Balance at December 31, 2020	$ 13,161	$ (7)	$ 13,154
Net income	**537**	**—**	**537**
Distributions to parent	**(300)**	**—**	**(300)**
Other	**1**	**—**	**1**
Balance at June 30, 2021	**$ 13,399**	**$ (7)**	**$ 13,392**

(a) Amounts primarily represent impacts due to implementation of a new accounting standard related to Current Estimated Credit Losses. See Note 1 for additional discussion.

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating Revenues	**$ 2,679**	$ 2,498	**$ 5,184**	$ 4,920
Operating Expenses				
Fuel used in electric generation and purchased power	**833**	777	**1,628**	1,540
Operation, maintenance and other	**626**	589	**1,227**	1,143
Depreciation and amortization	**441**	432	**926**	884
Property and other taxes	**133**	137	**275**	272
Impairment of assets and other charges	**37**	—	**37**	—
Total operating expenses	**2,070**	1,935	**4,093**	3,839
Gains on Sales of Other Assets and Other, net	**1**	7	**1**	6
Operating Income	**610**	570	**1,092**	1,087
Other Income and Expenses, net	**38**	33	**81**	65
Interest Expense	**200**	199	**392**	405
Income Before Income Taxes	**448**	404	**781**	747
Income Tax Expense	**37**	60	**80**	120
Net Income	**411**	344	**$ 701**	$ 627
Net Income	**$ 411**	$ 344	**$ 701**	$ 627
Other Comprehensive Income, net of tax				
Pension and OPEB adjustments	**1**	1	**1**	1
Net unrealized gains on cash flow hedges	**—**	1	**1**	2
Unrealized gains (losses) on available-for-sale securities	**1**	(1)	**—**	—
Other Comprehensive Income, net of tax	**2**	1	**2**	3
Comprehensive Income	**413**	345	**$ 703**	$ 630

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 75	$ 59
Receivables (net of allowance for doubtful accounts of $11 at 2021 and $8 at 2020)	223	228
Receivables of VIEs (net of allowance for doubtful accounts of $25 at 2021 and $29 at 2020)	924	901
Receivables from affiliated companies	69	157
Inventory	1,299	1,375
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	909	758
Other (includes $33 at 2021 and $39 at 2020 related to VIEs)	270	109
Total current assets	3,769	3,587
Property, Plant and Equipment		
Cost	59,234	57,892
Accumulated depreciation and amortization	(18,887)	(18,368)
Facilities to be retired, net	28	29
Net property, plant and equipment	40,375	39,553
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $914 at 2021 and $937 at 2020 related to VIEs)	5,757	5,775
Nuclear decommissioning trust funds	4,440	4,137
Operating lease right-of-use assets, net	700	690
Other	1,115	1,227
Total other noncurrent assets	15,667	15,484
Total Assets	$ 59,811	$ 58,624
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 903	$ 919
Accounts payable to affiliated companies	331	289
Notes payable to affiliated companies	3,003	2,969
Taxes accrued	217	121
Interest accrued	191	202
Current maturities of long-term debt (includes $55 at 2021 and $305 at 2020 related to VIEs)	2,831	1,426
Asset retirement obligations	251	283
Regulatory liabilities	558	640
Other	814	793
Total current liabilities	9,099	7,642
Long-Term Debt (includes $1,492 at 2021 and $1,252 at 2020 related to VIEs)	16,269	17,688
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,655	4,396
Asset retirement obligations	5,853	5,866
Regulatory liabilities	5,244	5,051
Operating lease liabilities	634	623
Accrued pension and other post-retirement benefit costs	496	505
Other	469	462
Total other noncurrent liabilities	17,351	16,903
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 100 shares authorized and outstanding at 2021 and 2020	—	—
Additional paid-in capital	9,143	9,143
Retained earnings	7,809	7,109
Accumulated other comprehensive loss	(13)	(15)
Total Progress Energy, Inc. stockholders' equity	16,939	16,237
Noncontrolling interests	3	4
Total equity	16,942	16,241
Total Liabilities and Equity	$ 59,811	$ 58,624

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 701**	$ 627
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,104**	1,118
Equity component of AFUDC	**(23)**	(24)
Impairment of assets and other charges	**37**	—
Deferred income taxes	**163**	94
Payments for asset retirement obligations	**(139)**	(173)
Provision for rate refunds	**(7)**	2
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**16**	(22)
Receivables	**(12)**	(15)
Receivables from affiliated companies	**88**	34
Inventory	**76**	(42)
Other current assets	**(247)**	102
Increase (decrease) in		
Accounts payable	**44**	(238)
Accounts payable to affiliated companies	**42**	(88)
Taxes accrued	**97**	155
Other current liabilities	**(79)**	(64)
Other assets	**(33)**	(57)
Other liabilities	**(156)**	(97)
Net cash provided by operating activities	**1,672**	1,312
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,745)**	(1,812)
Purchases of debt and equity securities	**(1,160)**	(2,602)
Proceeds from sales and maturities of debt and equity securities	**1,201**	2,588
Notes receivable from affiliated companies	**—**	164
Other	**(69)**	(81)
Net cash used in investing activities	**(1,773)**	(1,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**19**	514
Payments for the redemption of long-term debt	**(41)**	(550)
Notes payable to affiliated companies	**34**	552
Other	**(3)**	—
Net cash provided by financing activities	**9**	516
Net (decrease) increase in cash, cash equivalents and restricted cash	**(92)**	85
Cash, cash equivalents and restricted cash at beginning of period	**200**	126
Cash, cash equivalents and restricted cash at end of period	**$ 108**	$ 211
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 329**	$ 287

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2020 and 2021							
			Accumulated Other Comprehensive Loss					
(in millions)	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2020	$ 9,143	$ 6,747	$ (9)	$ —	$ (7)	$ 15,874	$ 3	$ 15,877
Net income	—	344	—	—	—	344	—	344
Other comprehensive income (loss)	—	—	1	(1)	1	1	—	1
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Other	—	(1)	—	—	—	(1)	1	—
Balance at June 30, 2020	$ 9,143	$ 7,090	$ (8)	$ (1)	$ (6)	$ 16,218	$ 3	$ 16,221
Balance at March 31, 2021	$ 9,143	$ 7,400	$ (4)	$ (3)	$ (8)	$ 16,528	$ 2	$ 16,530
Net income	**—**	**411**	**—**	**—**	**—**	**411**	**—**	**411**
Other comprehensive income	**—**	**—**	**—**	**1**	**1**	**2**	**—**	**2**
Other	**—**	**(2)**	**—**	**—**	**—**	**(2)**	**1**	**(1)**
Balance at June 30, 2021	**$ 9,143**	**$ 7,809**	**$ (4)**	**$ (2)**	**$ (7)**	**$ 16,939**	**$ 3**	**$ 16,942**

	Six Months Ended June 30, 2020 and 2021							
			Accumulated Other Comprehensive Loss					
	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized Gains (Losses) on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2019	$ 9,143	$ 6,465	$ (10)	$ (1)	$ (7)	$ 15,590	$ 3	$ 15,593
Net income	—	627	—	—	—	627	—	627
Other comprehensive income	—	—	2	—	1	3	—	3
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Other	—	(2)	—	—	—	(2)	1	(1)
Balance at June 30, 2020	$ 9,143	$ 7,090	$ (8)	$ (1)	$ (6)	$ 16,218	$ 3	$ 16,221
Balance at December 31, 2020	$ 9,143	$ 7,109	$ (5)	$ (2)	$ (8)	$ 16,237	$ 4	$ 16,241
Net income	**—**	**701**	**—**	**—**	**—**	**701**	**—**	**701**
Other comprehensive income	**—**	**—**	**1**	**—**	**1**	**2**	**—**	**2**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Other	**—**	**(1)**	**—**	**—**	**—**	**(1)**	**—**	**(1)**
Balance at June 30, 2021	**$ 9,143**	**$ 7,809**	**$ (4)**	**$ (2)**	**$ (7)**	**$ 16,939**	**$ 3**	**$ 16,942**

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 1,349**	$ 1,243	**$ 2,750**	$ 2,581
Operating Expenses				
Fuel used in electric generation and purchased power	**409**	395	**845**	800
Operation, maintenance and other	**367**	317	**724**	622
Depreciation and amortization	**236**	257	**521**	544
Property and other taxes	**41**	44	**90**	91
Impairment of assets and other charges	**18**	—	**18**	—
Total operating expenses	**1,071**	1,013	**2,198**	2,057
Gains on Sales of Other Assets and Other, net	**1**	6	**1**	5
Operating Income	**279**	236	**553**	529
Other Income and Expenses, net	**20**	19	**44**	41
Interest Expense	**78**	68	**147**	137
Income Before Income Taxes	**221**	187	**450**	433
Income Tax Expense	**6**	26	**25**	68
Net Income and Comprehensive Income	**$ 215**	$ 161	**$ 425**	$ 365

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 46	$ 39
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)	129	132
Receivables of VIEs (net of allowance for doubtful accounts of $17 at 2021 and $19 at 2020)	473	500
Receivables from affiliated companies	63	50
Inventory	858	911
Regulatory assets	502	492
Other	141	60
Total current assets	2,212	2,184
Property, Plant and Equipment		
Cost	36,291	35,759
Accumulated depreciation and amortization	(13,134)	(12,801)
Facilities to be retired, net	28	29
Net property, plant and equipment	23,185	22,987
Other Noncurrent Assets		
Regulatory assets	4,056	3,976
Nuclear decommissioning trust funds	3,842	3,500
Operating lease right-of-use assets, net	377	346
Other	722	740
Total other noncurrent assets	8,997	8,562
Total Assets	$ 34,394	$ 33,733
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 416	$ 454
Accounts payable to affiliated companies	214	215
Notes payable to affiliated companies	270	295
Taxes accrued	87	85
Interest accrued	90	99
Current maturities of long-term debt	1,806	603
Asset retirement obligations	250	283
Regulatory liabilities	472	530
Other	413	411
Total current liabilities	4,018	2,975
Long-Term Debt	7,321	8,505
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,455	2,298
Asset retirement obligations	5,387	5,352
Regulatory liabilities	4,578	4,394
Operating lease liabilities	354	323
Accrued pension and other post-retirement benefit costs	237	242
Investment tax credits	130	132
Other	79	102
Total other noncurrent liabilities	13,220	12,843
Commitments and Contingencies		
Equity		
Member's Equity	9,685	9,260
Total Liabilities and Equity	$ 34,394	$ 33,733

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 425**	$ 365
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**610**	635
Equity component of AFUDC	**(15)**	(19)
Impairment of assets and other charges	**18**	—
Deferred income taxes	**28**	60
Payments for asset retirement obligations	**(88)**	(164)
Provision for rate refunds	**(7)**	2
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**9**	(5)
Receivables	**31**	96
Receivables from affiliated companies	**(13)**	10
Inventory	**52**	(46)
Other current assets	**(52)**	87
Increase (decrease) in		
Accounts payable	**28**	(260)
Accounts payable to affiliated companies	**(1)**	(50)
Taxes accrued	**2**	71
Other current liabilities	**(45)**	(16)
Other assets	**(40)**	(92)
Other liabilities	**(43)**	(5)
Net cash provided by operating activities	**899**	669
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(869)**	(795)
Purchases of debt and equity securities	**(926)**	(569)
Proceeds from sales and maturities of debt and equity securities	**915**	548
Other	**(2)**	(21)
Net cash used in investing activities	**(882)**	(837)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**19**	20
Payments for the redemption of long-term debt	**(3)**	(13)
Notes payable to affiliated companies	**(25)**	191
Other	**(1)**	(1)
Net cash (used in) provided by financing activities	**(10)**	197
Net increase in cash and cash equivalents	**7**	29
Cash and cash equivalents at beginning of period	**39**	22
Cash and cash equivalents at end of period	**$ 46**	$ 51
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 97**	$ 95

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)		Three Months Ended June 30, 2020 and 2021 Member's Equity
Balance at March 31, 2020	$	9,450
Net income		161
Other		(1)
Balance at June 30, 2020	$	9,610
Balance at March 31, 2021	$	9,470
Net income		**215**
Balance at June 30, 2021	**$**	**9,685**

(in millions)		Six Months Ended June 30, 2020 and 2021 Member's Equity
Balance at December 31, 2019	$	9,246
Net income		365
Other		(1)
Balance at June 30, 2020	$	9,610
Balance at December 31, 2020	$	9,260
Net income		**425**
Balance at June 30, 2021	**$**	**9,685**

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 1,325**	$ 1,250	**$ 2,426**	$ 2,330
Operating Expenses				
Fuel used in electric generation and purchased power	**424**	382	**783**	740
Operation, maintenance and other	**255**	269	**497**	514
Depreciation and amortization	**205**	175	**405**	340
Property and other taxes	**92**	92	**185**	180
Impairment of assets and other charges	**19**	—	**19**	—
Total operating expenses	**995**	918	**1,889**	1,774
Operating Income	**330**	332	**537**	556
Other Income and Expenses, net	**18**	15	**36**	25
Interest Expense	**80**	80	**160**	164
Income Before Income Taxes	**268**	267	**413**	417
Income Tax Expense	**51**	51	**79**	81
Net Income	**$ 217**	$ 216	**$ 334**	$ 336
Other Comprehensive Income, net of tax				
Unrealized gains (losses) on available-for-sale securities	**1**	(1)	**—**	—
Comprehensive Income	**$ 218**	$ 215	**$ 334**	$ 336

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 22	$ 11
Receivables (net of allowance for doubtful accounts of $8 at 2021 and $4 at 2020)	91	94
Receivables of VIEs (net of allowance for doubtful accounts of $8 at 2021 and $10 at 2020)	451	401
Receivables from affiliated companies	8	3
Inventory	440	464
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	407	265
Other (includes $33 at 2021 and $39 at 2020 related to VIEs)	59	41
Total current assets	1,478	1,279
Property, Plant and Equipment		
Cost	22,933	22,123
Accumulated depreciation and amortization	(5,746)	(5,560)
Net property, plant and equipment	17,187	16,563
Other Noncurrent Assets		
Regulatory assets (includes $914 at 2021 and $937 at 2020 related to VIEs)	1,701	1,799
Nuclear decommissioning trust funds	598	637
Operating lease right-of-use assets, net	323	344
Other	342	335
Total other noncurrent assets	2,964	3,115
Total Assets	$ 21,629	$ 20,957
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 487	$ 465
Accounts payable to affiliated companies	129	85
Notes payable to affiliated companies	363	196
Taxes accrued	144	82
Interest accrued	67	69
Current maturities of long-term debt (includes $55 at 2021 and $305 at 2020 related to VIEs)	575	823
Regulatory liabilities	85	110
Other	395	374
Total current liabilities	2,245	2,204
Long-Term Debt (includes $1,223 at 2021 and $1,002 at 2020 related to VIEs)	7,306	7,092
Other Noncurrent Liabilities		
Deferred income taxes	2,286	2,191
Asset retirement obligations	467	514
Regulatory liabilities	665	658
Operating lease liabilities	280	300
Accrued pension and other post-retirement benefit costs	227	231
Other	262	209
Total other noncurrent liabilities	4,187	4,103
Commitments and Contingencies		
Equity		
Member's equity	7,893	7,560
Accumulated other comprehensive loss	(2)	(2)
Total equity	7,891	7,558
Total Liabilities and Equity	$ 21,629	$ 20,957

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)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 334**	$ 336
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**491**	478
Equity component of AFUDC	**(8)**	(6)
Impairment of assets and other charges	**19**	—
Deferred income taxes	**130**	37
Payments for asset retirement obligations	**(52)**	(9)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**5**	(20)
Receivables	**(42)**	(110)
Receivables from affiliated companies	**(5)**	(2)
Inventory	**24**	4
Other current assets	**(132)**	(11)
Increase (decrease) in		
Accounts payable	**15**	23
Accounts payable to affiliated companies	**44**	(51)
Taxes accrued	**62**	134
Other current liabilities	**(35)**	(50)
Other assets	**11**	37
Other liabilities	**(94)**	(91)
Net cash provided by operating activities	**767**	699
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(876)**	(1,016)
Purchases of debt and equity securities	**(234)**	(2,033)
Proceeds from sales and maturities of debt and equity securities	**286**	2,040
Notes receivable from affiliated companies	**—**	173
Other	**(67)**	(60)
Net cash used in investing activities	**(891)**	(896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	495
Payments for the redemption of long-term debt	**(38)**	(537)
Notes payable to affiliated companies	**167**	232
Other	**—**	2
Net cash provided by financing activities	**129**	192
Net increase (decrease) in cash, cash equivalents and restricted cash	**5**	(5)
Cash, cash equivalents and restricted cash at beginning of period	**50**	56
Cash, cash equivalents and restricted cash at end of period	**$ 55**	$ 51
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 232**	$ 192

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2020 and 2021		
		Accumulated Other Comprehensive Income (Loss)	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
Balance at March 31, 2020	$ 6,909	$ —	$ 6,909
Net income	216	—	216
Other comprehensive loss	—	(1)	(1)
Balance at June 30, 2020	$ 7,125	$ (1)	$ 7,124
Balance at March 31, 2021	$ 7,677	$ (3)	$ 7,674
Net income	**217**	**—**	**217**
Other comprehensive income	**—**	**1**	**1**
Other	**(1)**	**—**	**(1)**
Balance at June 30, 2021	**$ 7,893**	**$ (2)**	**$ 7,891**

	Six Months Ended June 30, 2020 and 2021		
		Accumulated Other Comprehensive Income (Loss)	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
Balance at December 31, 2019	$ 6,789	$ (1)	$ 6,788
Net income	336	—	336
Balance at June 30, 2020	$ 7,125	$ (1)	$ 7,124
Balance at December 31, 2020	$ 7,560	$ (2)	$ 7,558
Net income	**334**	**—**	**334**
Other	**(1)**	**—**	**(1)**
Balance at June 30, 2021	**$ 7,893**	**$ (2)**	**$ 7,891**

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues				
Regulated electric	**$ 343**	$ 330	**$ 706**	$ 676
Regulated natural gas	**113**	93	**282**	245
Total operating revenues	**456**	423	**988**	921
Operating Expenses				
Fuel used in electric generation and purchased power	**93**	77	**175**	164
Cost of natural gas	**16**	6	**67**	43
Operation, maintenance and other	**111**	95	**219**	218
Depreciation and amortization	**75**	68	**149**	136
Property and other taxes	**83**	78	**175**	161
Impairment of assets and other charges	**5**	—	**5**	—
Total operating expenses	**383**	324	**790**	722
Operating Income	**73**	99	**198**	199
Other Income and Expenses, net	**5**	4	**10**	7
Interest Expense	**28**	25	**53**	49
Income Before Income Taxes	**50**	78	**155**	157
Income Tax Expense	**11**	12	**25**	26
Net Income and Comprehensive Income	**$ 39**	$ 66	**$ 130**	$ 131

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12	$ 14
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)	96	98
Receivables from affiliated companies	83	102
Inventory	111	110
Regulatory assets	56	39
Other	26	31
Total current assets	384	394
Property, Plant and Equipment		
Cost	11,351	11,022
Accumulated depreciation and amortization	(3,068)	(3,013)
Net property, plant and equipment	8,283	8,009
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	636	610
Operating lease right-of-use assets, net	20	20
Other	79	72
Total other noncurrent assets	1,655	1,622
Total Assets	$ 10,322	$ 10,025
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 255	$ 279
Accounts payable to affiliated companies	72	68
Notes payable to affiliated companies	390	169
Taxes accrued	189	247
Interest accrued	31	31
Current maturities of long-term debt	50	50
Asset retirement obligations	12	3
Regulatory liabilities	65	65
Other	70	70
Total current liabilities	1,134	982
Long-Term Debt	3,016	3,014
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,014	981
Asset retirement obligations	99	108
Regulatory liabilities	741	748
Operating lease liabilities	19	20
Accrued pension and other post-retirement benefit costs	113	113
Other	96	99
Total other noncurrent liabilities	2,082	2,069
Commitments and Contingencies		
Equity		
Common Stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2021 and 2020	762	762
Additional paid-in capital	2,776	2,776
Retained earnings	527	397
Total equity	4,065	3,935
Total Liabilities and Equity	$ 10,322	$ 10,025

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 130**	$ 131
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**151**	138
Equity component of AFUDC	**(4)**	(2)
Impairment of assets and other charges	**5**	—
Deferred income taxes	**17**	24
Payments for asset retirement obligations	**(1)**	—
Provision for rate refunds	**8**	6
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**(1)**	—
Receivables	**2**	2
Receivables from affiliated companies	**(11)**	45
Inventory	**(1)**	6
Other current assets	**(12)**	8
Increase (decrease) in		
Accounts payable	**(8)**	(22)
Accounts payable to affiliated companies	**4**	(10)
Taxes accrued	**(58)**	(9)
Other current liabilities	**(7)**	2
Other assets	**(33)**	(24)
Other liabilities	**4**	(3)
Net cash provided by operating activities	**185**	292
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(415)**	(403)
Notes receivable from affiliated companies	**30**	(35)
Other	**(23)**	(27)
Net cash used in investing activities	**(408)**	(465)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	397
Payments for the redemption of long-term debt	**—**	(233)
Notes payable to affiliated companies	**221**	—
Net cash provided by financing activities	**221**	164
Net decrease in cash and cash equivalents	**(2)**	(9)
Cash and cash equivalents at beginning of period	**14**	17
Cash and cash equivalents at end of period	**$ 12**	$ 8
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 88**	$ 94

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2020 and 2021			
(in millions)	**Common Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Total Equity**
Balance at March 31, 2020	$ 762	$ 2,776	$ 210	$ 3,748
Net income	—	—	66	66
Balance at June 30, 2020	$ 762	$ 2,776	$ 276	$ 3,814
Balance at March 31, 2021	$ 762	$ 2,776	$ 488	$ 4,026
Net income	**—**	**—**	**39**	**39**
Balance at June 30, 2021	**$ 762**	**$ 2,776**	**$ 527**	**$ 4,065**

	Six Months Ended June 30, 2020 and 2021			
(in millions)	**Common Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Total Equity**
Balance at December 31, 2019	$ 762	$ 2,776	$ 145	$ 3,683
Net income	—	—	131	131
Balance at June 30, 2020	$ 762	$ 2,776	$ 276	$ 3,814
Balance at December 31, 2020	$ 762	$ 2,776	$ 397	$ 3,935
Net income	**—**	**—**	**130**	**130**
Balance at June 30, 2021	**$ 762**	**$ 2,776**	**$ 527**	**$ 4,065**

See Notes to Condensed Consolidated Financial Statements

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 735**	$ 617	**$ 1,480**	$ 1,309
Operating Expenses				
Fuel used in electric generation and purchased power	**201**	161	**418**	355
Operation, maintenance and other	**192**	171	**370**	357
Depreciation and amortization	**152**	134	**304**	266
Property and other taxes	**20**	20	**41**	42
Impairment of assets and other charges	**8**	—	**8**	—
Total operating expenses	**573**	486	**1,141**	1,020
Losses on Sales of Other Assets and Other, net	**(1)**	—	**(1)**	—
Operating Income	**161**	131	**338**	289
Other Income and Expenses, net	**10**	9	**19**	19
Interest Expense	**49**	42	**99**	85
Income Before Income Taxes	**122**	98	**258**	223
Income Tax Expense	**19**	17	**43**	43
Net Income and Comprehensive Income	**$ 103**	$ 81	**$ 215**	$ 180

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 12	$ 7
Receivables (net of allowance for doubtful accounts of $3 at 2021 and 2020)	69	55
Receivables from affiliated companies	95	112
Notes receivable from affiliated companies	18	—
Inventory	412	473
Regulatory assets	173	125
Other	46	37
Total current assets	825	809
Property, Plant and Equipment		
Cost	17,213	17,382
Accumulated depreciation and amortization	(5,514)	(5,661)
Net property, plant and equipment	11,699	11,721
Other Noncurrent Assets		
Regulatory assets	1,310	1,203
Operating lease right-of-use assets, net	53	55
Other	268	253
Total other noncurrent assets	1,631	1,511
Total Assets	$ 14,155	$ 14,041
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 209	$ 188
Accounts payable to affiliated companies	59	88
Notes payable to affiliated companies	—	131
Taxes accrued	64	62
Interest accrued	52	51
Current maturities of long-term debt	123	70
Asset retirement obligations	176	168
Regulatory liabilities	141	111
Other	104	83
Total current liabilities	928	952
Long-Term Debt	3,819	3,871
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	1,262	1,228
Asset retirement obligations	980	1,008
Regulatory liabilities	1,593	1,627
Operating lease liabilities	52	53
Accrued pension and other post-retirement benefit costs	172	171
Investment tax credits	168	168
Other	32	30
Total other noncurrent liabilities	4,259	4,285
Commitments and Contingencies		
Equity		
Member's Equity	4,999	4,783
Total Liabilities and Equity	$ 14,155	$ 14,041

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)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 215**	$ 180
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**306**	267
Equity component of AFUDC	**(12)**	(12)
Impairment of assets and other charges	**8**	—
Deferred income taxes	**1**	38
Payments for asset retirement obligations	**(30)**	(28)
(Increase) decrease in		
Receivables	**(15)**	19
Receivables from affiliated companies	**(8)**	20
Inventory	**61**	28
Other current assets	**(31)**	13
Increase (decrease) in		
Accounts payable	**35**	22
Accounts payable to affiliated companies	**(29)**	(13)
Taxes accrued	**10**	4
Other current liabilities	**20**	(22)
Other assets	**(3)**	(29)
Other liabilities	**6**	(6)
Net cash provided by operating activities	**534**	481
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(394)**	(456)
Purchases of debt and equity securities	**(9)**	(14)
Proceeds from sales and maturities of debt and equity securities	**6**	7
Notes receivable from affiliated companies	**7**	(425)
Other	**(8)**	(16)
Net cash used in investing activities	**(398)**	(904)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	544
Notes payable to affiliated companies	**(131)**	(30)
Distributions to parent	**—**	(100)
Net cash (used in) provided by financing activities	**(131)**	414
Net increase (decrease) in cash and cash equivalents	**5**	(9)
Cash and cash equivalents at beginning of period	**7**	25
Cash and cash equivalents at end of period	**$ 12**	$ 16
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 85**	$ 83

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Three Months Ended June 30, 2020 and 2021 Member's Equity
Balance at March 31, 2020	$ 4,674
Net income	81
Distributions to parent	(100)
Balance at June 30, 2020	$ 4,655
Balance at March 31, 2021	$ 4,896
Net income	**103**
Balance at June 30, 2021	**$ 4,999**

(in millions)	Six Months Ended June 30, 2020 and 2021 Member's Equity
Balance at December 31, 2019	$ 4,575
Net income	180
Distributions to parent	(100)
Balance at June 30, 2020	$ 4,655
Balance at December 31, 2020	$ 4,783
Net income	**215**
Other	**1**
Balance at June 30, 2021	**$ 4,999**

See Notes to Condensed Consolidated Financial Statements

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)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 215**	$ 197	**$ 821**	$ 709
Operating Expenses				
Cost of natural gas	**63**	53	**288**	215
Operation, maintenance and other	**76**	79	**154**	159
Depreciation and amortization	**51**	43	**99**	88
Property and other taxes	**14**	12	**28**	24
Impairment of assets and other charges	**5**	—	**5**	—
Total operating expenses	**209**	187	**574**	486
Operating Income	**6**	10	**247**	223
Other Income and Expenses, net	**18**	16	**35**	28
Interest Expense	**30**	33	**59**	60
(Loss) Income Before Income Taxes	**(6)**	(7)	**223**	191
Income Tax (Benefit) Expense	**(2)**	(9)	**24**	11
Net (Loss) Income and Comprehensive (Loss) Income	**$ (4)**	$ 2	**$ 199**	$ 180

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $13 at 2021 and $12 at 2020)	**106**	250
Receivables from affiliated companies	**10**	10
Inventory	**43**	68
Regulatory assets	**108**	153
Other	**48**	20
Total current assets	**315**	501
Property, Plant and Equipment		
Cost	**9,556**	9,134
Accumulated depreciation and amortization	**(1,838)**	(1,749)
Net property, plant and equipment	**7,718**	7,385
Other Noncurrent Assets		
Goodwill	**49**	49
Regulatory assets	**337**	302
Operating lease right-of-use assets, net	**18**	20
Investments in equity method unconsolidated affiliates	**89**	88
Other	**277**	270
Total other noncurrent assets	**770**	729
Total Assets	**$ 8,803**	$ 8,615
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 165**	$ 230
Accounts payable to affiliated companies	**44**	79
Notes payable to affiliated companies	**93**	530
Taxes accrued	**27**	23
Interest accrued	**36**	34
Current maturities of long-term debt	**—**	160
Regulatory liabilities	**57**	88
Other	**80**	69
Total current liabilities	**502**	1,213
Long-Term Debt	**2,967**	2,620
Other Noncurrent Liabilities		
Deferred income taxes	**861**	821
Asset retirement obligations	**20**	20
Regulatory liabilities	**1,007**	1,044
Operating lease liabilities	**16**	19
Accrued pension and other post-retirement benefit costs	**6**	8
Other	**185**	155
Total other noncurrent liabilities	**2,095**	2,067
Commitments and Contingencies		
Equity		
Common stock, no par value: 100 shares authorized and outstanding at 2021 and 2020	**1,635**	1,310
Retained earnings	**1,604**	1,405
Total equity	**3,239**	2,715
Total Liabilities and Equity	**$ 8,803**	$ 8,615

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 199**	$ 180
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**101**	89
Equity component of AFUDC	**(14)**	(9)
Impairment of assets and other charges	**5**	—
Deferred income taxes	**3**	17
Equity in earnings from unconsolidated affiliates	**(4)**	(4)
Provision for rate refunds	**(3)**	(24)
(Increase) decrease in		
Receivables	**137**	154
Receivables from affiliated companies	**—**	(4)
Inventory	**26**	42
Other current assets	**30**	(69)
Increase (decrease) in		
Accounts payable	**(70)**	(68)
Accounts payable to affiliated companies	**(35)**	33
Taxes accrued	**3**	5
Other current liabilities	**(30)**	(4)
Other assets	**6**	(13)
Other liabilities	**(2)**	7
Net cash provided by operating activities	**352**	332
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(411)**	(438)
Return of investment capital	**1**	1
Other	**(17)**	(12)
Net cash used in investing activities	**(427)**	(449)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**347**	394
Payments for the redemption of long-term debt	**(160)**	—
Notes payable to affiliated companies	**(437)**	(277)
Capital contributions from parent	**325**	—
Net cash provided by financing activities	**75**	117
Net increase in cash and cash equivalents	**—**	—
Cash and cash equivalents at beginning of period	**—**	—
Cash and cash equivalents at end of period	**$ —**	$ —
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 111**	$ 98

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, 2020 and 2021		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
Balance at March 31, 2020	$ 1,310	$ 1,310	$ 2,620
Net income	—	2	2
Balance at June 30, 2020	$ 1,310	$ 1,312	$ 2,622
Balance at March 31, 2021	$ 1,635	$ 1,608	$ 3,243
Net loss	**—**	**(4)**	**(4)**
Balance at June 30, 2021	**$ 1,635**	**$ 1,604**	**$ 3,239**

	Six Months Ended June 30, 2020 and 2021		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
Balance at December 31, 2019	$ 1,310	$ 1,133	$ 2,443
Net income	—	180	180
Other	—	(1)	(1)
Balance at June 30, 2020	$ 1,310	$ 1,312	$ 2,622
Balance at December 31, 2020	$ 1,310	$ 1,405	$ 2,715
Net income	**—**	**199**	**199**
Contribution from parent	**325**	**—**	**325**
Balance at June 30, 2021	**$ 1,635**	**$ 1,604**	**$ 3,239**

See Notes to Condensed Consolidated Financial Statements

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**
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, 2020.

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 11 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.

OTHER CURRENT LIABILITIES

Included in Other within Current Liabilities on the Duke Energy Condensed Consolidated Balance Sheet is a current liability of $41 million and $936 million as of June 30, 2021, and December 31, 2020, respectively. The current liability, initially recorded in 2020, primarily represented Duke Energy's share of ACP's obligations of outstanding debt and to satisfy ARO requirements to restore construction sites. See Notes 3 and 11 for further information.

NONCONTROLLING INTEREST

Duke Energy maintains a controlling financial interest in certain less than wholly owned nonregulated 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 Hypothetical Liquidation at Book Value (HLBV) method in allocating income 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 over the IRS recapture period, 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 income or loss allocated to each owner for the reporting period.

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.

The following table presents cash received for the sale of noncontrolling interest and allocated losses to noncontrolling interest for the three and six months ended June 30, 2021, and 2020.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Noncontrolling Interest Capital Contributions				
Cash received for the sale of noncontrolling interest to tax equity members	**$ 15**	$ 60	**$ 318**	$ 163
Noncontrolling Interest Allocation of Income				
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	**55**	79	**98**	128
Allocated losses to noncontrolling members based on pro rata shares of ownership	**12**	11	**20**	10
Total Noncontrolling Interest Allocated Losses	**$ 67**	$ 90	**$ 118**	$ 138

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 Notes 9 and 11 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, 2021			December 31, 2020		
	Duke Energy	**Progress Energy**	**Duke Energy Florida**	**Duke Energy**	**Progress Energy**	**Duke Energy Florida**
Current Assets						
Cash and cash equivalents	**$ 367**	**$ 75**	**$ 22**	$ 259	$ 59	$ 11
Other	**197**	**33**	**33**	194	39	39
Other Noncurrent Assets						
Other	**1**	**—**	**—**	103	102	—
Total cash, cash equivalents and restricted cash	**$ 565**	**$ 108**	**$ 55**	$ 556	$ 200	$ 50

INVENTORY

Provisions for inventory write-offs were not material at June 30, 2021, and December 31, 2020. The components of inventory are presented in the tables below.

	June 30, 2021							
(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	**$ 2,368**	**$ 820**	**$ 1,014**	**$ 680**	**$ 334**	**$ 82**	**$ 305**	**$ 11**
Coal	**397**	**158**	**123**	**78**	**44**	**10**	**106**	**—**
Natural gas, oil and other fuel	**250**	**35**	**162**	**100**	**62**	**19**	**1**	**32**
Total inventory	**$ 3,015**	**$ 1,013**	**$ 1,299**	**$ 858**	**$ 440**	**$ 111**	**$ 412**	**$ 43**

	December 31, 2020							
(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	$ 2,312	$ 785	$ 999	$ 673	$ 325	$ 78	$ 307	$ 12
Coal	561	186	193	131	63	16	165	—
Natural gas, oil and other fuel	294	39	183	107	76	16	1	56
Total inventory	$ 3,167	$ 1,010	$ 1,375	$ 911	$ 464	$ 110	$ 473	$ 68

PROPERTY, PLANT & EQUIPMENT AND LEASES

Duke Energy continues to execute on its business transformation strategy, including the evaluation of in-office work policies considering the experience with the COVID-19 pandemic and also workforce realignment of roles and responsibilities. In May 2021, Duke Energy management approved the sale of certain properties and entered into an agreement to exit certain leased space on December 31, 2021. The sale of the properties is subject to abandonment accounting and resulted in an impairment charge. Additionally, the exit of the leased space resulted in the impairment of related furniture, fixtures and equipment. The total 2021 charges related to the reduction in physical workspace, including these impairments, are expected to be approximately $200 million. During the three months ended June 30, 2021, Duke Energy recorded a pretax charge to earnings of $175 million on the Condensed Consolidated Statements of Operations, which includes $131 million within Impairment of assets and other charges, $27 million within Operations, maintenance and other and $17 million within Depreciation and amortization.

NEW ACCOUNTING STANDARDS

The following new accounting standard was adopted by the Duke Energy Registrants in 2021.

Leases with Variable Lease Payments. In July 2021, the Financial Accounting Standards Board (FASB) issued new accounting guidance requiring lessors to classify a lease with variable lease payments that do not depend on a reference index or rate as an operating lease if both of the following are met: (1) the lease would have to be classified as a sales-type or direct financing lease under prior guidance, and (2) the lessor would have recognized a day-one loss. Duke Energy elected to adopt the guidance immediately upon issuance of the new standard and will be applying the new standard prospectively to new lease arrangements meeting the criteria. Duke Energy does not currently have any lease arrangements that this new accounting guidance will materially impact.

The following accounting standard was adopted by the Duke Energy Registrants in 2020.

Current Expected Credit Losses. In June 2016, the FASB issued new accounting guidance for credit losses. Duke Energy adopted the new accounting guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year results. Duke Energy did not adopt any practical expedients.

Duke Energy recognizes allowances for credit losses based on management's estimate of losses expected to be incurred over the lives of certain assets or guarantees. Management monitors credit quality, changes in expected credit losses and the appropriateness of the allowance for credit losses on a forward-looking basis. Management reviews the risk of loss periodically as part of the existing assessment of collectability of receivables.

Duke Energy reviews the credit quality of its counterparties as part of its regular risk management process and requires credit enhancements, such as deposits or letters of credit, as appropriate and as allowed by regulators.

Duke Energy recorded cumulative effects of changes in accounting principles related to the adoption of the new credit loss standard for allowances for credit losses of trade and other receivables, insurance receivables and financial guarantees. These amounts are included in the Condensed Consolidated Balance Sheets in Receivables, Receivables of VIEs, Other Noncurrent Assets and Other Noncurrent Liabilities. See Notes 4 and 12 for more information.

Duke Energy recorded an adjustment for the cumulative effect of a change in accounting principle due to the adoption of this standard on January 1, 2020, as shown in the table below:

	January 1, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Piedmont
Total pretax impact to Retained Earnings	$ 120	$ 16	$ 2	$ 1	$ 1	$ 1

The following new accounting standard has been issued but not yet adopted by the Duke Energy Registrants as of June 30, 2021.

Reference Rate Reform. In March 2020, the FASB issued new accounting guidance for reference rate reform. This guidance is elective and provides expedients to facilitate financial reporting for the anticipated transition away from the London Inter-bank Offered Rate (LIBOR) and other interbank reference rates by the end of 2022. The optional expedients are effective for modification of existing contracts or new arrangements executed between March 12, 2020, through December 31, 2022.

Duke Energy has variable-rate debt and manages interest rate risk by entering into financial contracts including interest rate swaps that are generally indexed to LIBOR. Impacted financial arrangements extending beyond 2022 may require contractual amendment or termination to fully adapt to a post-LIBOR environment. Duke Energy is assessing these financial arrangements and is evaluating the use of optional expedients outlined in the new accounting guidance. Alternative index provisions are also being assessed and incorporated into new financial arrangements that extend beyond 2022. The full outcome of the transition away from LIBOR cannot be determined at this time, but is not expected to have a material impact on the financial statements.

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, midstream pipeline and renewable natural gas investments.

The Commercial Renewables segment is primarily comprised of nonregulated utility-scale wind and solar generation assets located throughout the U.S. In 2021, Duke Energy continues to monitor recoverability of its renewable merchant plants located in the Electric Reliability Council of Texas West market and in the PJM West market due to declining market pricing and declining long-term forecasted energy prices. The assets were not impaired as of June 30, 2021, because the carrying value of approximately $208 million continues to approximate the aggregate estimated future undiscounted cash flows. Duke Energy has a 50% ownership interest in these assets. A continued decline in energy market 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 ownership interest in National Methanol Company.

Business segment information is presented in the following tables. Segment assets presented exclude intercompany assets.

	Three Months Ended June 30, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,328	$ 305	$ 119	$ 5,752	$ 6	$ —	$ 5,758
Intersegment revenues	7	22	—	29	21	(50)	—
Total revenues	$ 5,335	$ 327	$ 119	$ 5,781	$ 27	$ (50)	$ 5,758
Segment income (loss)[(a)]	$ 935	$ 17	$ 47	$ 999	$ (248)	$ —	$ 751
Less: Noncontrolling interests							67
Add: Preferred stock dividend							14
Net Income							$ 698
Segment assets	$ 140,591	$ 14,321	$ 6,956	$ 161,868	$ 3,524	$ (7)	$ 165,385

	Three Months Ended June 30, 2020						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,026	$ 265	$ 123	$ 5,414	$ 7	$ —	$ 5,421
Intersegment revenues	8	24	—	32	19	(51)	—
Total revenues	$ 5,034	$ 289	$ 123	$ 5,446	$ 26	$ (51)	$ 5,421
Segment income (loss)[(b)]	$ 753	$ (1,576)	$ 90	$ (733)	$ (84)	$ —	$ (817)
Less: Noncontrolling interests							90
Add: Preferred stock dividend							15
Net Income							$ (892)

(a) Gas Utilities and Infrastructure includes $16 million, recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments. See Note 3 for additional information. Other includes $131 million recorded within Impairment of assets and other charges, $27 million within Operations, maintenance and other, and $17 million within Depreciation and amortization on the Condensed Consolidated Statements of Operations, related to the workplace and workforce realignment. See Note 1 for additional information.

(b) Gas Utilities and Infrastructure includes $2 billion recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments. See Note 3 for additional information.

	Six Months Ended June 30, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 10,601	$ 1,057	$ 238	$ 11,896	$ 12	$ —	$ 11,908
Intersegment revenues	15	45	—	60	41	(101)	—
Total revenues	$ 10,616	$ 1,102	$ 238	$ 11,956	$ 53	$ (101)	$ 11,908
Segment income (loss)[(a)]	$ 1,755	$ 262	$ 74	$ 2,091	$ (387)	$ —	$ 1,704
Less: Noncontrolling interests							118
Add: Preferred stock dividend							53
Net Income							$ 1,639

	Six Months Ended June 30, 2020						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 10,200	$ 905	$ 252	$ 11,357	$ 13	$ —	$ 11,370
Intersegment revenues	17	48	—	65	36	(101)	—
Total revenues	$ 10,217	$ 953	$ 252	$ 11,422	$ 49	$ (101)	$ 11,370
Segment income (loss)(b)	$ 1,458	$ (1,327)	$ 147	$ 278	$ (196)	$ —	$ 82
Less: Noncontrolling interests							138
Add: Preferred stock dividend							54
Net Income							$ (2)

(a) Gas Utilities and Infrastructure includes $22 million, recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments. See Note 3 for additional information. Commercial Renewables includes a $35 million loss related to Texas Storm Uri, of which ($8 million) is recorded within Nonregulated electric and other revenues, $2 million within Operations, maintenance and other, $29 million within Equity in earnings (losses) of unconsolidated affiliates and $12 million within Loss Attributable to Noncontrolling Interests on the Condensed Consolidated Statements of Operations. See Note 4 for additional information. Other includes $131 million recorded within Impairment of assets and other charges, $27 million within Operations, maintenance and other, and $17 million within Depreciation and amortization on the Condensed Consolidated Statements of Operations, related to the workplace and workplace realignment. See Note 1 for additional information.

(b) Gas Utilities and Infrastructure includes $2 billion recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments. See Note 3 for additional information. Other includes a $98 million reversal, included in Operations, maintenance and other on the Condensed Consolidated Statements of Operations, of 2018 severance costs due to a partial settlement in the Duke Energy Carolinas' 2019 North Carolina rate case. See Note 3 for additional information.

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, 2021					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	**$ 343**	**$ 113**	**$ 456**	**$ —**	**$ —**	**$ 456**
Segment income/Net income	**$ 24**	**$ 23**	**$ 47**	**$ (8)**	**$ —**	**$ 39**
Segment assets	**$ 6,645**	**$ 3,668**	**$ 10,313**	**$ 28**	**$ (19)**	**$ 10,322**

	Three Months Ended June 30, 2020				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 330	$ 93	$ 423	$ —	$ 423
Segment income/Net income	$ 44	$ 23	$ 67	$ (1)	$ 66

	Six Months Ended June 30, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	**$ 706**	**$ 282**	**$ 988**	**$ —**	**$ 988**
Segment income/Net (loss) income	**$ 74**	**$ 66**	**$ 140**	**$ (10)**	**$ 130**

	Six Months Ended June 30, 2020				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 676	$ 245	$ 921	$ —	$ 921
Segment income/Net (loss) income	$ 74	$ 59	$ 133	$ (2)	$ 131

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

2021 Coal Ash Settlement

On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the Coal Combustion Residuals Settlement Agreement (the “CCR Settlement Agreement”) with the North Carolina Public Staff (Public Staff), the North Carolina Attorney General’s Office and the Sierra Club (collectively, the "Settling Parties"), which was filed with the NCUC on January 25, 2021. The CCR Settlement Agreement resolves all coal ash prudence and cost recovery issues in connection with 2019 rate cases filed by Duke Energy Carolinas and Duke Energy Progress with the NCUC, as well as the equitable sharing issue on remand from the 2017 Duke Energy Carolinas and Duke Energy Progress 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 in North Carolina for Duke Energy Carolinas and Duke Energy Progress through January 2030 and February 2030 (the "Term"), respectively.

Duke Energy Carolinas and Duke Energy Progress agreed not to seek recovery of approximately $1 billion of systemwide deferred coal ash expenditures, but will retain the ability to earn a debt and equity return during the amortization period, which shall be five years under the 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 Duke Energy Carolinas and Duke Energy Progress 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 will be set at 150 basis points lower than the authorized return on equity (ROE) then in effect, with a capital structure composed of 48% debt and 52% equity. Duke Energy Carolinas and Duke Energy Progress retain the ability to earn a full WACC return during the deferral period, which is the period from when costs are incurred until they are recovered in rates.

The Settling Parties agreed that execution by Duke Energy Carolinas and Duke Energy Progress of a settlement agreement between themselves and the NCDEQ 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 Settling Parties retain the right to challenge the reasonableness and prudence of actions taken by Duke Energy Carolinas and Duke Energy Progress and costs incurred to implement the scope of work agreed upon in the DEQ Settlement, after February 1, 2020, and March 1, 2020, for Duke Energy Carolinas and Duke Energy Progress, respectively. The Settling Parties further agreed to waive rights through the Term to challenge the reasonableness or prudence of Duke Energy Carolinas’ and Duke Energy Progress’ 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.

The Settling Parties agreed to a sharing arrangement for future coal ash insurance litigation proceeds between Duke Energy Carolinas and Duke Energy Progress and North Carolina customers, if achieved.

As a result of the CCR Settlement Agreement, Duke Energy Carolinas and Duke Energy Progress recorded a pretax charge of approximately $454 million and $494 million, respectively, in the fourth quarter of 2020 to Impairment charges and a reversal of approximately $50 million and $102 million, respectively, to Regulated electric operating revenues on the respective Consolidated Statements of Operations.

The Coal Ash Settlement was approved without modification in the NCUC Orders in the 2019 rate cases on March 31, 2021, and April 16, 2021, for Duke Energy Carolinas and Duke Energy Progress, respectively. The NCUC issued an Order on Remand Accepting CCR Settlement and Affirming Previous Orders Setting Rates and Imposing Penalties in the 2017 rate cases on June 25, 2021.

2020 North Carolina Storm Securitization Filings

On October 26, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the NCUC, as agreed to in partial settlements reached in the 2019 North Carolina Rate Cases for Duke Energy Carolinas and Duke Energy Progress, seeking authorization for the financing of the costs of each utility's storm recovery activities required as a result of Hurricane Florence, Hurricane Michael, Hurricane Dorian and Winter Storm Diego. Specifically, Duke Energy Carolinas and Duke Energy Progress requested that the NCUC find that their storm recovery costs and related financing costs are appropriately financed by debt secured by storm recovery property, and that the commission issue financing orders by which each utility may accomplish such financing using a securitization structure. On January 27, 2021, Duke Energy Carolinas, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain accounting issues, including agreement to support an 18- to 20-year bond period. The total revenue requirement over a proposed 20-year bond period for the storm recovery charges is approximately $287 million for Duke Energy Carolinas and $920 million for Duke Energy Progress and will be finalized upon issuance of the bonds. A remote evidentiary hearing ended on January 29, 2021. In the NCUC Orders in the 2019 rate cases issued on March 31, 2021, and April 16, 2021, for Duke Energy Carolinas and Duke Energy Progress, respectively, the reasonableness and prudence of the deferred storm costs was approved. On May 10, 2021, the NCUC issued financing orders authorizing the companies to issue storm recovery bonds, subject to the terms of the financing orders, and approving the Agreement and Stipulation of Partial Settlement in its entirety. Duke Energy Carolinas and Duke Energy Progress are currently in the process of structuring and marketing the bonds that will be presented to the market.

COVID-19 Filings

North Carolina

Duke Energy Carolinas and Duke Energy Progress filed a joint petition on August 7, 2020, with the NCUC for deferral treatment of incremental costs and the cost of waived customer fees due to the COVID-19 pandemic. Comments on the joint petition were filed on November 5, 2020, and reply comments were filed on November 30, 2020. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

South Carolina

Duke Energy Carolinas and Duke Energy Progress filed a report on June 30, 2020, as required by PSCSC order, reporting revenue impact, costs and savings related to COVID-19 to date. On August 14, 2020, Duke Energy Carolinas and Duke Energy Progress filed a joint petition with the PSCSC for approval of an accounting order to defer incremental COVID-19 related costs incurred through June 30, 2020, and for the ongoing months during the duration of the COVID-19 pandemic. Duke Energy Carolinas and Duke Energy Progress withdrew their joint petition on May 17, 2021.

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. 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 an ROE of 9.9% and a capital structure of 52% equity and 48% debt. On June 22, 2018, the NCUC issued an order approving the Stipulation of Partial Settlement and requiring a revenue reduction.

The North Carolina Attorney General and other parties separately filed Notices of Appeal to the North Carolina Supreme Court. The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion, which affirmed, in part, and reversed and remanded, in part, the NCUC's decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff's equitable sharing argument. In response to an NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases, or in the alternative, the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021, and approved by the NCUC on March 31, 2021. The NCUC issued an Order on Remand Accepting CCR Settlement and Affirming Previous Orders Setting Rates and Imposing Penalties on June 25, 2021.

2019 North Carolina Rate Case

On September 30, 2019, Duke Energy Carolinas filed an application with the NCUC for a net rate increase for retail customers of approximately $291 million, which represented an approximate 6% increase in annual base revenues. The gross rate case revenue increase request was $445 million, which was offset by an EDIT rider of $154 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for a rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Carolinas requested rates be effective no later than August 1, 2020. The NCUC established a procedural schedule with an evidentiary hearing to begin on March 23, 2020. On March 16, 2020, in consideration of public health and safety as a result of the COVID-19 pandemic, Duke Energy Carolinas filed a motion with the NCUC seeking a suspension of the procedural schedule in the rate case, including issuing discovery requests, and postponement of the evidentiary hearing for 60 days. Also on March 16, 2020, the NCUC issued an Order Postponing Hearing and Addressing Procedural Matters, which postponed the evidentiary hearing until further order by the commission.

On March 25, 2020, Duke Energy Carolinas and the Public Staff filed an Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. On July 24, 2020, Duke Energy Carolinas filed its request for approval of its notice to customers required to implement temporary rates. On July 27, 2020, Duke Energy Carolinas filed a joint motion with Duke Energy Progress and the Public Staff notifying the commission that the parties reached a joint partial settlement with the Public Staff. Also on July 27, 2020, Duke Energy Carolinas filed a letter stating that it intended to update its temporary rates calculation to reflect the terms of the partial settlement. On July 31, 2020, Duke Energy Carolinas and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement (Second Partial Settlement), subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting, implementation of new depreciation rates and the amortization period of the loss on the hydro station sale.

On August 4, 2020, Duke Energy Carolinas filed an amended motion for approval of its amended notice to customers, seeking to exercise its statutory right to implement temporary rates subject to refund on or after August 24, 2020. The revenue requirement to be recovered, subject to refund, through the temporary rates was based on and consistent with the base rate component of the Second Partial Settlement and excluded the items to be litigated noted above. The NCUC approved the August 4, 2020 amended temporary rates motion on August 6, 2020, and temporary rates went into effect on August 24, 2020.

The Duke Energy Carolinas evidentiary hearing concluded on September 18, 2020, and post-hearing filings were made with the NCUC from all parties by November 4, 2020. On January 22, 2021, Duke Energy Carolinas and Duke Energy Progress entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021.

On March 31, 2021, the NCUC issued an order approving the March 25, 2020, and July 31, 2020, partial settlements. The order includes approval of 1) an ROE of 9.6% based upon a capital structure of 52% equity and 48% debt; 2) deferral treatment of approximately $800 million of grid improvement projects with a return; 3) a flow back period of five years for unprotected federal EDIT; and 4) the reasonableness and prudence of $213 million of deferred storm costs, which were removed from the rate case and for which Duke Energy Carolinas filed a petition seeking securitization in October 2020. Additionally, the order approved without modification the CCR Settlement Agreement.

The order denied Duke Energy Carolinas' proposal to shorten the remaining depreciable lives of certain Duke Energy Carolinas coal-fired generating units, indicating the appropriate proceeding for the review of generating plant retirements is Duke Energy Carolinas' integrated resource planning (IRP) proceeding.

On May 21, 2021, the NCUC issued an Order Approving Rate Schedules, which resulted in a net increase of approximately $33 million. Revised customer rates became effective on June 1, 2021. The deadline to appeal has passed and no parties appealed the NCUC's order.

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.

After hearings in March 2019, the PSCSC issued an order on May 21, 2019, which included an ROE of 9.5% and a capital structure of 53% equity and 47% 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%;
- 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% to be returned over a five-year period.

As a result of the 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 PSCSC 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, ROE and the recovery of a return on deferred operation and maintenance expenses. An order detailing the commission's decision in the Directive was issued on October 18, 2019. Duke Energy Carolinas filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. On November 20, 2019, the South Carolina Energy Users Committee filed a Notice of Appeal with the Supreme Court of South Carolina. Initial briefs were filed on April 21, 2020, which included the South Carolina Energy User's Committee brief arguing that the PSCSC erred in allowing Duke Energy Carolinas' recovery of costs related to the Lee Nuclear Station. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments were heard before the Supreme Court of South Carolina on May 26, 2021. Based on legal analysis and the filing of the appeal, Duke Energy Carolinas has not recorded an adjustment for its deferred coal ash costs in this matter. 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 was subsequently adjusted to $420 million. 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 an ROE of 9.9% and a capital structure of 52% equity and 48% debt. On February 23, 2018, the NCUC issued an order approving the stipulation. The Public Staff, the North Carolina Attorney General and the Sierra Club filed notices of appeal to the North Carolina Supreme Court.

The North Carolina Supreme Court consolidated the Duke Energy Carolinas and Duke Energy Progress appeals. On December 11, 2020, the North Carolina Supreme Court issued an opinion, which affirmed, in part, and reversed and remanded, in part, the NCUC's decisions. 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 court also remanded to the NCUC a single issue to consider the assessment of support for the Public Staff's equitable sharing argument. In response to an NCUC order seeking comments on the proposed procedure on remand, on January 11, 2021, Duke Energy Carolinas, Duke Energy Progress, the Public Staff, the North Carolina Attorney General, Sierra Club and Carolina Industrial Group for Fair Utility Rates II and III filed joint comments proposing that the NCUC not hold additional evidentiary hearings, but instead rely upon existing records in the 2017 North Carolina rate cases or in the alternative the records in the 2019 North Carolina rate cases, in deciding the issue on remand. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021, and approved by the NCUC on April 16, 2021. The NCUC issued an Order on Remand Accepting CCR Settlement and Affirming Previous Orders Setting Rates and Imposing Penalties on June 25, 2021.

2019 North Carolina Rate Case

On October 30, 2019, Duke Energy Progress filed an application with the NCUC for a net rate increase for retail customers of approximately $464 million, which represented an approximate 12.3% increase in annual base revenues. The gross rate case revenue increase request was $586 million, which was offset by riders of $122 million, primarily an EDIT rider of $120 million to return to customers North Carolina and federal EDIT resulting from recent reductions in corporate tax rates. The request for a rate increase was driven by major capital investments subsequent to the previous base rate case, coal ash pond closure costs, accelerated coal plant depreciation and deferred 2018 storm costs. Duke Energy Progress sought to defer and recover incremental Hurricane Dorian storm costs in this proceeding and requested rates be effective no later than September 1, 2020. As a result of the COVID-19 pandemic, on March 24, 2020, the NCUC suspended the procedural schedule and postponed the previously scheduled evidentiary hearing on this matter indefinitely. On April 7, 2020, the NCUC issued an order partially resuming the procedural schedule requiring intervenors to file direct testimony on April 13, 2020. Public Staff filed supplemental direct testimony on April 23, 2020. Duke Energy Progress filed rebuttal testimony on May 4, 2020.

On June 2, 2020, Duke Energy Progress and the Public Staff filed an Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain issues in the base rate proceeding. On July 27, 2020, Duke Energy Progress filed a joint motion with Duke Energy Carolinas and the Public Staff notifying the commission that the parties reached a joint partial settlement with the Public Staff. On July 31, 2020, Duke Energy Progress and the Public Staff filed a Second Agreement and Stipulation of Partial Settlement, subject to review and approval of the NCUC, resolving certain remaining issues in the base rate proceeding. The remaining items litigated at hearing included recovery of deferred coal ash compliance costs that are subject to asset retirement obligation accounting and implementation of new depreciation rates.

On August 7, 2020, Duke Energy Progress filed a motion for approval of notice required to implement temporary rates, seeking to exercise its statutory right to implement temporary rates subject to refund on or after September 1, 2020. The revenue requirement to be recovered subject to refund through the temporary rates was based on and consistent with the terms of the base rate component of the settlement agreements with the Public Staff and excluded items to be litigated noted above. In addition, Duke Energy Progress also sought authorization to place a temporary decrement EDIT Rider into effect, concurrent with the temporary base rate change. The NCUC approved the August 7, 2020 temporary rates motion on August 11, 2020, and temporary rates went into effect on September 1, 2020.

The Duke Energy Progress evidentiary hearing concluded on October 6, 2020, and post-hearing filings were filed with the NCUC from all parties by December 4, 2020. On January 22, 2021, Duke Energy Progress and Duke Energy Carolinas entered into the CCR Settlement Agreement with the Settling Parties, which was filed with the NCUC on January 25, 2021.

On April 16, 2021, the NCUC issued an order approving the June 2, 2020, and July 31, 2020, partial settlements. The order includes approval of 1) an ROE of 9.6% based upon a capital structure of 52% equity and 48% debt; 2) deferral treatment of approximately $400 million of grid improvement projects with a return; 3) a flow back period of five years for unprotected federal EDIT; and 4) the reasonableness and prudence of approximately $714 million of deferred storm costs, which were removed from the rate case and for which Duke Energy Progress filed a petition seeking securitization in October 2020. Additionally, the order approved without modification the CCR Settlement Agreement.

The order denied Duke Energy Progress' proposal to shorten the remaining depreciable lives of certain Duke Energy Progress coal-fired generating units, indicating the appropriate proceeding for the review of generating plant retirements is Duke Energy Progress' IRP proceeding.

On May 21, 2021, the NCUC issued an Order Approving Rate Schedules, which resulted in a net increase of approximately $178 million. Revised customer rates became effective on June 1, 2021. The deadline to appeal has passed and no parties appealed the NCUC's order.

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.

After hearings in April 2019, the PSCSC issued an order on May 21, 2019, which included an ROE of 9.5% and a capital structure of 53% equity and 47% 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%;

- 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%.

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 PSCSC 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, ROE 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. An order detailing the commission's decision in the Directive was issued on October 18, 2019. Duke Energy Progress filed a notice of appeal on November 15, 2019, with the Supreme Court of South Carolina. Initial briefs were filed on April 21, 2020. Response briefs were filed on July 6, 2020, and reply briefs were filed on August 11, 2020. Oral arguments were heard before the Supreme Court of South Carolina on May 26, 2021. Based on legal analysis and the filing of the appeal, Duke Energy Progress has not recorded an adjustment for its deferred coal ash costs in this matter. Duke Energy Progress cannot predict the outcome of this matter.

Western Carolinas Modernization Plan

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, which was approved with certain conditions on May 10, 2019. A hearing to update the NCUC on the status of the project was held on March 5, 2020. Construction began in May 2020 with commercial operation expected to begin in October 2021.

On July 27, 2020, Duke Energy Progress filed an application with the NCUC for a CPCN to construct the Woodfin Solar Facility, a 5-MW solar generating facility to be constructed on a closed landfill in Buncombe County. The expert hearing was held on November 18, 2020. The application was approved and a CPCN was granted by order of the NCUC on April 20, 2021.

FERC Return on Equity Complaints

On October 11, 2019, North Carolina Eastern Municipal Power Agency (NCEMPA) filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the Federal Power Act (FPA), alleging that the 11% stated ROE component contained in the demand formula rate in the Full Requirements Power Purchase Agreement (FRPPA) between NCEMPA and Duke Energy Progress is unjust and unreasonable. On July 16, 2020, the FERC set this matter for hearing and settlement judge procedures and established a refund effective date of October 11, 2019. In its order setting the matter for settlement, the FERC allowed for the consideration of variations to the base transmission-related ROE methodology developed in its Order No. 569-A, through the introduction of "specific facts and circumstances" involving issues specific to the case. The parties reached a settlement in principle at a settlement conference on January 7, 2021, and filed a settlement package on March 10, 2021. The FERC Trial Staff filed comments in support of the settlement. On April 19, 2021, the Settlement Judge certified the settlement to the FERC as an uncontested settlement. The FERC approved the settlement on May 25, 2021, and Duke Energy Progress filed compliance documents on June 10, 2021.

On October 16, 2020, North Carolina Electric Membership Corporation (NCEMC) filed a complaint at the FERC against Duke Energy Progress pursuant to Section 206 of the FPA, alleging that the 11% stated ROE component in the demand formula rate in the Power Supply and Coordination Agreement between NCEMC and Duke Energy Progress is unjust and unreasonable. Under FPA Section 206, the earliest refund effective date that the FERC can establish is the date of the filing of the complaint. Duke Energy Progress responded to the complaint on November 20, 2020, seeking dismissal, demonstrating that the 11% ROE is just and reasonable for the service provided. The parties filed responsive pleadings and are awaiting an order from the FERC. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Florida

2021 Settlement Agreement

On January 14, 2021, Duke Energy Florida filed a Settlement Agreement (the "2021 Settlement") with the FPSC. The parties to the 2021 Settlement include Duke Energy Florida, the Office of Public Counsel (OPC), 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 2021 Settlement, the Parties agreed to a base rate stay-out provision that expires year-end 2024; however, Duke Energy Florida 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 during the years 2021, 2022 and 2023. The Parties also agreed to an 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 U.S. 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%. Duke Energy Florida will also be able to retain the DOE award of approximately $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 2021 Settlement. In return, Duke Energy Florida will be able to recognize the $173 million into earnings from 2022 through 2024.

In addition to these terms, the 2021 Settlement contains provisions related to the accelerated depreciation of Crystal River Units 4-5, the approval of approximately $1 billion in 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 Duke Energy Florida's Vision Florida program, which explores various emerging non-carbon emitting generation technology, distributed technologies and resiliency projects, among other things. The 2021 Settlement also resolves remaining unrecovered storm costs for Hurricane Dorian and Hurricane Michael.

The FPSC approved the 2021 Settlement on May 4, 2021, issuing an order on June 4, 2021. Revised customer rates will be effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

Storm Restoration Cost Recovery

Duke Energy Florida filed a petition with the FPSC on April 30, 2019, to recover $223 million of estimated retail incremental storm restoration costs for Hurricane Michael, consistent with the provisions in the 2017 Settlement, and the FPSC approved the petition on June 11, 2019. The FPSC also approved allowing 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 year-end 2021. On November 22, 2019, Duke Energy Florida filed a petition for approval of actual retail recoverable storm restoration costs related to Hurricane Michael in the amount of $191 million plus interest. On May 19, 2020, Duke Energy Florida filed a supplemental true up reducing the actual retail recoverable storm restoration costs related to Hurricane Michael by approximately $3 million, resulting in a total request to recover $188 million actual retail recoverable storm restoration costs, plus interest. Approximately $3 million and $80 million of these costs are included in Regulatory assets within Current Assets and Other Noncurrent Assets on the Condensed Consolidated Balance Sheets as of June 30, 2021, and December 31, 2020, respectively.

Duke Energy Florida filed a petition with the FPSC on December 19, 2019, to recover $169 million of estimated retail incremental storm restoration costs for Hurricane Dorian, consistent with the provisions in the 2017 Settlement and the FPSC approved the petition on February 24, 2020. The final actual amount of $145 million was filed on September 30, 2020. The 2021 Settlement resolved all matters regarding storm cost recovery relating to Hurricane Michael and Hurricane Dorian.

Clean Energy Connection

On July 1, 2020, Duke Energy Florida petitioned the FPSC for approval of a voluntary solar program. The program consists of 10 new solar generating facilities with combined capacity of approximately 750 MW. The program allows participants to support cost-effective solar development in Florida by paying a subscription fee based on per kilowatt-subscriptions and receiving a credit on their bill based on the actual generation associated with their portion of the solar portfolio. The estimated cost of the 10 new solar generation facilities is approximately $1 billion over the next four years, and this investment will be included in base rates offset by the revenue from the subscription fees. The credits will be included for recovery in the fuel cost recovery clause. A remote hearing was held on November 17, 2020, and post-hearing briefs were filed with the FPSC from all parties by December 9, 2020. The FPSC voted to approve the program on January 5, 2021, and issued its written order on January 26, 2021.

On February 24, 2021, the League of United Latin American Citizens (LULAC) filed a notice of appeal of the FPSC’s order approving the Clean Energy Connection to the Supreme Court of Florida. LULAC's initial brief was filed on May 26, 2021, and Appellees' response briefs were filed on July 26, 2021. The FPSC approval order remains in effect pending the outcome of the appeal. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Ohio House Bill 6

On July 23, 2019, House Bill 6 was signed into law and became effective January 1, 2020. Among other things, the bill allows for funding, through a rider mechanism referred to as the Clean Air Fund (Rider CAF), of two nuclear generating facilities located in Northern Ohio owned by Energy Harbor (f/k/a FirstEnergy Solutions), repeal of energy efficiency mandates and recovery of prudently incurred costs, net of any revenues, for Ohio investor-owned utilities that are participants under the OVEC power agreement. The recovery is through a non-bypassable rider that replaced any existing recovery mechanism approved by the PUCO and will remain in place through 2030. As such, Duke Energy Ohio created the Legacy Generation Rider (Rider LGR) that replaced Rider PSR effective January 1, 2020. The amounts recoverable from customers are subject to an annual cap, with incremental costs that exceed such cap eligible for deferral and recovery subject to review. See Note 11 for additional discussion of Duke Energy Ohio's ownership interest in OVEC. House Bill 128 was signed into law on March 31, 2021, and became effective June 30, 2021. The bill removes nuclear plant funding from Rider CAF and does not impact OVEC cost recovery.

Energy Efficiency Cost Recovery

On February 26, 2020, the PUCO issued an order directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020, in response to changes in Ohio law that eliminated Ohio's energy efficiency mandates. On March 27, 2020, Duke Energy Ohio filed an Application for Rehearing seeking clarification on the final true up and reconciliation process after 2020. On November 18, 2020, the PUCO issued two orders on the application for rehearing. The first order was a Third Entry on Rehearing on the Duke Energy Ohio portfolio holding the cost cap previously imposed was unlawful, a shared savings cap of $8 million pretax should be imposed and lost distribution revenues could not be recovered after December 31, 2020. The second order directs all utilities set the rider to zero effective January 1, 2021, and to file a separate application for final reconciliation of all energy efficiency costs prior to December 31, 2020. On December 18, 2020, Duke Energy Ohio filed an application for rehearing. On January 13, 2021, the application for rehearing was granted for further consideration. Duke Energy Ohio cannot predict the outcome of this matter.

On October 9, 2020, Duke Energy Ohio filed an application to implement a voluntary energy efficiency program portfolio to commence on January 1, 2021. The application proposes a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review. Effective January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs due to changes in Ohio law. On June 14, 2021, the PUCO issued an entry for each utility to file by July 15, 2021, a proposal to reestablish low-income programs through December 31, 2021. Duke Energy Ohio filed its application on July 14, 2021. Duke Energy Ohio cannot predict the outcome of this matter.

Natural Gas Pipeline Extension

Duke Energy Ohio is installing 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) and that construction of the pipeline extension will be completed before the 2021/2022 winter season. An evidentiary hearing on Duke Energy Ohio's application for a Certificate of Environmental Compatibility and Public Need concluded on April 11, 2019. On November 21, 2019, the Ohio Power Siting Board (OPSB) approved Duke Energy Ohio's application subject to 41 conditions on construction. Applications for rehearing were filed by several stakeholders on December 23, 2019, arguing that the OPSB approval was incorrect. On February 20, 2020, the OPSB denied the rehearing requests. On April 15, 2020, Those stakeholders filed a notice of appeal at the Supreme Court of Ohio of the OPSB’s decision approving Duke Energy Ohio’s Central Corridor project application. The appeal was fully briefed and the Ohio Supreme Court oral argument was held on March 31, 2021.er.

On September 22, 2020, Duke Energy Ohio filed an application with the OPSB for approval to amend the certificated pipeline route due to changes in the route negotiated with property owners and municipalities. On January 21, 2021, the OPSB approved the amended filing with recommended conditions that reaffirm previous conditions and provide guidance regarding local permitting and construction supervision. Duke Energy Ohio cannot predict the outcome of this matter.

MGP Cost Recovery

In an order issued in 2013, the PUCO approved Duke Energy Ohio's deferral and recovery of costs related to environmental remediation at two sites (East End and West End) that housed former MGP operations. Duke Energy Ohio has collected approximately $55 million in environmental remediation costs incurred between 2009 through 2012 through Rider MGP, which is currently suspended. 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 base rate case. To date, the PUCO has not ruled on Duke Energy Ohio’s annual applications for the calendar years 2013 through 2019. 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. 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. Additionally, staff recommended that any discussion pertaining to Duke Energy Ohio's recovery of ongoing MGP costs should be directly tied to or netted against insurance proceeds collected by Duke Energy Ohio. An evidentiary hearing concluded on November 21, 2019. Initial briefs were filed on January 17, 2020, and reply briefs were filed on February 14, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

On March 31, 2020, Duke Energy Ohio filed its annual application to recover incremental MGP remediation expense, seeking recovery of approximately $39 million in remediation costs incurred during 2019. On July 23, 2020, the staff of the PUCO recommended a disallowance of approximately $4 million for work the staff believes occurred in areas not authorized for recovery. Additionally, the staff recommended insurance proceeds, net of litigation costs and attorney fees, should be paid to customers and not be held by Duke Energy Ohio until all investigation and remediation is complete. Duke Energy Ohio filed comments in response to the staff report on August 21, 2020, and intervenor comments were filed on November 9, 2020. Duke Energy Ohio cannot predict the outcome of this matter.

The 2012 PUCO order also contained conditional deadlines for completing the MGP environmental remediation and the deferral of related remediation costs. 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 that must occur after December 31, 2019. On July 12, 2019, staff recommended the commission deny the deferral authority request. On September 13, 2019, intervenor comments were filed opposing Duke Energy Ohio's request for continuation of existing deferral authority and on October 2, 2019, Duke Energy Ohio filed reply comments. Duke Energy Ohio cannot predict the outcome of this matter.

Tax Act – Ohio

On December 21, 2018, Duke Energy Ohio filed an application to change its base rate tariffs 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 tariff changes and rider effective April 1, 2019. The new rider will flow through to customers the benefit of the reduction in the statutory federal tax rate from 35% to 21% 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 occurred on August 7, 2019. Initial briefs were filed on September 11, 2019. Reply briefs were filed on September 25, 2019. Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Kentucky Natural Gas Base Rate Case

On June 1, 2021, Duke Energy Kentucky filed an application with the KPSC requesting an increase in natural gas base rates of approximately $15 million, an approximate 13% average increase across all customer classes. The drivers for this case are capital invested since Duke Energy Kentucky's last natural gas base rate case in 2018. Duke Energy Kentucky is also seeking implementation of a Governmental Mandate Adjustment mechanism (Rider GMA) in order to recover from or pay to customers the financial impact of governmental directives and mandates, including changes in federal or state tax rates and regulations issued by the Pipeline and Hazardous Materials Safety Administration. The KPSC accepted Duke Energy Kentucky’s filing as of June 3, 2021, as meeting all filing requirements and issued its first round of discovery. A procedural schedule was set with a hearing scheduled for October 18, 2021. Duke Energy Kentucky cannot predict the outcome of this matter.

Duke Energy Indiana

2019 Indiana Rate Case

On July 2, 2019, Duke Energy Indiana filed a general rate case with the IURC for a rate increase for retail customers of approximately $395 million. The rebuttal case, filed on December 4, 2019, updated the requested revenue requirement to result in a 15.6% or $396 million average retail rate increase, including the impacts of the Utility Receipts Tax. Hearings concluded on February 7, 2020. On June 29, 2020, the IURC issued an order in the rate case approving a revenue increase of $146 million before certain adjustments and ratemaking refinements. The order approved Duke Energy Indiana’s requested forecasted rate base of $10.2 billion as of December 31, 2020, including the Edwardsport Integrated Gasification Combined Cycle (IGCC) Plant. The IURC reduced Duke Energy Indiana’s request by slightly more than $200 million, when accounting for the utility receipts tax and other adjustments. Approximately 50% of the reduction was due to a prospective change in depreciation and use of regulatory asset for the end-of-life inventory at retired generating plants, approximately 20% was due to the approved ROE of 9.7% versus the requested ROE of 10.4% and approximately 20% was related to miscellaneous earnings neutral adjustments. Step one rates were estimated to be approximately 75% of the total and became effective on July 30, 2020. Step two rates are estimated to be the remaining 25% of the total rate increase. Step two rates were approved July 28, 2021, and implemented in August 2021. Step two rates are based on a return on equity of 9.7% and actual December 31, 2020 capital structure with a 54% equity component. Step two rates will be reconciled to January 1, 2021. Several groups appealed the IURC order to the Indiana Court of Appeals. Appellate briefs were filed on October 14, 2020, focusing on three issues: wholesale sales allocations, coal ash basin cost recovery and the Edwardsport IGCC operating and maintenance expense level approved. The appeal was fully briefed in January 2021 and an oral argument was held on April 8, 2021. The Indiana Court of Appeals affirmed the IURC decision on May 13, 2021. The Indiana Office of Utility Consumer Counselor (OUCC) and the Duke Industrial Group filed a joint petition to transfer the rate case appeal to the Indiana Supreme Court on June 28, 2021. Response briefs were filed July 19, 2021. Duke Energy Indiana cannot predict the outcome of this matter.

2020 Indiana Coal Ash Recovery Case

In Duke Energy Indiana’s 2019 rate case, the IURC approved coal ash basin closure costs expended through 2018 including financing costs as a regulatory asset and included in rate base. The IURC also opened a subdocket to deal with the post-2018 coal ash related expenditures. Duke Energy Indiana filed testimony on April 15, 2020, in the coal ash subdocket requesting recovery for the post-2018 coal ash basin closure costs for plans that have been approved by the Indiana Department of Environmental Management as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020, and the parties agreed on a delayed briefing schedule that allows for the Indiana Rate Case appeal to proceed. Briefing will be completed by mid-September 2021. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

2020 Tennessee Rate Case

On July 2, 2020, Piedmont filed an application with the TPUC, its first general rate case in Tennessee in nine years, for a rate increase for retail customers of approximately $30 million, which represents an approximate 15% increase in annual revenues. The rate increase is driven by significant infrastructure upgrade investments since Piedmont's previous rate case. Approximately half of the plant additions being added to rate base are categories of capital investment not covered under the IMR mechanism, which was approved in 2013. Piedmont amended its requested increase to approximately $26 million in December 2020. As authorized under Tennessee law, Piedmont implemented interim rates on January 2, 2021, at the level requested in its adjusted request. A settlement reached with the Tennessee Consumer Advocate in mid-January was filed with the TPUC on February 2, 2021. The settlement results in an increase of revenues of approximately $16 million and an ROE of 9.8%. On May 6, 2021, the TPUC issued an order approving the settlement. Revised customer rates became effective January 2, 2021. Piedmont refunded customers the difference between bills previously rendered under interim rates and such bills if rendered under approved rates, plus interest, in April 2021.

2021 North Carolina Rate Case

On March 22, 2021, Piedmont filed an application with the NCUC for a rate increase for retail customers of approximately $109 million, which represents an approximate 10% increase in retail revenues. The rate increase is driven by customer growth and significant infrastructure upgrade investments (plant additions) since the last general rate case. Approximately 30% of the plant additions being rolled into rate base are categories of plant investment that are covered under the IMR mechanism, which was originally approved as part of the 2013 North Carolina Rate Case. On July 28, 2021, Piedmont amended its requested increase to approximately $97 million. The NCUC has established a procedural schedule with an evidentiary hearing to commence on September 7, 2021. Piedmont cannot predict the outcome of this matter.

OTHER REGULATORY MATTERS

Atlantic Coast Pipeline, LLC

Atlantic Coast Pipeline (ACP pipeline) was planned to be an approximately 600-mile interstate natural gas pipeline running from West Virginia to North Carolina. Duke Energy indirectly owns a 47% interest, which is accounted for as an equity method investment through its Gas Utilities and Infrastructure segment.

As a result of the uncertainty created by various legal rulings, the potential impact on the cost and schedule for the project, the ongoing legal challenges and the risk of additional legal challenges and delays through the construction period and Dominion’s decision to sell substantially all of its gas transmission and storage segment assets, Duke Energy's Board of Directors and management decided that it was not prudent to continue to invest in the project. On July 5, 2020, Duke Energy and Dominion announced the cancellation of the ACP pipeline project.

As part of the pretax charges to earnings of approximately $2.1 billion recorded in June 2020, within Equity in (losses) earnings of unconsolidated affiliates on the Duke Energy Condensed Consolidated Statements of Operations, Duke Energy established liabilities related to the cancellation of the ACP pipeline project. In February 2021, Duke Energy paid approximately $855 million to fund ACP's outstanding debt, relieving Duke Energy of its guarantee. At June 30, 2021, there is $33 million and $69 million within Other Current Liabilities and Other Noncurrent Liabilities, respectively, in the Gas Utilities and Infrastructure segment. The liabilities represent Duke Energy's obligation of approximately $102 million to satisfy remaining ARO requirements to restore construction sites.

See Notes 1 and 11 for additional information regarding this transaction.

Potential Coal Plant Retirements

The Subsidiary Registrants periodically file integrated resource plans (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, 2021, and exclude capitalized asset retirement costs.

	Capacity (in MW)		Remaining Net Book Value (in millions)
Duke Energy Carolinas			
Allen Steam Station Units 1-2[(a)]	**324**	**$**	**20**
Allen Steam Station Units 4-5[(b)]	**516**		**376**
Cliffside Unit 5[(b)]	**544**		**337**
Duke Energy Progress			
Mayo Unit 1[(b)]	**704**		**650**
Roxboro Units 3-4[(b)]	**1,392**		**474**
Duke Energy Florida			
Crystal River Units 4-5[(c)]	**1,410**		**1,670**
Duke Energy Indiana [(d)]			
Gibson Units 1-5[(e)]	**2,822**		**1,840**
Cayuga Units 1-2[(e)]	**995**		**736**
Total Duke Energy	**8,707**	**$**	**6,103**

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Units 1 through 3 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. Unit 3 with a capacity of 270 MW and a net book value of $26 million at December 31, 2020, was retired in March 2021.

(b) These units were included in the IRP filed by Duke Energy Carolinas and Duke Energy Progress in North Carolina and South Carolina on September 1, 2020. The long-term energy options considered in the IRP could result in retirement of these units earlier than their current estimated useful lives. In 2019, Duke Energy Carolinas and Duke Energy Progress filed North Carolina rate cases that included depreciation studies that accelerate end-of-life dates for these plants. The NCUC issued orders in the 2019 rate cases of Duke Energy Carolinas and Duke Energy Progress on March 31, 2021, and April 16, 2021, respectively, in which the proposals to shorten the remaining depreciable lives of these units were denied, while indicating the IRP proceeding was the appropriate proceeding for the review of generating plant retirements.

(c) On January 14, 2021, Duke Energy Florida filed a settlement agreement with the FPSC, which proposed depreciation rates reflecting retirement dates for Duke Energy Florida's last two coal-fired generating facilities, Crystal River Units 4-5, eight years ahead of schedule in 2034 rather than in 2042. The settlement was approved by the FPSC on May 4, 2021.

(d) Gallagher Units 2 and 4 with a total capacity of 280 MW and a total net book value of $102 million at December 31, 2020, were retired on June 1, 2021.

(e) On July 1, 2019, Duke Energy Indiana submitted 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, included proposed depreciation rates reflecting retirement dates from 2026 to 2038. The depreciation rates reflecting these updated retirement dates were approved by the IURC as part of the rate case order issued on June 29, 2020.

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 table contains 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.

(in millions)	June 30, 2021	December 31, 2020
Reserves for Environmental Remediation		
Duke Energy	**$ 74**	$ 75
Duke Energy Carolinas	**20**	19
Progress Energy	**18**	19
Duke Energy Progress	**6**	6
Duke Energy Florida	**12**	12
Duke Energy Ohio	**21**	22
Duke Energy Indiana	**5**	6
Piedmont	**11**	10

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	$ 20
Duke Energy Carolinas	12
Duke Energy Ohio	4

LITIGATION

Duke Energy

Texas Storm Uri Tort Litigation

Duke Energy and several Duke Energy renewables project companies have been named in multiple lawsuits arising out of Texas Storm Uri in mid-February 2021, and particularly, in the deregulated market managed by the Electric Reliability Council of Texas. There are 24 state court actions that have been filed in counties across Texas and one case is pending in federal court in Texas. These lawsuits seek recovery for property damages, personal injury and for wrongful death allegedly incurred by the plaintiffs as a result of power losses, which the plaintiffs claim was the result of the defendants' failure to take appropriate precautions. The cases pending in state court have been consolidated into a Texas state court multidistrict litigation proceeding before a single judge to handle all pretrial coordination. Duke Energy cannot predict the outcomes of these state and federal litigation matters.

Duke Energy Carolinas and Duke Energy Progress

Coal Ash Insurance Coverage Litigation

In March 2017, Duke Energy Carolinas and Duke Energy Progress filed a civil action in the North Carolina Business 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 U.S. Environmental Protection Agency CCR rule at 15 coal-fired plants in North Carolina and South Carolina. Following completion of fact discovery, the parties' fully briefed and argued motions relating to multiple key legal matters. All but two insurer-defendants have reached settlements with Duke Energy Carolinas and Duke Energy Progress in advance of any rulings on these motions. Any coal ash litigation proceeds from these settlements will be distributed in accordance with the terms of the CCR Settlement Agreement with the North Carolina Attorney General and other parties, executed on January 22, 2021. For more information on the CCR Settlement Agreement, see Note 3. On August 4, 2021, the Court issued a favorable ruling denying dispositive motions from the two remaining defendants. Trial with the remaining defendants remains scheduled for January 24, 2022. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

NTE Carolinas II, LLC Litigation

In November 2017, Duke Energy Carolinas entered into a standard FERC large generator interconnection agreement (LGIA) with NTE Carolinas II, LLC (NTE), a company that proposed to build a combined-cycle natural gas plant in Rockingham County, North Carolina. On September 6, 2019, Duke Energy Carolinas filed a lawsuit in Mecklenburg County Superior Court against NTE for breach of contract, alleging that NTE's failure to pay benchmark payments for Duke Energy Carolinas' transmission system upgrades required under the interconnection agreement constituted a termination of the interconnection agreement. Duke Energy Carolinas is seeking a monetary judgment against NTE because NTE failed to make multiple milestone payments. The lawsuit was moved to federal court in North Carolina. NTE filed a motion to dismiss Duke Energy Carolinas' complaint and brought counterclaims alleging anti-competitive conduct and violations of state and federal statutes. Duke Energy Carolinas filed a motion to dismiss NTE's counterclaims.

On May 21, 2020, in response to a NTE petition challenging Duke Energy Carolinas' termination of the LGIA, FERC issued a ruling that 1) it has exclusive jurisdiction to determine whether a transmission provider may terminate a LGIA; 2) FERC approval is required to terminate a conforming LGIA if objected to by the interconnection customer; and 3) Duke Energy may not announce the termination of a conforming LGIA unless FERC has approved the termination. FERC's Office of Enforcement also initiated an investigation of Duke Energy Carolinas into matters pertaining to the LGIA. Duke Energy Carolinas is cooperating with the Office of Enforcement but cannot predict the outcome of this investigation.

On August 17, 2020, the court denied both NTE's and Duke Energy Carolinas' Motion to Dismiss. The parties are in active discovery and trial is scheduled for June 20, 2022. Duke Energy Carolinas cannot predict the outcome of this matter.

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, 2021, there were 84 asserted claims for non-malignant cases with cumulative relief sought of up to $18 million, and 55 asserted claims for malignant cases with cumulative relief sought of up to $20 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 $555 million at June 30, 2021, and $572 million at December 31, 2020. 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 2040 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 2040 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 $714 million in excess of the self-insured retention. Receivables for insurance recoveries were $704 million at June 30, 2021, and December 31, 2020. 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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The reserve for credit losses for insurance receivables based on adoption of the new standard is $15 million for Duke Energy and Duke Energy Carolinas as of June 30, 2021, and December 31, 2020. The insurance receivable is evaluated based on the risk of default and the historical losses, current conditions and expected conditions around collectability. Management evaluates the risk of default annually based on payment history, credit rating and changes in the risk of default from credit agencies.

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 $200 million for Duke Energy Progress and Duke Energy Florida, respectively. Discovery is ongoing and a trial is expected to occur in late 2021 or early 2022.

Duke Energy Florida

Power Purchase Dispute Arbitration

Duke Energy Florida, on behalf of its customers, entered into a PPA for the purchase of firm capacity and energy from a qualifying facility under the Public Utilities Regulatory Policies Act of 1978. Duke Energy Florida determined the qualifying facility did not perform in accordance with the PPA, and Duke Energy Florida terminated the PPA. The qualifying facility counterparty filed a confidential American Arbitration Association (AAA) arbitration demand, challenging the termination of the PPA and seeking damages.

The final arbitration hearing occurred during the week of December 7, 2020. An interim arbitral award was issued in March 2021, upholding Duke Energy Florida's positions on all issues and awarding the company termination costs. In May 2021, the final arbitral award was issued awarding Duke Energy Florida its claimed fees and costs.

Duke Energy Indiana

Coal Ash Basin Closure Plan Appeal

On January 27, 2020, Hoosier Environmental Council (HEC) filed a Petition for Administrative Review with the Indiana Office of Environmental Adjudication challenging the Indiana Department of Environmental Management's December 10, 2019, partial approval of Duke Energy Indiana's ash pond closure plan. After hearing oral arguments in early April 2021 on Duke Energy Indiana's and HEC's competing Motions for Summary Judgment, on May 4, 2021, the administrative court rejected all of HEC's claims and issued a ruling in favor of Duke Energy Indiana. On June 3, 2021, HEC filed an appeal in Superior Court to seek judicial review of the order. Duke Energy Indiana cannot predict the outcome of this matter.

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, 2021	December 31, 2020
Reserves for Legal Matters		
Duke Energy	**$ 65**	$ 68
Duke Energy Carolinas	**2**	2
Progress Energy	**58**	61
Duke Energy Progress	**12**	13
Duke Energy Florida	**26**	28
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 uncapped 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. DEBT AND CREDIT FACILITIES

SUMMARY OF SIGNIFICANT DEBT ISSUANCES

The following table summarizes significant debt issuances (in millions).

			Six Months Ended June 30, 2021			
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Piedmont
Unsecured Debt						
March 2021[(a)]	Mar 2031	2.500 %	$ **350**	$ **—**	$ **—**	$ **350**
June 2021[(c)]	Jun 2023	2.500 % [(b)]	**500**	**500**	**—**	**—**
June 2021[(c)]	Jun 2031	2.550 %	**1,000**	**1,000**	**—**	**—**
June 2021[(c)]	Jun 2041	3.300 %	**750**	**750**	**—**	**—**
June 2021[(c)]	Jun 2051	3.500 %	**750**	**750**	**—**	**—**
First Mortgage Bonds						
April 2021[(d)]	Apr 2031	2.550 %	**550**	**—**	**550**	**—**
April 2021[(d)]	Apr 2051	3.450 %	**450**	**—**	**450**	**—**
Total issuances			$ **4,350**	$ **3,000**	$ **1,000**	$ **350**

(a) Debt issued to repay at maturity $160 million senior unsecured notes due June 2021, pay down short-term debt and for general corporate purposes.
(b) Debt issuance has a floating interest rate.
(c) Debt issued to repay $1.75 billion of Duke Energy (Parent) 2021 debt maturities, to repay a portion of short-term debt and for general corporate purposes.
(d) Debt issued to repay at maturity $500 million first mortgage bonds due June 2021, pay down short-term debt and for general company 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, 2021
Unsecured Debt			
Duke Energy (Parent)[(a)]	August 2021	1.800 %	$ **750**
Duke Energy Florida	November 2021	0.391 % [(b)]	**200**
Duke Energy Progress	February 2022	0.335 % [(b)]	**700**
Duke Energy (Parent)	March 2022	3.227 %	**300**
Duke Energy (Parent)	March 2022	0.775 % [(b)]	**300**
Progress Energy	April 2022	3.150 %	**450**
First Mortgage Bonds			
Duke Energy Florida	August 2021	3.100 %	**300**
Duke Energy Progress	September 2021	3.000 %	**500**
Duke Energy Progress	September 2021	8.625 %	**100**
Duke Energy Indiana	January 2022	8.850 %	**53**
Duke Energy Carolinas	May 2022	3.350 %	**350**
Duke Energy Progress	May 2022	2.800 %	**500**
Other[(c)]			**473**
Current maturities of long-term debt			$ **4,976**

(a) Debt was retired at par on August 1, 2021.
(b) Debt has a floating interest rate.
(c) Includes finance lease obligations, amortizing debt, tax-exempt bonds with mandatory put options and small bullet maturities.

AVAILABLE CREDIT FACILITIES

Master Credit Facility

In March 2021, Duke Energy amended its existing $8 billion Master Credit Facility to extend the termination date to March 2026. The Duke Energy Registrants, excluding Progress Energy, 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.

The table below includes the current borrowing sublimits and available capacity under these credit facilities.

	June 30, 2021							
(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	$ 1,325	$ 1,150	$ 850	$ 725	$ 600	$ 700
Reduction to backstop issuances								
Commercial paper[b]	(2,747)	(549)	(767)	(418)	(360)	(411)	(150)	(92)
Outstanding letters of credit	(31)	(25)	(4)	(2)	—	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 5,141	$ 2,076	$ 554	$ 730	$ 490	$ 314	$ 369	$ 608

(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, 2021	
(in millions)	Facility size	Amount drawn
Duke Energy (Parent) Three-Year Revolving Credit Facility[a]	$ 1,000	$ 500

(a) During March 2021, Duke Energy extended the maturity date of the Three-Year Revolving Credit Facility from May 2022 to May 2024.

6. GOODWILL

Duke Energy

The following table presents the goodwill by reportable segment included on Duke Energy's Condensed Consolidated Balance Sheets at June 30, 2021, and December 31, 2020.

(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, 2021, and December 31, 2020.

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.

7. 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)	2021	2020	2021	2020
Duke Energy Carolinas				
Corporate governance and shared service expenses[(a)]	**$ 243**	$ 196	**$ 446**	$ 330
Indemnification coverages[(b)]	**6**	5	**12**	10
Joint Dispatch Agreement (JDA) revenue[(c)]	**13**	3	**26**	10
JDA expense[(c)]	**25**	20	**65**	44
Intercompany natural gas purchases[(d)]	**15**	10	**29**	16
Progress Energy				
Corporate governance and shared service expenses[(a)]	**$ 233**	$ 189	**$ 414**	$ 335
Indemnification coverages[(b)]	**11**	9	**21**	18
JDA revenue[(c)]	**25**	20	**65**	44
JDA expense[(c)]	**13**	3	**26**	10
Intercompany natural gas purchases[(d)]	**18**	19	**37**	38
Duke Energy Progress				
Corporate governance and shared service expenses[(a)]	**$ 141**	$ 113	**$ 246**	$ 188
Indemnification coverages[(b)]	**5**	5	**10**	9
JDA revenue[(c)]	**25**	20	**65**	44
JDA expense[(c)]	**13**	3	**26**	10
Intercompany natural gas purchases[(d)]	**18**	19	**37**	38
Duke Energy Florida				
Corporate governance and shared service expenses[(a)]	**$ 92**	$ 76	**$ 168**	$ 147
Indemnification coverages[(b)]	**6**	4	**11**	9
Duke Energy Ohio				
Corporate governance and shared service expenses[(a)]	**$ 79**	$ 77	**$ 158**	$ 161
Indemnification coverages[(b)]	**1**	1	**2**	2
Duke Energy Indiana				
Corporate governance and shared service expenses[(a)]	**$ 93**	$ 92	**$ 206**	$ 198
Indemnification coverages[(b)]	**2**	2	**4**	4
Piedmont				
Corporate governance and shared service expenses[(a)]	**$ 36**	$ 37	**$ 69**	$ 71
Indemnification coverages[(b)]	**1**	—	**2**	1
Intercompany natural gas sales[(d)]	**33**	29	**66**	54
Natural gas storage and transportation costs[(e)]	**5**	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 and Impairment of assets and other charges 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 LNG Company, LLC, Hardy Storage Company, LLC and Cardinal Pipeline Company, LLC 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, such as pipeline lease arrangements, 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 11, 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, 2021							
Intercompany income tax receivable	**$ —**	**$ 74**	**$ —**	**$ 1**	**$ —**	**$ —**	**$ 22**
Intercompany income tax payable	**36**	**—**	**4**	**—**	**6**	**7**	**—**
December 31, 2020							
Intercompany income tax receivable	$ —	$ —	$ —	$ —	$ —	$ 9	$ 10
Intercompany income tax payable	31	33	46	35	2	—	—

8. 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 accumulated other comprehensive loss for the three and six months ended June 30, 2021, and 2020, 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 segment 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, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	**$ 1,344**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Undesignated contracts	**1,681**	**350**	**1,250**	**750**	**500**	**27**
Total notional amount[(a)]	**$ 3,025**	**$ 350**	**$ 1,250**	**$ 750**	**$ 500**	**$ 27**

	December 31, 2020					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio
Cash flow hedges	$ 632	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	400	750	750	—	27
Total notional amount[(a)]	$ 1,809	$ 400	$ 750	$ 750	$ —	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $594 million in cash flow hedges and $54 million in undesignated contracts as of June 30, 2021, and $632 million in cash flow hedges as of December 31, 2020.

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 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. To manage risk associated with commodity prices, the Duke Energy Registrants may enter into long-term power purchase or sales contracts and long-term natural gas supply agreements.

Cash Flow Hedges

For derivatives designated as hedging the exposure to variable cash flows of a future transaction, referred to as a cash flow hedge, 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. Gains and losses reclassified out of accumulated other comprehensive loss for the three and six months ended June 30, 2021, and 2020, were not material. Duke Energy's commodity derivatives designated as hedges include long-term electricity sales in the Commercial Renewables segment.

Undesignated Contracts

For the Subsidiary Registrants, bulk power electricity 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, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	**34,427**	**—**	**—**	**—**	**3,727**	**20,273**	**—**
Natural gas (millions of dekatherms)	**744**	**206**	**180**	**180**	**—**	**4**	**354**

	December 31, 2020						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	35,409	—	—	—	2,559	10,802	—
Natural gas (millions of dekatherms)	678	145	158	158	—	2	373

(a) Duke Energy includes 10,427 GWh and 22,048 GWh related to cash flow hedges as of June 30, 2021, and December 31, 2020, 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, 2021**							
(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	**$ 163**	**$ 69**	**$ 65**	**$ 54**	**$ 10**	**$ 3**	**$ 24**	**$ 2**
Noncurrent	**67**	**38**	**29**	**30**	**—**	**—**	**—**	**—**
Total Derivative Assets – Commodity Contracts	**$ 230**	**$ 107**	**$ 94**	**$ 84**	**$ 10**	**$ 3**	**$ 24**	**$ 2**
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	**$ 52**	**$ —**	**$ 48**	**$ 48**	**$ —**	**$ —**	**$ —**	**$ —**
Total Derivative Assets – Interest Rate Contracts	**$ 52**	**$ —**	**$ 48**	**$ 48**	**$ —**	**$ —**	**$ —**	**$ —**
Total Derivative Assets	**$ 282**	**$ 107**	**$ 142**	**$ 132**	**$ 10**	**$ 3**	**$ 24**	**$ 2**

Derivative Liabilities	**June 30, 2021**							
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**	**Duke Energy Indiana**	**Piedmont**
Commodity Contracts								
Designated as Hedging Instruments								
Current	**$ 29**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**—**
Noncurrent	**127**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Not Designated as Hedging Instruments								
Current	**$ 27**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 26**
Noncurrent	**139**	**—**	**4**	**4**	**—**	**—**	**—**	**135**
Total Derivative Liabilities – Commodity Contracts	**$ 322**	**$ —**	**$ 4**	**$ 4**	**$ —**	**$ —**	**$ —**	**$ 161**
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	**$ 14**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Noncurrent	**62**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Not Designated as Hedging Instruments								
Current	**21**	**7**	**13**	**—**	**13**	**1**	**—**	**—**
Noncurrent	**4**	**—**	**—**	**—**	**—**	**4**	**—**	**—**
Total Derivative Liabilities – Interest Rate Contracts	**$ 101**	**$ 7**	**$ 13**	**$ —**	**$ 13**	**$ 5**	**$ —**	**$ —**
Total Derivative Liabilities	**$ 423**	**$ 7**	**$ 17**	**$ 4**	**$ 13**	**$ 5**	**$ —**	**$ 161**

Derivative Assets	December 31, 2020							
(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	$ 30	$ 14	$ 9	$ 9	$ —	$ 1	$ 6	$ 1
Noncurrent	13	6	6	6	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 43	$ 20	$ 15	$ 15	$ —	$ 1	$ 6	$ 1
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	$ 18	$ —	$ 18	$ 18	$ —	$ —	$ —	$ —
Total Derivative Assets – Interest Rate Contracts	$ 18	$ —	$ 18	$ 18	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 61	$ 20	$ 33	$ 33	$ —	$ 1	$ 6	$ 1

Derivative Liabilities	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Commodity Contracts								
Designated as Hedging Instruments								
Current	$ 14	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	70	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	$ 30	$ 13	$ 2	$ 2	$ —	$ —	$ 1	$ 15
Noncurrent	137	3	27	12	—	—	—	107
Total Derivative Liabilities – Commodity Contracts	$ 251	$ 16	$ 29	$ 14	$ —	$ —	$ 1	$ 122
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 15	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	48	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	5	4	—	—	—	1	—	—
Noncurrent	5	—	—	—	—	5	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 73	$ 4	$ —	$ —	$ —	$ 6	$ —	$ —
Total Derivative Liabilities	$ 324	$ 20	$ 29	$ 14	$ —	$ 6	$ 1	$ 122

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, 2021							
(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	$ 215	$ 69	$ 113	$ 102	$ 10	$ 3	$ 24	$ 2
Gross amounts offset	(3)	(3)	—	—	—	—	—	—
Net amounts presented in Current Assets: Other	$ 212	$ 66	$ 113	$ 102	$ 10	$ 3	$ 24	$ 2
Noncurrent								
Gross amounts recognized	$ 67	$ 38	$ 29	$ 30	$ —	$ —	$ —	$ —
Gross amounts offset	(6)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 61	$ 37	$ 25	$ 26	$ —	$ —	$ —	$ —

Derivative Liabilities	June 30, 2021							
(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	$ 91	$ 7	$ 13	$ —	$ 13	$ 1	$ —	$ 26
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 91	$ 7	$ 13	$ —	$ 13	$ 1	$ —	$ 26
Noncurrent								
Gross amounts recognized	$ 332	$ —	$ 4	$ 4	$ —	$ 4	$ —	$ 135
Gross amounts offset	(4)	—	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 328	$ —	$ —	$ —	$ —	$ 4	$ —	$ 135

Derivative Assets	December 31, 2020							
(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	$ 48	$ 14	$ 27	$ 27	$ —	$ 1	$ 6	$ 1
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 45	$ 12	$ 25	$ 25	$ —	$ 1	$ 6	$ 1
Noncurrent								
Gross amounts recognized	$ 13	$ 6	$ 6	$ 6	$ —	$ —	$ —	$ —
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 8	$ 5	$ 2	$ 2	$ —	$ —	$ —	$ —

Derivative Liabilities	December 31, 2020							
(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	$ 64	$ 17	$ 2	$ 2	$ —	$ 1	$ 1	$ 15
Gross amounts offset	(3)	(2)	(2)	(2)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 61	$ 15	$ —	$ —	$ —	$ 1	$ 1	$ 15
Noncurrent								
Gross amounts recognized	$ 260	$ 3	$ 27	$ 12	$ —	$ 5	$ —	$ 107
Gross amounts offset	(5)	(1)	(4)	(4)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 255	$ 2	$ 23	$ 8	$ —	$ 5	$ —	$ 107

9. 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 fair value through net income (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 investment manager agreements and 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 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 has a credit loss. The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value is related to a credit loss. If a credit loss exists, the unrealized credit loss is included in earnings. There were no material credit losses as of June 30, 2021, and December 31, 2020.

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, 2021			December 31, 2020		
(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	$ —	$ —	$ 153	$ —	$ —	$ 177
Equity securities	4,710	31	6,743	4,138	54	6,235
Corporate debt securities	51	3	861	76	1	806
Municipal bonds	17	—	298	22	—	370
U.S. government bonds	36	8	1,665	51	—	1,361
Other debt securities	6	—	188	8	—	180
Total NDTF Investments	$ 4,820	$ 42	$ 9,908	$ 4,295	$ 55	$ 9,129
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 83	$ —	$ —	$ 127
Equity securities	98	—	166	79	—	146
Corporate debt securities	4	—	118	8	—	110
Municipal bonds	4	1	69	5	—	86
U.S. government bonds	1	—	66	—	—	42
Other debt securities	—	—	31	—	—	47
Total Other Investments	$ 107	$ 1	$ 533	$ 92	$ —	$ 558
Total Investments	$ 4,927	$ 43	$ 10,441	$ 4,387	$ 55	$ 9,687

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, 2021, and 2020, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
FV-NI:				
Realized gains	$ 146	$ 302	$ 286	$ 325
Realized losses	37	67	60	132
AFS:				
Realized gains	16	27	34	47
Realized losses	18	13	31	19

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, 2021			December 31, 2020		
(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	$ —	$ —	$ 68	$ —	$ —	$ 30
Equity securities	2,729	14	3,910	2,442	23	3,685
Corporate debt securities	32	2	495	49	1	510
Municipal bonds	2	—	21	6	—	91
U.S. government bonds	19	3	770	25	—	475
Other debt securities	5	—	182	7	—	174
Total NDTF Investments	$ 2,787	$ 19	$ 5,446	$ 2,529	$ 24	$ 4,965

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, 2021, and 2020, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
FV-NI:				
Realized gains	**$ 90**	$ 27	**$ 218**	$ 36
Realized losses	**23**	25	**39**	70
AFS:				
Realized gains	**12**	18	**25**	30
Realized losses	**13**	8	**22**	13

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, 2021			December 31, 2020		
(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	**$ —**	**$ —**	**$ 85**	$ —	$ —	$ 147
Equity securities	**1,981**	**17**	**2,833**	1,696	31	2,550
Corporate debt securities	**19**	**1**	**366**	27	—	296
Municipal bonds	**15**	**—**	**277**	16	—	279
U.S. government bonds	**17**	**5**	**895**	26	—	886
Other debt securities	**1**	**—**	**6**	1	—	6
Total NDTF Investments	**$ 2,033**	**$ 23**	**$ 4,462**	$ 1,766	$ 31	$ 4,164
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 4**	$ —	$ —	$ 106
Municipal bonds	**3**	**—**	**27**	3	—	26
Total Other Investments	**$ 3**	**$ —**	**$ 31**	$ 3	$ —	$ 132
Total Investments	**$ 2,036**	**$ 23**	**$ 4,493**	$ 1,769	$ 31	$ 4,296

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, 2021, and 2020, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
FV-NI:				
Realized gains	**$ 56**	$ 275	**$ 68**	$ 289
Realized losses	**14**	42	**21**	62
AFS:				
Realized gains	**3**	6	**7**	11
Realized losses	**3**	4	**6**	5

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, 2021			December 31, 2020		
(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	$ —	$ —	$ 76
Equity securities	1,888	17	2,730	1,617	31	2,459
Corporate debt securities	19	1	299	27	—	296
Municipal bonds	15	—	277	16	—	279
U.S. government bonds	17	2	479	26	—	412
Other debt securities	1	—	6	1	—	6
Total NDTF Investments	$ 1,940	$ 20	$ 3,864	$ 1,687	$ 31	$ 3,528
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 1
Total Other Investments	$ —	$ —	$ 1	$ —	$ —	$ 1
Total Investments	$ 1,940	$ 20	$ 3,865	$ 1,687	$ 31	$ 3,529

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, 2021, and 2020, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
FV-NI:				
Realized gains	$ 55	$ 26	$ 67	$ 40
Realized losses	13	27	20	47
AFS:				
Realized gains	3	6	7	11
Realized losses	3	4	6	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, 2021			December 31, 2020		
(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	$ —	$ —	$ 12	$ —	$ —	$ 71
Equity securities	93	—	103	79	—	91
Corporate debt securities	—	—	67	—	—	—
U.S. government bonds	—	3	416	—	—	474
Total NDTF Investments[(a)]	$ 93	$ 3	$ 598	$ 79	$ —	$ 636
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 1
Municipal bonds	3	—	27	3	—	26
Total Other Investments	$ 3	$ —	$ 28	$ 3	$ —	$ 27
Total Investments	$ 96	$ 3	$ 626	$ 82	$ —	$ 663

(a) During the six months ended June 30, 2021, and the year ended December 31, 2020, Duke Energy Florida received 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 for the three and six months ended June 30, 2021, and 2020, were as follows:

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
FV-NI:				
Realized gains	**$ 1**	$ 249	**$ 1**	$ 249
Realized losses	**1**	15	**1**	15

Realized gains and losses, which were determined on a specific identification basis, from sales of AFS securities for the three and six months ended June 30, 2021, and 2020, were immaterial.

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, 2021			December 31, 2020		
(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						
Cash and cash equivalents	**$ —**	**$ —**	**$ 1**	$ —	$ —	$ 1
Equity securities	**70**	**—**	**110**	58	—	97
Corporate debt securities	**—**	**—**	**4**	—	—	3
Municipal bonds	**1**	**1**	**35**	1	—	38
U.S. government bonds	**—**	**—**	**6**	—	—	4
Total Investments	**$ 71**	**$ 1**	**$ 156**	$ 59	$ —	$ 143

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, 2021, and 2020, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	June 30, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Due in one year or less	**$ 162**	**$ 10**	**$ 112**	**$ 16**	**$ 96**	**$ 4**
Due after one through five years	**1,022**	**385**	**578**	**262**	**316**	**18**
Due after five through 10 years	**683**	**301**	**302**	**243**	**59**	**8**
Due after 10 years	**1,429**	**772**	**579**	**540**	**39**	**15**
Total	**$ 3,296**	**$ 1,468**	**$ 1,571**	**$ 1,061**	**$ 510**	**$ 45**

10. 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 net asset value (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.

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. Commodity derivatives with observable forward curves are classified as Level 2. 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, 2020, 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 8. See Note 9 for additional information related to investments by major security type for the Duke Energy Registrants.

	June 30, 2021				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	$ 153	$ 153	$ —	$ —	$ —
NDTF equity securities	6,743	6,695	—	—	48
NDTF debt securities	3,012	1,066	1,946	—	—
Other equity securities	166	166	—	—	—
Other debt securities	284	60	224	—	—
Other cash and cash equivalents	83	83	—	—	—
Derivative assets	282	4	253	25	—
Total assets	10,723	8,227	2,423	25	48
Derivative liabilities	(423)	—	(267)	(156)	—
Net assets (liabilities)	$ 10,300	$ 8,227	$ 2,156	$ (131)	$ 48

	December 31, 2020				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized
NDTF cash and cash equivalents	$ 177	$ 177	$ —	$ —	$ —
NDTF equity securities	6,235	6,189	—	—	46
NDTF debt securities	2,717	874	1,843	—	—
Other equity securities	146	146	—	—	—
Other debt securities	285	37	248	—	—
Other cash and cash equivalents	127	127	—	—	—
Derivative assets	61	1	53	7	—
Total assets	9,748	7,551	2,144	7	46
Derivative liabilities	(324)	—	(240)	(84)	—
Net assets (liabilities)	$ 9,424	$ 7,551	$ 1,904	$ (77)	$ 46

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)	2021	2020	2021	2020
Balance at beginning of period	**$ (126)**	$ (88)	**$ (77)**	$ (102)
Total pretax realized or unrealized losses included in comprehensive income	**(31)**	—	**(75)**	—
Purchases, sales, issuances and settlements:				
Purchases	**21**	14	**21**	14
Settlements	**(1)**	(6)	**(8)**	(15)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	**6**	(12)	**8**	11
Balance at end of period	**$ (131)**	$ (92)	**$ (131)**	$ (92)

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, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	**$ 68**	**$ 68**	**$ —**	**$ —**
NDTF equity securities	**3,910**	**3,862**	**—**	**48**
NDTF debt securities	**1,468**	**408**	**1,060**	**—**
Derivative assets	**107**	**—**	**107**	**—**
Total assets	**5,553**	**4,338**	**1,167**	**48**
Derivative liabilities	**(7)**	**—**	**(7)**	**—**
Net assets	**$ 5,546**	**$ 4,338**	**$ 1,160**	**$ 48**

	December 31, 2020			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 30	$ 30	$ —	$ —
NDTF equity securities	3,685	3,639	—	46
NDTF debt securities	1,250	192	1,058	—
Derivative assets	20	—	20	—
Total assets	4,985	3,861	1,078	46
Derivative liabilities	(20)	—	(20)	—
Net assets	$ 4,965	$ 3,861	$ 1,058	$ 46

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, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 85	$ 85	$ —	$ 147	$ 147	$ —
NDTF equity securities	2,833	2,833	—	2,550	2,550	—
NDTF debt securities	1,544	658	886	1,467	682	785
Other debt securities	27	—	27	26	—	26
Other cash and cash equivalents	4	4	—	106	106	—
Derivative assets	142	—	142	33	—	33
Total assets	4,635	3,580	1,055	4,329	3,485	844
Derivative liabilities	(17)	—	(17)	(29)	—	(29)
Net assets	$ 4,618	$ 3,580	$ 1,038	$ 4,300	$ 3,485	$ 815

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, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 73	$ 73	$ —	$ 76	$ 76	$ —
NDTF equity securities	2,730	2,730	—	2,459	2,459	—
NDTF debt securities	1,061	269	792	993	237	756
Other cash and cash equivalents	1	1	—	1	1	—
Derivative assets	132	—	132	33	—	33
Total assets	3,997	3,073	924	3,562	2,773	789
Derivative liabilities	(4)	—	(4)	(14)	—	(14)
Net assets	$ 3,993	$ 3,073	$ 920	$ 3,548	$ 2,773	$ 775

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, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 12	$ 12	$ —	$ 71	$ 71	$ —
NDTF equity securities	103	103	—	91	91	—
NDTF debt securities	483	389	94	474	445	29
Other debt securities	27	—	27	26	—	26
Other cash and cash equivalents	1	1	—	1	1	—
Derivative assets	10	—	10	—	—	—
Total assets	636	505	131	663	608	55
Derivative liabilities	(13)	—	(13)	—	—	—
Net assets	$ 623	$ 505	$ 118	$ 663	$ 608	$ 55

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, 2021, and December 31, 2020.

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, 2021				December 31, 2020			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Other equity securities	$ 110	$ 110	$ —	$ —	$ 97	$ 97	$ —	$ —
Other debt securities	45	—	45	—	45	—	45	—
Other cash and cash equivalents	1	1	—	—	1	1	—	—
Derivative assets	24	2	—	22	6	—	—	6
Total assets	180	113	45	22	149	98	45	6
Derivative liabilities	—	—	—	—	(1)	(1)	—	—
Net assets	$ 180	$ 113	$ 45	$ 22	$ 148	$ 97	$ 45	$ 6

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)	2021	2020	2021	2020
Balance at beginning of period	$ 2	$ 2	$ 6	$ 11
Purchases, sales, issuances and settlements:				
Purchases	18	10	18	10
Settlements	(3)	(4)	(9)	(10)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	5	2	7	(1)
Balance at end of period	$ 22	$ 10	$ 22	$ 10

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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, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	$ 2	$ 2	$ —	$ 1	$ 1	$ —
Derivative liabilities	(161)	—	(161)	(122)	—	(122)
Net (liabilities) assets	$ (159)	$ 2	$ (161)	$ (121)	$ 1	$ (122)

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)	2021	2020	2021	2020
Balance at beginning of period	$ —	$ (91)	$ —	$ (117)
Total (losses) gains and settlements	—	(14)	—	12
Balance at end of period	$ —	$ (105)	$ —	$ (105)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

The following tables include quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.

	June 30, 2021				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	**$ (156)**	RTO forward pricing	Forward electricity curves – price per MWh	**$ 16.82 - $ 174.84**	**$ 37.87**
Duke Energy Ohio					
FTRs	**3**	RTO auction pricing	FTR price – per MWh	**0 - 1.65**	**0.88**
Duke Energy Indiana					
FTRs	**22**	RTO auction pricing	FTR price – per MWh	**(2.07) - 7.38**	**1.12**
Duke Energy					
Total Level 3 derivatives	**$ (131)**				

	December 31, 2020				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	$ (84)	Discounted cash flow	Forward electricity curves – price per MWh	$ 14.68 - $151.84	$28.84
Duke Energy Ohio					
FTRs	1	RTO auction pricing	FTR price – per MWh	0.25 - 1.68	0.79
Duke Energy Indiana					
FTRs	6	RTO auction pricing	FTR price – per MWh	(2.40) - 7.41	1.05
Duke Energy					
Total Level 3 derivatives	$ (77)				

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, 2021		December 31, 2020	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 62,386**	**$ 69,222**	$ 59,863	$ 69,292
Duke Energy Carolinas	**12,906**	**15,011**	12,218	14,917
Progress Energy	**19,250**	**22,502**	19,264	23,470
Duke Energy Progress	**9,277**	**10,405**	9,258	10,862
Duke Energy Florida	**7,881**	**9,338**	7,915	9,756
Duke Energy Ohio	**3,091**	**3,531**	3,089	3,650
Duke Energy Indiana	**4,092**	**4,929**	4,091	5,204
Piedmont	**2,967**	**3,337**	2,780	3,306

(a) Book value of long-term debt includes $1.3 billion at June 30, 2021, and December 31, 2020, of net unamortized debt discount and premium of 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, 2021, and December 31, 2020, 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.

11. 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, 2021, and the year ended December 31, 2020, 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 LLCs 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. The sole source of funds to satisfy the related debt obligations is cash collections from the receivables. Amounts borrowed under the credit facilities for DERF and DEPR are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt. Amounts borrowed under the credit facilities for DEFR are reflected on the Condensed Consolidated Balance Sheets as Current maturities of 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 the 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, which generally exclude receivables past due more than a predetermined number of days and reserves for expected past-due balances. 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% cash and 25% 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 is not held 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	February 2023	December 2022	April 2023	April 2023
Credit facility amount	$ 350	$ 475	$ 350	$ 250
Amounts borrowed at June 30, 2021	**332**	**475**	**269**	**250**
Amounts borrowed at December 31, 2020	350	364	250	250
Restricted Receivables at June 30, 2021	**527**	**769**	**473**	**445**
Restricted Receivables at December 31, 2020	547	696	500	397

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 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, 2021	December 31, 2020
Receivables of VIEs	$ 6	$ 4
Regulatory Assets: Current	54	53
Current Assets: Other	33	39
Other Noncurrent Assets: Regulatory assets	914	937
Current Liabilities: Other	9	10
Current maturities of long-term debt	55	55
Long-Term Debt	973	1,002

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 renewable assets 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 Engineering, Procurement and Construction 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 Commercial Renewables VIEs.

(in millions)	June 30, 2021	December 31, 2020
Current Assets: Other	$ 323	$ 257
Property, Plant and Equipment: Cost	6,876	6,394
Accumulated depreciation and amortization	(1,354)	(1,242)
Other Noncurrent Assets: Other	73	67
Current maturities of long-term debt	164	167
Long-Term Debt	1,497	1,569
Other Noncurrent Liabilities: AROs	155	148
Other Noncurrent Liabilities: Other	352	316

NON-CONSOLIDATED VIEs

The following tables summarize the impact of non-consolidated VIEs on the Condensed Consolidated Balance Sheets.

	June 30, 2021				
	Duke Energy				
(in millions)	Pipeline Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 54	$ 85
Other current assets	17	—	17	—	$ —
Investments in equity method unconsolidated affiliates	15	475	490	—	—
Deferred tax asset	19	—	19	—	—
Total assets	$ 51	$ 475	$ 526	$ 54	$ 85
Other current liabilities	33	4	37	—	—
Other noncurrent liabilities	69	10	79	—	—
Total liabilities	$ 102	$ 14	$ 116	$ —	$ —
Net (liabilities) assets	$ (51)	$ 461	$ 410	$ 54	$ 85

	December 31, 2020				
	Duke Energy			Duke Energy Ohio	Duke Energy Indiana
(in millions)	Pipeline Investments	Commercial Renewables	Total		
Receivables from affiliated companies	$ —	$ —	$ —	$ 83	$ 110
Investments in equity method unconsolidated affiliates	—	530	530	—	—
Other noncurrent assets	31	—	31	—	—
Total assets	$ 31	$ 530	$ 561	$ 83	$ 110
Other current liabilities	928	5	933	—	—
Other noncurrent liabilities	8	10	18	—	—
Total liabilities	$ 936	$ 15	$ 951	$ —	$ —
Net assets (liabilities)	$ (905)	$ 515	$ (390)	$ 83	$ 110

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 certain renewable energy project entities guarantees for debt services and operations and maintenance, as discussed below.

Pipeline Investments

Duke Energy has investments in various joint ventures to construct and operate pipeline projects. 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.

Duke Energy has a 47% ownership interest in ACP. For the three and six months ended June 30, 2020, the ACP investment was considered a significant subsidiary because its income exceeded 20% of Duke Energy's income. ACP's net loss for the three and six months ended June 30, 2020, was $4,414 million and $4,342 million, respectively.

In 2020, Duke Energy determined that it would no longer invest in the construction of the ACP pipeline. In February 2021, Duke Energy paid approximately $855 million to fund ACP's outstanding debt, relieving Duke Energy of its guarantee. See Notes 1 and 3 for further information regarding this transaction.

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.

OVEC

Duke Energy Ohio's 9% 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 Inter-Company Power Agreement (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. Duke Energy cannot predict the outcome in this matter. See Note 3 for additional information.

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, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Receivables sold	**$ 219**	$ 270	**$ 322**	$ 344
Less: Retained interests	**54**	83	**85**	110
Net receivables sold	**$ 165**	$ 187	**$ 237**	$ 234

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)	2021	2020	2021	2020	2021	2020	2021	2020
Sales								
Receivables sold	**$ 443**	$ 429	**$ 1,004**	$ 966	**$ 684**	$ 583	**$ 1,382**	$ 1,230
Loss recognized on sale	**2**	2	**5**	6	**3**	2	**6**	6
Cash flows								
Cash proceeds from receivables sold	**$ 433**	$ 431	**$ 1,029**	$ 990	**$ 655**	$ 580	**$ 1,401**	$ 1,252
Return received on retained interests	**1**	—	**2**	2	**1**	1	**3**	3

Cash flows from sales of receivables are reflected within Cash Flows From Operating Activities and Cash Flows from Investing Activities on Duke Energy Ohio's and Duke Energy Indiana's Condensed Consolidated Statements of Cash Flows.

12. 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)	2021	2022	2023	2024	2025	Thereafter	Total
Progress Energy	**$ 49**	$ 107	$ 44	$ 45	$ 7	$ 51	$ 303
Duke Energy Progress	**4**	8	8	8	—	—	28
Duke Energy Florida	**45**	99	36	37	7	51	275
Duke Energy Indiana	**—**	—	7	12	12	24	55

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 revenue 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)	2021	2022	2023	2024	2025	Thereafter	Total
Piedmont	**$ 34**	$ 67	$ 64	$ 61	$ 60	$ 336	$ 622

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 Renewable Energy Certificates (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, 2021							
(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	$ 2,336	$ 683	$ 1,216	$ 478	$ 738	$ 171	$ 265	$ —
General	1,513	498	720	330	390	106	190	—
Industrial	705	256	229	160	69	33	189	—
Wholesale	521	116	331	285	46	13	63	—
Other revenues	234	62	151	71	80	22	23	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,309	$ 1,615	$ 2,647	$ 1,324	$ 1,323	$ 345	$ 730	$ —
Gas Utilities and Infrastructure								
Residential	$ 158	$ —	$ —	$ —	$ —	$ 69	$ —	$ 88
Commercial	91	—	—	—	—	27	—	59
Industrial	30	—	—	—	—	4	—	27
Power Generation	—	—	—	—	—	—	—	24
Other revenues	20	—	—	—	—	12	—	(1)
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 299	$ —	$ —	$ —	$ —	$ 112	$ —	$ 197
Commercial Renewables								
Revenue from contracts with customers	$ 53	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 5,667	$ 1,615	$ 2,647	$ 1,324	$ 1,323	$ 457	$ 730	$ 197
Other revenue sources[(a)]	$ 91	$ (5)	$ 32	$ 25	$ 2	$ (1)	$ 5	$ 18
Total revenues	$ 5,758	$ 1,610	$ 2,679	$ 1,349	$ 1,325	$ 456	$ 735	$ 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.

	Three Months Ended June 30, 2020							
(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	$ 2,249	$ 677	$ 1,173	$ 460	$ 713	$ 169	$ 231	$ —
General	1,379	507	611	298	313	103	161	—
Industrial	658	260	212	154	58	33	152	—
Wholesale	435	101	285	240	45	5	44	—
Other revenues	284	62	191	70	121	19	25	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,005	$ 1,607	$ 2,472	$ 1,222	$ 1,250	$ 329	$ 613	$ —
Gas Utilities and Infrastructure								
Residential	$ 157	$ —	$ —	$ —	$ —	$ 62	$ —	$ 96
Commercial	75	—	—	—	—	23	—	52
Industrial	27	—	—	—	—	3	—	22
Power Generation	—	—	—	—	—	—	—	6
Other revenues	12	—	—	—	—	3	—	11
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 271	$ —	$ —	$ —	$ —	$ 91	$ —	$ 187
Commercial Renewables								
Revenue from contracts with customers	$ 55	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 7	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 5,338	$ 1,607	$ 2,472	$ 1,222	$ 1,250	$ 420	$ 613	$ 187
Other revenue sources[(a)]	$ 83	$ 3	$ 26	$ 21	$ —	$ 3	$ 4	$ 10
Total revenues	$ 5,421	$ 1,610	$ 2,498	$ 1,243	$ 1,250	$ 423	$ 617	$ 197

(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.

(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
	Six Months Ended June 30, 2021							
Electric Utilities and Infrastructure								
Residential	$ 4,798	$ 1,476	$ 2,378	$ 1,038	$ 1,340	$ 366	$ 578	$ —
General	2,932	1,000	1,344	636	708	210	379	—
Industrial	1,367	512	436	305	131	64	356	—
Wholesale	1,025	230	657	577	80	26	113	—
Other revenues	460	136	311	154	157	44	41	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 10,582	$ 3,354	$ 5,126	$ 2,710	$ 2,416	$ 710	$ 1,467	$ —
Gas Utilities and Infrastructure								
Residential	$ 618	$ —	$ —	$ —	$ —	$ 179	$ —	$ 439
Commercial	295	—	—	—	—	75	—	215
Industrial	80	—	—	—	—	11	—	70
Power Generation	—	—	—	—	—	—	—	46
Other revenues	67	—	—	—	—	17	—	25
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,060	$ —	$ —	$ —	$ —	$ 282	$ —	$ 795
Commercial Renewables								
Revenue from contracts with customers	$ 107	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 12	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 11,761	$ 3,354	$ 5,126	$ 2,710	$ 2,416	$ 992	$ 1,467	$ 795
Other revenue sources[(a)]	$ 147	$ (28)	$ 58	$ 40	$ 10	$ (4)	$ 13	$ 26
Total revenues	$ 11,908	$ 3,326	$ 5,184	$ 2,750	$ 2,426	$ 988	$ 1,480	$ 821

(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, 2020							
(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	$ 4,515	$ 1,433	$ 2,242	$ 962	$ 1,280	$ 345	$ 496	$ —
General	2,887	1,056	1,275	617	658	217	342	—
Industrial	1,351	529	428	308	120	68	327	—
Wholesale	932	215	606	519	87	12	99	—
Other revenues	475	122	309	133	176	39	41	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 10,160	$ 3,355	$ 4,860	$ 2,539	$ 2,321	$ 681	$ 1,305	$ —
Gas Utilities and Infrastructure								
Residential	$ 519	$ —	$ —	$ —	$ —	$ 159	$ —	$ 360
Commercial	244	—	—	—	—	66	—	178
Industrial	68	—	—	—	—	9	—	58
Power Generation	—	—	—	—	—	—	—	17
Other revenues	42	—	—	—	—	9	—	35
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 873	$ —	$ —	$ —	$ —	$ 243	$ —	$ 648
Commercial Renewables								
Revenue from contracts with customers	$ 113	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 13	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 11,159	$ 3,355	$ 4,860	$ 2,539	$ 2,321	$ 924	$ 1,305	$ 648
Other revenue sources[(a)]	$ 211	$ 3	$ 60	$ 42	$ 9	$ (3)	$ 4	$ 61
Total revenues	$ 11,370	$ 3,358	$ 4,920	$ 2,581	$ 2,330	$ 921	$ 1,309	$ 709

(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.

As described in Note 1, Duke Energy adopted the new guidance for credit losses effective January 1, 2020, using the modified retrospective method of adoption, which does not require restatement of prior year reported results. The following table presents the reserve for credit losses for trade and other receivables based on adoption of the new standard.

	Three Months Ended June 30, 2020 and 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Balance at March 31, 2020	$ 89	$ 11	$ 20	$ 9	$ 11	$ 5	$ 3	$ 9
Write-Offs	(9)	(3)	(3)	(3)	—	—	—	(4)
Credit Loss Expense	15	6	12	8	3	—	—	1
Other Adjustments	7	—	—	—	—	—	—	—
Balance at June 30, 2020	**$ 102**	**$ 14**	**$ 29**	**$ 14**	**$ 14**	**$ 5**	**$ 3**	**$ 6**
Balance at March 31, 2021	$ 147	$ 34	$ 37	$ 23	$ 15	$ 4	$ 3	$ 14
Write-Offs	(5)	1	(4)	(3)	(1)	—	—	(2)
Credit Loss Expense	12	6	6	4	2	—	—	1
Other Adjustments	(31)	1	(3)	(3)	—	—	—	—
Balance at June 30, 2021	**$ 123**	**$ 42**	**$ 36**	**$ 21**	**$ 16**	**$ 4**	**$ 3**	**$ 13**

	Six Months Ended June 30, 2020 and 2021							
(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, 2019	$ 76	$ 10	$ 16	$ 8	$ 7	$ 4	$ 3	$ 6
Cumulative Change in Accounting Principle	5	1	2	1	1	—	—	1
Write-Offs	(19)	(6)	(7)	(5)	(2)	—	—	(5)
Credit Loss Expense	33	9	18	10	8	1	—	4
Other Adjustments	7	—	—	—	—	—	—	—
Balance at June 30, 2020	$ 102	$ 14	$ 29	$ 14	$ 14	$ 5	$ 3	$ 6
Balance at December 31, 2020	$ 146	$ 23	$ 37	$ 23	$ 14	$ 4	$ 3	$ 12
Write-Offs	(26)	(7)	(14)	(8)	(6)	—	—	(3)
Credit Loss Expense	29	16	13	6	7	—	—	4
Other Adjustments	(26)	10	—	—	1	—	—	—
Balance at June 30, 2021	**$ 123**	**$ 42**	**$ 36**	**$ 21**	**$ 16**	**$ 4**	**$ 3**	**$ 13**

Trade and other receivables are evaluated based on an estimate of the risk of loss over the life of the receivable and current and historical conditions using supportable assumptions. Management evaluates the risk of loss for trade and other receivables by comparing the historical write-off amounts to total revenue over a specified period. Historical loss rates are adjusted due to the impact of current conditions, as well as forecasted conditions over a reasonable time period. The calculated write-off rate can be applied to the receivable balance for which an established reserve does not already exist. Management reviews the assumptions and risk of loss periodically for trade and other receivables.

The aging of trade receivables is presented in the table below. Duke Energy considers receivables greater than 30 days outstanding past due.

	June 30, 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unbilled Revenue[(a)(b)]	**$ 894**	**$ 324**	**$ 283**	**$ 156**	**$ 127**	**$ 4**	**$ 30**	**$ 5**
0-30 days	**1,836**	**465**	**781**	**408**	**372**	**55**	**29**	**82**
30-60 days	**148**	**62**	**42**	**22**	**20**	**4**	**2**	**8**
60-90 days	**47**	**20**	**10**	**6**	**4**	**3**	**1**	**5**
90+ days	**180**	**74**	**31**	**7**	**24**	**32**	**10**	**12**
Deferred Payment Arrangements[(c)]	**106**	**46**	**35**	**24**	**11**	**2**	**—**	**7**
Trade and Other Receivables	**$ 3,211**	**$ 991**	**$ 1,182**	**$ 623**	**$ 558**	**$ 100**	**$ 72**	**$ 119**

	December 31, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Unbilled Revenue[(a)(b)]	$ 969	$ 328	$ 283	$ 167	$ 116	$ 2	$ 16	$ 86
0-30 days	1,789	445	707	398	307	60	26	149
30-60 days	185	80	54	25	29	8	3	8
60-90 days	22	1	10	4	6	2	1	3
90+ days	119	16	32	9	23	30	12	9
Deferred Payment Arrangements[(c)]	215	96	80	52	28	—	—	7
Trade and Other Receivables	$ 3,299	$ 966	$ 1,166	$ 655	$ 509	$ 102	$ 58	$ 262

(a) Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy or natural gas delivered but not yet billed and are included within Receivables and Receivables of VIEs on the Condensed Consolidated Balance Sheets.
(b) 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 11 for further information. These receivables for unbilled revenues are $66 million and $114 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of June 30, 2021, and $87 million and $134 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of December 31, 2020.
(c) Due to certain customer financial hardships created by the COVID-19 pandemic and resulting stay-at-home orders, Duke Energy permitted customers to defer payment of past-due amounts through an installment payment plan over a period of several months.

13. STOCKHOLDERS' EQUITY

Basic EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income available to Duke Energy common stockholders, as adjusted for distributed and undistributed earnings allocated to participating securities and accumulated preferred dividends, 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 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. Dividends declared on preferred stock are recorded on the Condensed Consolidated Statements of Operations as a reduction of net income to arrive at net income available to Duke Energy common stockholders. Dividends accumulated on preferred stock are an adjustment to net income used in the calculation of basic and diluted EPS.

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)	2021	2020	2021	2020
Net income (loss) available to Duke Energy common stockholders	**$ 751**	$ (817)	**$ 1,704**	$ 82
Accumulated preferred stock dividends adjustment	**(12)**	(12)	**—**	—
Less: Impact of participating securities	**1**	—	**1**	—
Income (loss) from continuing operations available to Duke Energy common stockholders	**$ 738**	$ (829)	**$ 1,703**	$ 82
Weighted average common shares outstanding – basic	**769**	735	**769**	734
Equity forwards	**—**	—	**—**	1
Weighted average common shares outstanding – diluted	**769**	735	**769**	735
Earnings (Loss) Per Share available to Duke Energy common stockholders				
Basic and diluted	**$ 0.96**	$ (1.13)	**$ 2.21**	$ 0.11
Potentially dilutive items excluded from the calculation[(a)]	**2**	2	**2**	2
Dividends declared per common share	**$ 0.965**	$ 0.945	**$ 1.930**	$ 1.890
Dividends declared on Series A preferred stock per depositary share[(b)]	**$ 0.359**	$ 0.359	**$ 0.719**	$ 0.719
Dividends declared on Series B preferred stock per share[(c)]	**$ —**	$ —	**$ 24.375**	$ 24.917

(a) Performance stock awards were not included in the dilutive securities calculation because the performance measures related to the awards had not been met.
(b) 5.75% Series A Cumulative Redeemable Perpetual Preferred Stock dividends are payable quarterly in arrears on the 16th day of March, June, September and December. The preferred stock has a $25 liquidation preference per depositary share.
(c) 4.875% Series B Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock dividends are payable semiannually in arrears on the 16th day of March and September. The preferred stock has a $1,000 liquidation preference per share.

14. 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.

QUALIFIED PENSION PLANS

The following tables include the components of net periodic pension costs for qualified pension plans.

	Three Months Ended June 30, 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	**$ 44**	**$ 14**	**$ 12**	**$ 8**	**$ 6**	**$ 1**	**$ 3**	**$ 2**
Interest cost on projected benefit obligation	**55**	**12**	**18**	**8**	**9**	**4**	**4**	**2**
Expected return on plan assets	**(140)**	**(35)**	**(47)**	**(21)**	**(25)**	**(7)**	**(10)**	**(5)**
Amortization of actuarial loss	**34**	**8**	**9**	**4**	**5**	**1**	**4**	**3**
Amortization of prior service credit	**(8)**	**(2)**	**—**	**(1)**	**—**	**—**	**(1)**	**(4)**
Amortization of settlement charges	**2**	**2**	**—**	**1**	**—**	**—**	**—**	**—**
Net periodic pension costs	**$ (13)**	**$ (1)**	**$ (8)**	**$ (1)**	**$ (5)**	**$ (1)**	**$ —**	**$ (2)**

	Three Months Ended June 30, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 42	$ 14	$ 12	$ 8	$ 6	$ 1	$ 2	$ 2
Interest cost on projected benefit obligation	68	15	22	9	11	4	5	3
Expected return on plan assets	(143)	(36)	(47)	(22)	(26)	(7)	(10)	(6)
Amortization of actuarial loss	30	7	9	4	5	1	3	3
Amortization of prior service credit	(8)	(2)	(1)	(1)	(1)	—	(1)	(3)
Amortization of settlement charges	3	1	—	1	—	—	—	—
Net periodic pension costs	$ (8)	$ (1)	$ (5)	$ (1)	$ (5)	$ (1)	$ (1)	$ (1)

	Six Months Ended June 30, 2021							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	**$ 88**	**$ 28**	**$ 25**	**$ 15**	**$ 11**	**$ 2**	**$ 5**	**$ 3**
Interest cost on projected benefit obligation	**110**	**25**	**35**	**15**	**19**	**7**	**9**	**4**
Expected return on plan assets	**(279)**	**(70)**	**(94)**	**(42)**	**(51)**	**(14)**	**(20)**	**(10)**
Amortization of actuarial loss	**67**	**15**	**19**	**9**	**10**	**3**	**7**	**5**
Amortization of prior service credit	**(15)**	**(4)**	**(1)**	**(1)**	**—**	**—**	**(1)**	**(5)**
Amortization of settlement charges	**4**	**3**	**1**	**1**	**—**	**—**	**—**	**—**
Net periodic pension costs	**$ (25)**	**$ (3)**	**$ (15)**	**$ (3)**	**$ (11)**	**$ (2)**	**$ —**	**$ (3)**

	Six Months Ended June 30, 2020							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 83	$ 26	$ 24	$ 14	$ 11	$ 2	$ 4	$ 3
Interest cost on projected benefit obligation	135	31	43	19	23	8	11	5
Expected return on plan assets	(286)	(72)	(95)	(44)	(51)	(14)	(21)	(11)
Amortization of actuarial loss	64	14	20	9	11	3	6	5
Amortization of prior service credit	(16)	(4)	(2)	(1)	(1)	—	(1)	(5)
Amortization of settlement charges	5	2	1	1	—	—	—	—
Net periodic pension costs	$ (15)	$ (3)	$ (9)	$ (2)	$ (7)	$ (1)	$ (1)	$ (3)

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, 2021, and 2020.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three and six months ended June 30, 2021, and 2020.

15. 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,	
	2021	**2020**	**2021**	**2020**
Duke Energy	**4.9 %**	26.2 %	**6.8 %**	98.9 %
Duke Energy Carolinas	**0.4 %**	13.7 %	**4.3 %**	15.1 %
Progress Energy	**8.3 %**	14.9 %	**10.2 %**	16.1 %
Duke Energy Progress	**2.7 %**	13.9 %	**5.6 %**	15.7 %
Duke Energy Florida	**19.0 %**	19.1 %	**19.1 %**	19.4 %
Duke Energy Ohio	**22.0 %**	15.4 %	**16.1 %**	16.6 %
Duke Energy Indiana	**15.6 %**	17.3 %	**16.7 %**	19.3 %
Piedmont	**33.3 %**	128.6 %	**10.8 %**	5.8 %

The decrease in the ETR for Duke Energy for the three and six months ended June 30, 2021, was primarily due to the cancellation of the ACP pipeline project recorded in the prior year and an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Carolinas for the three and six months ended June 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Progress Energy for the three and six months ended June 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Progress for the three and six months ended June 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Ohio for the three months ended June 30, 2021, was primarily due to a decrease 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, 2021, was 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, 2021, was primarily due to a decrease in AFUDC equity, in relation to pretax losses.

The increase in the ETR for Piedmont for the six months ended June 30, 2021, was primarily due to a decrease in AFUDC equity.

16. SUBSEQUENT EVENTS

For information on subsequent events related to organization and basis of presentation, regulatory matters, commitments and contingencies and debt and credit facilities, see Notes 1, 3, 4 and 5.

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, 2021, and with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

Executive Overview

Advancing Our Clean Energy Transformation

During the second quarter, we continued to execute on our clean energy transformation, delivering strong, sustainable value for shareholders, customers, communities and employees.

- Renewables continues to play a major role in our clean energy transformation. We recently commissioned the 144 MW Pflugerville Solar and 182 MW Maryneal Wind projects in Texas, surpassing 10,000 MW of solar and wind resources and maintaining our planned trajectory to pass 16,000 MW of renewables by 2025 and 24,000 MW by 2030.
- In July, members of the House of Representatives of the North Carolina General Assembly (the House) voted to pass House Bill 951 that seeks to responsibly manage the state's clean energy transition and invest in critical infrastructure for the benefit of customers. As passed by the House, the proposed legislation outlines an "all of the above" energy transition that mandates the retirement of five subcritical coal facilities by 2030, designates replacement generation including adding approximately 4,700 MW of new renewables beyond what is currently planned, expands customer-facing solar programs, and adopts regulatory reform measures including multiyear rate plans and performance incentive mechanisms. These measures are expected to facilitate carbon emissions reductions of at least 61% from 2005 levels by 2030. The bill is being considered by the North Carolina State Senate and certain provisions are likely to change.
- In June, we filed an application with the U.S. Nuclear Regulatory Commission (NRC) to renew Oconee Nuclear Station's operating licenses for an additional 20 years. Oconee, located on Lake Keowee in Seneca, South Carolina, is Duke Energy's largest nuclear station, with three generating units that produce more than 2,500 MW of carbon-free electricity.
- We filed an additional $56 million proposal of Phase II programs to continue the electrification of transportation in North Carolina, which is expected to lead to more than 1,000 new charging ports or stations for electric vehicle charging in the state. This proposal comes six months after the NCUC approved a $25 million Phase I electric transportation project.
- In May, we announced that the Duke Energy Plaza, a 40-floor office tower currently under construction in Uptown Charlotte, will become the company's new corporate headquarters, allowing us to reduce occupied space in the Charlotte area by approximately 60% to optimize our real estate footprint.

Regulatory Activity. During the second quarter of 2021, we continued to move our regulatory strategy forward. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

- In June, Duke Energy Kentucky filed a natural gas base rate, seeking permission to increase natural gas distribution rates by approximately $15 million after investing nearly $190 million into capital projects across Northern Kentucky since we last asked regulators to approve a rate increase in 2018.
- In May, the NCUC issued an order approving storm securitization for Duke Energy Carolinas and Duke Energy Progress, allowing the companies to move forward with issuing storm recovery bonds to recover deferred storm costs, including carrying costs and financing costs (approximately $980 million, collectively).
- In May, the Indiana Court of Appeals issued a favorable ruling related to the 2019 Indiana Rate Case, affirming the judgment of the IURC. Intervenors have petitioned for transfer review by the Indiana Supreme Court.

Matters Impacting Future Results

The matters discussed herein could materially impact the future operating results, financial condition and cash flows of the Duke Energy Registrants and Business Segments.

Regulatory Matters

Coal Ash Costs

As a result of the NCDEQ settlement on December 31, 2019, Duke Energy Carolinas and Duke Energy Progress agreed to excavate seven of the nine remaining coal ash basins in North Carolina with ash moved to on-site lined landfills. At the two remaining basins, uncapped basin ash will be excavated and moved to off-site lined landfills. The majority of spend is expected to occur over the next 15-20 years. In January 2021, Duke Energy Carolinas and Duke Energy Progress reached a settlement agreement on recovery of coal ash costs as outlined in Note 3, "Regulatory Matters." The company agreed not to seek recovery of approximately $1 billion of deferred coal ash expenditures and Duke Energy Carolinas and Duke Energy Progress took a charge of approximately $500 million each in 2020. On March 31, 2021, and April 16, 2021, the NCUC approved the coal ash settlement for Duke Energy Carolinas and Duke Energy Progress, respectively.

In 2019, Duke Energy Carolinas and Duke Energy Progress received orders from the PSCSC denying recovery of certain coal ash costs. Duke Energy Carolinas and Duke Energy Progress have appealed these decisions to the South Carolina Supreme Court and those appeals are pending. An order from regulatory or judicial authorities that rejects our proposed settlement or disallows recovery of costs related to closure of these ash basins could have an adverse impact.

Duke Energy Indiana has interpreted the CCR rule to identify the coal ash basin sites impacted and has assessed the amounts of coal ash subject to the rule and a method of compliance. In 2020, the Hoosier Environmental Council filed a petition challenging the Indiana Department of Environmental Management's (IDEM) partial approval of five of Duke Energy Indiana's ash pond site closure plans at Gallagher Station. The petition does not challenge the other 13 basin closures approved by IDEM at other Indiana stations. Interpretation of the requirements of the CCR rule is subject to further legal challenges and regulatory approvals, which could result in additional ash basin closure requirements, higher costs of compliance and greater AROs. Additionally, Duke Energy Indiana has retired facilities that are not subject to the CCR rule. Duke Energy Indiana may incur costs at these facilities to comply with environmental regulations or to mitigate risks associated with on-site storage of coal ash.

Rate Cases

In March 2021, Piedmont filed a general rate case with the NCUC. The outcome of this rate case could have a material impact.

MGP

The PUCO has 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. Duke Energy Ohio has filed for a request for extension of the deadline. A hearing on that request has not been scheduled. 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.

For additional information, see Note 3 to the Condensed Consolidated Financial Statements, “Regulatory Matters.”

Minority Interest Investment in Duke Energy Indiana

In January 2021, Duke Energy entered into a definitive agreement providing for a 19.9% minority interest investment in Duke Energy Indiana by an affiliate of GIC, Singapore's sovereign wealth fund. The transaction is subject to the satisfaction of certain customary conditions described in the investment agreement, including receipt of the approval of the FERC; review by the Committee on Foreign Investments in the U.S. was completed in June 2021. Failure to obtain related approvals or satisfy the conditions in the investment agreement could result in the termination of the transaction and could result in an adverse impact.

Commercial Renewables

Duke Energy continues to monitor recoverability of renewable merchant plants located in the Electric Reliability Council of Texas West market and in the PJM West market, due to declining market pricing and declining long-term forecasted energy prices. Based on the most recent recoverability test, the carrying value approximated the aggregate estimated future undiscounted cash flows for the assets under review. A continued decline in energy market pricing would likely result in a future impairment. Impairment of these assets could result in adverse impacts. For additional information, see Note 2 to the Condensed Consolidated Financial Statements, "Business Segments."

In February 2021, a severe winter storm impacted certain Commercial Renewables assets in Texas. Extreme weather conditions limited the ability for these solar and wind facilities to generate and sell electricity into the Electric Reliability Council of Texas market. Both lost revenues and higher than expected purchased power costs have negatively impacted the operating results of these generating units. The financial impact of the storm is expected to have a material impact on the Commercial Renewables segment's 2021 operating results. In addition, Duke Energy has been named in multiple lawsuits arising out of this winter storm, and particularly, the deregulated market managed by the Electric Reliability Council of Texas. For more information, see Notes 2 and 4 to the Condensed Consolidated Financial Statements, "Business Segments" and "Commitments and Contingencies," respectively.

COVID-19

Duke Energy continues to monitor the impacts of the COVID-19 pandemic on its results of operations, financial position and cash flows as a result of the economic slowdown caused by reduced operations of businesses and governmental agencies and the corresponding reduction in the demand for energy. Duke Energy has experienced improvement in energy sales, aging of receivables and operating results in recent periods and continues efforts to partially offset these impacts. Additionally, in light of learnings from COVID-19 regarding workforce deployment and technology capabilities, the company has reviewed the long-term real estate and future workforce strategy. The review has resulted in an initiative that will reduce physical workspace and includes reassessments of lease terms and lease modifications, termination penalties, as well as, asset impairments on property, plant and equipment and a change in workforce roles and responsibilities. For more information, see Note 1 to the Condensed Consolidated Financial Statements, "Organization and Basis of Presentation."

Activist Investor

On May 17, 2021, Elliott, who has indicated it holds an economic interest in outstanding Duke Energy common stock, publicly released a letter it had sent to the Board, which advocated for consideration of certain governance and strategic proposals. On May 17, 2021, management issued a response to Elliott. On July 19, 2021, Elliott publicly released a second letter to the Board and Duke Energy issued a response. Duke Energy is unable to predict the outcome of this matter.

Other Matters

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, 2020, for discussion of risks associated with the Tax Act.

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 EPS. 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. 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 EPS are GAAP Reported Earnings (Loss) and GAAP Reported Earnings (Loss) Per Share, respectively.

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

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit obligations.
- Severance represents the reversal of 2018 severance charges, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and the Duke Energy Progress 2019 North Carolina rate cases.
- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.

Three Months Ended June 30, 2021, as compared to June 30, 2020

GAAP reported EPS was $0.96 for the second quarter of 2021 compared to a loss per share of $(1.13) in the second quarter of 2020. In addition to the drivers below, GAAP reported EPS increased due to the cancellation of the ACP pipeline in the prior year, partially offset by workplace and workforce realignment costs.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's second quarter 2021 adjusted EPS was $1.15 compared to $1.08 for the second quarter of 2020. The increase in adjusted EPS was primarily due to positive rate case contributions, higher volumes and wholesale results. This was partially offset by higher operation and maintenance expenses, lower Commercial Renewables earnings, the loss of ACP earnings and share dilution from equity issuances.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Three Months Ended June 30,			
	2021		2020	
(in millions, except per share amounts)	Earnings	EPS	(Loss) Earnings	(Loss) Earnings Per Share
GAAP Reported Earnings (Loss)/GAAP Reported Earnings (Loss) Per Share	**$ 751**	**$ 0.96**	$ (817)	$ (1.13)
Adjustments:				
Gas Pipeline Investments[a]	**12**	**0.01**	1,626	2.21
Workplace and Workforce Realignment[b]	**135**	**0.18**	—	—
Adjusted Earnings/Adjusted EPS	**$ 898**	**$ 1.15**	$ 809	$ 1.08

(a) Net of tax benefit of $4 million and $374 million for the three months ended June 30, 2021, and 2020, respectively.
(b) Net of tax benefit of $40 million.

Six Months Ended June 30, 2021, as compared to June 30, 2020

GAAP Reported EPS was $2.21 for the six months ended June 30, 2021, compared to $0.11 for the six months ended June 30, 2020. In addition to the drivers below, GAAP reported EPS increased due to the cancellation of the ACP pipeline in the prior year, partially offset by workplace and workforce realignment costs.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's adjusted EPS was $2.41 for the six months ended June 30, 2021, compared to $2.22 for the six months ended June 30, 2020. The increase in adjusted EPS was primarily due to positive rate case contributions and other riders and retail margin, favorable weather and higher volumes, partially offset by the lower Commercial Renewables earnings, including Texas Storm Uri impacts, the loss of ACP earnings, higher income tax expense and share dilution from equity issuances.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Six Months Ended June 30,			
	2021		2020	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 1,704**	**$ 2.21**	$ 82	$ 0.11
Adjustments:				
Gas Pipeline Investments[(a)]	**17**	**0.02**	1,626	2.21
Severance[(b)]	**—**	**—**	(75)	(0.10)
Workplace and Workforce Realignment[(c)]	**135**	**0.18**	—	—
Adjusted Earnings/Adjusted EPS	**$ 1,856**	**$ 2.41**	$ 1,633	$ 2.22

(a) Net of tax benefit of $5 million and $374 million for the six months ended June 30, 2021, and 2020, respectively.
(b) Net of tax expense of $23 million.
(c) Net of tax benefit of $40 million.

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 and preferred stock dividends. 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)	2021	2020	Variance	2021	2020	Variance
Operating Revenues	**$ 5,335**	$ 5,034	$ 301	**$ 10,616**	$ 10,217	$ 399
Operating Expenses						
Fuel used in electric generation and purchased power	**1,434**	1,367	67	**2,896**	2,834	62
Operation, maintenance and other	**1,262**	1,240	22	**2,544**	2,565	(21)
Depreciation and amortization	**1,013**	993	20	**2,070**	1,970	100
Property and other taxes	**308**	296	12	**619**	599	20
Impairment of assets and other charges	**1**	1	—	**1**	3	(2)
Total operating expenses	**4,018**	3,897	121	**8,130**	7,971	159
Gains on Sales of Other Assets and Other, net	**2**	7	(5)	**2**	8	(6)
Operating Income	**1,319**	1,144	175	**2,488**	2,254	234
Other Income and Expenses, net	**97**	89	8	**201**	174	27
Interest Expense	**361**	344	17	**701**	683	18
Income Before Income Taxes	**1,055**	889	166	**1,988**	1,745	243
Income Tax Expense	**120**	136	(16)	**233**	287	(54)
Segment Income	**$ 935**	$ 753	$ 182	**$ 1,755**	$ 1,458	$ 297
Duke Energy Carolinas GWh sales	20,362	19,083	1,279	**42,324**	40,319	2,005
Duke Energy Progress GWh sales	15,799	14,807	992	**32,336**	30,477	1,859
Duke Energy Florida GWh sales	11,194	10,800	394	**19,748**	19,417	331
Duke Energy Ohio GWh sales	5,738	5,262	476	**11,742**	11,085	657
Duke Energy Indiana GWh sales	7,366	6,773	593	**15,092**	14,379	713
Total Electric Utilities and Infrastructure GWh sales	**60,459**	56,725	3,734	**121,242**	115,677	5,565
Net proportional MW capacity in operation				**49,749**	50,364	(615)

Three Months Ended June 30, 2021, as compared to June 30, 2020

Electric Utilities and Infrastructure's higher segment income is due to higher revenues from rate cases in various jurisdictions, weather-normal sales volumes, partially offset by higher operating expenses. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $91 million increase in retail base rate pricing due to general rate cases in Indiana and North Carolina net of rider impacts as well as multiyear rate adjustments in Florida;
- an $82 million increase in weather-normal retail sales volumes;
- a $70 million increase in fuel revenues driven by higher sales volumes; and
- a $51 million increase in wholesale revenues due to higher capacity volumes at Duke Energy Progress and settlement agreements impacting Duke Energy Carolinas and Duke Energy Progress wholesale customers.

Operating Expenses. The variance was driven primarily by:

- a $67 million increase in fuel used in electric generation and purchased power primarily due to higher sales volumes;
- a $22 million increase in operation, maintenance and other primarily driven by higher labor and outage costs, partially offset by lower storm and COVID-19 costs; and
- a $20 million increase in depreciation and amortization primarily due to resolution of rate cases and higher plant in service, partially offset by lower depreciation related to the extension of the lives of nuclear facilities.

Interest Expense. The variance was primarily due to lower debt return on coal ash projects at Duke Energy Carolinas and Duke Energy Progress.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes, partially offset by an increase in pretax income. The ETRs for the three months ended June 30, 2021, and 2020, were 11.4% and 15.3%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes.

Six Months Ended June 30, 2021, as compared to June 30, 2020

Electric Utilities and Infrastructure's variance is due to higher revenues from rate cases in various jurisdictions and higher retail sales volumes, partially offset by higher depreciation and amortization and fuel used in electric generation and purchased power. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $142 million increase in retail base rate pricing due to general rate cases in Indiana and North Carolina net of rider impacts as well as multiyear settlement rate adjustments in Florida;
- a $103 million increase in retail sales, net of fuel revenues, due to more favorable weather;
- a $74 million increase in weather-normal retail sales volumes; and
- a $67 million increase in fuel revenues driven by higher sales volumes.

Partially offset by:

- a $55 million decrease in storm revenues due to full recovery of Hurricane Dorian costs in the prior year.

Operating Expenses. The variance was driven primarily by:

- a $100 million increase in depreciation and amortization primarily due to resolution of rate cases and higher plant in service, partially offset by lower depreciation related to the extension of the lives of nuclear facilities;
- a $62 million increase in fuel used in electric generation and purchased power primarily due to higher sales volumes; and
- a $20 million increase in property and other taxes primarily at Duke Energy Ohio due to increased plant in service, higher kilowatt taxes due to increased usage and a lower Network Integration Transmission Service tax deferral.

Partially offset by:

- a $21 million decrease in operations, maintenance and other driven by decreased storm amortization at Duke Energy Florida and lower COVID-19 costs, partially offset by higher employee-related expenses.

Other Income and Expenses, net. The variance was primarily due to lower non-service pension costs in the current year.

Interest Expense. The variance was primarily due to lower debt return on coal ash projects at Duke Energy Carolinas and Duke Energy Progress.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes, partially offset by an increase in pretax income. The ETRs for the six months ended June 30, 2021, and 2020, were 11.7% and 16.4%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes.

Gas Utilities and Infrastructure

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2021	2020	Variance	2021	2020	Variance
Operating Revenues	**$ 327**	$ 289	$ 38	**$ 1,102**	$ 953	$ 149
Operating Expenses						
Cost of natural gas	**79**	60	19	**355**	259	96
Operation, maintenance and other	**98**	99	(1)	**200**	209	(9)
Depreciation and amortization	**74**	62	12	**142**	128	14
Property and other taxes	**27**	26	1	**62**	56	6
Total operating expenses	**278**	247	31	**759**	652	107
Operating Income	**49**	42	7	**343**	301	42
Other Income and Expenses						
Equity in losses of unconsolidated affiliates	**(8)**	(1,970)	1,962	**(8)**	(1,933)	1,925
Other income and expenses, net	**18**	14	4	**35**	26	9
Total other income and expenses	**10**	(1,956)	1,966	**27**	(1,907)	1,934
Interest Expense	**35**	37	(2)	**68**	68	—
Income (Loss) Before Income Taxes	**24**	(1,951)	1,975	**302**	(1,674)	1,976
Income Tax Expense (Benefit)	**7**	(375)	382	**40**	(347)	387
Segment Income (Loss)	**$ 17**	$ (1,576)	$ 1,593	**$ 262**	$ (1,327)	$ 1,589
Piedmont LDC throughput (dekatherms)	106,034,615	96,807,940	9,226,675	**255,661,197**	245,311,935	10,349,262
Duke Energy Midwest LDC throughput (Mcf)	14,842,906	15,106,407	(263,501)	**51,951,909**	48,892,241	3,059,668

Three Months Ended June 30, 2021, as compared to June 30, 2020

Gas Utilities and Infrastructure's results were impacted primarily by the cancellation of the ACP pipeline in the prior year. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $19 million increase due to higher natural gas costs passed through to customers, higher volumes and increased off-system sales natural gas costs;
- a $9 million increase due to revenue form the Capital Expenditure Program (CEP) rider related to 2019 and 2020 activity; and
- a $6 million increase due to Tennessee base rate case increases and North Carolina IMR.

Operating Expenses. The variance was driven primarily by:

- a $19 million increase in cost of natural gas primarily due to higher natural gas prices, higher volumes and increased off-system sales natural gas costs; and
- a $12 million increase in depreciation due to additional plant in service.

Equity in losses of unconsolidated affiliates. The variance was primarily driven by the cancellation of the ACP pipeline in the prior year.

Income Tax Expense. The increase in tax expense was primarily due to the cancellation of the ACP pipeline project recorded in the prior year. The ETRs for the three months ended June 30, 2021, and 2020 were 29.2% and 19.2%, respectively. The increase in the ETR was primarily due to a decrease in AFUDC Equity and a decrease in the amortization of excess deferred taxes, partially offset by the cancellation of the ACP pipeline project recorded in the prior year.

Six Months Ended June 30, 2021, as compared to June 30, 2020

Gas Utilities and Infrastructure's results were impacted primarily by the cancellation of the ACP pipeline in the prior year and margin growth. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $96 million increase due to higher natural gas costs passed through to customers, higher volumes, and increased off-system sales natural gas costs;
- a $14 million increase due to Tennessee base rate increases;
- a $10 million increase due to North Carolina IMR; and
- a $9 million increase due to revenue from the CEP rider related to 2019 and 2020 activity.

Operating Expenses. The variance was driven primarily by:

- a $96 million increase in cost of natural gas due to higher natural gas prices, higher volumes and increased off-system sales natural gas costs; and
- a $14 million increase in depreciation due to additional plant in service.

Equity in losses of unconsolidated affiliates. The variance was driven primarily by the cancellation of the ACP pipeline in the prior year.

Income Tax Expense. The increase in tax expense was primarily due to the cancellation of the ACP pipeline project recorded in the prior year. The ETRs for the six months ended June 30, 2021, and 2020, were 13.2% and 20.7%, respectively. The decrease in the ETR was primarily due to the cancellation of the ACP pipeline project recorded in the prior year.

Commercial Renewables

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
Operating Revenues	**$ 119**	$ 123	$ (4)	**$ 238**	$ 252	$ (14)
Operating Expenses						
Operation, maintenance and other	**78**	63	15	**150**	132	18
Depreciation and amortization	**56**	48	8	**109**	96	13
Property and other taxes	**9**	8	1	**18**	16	2
Impairment of assets and other charges	**—**	6	(6)	**—**	6	(6)
Total operating expenses	**143**	125	18	**277**	250	27
Operating (Loss) Income	**(24)**	(2)	(22)	**(39)**	2	(41)
Other Income and Expenses, net	**3**	2	1	**(22)**	1	(23)
Interest Expense	**20**	13	7	**33**	31	2
Loss Before Income Taxes	**(41)**	(13)	(28)	**(94)**	(28)	(66)
Income Tax Benefit	**(21)**	(13)	(8)	**(50)**	(37)	(13)
Add: Loss Attributable to Noncontrolling Interests	**67**	90	(23)	**118**	138	(20)
Segment Income	**$ 47**	$ 90	$ (43)	**$ 74**	$ 147	$ (73)
Renewable plant production, GWh	**2,787**	2,660	127	**5,375**	5,097	278
Net proportional MW capacity in operation[a]				**4,474**	3,779	695

(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, 2021, as compared to June 30, 2020

Commercial Renewables' results were unfavorable to prior year primarily driven by higher operating expenses from the growth of new project investments since the prior year as well as fewer projects being placed in service in the current period. Since the prior year period, Commercial Renewables has placed in service approximately 700 MW.

Operating Expenses. The variance was primarily driven by a $13 million increase associated with the growth of new project investments, a $5 million increase for higher operating costs attributed to maintenance at several wind facilities and a $5 million increase for higher engineering and construction costs within the distributed energy portfolio. This was partially offset by a $6 million decrease related to an impairment charge in the prior year for a non-contracted wind project.

Interest Expense. The increase was primarily due to $5 million of capitalized interest in the prior year for solar projects that were in development.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses.

Loss Attributable to Noncontrolling Interests. The decrease was primarily driven by fewer project investments financed by tax equity placed in service.

Six Months Ended June 30, 2021, as compared to June 30, 2020

Commercial Renewables' results were unfavorable to prior year primarily driven by the impacts from Texas Storm Uri, which resulted in a $35 million pretax loss as well as unfavorable wind resource and fewer projects being placed in service in the current year.

Operating Revenues. The variance was primarily driven by a $13 million decrease for lower market prices in the current year impacting the wind portfolio and a $12 million decrease due to low wind resource and operating downtime. This was partially offset by an $8 million increase for market sales in excess of market purchases during Texas Storm Uri and a $6 million increase due to growth of new projects.

Operating Expenses. The increase was primarily due to $18 million for higher operating expenses, depreciation expense and property tax expense as a result of new projects placed in service, a $7 million increase for higher operating expenses attributed to maintenance at several wind and solar facilities, a $4 million increase for higher engineering and construction costs within the distributed energy portfolio, and a $2 million increase associated with Texas Storm Uri. This was partially offset by a $6 million decrease related to an impairment charge in the prior year for a non-contracted wind project.

Other Income and Expenses, net. The variance was primarily driven by a $29 million loss in equity earnings due to the impacts of Texas Storm Uri, partially offset by $4 million in equity earnings from the wind and distributed asset portfolios.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses.

Loss Attributable to Noncontrolling Interests. The variance was primarily driven by an $8 million net decrease as fewer project investments financed by tax equity were placed in service as well as a $12 million loss resulting from Texas Storm Uri.

Other

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
Operating Revenues	**$ 27**	$ 26	$ 1	**$ 53**	$ 49	$ 4
Operating Expenses	**208**	37	171	**236**	(52)	288
Operating (Loss) Income	**(181)**	(11)	(170)	**(183)**	101	(284)
Other Income and Expenses, net	**32**	45	(13)	**53**	12	41
Interest Expense	**156**	167	(11)	**307**	338	(31)
Loss Before Income Taxes	**(305)**	(133)	(172)	**(437)**	(225)	(212)
Income Tax Benefit	**(71)**	(64)	(7)	**(103)**	(83)	(20)
Less: Preferred Dividends	**14**	15	(1)	**53**	54	(1)
Net Loss	**$ (248)**	$ (84)	$ (164)	**$ (387)**	$ (196)	$ (191)

Three Months Ended June 30, 2021, as compared to June 30, 2020

The higher net loss was driven by asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy.

Operating Expenses. The increase was primarily driven by asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy.

Other Income and Expenses, net. The variance was primarily due to lower returns on investments that fund certain employee benefit obligations.

Interest Expense. The variance was primarily due to lower interest rates.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses, partially offset by lower state tax expense in the prior year. The ETRs for the three months ended June 30, 2021, and 2020, were 23.3% and 48.1%, respectively. The decrease in the ETR was primarily due to lower state tax expense in the prior year.

Six Months Ended June 30, 2021, as compared to June 30, 2020

The higher net loss was driven by asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy, reversal of severance costs in the prior year, and lower state income tax expense in the prior year, partially offset by lower interest rates and higher earnings on the NMC investment.

Operating Expenses. The increase was primarily due to asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy as well as a reversal of severance costs in the prior year.

Other Income and Expenses, net. The variance was primarily due to higher returns on investments that fund certain employee benefit obligations and higher equity earnings from the NMC investment.

Interest Expense. The variance was primarily due to lower interest rates.

Income Tax Benefit. The increase in the tax benefit was primarily driven by an increase in pretax losses, partially offset by lower state tax expense in the prior year. The ETRs for the six months ended June 30, 2021, and 2020, were 23.6% and 36.9%, respectively. The decrease in the ETR was primarily due to lower state tax expense in the prior year.

DUKE ENERGY CAROLINAS

Results of Operations

	Six Months Ended June 30,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 3,326**	$ 3,358	$ (32)
Operating Expenses			
Fuel used in electric generation and purchased power	**766**	829	(63)
Operation, maintenance and other	**876**	816	60
Depreciation and amortization	**722**	718	4
Property and other taxes	**157**	156	1
Impairment of assets and other charges	**75**	2	73
Total operating expenses	**2,596**	2,521	75
Gains on Sales of Other Assets and Other, net	**2**	—	2
Operating Income	**732**	837	(105)
Other Income and Expenses, net	**92**	86	6
Interest Expense	**263**	248	15
Income Before Income Taxes	**561**	675	(114)
Income Tax Expense	**24**	102	(78)
Net Income	**$ 537**	$ 573	$ (36)

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	2021
Residential sales	**9.1 %**
General service sales	**0.4 %**
Industrial sales	**1.6 %**
Wholesale power sales	**10.0 %**
Joint dispatch sales	**66.0 %**
Total sales	**5.0 %**
Average number of customers	**1.9 %**

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $64 million decrease in fuel revenues due to lower prices and retail sales volumes; and
- a $27 million decrease in rider revenues primarily due to energy efficiency programs.

Partially offset by:

- a $66 million increase in retail sales due to more favorable weather.

Operating Expenses. The variance was driven primarily by:

- a $73 million increase in impairment of assets and other charges due to the optimization of the company's real estate portfolio and reduction of office space as parts of the business move to a hybrid and remote workforce strategy; and
- a $60 million increase in operation, maintenance and other expense primarily due a severance cost adjustment in the prior year related to the 2019 North Carolina retail rate case and higher employee-related costs, partially offset by lower nuclear costs.

Partially offset by:

- a $63 million decrease in fuel used in electric generation and purchased power primarily due to lower retail sales volumes.

Interest Expense. The variance was driven by lower debt return on coal ash projects, amortization of carrying costs related to excess deferred taxes, partially offset by higher fixed-rate debt outstanding in the prior year.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes and a decrease in pretax income.

PROGRESS ENERGY

Results of Operations

	Six Months Ended June 30,		
(in millions)	2021	2020	Variance
Operating Revenues	$ **5,184**	$ 4,920	$ 264
Operating Expenses			
Fuel used in electric generation and purchased power	**1,628**	1,540	88
Operation, maintenance and other	**1,227**	1,143	84
Depreciation and amortization	**926**	884	42
Property and other taxes	**275**	272	3
Impairment of assets and other charges	**37**	—	37
Total operating expenses	**4,093**	3,839	254
Gains on Sales of Other Assets and Other, net	**1**	6	(5)
Operating Income	**1,092**	1,087	5
Other Income and Expenses, net	**81**	65	16
Interest Expense	**392**	405	(13)
Income Before Income Taxes	**781**	747	34
Income Tax Expense	**80**	120	(40)
Net Income	**701**	627	74

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $123 million increase in fuel cost recovery driven by higher fuel prices, higher volumes in the current year, and accelerated recovery of retired Crystal River coal units;
- a $70 million increase in weather-normal retail sales;
- a $56 million increase in retail pricing due to the North Carolina rate case and base rate adjustments at Duke Energy Florida related to annual increases from the 2017 Settlement Agreement and the solar base rate adjustment;
- a $30 million increase in retail sales, net of fuel revenues, driven by more favorable weather in the Carolinas; and
- a $15 million increase in wholesale revenues due to higher capacity volumes, partially offset by lower recovery of coal ash costs at Duke Energy Progress.

Partially offset by:

- a $55 million decrease in storm revenues at Duke Energy Florida due to full recovery of Hurricane Dorian costs in the prior year.

Operating Expenses. The variance was driven primarily by:

- an $88 million increase in fuel used in electric generation and purchased power primarily due to higher demand, changes in generation mix and recognition of RECs used for compliance at Duke Energy Progress, and outside fuel purchases during a major plant outage;
- an $84 million increase in operation, maintenance and other expense driven by a prior year severance cost adjustment related to the 2019 North Carolina retail rate case, outage costs and other employee-related costs, partially offset by reduced storm amortization at Duke Energy Florida;
- a $42 million increase in depreciation and amortization primarily due to accelerated depreciation of retired Crystal River coal units and an increase in plant base at Duke Energy Florida, partially offset by the amortization of coal ash asset retirement obligations at Duke Energy Progress; and
- a $37 million increase in impairment of assets and other charges to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy.

Other Income and Expenses, net. The increase is primarily due to lower non-service pension costs and unrealized gains on the nuclear decommissioning trust fund at Duke Energy Florida.

Interest Expense. The variance was driven primarily by lower intercompany interest expense and lower debt outstanding at Progress Energy, Inc.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes, partially offset by an increase in pretax income.

DUKE ENERGY PROGRESS

Results of Operations

	Six Months Ended June 30,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 2,750**	$ 2,581	$ 169
Operating Expenses			
Fuel used in electric generation and purchased power	**845**	800	45
Operation, maintenance and other	**724**	622	102
Depreciation and amortization	**521**	544	(23)
Property and other taxes	**90**	91	(1)
Impairment of assets and other charges	**18**	—	18
Total operating expenses	**2,198**	2,057	141
Gains on Sales of Other Assets and Other, net	**1**	5	(4)
Operating Income	**553**	529	24
Other Income and Expenses, net	**44**	41	3
Interest Expense	**147**	137	10
Income Before Income Taxes	**450**	433	17
Income Tax Expense	**25**	68	(43)
Net Income	**$ 425**	$ 365	$ 60

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 period	2021
Residential sales	**12.1 %**
General service sales	**4.1 %**
Industrial sales	**1.2 %**
Wholesale power sales	**9.4 %**
Joint dispatch sales	**(12.2)%**
Total sales	**6.1 %**
Average number of customers	**2.0 %**

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $56 million increase in retail sales due to better weather compared to prior year; and
- a $40 million increase in weather-normal retail sales volumes in the current year;
- a $25 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $16 million increase in retail pricing due to the impacts of the prior year North Carolina rate case, partially offset by the return of the excess deferred income taxes (created by the reduction in the corporate income tax rate to 21%); and
- a $15 million increase in wholesale revenues due to higher capacity volumes, partially offset by lower recovery of coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $102 million increase in operation, maintenance and other expense primarily driven by the deferral of 2018 severance costs due to the partial settlement agreement with the Public Staff of the NCUC related to the 2019 North Carolina retail rate case recorded in 2020, increased energy efficiency program costs, outage costs and other employee-related costs;
- a $45 million increase in fuel used in electric generation and purchased power primarily due to higher demand and changes in generation mix as well as recognition of RECs used for compliance; and
- an $18 million increase in impairment of assets and other charges to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy.

Partially offset by:

- a $23 million decrease in depreciation and amortization expense, primarily driven by the amortization of coal ash asset retirement obligations.

Interest Expense. The variance was driven primarily by lower debt return on coal ash projects.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes, partially offset by an increase in pretax income.

DUKE ENERGY FLORIDA

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 2,426**	$ 2,330	$ 96
Operating Expenses			
Fuel used in electric generation and purchased power	**783**	740	43
Operation, maintenance and other	**497**	514	(17)
Depreciation and amortization	**405**	340	65
Property and other taxes	**185**	180	5
Impairment of assets and other charges	**19**	—	19
Total operating expenses	**1,889**	1,774	115
Operating Income	**537**	556	(19)
Other Income and Expenses, net	**36**	25	11
Interest Expense	**160**	164	(4)
Income Before Income Taxes	**413**	417	(4)
Income Tax Expense	**79**	81	(2)
Net Income	**$ 334**	$ 336	$ (2)

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. Wholesale power sales include both billed and unbilled sales. 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 period	**2021**
Residential sales	**2.1 %**
General service sales	**3.0 %**
Industrial sales	**9.1 %**
Wholesale and other	**19.5 %**
Total sales	**1.7 %**
Average number of customers	**1.9 %**

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $98 million increase in fuel and capacity revenues primarily due to higher retail sales volumes and accelerated recovery of the retired coal units Crystal River 1 and 2;
- a $40 million increase in retail pricing due to base rate adjustments related to annual increases from the 2017 Settlement Agreement and the solar base rate adjustment;
- a $30 million increase in weather-normal retail sales volumes;
- a $15 million increase in rider revenues primarily due to increased volumes; and
- a $13 million increase in other revenues primarily due lower revenues in the prior year due to the moratorium on customer late payments and service charges in response to the COVID-19 pandemic, and lower outdoor lighting equipment rentals.

Partially offset by:

- a $55 million decrease in storm revenues due to full recovery of Hurricane Dorian costs in the prior year;
- a $26 million decrease in retail sales, net of fuel revenues, due to unfavorable weather in the current year; and
- a $19 million decrease in wholesale power revenues, net of fuel, primarily due to a restructured capacity contract.

Operating Expenses. The variance was driven primarily by:

- a $65 million increase in depreciation and amortization primarily due to accelerated depreciation of retired coal units Crystal River 1 and 2 and an increase in plant base;
- a $43 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices, and outside fuel purchases during a major plant outage at the Hines facility; and
- a $19 million increase in impairment of assets and other charges to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid and remote workforce strategy.

Partially offset by:

- a $17 million decrease in operation, maintenance and other expense primarily due to decreased storm amortization costs, partially offset by outage maintenance costs at Hines.

Other Income and Expense, net. The increase is primarily due to lower non-service pension costs and gains on the nuclear decommissioning trust fund.

DUKE ENERGY OHIO

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues			
Regulated electric	**$ 706**	$ 676	$ 30
Regulated natural gas	**282**	245	37
Total operating revenues	**988**	921	67
Operating Expenses			
Fuel used in electric generation and purchased power	**175**	164	11
Cost of natural gas	**67**	43	24
Operation, maintenance and other	**219**	218	1
Depreciation and amortization	**149**	136	13
Property and other taxes	**175**	161	14
Impairment of assets and other charges	**5**	—	5
Total operating expenses	**790**	722	68
Operating Income	**198**	199	(1)
Other Income and Expenses, net	**10**	7	3
Interest Expense	**53**	49	4
Income Before Income Taxes	**155**	157	(2)
Income Tax Expense	**25**	26	(1)
Net Income	**$ 130**	$ 131	$ (1)

The following table shows the percent changes in GWh sales of electricity, dekatherms of natural gas delivered and average number of electric and natural gas 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.

	Electric	Natural Gas
Increase (Decrease) over prior year	**2021**	**2021**
Residential sales	**5.5 %**	**7.6 %**
General service sales	**3.6 %**	**10.0 %**
Industrial sales	**4.9 %**	**2.6 %**
Wholesale electric power sales	**240.3 %**	**n/a**
Other natural gas sales	**n/a**	**0.5 %**
Total sales	**5.9 %**	**6.3 %**
Average number of customers	**0.6 %**	**0.8 %**

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $15 million increase in fuel related revenues primarily due to higher gas prices and increased volumes;
- a $14 million increase in PJM transmission revenues as a result of increased capital spend;
- a $14 million increase in revenues related to OVEC collections and OVEC sales into PJM;

- a $10 million increase in retail pricing primarily due to the Duke Energy Kentucky general rate case;
- a $9 million increase in revenues from the CEP rider;
- a $7 million increase in bulk power marketing sales; and
- a $6 million increase in revenues due to favorable weather.

Partially offset by:

- a $15 million decrease in retail revenue riders primarily due to the suspension of the Ohio energy efficiency rider, an adjustment to the Distribution Decoupling Rider and a decrease in the Kentucky gas weather normalization rider, partially offset by an increase in the distribution capital investment rider due to an increase in capital spend.

Operating Expenses. The variance was driven primarily by:

- a $35 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas;
- a $14 million increase in property and other taxes primarily due to increased property taxes due to increased plant in service, higher kilowatt and natural gas distribution taxes due to increased usage and a lower Network Integration Transmission Service tax deferral;
- a $13 million increase in depreciation and amortization primarily driven by an increase in distribution plant; and
- a $5 million increase in impairment of assets and other charges to optimize the company's real estate portfolio and reduce office space as parts of the business moves to a hybrid and remote workforce strategy.

DUKE ENERGY INDIANA

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 1,480**	$ 1,309	$ 171
Operating Expenses			
Fuel used in electric generation and purchased power	**418**	355	63
Operation, maintenance and other	**370**	357	13
Depreciation and amortization	**304**	266	38
Property and other taxes	**41**	42	(1)
Impairment of assets and other charges	**8**	—	8
Total operating expenses	**1,141**	1,020	121
Losses on Sales of Other Assets and Other, net	**(1)**	—	(1)
Operating Income	**338**	289	49
Other Income and Expenses, net	**19**	19	—
Interest Expense	**99**	85	14
Income Before Income Taxes	**258**	223	35
Income Tax Expense	**43**	43	—
Net Income	**$ 215**	$ 180	$ 35

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	**2021**
Residential sales	**5.0 %**
General service sales	**3.8 %**
Industrial sales	**6.6 %**
Wholesale power sales	**11.4 %**
Total sales	**5.0 %**
Average number of customers	**1.1 %**

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- an $86 million increase primarily due to higher base rate pricing from the Indiana retail rate case, net of lower rider revenues;
- a $56 million increase in fuel revenues primarily due to higher fuel cost recovery driven by customer demand and fuel prices; and
- a $12 million increase in weather-normal retail sales volumes driven by higher nonresidential customer demand.

Operating Expenses. The variance was driven primarily by:

- a $63 million increase in fuel used in electric generation and purchased power expense primarily due to higher purchased power expense, higher coal and natural gas costs and higher amortization of deferred fuel costs;
- a $38 million increase in depreciation and amortization primarily due to a change in depreciation rates from the Indiana retail rate case and additional plant in service;
- a $13 million increase in operation, maintenance and other primarily due to higher employee-related expenses and vegetation management costs; and
- an $8 million increase in impairment of assets and other charges to optimize the company's real estate portfolio and reduce office space as parts of the business move to a hybrid workforce strategy.

Interest Expense. The variance was driven by higher post-in-service carrying costs interest resulting from the Indiana retail rate case, partially offset by lower interest rates.

PIEDMONT

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 821**	$ 709	$ 112
Operating Expenses			
Cost of natural gas	**288**	215	73
Operation, maintenance and other	**154**	159	(5)
Depreciation and amortization	**99**	88	11
Property and other taxes	**28**	24	4
Impairment of assets and other charges	**5**	—	5
Total operating expenses	**574**	486	88
Operating Income	**247**	223	24
Other Income and Expenses, net	**35**	28	7
Interest Expense	**59**	60	(1)
Income Before Income Taxes	**223**	191	32
Income Tax Expense	**24**	11	13
Net Income	**$ 199**	$ 180	$ 19

The following table shows the percent changes in dekatherms delivered and average number of customers. The percentages for all throughput deliveries represent billed and unbilled sales. Amounts are not weather-normalized.

Increase (Decrease) over prior year	**2021**
Residential deliveries	**16.3 %**
Commercial deliveries	**13.6 %**
Industrial deliveries	**5.4 %**
Power generation deliveries	**(1.2)%**
For resale	**25.8 %**
Total throughput deliveries	**4.2 %**
Secondary market volumes	**0.6 %**
Average number of customers	**2.2 %**

The margin decoupling mechanism adjusts for variations in residential and commercial use per customer, including those due to weather and conservation. The weather normalization adjustment mechanisms mostly offset the impact of weather on bills rendered, but do not ensure full recovery of approved margin during periods when winter weather is significantly warmer or colder than normal.

Six Months Ended June 30, 2021, as compared to June 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $73 million increase due to higher natural gas costs passed through to customers, higher volumes, and higher off-system sales natural gas costs;
- a $14 million increase due to Tennessee base rate case increases; and
- a $10 million increase due to North Carolina IMR.

Operating Expenses. The variance was driven primarily by:

- a $73 million increase in cost of natural gas due to higher natural gas prices, higher volumes, and higher off-system sales natural gas costs; and
- an $11 million increase in depreciation due to additional plant in service and late in-service software projects.

Other Income and Expense, net. The variance is primarily driven by favorable AFUDC equity and intercompany interest income.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in AFUDC Equity.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

Duke Energy relies primarily upon cash flows from operations, debt and equity issuances and its existing cash and cash equivalents to fund its liquidity and capital requirements. Duke Energy's capital requirements arise primarily from capital and investment expenditures, repaying long-term debt and paying dividends to shareholders. Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020, included a summary and detailed discussion of projected primary sources and uses of cash for 2021 to 2023.

In January 2021, Duke Energy entered into a definitive agreement with an affiliate of GIC, for GIC to make a minority interest investment of 19.9% in Duke Energy Indiana. The investment will be completed following two closings for an aggregate investment amount of approximately $2 billion. The first closing is expected to be completed in the second half of 2021 and Duke Energy will issue 11.1% of the membership interests in exchange for 50% of the total investment amount. Duke Energy has the discretion to determine the timing of the second closing, but the closing will occur no later than January 2023. At the second closing, Duke Energy will issue additional membership interests, so GIC's minority interest ownership is 19.9% of Duke Energy Indiana, for the remaining 50% of the total investment amount. Proceeds from the minority interest investment are expected to address common equity needs through 2025 to partially fund Duke Energy's $59 billion capital and investment expenditure plan.

As of June 30, 2021, Duke Energy had approximately $367 million of cash on hand, $5.1 billion available under its $8 billion Master Credit Facility and $500 million available under the $1 billion Three-Year Revolving Credit Facility. Duke Energy expects to have sufficient liquidity in the form of cash on hand, cash from operations and available credit capacity to support its funding needs. Refer to Note 5 to the Condensed Consolidated Financial Statements, "Debt and Credit Facilities," for information regarding Duke Energy's debt issuances and maturities, and available credit facilities including the Master Credit Facility.

Credit Ratings

In March 2021, Moody's Investors Services, Inc. (Moody's) downgraded by one notch the long-term credit ratings for Duke Energy (Parent) and Duke Energy Carolinas. The downgrade reflects Duke Energy's balance sheet objectives. The downgrade for Duke Energy (Parent) and Duke Energy Carolinas also considers the impact for Duke Energy Carolinas and Duke Energy Progress as a result of the 2019 rate case orders and approval of the CCR Settlement Agreement. While these agreements are indicative of a regulatory environment that remains broadly supportive of utility credit quality, their financial terms resulted in current impairment charges and lowered the amount of future cash flow Duke Energy Carolinas and Duke Energy Progress will receive in conjunction with their coal ash remediation spending. As part of the credit rating action, Moody's affirmed Duke Energy's (Parent) short-term and commercial paper credit ratings and confirmed the credit ratings for Duke Energy Progress. Following a January 2021, credit rating downgrade of Duke Energy (Parent) and its subsidiaries, Standard & Poor's Rating Services continues to maintain a stable outlook on Duke Energy Corporation and its subsidiaries as of June 30, 2021.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

	Six Months Ended June 30,	
(in millions)	**2021**	**2020**
Cash flows provided by (used in):		
Operating activities	**$ 3,873**	$ 3,357
Investing activities	**(5,614)**	(5,471)
Financing activities	**1,750**	2,182
Net increase in cash, cash equivalents and restricted cash	**9**	68
Cash, cash equivalents and restricted cash at beginning of period	**556**	573
Cash, cash equivalents and restricted cash at end of period	**$ 565**	$ 641

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Net income	**$ 1,639**	$ (2)	$ 1,641
Non-cash adjustments to net income	**2,915**	4,600	(1,685)
Payments for asset retirement obligations	**(263)**	(287)	24
Working capital	**(418)**	(954)	536
Net cash provided by operating activities	**$ 3,873**	$ 3,357	$ 516

The variance was primarily due to decreases in coal stock balances, incentive payments and the timing of payments.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Capital, investment and acquisition expenditures	**$ (4,657)**	$ (5,267)	$ 610
Other investing items	**(957)**	(204)	(753)
Net cash used in investing activities	**$ (5,614)**	$ (5,471)	$ (143)

The variance relates primarily to payment made to fund ACP's outstanding debt, partially offset by decreases in capital expenditures due to lower overall investments in the Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables segments.

FINANCING CASH FLOWS

The following table summarizes key components of Duke Energy's financing cash flows.

	Six Months Ended June 30,		
(in millions)	**2021**	**2020**	**Variance**
Issuances of long-term debt, net	**$ 2,625**	$ 1,837	$ 788
Issuances of common stock	**5**	57	(52)
Notes payable, commercial paper and other short-term borrowings	**415**	1,624	(1,209)
Dividends paid	**(1,541)**	(1,391)	(150)
Contributions from noncontrolling interests	**318**	163	155
Other financing items	**(72)**	(108)	36
Net cash provided by financing activities	**$ 1,750**	$ 2,182	$ (432)

The variance was primarily due to:

- a $1,209 million decrease in net proceeds from issuances of notes payable and commercial paper.

Partially offset by:

- a $788 million increase in proceeds from net issuances of long-term debt primarily due to the timing of issuances and redemptions of long-term debt.

OTHER MATTERS

Environmental Regulations

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 and result in new obligations of the Duke Energy Registrants. Refer to Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for further information regarding potential plant retirements and regulatory filings related to the Duke Energy Registrants.

Off-Balance Sheet Arrangements

During the three and six months ended June 30, 2021, there were no material changes to Duke Energy’s off-balance sheet arrangements. For additional information on Duke Energy’s off-balance sheet arrangements, see “Off-Balance Sheet Arrangements” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Duke Energy’s Annual Report on Form 10-K for the year ended December 31, 2020.

Contractual Obligations

Duke Energy enters into contracts that require payment of cash at certain specified periods, based on certain specified minimum quantities and prices. During the three and six months ended June 30, 2021, there were no material changes in Duke Energy's contractual obligations. For an in-depth discussion of Duke Energy’s contractual obligations, see “Contractual Obligations” and “Quantitative and Qualitative Disclosures about Market Risk” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Duke Energy’s Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For an in-depth discussion of the Duke Energy Registrants' market risks, see “Quantitative and Qualitative Disclosures about Market Risk” in Item 7 of the Annual Report on Form 10-K for the Duke Energy Registrants. During the three and six months ended June 30, 2021, there were no material changes to the Duke Energy Registrants' disclosures about market risk.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated the effectiveness of their disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2021, and, based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

During the second quarter of 2021, Duke Energy Carolinas implemented Customer Connect, an SAP based customer engagement and billing solution. As a result of this implementation, we modified certain existing internal controls and implemented new controls and procedures related to Customer Connect. We do not believe this implementation will have an adverse effect on our internal control over financial reporting and will continue to evaluate the design and operating effectiveness of these internal controls.

Other than with respect to the Customer Connect SAP implementation, there were no other changes in our internal control over financial reporting during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

ITEM 1. LEGAL PROCEEDINGS

For information regarding material legal proceedings, including regulatory and environmental matters, see Note 3, "Regulatory Matters," and Note 4, "Commitments and Contingencies," to the Condensed Consolidated Financial Statements. For additional information, see Item 3, "Legal Proceedings," in Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part I, “Item 1A. Risk Factors” in the Duke Energy Registrants' Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect the Duke Energy Registrants’ financial condition or future results. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in the Annual Report on Form 10-K for the year ended December 31, 2020.

Our business could be negatively affected as a result of actions of activist shareholders.

On May 17, 2021, Elliott who has indicated it holds an economic interest in our outstanding common stock, publicly released a letter it had sent to our Board. On July 19, 2021, Elliott issued a follow-up letter to our Board.

While we strive to maintain constructive communications with our shareholders, activist shareholders may, from time to time, engage in proxy solicitations or advance shareholder proposals, or otherwise attempt to affect changes and assert influence on our Board and management. Perceived uncertainties as to the future direction or governance of the company may cause concern to our current or potential regulators, vendors or strategic partners, or make it more difficult to execute on our strategy or to attract and retain qualified personnel, which may have a material impact on our business and operating results.

In addition, actions such as those described above could cause fluctuations in the trading price of our common stock, based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 6. EXHIBITS

Exhibits filed herein are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated. Items constituting management contracts or compensatory plans or arrangements are designated by a double asterisk (**). The company agrees to furnish upon request to the commission a copy of any omitted schedules or exhibits upon request on all items designated by a triple asterisk (***).

Exhibit Number		Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
4.1	Twenty-fifth Supplemental Indenture, dated as of June 10, 2021 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on June 10, 2021, File No. 1-32853).	X							
4.2	One-hundred and fifth Supplemental Indenture, dated as of April 1, 2021 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on April 1, 2021, File No. 1-4928).		X						
*31.1.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.1.2	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						
*31.1.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.1.4	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.1.5	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.1.6	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X		
*31.1.7	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.1.8	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X
*31.2.1	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X							
*31.2.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		X						
*31.2.3	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X					
*31.2.4	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X				
*31.2.5	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X			
*31.2.6	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X		
*31.2.7	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.							X	
*31.2.8	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X

EXHIBITS

*32.1.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.1.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.1.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.1.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.1.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.1.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		
*32.1.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.1.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*32.2.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X							
*32.2.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X						
*32.2.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X					
*32.2.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X				
*32.2.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X			
*32.2.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X		
*32.2.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X	
*32.2.8	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X
*101.INS	XBRL Instance Document (this does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).	X	X	X	X	X	X	X	X
*101.SCH	XBRL Taxonomy Extension Schema Document.	X	X	X	X	X	X	X	X
*101.CAL	XBRL Taxonomy Calculation Linkbase Document.	X	X	X	X	X	X	X	X
*101.LAB	XBRL Taxonomy Label Linkbase Document.	X	X	X	X	X	X	X	X

EXHIBITS

*101.PRE	XBRL Taxonomy Presentation Linkbase Document.	X	X	X	X	X	X	X	X
*101.DEF	XBRL Taxonomy Definition Linkbase Document.	X	X	X	X	X	X	X	X
*104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).	X	X	X	X	X	X	X	X

The total amount of securities of the registrant or its subsidiaries authorized under any instrument with respect to long-term debt not filed as an exhibit does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees, upon request of the SEC, to furnish copies of any or all of such instruments to it.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

DUKE ENERGY CORPORATION
DUKE ENERGY CAROLINAS, LLC
PROGRESS ENERGY, INC.
DUKE ENERGY PROGRESS, LLC
DUKE ENERGY FLORIDA, LLC
DUKE ENERGY OHIO, INC.
DUKE ENERGY INDIANA, LLC
PIEDMONT NATURAL GAS COMPANY, INC.

Date: August 5, 2021

/s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: August 5, 2021

/s/ CYNTHIA S. LEE
Cynthia S. Lee
Vice President, Chief Accounting Officer
and Controller
(Principal Accounting Officer)

EXHIBIT 31.1.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chair, President and
Chief Executive Officer

EXHIBIT 31.1.2

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.3

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.4

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.5

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Florida, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.6

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Ohio, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.7

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Indiana, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.1.8

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn J. Good, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Piedmont Natural Gas Company, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive Officer

EXHIBIT 31.2.1

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Carolinas, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.3

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Progress Energy, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

EXHIBIT 31.2.4

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven K. Young, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Duke Energy Progress, LLC;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acts Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer