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 5

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

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: August 5, 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: August 5, 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: August 5, 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: August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 June 30, 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

August 5, 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 September 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) 526 South Church 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	5.625% 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 October 31, 2021:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	769,343,372

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;
- Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana, may not yield the anticipated benefits;
- 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, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure
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)

(in millions, except per share amounts)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating Revenues				
Regulated electric	**$ 6,495**	$ 6,315	**$ 16,972**	$ 16,402
Regulated natural gas	**263**	214	**1,314**	1,115
Nonregulated electric and other	**193**	192	**573**	574
Total operating revenues	**6,951**	6,721	**18,859**	18,091
Operating Expenses				
Fuel used in electric generation and purchased power	**1,844**	1,849	**4,702**	4,645
Cost of natural gas	**75**	41	**430**	299
Operation, maintenance and other	**1,507**	1,450	**4,319**	4,142
Depreciation and amortization	**1,265**	1,217	**3,698**	3,497
Property and other taxes	**371**	324	**1,073**	1,003
Impairment of assets and other charges	**211**	28	**342**	36
Total operating expenses	**5,273**	4,909	**14,564**	13,622
Gains on Sales of Other Assets and Other, net	**9**	2	**11**	10
Operating Income	**1,687**	1,814	**4,306**	4,479
Other Income and Expenses				
Equity in earnings (losses) of unconsolidated affiliates	**22**	(80)	**14**	(2,004)
Other income and expenses, net	**238**	127	**493**	310
Total other income and expenses	**260**	47	**507**	(1,694)
Interest Expense	**581**	522	**1,688**	1,627
Income Before Income Taxes	**1,366**	1,339	**3,125**	1,158
Income Tax Expense (Benefit)	**90**	105	**210**	(74)
Net Income	**1,276**	1,234	**2,915**	1,232
Add: Net Loss Attributable to Noncontrolling Interests	**129**	70	**247**	208
Net Income Attributable to Duke Energy Corporation	**1,405**	1,304	**3,162**	1,440
Less: Preferred Dividends	**39**	39	**92**	93
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 1,366**	$ 1,265	**$ 3,070**	$ 1,347
Earnings Per Share – Basic and Diluted				
Net income available to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 1.79**	$ 1.74	**$ 4.00**	$ 1.85
Weighted Average Shares Outstanding				
Basic and Diluted	**769**	735	**769**	735

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Net Income	**$ 1,276**	$ 1,234	**$ 2,915**	$ 1,232
Other Comprehensive Income (Loss), net of tax[(a)]				
Pension and OPEB adjustments	**1**	1	**3**	1
Net unrealized gains (losses) on cash flow hedges	**9**	(83)	**(59)**	(159)
Reclassification into earnings from cash flow hedges	**2**	4	**9**	8
Unrealized (losses) gains on available-for-sale securities	**(2)**	(2)	**(6)**	5
Other Comprehensive Income (Loss), net of tax	**10**	(80)	**(53)**	(145)
Comprehensive Income	**1,286**	1,154	**2,862**	1,087
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**128**	70	**240**	220
Comprehensive Income Attributable to Duke Energy	**1,414**	1,224	**3,102**	1,307
Less: Preferred Dividends	**39**	39	**92**	93
Comprehensive Income Available to Duke Energy Corporation Common Stockholders	**$ 1,375**	$ 1,185	**$ 3,010**	$ 1,214

(a) Net of income tax impacts of approximately $24 million for the three months ended September 30, 2020, and $16 million and $43 million for the nine months ended September 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)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 548	$ 259
Receivables (net of allowance for doubtful accounts of $48 at 2021 and $29 at 2020)	998	1,009
Receivables of VIEs (net of allowance for doubtful accounts of $75 at 2021 and $117 at 2020)	2,431	2,144
Inventory	2,900	3,167
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	1,791	1,641
Other (includes $347 at 2021 and $296 at 2020 related to VIEs)	768	462
Total current assets	9,436	8,682
Property, Plant and Equipment		
Cost	160,652	155,580
Accumulated depreciation and amortization	(50,543)	(48,827)
Facilities to be retired, net	127	29
Net property, plant and equipment	110,236	106,782
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $896 at 2021 and $937 at 2020 related to VIEs)	12,247	12,421
Nuclear decommissioning trust funds	9,861	9,114
Operating lease right-of-use assets, net	1,287	1,524
Investments in equity method unconsolidated affiliates	951	961
Other (includes $134 at 2021 and $81 at 2020 related to VIEs)	3,686	3,601
Total other noncurrent assets	47,335	46,924
Total Assets	$ 167,007	$ 162,388
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 2,888	$ 3,144
Notes payable and commercial paper	2,098	2,873
Taxes accrued	908	482
Interest accrued	558	537
Current maturities of long-term debt (includes $221 at 2021 and $472 at 2020 related to VIEs)	4,873	4,238
Asset retirement obligations	673	718
Regulatory liabilities	1,319	1,377
Other	2,239	2,936
Total current liabilities	15,556	16,305
Long-Term Debt (includes $3,923 at 2021 and $3,535 at 2020 related to VIEs)	57,929	55,625
Other Noncurrent Liabilities		
Deferred income taxes	9,875	9,244
Asset retirement obligations	12,278	12,286
Regulatory liabilities	15,530	15,029
Operating lease liabilities	1,093	1,340
Accrued pension and other post-retirement benefit costs	988	969
Investment tax credits	804	687
Other (includes $341 at 2021 and $316 at 2020 related to VIEs)	1,714	1,719
Total other noncurrent liabilities	42,282	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	44,348	43,767
Retained earnings	3,293	2,471
Accumulated other comprehensive loss	(297)	(237)
Total Duke Energy Corporation stockholders' equity	49,307	47,964
Noncontrolling interests	1,933	1,220
Total equity	51,240	49,184
Total Liabilities and Equity	$ 167,007	$ 162,388

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 2,915**	$ 1,232
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**4,189**	4,081
Equity in (earnings) losses of unconsolidated affiliates	**(14)**	2,004
Equity component of AFUDC	**(126)**	(112)
Impairment of assets and other charges	**342**	36
Deferred income taxes	**206**	210
Payments for asset retirement obligations	**(389)**	(463)
Provision for rate refunds	**(41)**	(15)
Refund of AMT credit carryforwards	**—**	572
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**116**	87
Receivables	**(167)**	58
Inventory	**268**	43
Other current assets	**(643)**	199
Increase (decrease) in		
Accounts payable	**(146)**	(563)
Taxes accrued	**431**	386
Other current liabilities	**10**	(284)
Other assets	**199**	(338)
Other liabilities	**77**	(367)
Net cash provided by operating activities	**7,227**	6,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(7,089)**	(7,408)
Contributions to equity method investments	**(30)**	(276)
Purchases of debt and equity securities	**(4,292)**	(6,160)
Proceeds from sales and maturities of debt and equity securities	**4,335**	6,087
Disbursements to canceled equity method investments	**(855)**	—
Other	**(269)**	(207)
Net cash used in investing activities	**(8,200)**	(7,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	**6,379**	6,162
Issuance of common stock	**5**	75
Payments for the redemption of long-term debt	**(3,696)**	(3,468)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	**109**	2,372
Payments for the redemption of short-term debt with original maturities greater than 90 days	**(997)**	(1,143)
Notes payable and commercial paper	**165**	(969)
Contributions from noncontrolling interests	**1,556**	402
Dividends paid	**(2,340)**	(2,113)
Other	**(21)**	(93)
Net cash provided by financing activities	**1,160**	1,225
Net increase in cash, cash equivalents and restricted cash	**187**	27
Cash, cash equivalents and restricted cash at beginning of period	**556**	573
Cash, cash equivalents and restricted cash at end of period	**$ 743**	$ 600
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 998**	$ 992
Non-cash dividends	**—**	82

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 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 (Losses) Gains on Available-for-Sale-Securities**	**Pension and OPEB Adjustments**	**Total Duke Energy Corporation Stockholders' Equity**	**Noncontrolling Interests**	**Total Equity**
Balance at June 30, 2020	$ 1,962	735	$ 1	$ 40,997	$ 2,707	$ (111)	$ 10	$ (82)	$ 45,484	$ 1,127	$ 46,611
Net income (loss)	—	—	—	—	1,265	—	—	—	1,265	(70)	1,195
Other comprehensive (loss) income	—	—	—	—	—	(79)	(2)	1	(80)	—	(80)
Common stock issuances, including dividend reinvestment and employee benefits	—	1	—	65	—	—	—	—	65	—	65
Common stock dividends	—	—	—	—	(712)	—	—	—	(712)	—	(712)
Contribution from noncontrolling interests, net of transaction costs[(a)]	—	—	—	(17)	—	—	—	—	(17)	239	222
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(8)	(8)
Other	—	—	—	1	—	—	—	—	1	1	2
Balance at September 30, 2020	$ 1,962	$ 736	$ 1	$ 41,046	$ 3,260	$ (190)	$ 8	$ (81)	$ 46,006	$ 1,289	$ 47,295
Balance at June 30, 2021	$ 1,962	769	$ 1	$ 43,788	$ 2,687	$ (234)	$ 2	$ (74)	$ 48,132	$ 1,413	$ 49,545
Net income (loss)	**—**	**—**	**—**	**—**	**1,366**	**—**	**—**	**—**	**1,366**	**(129)**	**1,237**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**10**	**(2)**	**1**	**9**	**1**	**10**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**20**	**—**	**—**	**—**	**—**	**20**	**—**	**20**
Common stock dividends	**—**	**—**	**—**	**—**	**(760)**	**—**	**—**	**—**	**(760)**	**—**	**(760)**
Sale of noncontrolling interest[(c)]	**—**	**—**	**—**	**545**	**—**	**—**	**—**	**—**	**545**	**454**	**999**
Contribution from noncontrolling interests, net of transaction costs[(a)]	**—**	**—**	**—**	**(3)**	**—**	**—**	**—**	**—**	**(3)**	**213**	**210**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(22)**	**(22)**
Other	**—**	**—**	**—**	**(2)**	**—**	**—**	**—**	**—**	**(2)**	**3**	**1**
Balance at September 30, 2021	**$ 1,962**	**$ 769**	**$ 1**	**$ 44,348**	**$ 3,293**	**$ (224)**	**$ —**	**$ (73)**	**$ 49,307**	**$ 1,933**	**$ 51,240**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Nine Months Ended September 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)	—	—	—	—	1,347	—	—	—	1,347	(208)	1,139
Other comprehensive (loss) income	—	—	—	—	—	(139)	5	1	(133)	(12)	(145)
Common stock issuances, including dividend reinvestment and employee benefits	—	3	—	181	—	—	—	—	181	—	181
Common stock dividends	—	—	—	—	(2,103)	—	—	—	(2,103)	—	(2,103)
Contributions from noncontrolling interests, net of transaction costs[a]	—	—	—	(17)	—	—	—	—	(17)	402	385
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(22)	(22)
Other[b]	—	—	—	1	(92)	—	—	—	(91)	—	(91)
Balance at September 30, 2020	$ 1,962	736	$ 1	$ 41,046	$ 3,260	$ (190)	$ 8	$ (81)	$ 46,006	$ 1,289	$ 47,295
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)	**—**	**—**	**—**	**—**	**3,070**	**—**	**—**	**—**	**3,070**	**(247)**	**2,823**
Other comprehensive (loss) income	**—**	**—**	**—**	**—**	**—**	**(57)**	**(6)**	**3**	**(60)**	**7**	**(53)**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**43**	**—**	**—**	**—**	**—**	**43**	**—**	**43**
Common stock dividends	**—**	**—**	**—**	**—**	**(2,248)**	**—**	**—**	**—**	**(2,248)**	**—**	**(2,248)**
Sale of noncontrolling interest[c]	**—**	**—**	**—**	**545**	**—**	**—**	**—**	**—**	**545**	**454**	**999**
Contributions from noncontrolling interests, net of transaction costs[a]	**—**	**—**	**—**	**(6)**	**—**	**—**	**—**	**—**	**(6)**	**531**	**525**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(34)**	**(34)**
Other	**—**	**—**	**—**	**(1)**	**—**	**—**	**—**	**—**	**(1)**	**2**	**1**
Balance at September 30, 2021	**$ 1,962**	**769**	**$ 1**	**$ 44,348**	**$ 3,293**	**$ (224)**	**$ —**	**$ (73)**	**$ 49,307**	**$ 1,933**	**$ 51,240**

(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.
(c) Relates to the sale of a noncontrolling interest in Duke Energy Indiana. See Note 2 for additional discussion.

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2021	2020	2021	2020
Operating Revenues	**$ 2,104**	$ 2,058	**$ 5,430**	$ 5,416
Operating Expenses				
Fuel used in electric generation and purchased power	**452**	497	**1,218**	1,326
Operation, maintenance and other	**471**	402	**1,347**	1,218
Depreciation and amortization	**366**	372	**1,088**	1,090
Property and other taxes	**91**	57	**248**	213
Impairment of assets and other charges	**163**	20	**238**	22
Total operating expenses	**1,543**	1,348	**4,139**	3,869
(Losses) Gains on Sales of Other Assets and Other, net	**(1)**	1	**1**	1
Operating Income	**560**	711	**1,292**	1,548
Other Income and Expenses, net	**126**	42	**218**	128
Interest Expense	**137**	122	**400**	370
Income Before Income Taxes	**549**	631	**1,110**	1,306
Income Tax Expense	**16**	76	**40**	178
Net Income and Comprehensive Income	**$ 533**	$ 555	**$ 1,070**	$ 1,128

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 21	$ 21
Receivables (net of allowance for doubtful accounts of $2 at 2021 and $1 at 2020)	278	247
Receivables of VIEs (net of allowance for doubtful accounts of $40 at 2021 and $22 at 2020)	915	696
Receivables from affiliated companies	85	124
Inventory	969	1,010
Regulatory assets	460	473
Other	104	20
Total current assets	2,832	2,591
Property, Plant and Equipment		
Cost	51,790	50,640
Accumulated depreciation and amortization	(17,959)	(17,453)
Facilities to be retired, net	89	—
Net property, plant and equipment	33,920	33,187
Other Noncurrent Assets		
Regulatory assets	2,743	2,996
Nuclear decommissioning trust funds	5,434	4,977
Operating lease right-of-use assets, net	95	110
Other	1,197	1,187
Total other noncurrent assets	9,469	9,270
Total Assets	$ 46,221	$ 45,048
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 673	$ 1,000
Accounts payable to affiliated companies	184	199
Notes payable to affiliated companies	86	506
Taxes accrued	391	76
Interest accrued	137	117
Current maturities of long-term debt	357	506
Asset retirement obligations	245	264
Regulatory liabilities	503	473
Other	516	546
Total current liabilities	3,092	3,687
Long-Term Debt	12,318	11,412
Long-Term Debt Payable to Affiliated Companies	300	300
Other Noncurrent Liabilities		
Deferred income taxes	3,893	3,842
Asset retirement obligations	5,134	5,086
Regulatory liabilities	6,867	6,535
Operating lease liabilities	83	97
Accrued pension and other post-retirement benefit costs	64	73
Investment tax credits	288	236
Other	558	626
Total other noncurrent liabilities	16,887	16,495
Commitments and Contingencies		
Equity		
Member's equity	13,631	13,161
Accumulated other comprehensive loss	(7)	(7)
Total equity	13,624	13,154
Total Liabilities and Equity	$ 46,221	$ 45,048

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,070**	$ 1,128
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**1,295**	1,295
Equity component of AFUDC	**(46)**	(46)
Loss on sales of other assets	**(1)**	—
Impairment of assets and other charges	**238**	22
Deferred income taxes	**(146)**	(103)
Payments for asset retirement obligations	**(132)**	(127)
Provision for rate refunds	**(29)**	(1)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**(1)**	—
Receivables	**(172)**	41
Receivables from affiliated companies	**39**	50
Inventory	**41**	4
Other current assets	**(153)**	197
Increase (decrease) in		
Accounts payable	**(254)**	(313)
Accounts payable to affiliated companies	**(15)**	(55)
Taxes accrued	**315**	352
Other current liabilities	**72**	(121)
Other assets	**52**	(72)
Other liabilities	**167**	(23)
Net cash provided by operating activities	**2,340**	2,228
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,947)**	(1,931)
Purchases of debt and equity securities	**(2,465)**	(1,313)
Proceeds from sales and maturities of debt and equity securities	**2,465**	1,313
Notes receivable from affiliated companies	**—**	(65)
Other	**(122)**	(105)
Net cash used in investing activities	**(2,069)**	(2,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,367**	965
Payments for the redemption of long-term debt	**(616)**	(457)
Notes payable to affiliated companies	**(421)**	(29)
Distributions to parent	**(600)**	(600)
Other	**(1)**	(1)
Net cash used in financing activities	**(271)**	(122)
Net increase in cash and cash equivalents	**—**	5
Cash and cash equivalents at beginning of period	**21**	18
Cash and cash equivalents at end of period	**$ 21**	$ 23
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 308**	$ 295

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2020 and 2021		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at June 30, 2020	$ 13,079	$ (7)	$ 13,072
Net income	555	—	555
Distributions to parent	(300)	—	(300)
Other	(1)	—	(1)
Balance at September 30, 2020	$ 13,333	$ (7)	$ 13,326
Balance at June 30, 2021	$ 13,399	$ (7)	$ 13,392
Net income	**533**	**—**	**533**
Distributions to parent	**(300)**	**—**	**(300)**
Other	**(1)**	**—**	**(1)**
Balance at September 30, 2021	**$ 13,631**	**$ (7)**	**$ 13,624**

	Nine Months Ended September 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	1,128	—	1,128
Distributions to parent	(600)	—	(600)
Other[(a)]	(13)	—	(13)
Balance at September 30, 2020	$ 13,333	$ (7)	$ 13,326
Balance at December 31, 2020	$ 13,161	$ (7)	$ 13,154
Net income	**1,070**	**—**	**1,070**
Distributions to parent	**(600)**	**—**	**(600)**
Balance at September 30, 2021	**$ 13,631**	**$ (7)**	**$ 13,624**

(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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 3,233**	$ 3,197	**$ 8,417**	$ 8,117
Operating Expenses				
Fuel used in electric generation and purchased power	**1,074**	1,088	**2,702**	2,628
Operation, maintenance and other	**636**	646	**1,863**	1,789
Depreciation and amortization	**504**	472	**1,430**	1,356
Property and other taxes	**144**	147	**419**	419
Impairment of assets and other charges	**42**	1	**79**	1
Total operating expenses	**2,400**	2,354	**6,493**	6,193
Gains on Sales of Other Assets and Other, net	**8**	3	**9**	9
Operating Income	**841**	846	**1,933**	1,933
Other Income and Expenses, net	**86**	24	**167**	89
Interest Expense	**200**	194	**592**	599
Income Before Income Taxes	**727**	676	**1,508**	1,423
Income Tax Expense	**94**	70	**174**	190
Net Income	**633**	606	**$ 1,334**	$ 1,233
Less: Net Income Attributable to Noncontrolling Interests	**1**	1	**1**	1
Net Income Attributable to Parent	**$ 632**	$ 605	**$ 1,333**	$ 1,232
Net Income	**$ 633**	$ 606	**$ 1,334**	$ 1,233
Other Comprehensive Income, net of tax				
Pension and OPEB adjustments	**(1)**	—	**—**	1
Net unrealized gains on cash flow hedges	**1**	1	**2**	3
Unrealized gains on available-for-sale securities	**—**	1	**—**	1
Other Comprehensive Income, net of tax	**—**	2	**2**	5
Comprehensive Income	**633**	608	**$ 1,336**	$ 1,238
Less: Comprehensive Income Attributable to Noncontrolling Interests	**1**	1	**1**	1
Comprehensive Income Attributable to Parent	**$ 632**	$ 607	**$ 1,335**	$ 1,237

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 102	$ 59
Receivables (net of allowance for doubtful accounts of $11 at 2021 and $8 at 2020)	268	228
Receivables of VIEs (net of allowance for doubtful accounts of $25 at 2021 and $29 at 2020)	981	901
Receivables from affiliated companies	61	157
Inventory	1,255	1,375
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)	864	758
Other (includes $17 at 2021 and $39 at 2020 related to VIEs)	178	109
Total current assets	3,709	3,587
Property, Plant and Equipment		
Cost	59,976	57,892
Accumulated depreciation and amortization	(19,211)	(18,368)
Facilities to be retired, net	27	29
Net property, plant and equipment	40,792	39,553
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $896 at 2021 and $937 at 2020 related to VIEs)	5,785	5,775
Nuclear decommissioning trust funds	4,427	4,137
Operating lease right-of-use assets, net	714	690
Other	1,175	1,227
Total other noncurrent assets	15,756	15,484
Total Assets	$ 60,257	$ 58,624
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 898	$ 919
Accounts payable to affiliated companies	221	289
Notes payable to affiliated companies	3,123	2,969
Taxes accrued	284	121
Interest accrued	175	202
Current maturities of long-term debt (includes $56 at 2021 and $305 at 2020 related to VIEs)	1,932	1,426
Asset retirement obligations	234	283
Regulatory liabilities	541	640
Other	856	793
Total current liabilities	8,264	7,642
Long-Term Debt (includes $1,546 at 2021 and $1,252 at 2020 related to VIEs)	17,406	17,688
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,784	4,396
Asset retirement obligations	5,850	5,866
Regulatory liabilities	5,335	5,051
Operating lease liabilities	623	623
Accrued pension and other post-retirement benefit costs	490	505
Other	473	462
Total other noncurrent liabilities	17,555	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	9,149	9,143
Retained earnings	7,743	7,109
Accumulated other comprehensive loss	(13)	(15)
Total Progress Energy, Inc. stockholders' equity	16,879	16,237
Noncontrolling interests	3	4
Total equity	16,882	16,241
Total Liabilities and Equity	$ 60,257	$ 58,624

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,334**	$ 1,233
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,707**	1,734
Equity component of AFUDC	**(37)**	(30)
Impairment of assets and other charges	**79**	1
Deferred income taxes	**235**	(3)
Payments for asset retirement obligations	**(206)**	(287)
Provision for rate refunds	**(22)**	4
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**117**	(13)
Receivables	**(123)**	(207)
Receivables from affiliated companies	**96**	32
Inventory	**120**	46
Other current assets	**(347)**	214
Increase (decrease) in		
Accounts payable	**79**	(124)
Accounts payable to affiliated companies	**(68)**	(102)
Taxes accrued	**161**	263
Other current liabilities	**(36)**	(41)
Other assets	**(3)**	(154)
Other liabilities	**(139)**	(102)
Net cash provided by operating activities	**2,947**	2,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(2,628)**	(2,602)
Purchases of debt and equity securities	**(1,583)**	(4,554)
Proceeds from sales and maturities of debt and equity securities	**1,649**	4,543
Notes receivable from affiliated companies	**—**	164
Other	**(131)**	(114)
Net cash used in investing activities	**(2,693)**	(2,563)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,190**	1,791
Payments for the redemption of long-term debt	**(977)**	(1,555)
Notes payable to affiliated companies	**154**	338
Dividends to parent	**(700)**	(400)
Other	**(2)**	(13)
Net cash (used in) provided by financing activities	**(335)**	161
Net (decrease) increase in cash, cash equivalents and restricted cash	**(81)**	62
Cash, cash equivalents and restricted cash at beginning of period	**200**	126
Cash, cash equivalents and restricted cash at end of period	**$ 119**	$ 188
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 290**	$ 311

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 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 June 30, 2020	$ 9,143	$ 7,090	$ (8)	$ (1)	$ (6)	$ 16,218	$ 3	$ 16,221
Net income	—	605	—	—	—	605	1	606
Other comprehensive income	—	—	1	1	—	2	—	2
Dividends to parent	—	(400)	—	—	—	(400)	—	(400)
Other	—	1	—	—	—	1	(1)	—
Balance at September 30, 2020	$ 9,143	$ 7,296	$ (7)	$ —	$ (6)	$ 16,426	$ 3	$ 16,429
Balance at June 30, 2021	$ 9,143	$ 7,809	$ (4)	$ (2)	$ (7)	$ 16,939	$ 3	$ 16,942
Net income	**—**	**632**	**—**	**—**	**—**	**632**	**1**	**633**
Other comprehensive income (loss)	**—**	**—**	**1**	**—**	**(1)**	**—**	**—**	**—**
Dividends to parent	**—**	**(700)**	**—**	**—**	**—**	**(700)**	**—**	**(700)**
Other	**6**	**2**	**—**	**—**	**—**	**8**	**(1)**	**7**
Balance at September 30, 2021	**$ 9,149**	**$ 7,743**	**$ (3)**	**$ (2)**	**$ (8)**	**$ 16,879**	**$ 3**	**$ 16,882**

	Nine Months Ended September 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	—	1,232	—	—	—	1,232	1	1,233
Other comprehensive income	—	—	3	1	1	5	—	5
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Dividends to parent	—	(400)	—	—	—	(400)	—	(400)
Other	—	(1)	—	—	—	(1)	—	(1)
Balance at September 30, 2020	$ 9,143	$ 7,296	$ (7)	$ —	$ (6)	$ 16,426	$ 3	$ 16,429
Balance at December 31, 2020	$ 9,143	$ 7,109	$ (5)	$ (2)	$ (8)	$ 16,237	$ 4	$ 16,241
Net income	**—**	**1,333**	**—**	**—**	**—**	**1,333**	**1**	**1,334**
Other comprehensive income	**—**	**—**	**2**	**—**	**—**	**2**	**—**	**2**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Dividends to parent	**—**	**(700)**	**—**	**—**	**—**	**(700)**	**—**	**(700)**
Other	**6**	**1**	**—**	**—**	**—**	**7**	**(1)**	**6**
Balance at September 30, 2021	**$ 9,149**	**$ 7,743**	**$ (3)**	**$ (2)**	**$ (8)**	**$ 16,879**	**$ 3**	**$ 16,882**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 1,667**	$ 1,626	**$ 4,417**	$ 4,207
Operating Expenses				
Fuel used in electric generation and purchased power	**523**	537	**1,368**	1,337
Operation, maintenance and other	**368**	348	**1,092**	970
Depreciation and amortization	**290**	289	**811**	833
Property and other taxes	**39**	38	**129**	129
Impairment of assets and other charges	**42**	5	**60**	5
Total operating expenses	**1,262**	1,217	**3,460**	3,274
Gains on Sales of Other Assets and Other, net	**7**	3	**8**	8
Operating Income	**412**	412	**965**	941
Other Income and Expenses, net	**67**	11	**111**	52
Interest Expense	**79**	66	**226**	203
Income Before Income Taxes	**400**	357	**850**	790
Income Tax Expense	**25**	11	**50**	79
Net Income and Comprehensive Income	**$ 375**	$ 346	**$ 800**	$ 711

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 51	$ 39
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)	162	132
Receivables of VIEs (net of allowance for doubtful accounts of $17 at 2021 and $19 at 2020)	532	500
Receivables from affiliated companies	68	50
Inventory	815	911
Regulatory assets	499	492
Other	116	60
Total current assets	2,243	2,184
Property, Plant and Equipment		
Cost	36,666	35,759
Accumulated depreciation and amortization	(13,365)	(12,801)
Facilities to be retired, net	27	29
Net property, plant and equipment	23,328	22,987
Other Noncurrent Assets		
Regulatory assets	3,955	3,976
Nuclear decommissioning trust funds	3,857	3,500
Operating lease right-of-use assets, net	402	346
Other	772	740
Total other noncurrent assets	8,986	8,562
Total Assets	$ 34,557	$ 33,733
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 392	$ 454
Accounts payable to affiliated companies	113	215
Notes payable to affiliated companies	117	295
Taxes accrued	163	85
Interest accrued	68	99
Current maturities of long-term debt	1,207	603
Asset retirement obligations	234	283
Regulatory liabilities	439	530
Other	442	411
Total current liabilities	3,175	2,975
Long-Term Debt	8,491	8,505
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,488	2,298
Asset retirement obligations	5,407	5,352
Regulatory liabilities	4,685	4,394
Operating lease liabilities	359	323
Accrued pension and other post-retirement benefit costs	234	242
Investment tax credits	129	132
Other	79	102
Total other noncurrent liabilities	13,381	12,843
Commitments and Contingencies		
Equity		
Member's Equity	9,360	9,260
Total Liabilities and Equity	$ 34,557	$ 33,733

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 800**	$ 711
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**951**	972
Equity component of AFUDC	**(25)**	(22)
Impairment of assets and other charges	**60**	5
Deferred income taxes	**22**	(33)
Payments for asset retirement obligations	**(129)**	(249)
Provision for rate refunds	**(22)**	4
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**108**	—
Receivables	**(66)**	(34)
Receivables from affiliated companies	**(18)**	7
Inventory	**95**	24
Other current assets	**(79)**	82
Increase (decrease) in		
Accounts payable	**20**	(185)
Accounts payable to affiliated companies	**(102)**	(59)
Taxes accrued	**75**	190
Other current liabilities	**(36)**	(24)
Other assets	**48**	(185)
Other liabilities	**(32)**	21
Net cash provided by operating activities	**1,670**	1,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,313)**	(1,142)
Purchases of debt and equity securities	**(1,306)**	(1,269)
Proceeds from sales and maturities of debt and equity securities	**1,291**	1,238
Other	**(36)**	(31)
Net cash used in investing activities	**(1,364)**	(1,204)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,190**	1,296
Payments for the redemption of long-term debt	**(605)**	(985)
Notes payable to affiliated companies	**(178)**	101
Distributions to parent	**(700)**	(400)
Other	**(1)**	(12)
Net cash used in financing activities	**(294)**	—
Net increase in cash and cash equivalents	**12**	21
Cash and cash equivalents at beginning of period	**39**	22
Cash and cash equivalents at end of period	**$ 51**	$ 43
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 82**	$ 124

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)		Three Months Ended September 30, 2020 and 2021 Member's Equity
Balance at June 30, 2020	$	9,610
Net income		346
Distributions to parent		(400)
Balance at September 30, 2020	$	9,556
Balance at June 30, 2021	$	9,685
Net income		**375**
Distributions to parent		**(700)**
Balance at September 30, 2021	**$**	**9,360**

(in millions)		Nine Months Ended September 30, 2020 and 2021 Member's Equity
Balance at December 31, 2019	$	9,246
Net income		711
Distributions to parent		(400)
Other		(1)
Balance at September 30, 2020	$	9,556
Balance at December 31, 2020	$	9,260
Net income		**800**
Distributions to parent		**(700)**
Balance at September 30, 2021	**$**	**9,360**

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 1,561**	$ 1,567	**$ 3,987**	$ 3,897
Operating Expenses				
Fuel used in electric generation and purchased power	**552**	551	**1,335**	1,291
Operation, maintenance and other	**263**	292	**760**	806
Depreciation and amortization	**214**	183	**619**	523
Property and other taxes	**105**	110	**290**	290
Impairment of assets and other charges	**—**	(4)	**19**	(4)
Total operating expenses	**1,134**	1,132	**3,023**	2,906
Gains on Sales of Other Assets and Other, net	**1**	—	**1**	—
Operating Income	**428**	435	**965**	991
Other Income and Expenses, net	**18**	11	**54**	36
Interest Expense	**79**	81	**239**	245
Income Before Income Taxes	**367**	365	**780**	782
Income Tax Expense	**70**	78	**149**	159
Net Income	**$ 297**	$ 287	**$ 631**	$ 623
Other Comprehensive Income, net of tax				
Unrealized gains on available-for-sale securities	**—**	1	**—**	1
Comprehensive Income	**$ 297**	$ 288	**$ 631**	$ 624

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		September 30, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	40	$	11
Receivables (net of allowance for doubtful accounts of $8 at 2021 and $4 at 2020)		104		94
Receivables of VIEs (net of allowance for doubtful accounts of $8 at 2021 and $10 at 2020)		449		401
Receivables from affiliated companies		3		3
Inventory		439		464
Regulatory assets (includes $54 at 2021 and $53 at 2020 related to VIEs)		365		265
Other (includes $17 at 2021 and $39 at 2020 related to VIEs)		35		41
Total current assets		1,435		1,279
Property, Plant and Equipment				
Cost		23,300		22,123
Accumulated depreciation and amortization		(5,839)		(5,560)
Net property, plant and equipment		17,461		16,563
Other Noncurrent Assets				
Regulatory assets (includes $896 at 2021 and $937 at 2020 related to VIEs)		1,829		1,799
Nuclear decommissioning trust funds		570		637
Operating lease right-of-use assets, net		312		344
Other		351		335
Total other noncurrent assets		3,062		3,115
Total Assets	$	21,958	$	20,957
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	506	$	465
Accounts payable to affiliated companies		129		85
Notes payable to affiliated companies		603		196
Taxes accrued		177		82
Interest accrued		72		69
Current maturities of long-term debt (includes $56 at 2021 and $305 at 2020 related to VIEs)		276		823
Regulatory liabilities		102		110
Other		403		374
Total current liabilities		2,268		2,204
Long-Term Debt (includes $1,196 at 2021 and $1,002 at 2020 related to VIEs)		7,273		7,092
Other Noncurrent Liabilities				
Deferred income taxes		2,382		2,191
Asset retirement obligations		443		514
Regulatory liabilities		649		658
Operating lease liabilities		265		300
Accrued pension and other post-retirement benefit costs		225		231
Other		265		209
Total other noncurrent liabilities		4,229		4,103
Commitments and Contingencies				
Equity				
Member's equity		8,190		7,560
Accumulated other comprehensive loss		(2)		(2)
Total equity		8,188		7,558
Total Liabilities and Equity	$	21,958	$	20,957

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 631**	$ 623
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**752**	755
Equity component of AFUDC	**(12)**	(8)
Impairment of assets and other charges	**19**	(4)
Deferred income taxes	**207**	19
Payments for asset retirement obligations	**(77)**	(38)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**7**	(17)
Receivables	**(57)**	(172)
Receivables from affiliated companies	**—**	(3)
Inventory	**25**	22
Other current assets	**(247)**	41
Increase (decrease) in		
Accounts payable	**59**	63
Accounts payable to affiliated companies	**44**	(54)
Taxes accrued	**95**	217
Other current liabilities	**(5)**	(20)
Other assets	**(46)**	48
Other liabilities	**(94)**	(136)
Net cash provided by operating activities	**1,301**	1,336
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,316)**	(1,460)
Purchases of debt and equity securities	**(277)**	(3,284)
Proceeds from sales and maturities of debt and equity securities	**358**	3,305
Notes receivable from affiliated companies	**—**	173
Other	**(95)**	(82)
Net cash used in investing activities	**(1,330)**	(1,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	495
Payments for the redemption of long-term debt	**(372)**	(570)
Notes payable to affiliated companies	**408**	66
Net cash provided by (used in) financing activities	**36**	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	**7**	(21)
Cash, cash equivalents and restricted cash at beginning of period	**50**	56
Cash, cash equivalents and restricted cash at end of period	**$ 57**	$ 35
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 208**	$ 187

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 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 June 30, 2020	$ 7,125	$ (1)	$ 7,124
Net income	287	—	287
Other comprehensive income	—	1	1
Other	(1)	—	(1)
Balance at September 30, 2020	$ 7,411	$ —	$ 7,411
Balance at June 30, 2021	$ 7,893	$ (2)	$ 7,891
Net income	**297**	**—**	**297**
Balance at September 30, 2021	**$ 8,190**	**$ (2)**	**$ 8,188**

	Nine Months Ended September 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	623	—	623
Other comprehensive income	—	1	1
Other	(1)	—	(1)
Balance at September 30, 2020	$ 7,411	$ —	$ 7,411
Balance at December 31, 2020	$ 7,560	$ (2)	$ 7,558
Net income	**631**	**—**	**631**
Other	**(1)**	**—**	**(1)**
Balance at September 30, 2021	**$ 8,190**	**$ (2)**	**$ 8,188**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues				
Regulated electric	**$ 413**	$ 394	**$ 1,119**	$ 1,070
Regulated natural gas	**93**	79	**375**	324
Total operating revenues	**506**	473	**1,494**	1,394
Operating Expenses				
Fuel used in electric generation and purchased power	**119**	94	**294**	258
Cost of natural gas	**9**	3	**76**	46
Operation, maintenance and other	**116**	115	**335**	333
Depreciation and amortization	**79**	72	**228**	208
Property and other taxes	**91**	83	**266**	244
Impairment of assets and other charges	**—**	—	**5**	—
Total operating expenses	**414**	367	**1,204**	1,089
Operating Income	**92**	106	**290**	305
Other Income and Expenses, net	**4**	4	**14**	11
Interest Expense	**29**	26	**82**	75
Income Before Income Taxes	**67**	84	**222**	241
Income Tax Expense	**9**	14	**34**	40
Net Income and Comprehensive Income	**$ 58**	$ 70	**$ 188**	$ 201

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 16	$ 14
Receivables (net of allowance for doubtful accounts of $4 at 2021 and 2020)	107	98
Receivables from affiliated companies	77	102
Inventory	114	110
Regulatory assets	61	39
Other	45	31
Total current assets	420	394
Property, Plant and Equipment		
Cost	11,531	11,022
Accumulated depreciation and amortization	(3,102)	(3,013)
Net property, plant and equipment	8,429	8,009
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	634	610
Operating lease right-of-use assets, net	19	20
Other	83	72
Total other noncurrent assets	1,656	1,622
Total Assets	$ 10,505	$ 10,025
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 304	$ 279
Accounts payable to affiliated companies	59	68
Notes payable to affiliated companies	451	169
Taxes accrued	210	247
Interest accrued	32	31
Current maturities of long-term debt	50	50
Asset retirement obligations	17	3
Regulatory liabilities	63	65
Other	68	70
Total current liabilities	1,254	982
Long-Term Debt	3,017	3,014
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,032	981
Asset retirement obligations	95	108
Regulatory liabilities	734	748
Operating lease liabilities	19	20
Accrued pension and other post-retirement benefit costs	114	113
Other	92	99
Total other noncurrent liabilities	2,086	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	585	397
Total equity	4,123	3,935
Total Liabilities and Equity	$ 10,505	$ 10,025

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 188**	$ 201
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**231**	211
Equity component of AFUDC	**(5)**	(4)
Impairment of assets and other charges	**5**	—
Deferred income taxes	**27**	31
Payments for asset retirement obligations	**(1)**	(1)
Provision for rate refunds	**12**	10
(Increase) decrease in		
Receivables	**(9)**	(5)
Receivables from affiliated companies	**(11)**	35
Inventory	**(4)**	5
Other current assets	**(34)**	5
Increase (decrease) in		
Accounts payable	**27**	(28)
Accounts payable to affiliated companies	**(9)**	(14)
Taxes accrued	**(37)**	(23)
Other current liabilities	**(12)**	6
Other assets	**(35)**	(24)
Other liabilities	**8**	(7)
Net cash provided by operating activities	**341**	398
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(615)**	(611)
Notes receivable from affiliated companies	**36**	—
Other	**(42)**	(34)
Net cash used in investing activities	**(621)**	(645)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	467
Notes payable to affiliated companies	**282**	(227)
Net cash provided by financing activities	**282**	240
Net increase (decrease) in cash and cash equivalents	**2**	(7)
Cash and cash equivalents at beginning of period	**14**	17
Cash and cash equivalents at end of period	**$ 16**	$ 10
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 103**	$ 92

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2020 and 2021			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance at June 30, 2020	$ 762	$ 2,776	$ 276	$ 3,814
Net income	—	—	70	70
Balance at September 30, 2020	$ 762	$ 2,776	$ 346	$ 3,884
Balance at June 30, 2021	$ 762	$ 2,776	$ 527	$ 4,065
Net income	**—**	**—**	**58**	**58**
Balance at September 30, 2021	**$ 762**	**$ 2,776**	**$ 585**	**$ 4,123**

	Nine Months Ended September 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	—	—	201	201
Balance at September 30, 2020	$ 762	$ 2,776	$ 346	$ 3,884
Balance at December 31, 2020	$ 762	$ 2,776	$ 397	$ 3,935
Net income	**—**	**—**	**188**	**188**
Balance at September 30, 2021	**$ 762**	**$ 2,776**	**$ 585**	**$ 4,123**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 886**	$ 761	**$ 2,366**	$ 2,070
Operating Expenses				
Fuel used in electric generation and purchased power	**292**	222	**710**	577
Operation, maintenance and other	**173**	207	**543**	564
Depreciation and amortization	**154**	149	**458**	415
Property and other taxes	**16**	15	**57**	57
Impairment of assets and other charges	**—**	—	**8**	—
Total operating expenses	**635**	593	**1,776**	1,613
Gains on Sales of Other Assets and Other, net	**1**	—	**—**	—
Operating Income	**252**	168	**590**	457
Other Income and Expenses, net	**12**	9	**31**	28
Interest Expense	**49**	29	**148**	114
Income Before Income Taxes	**215**	148	**473**	371
Income Tax Expense	**34**	29	**77**	72
Net Income and Comprehensive Income	**$ 181**	$ 119	**$ 396**	$ 299

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		September 30, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	14	$	7
Receivables (net of allowance for doubtful accounts of $3 at 2021 and 2020)		81		55
Receivables from affiliated companies		62		112
Notes receivable from affiliated companies		252		—
Inventory		367		473
Regulatory assets		196		125
Other		59		37
Total current assets		1,031		809
Property, Plant and Equipment				
Cost		17,320		17,382
Accumulated depreciation and amortization		(5,550)		(5,661)
Net property, plant and equipment		11,770		11,721
Other Noncurrent Assets				
Regulatory assets		1,300		1,203
Operating lease right-of-use assets, net		51		55
Other		276		253
Total other noncurrent assets		1,627		1,511
Total Assets	$	14,428	$	14,041
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	239	$	188
Accounts payable to affiliated companies		198		88
Notes payable to affiliated companies		—		131
Taxes accrued		83		62
Interest accrued		59		51
Current maturities of long-term debt		151		70
Asset retirement obligations		177		168
Regulatory liabilities		147		111
Other		104		83
Total current liabilities		1,158		952
Long-Term Debt		3,791		3,871
Long-Term Debt Payable to Affiliated Companies		150		150
Other Noncurrent Liabilities				
Deferred income taxes		1,289		1,228
Asset retirement obligations		966		1,008
Regulatory liabilities		1,573		1,627
Operating lease liabilities		49		53
Accrued pension and other post-retirement benefit costs		172		171
Investment tax credits		172		168
Other		53		30
Total other noncurrent liabilities		4,274		4,285
Commitments and Contingencies				
Equity				
Member's Equity		5,055		4,783
Total Liabilities and Equity	$	14,428	$	14,041

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 396**	$ 299
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**460**	416
Equity component of AFUDC	**(19)**	(18)
Impairment of assets and other charges	**8**	—
Deferred income taxes	**19**	11
Payments for asset retirement obligations	**(49)**	(48)
(Increase) decrease in		
Receivables	**(7)**	15
Receivables from affiliated companies	**17**	(5)
Inventory	**106**	10
Other current assets	**(58)**	12
Increase (decrease) in		
Accounts payable	**46**	(1)
Accounts payable to affiliated companies	**(15)**	(22)
Taxes accrued	**25**	65
Other current liabilities	**23**	(2)
Other assets	**11**	(41)
Other liabilities	**3**	104
Net cash provided by operating activities	**966**	795
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(584)**	(669)
Purchases of debt and equity securities	**(34)**	(24)
Proceeds from sales and maturities of debt and equity securities	**16**	15
Notes receivable from affiliated companies	**(218)**	—
Other	**(8)**	(24)
Net cash used in investing activities	**(828)**	(702)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	544
Payments for the redemption of long-term debt	**—**	(500)
Notes payable to affiliated companies	**(131)**	53
Distributions to parent	**—**	(200)
Net cash used in financing activities	**(131)**	(103)
Net increase (decrease) in cash and cash equivalents	**7**	(10)
Cash and cash equivalents at beginning of period	**7**	25
Cash and cash equivalents at end of period	**$ 14**	$ 15
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 105**	$ 73

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2020 and 2021	
(in millions)	**Member's Equity**	
Balance at June 30, 2020	$	4,655
Net income		119
Distributions to parent		(100)
Balance at September 30, 2020	$	4,674
Balance at June 30, 2021	$	4,999
Net income		**181**
Distributions to parent		**(125)**
Balance at September 30, 2021	**$**	**5,055**

	Nine Months Ended September 30, 2020 and 2021	
(in millions)	**Member's Equity**	
Balance at December 31, 2019	$	4,575
Net income		299
Distributions to parent		(200)
Balance at September 30, 2020	$	4,674
Balance at December 31, 2020	$	4,783
Net income		**396**
Distributions to parent		**(125)**
Other		**1**
Balance at September 30, 2021	**$**	**5,055**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues	**$ 195**	$ 162	**$ 1,016**	$ 871
Operating Expenses				
Cost of natural gas	**66**	39	**354**	254
Operation, maintenance and other	**77**	75	**231**	234
Depreciation and amortization	**51**	45	**150**	133
Property and other taxes	**16**	13	**44**	37
Impairment of assets and other charges	**4**	7	**9**	7
Total operating expenses	**214**	179	**788**	665
Operating (Loss) Income	**(19)**	(17)	**228**	206
Other Income and Expenses, net	**16**	16	**51**	44
Interest Expense	**29**	29	**88**	89
(Loss) Income Before Income Taxes	**(32)**	(30)	**191**	161
Income Tax (Benefit) Expense	**(8)**	(5)	**16**	6
Net (Loss) Income and Comprehensive (Loss) Income	**$ (24)**	$ (25)	**$ 175**	$ 155

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $15 at 2021 and $12 at 2020)	$ 96	$ 250
Receivables from affiliated companies	11	10
Inventory	68	68
Regulatory assets	125	153
Other	59	20
Total current assets	359	501
Property, Plant and Equipment		
Cost	9,733	9,134
Accumulated depreciation and amortization	(1,862)	(1,749)
Facilities to be retired, net	11	—
Net property, plant and equipment	7,882	7,385
Other Noncurrent Assets		
Goodwill	49	49
Regulatory assets	335	302
Operating lease right-of-use assets, net	17	20
Investments in equity method unconsolidated affiliates	100	88
Other	282	270
Total other noncurrent assets	783	729
Total Assets	$ 9,024	$ 8,615
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 184	$ 230
Accounts payable to affiliated companies	31	79
Notes payable to affiliated companies	315	530
Taxes accrued	41	23
Interest accrued	35	34
Current maturities of long-term debt	—	160
Regulatory liabilities	64	88
Other	76	69
Total current liabilities	746	1,213
Long-Term Debt	2,968	2,620
Other Noncurrent Liabilities		
Deferred income taxes	875	821
Asset retirement obligations	21	20
Regulatory liabilities	1,004	1,044
Operating lease liabilities	15	19
Accrued pension and other post-retirement benefit costs	6	8
Other	175	155
Total other noncurrent liabilities	2,096	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	1,579	1,405
Total equity	3,214	2,715
Total Liabilities and Equity	$ 9,024	$ 8,615

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 175**	$ 155
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**152**	135
Equity component of AFUDC	**(19)**	(14)
Impairment of assets and other charges	**10**	7
Deferred income taxes	**10**	24
Equity in earnings from unconsolidated affiliates	**(7)**	(7)
Provision for rate refunds	**(3)**	(27)
(Increase) decrease in		
Receivables	**151**	164
Receivables from affiliated companies	**(1)**	(1)
Inventory	**—**	25
Other current assets	**7**	(59)
Increase (decrease) in		
Accounts payable	**(55)**	(53)
Accounts payable to affiliated companies	**(48)**	60
Taxes accrued	**17**	16
Other current liabilities	**(32)**	(4)
Other assets	**3**	(14)
Other liabilities	**2**	7
Net cash provided by operating activities	**362**	414
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(628)**	(641)
Contributions to equity method investments	**(9)**	—
Return of investment capital	**1**	—
Other	**(23)**	(18)
Net cash used in investing activities	**(659)**	(659)
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	**(215)**	(149)
Capital contributions from parent	**325**	—
Net cash provided by financing activities	**297**	245
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	**$ 115**	$ 123

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2020 and 2021		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
Balance at June 30, 2020	$ 1,310	$ 1,312	$ 2,622
Net loss	—	(25)	(25)
Balance at September 30, 2020	$ 1,310	$ 1,287	$ 2,597
Balance at June 30, 2021	$ 1,635	$ 1,604	$ 3,239
Net loss	**—**	**(24)**	**(24)**
Other	**—**	**(1)**	**(1)**
Balance at September 30, 2021	**$ 1,635**	**$ 1,579**	**$ 3,214**

	Nine Months Ended September 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	—	155	155
Other	—	(1)	(1)
Balance at September 30, 2020	$ 1,310	$ 1,287	$ 2,597
Balance at December 31, 2020	$ 1,310	$ 1,405	$ 2,715
Net income	**—**	**175**	**175**
Contribution from parent	**325**	**—**	**325**
Other	**—**	**(1)**	**(1)**
Balance at September 30, 2021	**$ 1,635**	**$ 1,579**	**$ 3,214**

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 $36 million and $936 million as of September 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.

During September 2021, Duke Energy completed the initial minority interest investment in a portion of Duke Energy Indiana to an affiliate of GIC. GIC's ownership interest in Duke Energy Indiana represents a noncontrolling interest. See Note 2 for additional information on the sale.

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 allocated losses to noncontrolling interest for the three and nine months ended September 30, 2021, and 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2021	2020	2021	2020
Noncontrolling Interest Allocation of Income				
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	$ **119**	$ 59	$ **217**	$ 187
Allocated losses to noncontrolling members based on pro rata shares of ownership	**10**	11	**30**	21
Total Noncontrolling Interest Allocated Losses	$ **129**	$ 70	$ **247**	$ 208

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.

	September 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	$ **548**	$ **102**	$ **40**	$ 259	$ 59	$ 11
Other	**194**	**17**	**17**	194	39	39
Other Noncurrent Assets						
Other	**1**	**—**	**—**	103	102	—
Total cash, cash equivalents and restricted cash	$ **743**	$ **119**	$ **57**	$ 556	$ 200	$ 50

INVENTORY

Provisions for inventory write-offs were not material at September 30, 2021, and December 31, 2020. The components of inventory are presented in the tables below.

	September 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	$ **2,317**	$ **779**	$ **1,009**	$ **674**	$ **336**	$ **85**	$ **305**	$ **11**
Coal	**312**	**152**	**89**	**45**	**43**	**10**	**61**	**—**
Natural gas, oil and other fuel	**271**	**38**	**157**	**96**	**60**	**19**	**1**	**57**
Total inventory	$ **2,900**	$ **969**	$ **1,255**	$ **815**	$ **439**	$ **114**	$ **367**	$ **68**

	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 September 30, 2021, Duke Energy recorded a pretax charge to earnings of $9 million on the Condensed Consolidated Statements of Operations, which includes $8 million within Impairment of assets and other charges and $1 million within Operations, maintenance and other. During the nine months ended September 30, 2021, Duke Energy recorded a pretax charge to earnings of $184 million on the Condensed Consolidated Statements of Operations, which includes $139 million within Impairment of assets and other charges, $28 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 September 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. On January 28, 2021, Duke Energy executed an agreement providing for an investment by an affiliate of GIC in Duke Energy Indiana in exchange for a 19.9% minority interest issued by Duke Energy Indiana Holdco, LLC, the holding company for Duke Energy Indiana. The transaction will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing, which occurred on September 8, 2021, resulted in Duke Energy Indiana Holdco, LLC issuing 11.05% of its membership interests in exchange for approximately $1,025 million or 50% of the purchase price. Duke Energy retained indirect control of these assets, and, therefore, no gain or loss was recognized on the Condensed Consolidated Statements of Operations. The difference between the cash consideration received, net of transaction costs of approximately $27 million, and the carrying value of the noncontrolling interest is $545 million and was recorded as an increase to equity.

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 fluctuating market pricing and long-term forecasted energy prices. The assets were not impaired as of September 30, 2021, because the carrying value of approximately $206 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 or other factors unfavorably impacting the economics 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 September 30, 2021						
(in millions)	**Electric Utilities and Infrastructure**	**Gas Utilities and Infrastructure**	**Commercial Renewables**	**Total Reportable Segments**	**Other**	**Eliminations**	**Total**
Unaffiliated revenues	**$ 6,560**	**$ 266**	**$ 117**	**$ 6,943**	**$ 8**	**$ —**	**$ 6,951**
Intersegment revenues	**9**	**23**	**—**	**32**	**20**	**(52)**	**—**
Total revenues	**$ 6,569**	**$ 289**	**$ 117**	**$ 6,975**	**$ 28**	**$ (52)**	**$ 6,951**
Segment income (loss)[(a)]	**$ 1,425**	**$ (3)**	**$ 78**	**$ 1,500**	**$ (134)**	**$ —**	**$ 1,366**
Less: Noncontrolling interests							**129**
Add: Preferred stock dividend							**39**
Net Income							**$ 1,276**
Segment assets	**$ 141,565**	**$ 14,692**	**$ 7,037**	**$ 163,294**	**$ 3,717**	**$ (4)**	**$ 167,007**

	Three Months Ended September 30, 2020						
(in millions)	**Electric Utilities and Infrastructure**	**Gas Utilities and Infrastructure**	**Commercial Renewables**	**Total Reportable Segments**	**Other**	**Eliminations**	**Total**
Unaffiliated revenues	$ 6,371	$ 217	$ 126	$ 6,714	$ 7	$ —	$ 6,721
Intersegment revenues	8	24	—	32	17	(49)	—
Total revenues	$ 6,379	$ 241	$ 126	$ 6,746	$ 24	$ (49)	$ 6,721
Segment income (loss)[(b)]	$ 1,381	$ (73)	$ 60	$ 1,368	$ (103)	$ —	$ 1,265
Less: Noncontrolling interests							70
Add: Preferred stock dividend							39
Net Income							$ 1,234

(a) Gas Utilities and Infrastructure includes $3 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 $8 million recorded within Impairment of assets and other charges, $1 million within Operations, maintenance and other on the Condensed Consolidated Statements of Operations, related to the workplace and workforce realignment. See Note 1 for additional information. Electric Utilities and Infrastructure includes $160 million recorded within Impairment of assets and other charges, $77 million within Other Income and expenses, $5 million within Operations, maintenance and other, $13 million within Regulated electric operating revenues and $3 million within Interest expense on the Duke Energy Carolinas' Condensed Consolidated Statement of Operations related to the 2018 South Carolina rate cases and the CCR settlement and insurance proceeds distributed in accordance with that agreement; it also includes $42 million recorded within Impairment of assets and other charges, $34 million within Other Income and expenses, $7 million within Operations, maintenance, and other, $15 million within Regulated electric operating revenues and $5 million within Interest expense on the Duke Energy Progress' Condensed Consolidated Statement of Operations. See Notes 3 and 4 for more information.

(b) Electric Utilities and Infrastructure includes $19 million recorded within Impairment charges and $8 million recorded within Operations, maintenance and other on the Duke Energy Carolinas' Condensed Consolidated Statements of Operations related to a partial settlement in the Duke Energy Carolinas' 2019 North Carolina rate case and $8 million recorded within Operations, maintenance and other on Duke Energy Progress' Condensed Consolidated Statements of Operation related to a partial settlement in the Duke Energy Progress' 2019 North Carolina rate case. See Note 3 for more information. Additionally, Electric Utilities and Infrastructure includes $5 million of Impairment charges related to gas pipeline assets recorded on Duke Energy Progress' Condensed Consolidated Statement of Operations. Gas Utilities and Infrastructure includes $78 million recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations and $7 million in Impairment charges recorded on the Piedmont Condensed Consolidated Statements of Operations related to gas pipeline investments.

	Nine Months Ended September 30, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	**$ 17,161**	**$ 1,323**	**$ 355**	**$ 18,839**	**$ 20**	**$ —**	**$ 18,859**
Intersegment revenues	**24**	**68**	**—**	**92**	**61**	**(153)**	**—**
Total revenues	**$ 17,185**	**$ 1,391**	**$ 355**	**$ 18,931**	**$ 81**	**$ (153)**	**$ 18,859**
Segment income (loss)[(a)]	**$ 3,180**	**$ 259**	**$ 152**	**$ 3,591**	**$ (521)**	**$ —**	**$ 3,070**
Less: Noncontrolling interests							**247**
Add: Preferred stock dividend							**92**
Net Income							**$ 2,915**

	Nine Months Ended September 30, 2020						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 16,571	$ 1,122	$ 378	$ 18,071	$ 20	$ —	$ 18,091
Intersegment revenues	25	72	—	97	53	(150)	—
Total revenues	$ 16,596	$ 1,194	$ 378	$ 18,168	$ 73	$ (150)	$ 18,091
Segment income (loss)[(b)]	$ 2,839	$ (1,400)	$ 207	$ 1,646	$ (299)	$ —	$ 1,347
Less: Noncontrolling interests							208
Add: Preferred stock dividend							93
Net Income							$ 1,232

(a) Gas Utilities and Infrastructure includes $19 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 $139 million recorded within Impairment of assets and other charges, $28 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. Electric Utilities and Infrastructure includes $160 million recorded within Impairment of assets and other charges, $77 million within Other Income and expenses, $5 million within Operations, maintenance and other, $13 million within regulated operating revenues and $3 million within interest expense on the Duke Energy Carolinas' Condensed Consolidated Statement of Operations related to the 2018 South Carolina rate cases and the CCR settlement and insurance proceeds distributed in accordance with that agreement; it also includes $42 million recorded within Impairment of assets and other charges, $34 million within Other Income and expenses, $7 million within Operations, maintenance, and other, $15 million within Regulated electric operating revenues and $5 million within interest expense on the Duke Energy Progress' Condensed Consolidated Statement of Operations. See Notes 3 and 4 for more 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. Electric Utilities and Infrastructure includes $19 million recorded within Impairment charges and $8 million recorded within Operations, maintenance and other on the Duke Energy Carolinas' Condensed Consolidated Statements of Operations related to a partial settlement in the Duke Energy Carolinas' 2019 North Carolina rate case and $8 million recorded within Operations, maintenance and other on Duke Energy Progress' Condensed Consolidated Statements of Operation related to a partial settlement in the Duke Energy Progress' 2019 North Carolina rate case. See Note 3 for more information. Additionally, Electric Utilities and Infrastructure includes $5 million of Impairment charges related to gas pipeline assets recorded on Duke Energy Progress' Condensed Consolidated Statement of Operations in the prior year.

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 September 30, 2021					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 413	$ 93	$ 506	$ —	$ —	$ 506
Segment income/Net (loss) income	$ 48	$ 11	$ 59	$ (1)	$ —	$ 58
Segment assets	$ 6,716	$ 3,783	$ 10,499	$ 27	$ (21)	$ 10,505

	Three Months Ended September 30, 2020				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 394	$ 79	$ 473	$ —	$ 473
Segment income/Net (loss) income	$ 63	$ 9	$ 72	$ (2)	$ 70

	Nine Months Ended September 30, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 1,119	$ 375	$ 1,494	$ —	$ 1,494
Segment income/Net (loss) income	$ 122	$ 77	$ 199	$ (11)	$ 188

	Nine Months Ended September 30, 2020				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 1,070	$ 324	$ 1,394	$ —	$ 1,394
Segment income/Net (loss) income	$ 137	$ 68	$ 205	$ (4)	$ 201

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. For more information, see Note 4 "Commitments and Contingencies."

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. 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 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. A summary of incremental COVID-19 costs incurred as of June 30, 2021, was filed with the NCUC by Duke Energy Carolinas and Duke Energy Progress on August 6, 2021. 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. 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.

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 NCUC has not had the chance to fully examine the issue within the context of an integrated resource planning (IRP) proceeding, and upon retirement the remaining net book value of these units should be placed in a regulatory asset account to be amortized over an appropriate period to be determined in a future rate case.

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.

On October 27, 2021, the Supreme Court of South Carolina affirmed the PSCSC's May 2019 order to:

- Disallow cost recovery on certain CCR compliance costs the PSCSC deemed to be incremental to the federal CCR rules;
- Disallow recovery of certain coal ash litigation expenses;
- Disallow a return on certain deferred expenses; and
- Allow recovery of Lee Nuclear Project preconstruction costs.

The Supreme Court's decision notes the prior determination made by the PSCSC that Duke Energy could submit coal ash costs for recovery that were not initially approved in the rate case order if such costs can be attributed to the CCR rules. As a result of the Court's opinion, Duke Energy Carolinas recognized a pretax charge of approximately $160 million to Impairment of assets and other charges, and a $31 million increase in Other income and expenses, net, in the Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2021, principally related to coal ash remediation at retired coal ash basin sites. Duke Energy Carolinas is evaluating whether to file a Petition for rehearing on the Supreme Court's decision. Petitions are due November 11, 2021, unless an extension is sought and granted.

Oconee Nuclear Station Subsequent License Renewal

On June 7, 2021, Duke Energy Carolinas filed a subsequent license renewal application for the Oconee Nuclear Station (ONS) with the U.S. Nuclear Regulatory Commission (NRC) to renew ONS's operating license for an additional 20 years. The subsequent license renewal would extend operations of the facility from 60 to 80 years. The current license for units 1 and 2 expire in 2033 and the license for unit 3 expires in 2034. By a Federal Register Notice dated July 28, 2021, the NRC provided a 60-day comment period for persons whose interest may be affected by the issuance of a subsequent renewed license for ONS to file a request for a hearing and a petition for leave to intervene. On September 27, 2021, Beyond Nuclear and Sierra Club (Petitioners) filed a Hearing Request and Petition to Intervene (Hearing Request) and a Petition for Waiver. The Hearing Request proposes three contentions purporting to challenge Duke Energy Carolinas' environmental report (ER). In general, the proposed contentions claim that the ER does not consider certain information regarding the environmental aspects of Severe Accidents caused by a hypothetical failure of the Jocassee Dam, and therefore does not satisfy the National Environmental Policy Act of 1969, as amended (NEPA), or the NRC's NEPA-implementing regulations. Duke Energy Carolinas filed its answer to the proposed contentions on October 22, 2021, and the Petitioners have until November 5, 2021, to respond to Duke Energy Carolina's answer.

Duke Energy Carolinas and Duke Energy Progress intend to seek renewal of operating licenses and 20-year license extensions for all of their nuclear stations. New depreciation rates were implemented for all of the nuclear facilities during the second quarter of 2021. Duke Energy Carolinas and Duke Energy Progress 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. 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 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 NCUC has not had the chance to fully examine the issue within the context of an IRP proceeding, and upon retirement the remaining net book value of these units should be placed in a regulatory asset account to be amortized over an appropriate period to be determined in a future rate case.

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.

On October 27, 2021, the Supreme Court of South Carolina affirmed the PSCSC's May 2019 order to:

- Disallow cost recovery on certain CCR compliance costs the PSCSC deemed to be incremental to the federal CCR rules;
- Disallow recovery of certain coal ash litigation expenses; and
- Disallow a return on certain deferred expenses.

The Supreme Court's decision notes the prior determination made by the PSCSC that Duke Energy could submit coal ash costs for recovery that were not initially approved in the rate case order if such costs can be attributed to the CCR rules. As a result of the Court's opinion, Duke Energy Progress recognized a pretax charge of approximately $42 million to Impairment of assets and other charges, and a $6 million increase in Other income and expenses, net, in the Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2021, principally related to coal ash remediation at retired coal ash basin sites. Duke Energy Progress is evaluating whether to file a Petition for rehearing on the Supreme Court's decision. Petitions are due November 11, 2021, unless an extension is sought and granted.

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 December 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. Construction began in April 2021 with an expected in-service date in March 2022.

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. The FERC accepted the compliance filing on October 8, 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 $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 December 31, 2020.

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. LULAC's reply brief was filed on September 24, 2021, and its request for oral argument was filed on September 28, 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

Duke Energy Ohio Electric Base Rate Case

Duke Energy Ohio filed with the PUCO an electric distribution base rate case application on October 1, 2021, with supporting testimony filed on October 15, 2021, requesting an increase in electric distribution base rates of approximately $55 million and an ROE of 10.3%. This is an approximate 3.3% average increase across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last electric distribution base rate case in 2017. Duke Energy Ohio is also seeking to adjust the caps on its Distribution Capital Investment Rider (DCI Rider). Duke Energy Ohio anticipates the PUCO will rule on the request by the summer of 2022. Duke Energy Ohio cannot predict the outcome of this matter.

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) and certain renewable resources, 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 OVEC 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 included in HB 6, eliminates Rider CAF and establishes the Solar Generation Fund Rider (Rider SGF) to recover the renewable investments originally included in HB 6. HB 128 does not impact OVEC cost recovery or any transmission or distribution rider.

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 $185 million to $205 million in direct costs (excluding overheads and AFUDC) and that construction of the pipeline extension will be completed in time for use during 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 Ohio Supreme Court affirmed the OPSB order on September 22, 2021.

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.

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 2008 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 (Staff) 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 2013 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 the Staff believes occurred in areas not authorized for recovery. Additionally, the 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.

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 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.

The 2013 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, the 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.

A Stipulation and Recommendation was filed jointly by Duke Energy Ohio, the Staff, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021, which is subject to review and approval by the PUCO. If approved, the Stipulation and Recommendation would, among other things, resolve all open issues regarding MGP remediation costs incurred between 2013 and 2019, including Duke Energy Ohio's request for additional deferral authority beyond 2019, and the pending issues related to the Tax Act as it relates to Duke Energy Ohio's natural gas operations. These impacts are not expected to have a material impact on the Duke Energy Ohio financial statements. The Stipulation and Recommendation further acknowledges Duke Energy Ohio's ability to file a request for additional deferral authority in the future related to environmental remediation of any MGP impacts in the Ohio River if necessary, subject to specific conditions. On October 15, 2021, the PUCO granted motions to intervene filed in September 2021 by Interstate Gas Supply, Inc. and Retail Energy Supply Association on a limited basis. An evidentiary hearing is scheduled for November 22, 2021. 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. The Stipulation and Recommendation filed on August 31, 2021, disclosed in the MGP Cost Recovery matter above, also resolves the outstanding issues in this proceeding. On October 15, 2021, the PUCO granted motions to intervene filed in September 2021 by Interstate Gas Supply, Inc. and Retail Energy Supply Association on a limited basis. An evidentiary hearing is scheduled for November 22, 2021. 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 (PHMSA). On October 8, 2021, Duke Energy Kentucky filed a Stipulation and Recommendation jointly with the Kentucky Attorney General, subject to review and approval by the KPSC, which if approved, would resolve the case. The Stipulation and Recommendation includes a $9 million increase in base revenues, an ROE of 9.375% for natural gas base rates and 9.3% for natural gas riders, a rider for PHMSA-required capital investments with an annual 5% rate increase cap and a four-year natural gas base rate case stay-out. The hearing was held on October 18, 2021. Duke Energy Kentucky anticipates the KPSC will rule on the request by the end of 2021. Duke Energy Kentucky cannot predict the outcome of this matter.

Midwest Propane Caverns

Duke Energy Ohio uses propane stored in caverns to meet peak demand during winter. Once the Central Corridor Project is complete, the propane peaking facilities will no longer be necessary and will be retired. On October 7, 2021, Duke Energy Ohio requested deferral treatment of the property, plant and equipment as well as costs related to propane inventory and decommissioning costs. There is approximately $27 million in Property, Plant and Equipment on the Condensed Consolidated Balance Sheets as of September 30, 2021, and December 31, 2020, related to the propane caverns. Duke Energy Ohio 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. The Indiana Supreme Court granted the petition to transfer on September 16, 2021, and scheduled oral argument for November 16, 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 for 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 (IDEM) as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020. Briefing was completed by mid-September 2021. On November 3, 2021, the IURC issued an order allowing recovery for post-2018 coal ash basin closure costs for the plans that have been approved by IDEM, as well as continuing deferral, with carrying costs, on the balance. The IURC order is subject to appeal within 30 days to the IURC or the Indiana Court of Appeals. 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 70% of the plant additions being rolled into rate base are categories of plant investment not covered under the IMR mechanism, which was originally approved as part of the 2013 North Carolina Rate Case. On July 28, 2021, Piedmont amended its requested increase to approximately $97 million.

On September 7, 2021, Piedmont and the Public Staff, the Carolina Utility Customers Association, Inc. and the Carolina Industrial Group for Fair Utility Rates IV filed a Stipulation of Partial Settlement (Stipulation), which is subject to review and approval by the NCUC, resolving most issues between these parties. Major components of the Stipulation include:

- A return on equity of 9.6% and a capital structure of 51.6% equity and 48.4% debt;
- Continuation of the IMR mechanism and margin decoupling; and
- A revenue increase of $67 million, subject to completion of the Robeson County LNG facility and the Pender Onslow County expansion project.

An evidentiary hearing to review the Stipulation and other issues concluded on September 9, 2021. On October 12, 2021, Piedmont notified the NCUC of its intent to implement the stipulated rates effective November 1, 2021, on a temporary basis and subject to refund. On October 18, 2021, Piedmont and the Public Staff filed supplemental testimony attesting to the completion of the Robeson County LNG facility and the Pender Onslow County expansion project and to the propriety of including the capital investment for these two projects in this proceeding. 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 September 30, 2021, there is $36 million and $63 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 $99 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 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 September 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**	**$ 19**
Allen Steam Station Units 4-5[(b)]	**516**	**362**
Cliffside Unit 5[(b)]	**544**	**367**
Duke Energy Progress		
Mayo Unit 1[(b)]	**704**	**640**
Roxboro Units 3-4[(b)]	**1,392**	**465**
Duke Energy Florida		
Crystal River Units 4-5[(c)]	**1,410**	**1,658**
Duke Energy Indiana [(d)]		
Gibson Units 1-5[(e)]	**2,822**	**1,814**
Cayuga Units 1-2[(e)]	**995**	**713**
Total Duke Energy	**8,707**	**$ 6,038**

(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) 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 Other within Other Noncurrent Liabilities on the Condensed Consolidated Balance Sheets.

(in millions)	September 30, 2021	December 31, 2020
Reserves for Environmental Remediation		
Duke Energy	**$ 74**	$ 75
Duke Energy Carolinas	**19**	19
Progress Energy	**17**	19
Duke Energy Progress	**6**	6
Duke Energy Florida	**11**	12
Duke Energy Ohio	**21**	22
Duke Energy Indiana	**5**	6
Piedmont	**12**	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.

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 30 state court actions pending. These lawsuits seek recovery for property damages, personal injury and for wrongful death allegedly incurred by the plaintiffs as a result of power outages, which the plaintiffs claim was the result of the defendants' failures. 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 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.

Duke Energy Carolinas and Duke Energy Progress have resolved claims against all, but two of the insurers, sued in this litigation and are dismissing their claims against the settling insurers. Duke Energy Carolinas and Duke Energy Progress have received approximately $418 million of coal ash insurance litigation proceeds from settlements with insurer-defendants and these proceeds will be distributed in accordance with the terms of the CCR settlement agreement. The companies are assessing their options with regard to the two remaining foreign insurers that have defaulted. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

Ruben Villano, et al. v. Duke Energy Carolinas, LLC

On June 16, 2021, a group of nine individuals went over a low head dam adjacent to the Dan River Steam Station in Eden, North Carolina, while water tubing. Emergency personnel rescued four people and five others were confirmed deceased. On August 11, 2021, Duke Energy Carolinas was served with the complaint filed in Durham County Superior Court on behalf of four survivors, which was later amended to include all the decedents along with the survivors. The lawsuit alleges that Duke Energy Carolinas knew that the river was used for recreational purposes and that Duke Energy did not adequately warn about the dam. On September 30, 2021, Duke Energy Carolinas filed its Motion to Dismiss and Motion for Transfer of Venue from Durham County to Rockingham County. A hearing on these motions is set for November 15, 2021, and discovery has commenced. Duke Energy Carolinas cannot predict the outcome of this matter.

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 September 30, 2021, there were 74 asserted claims for non-malignant cases with cumulative relief sought of up to $15 million, and 58 asserted claims for malignant cases with cumulative relief sought of up to $21 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 $508 million at September 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 2041 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 2041 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 $697 million in excess of the self-insured retention. Receivables for insurance recoveries were $644 million at September 30, 2021, and $704 million at 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 September 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 now complete, and trial is anticipated to be scheduled in 2022. Duke Energy Progress and Duke Energy Florida cannot predict the outcome of this matter.

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. On August 18, 2021, Duke Energy Florida filed a motion in Florida state court to confirm the arbitral award.

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 (IDEM'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. On June 25, 2021, Duke Energy Indiana filed its response to the Petition to Review. On August 30, 2021, HEC served Duke Energy Indiana with its Brief in Support of Petition for Judicial Review. On October 29, 2021, Duke Energy Indiana and IDEM filed their response briefs. HEC's Reply Brief is due on or before November 22, 2021. Oral argument will be heard in December 2021, in Marion County Superior Court. 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. Reserves are classified on the Condensed Consolidated Balance Sheets in Other within Other Noncurrent Liabilities and Other within Current Liabilities.

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).

			Nine Months Ended September 30, 2021				
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Piedmont
Unsecured Debt							
March 2021[a]	March 2031	2.500 %	$ 350	$ —	$ —	$ —	$ 350
June 2021[b][c]	June 2023	2.500 %	500	500	—	—	—
June 2021[c]	June 2031	2.550 %	1,000	1,000	—	—	—
June 2021[c]	June 2041	3.300 %	750	750	—	—	—
June 2021[c]	June 2051	3.500 %	750	750	—	—	—
September 2021[d]	January 2082	3.250 %	500	500	—	—	—
First Mortgage Bonds							
April 2021[e]	April 2031	2.550 %	550	—	550	—	—
April 2021[e]	April 2051	3.450 %	450	—	450	—	—
August 2021[f]	August 2031	2.000 %	650	—	—	650	—
August 2021[f]	August 2051	2.900 %	450	—	—	450	—
Total issuances			$ 5,950	$ 3,500	$ 1,000	$ 1,100	$ 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 in October 2021 $500 million of Duke Energy (Parent) unsecured notes. The interest rate resets every five years.
(e) Debt issued to repay at maturity $500 million first mortgage bonds due June 2021, pay down short-term debt and for general company purposes.
(f) Debt issued to repay at maturity a total of $600 million first mortgage bonds due September 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	September 30, 2021
Unsecured Debt			
Duke Energy (Parent)[a]	October 2021	5.125 %	500
Duke Energy Florida[b]	November 2021	0.372 %	200
Duke Energy Progress[b]	February 2022	0.305 %	700
Duke Energy (Parent)	March 2022	3.227 %	300
Duke Energy (Parent)[b]	March 2022	0.764 %	300
Progress Energy	April 2022	3.150 %	450
Duke Energy (Parent)	August 2022	3.050 %	500
Duke Energy (Parent)	August 2022	2.400 %	500
First Mortgage Bonds			
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]			520
Current maturities of long-term debt			$ 4,873

(a) Junior unsecured notes due January 2073 were redeemed on October 7, 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.

	September 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	$ 1,275	$ 1,150	$ 850	$ 775	$ 600	$ 700
Reduction to backstop issuances								
Commercial paper[(b)]	(1,611)	389	(375)	(253)	(527)	(419)	(150)	(276)
Outstanding letters of credit	(31)	(25)	(4)	(2)	—	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 6,277	$ 3,014	$ 896	$ 895	$ 323	$ 356	$ 369	$ 424

(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

	September 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.

Duke Energy Ohio Term Loan Facility

In October 2021, Duke Energy Ohio entered into a two-year term loan facility with commitments totaling $100 million. Borrowings under the facility will be used to pay down short-term debt and for general corporate purposes. The term loan was fully drawn at the time of closing in October. The balance will be classified as Long-Term Debt on Duke Energy Ohio's Condensed Consolidated Balance Sheets.

Duke Energy Kentucky Term Loan Facility

In October 2021, Duke Energy Kentucky entered into a two-year term loan facility with commitments totaling $50 million. Borrowings under the facility will be used to pay down short-term debt and for general corporate purposes. The term loan was fully drawn at the time of closing in October. The balance will be classified as Long-Term Debt on Duke Energy Ohio's Condensed Consolidated Balance Sheet.

Duke Energy Indiana Term Loan Facility

In October 2021, Duke Energy Indiana entered into a two-year term loan facility with commitments totaling $300 million. Borrowings under the facility will be used to pay down short-term debt and for general corporate purposes. The term loan was fully drawn at the time of closing in October. The balance will be classified as Long-Term Debt on Duke Energy Indiana's Condensed Consolidated Balance Sheet.

6. GOODWILL

Duke Energy

The following table presents the goodwill by reportable segment included on Duke Energy's Condensed Consolidated Balance Sheets at September 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 September 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.

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 the third quarter of 2021.

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Duke Energy Carolinas				
Corporate governance and shared service expenses[a]	**$ 207**	$ 198	**$ 653**	$ 528
Indemnification coverages[b]	**6**	5	**18**	15
Joint Dispatch Agreement (JDA) revenue[c]	**6**	6	**32**	16
JDA expense[c]	**68**	28	**133**	72
Intercompany natural gas purchases[d]	**14**	10	**43**	26
Progress Energy				
Corporate governance and shared service expenses[a]	**$ 201**	$ 185	**$ 615**	$ 520
Indemnification coverages[b]	**10**	9	**31**	27
JDA revenue[c]	**68**	28	**133**	72
JDA expense[c]	**6**	6	**32**	16
Intercompany natural gas purchases[d]	**19**	18	**56**	56
Duke Energy Progress				
Corporate governance and shared service expenses[a]	**$ 121**	$ 113	**$ 367**	$ 301
Indemnification coverages[b]	**4**	4	**14**	13
JDA revenue[c]	**68**	28	**133**	72
JDA expense[c]	**6**	6	**32**	16
Intercompany natural gas purchases[d]	**19**	18	**56**	56
Duke Energy Florida				
Corporate governance and shared service expenses[a]	**$ 80**	$ 72	**$ 248**	$ 219
Indemnification coverages[b]	**6**	5	**17**	14
Duke Energy Ohio				
Corporate governance and shared service expenses[a]	**$ 79**	$ 80	**$ 237**	$ 241
Indemnification coverages[b]	**1**	1	**3**	3
Duke Energy Indiana				
Corporate governance and shared service expenses[a]	**$ 96**	$ 102	**$ 302**	$ 300
Indemnification coverages[b]	**2**	2	**6**	6
Piedmont				
Corporate governance and shared service expenses[a]	**$ 32**	$ 31	**$ 101**	$ 102
Indemnification coverages[b]	**1**	1	**3**	2
Intercompany natural gas sales[d]	**33**	28	**99**	82
Natural gas storage and transportation costs[e]	**6**	6	**17**	17

(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
September 30, 2021							
Intercompany income tax receivable	**$ —**	**$ 36**	**$ —**	**$ 8**	**$ 1**	**$ —**	**$ 14**
Intercompany income tax payable	**133**	**—**	**51**	**—**	**—**	**17**	**—**
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 nine months ended September 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.

	September 30, 2021					
(in millions)	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy Ohio**
Cash flow hedges	**$ 2,094**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Undesignated contracts	**1,371**	**350**	**900**	**400**	**500**	**27**
Total notional amount[(a)]	**$ 3,465**	**$ 350**	**$ 900**	**$ 400**	**$ 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 $94 million in undesignated contracts as of September 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 nine months ended September 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.

	September 30, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	**29,044**	**—**	**—**	**—**	**3,004**	**15,881**	**—**
Natural gas (millions of dekatherms)	**772**	**230**	**190**	**190**	**—**	**7**	**345**

	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 10,159 GWh and 22,048 GWh related to cash flow hedges as of September 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	September 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	$ 359	$ 171	$ 135	$ 135	$ —	$ 4	$ 36	$ 12
Noncurrent	177	100	78	78	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 536	$ 271	$ 213	$ 213	$ —	$ 4	$ 36	$ 12
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 2	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	3	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	$ 2	$ —	$ 2	$ 2	$ —	$ —	$ —	$ —
Total Derivative Assets – Interest Rate Contracts	$ 7	$ —	$ 2	$ 2	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 543	$ 271	$ 215	$ 215	$ —	$ 4	$ 36	$ 12

Derivative Liabilities	September 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	$ 37	$ —	$ —	$ —	$ —	$ —	$ —	—
Noncurrent	120	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	$ 33	$ 12	$ —	$ —	$ —	$ —	$ 2	$ 20
Noncurrent	128	—	—	—	—	—	—	128
Total Derivative Liabilities – Commodity Contracts	$ 318	$ 12	$ —	$ —	$ —	$ —	$ 2	$ 148
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 45	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	29	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	19	6	12	—	12	1	—	—
Noncurrent	4	—	—	—	—	4	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 97	$ 6	$ 12	$ —	$ 12	$ 5	$ —	$ —
Total Derivative Liabilities	$ 415	$ 18	$ 12	$ —	$ 12	$ 5	$ 2	$ 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	September 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	**$ 363**	**$ 171**	**$ 137**	**$ 137**	**$ —**	**$ 4**	**$ 36**	**$ 12**
Gross amounts offset	**(143)**	**(87)**	**(56)**	**(56)**	**—**	**—**	**—**	**—**
Net amounts presented in Current Assets: Other	**$ 220**	**$ 84**	**$ 81**	**$ 81**	**$ —**	**$ 4**	**$ 36**	**$ 12**
Noncurrent								
Gross amounts recognized	**$ 180**	**$ 100**	**$ 78**	**$ 78**	**$ —**	**$ —**	**$ —**	**$ —**
Gross amounts offset	**(71)**	**(45)**	**(26)**	**(26)**	**—**	**—**	**—**	**—**
Net amounts presented in Other Noncurrent Assets: Other	**$ 109**	**$ 55**	**$ 52**	**$ 52**	**$ —**	**$ —**	**$ —**	**$ —**

Derivative Liabilities	September 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	$ 134	$ 18	$ 12	$ —	$ 12	$ 1	$ 2	$ 20
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 134	$ 18	$ 12	$ —	$ 12	$ 1	$ 2	$ 20
Noncurrent								
Gross amounts recognized	$ 281	$ —	$ —	$ —	$ —	$ 4	$ —	$ 128
Gross amounts offset	—	—	—	—	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 281	$ —	$ —	$ —	$ —	$ 4	$ —	$ 128

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 September 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.

	September 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	$ **—**	$ **—**	$ **164**	$ —	$ —	$ 177
Equity securities	**4,700**	**35**	**6,754**	4,138	54	6,235
Corporate debt securities	**44**	**5**	**847**	76	1	806
Municipal bonds	**13**	**1**	**296**	22	—	370
U.S. government bonds	**34**	**8**	**1,605**	51	—	1,361
Other debt securities	**4**	**1**	**195**	8	—	180
Total NDTF Investments	$ **4,795**	$ **50**	$ **9,861**	$ 4,295	$ 55	$ 9,129
Other Investments						
Cash and cash equivalents	$ **—**	$ **—**	$ **87**	$ —	$ —	$ 127
Equity securities	**83**	**—**	**145**	79	—	146
Corporate debt securities	**4**	**1**	**130**	8	—	110
Municipal bonds	**3**	**1**	**69**	5	—	86
U.S. government bonds	**—**	**—**	**50**	—	—	42
Other debt securities	**—**	**—**	**34**	—	—	47
Total Other Investments	$ **90**	$ **2**	$ **515**	$ 92	$ —	$ 558
Total Investments	$ **4,885**	$ **52**	$ **10,376**	$ 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 nine months ended September 30, 2021, and 2020, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FV-NI:				
Realized gains	$ **34**	$ 13	$ **320**	$ 338
Realized losses	**40**	16	**100**	148
AFS:				
Realized gains	**17**	26	**51**	73
Realized losses	**15**	19	**46**	38

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.

	September 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	$ —	$ —	$ 60	$ —	$ —	$ 30
Equity securities	2,725	14	3,912	2,442	23	3,685
Corporate debt securities	27	3	495	49	1	510
Municipal bonds	1	—	24	6	—	91
U.S. government bonds	18	2	752	25	—	475
Other debt securities	4	1	190	7	—	174
Total NDTF Investments	$ 2,775	$ 20	$ 5,433	$ 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 nine months ended September 30, 2021, and 2020, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FV-NI:				
Realized gains	$ 25	$ 10	$ 243	$ 46
Realized losses	29	12	68	82
AFS:				
Realized gains	10	20	35	50
Realized losses	10	17	32	30

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.

	September 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	$ —	$ —	$ 104	$ —	$ —	$ 147
Equity securities	1,975	21	2,842	1,696	31	2,550
Corporate debt securities	17	2	352	27	—	296
Municipal bonds	12	1	272	16	—	279
U.S. government bonds	16	6	853	26	—	886
Other debt securities	—	—	5	1	—	6
Total NDTF Investments	$ 2,020	$ 30	$ 4,428	$ 1,766	$ 31	$ 4,164
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 18	$ —	$ —	$ 106
Municipal bonds	2	—	26	3	—	26
Total Other Investments	$ 2	$ —	$ 44	$ 3	$ —	$ 132
Total Investments	$ 2,022	$ 30	$ 4,472	$ 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 nine months ended September 30, 2021, and 2020, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FV-NI:				
Realized gains	**$ 9**	$ 3	**$ 77**	$ 292
Realized losses	**11**	4	**32**	66
AFS:				
Realized gains	**7**	6	**14**	17
Realized losses	**6**	2	**12**	7

DUKE ENERGY PROGRESS

The following table presents the estimated fair value of investments in debt and equity securities; equity investments are classified as FV-NI and debt investments are classified as AFS.

	September 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	**$ —**	**$ —**	**$ 92**	$ —	$ —	$ 76
Equity securities	**1,882**	**21**	**2,736**	1,617	31	2,459
Corporate debt securities	**17**	**2**	**287**	27	—	296
Municipal bonds	**12**	**1**	**272**	16	—	279
U.S. government bonds	**16**	**2**	**466**	26	—	412
Other debt securities	**—**	**—**	**5**	1	—	6
Total NDTF Investments	**$ 1,927**	**$ 26**	**$ 3,858**	$ 1,687	$ 31	$ 3,528
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 16**	$ —	$ —	$ 1
Total Other Investments	**$ —**	**$ —**	**$ 16**	$ —	$ —	$ 1
Total Investments	**$ 1,927**	**$ 26**	**$ 3,874**	$ 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 nine months ended September 30, 2021, and 2020, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FV-NI:				
Realized gains	**$ 9**	$ 3	**$ 76**	$ 43
Realized losses	**11**	4	**31**	51
AFS:				
Realized gains	**6**	6	**13**	17
Realized losses	**5**	2	**11**	7

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.

	September 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	—	106	79	—	91
Corporate debt securities	—	—	65	—	—	—
U.S. government bonds	—	4	387	—	—	474
Total NDTF Investments[(a)]	$ 93	$ 4	$ 570	$ 79	$ —	$ 636
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 1
Municipal bonds	2	—	26	3	—	26
Total Other Investments	$ 2	$ —	$ 27	$ 3	$ —	$ 27
Total Investments	$ 95	$ 4	$ 597	$ 82	$ —	$ 663

(a) During the nine months ended September 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 and AFS securities for the three and nine months ended September 30, 2021, and 2020, were as follows:

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FV-NI:				
Realized gains	$ —	$ —	$ 1	$ 249
Realized losses	—	—	1	15
AFS:				
Realized gains	1	—	1	—
Realized losses	1	—	1	—

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.

	September 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	$ —	$ —	$ 19	$ —	$ —	$ 1
Equity securities	56	—	90	58	—	97
Corporate debt securities	—	—	5	—	—	3
Municipal bonds	1	1	36	1	—	38
U.S. government bonds	—	—	5	—	—	4
Total Investments	$ 57	$ 1	$ 155	$ 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 nine months ended September 30, 2021, and 2020, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	September 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	$ 151	$ 3	$ 121	$ 22	$ 99	$ 5
Due after one through five years	954	343	548	244	304	18
Due after five through 10 years	639	268	286	247	39	8
Due after 10 years	1,482	847	553	517	36	15
Total	$ 3,226	$ 1,461	$ 1,508	$ 1,030	$ 478	$ 46

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.

	September 30, 2021				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	**$ 164**	**$ 164**	**$ —**	**$ —**	**$ —**
NDTF equity securities	**6,754**	**6,705**	**—**	**—**	**49**
NDTF debt securities	**2,943**	**998**	**1,945**	**—**	**—**
Other equity securities	**145**	**145**	**—**	**—**	**—**
Other debt securities	**283**	**45**	**238**	**—**	**—**
Other cash and cash equivalents	**87**	**87**	**—**	**—**	**—**
Derivative assets	**543**	**27**	**490**	**26**	**—**
Total assets	**10,919**	**8,171**	**2,673**	**26**	**49**
Derivative liabilities	**(415)**	**(2)**	**(256)**	**(157)**	**—**
Net assets (liabilities)	**$ 10,504**	**$ 8,169**	**$ 2,417**	**$ (131)**	**$ 49**

	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 September 30,		Nine Months Ended September 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Balance at beginning of period	**$ (131)**	$ (92)	**$ (77)**	$ (102)
Total pretax realized or unrealized losses included in comprehensive income	**(11)**	(102)	**(86)**	(102)
Purchases, sales, issuances and settlements:				
Purchases	**—**	—	**21**	14
Settlements	**4**	(3)	**(4)**	(18)
Total gains (losses) included on the Condensed Consolidated Balance Sheet	**7**	(6)	**15**	5
Balance at end of period	**$ (131)**	$ (203)	**$ (131)**	$ (203)

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.

	September 30, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 60	$ 60	$ —	$ —
NDTF equity securities	3,912	3,863	—	49
NDTF debt securities	1,461	359	1,102	—
Derivative assets	271	—	271	—
Total assets	5,704	4,282	1,373	49
Derivative liabilities	(18)	—	(18)	—
Net assets	$ 5,686	$ 4,282	$ 1,355	$ 49

	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.

	September 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	$ 104	$ 104	$ —	$ 147	$ 147	$ —
NDTF equity securities	2,842	2,842	—	2,550	2,550	—
NDTF debt securities	1,482	639	843	1,467	682	785
Other debt securities	26	—	26	26	—	26
Other cash and cash equivalents	18	18	—	106	106	—
Derivative assets	215	—	215	33	—	33
Total assets	4,687	3,603	1,084	4,329	3,485	844
Derivative liabilities	(12)	—	(12)	(29)	—	(29)
Net assets	$ 4,675	$ 3,603	$ 1,072	$ 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.

	September 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	$ 92	$ 92	$ —	$ 76	$ 76	$ —
NDTF equity securities	2,736	2,736	—	2,459	2,459	—
NDTF debt securities	1,030	278	752	993	237	756
Other cash and cash equivalents	16	16	—	1	1	—
Derivative assets	215	—	215	33	—	33
Total assets	4,089	3,122	967	3,562	2,773	789
Derivative liabilities	—	—	—	(14)	—	(14)
Net assets	$ 4,089	$ 3,122	$ 967	$ 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.

	September 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	106	106	—	91	91	—
NDTF debt securities	452	361	91	474	445	29
Other debt securities	26	—	26	26	—	26
Other cash and cash equivalents	1	1	—	1	1	—
Total assets	597	480	117	663	608	55
Derivative liabilities	(12)	—	(12)	—	—	—
Net assets	$ 585	$ 480	$ 105	$ 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 September 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.

	September 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	$ 90	$ 90	$ —	$ —	$ 97	$ 97	$ —	$ —
Other debt securities	46	—	46	—	45	—	45	—
Other cash and cash equivalents	19	19	—	—	1	1	—	—
Derivative assets	36	12	—	24	6	—	—	6
Total assets	191	121	46	24	149	98	45	6
Derivative liabilities	(2)	(2)	—	—	(1)	(1)	—	—
Net assets	$ 189	$ 119	$ 46	$ 24	$ 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 September 30,		Nine Months Ended September 30,	
(in millions)	2021	2020	2021	2020
Balance at beginning of period	$ 22	$ 10	$ 6	$ 11
Purchases, sales, issuances and settlements:				
Purchases	—	—	18	10
Settlements	(3)	(3)	(12)	(13)
Total gains included on the Condensed Consolidated Balance Sheet	5	1	12	—
Balance at end of period	$ 24	$ 8	$ 24	$ 8

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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.

	September 30, 2021			December 31, 2020		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	$ 12	$ 12	$ —	$ 1	$ 1	$ —
Derivative liabilities	(148)	—	(148)	(122)	—	(122)
Net (liabilities) assets	$ (136)	$ 12	$ (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 September 30,		Nine Months Ended September 30,	
(in millions)	2021	2020	2021	2020
Balance at beginning of period	**$ —**	$ (105)	**$ —**	$ (117)
Total (losses) gains and settlements	**—**	(6)	**—**	6
Balance at end of period	**$ —**	$ (111)	**$ —**	$ (111)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

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

	September 30, 2021				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	**$ (157)**	RTO forward pricing	Forward electricity curves – price per MWh	**$ 18.02 - $ 143.85**	**$ 38.43**
Duke Energy Ohio					
FTRs	**2**	RTO auction pricing	FTR price – per MWh	**0.06 - 1.27**	**0.71**
Duke Energy Indiana					
FTRs	**24**	RTO auction pricing	FTR price – per MWh	**(1.11) - 8.55**	**1.61**
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.

	September 30, 2021		December 31, 2020	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 62,802**	**$ 69,381**	$ 59,863	$ 69,292
Duke Energy Carolinas	**12,975**	**14,964**	12,218	14,917
Progress Energy	**19,488**	**22,593**	19,264	23,470
Duke Energy Progress	**9,848**	**10,915**	9,258	10,862
Duke Energy Florida	**7,549**	**8,932**	7,915	9,756
Duke Energy Ohio	**3,092**	**3,517**	3,089	3,650
Duke Energy Indiana	**4,092**	**4,883**	4,091	5,204
Piedmont	**2,968**	**3,320**	2,780	3,306

(a) Book value of long-term debt includes $1.3 billion at September 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 September 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 nine months ended September 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 September 30, 2021	**350**	**475**	**350**	**250**
Amounts borrowed at December 31, 2020	350	364	250	250
Restricted Receivables at September 30, 2021	**535**	**915**	**532**	**443**
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)	September 30, 2021	December 31, 2020
Receivables of VIEs	$ 6	$ 4
Regulatory Assets: Current	54	53
Current Assets: Other	17	39
Other Noncurrent Assets: Regulatory assets	896	937
Current Liabilities: Other	2	10
Current maturities of long-term debt	56	55
Long-Term Debt	946	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)	September 30, 2021	December 31, 2020
Current Assets: Other	$ 330	$ 257
Property, Plant and Equipment: Cost	7,315	6,394
Accumulated depreciation and amortization	(1,414)	(1,242)
Other Noncurrent Assets: Other	110	67
Current maturities of long-term debt	165	167
Long-Term Debt	1,552	1,569
Other Noncurrent Liabilities: AROs	167	148
Other Noncurrent Liabilities: Other	341	316

NON-CONSOLIDATED VIEs

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

	September 30, 2021				
	Duke Energy				
(in millions)	Pipeline Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 47	$ 77
Investments in equity method unconsolidated affiliates	15	465	480	—	—
Deferred tax asset	58	—	58	—	—
Total assets	$ 73	$ 465	$ 538	$ 47	$ 77
Other current liabilities	61	3	64	—	—
Other noncurrent liabilities	63	3	66	—	—
Total liabilities	$ 124	$ 6	$ 130	$ —	$ —
Net (liabilities) assets	$ (51)	$ 459	$ 408	$ 47	$ 77

	December 31, 2020				
	Duke Energy			Duke	Duke
	Pipeline	Commercial		Energy	Energy
(in millions)	Investments	Renewables	Total	Ohio	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 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 nine months ended September 30, 2020, the ACP investment was considered a significant subsidiary because its loss exceeded 10% of Duke Energy's income. ACP's net loss for the three and nine months ended September 30, 2020, was $163 million and $4,505 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. Duke Energy has a 50% ownership in a VIE, which owns a portfolio of wind projects. This entity is a VIE as a result of Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Duke Energy does not consolidate this VIE because power to direct and control key activities is shared jointly by Duke Energy and the other owner. Duke Energy also has equity ownership in an entity, which owns a portfolio of fuel cell projects. Duke Energy does not consolidate the fuel cell portfolio as it does not have the power to direct the activities that most significantly impact the economic performance of the entity.

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)	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Receivables sold	**$ 218**	$ 270	**$ 328**	$ 344
Less: Retained interests	**47**	83	**77**	110
Net receivables sold	**$ 171**	$ 187	**$ 251**	$ 234

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

	Duke Energy Ohio				Duke Energy Indiana			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2021	2020	2021	2020	2021	2020	2021	2020
Sales								
Receivables sold	**$ 486**	$ 462	**$ 1,490**	$ 1,428	**$ 794**	$ 717	**$ 2,176**	$ 1,947
Loss recognized on sale	**2**	2	**7**	8	**4**	3	**10**	9
Cash flows								
Cash proceeds from receivables sold	**$ 490**	$ 449	**$ 1,519**	$ 1,439	**$ 798**	$ 689	**$ 2,199**	$ 1,941
Collection fees received	**—**	1	**1**	1	**—**	—	**1**	1
Return received on retained interests	**1**	1	**3**	3	**1**	1	**4**	4

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	**$ 24**	$ 107	$ 44	$ 45	$ 7	$ 51	$ 278
Duke Energy Progress	**2**	8	8	8	—	—	26
Duke Energy Florida	**22**	99	36	37	7	51	252
Duke Energy Indiana	**—**	1	9	14	15	25	64

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	**$ 17**	$ 67	$ 64	$ 61	$ 60	$ 336	$ 605

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. Some of these PPAs have 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 September 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	$ 2,955	$ 892	$ 1,525	$ 619	$ 906	$ 223	$ 316	$ —
General	1,873	685	826	400	426	119	240	—
Industrial	861	360	264	195	69	35	202	—
Wholesale	619	111	399	324	75	19	89	—
Other revenues	252	72	198	118	80	17	23	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 6,560	$ 2,120	$ 3,212	$ 1,656	$ 1,556	$ 413	$ 870	$ —
Gas Utilities and Infrastructure								
Residential	$ 129	$ —	$ —	$ —	$ —	$ 62	$ —	$ 66
Commercial	78	—	—	—	—	24	—	58
Industrial	30	—	—	—	—	3	—	26
Power Generation	—	—	—	—	—	—	—	23
Other revenues	33	—	—	—	—	4	—	9
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 270	$ —	$ —	$ —	$ —	$ 93	$ —	$ 182
Commercial Renewables								
Revenue from contracts with customers	$ 56	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 8	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 6,894	$ 2,120	$ 3,212	$ 1,656	$ 1,556	$ 506	$ 870	$ 182
Other revenue sources[(a)]	$ 57	$ (16)	$ 21	$ 11	$ 5	$ —	$ 16	$ 13
Total revenues	$ 6,951	$ 2,104	$ 3,233	$ 1,667	$ 1,561	$ 506	$ 886	$ 195

(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 September 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	$ 2,936	$ 883	$ 1,550	$ 616	$ 934	$ 213	$ 289	$ —
General	1,804	664	805	384	421	119	212	—
Industrial	797	342	245	179	66	35	175	—
Wholesale	603	117	412	358	54	10	64	—
Other revenues	238	62	167	75	92	23	22	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 6,378	$ 2,068	$ 3,179	$ 1,612	$ 1,567	$ 400	$ 762	$ —
Gas Utilities and Infrastructure								
Residential	$ 112	$ —	$ —	$ —	$ —	$ 55	$ —	$ 57
Commercial	64	—	—	—	—	20	—	44
Industrial	24	—	—	—	—	3	—	22
Power Generation	—	—	—	—	—	—	—	10
Other revenues	16	—	—	—	—	3	—	11
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 216	$ —	$ —	$ —	$ —	$ 81	$ —	$ 144
Commercial Renewables								
Revenue from contracts with customers	$ 57	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 7	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 6,658	$ 2,068	$ 3,179	$ 1,612	$ 1,567	$ 481	$ 762	$ 144
Other revenue sources[(a)]	$ 63	$ (10)	$ 18	$ 14	$ —	$ (8)	$ (1)	$ 18
Total revenues	$ 6,721	$ 2,058	$ 3,197	$ 1,626	$ 1,567	$ 473	$ 761	$ 162

(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.

	Nine Months Ended September 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	$ 7,753	$ 2,368	$ 3,903	$ 1,657	$ 2,246	$ 589	$ 894	$ —
General	4,805	1,685	2,170	1,036	1,134	329	619	—
Industrial	2,228	872	700	500	200	99	558	—
Wholesale	1,644	341	1,056	901	155	45	202	—
Other revenues	712	208	509	272	237	61	64	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 17,142	$ 5,474	$ 8,338	$ 4,366	$ 3,972	$ 1,123	$ 2,337	$ —
Gas Utilities and Infrastructure								
Residential	$ 747	$ —	$ —	$ —	$ —	$ 241	$ —	$ 505
Commercial	373	—	—	—	—	99	—	273
Industrial	110	—	—	—	—	14	—	96
Power Generation	—	—	—	—	—	—	—	69
Other revenues	100	—	—	—	—	21	—	34
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,330	$ —	$ —	$ —	$ —	$ 375	$ —	$ 977
Commercial Renewables								
Revenue from contracts with customers	$ 163	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 20	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 18,655	$ 5,474	$ 8,338	$ 4,366	$ 3,972	$ 1,498	$ 2,337	$ 977
Other revenue sources[(a)]	$ 204	$ (44)	$ 79	$ 51	$ 15	$ (4)	$ 29	$ 39
Total revenues	$ 18,859	$ 5,430	$ 8,417	$ 4,417	$ 3,987	$ 1,494	$ 2,366	$ 1,016

(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
	Nine Months Ended September 30, 2020							
Electric Utilities and Infrastructure								
Residential	$ 7,451	$ 2,316	$ 3,792	$ 1,578	$ 2,214	$ 558	$ 785	$ —
General	4,691	1,720	2,080	1,001	1,079	336	554	—
Industrial	2,148	871	673	487	186	103	502	—
Wholesale	1,535	332	1,018	877	141	22	163	—
Other revenues	713	184	476	208	268	62	63	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 16,538	$ 5,423	$ 8,039	$ 4,151	$ 3,888	$ 1,081	$ 2,067	$ —
Gas Utilities and Infrastructure								
Residential	$ 631	$ —	$ —	$ —	$ —	$ 214	$ —	$ 417
Commercial	308	—	—	—	—	86	—	222
Industrial	92	—	—	—	—	12	—	80
Power Generation	—	—	—	—	—	—	—	27
Other revenues	58	—	—	—	—	12	—	46
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,089	$ —	$ —	$ —	$ —	$ 324	$ —	$ 792
Commercial Renewables								
Revenue from contracts with customers	$ 170	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 20	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 17,817	$ 5,423	$ 8,039	$ 4,151	$ 3,888	$ 1,405	$ 2,067	$ 792
Other revenue sources[(a)]	$ 274	$ (7)	$ 78	$ 56	$ 9	$ (11)	$ 3	$ 79
Total revenues	$ 18,091	$ 5,416	$ 8,117	$ 4,207	$ 3,897	$ 1,394	$ 2,070	$ 871

(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 September 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 June 30, 2020	$ 102	$ 14	$ 29	$ 14	$ 14	$ 5	$ 3	$ 6
Write-Offs	12	(2)	15	13	2	—	—	—
Credit Loss Expense	(9)	—	(16)	(15)	—	—	—	3
Other Adjustments	28	10	9	9	—	—	—	—
Balance at September 30, 2020	**$ 133**	**$ 22**	**$ 37**	**$ 21**	**$ 16**	**$ 5**	**$ 3**	**$ 9**
Balance at June 30, 2021	$ 123	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 13
Write-Offs	(13)	(3)	(6)	(3)	(3)	—	—	(4)
Credit Loss Expense	11	4	6	3	3	—	—	2
Other Adjustments	2	(1)	—	—	—	—	—	4
Balance at September 30, 2021	**$ 123**	**$ 42**	**$ 36**	**$ 21**	**$ 16**	**$ 4**	**$ 3**	**$ 15**

	Nine Months Ended September 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	(7)	(8)	8	8	—	—	—	(5)
Credit Loss Expense	24	9	2	(5)	8	1	—	7
Other Adjustments	35	10	9	9	—	—	—	—
Balance at September 30, 2020	$ 133	$ 22	$ 37	$ 21	$ 16	$ 5	$ 3	$ 9
Balance at December 31, 2020	$ 146	$ 23	$ 37	$ 23	$ 14	$ 4	$ 3	$ 12
Write-Offs	(39)	(10)	(20)	(11)	(9)	—	—	(7)
Credit Loss Expense	40	20	19	9	10	—	—	6
Other Adjustments	(24)	9	—	—	1	—	—	4
Balance at September 30, 2021	**$ 123**	**$ 42**	**$ 36**	**$ 21**	**$ 16**	**$ 4**	**$ 3**	**$ 15**

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.

	September 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)]	**$ 826**	**$ 308**	**$ 242**	**$ 125**	**$ 117**	**$ 5**	**$ 27**	**$ 7**
0-30 days	**2,201**	**689**	**910**	**521**	**388**	**65**	**41**	**80**
30-60 days	**194**	**74**	**63**	**37**	**26**	**7**	**5**	**6**
60-90 days	**57**	**30**	**14**	**6**	**8**	**1**	**1**	**3**
90+ days	**161**	**68**	**27**	**5**	**22**	**31**	**10**	**9**
Deferred Payment Arrangements[(c)]	**113**	**66**	**29**	**21**	**8**	**2**	**—**	**6**
Trade and Other Receivables	**$ 3,552**	**$ 1,235**	**$ 1,285**	**$ 715**	**$ 569**	**$ 111**	**$ 84**	**$ 111**

	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 $64 million and $115 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of September 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 September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	2021	2020	2021	2020
Net income available to Duke Energy common stockholders	**$ 1,366**	$ 1,265	**$ 3,070**	$ 1,347
Accumulated preferred stock dividends adjustment	**12**	12	**12**	13
Less: Impact of participating securities	**1**	1	**3**	2
Income from continuing operations available to Duke Energy common stockholders	**$ 1,377**	$ 1,276	**$ 3,079**	$ 1,358
Weighted average common shares outstanding – basic and diluted	**769**	735	**769**	735
EPS available to Duke Energy common stockholders				
Basic and diluted	**$ 1.79**	$ 1.74	**$ 4.00**	$ 1.85
Potentially dilutive items excluded from the calculation[(a)]	**2**	2	**2**	2
Dividends declared per common share	**$ 0.985**	$ 0.965	**$ 2.915**	$ 2.855
Dividends declared on Series A preferred stock per depositary share[(b)]	**$ 0.359**	$ 0.359	**$ 1.078**	$ 1.078
Dividends declared on Series B preferred stock per share[(c)]	**$ 24.375**	$ 24.375	**$ 48.750**	$ 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.

(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.

Duke Energy monitors lump-sum benefit payment activity associated with its defined benefit retirement plans. Duke Energy does not believe it is probable that total lump-sum benefit payments will exceed the settlement threshold, defined as the sum of service cost and interest cost on projected benefit obligation components of net periodic pension costs, for any of its defined benefit retirement plans in 2021. If Duke Energy believed it were probable that total lump-sum benefit payments would exceed the settlement threshold in 2021, then a settlement charge reflecting 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, would be recognized.

QUALIFIED PENSION PLANS

The following tables include the components of net periodic pension costs for qualified pension plans.

	Three Months Ended September 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	**$ 43**	**$ 14**	**$ 13**	**$ 7**	**$ 5**	**$ 2**	**$ 2**	**$ 1**
Interest cost on projected benefit obligation	**55**	**13**	**17**	**8**	**10**	**2**	**5**	**2**
Expected return on plan assets	**(139)**	**(36)**	**(47)**	**(21)**	**(25)**	**(7)**	**(10)**	**(5)**
Amortization of actuarial loss	**33**	**7**	**10**	**5**	**5**	**2**	**3**	**2**
Amortization of prior service credit	**(7)**	**(2)**	**(1)**	**—**	**(1)**	**—**	**—**	**(1)**
Amortization of settlement charges	**2**	**1**	**1**	**—**	**—**	**—**	**—**	**1**
Net periodic pension costs	**$ (13)**	**$ (3)**	**$ (7)**	**$ (1)**	**$ (6)**	**$ (1)**	**$ —**	**$ —**

	Three Months Ended September 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	$ 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	32	7	10	4	6	2	3	2
Amortization of prior service credit	(8)	(2)	—	—	—	—	—	(2)
Amortization of settlement charges	11	6	5	5	1	—	1	1
Net periodic pension costs	$ —	$ 3	$ —	$ 3	$ (1)	$ —	$ 1	$ (1)

	Nine Months Ended September 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	**$ 131**	**$ 42**	**$ 38**	**$ 22**	**$ 16**	**$ 4**	**$ 7**	**$ 4**
Interest cost on projected benefit obligation	**165**	**38**	**52**	**23**	**29**	**9**	**14**	**6**
Expected return on plan assets	**(418)**	**(106)**	**(141)**	**(63)**	**(76)**	**(21)**	**(30)**	**(15)**
Amortization of actuarial loss	**100**	**22**	**29**	**14**	**15**	**5**	**10**	**7**
Amortization of prior service credit	**(22)**	**(6)**	**(2)**	**(1)**	**(1)**	**—**	**(1)**	**(6)**
Amortization of settlement charges	**6**	**4**	**2**	**1**	**—**	**—**	**—**	**1**
Net periodic pension costs	**$ (38)**	**$ (6)**	**$ (22)**	**$ (4)**	**$ (17)**	**$ (3)**	**$ —**	**$ (3)**

	Nine Months Ended September 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	$ 124	$ 38	$ 36	$ 20	$ 16	$ 3	$ 6	$ 4
Interest cost on projected benefit obligation	202	47	64	29	35	12	17	7
Expected return on plan assets	(429)	(108)	(143)	(66)	(76)	(21)	(32)	(16)
Amortization of actuarial loss	96	21	30	13	17	5	9	7
Amortization of prior service credit	(24)	(6)	(2)	(1)	(1)	—	(1)	(7)
Amortization of settlement charges	16	8	6	6	1	—	1	1
Net periodic pension costs	$ (15)	$ —	$ (9)	$ 1	$ (8)	$ (1)	$ —	$ (4)

NON-QUALIFIED PENSION PLANS

Net periodic pension costs for non-qualified pension plans were not material for the three and nine months ended September 30, 2021, and 2020.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three and nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Duke Energy	**6.6 %**	7.8 %	**6.7 %**	(6.4)%
Duke Energy Carolinas	**2.9 %**	12.0 %	**3.6 %**	13.6 %
Progress Energy	**12.9 %**	10.4 %	**11.5 %**	13.4 %
Duke Energy Progress	**6.3 %**	3.1 %	**5.9 %**	10.0 %
Duke Energy Florida	**19.1 %**	21.4 %	**19.1 %**	20.3 %
Duke Energy Ohio	**13.4 %**	16.7 %	**15.3 %**	16.6 %
Duke Energy Indiana	**15.8 %**	19.6 %	**16.3 %**	19.4 %
Piedmont	**25.0 %**	16.7 %	**8.4 %**	3.7 %

The decrease in the ETR for Duke Energy for the three months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy for the nine months ended September 30, 2021, was primarily due to the cancellation of the ACP pipeline project recorded in the prior year, partially offset by an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Carolinas for the three and nine months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Progress Energy for the three months ended September 30, 2021, was primarily due to a decrease in the amortization of excess deferred taxes.

The decrease in the ETR for Progress Energy for the nine months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Progress for the three months ended September 30, 2021, was primarily due to a decrease in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Progress for the nine months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Florida for the three and nine months ended September 30, 2021, was primarily due to unfavorable tax adjustments in the prior year.

The decrease in the ETR for Duke Energy Ohio for the three and nine months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Indiana for the three and nine months ended September 30, 2021, was primarily due to an increase in the amortization of excess deferred taxes.

The increase in the ETR for Piedmont for the three months ended September 30, 2021, was primarily due to a certain favorable tax credits.

The increase in the ETR for Piedmont for the nine months ended September 30, 2021, was primarily due to a decrease in AFUDC equity.

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 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 nine months ended September 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 third quarter, we continued to execute on our clean energy transformation, delivering strong, sustainable value for shareholders, customers, communities and employees.

- In October 2021, North Carolina House Bill 951 was signed into law after legislative leaders announced bipartisan support for new state policy that would accelerate a clean energy transition for generation serving customers in the Carolinas, including providing a framework for a goal of 70% carbon reduction in electric generation from 2005 levels by 2030 and carbon neutrality by 2050 while continuing to prioritize affordability and reliability for our customers, who are located in both North and South Carolina. The legislation establishes a framework overseen by the NCUC to advance state CO_2 emission reductions through the use of least cost planning, including stakeholder involvement, and also introduces modernized recovery mechanisms, including multi-year rate plans, that promote more efficient recovery of investments and align incentives between the company and the state's energy policy objectives. The goals for a clean energy transition are generally consistent with Duke Energy Carolinas' and Duke Energy Progress' resource planning filings with the PSCSC.

- Also in October 2021, the Southeast Energy Exchange Market (SEEM) received clearance from the FERC. The new SEEM platform will facilitate sub-hourly, bilateral trading, allowing participants to buy and sell power close to the time the energy is consumed, utilizing available unreserved transmission. Southeastern electricity customers are expected to see cost, reliability and environmental benefits.

- In a significant move to support the company's path to net-zero strategy, in September 2021 we completed the first phase of the investment of a 19.9% minority interest in Duke Energy Indiana by an affiliate of GIC, transferring 11.05% interest in exchange for approximately $1.025 billion. The proceeds from the $2.05 billion investment are expected to address common equity needs through 2025 to partially fund the company's $59 billion capital and investment expenditure plan. This plan includes grid improvement, investments in clean energy and an improved customer experience – keys to our strategy to reduce carbon emissions from electricity generation to net-zero by 2050.

- In September 2021, we announced Ledyard Windpower, a 207-MW project and our first wind farm in Iowa. Once in operation next year, this project will increase the company's U.S. wind capacity to over 3,100 MW.

- In August 2021, we announced a partnership with Accenture and Microsoft to develop a novel technology platform with the intent of measuring baseline methane emissions from natural gas distribution systems with a high level of accuracy in near real time. Once deployed, we expect the use of satellite technology and the new platform will increase the speed of a field response team's ability to identify and repair methane leaks along distribution lines and systems.

Regulatory Activity. During the third 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 October 2021, Duke Energy Ohio filed a request to review the company's electric distribution rates, seeking approval to increase current electric distribution rates by approximately $55 million. Duke Energy Ohio has invested more than $800 million in a variety of capital projects across southwest Ohio since it last requested a regulatory review of its electric distribution rates in 2017. Also, in October 2021, Duke Energy Kentucky reached a constructive natural gas rate case settlement with the Attorney General, subject to review and approval of the KPSC.

- In September 2021, Piedmont Natural Gas, the Public Staff of the NCUC, the Carolina Utility Customers Association, Inc., and the Carolina Industrial Group for Fair Utility Rates IV, filed a stipulation resolving all issues between these parties related to Piedmont's rate case filed in March 2021. This constructive outcome provided for a return on equity of 9.60% and 51.60% equity component of the capital structure resulting in an overall rate of return of 6.90%, with an increase in pretax income (base rates) of approximately $67 million. The Stipulation is subject to the review and approval of the NCUC.

- We received approximately $418 million of coal ash insurance litigation proceeds from our settlements with insurer-defendants. Proceeds will be distributed in accordance with the terms of the CCR settlement agreement.

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.

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.

MGP

Duke Energy Ohio and other parties have filed with the PUCO a Stipulation and Recommendation that would resolve all open issues regarding manufactured gas plant remediation costs incurred between 2013 and 2019, including Duke Energy Ohio's request for additional deferral authority beyond 2019, and the pending issues related to the Tax Act as it relates to Duke Energy Ohio's natural gas operations. These impacts, if approved by the PUCO, are not expected to have a material impact on Duke Energy Ohio's financial statements. Failure to approve the Stipulation and Recommendation, 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 Notes 3 and 4 to the Condensed Consolidated Financial Statements, “Regulatory Matters” and "Commitments and Contingencies," respectively.

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 fluctuating market pricing and 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 or other factors unfavorably impacting the economics 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. 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 be material to the Commercial Renewables segment's 2021 operating results. In addition, Duke Energy has been named in multiple lawsuits arising out of this winter storm. 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 Notes 1 and 3 to the Condensed Consolidated Financial Statements, "Organization and Basis of Presentation" and "Regulatory Matters," respectively.

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:

- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.
- Regulatory Settlements represents an impairment charge related to the 2018 South Carolina rate cases, charges related to the CCR settlement and insurance proceeds distributed in accordance with that agreement and Duke Energy Carolinas and Duke Energy Progress partial settlements in the 2019 North Carolina rate cases.
- 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 partial settlements in the Duke Energy Carolinas and the Duke Energy Progress 2019 North Carolina rate cases.

Three Months Ended September 30, 2021, as compared to September 30, 2020

GAAP reported EPS was $1.79 for the third quarter of 2021 compared to a $1.74 in the third 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 and partial settlements in the 2019 North Carolina rate cases in the prior year. This was partially offset by an impairment charge related to the 2018 South Carolina rate cases and charges related to the CCR settlement and insurance proceeds distributed in accordance with that agreement.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's third quarter 2021 adjusted EPS was $1.88 compared to $1.87 for the third quarter of 2020. The increase in adjusted EPS was primarily due to positive rate case contributions and higher volumes. This was partially offset by higher operation and maintenance expenses, 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.

	Three Months Ended September 30,			
	2021		2020	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 1,366**	**$ 1.79**	$ 1,265	$ 1.74
Adjustments:				
Workplace and Workforce Realignment[(a)]	7	—	—	—
Regulatory Settlements[(b)]	64	0.09	27	0.04
Gas Pipeline Investments[(c)]	(2)	**—**	69	0.09
Adjusted Earnings/Adjusted EPS	**$ 1,435**	**$ 1.88**	$ 1,361	$ 1.87

(a) Net of tax benefit of $2 million.
(b) Net of tax benefit of $19 million and $8 million for the three months ended September 30, 2021, and 2020, respectively.
(c) Net of tax expense of $1 million and tax benefit of $21 million for the three months ended September 30, 2021, and 2020, respectively.

Nine Months Ended September 30, 2021, as compared to September 30, 2020

GAAP Reported EPS was $4.00 for the nine months ended September 30, 2021, compared to $1.85 for the nine months ended September 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 $4.30 for the nine months ended September 30, 2021, compared to $4.09 for the nine months ended September 30, 2020. The increase in adjusted EPS was primarily due to positive rate case contributions and higher volumes, partially offset by 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.

	Nine Months Ended September 30,			
	2021		2020	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	$ 3,070	$ 4.00	$ 1,347	$ 1.85
Adjustments:				
Workplace and Workforce Realignment[(a)]	142	0.19	—	—
Regulatory Settlements[(b)]	64	0.09	27	0.04
Gas Pipeline Investments[(c)]	15	0.02	1,695	2.30
Severance[(d)]	—	—	(75)	(0.10)
Adjusted Earnings/Adjusted EPS	$ 3,291	$ 4.30	$ 2,994	$ 4.09

(a) Net of tax benefit of $42 million.
(b) Net of tax benefit of $19 million and $8 million for the nine months ended September 30, 2021, and 2020, respectively.
(c) Net of tax benefit of $4 million and $395 million for the nine months ended September 30, 2021, and 2020, respectively.
(d) 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 September 30,			Nine Months Ended September 30,		
(in millions)	2021	2020	Variance	2021	2020	Variance
Operating Revenues	$ 6,569	$ 6,379	$ 190	$ 17,185	$ 16,596	$ 589
Operating Expenses						
Fuel used in electric generation and purchased power	1,864	1,869	(5)	4,760	4,703	57
Operation, maintenance and other	1,363	1,326	37	3,907	3,891	16
Depreciation and amortization	1,084	1,053	31	3,154	3,023	131
Property and other taxes	330	286	44	949	885	64
Impairment of assets and other charges	202	20	182	203	23	180
Total operating expenses	4,843	4,554	289	12,973	12,525	448
Gains on Sales of Other Assets and Other, net	9	3	6	11	11	—
Operating Income	1,735	1,828	(93)	4,223	4,082	141
Other Income and Expenses, net	220	67	153	421	241	180
Interest Expense	365	308	57	1,066	991	75
Income Before Income Taxes	1,590	1,587	3	3,578	3,332	246
Income Tax Expense	160	206	(46)	393	493	(100)
Less: Income Attributable to Noncontrolling Interest	5	—	5	5	—	5
Segment Income	$ 1,425	$ 1,381	$ 44	$ 3,180	$ 2,839	$ 341
Duke Energy Carolinas GWh sales	25,033	23,726	1,307	67,357	64,045	3,312
Duke Energy Progress GWh sales	19,219	19,035	184	51,555	49,512	2,043
Duke Energy Florida GWh sales	12,983	12,973	10	32,731	32,390	341
Duke Energy Ohio GWh sales	6,844	6,678	166	18,586	17,763	823
Duke Energy Indiana GWh sales	8,788	8,463	325	23,880	22,842	1,038
Total Electric Utilities and Infrastructure GWh sales	72,867	70,875	1,992	194,109	186,552	7,557
Net proportional MW capacity in operation				49,749	50,371	(622)

Three Months Ended September 30, 2021, as compared to September 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, and coal ash insurance litigation proceeds partially offset by an impairment charge related to the South Carolina rate cases and 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 $144 million increase in retail base rate pricing due to general rate cases in North Carolina and Indiana net of rider impacts as well as multiyear rate adjustments in Florida; and
- a $114 million increase in weather-normal retail sales volumes.

Partially offset by

- a $48 million decrease in storm revenues at Duke Energy Florida due to full recovery of Hurricane Dorian costs in the prior year; and
- a $17 million decrease in retail sales due to less favorable weather in the current year.

Operating Expenses. The variance was driven primarily by:

- a $182 million increase in impairment of assets and other charges primarily due to the 2018 South Carolina rate case settlements at Duke Energy Carolinas and Duke Energy Progress, partially offset by a prior year impairment of Duke Energy Carolina's Clemson assets;
- a $44 million increase in property and other taxes primarily due to higher property taxes at Duke Energy Carolinas and Duke Energy Ohio and a prior year sales and use tax refund at Duke Energy Carolinas;
- a $37 million increase in operation, maintenance and other primarily driven by higher employee-related costs, partially offset by lower storm and outage costs; and
- a $31 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.

Other Income and Expense, net. The increase is primarily due to coal ash insurance litigation proceeds at Duke Energy Carolinas and Duke Energy Progress and lower non-service pension costs.

Interest Expense. The variance was primarily due to lower debt return on coal ash at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Indiana.

Income Tax Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes. The ETRs for the three months ended September 30, 2021, and 2020, were 10.1% and 13.0%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes.

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Electric Utilities and Infrastructure's variance is due to higher revenues from rate cases in various jurisdictions, higher retail sales volumes, and coal ash insurance litigation proceeds, partially offset by an impairment charge related to the South Carolina rate cases, higher depreciation and amortization and interest expense. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $297 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 $188 million increase in weather-normal retail sales volumes;
- an $86 million increase in retail sales, net of fuel revenues, due to favorable weather;
- a $61 million increase in fuel revenues primarily driven by higher sales volumes; and
- a $21 million increase in wholesale revenues primarily due to higher rates at Duke Energy Indiana and higher volumes at Duke Energy Progress, partially offset by a restructured capacity contract at Duke Energy Florida.

Partially offset by:

- a $103 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 $180 million increase in impairment of assets and other charges primarily due to the 2018 South Carolina rate case settlements at Duke Energy Carolinas and Duke Energy Progress, partially offset by a prior year impairment of Duke Energy Carolinas' Clemson assets;
- a $131 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 $64 million increase in property and other taxes primarily due to higher property taxes at Duke Energy Carolinas and Duke Energy Ohio, and a prior year sales and use tax refund at Duke Energy Carolinas;
- a $57 million increase in fuel used in electric generation and purchased power primarily due to higher sales volumes; and
- a $16 million increase in operations, maintenance and other driven by higher employee-related expenses, partially offset by decreased storm amortization at Duke Energy Florida and lower COVID-19 costs.

Other Income and Expenses, net. The increase is primarily due to coal ash insurance litigation proceeds at Duke Energy Carolinas and Duke Energy Progress and lower non-service pension costs.

Interest Expense. The variance was primarily due to lower debt return on coal ash at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Indiana.

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 nine months ended September 30, 2021, and 2020, were 11.0% and 14.8%, 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 September 30,			Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
Operating Revenues	**$ 289**	$ 241	$ 48	**$ 1,391**	$ 1,194	$ 197
Operating Expenses						
Cost of natural gas	**75**	41	34	**430**	300	130
Operation, maintenance and other	**102**	103	(1)	**302**	312	(10)
Depreciation and amortization	**74**	65	9	**216**	193	23
Property and other taxes	**30**	26	4	**92**	82	10
Impairment of assets and other charges	**—**	7	(7)	**—**	7	(7)
Total operating expenses	**281**	242	39	**1,040**	894	146
Operating Income (Loss)	**8**	(1)	9	**351**	300	51
Other Income and Expenses						
Equity in earnings (losses) of unconsolidated affiliates	**10**	(71)	81	**2**	(2,004)	2,006
Other income and expenses, net	**15**	16	(1)	**50**	42	8
Total other income and expenses	**25**	(55)	80	**52**	(1,962)	2,014
Interest Expense	**37**	35	2	**105**	103	2
(Loss) Income Before Income Taxes	**(4)**	(91)	87	**298**	(1,765)	2,063
Income Tax (Benefit) Expense	**(1)**	(18)	17	**39**	(365)	404
Segment (Loss) Income	**$ (3)**	$ (73)	$ 70	**$ 259**	$ (1,400)	$ 1,659
Piedmont LDC throughput (dekatherms)	134,549,588	115,549,371	19,000,217	**390,210,785**	360,861,306	29,349,479
Duke Energy Midwest LDC throughput (Mcf)	10,268,918	9,678,342	590,576	**62,220,827**	58,570,583	3,650,244

Three Months Ended September 30, 2021, as compared to September 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 $34 million increase due to higher natural gas costs passed through to customers, higher volumes, and higher off-system sales natural gas costs; and
- a $12 million increase due to growth in base rates and riders at Piedmont and growth in riders in the Midwest.

Operating Expenses. The variance was driven primarily by:

- a $34 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 $9 million increase in depreciation due to additional plant in service.

Equity in earnings (losses) of unconsolidated affiliates. The variance was primarily driven by the cancellation of the ACP pipeline in the prior year.

Income Tax Benefit. The decrease in tax benefit was primarily due to a decrease in pretax losses. The ETRs for the three months ended September 30, 2021, and 2020, were 25.0% and 19.8%, respectively. The increase in the ETR was primarily due to certain favorable tax credits.

Nine Months Ended September 30, 2021, as compared to September 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 $130 million increase due to higher natural gas costs passed through to customers, higher volumes, and increased off-system sales natural gas costs;
- a $15 million increase due to Tennessee base rate case increases;
- an $11 million increase due to North Carolina IMR; and
- a $10 million increase due to revenue from the Capital Expenditure Program (CEP) rider related to 2019 and 2020 activity.

Operating Expenses. The variance was driven primarily by:

- a $130 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 $23 million increase in depreciation due to additional plant in service.

Equity in earnings (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 nine months ended September 30, 2021, and 2020, were 13.1% 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 September 30,			Nine Months Ended September 30,		
(in millions)	2021	2020	Variance	2021	2020	Variance
Operating Revenues	**$ 117**	$ 126	$ (9)	**$ 355**	$ 378	$ (23)
Operating Expenses						
Operation, maintenance and other	**90**	72	18	**240**	204	36
Depreciation and amortization	**58**	52	6	**167**	148	19
Property and other taxes	**10**	8	2	**28**	24	4
Impairment of assets and other charges	**—**	—	—	**—**	6	(6)
Total operating expenses	**158**	132	26	**435**	382	53
Operating Loss	**(41)**	(6)	(35)	**(80)**	(4)	(76)
Other Income and Expenses, net	**(2)**	(1)	(1)	**(24)**	—	(24)
Interest Expense	**20**	18	2	**53**	49	4
Loss Before Income Taxes	**(63)**	(25)	(38)	**(157)**	(53)	(104)
Income Tax Benefit	**(6)**	(15)	9	**(56)**	(52)	(4)
Add: Loss Attributable to Noncontrolling Interests	**135**	70	65	**253**	208	45
Segment Income	**$ 78**	$ 60	$ 18	**$ 152**	$ 207	$ (55)
Renewable plant production, GWh	**2,567**	2,563	4	**7,942**	7,660	282
Net proportional MW capacity in operation[(a)]				**4,630**	3,984	646

(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 September 30, 2021, as compared to September 30, 2020

Commercial Renewables' results were favorable to prior year primarily driven by the growth of new project investments. Since the prior year period, Commercial Renewables has placed in service approximately 650 MW.

Operating Revenues. The variance was primarily driven by an $8 million decrease due to lower wind resource and operating downtime.

Operating Expenses. The variance was primarily driven by a $12 million increase in operating expenses, depreciation expense and property tax expense associated with the growth of new project investments placed in service, $8 million increase for higher engineering and construction costs within the distributed energy portfolio and $3 million increase attributed to maintenance at several facilities.

Income Tax Benefit. The decrease in the tax benefit was primarily driven by an increase in taxes associated with tax equity investments and a decrease in production tax credits generated partially offset by an increase in pretax losses.

Loss Attributable to Noncontrolling Interests. The increase was primarily driven by the growth of new wind and solar project investments financed with tax equity.

Nine Months Ended September 30, 2021, as compared to September 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 $20 million decrease due to lower wind resource and operating downtime and a $15 million decrease for lower market prices in the current year impacting the wind portfolio. This was partially offset by an $8 million increase for market sales in excess of market purchases during Texas Storm Uri and a $4 million increase due to growth of new projects.

Operating Expenses. The increase was primarily due to $33 million for higher operating expenses, depreciation expense and property tax expense as a result of the growth in new projects placed in service since prior year, $11 million increase for higher operating expenses attributed to maintenance at several wind and solar facilities, an $11 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 partially offset by an increase in taxes associated with tax equity investments and a decrease in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The variance was primarily driven by a $57 million net increase from the growth of new project investments financed with tax equity, partially offset by a $12 million loss resulting from Texas Storm Uri.

Other

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**	**2021**	**2020**	**Variance**
Operating Revenues	**$ 28**	$ 24	$ 4	**$ 81**	$ 73	$ 8
Operating Expenses	**46**	37	9	**282**	(15)	297
Losses on Sales of Other Assets and Other, net	**(1)**	—	(1)	**(1)**	—	(1)
Operating (Loss) Income	**(19)**	(13)	(6)	**(202)**	88	(290)
Other Income and Expenses, net	**25**	43	(18)	**78**	55	23
Interest Expense	**163**	160	3	**470**	498	(28)
Loss Before Income Taxes	**(157)**	(130)	(27)	**(594)**	(355)	(239)
Income Tax Benefit	**(63)**	(66)	3	**(166)**	(149)	(17)
Less: Income Attributable to Noncontrolling Interests	**1**	—	1	**1**	—	1
Less: Preferred Dividends	**39**	39	—	**92**	93	(1)
Net Loss	**$ (134)**	$ (103)	$ (31)	**$ (521)**	$ (299)	$ (222)

Three Months Ended September 30, 2021, as compared to September 30, 2020

The higher net loss was driven by interest income related to a tax refund recorded in the prior year, 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 and a lower income tax benefit due to higher tax optimization achieved in the prior year partially offset by higher pretax loss.

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 higher interest income in the prior year related to a tax refund of AMT credit carryforwards.

Interest Expense. The variance was primarily due to higher outstanding long-term debt.

Nine Months Ended September 30, 2021, as compared to September 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 as well as a reversal of severance costs in the prior year.

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 equity earnings from the NMC investment and market returns on investments that fund certain employee benefit obligations, partially offset by lower interest income in the prior year related to a tax refund of AMT credit carryforwards.

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 nine months ended September 30, 2021, and 2020, were 27.9% and 42.0%, respectively. The decrease in the ETR was primarily due to lower state tax expense in the prior year.

DUKE ENERGY CAROLINAS

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 5,430**	$ 5,416	$ 14
Operating Expenses			
Fuel used in electric generation and purchased power	**1,218**	1,326	(108)
Operation, maintenance and other	**1,347**	1,218	129
Depreciation and amortization	**1,088**	1,090	(2)
Property and other taxes	**248**	213	35
Impairment of assets and other charges	**238**	22	216
Total operating expenses	**4,139**	3,869	270
Gains on Sales of Other Assets and Other, net	**1**	1	—
Operating Income	**1,292**	1,548	(256)
Other Income and Expenses, net	**218**	128	90
Interest Expense	**400**	370	30
Income Before Income Taxes	**1,110**	1,306	(196)
Income Tax Expense	**40**	178	(138)
Net Income	**$ 1,070**	$ 1,128	$ (58)

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	**4.9 %**
General service sales	**2.0 %**
Industrial sales	**5.8 %**
Wholesale power sales	**6.0 %**
Joint dispatch sales	**23.0 %**
Total sales	**5.2 %**
Average number of customers	**2.4 %**

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- an $88 million increase in weather-normal retail sales volumes;
- a $57 million increase in retail sales due to more favorable weather; and
- a $22 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers.

Partially offset by:

- a $115 million decrease in fuel revenues due to lower prices, partially offset by higher retail sales volumes; and
- a $40 million decrease in rider revenues primarily due to energy efficiency programs.

Operating Expenses. The variance was driven primarily by:

- a $216 million increase in impairment of assets and other charges due to the 2018 South Carolina rate case settlement and 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, partially offset by a prior year Clemson University Combined Heat and Power Plant impairment;
- a $129 million increase in operation, maintenance and other expense primarily due to higher employee-related expenses and a severance cost adjustment in the prior year related to the 2019 North Carolina retail rate case, and higher costs associated with the implementation of Customer Connect; and
- a $35 million increase in property and other taxes primarily due to property tax valuation adjustments and a prior year sales and use tax refund.

Partially offset by:

- a $108 million decrease in fuel used in electric generation and purchased power primarily associated with the recovery of fuel expenses, partially offset by higher natural gas prices and changes in the generation mix.

Other Income and Expense, net. The variance was primarily due to coal ash insurance proceeds and lower non-service pension costs.

Interest Expense. The variance was driven by amortization of carrying costs related to excess deferred taxes, and 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 and a decrease in pretax income.

PROGRESS ENERGY

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 8,417**	$ 8,117	$ 300
Operating Expenses			
Fuel used in electric generation and purchased power	**2,702**	2,628	74
Operation, maintenance and other	**1,863**	1,789	74
Depreciation and amortization	**1,430**	1,356	74
Property and other taxes	**419**	419	—
Impairment of assets and other charges	**79**	1	78
Total operating expenses	**6,493**	6,193	300
Gains on Sales of Other Assets and Other, net	**9**	9	—
Operating Income	**1,933**	1,933	—
Other Income and Expenses, net	**167**	89	78
Interest Expense	**592**	599	(7)
Income Before Income Taxes	**1,508**	1,423	85
Income Tax Expense	**174**	190	(16)
Net Income	**1,334**	1,233	101
Less: Net Income Attributable to Noncontrolling Interests	**1**	1	—
Net Income Attributable to Parent	**$ 1,333**	$ 1,232	$ 101

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $146 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 $136 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 $73 million increase in weather-normal retail sales volumes;
- a $32 million increase in other revenues at Duke Energy Florida primarily due to higher transmission revenues and higher customer charges that were waived due to COVID-19 in the prior year; and
- a $19 million increase in rider revenues at Duke Energy Florida primarily due to increased retail sales volumes.

Partially offset by:

- a $103 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:

- a $78 million increase in impairment of assets and other charges primarily due to the 2018 South Carolina rate case settlement at Duke Energy Progress and 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;
- a $74 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;
- a $74 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; and
- a $74 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 extension of the lives at nuclear facilities at Duke Energy Progress.

Other Income and Expenses, net. The increase is primarily due to coal ash insurance litigation proceeds at Duke Energy Progress, lower non-service pension costs and unrealized gains on the nuclear decommissioning trust fund at Duke Energy Florida.

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

	Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 4,417**	$ 4,207	$ 210
Operating Expenses			
Fuel used in electric generation and purchased power	**1,368**	1,337	31
Operation, maintenance and other	**1,092**	970	122
Depreciation and amortization	**811**	833	(22)
Property and other taxes	**129**	129	—
Impairment of assets and other charges	**60**	5	55
Total operating expenses	**3,460**	3,274	186
Gains on Sales of Other Assets and Other, net	**8**	8	—
Operating Income	**965**	941	24
Other Income and Expenses, net	**111**	52	59
Interest Expense	**226**	203	23
Income Before Income Taxes	**850**	790	60
Income Tax Expense	**50**	79	(29)
Net Income	**$ 800**	$ 711	$ 89

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	**6.5 %**
General service sales	**3.9 %**
Industrial sales	**2.7 %**
Wholesale power sales	**5.2 %**
Joint dispatch sales	**(2.6)%**
Total sales	**4.1 %**
Average number of customers	**0.4 %**

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $72 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers;
- a $54 million increase in weather-normal retail sales volumes in the current year;
- a $46 million increase in retail sales due to more favorable weather;
- a $24 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year; 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 $122 million increase in operation, maintenance and other expense primarily due to higher employee-related costs and a severance cost adjustment in the prior year related to the 2019 North Carolina retail rate case, increased outage costs and energy efficiency program costs;
- a $55 million increase in impairment of assets and other charges primarily due to the 2018 South Carolina rate case settlement at Duke Energy Progress and 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 $31 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.

Partially offset by:

- a $22 million decrease in depreciation and amortization expense, primarily driven by the extension of the lives of nuclear facilities.

Other Income and Expense, net. The increase is primarily due to coal ash insurance litigation proceeds and lower non-service pension costs.

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

	Nine Months Ended September 30,		
(in millions)	**2021**	**2020**	**Variance**
Operating Revenues	**$ 3,987**	$ 3,897	$ 90
Operating Expenses			
Fuel used in electric generation and purchased power	**1,335**	1,291	44
Operation, maintenance and other	**760**	806	(46)
Depreciation and amortization	**619**	523	96
Property and other taxes	**290**	290	—
Impairment of assets and other charges	**19**	(4)	23
Total operating expenses	**3,023**	2,906	117
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Income	**965**	991	(26)
Other Income and Expenses, net	**54**	36	18
Interest Expense	**239**	245	(6)
Income Before Income Taxes	**780**	782	(2)
Income Tax Expense	**149**	159	(10)
Net Income	**$ 631**	$ 623	$ 8

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	(0.5)%
General service sales	3.1 %
Industrial sales	8.1 %
Wholesale and other	20.1 %
Total sales	1.1 %
Average number of customers	1.9 %

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $122 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 $64 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 $32 million increase in other revenues primarily due to lower revenues in the prior year due to the moratorium on customer late payments and service charges in response to the COVID-19 pandemic, lower outdoor lighting equipment rentals in the prior year, and higher transmission revenues due to prior year customer settlement and the increased network billing rates;
- a $19 million increase in rider revenues primarily due to increased volumes; and
- a $16 million increase in weather-normal retail sales volumes.

Partially offset by:

- a $103 million decrease in storm revenues due to full recovery of Hurricane Dorian costs in the prior year;
- a $37 million decrease in retail sales, net of fuel revenues, due to unfavorable weather in the current year; and
- an $18 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 $96 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 $44 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 $23 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 $46 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.

Income Tax Expense. The decrease in tax expense was primarily due to unfavorable tax adjustments in the prior year.

DUKE ENERGY OHIO

Results of Operations

	Nine Months Ended September 30,		
(in millions)	2021	2020	Variance
Operating Revenues			
Regulated electric	**$ 1,119**	$ 1,070	$ 49
Regulated natural gas	**375**	324	51
Total operating revenues	**1,494**	1,394	100
Operating Expenses			
Fuel used in electric generation and purchased power	**294**	258	36
Cost of natural gas	**76**	46	30
Operation, maintenance and other	**335**	333	2
Depreciation and amortization	**228**	208	20
Property and other taxes	**266**	244	22
Impairment of assets and other charges	**5**	—	5
Total operating expenses	**1,204**	1,089	115
Operating Income	**290**	305	(15)
Other Income and Expenses, net	**14**	11	3
Interest Expense	**82**	75	7
Income Before Income Taxes	**222**	241	(19)
Income Tax Expense	**34**	40	(6)
Net Income	**$ 188**	$ 201	$ (13)

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	**2.6 %**	**6.8 %**
General service sales	**3.8 %**	**9.8 %**
Industrial sales	**5.5 %**	**4.2 %**
Wholesale electric power sales	**104.7 %**	**n/a**
Other natural gas sales	**n/a**	**2.5 %**
Total sales	**4.6 %**	**6.2 %**
Average number of customers	**0.5 %**	**0.8 %**

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $31 million increase in fuel related revenues primarily due to higher natural gas prices and increased volumes;
- a $27 million increase in revenues related to OVEC collections and OVEC sales into PJM;
- a $16 million increase in PJM transmission revenues as a result of increased capital spend;
- an $11 million increase in retail pricing primarily due to the Duke Energy Kentucky general rate case; and
- a $6 million increase in revenues due to favorable weather.

Operating Expenses. The variance was driven primarily by:

- a $66 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas and purchased power;
- a $22 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;
- a $20 million increase in depreciation and amortization primarily driven by an increase in distribution plant in service; 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.

Income Tax Expense. The decrease in tax expense was primarily due to a decrease in pretax income.

DUKE ENERGY INDIANA

Results of Operations

	Nine Months Ended September 30,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 2,366**	$ 2,070	$ 296
Operating Expenses			
Fuel used in electric generation and purchased power	**710**	577	133
Operation, maintenance and other	**543**	564	(21)
Depreciation and amortization	**458**	415	43
Property and other taxes	**57**	57	—
Impairment of assets and other charges	**8**	—	8
Total operating expenses	**1,776**	1,613	163
Operating Income	**590**	457	133
Other Income and Expenses, net	**31**	28	3
Interest Expense	**148**	114	34
Income Before Income Taxes	**473**	371	102
Income Tax Expense	**77**	72	5
Net Income	**$ 396**	$ 299	$ 97

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	**3.0 %**
General service sales	**4.6 %**
Industrial sales	**5.5 %**
Wholesale power sales	**7.8 %**
Total sales	**4.5 %**
Average number of customers	**1.0 %**

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $128 million increase primarily due to higher base rate pricing from the Indiana retail rate case, net of lower rider revenues;
- a $109 million increase in fuel revenues primarily due to higher fuel cost recovery driven by customer demand and fuel prices;
- a $29 million increase in weather-normal retail sales volumes driven by higher nonresidential customer demand; and
- a $24 million increase in wholesale revenues primarily related to the true up of wholesale transmission revenues and higher rates in the current year.

Operating Expenses. The variance was driven primarily by:

- a $133 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 $43 million increase in depreciation and amortization primarily due to a change in depreciation rates from the Indiana retail rate case, amortization of deferred coal ash pond ARO and additional plant in service; 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.

Partially offset by:

- a $21 million decrease in operation, maintenance and other primarily due to major outage costs incurred in the prior year and outage delays in the current year.

Interest Expense. The variance is primarily due to higher post-in-service carrying costs interest resulting from the Indiana retail rate case and higher prior year coal ash spend debt returns on the Indiana Department of Environmental Management's approved ash basin closure projects.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income partially offset by an increase in the amortization of excess deferred taxes.

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Results of Operations

	Nine Months Ended September 30,		
(in millions)	2021	2020	Variance
Operating Revenues	**$ 1,016**	$ 871	$ 145
Operating Expenses			
Cost of natural gas	**354**	254	100
Operation, maintenance and other	**231**	234	(3)
Depreciation and amortization	**150**	133	17
Property and other taxes	**44**	37	7
Impairment of assets and other charges	**9**	7	2
Total operating expenses	**788**	665	123
Operating Income	**228**	206	22
Other Income and Expenses, net	**51**	44	7
Interest Expense	**88**	89	(1)
Income Before Income Taxes	**191**	161	30
Income Tax Expense	**16**	6	10
Net Income	**$ 175**	$ 155	$ 20

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	**16.0 %**
Commercial deliveries	**14.3 %**
Industrial deliveries	**5.4 %**
Power generation deliveries	**6.7 %**
For resale	**20.0 %**
Total throughput deliveries	**8.1 %**
Secondary market volumes	**(0.9)%**
Average number of customers	**2.0 %**

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.

Nine Months Ended September 30, 2021, as compared to September 30, 2020

Operating Revenues. The variance was driven primarily by:

- a $100 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs;
- a $15 million increase due to Tennessee base rate case increases; and
- an $11 million increase due to North Carolina IMR.

Operating Expenses. The variance was driven primarily by:

- a $100 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs;
- a $17 million increase in depreciation expense due to additional plant in service and software projects in service; and
- a $7 million increase in property and other taxes due to higher current year property taxes in North Carolina and South Carolina.

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.

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 an indirect minority interest investment of 19.9% in Duke Energy Indiana. The investment will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing occurred on September 8, 2021, and Duke Energy Indiana Holdco, LLC, the holding company for Duke Energy Indiana, issued 11.05% of its 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 Indiana Holdco, LLC will issue additional membership interests for the remaining 50% of the total investment amount, and GIC's minority interest ownership in Duke Energy Indiana Holdco, LLC will be 19.9%. 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 September 30, 2021, Duke Energy had approximately $548 million of cash on hand, $6.3 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 September 30, 2021.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

(in millions)	Nine Months Ended September 30, 2021	2020
Cash flows provided by (used in):		
Operating activities	**$ 7,227**	$ 6,766
Investing activities	**(8,200)**	(7,964)
Financing activities	**1,160**	1,225
Net increase in cash, cash equivalents and restricted cash	**187**	27
Cash, cash equivalents and restricted cash at beginning of period	**556**	573
Cash, cash equivalents and restricted cash at end of period	**$ 743**	$ 600

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

(in millions)	Nine Months Ended September 30, 2021	2020	Variance
Net income	**$ 2,915**	$ 1,232	$ 1,683
Non-cash adjustments to net income	**4,556**	6,204	(1,648)
Payments for asset retirement obligations	**(389)**	(463)	74
Refund of AMT credit carryforwards	**—**	572	(572)
Working capital	**145**	(779)	924
Net cash provided by operating activities	**$ 7,227**	$ 6,766	$ 461

The variance was primarily due to timing of accruals and payments in working capital accounts, partially offset by prior year $572 million refund of AMT credit carryforwards.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Nine Months Ended September 30,		
(in millions)	2021	2020	Variance
Capital, investment and acquisition expenditures	**$ (7,119)**	$ (7,684)	$ 565
Other investing items	**(1,081)**	(280)	(801)
Net cash used in investing activities	**$ (8,200)**	$ (7,964)	$ (236)

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.

	Nine Months Ended September 30,		
(in millions)	2021	2020	Variance
Issuances of long-term debt, net	**$ 2,683**	$ 2,694	$ (11)
Issuances of common stock	**5**	75	(70)
Notes payable, commercial paper and other short-term borrowings	**(723)**	260	(983)
Dividends paid	**(2,340)**	(2,113)	(227)
Contributions from noncontrolling interests	**1,556**	402	1,154
Other financing items	**(21)**	(93)	72
Net cash provided by financing activities	**$ 1,160**	$ 1,225	$ (65)

The variance was primarily due to:

- a $983 million decrease in net proceeds from issuances of notes payable and commercial paper; and
- a $227 million increase in dividends paid.

Partially offset by:

- a $1.154 billion increase in contributions from noncontrolling interests, primarily due to the $1 billion receipt from GIC to make an indirect minority interest investment of 11.05% in Duke Energy Indiana.

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 nine months ended September 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 nine months ended September 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 nine months ended September 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 September 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

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 September 30, 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. 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
*3.1	Amended and Restated Limited Liability Company Operating Agreement of Duke Energy Indiana LLC dated August 25, 2021.							X	
4.1	Ninety-first Supplemental Indenture, dated as of August 1, 2021 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 12, 2021, File No. 1-03382).				X				
4.2	Twenty-sixth Supplemental Indenture, dated as of September 28, 2021 (incorporated by reference to Exhibit 4.1 of registrant's Current Report on Form 8-K filed on September 28,2021, File No. 1-32853).	X							
10.1	Amended and Restated Limited Liability Company Operating Agreement of Duke Energy Indiana Holdco, LLC (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on September 8, 2021, File Nos. 1-32853, 1-03543).	X						X	
10.2	Consulting Agreement between Douglas F Esamann and Duke Energy Business Services, LLC, dated as of September 22, 2021 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on September 27, 2021, File No. 1-32853).	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

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:	November 4, 2021	/s/ STEVEN K. YOUNG Steven K. Young Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	November 4, 2021	/s/ CYNTHIA S. LEE Cynthia S. Lee Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)

Exhibit 3.1

AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF

DUKE ENERGY INDIANA, LLC

An Indiana Limited Liability Company

(Formerly known as DUKE ENERGY INDIANA, INC.)

Dated as of August 25, 2021

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF DUKE ENERGY INDIANA, LLC (formerly known as DUKE ENERGY INDIANA, INC.), (the "Company"), a limited liability company organized pursuant to the Indiana Business Flexibility Act, is executed as of this 25th day of August, 2021. Duke Energy Indiana Holdco, LLC, a Delaware limited liability company, is the sole member of the Company (the "Member"). Solely for U.S. federal income tax purposes as provided in Treasury Regulations Section 301.7701-3 (as well as for applicable state, local or foreign tax purposes), the Member and the Company intend the Company to be disregarded as an entity that is separate from the Member. For all other purposes (including, without limitation, limited liability protection for the Member from Company liabilities), however, the Member and the Company intend the Company to be respected as a separate legal entity that is separate and apart from the Member.

Article I

FORMATION AND BUSINESS OF THE COMPANY

Section I.1 Company Name and Formation. The Company was formed upon the conversion of Duke Energy Indiana, Inc., an Indiana corporation, on January 1, 2016, effective as of the time set forth in the Articles of Entity Conversion (the "Conversion") of the Company filed with the Secretary of State of the State of Indiana.

Section I.2 Name. The name of the Company shall be Duke Energy Indiana, LLC. All business and affairs of the Company shall be conducted under such name or under an assumed name duly approved by the Board.

Section I.3 Purpose. The purpose of the Company shall be to engage in any lawful business for which limited liability companies may be organized under the Act.

Section I.4 Term. The term of the Company shall commence on the date hereof and shall continue indefinitely.

Section I.5 Place of Business. The principal place of business of the Company shall be located in Plainfield, Indiana. The Company may have such other offices either within or without the State of Indiana as the Board may designate or as the business of the Company may from time to time require.

Section I.6 Registered Office and Agency. The address of the registered office of the Company in the State of Indiana is 150 West Market Street, Suite 800, Indianapolis, Indiana 46204, and the name of the registered agent is C T Corporation System.

Section I.7 Authorized Representatives. The "Authorized Representatives" of a Member that is not a natural person shall be those representatives designated by such Member from time to time to represent such Member in connection with the Company, unless and until replaced or removed by such Member. The written statements and representations of an Authorized Representative for a Member that is not a natural Person shall be authorized statements and representations of such Member with respect to the matters covered by this Agreement with respect to a Member that is not a natural Person means a decision or action which has been consented to in writing by any Authorized Representative of such Member.

Section I.8 Tax Treatment. The Company shall be disregarded as an entity separate from its owner for U.S. federal tax purposes as provided in Treasury Regulations Section 301.7701-3 (as well as for applicable state, local or foreign tax purposes). The Member and the Company shall timely make any and all necessary elections and filings such that the Company shall be treated as disregarded as an entity separate from its owner for U.S. federal income tax purposes (as well as for applicable state, local or foreign tax purposes).

Article II

DEFINITIONS

Section II.1 Definitions. References to an "Article" or a "Section" are, unless otherwise specified, to an Article or a Section of this Agreement. As used in this Agreement, the following terms shall have the meanings set forth respectively after each:

"Act" shall mean the Indiana Business Flexibility Act (Ind. Code Section 23-18-1, *et seq*.),as the same may be amended from time to time.

"Affiliate" shall mean with reference to any Person, any other Person of which such Person is a principal, member, director, officer, general partner or employee or any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person.

"Agreement" shall mean this Amended and Restated Limited Liability Company Operating Agreement, as the same may be amended hereafter from time to time as provided herein.

"Authorized Representative" shall have the meaning specified in Section 1.7.

"Board" shall have the meaning set forth in Section 4.1.

"Capital Contribution" means the contribution by the Member to capital of the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and as the same may be amended hereafter from time to time.

"Company" shall have the meaning specified in the introductory paragraph to this Agreement.

"Company Expenses" shall have the meaning specified in Section 3.9.

"Director" shall mean each such Person who is hereafter elected or designated as a Director of the Company, in accordance with the terms of this Agreement, who shall be deemed a "manager" of the Company for all purposes under the Act and other applicable law.

"Event of Bankruptcy" shall mean the institution by or against a Person of a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights.

"Interest" shall mean (i) a Member's share of the profits and losses of the Company and a Member's rights to receive distributions from the Company in accordance with the provisions of this Agreement and the Act and (ii) such Member's other rights and privileges as herein provided.

"Liquidating Trustee" shall have the meaning set forth in Section 12.2.

"Member" shall have the meaning specified in the introductory paragraph to this Agreement.

"Officer" shall mean any individual elected or appointed as an officer of the Company pursuant to Section 7.1.

"Person" shall mean an individual, partnership, limited liability company, joint venture, corporation, trust or unincorporated organization, a government or agency or political subdivision thereof and any other entity.

"Related Persons" shall have the meaning specified in Section 3.3.

"Treasury Regulations" shall mean the Income Tax Regulations promulgated under the Code, as the same may be amended hereafter from time to time.

Article III

MANAGEMENT OF THE COMPANY

Section III.1 Designation of Directors. The Directors collectively shall have the power on behalf and in the name of the Company to make all decisions and take all actions which they may deem necessary or desirable, including, without limitation, the following:

(a) managing the day-to-day operation of the Company;

(b) entering into, making and performing contracts, agreements and other undertakings binding upon the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

(c) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(d) investing Company funds;

(e) maintaining the assets of the Company in good order;

(f) to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;

(g) borrowing money or otherwise incurring indebtedness on such terms and conditions as the Directors may deem appropriate and, in connection therewith, hypothecating, encumbering and/or granting security interests in the assets of the Company to secure the repayment of such monies or other indebtedness of the Company, provided that in no event shall any such borrowing be recourse to the Member unless expressly agreed in writing by the Member;

(h) executing instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, pledge agreements, security agreements, financing statements, documents providing for the acquisition, mortgaging or disposition of the Company's property, assignments, bills of sale, leases and any other instruments or documents necessary, in the opinion of the Directors or a duly elected or appointed Officer of the Company, acting within the scope of his or her authority, to the business of the Company;

(i) entering into any and all other agreements with any other Person for any purpose in furtherance of the business of the Company, in such form as the Directors or a duly elected or appointed Officer of the Company, acting within the scope of his or her authority, may approve;

(j) the bringing or defending, paying, collecting, compromising, arbitrating, resorting to legal action, or other adjustment of claims or demands of or against the Company;

(k) selecting, removing and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

(l) obtaining insurance for the Company;

(m) taking all actions necessary to effectuate transactions pursuant to Article VIII hereof; and

(n) such other matters as may be necessary or advisable in connection with the operation of the business and conduct of affairs of the company and the accomplishment of the purposes of the Company.

The Directors or their duly authorized appointees or Officers of the Company may execute and deliver contracts and agreements on behalf of the Company in furtherance of the foregoing, without the consent of the Member, and otherwise act for and bind the Company. Third parties may conclusively rely upon the act of the Directors as evidence of the authority of the Directors for all purposes in respect of their dealings with the Company.

Section III.2 Additional Powers, Duties and Limitations with respect to the Directors.

(a) Generally. The Directors shall be responsible for, and shall render to the Company, such services as are reasonably necessary for the daily management, conduct and direction of the property, business and affairs of the Company. No compensation shall be paid to the Directors for the performance of such services, nor shall the Directors be reimbursed for any expenses incurred in their capacity as such, except as otherwise provided in this Agreement, including without limitation Section 4.3 hereof. No Director shall have the ability individually to bind or act for the Company, rather, the Directors may only act collectively through action of the Board, subject to and in accordance with the terms and conditions of this Agreement.

(b) Limitation on Liability for Acts and Omissions of the Directors. The Company shall pay any and all liability, loss, cost, expense (including reasonable attorneys' fees and disbursements) or damage incurred or sustained by the Directors by reason of any act or omission in the conduct of the business of the Company in accordance with the provisions of Section 11.1 hereof. The Directors, acting in good faith, shall be entitled to rely on the advice of legal counsel, accountants and/or other experts or professional advisers and any act or omission of the Directors acting in reliance upon such advice shall in no event subject such Directors to liability to the Company or any Member.

Section III.3 Limitation on Liabilities and Powers of the Member. Neither the Directors or their Affiliates or any Member or its Affiliates or any officer, director, partner, member or shareholder, employee or agent of the Directors or any Member (collectively, "Related Persons") shall have (a) any personal liability for any debts, liabilities or obligations of the Company, whether arising in contract or tort or otherwise, or (b) any obligation to the Company, except, in each case, as specifically provided elsewhere in this Agreement or under the Act. Except to the extent expressly provided for herein and permitted under the Act, the Member shall not participate in the operation, management or control (within the meaning of the Act) of the business of the Company and shall have no right or authority to act for or on behalf of the Company or to sign for or bind the Company.

Section III.4 Employment of Third Parties By the Company. The Company, may, by action of its Officers, from time to time, employ any Person or engage third parties to render accounting, financial advisory and legal services to the Company. Persons retained or engaged by the Officers, on its behalf, may also be engaged, retained or employed by and act on behalf of the Directors, the Member or any of their respective Affiliates.

Section III.5 Filings. The Directors are hereby authorized to execute and file all instruments, certificates, notices and documents, and to do or cause to be done all such filing, recording, publishing and other acts as may be deemed by the Directors to be necessary or appropriate from time to time to comply with all applicable requirements for the formation or operation or, when appropriate, termination of a limited liability company in the State of Indiana and all other jurisdictions where the Company does or shall desire to conduct its business.

Section III.6 Expenses. The Company will be responsible for all expenses ("Company Expenses"), including, without limitation, (i) all reasonable accounting and legal expenses incurred in connection with Company operations, (ii) all reasonable costs incurred in connection with the preparation of or relating to reports made to the Member, (iii) all reasonable costs related to litigation involving the Company, directly or indirectly, including, without limitation, attorneys' fees incurred in connection therewith, (iv) all reasonable costs related to the

Company's obligations set forth in Sections 3.2 and 11.1, and (v) all reasonable out-of-pocket expenses related to the organization and formation of the Company.

Article IV

BOARD OF DIRECTORS

Section IV.1 Appointment and Removal of Directors. Except as otherwise expressly provided in this Agreement, the Articles of Organization or the Act, all decisions with respect to the management of the business and affairs of the Company shall be made by a Board of Directors (the "Board"), each of whom shall be appointed by the Member. Any Director may be removed at any time with or without cause by the Member. Upon the removal of a Director, such Director shall cease to be a "manager" (within the meaning of the Act).

Section IV.2 Number and Qualifications of Directors. The number of Directors constituting the Board may be fixed from time to time by the Member.

Section IV.3 Compensation of Directors. Directors, as such, may receive fixed fees and other compensation for their services as Directors as may be determined by the Member, including, without limitation, their services as members of committees of the Board.

Section IV.4 Vacancies. Newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office or any other cause shall be filled by a majority of the Directors then in office, although less than a quorum, or by a sole remaining Director; provided, that in the event that a Director is removed by the Member pursuant to Section 4.1, the Member may at the same time as such removal fill the vacancy caused by such removal; provided further, that if the Directors fail to fill any such vacancy within a reasonable period as determined by the Member in its sole discretion, the Member may fill any such vacancy. Directors so chosen to fill a newly created directorship or other vacancies shall serve until such Director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Agreement. If any vacancies shall occur in the Board, by reason of death, resignation, disqualification, removal from office or any other cause, the Directors then in office shall continue to act, and actions may be taken by a majority of the Directors then in office, although less than a quorum, or by a sole remaining Director.

Article V

MEETINGS OF DIRECTORS

Section V.1 Special Meetings. Special meetings of the Board may be called at the request of the Member, the Chairman of the Board or a majority of the Board then in office. The person or persons authorized to call special meetings of the Board may fix the place and time of the meetings.

Section V.2 Notice. Notice of any special meeting of the Board shall be given to each Director at such Director's business or residence in writing by hand delivery, first-class or overnight mail or courier service, facsimile or electronic transmission or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least 5 calendar days before such meeting. If by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile or electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 12 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 12 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting.

Section V.3 Quorum and Manner of Acting. Unless the Articles of Organization or this Agreement provide otherwise, a majority of the number of Directors fixed pursuant to this Agreement shall constitute a quorum for the transaction of business at any meeting of the Board. Unless required by law or the Articles of Organization or this Agreement provide otherwise, the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present and voting on the matter shall be the act of the Board.

Section V.4 Action by Consent of Board. On any matter that is to be voted on, consented to or approved by the Board, the Board may take such action without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by the Directors having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Directors entitled to vote thereon were present and voted. On any matter that is to be voted on by Directors, the Directors may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. A consent transmitted by electronic transmission by a Director or by a person or persons authorized to act for a Director shall be deemed to be written and signed for purposes of this Agreement. For purposes of this Agreement, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

Section V.5 Conference Telephone Meetings. Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Article VI

COMMITTEES OF THE BOARD OF DIRECTORS

Section VI.1 Committees and Powers. The Board may designate one or more Committees of the Board, which shall consist of one or more Directors. Any such Committee may to the extent permitted by law exercise such powers and shall have such responsibilities as shall be specified in the designating resolution. A Committee of the Board may not (i) authorize distributions; (ii) approve, or propose to the Member, action that is required by law to be approved by the Member; (iii) fill vacancies on any Committee; (iv) authorize or approve reacquisition of Interests, except according to a formula or method prescribed by the Board; or (v) authorize or approve the issuance or sale or contract for the sale of Interests. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such Committee. Nothing herein shall be deemed to prevent the Board from appointing one or more Committees consisting in whole or in part of persons who are not Directors of the Company; provided, however, that no such Committee shall have or may exercise any authority of the Board.

Section VI.2 Quorum and Manner of Acting. Each Committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required. The provisions of this Agreement governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board apply to Committees of the Board established under Section 6.1.

Section VI.3 Meetings and Notice. Each Committee shall fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of meetings of any Committee shall be given to each member of the Committee in the manner provided for in Section 5.2.

Article VII

OFFICERS

Section VII.1 Elected and Appointed Officers. The elected Officers of the Company shall be a Chief Executive Officer, a President, a Secretary, a Treasurer, a Controller and such other Officers (including, without limitation, Executive Vice Presidents, Senior Vice Presidents and Vice Presidents) as the Board may deem proper. Elected Officers shall have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VII, including, without limitation, the duty to engage third parties to render accounting, financial advisory and legal services to the Company on such terms and for such compensation as the Officers may reasonably determine. Such Officers shall also have such powers and duties as from time to time may be conferred by the Board or by any Committee thereof. The Board or the Chief Executive Officer may from time to time appoint such other Officers (including one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers), as may be necessary or desirable for the conduct of the business of the Company. Such other Officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in this Agreement or, to the extent consistent with this Agreement, as may be prescribed by the Board or the Chief Executive Officer. The Officers of the Company shall consist of such Officers as the Board may designate as Officers from time to time, who may or may not be "executive officers" as defined under rules and regulations of the Securities and Exchange Commission.

Section VII.2 Election and Term of Office. Officers of the Company may be elected by the Board at the regular annual meeting of the Board and at such other times as the Board may deem necessary. Officers may be appointed by the Chief Executive Officer to the extent authority to make such appointments is delegated by the Board to the Chief Executive Officer. Each Officer shall hold office until such person's successor shall have been duly elected and shall have qualified or until such person's death or until he or she shall resign or shall be removed pursuant to Section 7.10.

Section VII.3 Chairman of the Board and Chief Executive Officer. The Chief Executive Officer of the Company shall be the Chairman of the Board and shall be responsible for the general management of the affairs of the Company and shall perform all duties incidental to such person's office which may be required by law and all such other duties as are properly required of the Chief Executive Officer or the Chairman of the Board by the Board. The Chairman of the Board shall preside at all meetings of the Board and shall make reports to the Board and to the Member, and shall see that all orders and resolutions of the Board and of any Committee thereof are carried into effect. The Chief Executive Officer may also serve as President, if so elected by the Board.

Section VII.4 President. The President shall act in a general executive capacity and shall assist the Chief Executive Officer in the administration and operation of the Company's business and general supervision of its policies and affairs. The President shall, unless the President is also serving as the Chief Executive Officer, in the absence of or because of the inability to act of the Chief Executive Officer, perform all duties of the Chief Executive Officer and preside at all meetings of the Board.

Section VII.5 Vice Presidents. The Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have such powers and duties as may be prescribed for them, respectively, by the Board or the Chief Executive Officer. Each of such Officers shall report to the Chief Executive Officer or such other Officer as the Board or the Chief Executive Officer shall direct.

Section VII.6 Secretary. The Secretary shall attend all meetings of the Board, shall keep a true and faithful record thereof in proper books and shall have the custody and care of the corporate seal, records, minute books and stock books of the Company and of such other books and papers as in the practical business operations of the Company shall naturally belong in the office or custody of the Secretary or as shall be placed in the Secretary's custody by order of the Board. The Secretary shall keep a suitable record of the address of the Member and shall, except as may be otherwise required by statute or this Agreement, sign and issue all notices required for meetings of the Board. The Secretary shall sign all papers to which the Secretary's signature may be necessary or appropriate, shall affix and attest the seal of the Company to all instruments requiring the seal, shall have the authority to certify this Agreement, resolutions of the Member or the Board and other documents of the Company as true and correct copies thereof and shall have such other powers and duties as are commonly incidental to the office of Secretary and as may be prescribed by the Board or the Chief Executive Officer.

Section VII.7 Treasurer. The Treasurer shall have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Company; cause the moneys and other valuable effects of the Company to be deposited in the name and to the credit of the Company in such banks or trust companies or with such bankers or other depositories as shall be selected in accordance with resolutions adopted by the Board; cause the funds of the Company to be disbursed by checks or drafts upon the authorized depositories of the Company, and cause to be taken and preserved proper vouchers for all moneys disbursed; render to the proper Officers and to the Board and the Finance Committee or similar Committee, if any, whenever requested, a statement of the financial condition of the Company and of all his or her transactions as Treasurer; cause to be kept at the principal executive offices of the Company correct books of account of all its business and transactions; and, in general, perform all duties incident to the office of Treasurer and such other duties as are given to him or her by this Agreement or as may be assigned to him or her by the Board or the Chief Executive Officer.

Section VII.8 Controller. The Controller shall be the chief accounting officer of the Company; shall keep full and accurate accounts of all assets, liabilities, commitments, revenues, costs and expenses, and other financial transactions of the Company in books belonging to the Company, and conform them to sound accounting principles with adequate internal control; shall cause regular audits of these books and records to be made; shall see that all expenditures are made in accordance with procedures duly established, from time to time, by the Company; shall render financial statements upon the request of the Board; and, in general, shall perform all the duties ordinarily connected with the office of Controller and such other duties as may be assigned to him or her by the Board or the Chief Executive Officer.

Section VII.9 Assistant Secretaries, Assistant Treasurers and Assistant Controllers. Assistant Secretaries, Assistant Treasurers and Assistant Controllers, when elected or appointed, shall respectively assist the Secretary, the Treasurer and the Controller in the performance of the respective duties assigned to such principal Officers, and in assisting such principal Officer, each of such assistant Officers shall for such purpose have the powers of such principal Officer; and, in case of the absence, disability, death, resignation or removal from office of any principal Officer, such principal Officer's duties shall, except as otherwise ordered by the Board, temporarily devolve upon such assistant Officer as shall be designated by the Board or the Chief Executive Officer.

Section VII.10 Removal. Any Officer or agent may be removed by the Board at any time and for any reason. In addition, any Officer or agent appointed by the Chief Executive Officer may be removed by the Chief Executive Officer whenever, in his or her judgment, the best interests of the Company would be served thereby. Any removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section VII.11 Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation or removal may be filled by the Board. Any vacancy in any office appointed by the Chief Executive Officer because of death, resignation or removal may be filled by the Chief Executive Officer.

Article VIII

CONTRACTS, CHECKS, DRAFTS, DEPOSITS AND PROXIES

Section VIII.1 Contracts. The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section VIII.2 Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Company, shall be signed by such Officer or Officers, agent or agents of the Company and in such manner as shall from time to time be determined by the Board or the Chief Executive Officer.

Section VIII.3 Deposits. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such depositories as may be selected by or under the authority of the Board.

Section VIII.4 Proxies. Unless otherwise provided by the Board, the Chief Executive Officer, the President or any Executive Vice President, Senior Vice President or Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Company, in the name and on behalf of the Company, to cast the votes which the Company may be entitled to cast as the holder of stock or other securities in any other entity, any of whose stock or other securities may be held by the Company, at meetings of the holders of the stock or other securities of such other entity, or to consent in writing, in the name of the Company as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Company and under seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

Article IX

CAPITAL CONTRIBUTIONS; ALLOCATIONS AND DISTRIBUTIONS

Section IX.1 Capital Contributions. Upon the formation of the Company, the Member shall not be required to make a Capital Contribution. Capital Contributions shall be made from time to time as the Member shall determine.

Section IX.2 Allocation of Profits and Losses. All profits and losses of the Company shall be allocated to the Member.

Section IX.3 Distributions. All distributions of cash or other assets of the Company shall be made to the Member when and as determined by the Member, subject to any limitations or restrictions provided for in the Act.

Article X

MAINTENANCE OF BOOKS AND RECORDS, ETC.

Section X.1 Books and Records. The Company shall maintain those books and records required to be maintained by Section 23-18-4-8 of the Act, along with such other books and records as the Board or the Controller may determine from time to time. All such books and records shall at all times be made available at the principal office of the Company and shall be open to the reasonable inspection and examination by the Directors or their duly authorized representatives during normal business hours.

Section X.2 Reports to the Indiana Secretary of State. Pursuant to Section 23-18-12-11 of the Act, the Directors shall cause a biennial report to be filed with the Indiana Secretary of State every two calendar years following the calendar year in which the Company was organized, which sets forth all of the information as required under that section of the Act.

Article XI

INDEMNIFICATION

Section XI.1 In General. Any person who is or was serving as a Member, Director, Officer, employee or agent of the Company or who, at the request of the Company, is or was serving as a director, manager, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise or Person, or as a trustee or administrator under an employee benefit plan, shall be indemnified by the Company, to the fullest extent permitted by law, against (a) litigation expenses, including costs, expenses and reasonable attorneys' fees incurred by any such person in connection with any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative, whether formal or informal, and whether or not brought by or on behalf of the Company, arising out of such person's status as such or such person's activities in any of the foregoing capacities, (b) liability, including payments made by such person in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which such person may have become liable in any such action, suit or proceeding, (c) payments made and personal liabilities reasonably incurred in the authorized conduct of the business of the Company or for the preservation of its business and its property and (d) reasonable costs, expenses and attorneys' fees incurred by such person in connection with the enforcement of the indemnification rights provided herein. Any Person who is or was serving in any of the foregoing capacities for or on behalf of the Company shall be conclusively deemed to be doing or to have done so in reliance upon, and as consideration for, the indemnification rights provided herein.

The rights of indemnification provided herein (which shall be deemed to be a contract between any such person and the Company enforceable on the part of such person notwithstanding any subsequent amendment or repeal of this Agreement) shall inure to the benefit of the successors, estates or legal representatives of any such Person and shall not be exclusive of any other rights to which such Person may be entitled apart from this Agreement, by contract, resolution or otherwise.

Article XII

CESSATION OF MEMBERSHIP, DISSOLUTION, LIQUIDATION AND TERMINATION

Section XII.1 Cessation of Membership. A Person shall cease to be a Member only upon the assignment of such Person's entire Interest and as otherwise expressly provided in this Agreement or the Company's Articles of Organization.

Section XII.2 Dissolution and Termination.

(a) The Company shall be dissolved and its affairs shall be wound up upon the first to occur of any of the following events (an "Event of Dissolution"):

(i) the decision by the Board to dissolve, wind up and liquidate the Company; or

(ii) the entry of a judicial dissolution pursuant to Section 23-18-9-2 of the Act.

(b) An Event of Bankruptcy affecting any Member or the transfer of any Interests shall not constitute an Event of Dissolution.

(c) Dissolution of the Company shall be effective on the effective date of the Event of Dissolution, but the Company shall not terminate until the assets thereof have been distributed in accordance with the provisions of Section 12.5 hereof and all other provisions of the Act with respect to the dissolution of a limited liability company have been complied with. Notwithstanding the dissolution of the Company, prior to the termination of the Company, the business, assets and affairs of the Company shall continue to be governed by this Agreement.

Section XII.3 Liquidating Trustee. Upon the occurrence of an Event of Dissolution, sole and plenary authority to effectuate the liquidation of the Company shall be vested in the Board or a Person designated by the Board to effectuate the liquidation of the Company or if the Board elects not to effectuate such liquidation and fails to designate a liquidator, such Person as is selected by the Member (the "Liquidating Trustee"). The Liquidating Trustee shall proceed diligently to wind up the affairs of the Company, liquidate the assets of the Company in an orderly and businesslike manner consistent with obtaining the fair value thereof and distribute the assets of the Company in accordance with the provisions of Section 12.5 hereof. A reasonable amount of time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Liquidating Trustee to minimize the losses attendant upon such liquidation. Prior to such distribution of the Company's assets, the Liquidating Trustee shall continue to exploit the rights, activities and properties of the Company consistent with the sale or liquidation thereof, exercising in connection therewith all of the power and authority of the Board as herein set forth.

Section XII.4 Accounting upon Dissolution and Termination. Upon the distribution of the assets of the Company in accordance with the provisions of Section 12.5 hereof, the Liquidating Trustee shall cause the Company's accountants to make a full and proper accounting of the assets, liabilities and operations of the Company, as of and through the date on which such distribution occurs.

Section XII.5 Distribution of Assets.

(a) As expeditiously as possible after the occurrence of an Event of Dissolution and the liquidation of the assets of the Company, the assets of the Company, including the proceeds of any such liquidation, shall be applied and distributed in the following order of priority:

(i) First, all liabilities and obligations of the Company (including, without limitation, loans from the Member) shall be paid to creditors of the Company or provided for (whether by establishing reasonable reserves or otherwise as the Liquidating Trustee shall reasonably deem appropriate); and

(ii) Second, to the Member.

(b) The Liquidating Trustee shall have the authority to establish reasonable reserves for the payment of liabilities and obligations of the Company or to otherwise provide for the payment of Company liabilities and obligations as the Liquidating Trustee shall reasonably deem appropriate (as aforesaid). All saleable assets of the Company may be sold in connection with the liquidation of the Company at public or private sale and at such price and upon such terms as the Liquidating Trustee, in its sole discretion, may deem advisable. The Member or any other Related Person may purchase assets at such sale. The Liquidating Trustee shall determine, in its sole discretion, which assets of the Company shall be liquidated through sale and which assets of the Company shall be distributed in kind.

Section XII.6 Termination. Upon compliance with the foregoing distribution plan, the Company shall cease to be such, and the Liquidating Trustee shall execute, acknowledge and cause to be filed with the Secretary of State of the State of Indiana Articles of Dissolution of the Company.

Article XIII

MISCELLANEOUS

Section XIII.1 Successors and Assigns; Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Member and its legal representatives, administrators, executors, successors and assigns. Except as set forth in Article XI, none of the provisions of this Agreement shall be for the benefit of or enforceable by any Person not a party hereto.

Section XIII.2 Sole Limited Liability Company Operating Agreement. This Agreement, together with the documents expressly referred to herein, each as amended or supplemented, constitutes the sole limited liability company operating agreement of the Company.

Section XIII.3 Assignment. An assignee of a Member shall automatically become a Member, provided the assignee consents.

Section XIII.4 Choice of Law; Forum and Waiver of Jury Trial. This Agreement shall be construed in accordance with the laws of the State of Indiana, without regard to the choice of laws rules thereof, and the obligations, rights and remedies of the Member hereunder shall be determined in accordance with such laws. Any legal suit, action or proceeding against any of the parties hereto arising out of or relating to this Agreement shall only be instituted in any federal or state court in Indiana.

Section XIII.5 Interpretation. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, the feminine or neuter gender shall include the masculine, the feminine and the neuter.

Section XIII.6 Captions. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend or otherwise affect the scope or intent of this Agreement or any provision hereof.

Section XIII.7 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions of this Agreement, or the application of such provision in jurisdictions or to Persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

Section XIII.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section XIII.9 Non-Waiver. No provision of this Agreement shall be deemed to have been waived unless such waiver is contained in a written notice given to the party claiming such waiver has occurred, provided that no such waiver shall be deemed to be a waiver of any other or further obligation or liability of the party or parties in whose favor the waiver was given.

Section XIII.10 Time Periods. In applying any provision of this Agreement which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

Section XIII.11 Resignations. Any Director or any Officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Board, the Chairman of the Board or the Secretary, and such resignation shall be deemed to be effective when communicated unless the notice specifies a later effective date. No formal action shall be required on behalf of the Company to make any such resignation effective. Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the Act)

Section XIII.12 Continuation of Obligations. The Company hereby expressly covenants, agrees and confirms, notwithstanding the Conversion, (i) that its obligation promptly to pay, perform and discharge when due each and every debt, obligation, covenant and agreement incurred, made or to be paid, performed or discharged by the Company under the indenture of mortgage or deed of trust, dated September 1, 1939, as supplemented (the "Mortgage"), from Duke Energy Indiana, Inc. to Deutsche Bank National Trust Company, as successor Trustee, continues upon the Conversion, (ii) that, pursuant to Section 23-1-38.5-15 of the Indiana Business Corporation Law, title to all real estate and other property owned by the Company, prior to the Conversion, continues to be vested in the Company upon the Conversion, without reversion or impairment and that all liabilities of the Company, prior to the Conversion, continue as liabilities of the Company upon the Conversion; (iii) that all rights of holders of First Mortgage Bonds outstanding under the Mortgage and of the Trustee which existed immediately prior to the Conversion are preserved unimpaired; and (iv) that all debts, liabilities and duties of the Company under the Mortgage which existed immediately prior to the Conversion may be enforced against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it in its capacity as an Indiana limited liability company.

Article XIV

AMENDMENTS

Section XIV.1 Amendment. Except as required by law or as otherwise provided in the Articles of Organization or in this Agreement, this Agreement may be amended or repealed and a new Agreement may be adopted only by the Member.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth on the first page of this Agreement.

DUKE ENERGY INDIANA HOLDCO, LLC

By: /s/ Stan Pinegar
Name: Stan Pinegar
Title: State President - Indiana

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: November 4, 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: November 4, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 2021

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive 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: November 4, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 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: November 4, 2021

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

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 September 30, 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

November 4, 2021

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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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 September 30, 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

November 4, 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, 2022

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) 526 South Church 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	5.625% 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, 2022:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	769,900,482

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, asset retirement and construction costs related to carbon emissions reductions, 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, natural gas building and appliance electrification, 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, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, 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 investor, customer and other stakeholder 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, an individual utility's generation mix, 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;

FORWARD-LOOKING STATEMENTS

- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values;
- Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana, may not yield the anticipated benefits;
- 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 its carbon emission reduction goals.

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
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
AFS	Available for Sale
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligations
Bison	Bison Insurance Company Limited
CCR	Coal Combustion Residuals
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
DOE	Department of Energy
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 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
EPS	Earnings Per Share
ERCOT	Electric Reliability Council of Texas
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
GIC	GIC Private Limited, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure
GWh	Gigawatt-hours
IRS	Internal Revenue Service

GLOSSARY OF TERMS

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
MGP Settlement	Stipulation and Recommendation filed jointly by Duke Energy Ohio the staff of the PUCO, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021
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
PBR	Performance-Based Regulation
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

ITEM 1. FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
(in millions, except per share amounts)	**2022**	**2021**
Operating Revenues		
Regulated electric	**$ 5,933**	$ 5,219
Regulated natural gas	**1,002**	749
Nonregulated electric and other	**197**	182
Total operating revenues	**7,132**	6,150
Operating Expenses		
Fuel used in electric generation and purchased power	**1,817**	1,443
Cost of natural gas	**481**	276
Operation, maintenance and other	**1,630**	1,402
Depreciation and amortization	**1,320**	1,226
Property and other taxes	**392**	353
Impairment of assets and other charges	**215**	—
Total operating expenses	**5,855**	4,700
Gains on Sales of Other Assets and Other, net	**2**	—
Operating Income	**1,279**	1,450
Other Income and Expenses		
Equity in earnings (losses) of unconsolidated affiliates	**25**	(17)
Other income and expenses, net	**89**	127
Total other income and expenses	**114**	110
Interest Expense	**587**	535
Income Before Income Taxes	**806**	1,025
Income Tax (Benefit) Expense	**(14)**	84
Net Income	**820**	941
Add: Net Loss Attributable to Noncontrolling Interests	**37**	51
Net Income Attributable to Duke Energy Corporation	**857**	992
Less: Preferred Dividends	**39**	39
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 818**	$ 953
Earnings Per Share – Basic and Diluted		
Net income available to Duke Energy Corporation common stockholders		
Basic and Diluted	**$ 1.08**	$ 1.25
Weighted Average Shares Outstanding		
Basic and Diluted	**770**	769

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Net Income	**$ 820**	$ 941
Other Comprehensive Income (Loss), net of tax[(a)]		
Pension and OPEB adjustments	**2**	2
Net unrealized gains on cash flow hedges	**113**	29
Reclassification into earnings from cash flow hedges	**5**	3
Unrealized losses on available-for-sale securities	**(13)**	(8)
Other Comprehensive Income, net of tax	**107**	26
Comprehensive Income	**927**	967
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**29**	44
Comprehensive Income Attributable to Duke Energy	**956**	1,011
Less: Preferred Dividends	**39**	39
Comprehensive Income Available to Duke Energy Corporation Common Stockholders	**$ 917**	$ 972

(a) Net of income tax impacts of approximately $32 million and $8 million for the three months ended March 31, 2022, and 2021, respectively.

DUKE ENERGY CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		March 31, 2022		December 31, 2021
ASSETS				
Current Assets				
Cash and cash equivalents	$	853	$	343
Receivables (net of allowance for doubtful accounts of $68 at 2022 and $46 at 2021)		1,148		1,173
Receivables of VIEs (net of allowance for doubtful accounts of $72 at 2022 and $76 at 2021)		2,590		2,437
Inventory		3,171		3,199
Regulatory assets (includes $105 at 2022 and 2021 related to VIEs)		2,334		2,150
Other (includes $249 at 2022 and $256 at 2021 related to VIEs)		946		638
Total current assets		11,042		9,940
Property, Plant and Equipment				
Cost		163,700		161,819
Accumulated depreciation and amortization		(51,517)		(50,555)
Facilities to be retired, net		133		144
Net property, plant and equipment		112,316		111,408
Other Noncurrent Assets				
Goodwill		19,303		19,303
Regulatory assets (includes $1,800 at 2022 and $1,823 at 2021 related to VIEs)		12,506		12,487
Nuclear decommissioning trust funds		9,827		10,401
Operating lease right-of-use assets, net		1,255		1,266
Investments in equity method unconsolidated affiliates		976		970
Other (includes $111 at 2022 and $92 at 2021 related to VIEs)		3,995		3,812
Total other noncurrent assets		47,862		48,239
Total Assets	$	171,220	$	169,587
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	3,175	$	3,629
Notes payable and commercial paper		3,262		3,304
Taxes accrued		642		749
Interest accrued		575		533
Current maturities of long-term debt (includes $395 at 2022 and $243 at 2021 related to VIEs)		3,884		3,387
Asset retirement obligations		648		647
Regulatory liabilities		1,238		1,211
Other		2,001		2,471
Total current liabilities		15,425		15,931
Long-Term Debt (includes $4,687 at 2022 and $4,854 at 2021 related to VIEs)		62,196		60,448
Other Noncurrent Liabilities				
Deferred income taxes		9,673		9,379
Asset retirement obligations		12,112		12,129
Regulatory liabilities		16,037		16,152
Operating lease liabilities		1,068		1,074
Accrued pension and other post-retirement benefit costs		832		855
Investment tax credits		831		833
Other (includes $360 at 2022 and $319 at 2021 related to VIEs)		1,794		1,650
Total other noncurrent liabilities		42,347		42,072
Commitments and Contingencies				
Equity				
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2022 and 2021		973		973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2022 and 2021		989		989
Common stock, $0.001 par value, 2 billion shares authorized; 770 million shares outstanding at 2022 and 769 million shares outstanding at 2021		1		1
Additional paid-in capital		44,364		44,371
Retained earnings		3,323		3,265
Accumulated other comprehensive loss		(204)		(303)
Total Duke Energy Corporation stockholders' equity		49,446		49,296
Noncontrolling interests		1,806		1,840
Total equity		51,252		51,136
Total Liabilities and Equity	$	171,220	$	169,587

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 820	$ 941
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	1,480	1,385
Equity in (earnings) losses of unconsolidated affiliates	(25)	17
Equity component of AFUDC	(46)	(42)
Impairment of assets and other charges	215	—
Deferred income taxes	(11)	86
Payments for asset retirement obligations	(119)	(114)
Provision for rate refunds	(31)	—
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	215	—
Receivables	5	377
Inventory	28	91
Other current assets	(327)	(47)
Increase (decrease) in		
Accounts payable	(160)	(467)
Taxes accrued	(90)	104
Other current liabilities	(269)	(263)
Other assets	(26)	51
Other liabilities	136	(31)
Net cash provided by operating activities	1,795	2,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(2,551)	(2,215)
Contributions to equity method investments	(17)	—
Purchases of debt and equity securities	(1,516)	(1,584)
Proceeds from sales and maturities of debt and equity securities	1,530	1,601
Disbursements to canceled equity method investments	—	(855)
Other	(145)	(84)
Net cash used in investing activities	(2,699)	(3,137)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	3,506	608
Issuance of common stock	—	5
Payments for the redemption of long-term debt	(1,215)	(76)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	—	50
Payments for the redemption of short-term debt with original maturities greater than 90 days	(257)	(909)
Notes payable and commercial paper	213	2,046
Contributions from noncontrolling interests	23	303
Dividends paid	(799)	(783)
Other	(67)	(59)
Net cash provided by financing activities	1,404	1,185
Net increase in cash, cash equivalents and restricted cash	500	136
Cash, cash equivalents and restricted cash at beginning of period	520	556
Cash, cash equivalents and restricted cash at end of period	$ 1,020	$ 692
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 1,028	$ 921

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022										
						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, 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[(a)]	—	—	—	(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
Balance at December 31, 2021	$ 1,962	769	$ 1	$ 44,371	$ 3,265	$ (232)	$ (2)	$ (69)	$ 49,296	$ 1,840	$ 51,136
Net income (loss)	**—**	**—**	**—**	**—**	**818**	**—**	**—**	**—**	**818**	**(37)**	**781**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**110**	**(13)**	**2**	**99**	**8**	**107**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**1**	**—**	**(7)**	**—**	**—**	**—**	**—**	**(7)**	**—**	**(7)**
Common stock dividends	**—**	**—**	**—**	**—**	**(760)**	**—**	**—**	**—**	**(760)**	**—**	**(760)**
Contributions from noncontrolling interests, net of transaction costs[(a)]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**23**	**23**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(28)**	**(28)**
Balance at March 31, 2022	**$ 1,962**	**770**	**$ 1**	**$ 44,364**	**$ 3,323**	**$ (122)**	**$ (15)**	**$ (67)**	**$ 49,446**	**$ 1,806**	**$ 51,252**

(a) Relates to tax equity financing activity in the Commercial Renewables segment.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Operating Revenues	**$ 1,888**	$ 1,716
Operating Expenses		
Fuel used in electric generation and purchased power	**448**	422
Operation, maintenance and other	**512**	441
Depreciation and amortization	**379**	359
Property and other taxes	**93**	83
Impairment of assets and other charges	**3**	—
Total operating expenses	**1,435**	1,305
Operating Income	**453**	411
Other Income and Expenses, net	**55**	48
Interest Expense	**141**	124
Income Before Income Taxes	**367**	335
Income Tax Expense	**27**	23
Net Income and Comprehensive Income	**$ 340**	$ 312

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4	$ 7
Receivables (net of allowance for doubtful accounts of $22 at 2022 and $1 at 2021)	234	300
Receivables of VIEs (net of allowance for doubtful accounts of $30 at 2022 and $41 at 2021)	858	844
Receivables from affiliated companies	134	190
Notes receivable from affiliated companies	492	—
Inventory	1,040	1,026
Regulatory assets (includes $12 at 2022 and 2021 related to VIEs)	652	544
Other (includes $5 at 2022 and $0 at 2021 related to VIEs)	246	95
Total current assets	3,660	3,006
Property, Plant and Equipment		
Cost	52,423	51,874
Accumulated depreciation and amortization	(18,058)	(17,854)
Facilities to be retired, net	98	102
Net property, plant and equipment	34,463	34,122
Other Noncurrent Assets		
Regulatory assets (includes $217 at 2022 and $220 at 2021 related to VIEs)	3,085	2,935
Nuclear decommissioning trust funds	5,441	5,759
Operating lease right-of-use assets, net	87	92
Other	1,297	1,248
Total other noncurrent assets	9,910	10,034
Total Assets	$ 48,033	$ 47,162
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 752	$ 988
Accounts payable to affiliated companies	267	266
Notes payable to affiliated companies	—	226
Taxes accrued	124	274
Interest accrued	140	125
Current maturities of long-term debt (includes $10 at 2022 and $5 at 2021 related to VIEs)	1,367	362
Asset retirement obligations	251	249
Regulatory liabilities	465	487
Other	442	546
Total current liabilities	3,808	3,523
Long-Term Debt (includes $722 at 2022 and $703 at 2021 related to VIEs)	12,803	12,595
Long-Term Debt Payable to Affiliated Companies	300	318
Other Noncurrent Liabilities		
Deferred income taxes	3,769	3,634
Asset retirement obligations	5,067	5,052
Regulatory liabilities	7,151	7,198
Operating lease liabilities	74	78
Accrued pension and other post-retirement benefit costs	48	50
Investment tax credits	286	287
Other	545	536
Total other noncurrent liabilities	16,940	16,835
Commitments and Contingencies		
Equity		
Member's equity	14,188	13,897
Accumulated other comprehensive loss	(6)	(6)
Total equity	14,182	13,891
Total Liabilities and Equity	$ 48,033	$ 47,162

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 340**	$ 312
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**447**	428
Equity component of AFUDC	**(22)**	(16)
Impairment of assets and other charges	**3**	—
Deferred income taxes	**44**	(8)
Payments for asset retirement obligations	**(35)**	(35)
Provision for rate refunds	**(18)**	—
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**50**	—
Receivables	**77**	156
Receivables from affiliated companies	**56**	5
Inventory	**(13)**	(11)
Other current assets	**(230)**	(48)
Increase (decrease) in		
Accounts payable	**(225)**	(255)
Accounts payable to affiliated companies	**(17)**	7
Taxes accrued	**(150)**	62
Other current liabilities	**56**	(77)
Other assets	**6**	43
Other liabilities	**(44)**	(17)
Net cash provided by operating activities	**325**	546
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(717)**	(622)
Purchases of debt and equity securities	**(1,008)**	(1,128)
Proceeds from sales and maturities of debt and equity securities	**1,008**	1,128
Notes receivable from affiliated companies	**(492)**	—
Other	**(54)**	(43)
Net cash used in investing activities	**(1,263)**	(665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,217**	142
Payments for the redemption of long-term debt	**(1)**	(33)
Notes payable to affiliated companies	**(226)**	2
Distributions to parent	**(50)**	—
Other	**(1)**	(1)
Net cash provided by financing activities	**939**	110
Net increase (decrease) in cash, cash equivalents and restricted cash	**1**	(9)
Cash, cash equivalents and restricted cash at beginning of period	**8**	21
Cash, cash equivalents and restricted cash at end of period	**$ 9**	$ 12
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 352**	$ 268

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
Balance at December 31, 2020	$ 13,161	$ (7)	$ 13,154
Net income	312	—	312
Balance at March 31, 2021	$ 13,473	$ (7)	$ 13,466
Balance at December 31, 2021	$ 13,897	$ (6)	$ 13,891
Net income	**340**	**—**	**340**
Distributions to parent	**(50)**	**—**	**(50)**
Other	**1**	**—**	**1**
Balance at March 31, 2022	**$ 14,188**	**$ (6)**	**$ 14,182**

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Operating Revenues	**$ 2,992**	$ 2,505
Operating Expenses		
Fuel used in electric generation and purchased power	**1,064**	795
Operation, maintenance and other	**645**	601
Depreciation and amortization	**536**	485
Property and other taxes	**152**	142
Total operating expenses	**2,397**	2,023
Gains on Sales of Other Assets and Other, net	**2**	—
Operating Income	**597**	482
Other Income and Expenses, net	**35**	43
Interest Expense	**211**	192
Income Before Income Taxes	**421**	333
Income Tax Expense	**67**	43
Net Income	**$ 354**	$ 290
Net Income	**$ 354**	$ 290
Other Comprehensive Income, net of tax		
Net unrealized gains on cash flow hedges	**1**	1
Unrealized losses on available-for-sale securities	**(2)**	(1)
Other Comprehensive Loss, net of tax	**(1)**	—
Comprehensive Income	**$ 353**	$ 290

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 63	$ 70
Receivables (net of allowance for doubtful accounts of $11 at 2022 and 2021)	286	247
Receivables of VIEs (net of allowance for doubtful accounts of $40 at 2022 and $25 at 2021)	1,166	1,006
Receivables from affiliated companies	37	121
Notes receivable from affiliated companies	237	—
Inventory	1,403	1,398
Regulatory assets (includes $93 at 2022 and 2021 related to VIEs)	1,101	1,030
Other (includes $27 at 2022 and $39 at 2021 related to VIEs)	319	125
Total current assets	4,612	3,997
Property, Plant and Equipment		
Cost	61,629	60,894
Accumulated depreciation and amortization	(19,702)	(19,214)
Facilities to be retired, net	24	26
Net property, plant and equipment	41,951	41,706
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $1,583 at 2022 and $1,603 at 2021 related to VIEs)	6,024	5,909
Nuclear decommissioning trust funds	4,385	4,642
Operating lease right-of-use assets, net	701	691
Other	1,336	1,242
Total other noncurrent assets	16,101	16,139
Total Assets	$ 62,664	$ 61,842
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 982	$ 1,099
Accounts payable to affiliated companies	364	506
Notes payable to affiliated companies	377	2,809
Taxes accrued	157	128
Interest accrued	195	192
Current maturities of long-term debt (includes $88 at 2022 and $71 at 2021 related to VIEs)	1,095	1,082
Asset retirement obligations	268	275
Regulatory liabilities	469	478
Other	760	868
Total current liabilities	4,667	7,437
Long-Term Debt (includes $2,246 at 2022 and $2,293 at 2021 related to VIEs)	20,412	19,591
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,702	4,564
Asset retirement obligations	5,821	5,837
Regulatory liabilities	5,671	5,566
Operating lease liabilities	619	606
Accrued pension and other post-retirement benefit costs	409	417
Other	531	526
Total other noncurrent liabilities	17,753	17,516
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 100 shares authorized and outstanding at 2022 and 2021	—	—
Additional paid-in capital	9,149	9,149
Retained earnings	10,543	8,007
Accumulated other comprehensive loss	(12)	(11)
Total Progress Energy, Inc. stockholders' equity	19,680	17,145
Noncontrolling interests	2	3
Total equity	19,682	17,148
Total Liabilities and Equity	$ 62,664	$ 61,842

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 354**	$ 290
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**625**	575
Equity component of AFUDC	**(12)**	(13)
Deferred income taxes	**72**	79
Payments for asset retirement obligations	**(68)**	(69)
Provision for rate refunds	**(16)**	—
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**164**	6
Receivables	**(123)**	214
Receivables from affiliated companies	**102**	81
Inventory	**(5)**	39
Other current assets	**(224)**	(150)
Increase (decrease) in		
Accounts payable	**26**	(69)
Accounts payable to affiliated companies	**(142)**	32
Taxes accrued	**30**	23
Other current liabilities	**(113)**	(60)
Other assets	**(80)**	(27)
Other liabilities	**40**	(64)
Net cash provided by operating activities	**630**	887
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(981)**	(796)
Purchases of debt and equity securities	**(531)**	(517)
Proceeds from sales and maturities of debt and equity securities	**548**	537
Notes receivable from affiliated companies	**(237)**	—
Other	**(28)**	(59)
Net cash used in investing activities	**(1,229)**	(835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**889**	98
Payments for the redemption of long-term debt	**(54)**	(34)
Notes payable to affiliated companies	**(1)**	(125)
Dividends to parent	**(250)**	—
Other	**(3)**	(2)
Net cash provided by (used in) financing activities	**581**	(63)
Net (decrease) increase in cash, cash equivalents and restricted cash	**(18)**	(11)
Cash, cash equivalents and restricted cash at beginning of period	**113**	200
Cash, cash equivalents and restricted cash at end of period	**$ 95**	$ 189
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 349**	$ 317

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022							
			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, 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
Balance at December 31, 2021	$ 9,149	$ 8,007	$ (2)	$ (2)	$ (7)	$ 17,145	$ 3	$ 17,148
Net income	**—**	**354**	**—**	**—**	**—**	**354**	**—**	**354**
Other comprehensive income (loss)	**—**	**—**	**1**	**(2)**	**—**	**(1)**	**—**	**(1)**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Dividends to parent	**—**	**(250)**	**—**	**—**	**—**	**(250)**	**—**	**(250)**
Equitization of certain notes payable to affiliates	**—**	**2,431**	**—**	**—**	**—**	**2,431**	**—**	**2,431**
Other	**—**	**1**	**—**	**—**	**—**	**1**	**—**	**1**
Balance at March 31, 2022	**$ 9,149**	**$ 10,543**	**$ (1)**	**$ (4)**	**$ (7)**	**$ 19,680**	**$ 2**	**$ 19,682**

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)	**2022**	**2021**
Operating Revenues	**$ 1,632**	$ 1,401
Operating Expenses		
Fuel used in electric generation and purchased power	**574**	436
Operation, maintenance and other	**391**	357
Depreciation and amortization	**306**	285
Property and other taxes	**49**	49
Total operating expenses	**1,320**	1,127
Gains on Sales of Other Assets and Other, net	**1**	—
Operating Income	**313**	274
Other Income and Expenses, net	**22**	24
Interest Expense	**85**	69
Income Before Income Taxes	**250**	229
Income Tax Expense	**35**	19
Net Income and Comprehensive Income	**$ 215**	$ 210

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 42	$ 35
Receivables (net of allowance for doubtful accounts of $4 at 2022 and 2021)	188	127
Receivables of VIEs (net of allowance for doubtful accounts of $27 at 2022 and $17 at 2021)	658	574
Receivables from affiliated companies	20	65
Notes receivable from affiliated companies	328	—
Inventory	940	921
Regulatory assets (includes $39 at 2022 and 2021 related to VIEs)	595	533
Other (includes $14 in 2022 and $0 in 2021 related to VIEs)	200	83
Total current assets	2,971	2,338
Property, Plant and Equipment		
Cost	37,361	37,018
Accumulated depreciation and amortization	(13,691)	(13,387)
Facilities to be retired, net	24	26
Net property, plant and equipment	23,694	23,657
Other Noncurrent Assets		
Regulatory assets (includes $711 at 2022 and $720 at 2021 related to VIEs)	4,124	4,118
Nuclear decommissioning trust funds	3,872	4,089
Operating lease right-of-use assets, net	410	389
Other	867	792
Total other noncurrent assets	9,273	9,388
Total Assets	$ 35,938	$ 35,383
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 450	$ 476
Accounts payable to affiliated companies	260	310
Notes payable to affiliated companies	—	172
Taxes accrued	77	163
Interest accrued	76	96
Current maturities of long-term debt (includes $32 at 2022 and $15 at 2021 related to VIEs)	568	556
Asset retirement obligations	268	274
Regulatory liabilities	378	381
Other	400	448
Total current liabilities	2,477	2,876
Long-Term Debt (includes $1,080 at 2022 and $1,097 at 2021 related to VIEs)	10,396	9,543
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,275	2,208
Asset retirement obligations	5,411	5,401
Regulatory liabilities	4,898	4,868
Operating lease liabilities	372	350
Accrued pension and other post-retirement benefit costs	218	221
Investment tax credits	128	128
Other	96	87
Total other noncurrent liabilities	13,398	13,263
Commitments and Contingencies		
Equity		
Member's Equity	9,517	9,551
Total Liabilities and Equity	$ 35,938	$ 35,383

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 215**	$ 210
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**350**	331
Equity component of AFUDC	**(7)**	(8)
Deferred income taxes	**19**	6
Payments for asset retirement obligations	**(41)**	(46)
Provision for rate refunds	**(16)**	—
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**164**	2
Receivables	**(70)**	131
Receivables from affiliated companies	**63**	(20)
Inventory	**(19)**	29
Other current assets	**(75)**	(21)
Increase (decrease) in		
Accounts payable	**18**	(62)
Accounts payable to affiliated companies	**(50)**	10
Taxes accrued	**(85)**	(12)
Other current liabilities	**(67)**	(25)
Other assets	**(56)**	(35)
Other liabilities	**47**	(15)
Net cash provided by operating activities	**390**	475
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(467)**	(400)
Purchases of debt and equity securities	**(481)**	(382)
Proceeds from sales and maturities of debt and equity securities	**480**	380
Notes receivable from affiliated companies	**(328)**	—
Other	**(19)**	(29)
Net cash used in investing activities	**(815)**	(431)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**889**	98
Payments for the:		
Payments for the redemption of long-term debt	**(21)**	(2)
Notes payable to affiliated companies	**(172)**	(132)
Distributions to parent	**(250)**	—
Other	**(1)**	(1)
Net cash provided by (used in) financing activities	**445**	(37)
Net increase in cash, cash equivalents and restricted cash	**20**	7
Cash, cash equivalents and restricted cash at beginning of period	**39**	39
Cash, cash equivalents and restricted cash at end of period	**$ 59**	$ 46
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 111**	$ 96

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

		Three Months Ended March 31, 2021 and 2022
(in millions)		**Member's Equity**
Balance at December 31, 2020	$	9,260
Net income		210
Balance at March 31, 2021	$	9,470
Balance at December 31, 2021	$	9,551
Net income		**215**
Distributions to parent		**(250)**
Other		**1**
Balance at March 31, 2022	**$**	**9,517**

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)	**2022**	**2021**
Operating Revenues	**$ 1,355**	$ 1,101
Operating Expenses		
Fuel used in electric generation and purchased power	**490**	359
Operation, maintenance and other	**249**	242
Depreciation and amortization	**231**	200
Property and other taxes	**103**	93
Total operating expenses	**1,073**	894
Gains on Sales of Other Assets and Other, net	**1**	—
Operating Income	**283**	207
Other Income and Expenses, net	**15**	18
Interest Expense	**84**	80
Income Before Income Taxes	**214**	145
Income Tax Expense	**43**	28
Net Income	**$ 171**	$ 117
Other Comprehensive Loss, net of tax		
Unrealized losses on available-for-sale securities	**(1)**	(1)
Comprehensive Income	**$ 170**	$ 116

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 13	$ 23
Receivables (net of allowance for doubtful accounts of $8 at 2022 and 2021)	97	117
Receivables of VIEs (net of allowance for doubtful accounts of $13 at 2022 and $8 at 2021)	508	432
Receivables from affiliated companies	16	16
Inventory	463	477
Regulatory assets (includes $54 at 2022 and 2021 related to VIEs)	505	497
Other (includes $13 at 2022 and $39 at 2021 related to VIEs)	79	80
Total current assets	1,681	1,642
Property, Plant and Equipment		
Cost	24,257	23,865
Accumulated depreciation and amortization	(6,003)	(5,819)
Net property, plant and equipment	18,254	18,046
Other Noncurrent Assets		
Regulatory assets (includes $872 at 2022 and $883 at 2021 related to VIEs)	1,899	1,791
Nuclear decommissioning trust funds	514	553
Operating lease right-of-use assets, net	291	302
Other	418	399
Total other noncurrent assets	3,122	3,045
Total Assets	$ 23,057	$ 22,733
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 532	$ 623
Accounts payable to affiliated companies	120	209
Notes payable to affiliated companies	468	199
Taxes accrued	96	51
Interest accrued	84	68
Current maturities of long-term debt (includes $56 at 2022 and 2021 related to VIEs)	77	76
Asset retirement obligations	1	1
Regulatory liabilities	91	98
Other	349	408
Total current liabilities	1,818	1,733
Long-Term Debt (includes $1,166 at 2022 and $1,196 at 2021 related to VIEs)	8,374	8,406
Other Noncurrent Liabilities		
Deferred income taxes	2,503	2,434
Asset retirement obligations	411	436
Regulatory liabilities	772	698
Operating lease liabilities	247	256
Accrued pension and other post-retirement benefit costs	161	166
Other	306	309
Total other noncurrent liabilities	4,400	4,299
Commitments and Contingencies		
Equity		
Member's equity	8,469	8,298
Accumulated other comprehensive loss	(4)	(3)
Total equity	8,465	8,295
Total Liabilities and Equity	$ 23,057	$ 22,733

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended March 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 171	$ 117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	273	243
Equity component of AFUDC	(5)	(4)
Deferred income taxes	52	74
Payments for asset retirement obligations	(28)	(24)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	—	2
Receivables	(54)	83
Receivables from affiliated companies	—	(4)
Inventory	14	10
Other current assets	(72)	(101)
Increase (decrease) in		
Accounts payable	9	(7)
Accounts payable to affiliated companies	(89)	23
Taxes accrued	45	3
Other current liabilities	(52)	(41)
Other assets	(24)	12
Other liabilities	(6)	(48)
Net cash provided by operating activities	234	338
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(514)	(396)
Purchases of debt and equity securities	(49)	(134)
Proceeds from sales and maturities of debt and equity securities	69	157
Other	(10)	(30)
Net cash used in investing activities	(504)	(403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for the redemption of long-term debt	(34)	(33)
Notes payable to affiliated companies	269	83
Other	(1)	—
Net cash provided by financing activities	234	50
Net decrease in cash, cash equivalents and restricted cash	(36)	(15)
Cash, cash equivalents and restricted cash at beginning of period	62	50
Cash, cash equivalents and restricted cash at end of period	$ 26	$ 35
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 237	$ 222

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	**Member's Equity**	**Net Unrealized Losses on Available-for-Sale Securities**	**Total Equity**
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
Balance at December 31, 2021	$ 8,298	$ (3)	$ 8,295
Net income	**171**	**—**	**171**
Other comprehensive loss	**—**	**(1)**	**(1)**
Balance at March 31, 2022	**$ 8,469**	**$ (4)**	**$ 8,465**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Operating Revenues		
Regulated electric	**$ 412**	$ 363
Regulated natural gas	**226**	169
Total operating revenues	**638**	532
Operating Expenses		
Fuel used in electric generation and purchased power	**127**	82
Cost of natural gas	**107**	51
Operation, maintenance and other	**178**	108
Depreciation and amortization	**80**	74
Property and other taxes	**101**	92
Total operating expenses	**593**	407
Operating Income	**45**	125
Other Income and Expenses, net	**6**	5
Interest Expense	**30**	25
Income Before Income Taxes	**21**	105
Income Tax (Benefit) Expense	**(56)**	14
Net Income and Comprehensive Income	**$ 77**	$ 91

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 15	$ 13
Receivables (net of allowance for doubtful accounts of $4 at 2022 and 2021)	101	96
Receivables from affiliated companies	93	122
Notes receivable from affiliated companies	—	15
Inventory	114	116
Regulatory assets	60	72
Other	23	57
Total current assets	406	491
Property, Plant and Equipment		
Cost	11,818	11,725
Accumulated depreciation and amortization	(3,102)	(3,106)
Generation facilities to be retired, net	—	6
Net property, plant and equipment	8,716	8,625
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	584	635
Operating lease right-of-use assets, net	18	19
Other	87	84
Total other noncurrent assets	1,609	1,658
Total Assets	$ 10,731	$ 10,774
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 379	$ 348
Accounts payable to affiliated companies	68	64
Notes payable to affiliated companies	123	103
Taxes accrued	219	275
Interest accrued	32	30
Asset retirement obligations	13	13
Regulatory liabilities	67	62
Other	73	82
Total current liabilities	974	977
Long-Term Debt	3,168	3,168
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,078	1,050
Asset retirement obligations	124	123
Regulatory liabilities	593	739
Operating lease liabilities	18	18
Accrued pension and other post-retirement benefit costs	109	109
Other	100	101
Total other noncurrent liabilities	2,022	2,140
Commitments and Contingencies		
Equity		
Common Stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2022 and 2021	762	762
Additional paid-in capital	3,100	3,100
Retained earnings	680	602
Total equity	4,542	4,464
Total Liabilities and Equity	$ 10,731	$ 10,774

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)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 77	$ 91
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	81	75
Equity component of AFUDC	(3)	(2)
Deferred income taxes	(51)	12
Provision for rate refunds	5	—
(Increase) decrease in		
Receivables	(5)	—
Receivables from affiliated companies	15	5
Inventory	2	2
Other current assets	48	(5)
Increase (decrease) in		
Accounts payable	88	8
Accounts payable to affiliated companies	—	(12)
Taxes accrued	(56)	(55)
Other current liabilities	(89)	(8)
Other assets	(17)	(16)
Other liabilities	74	1
Net cash provided by operating activities	169	96
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(210)	(220)
Notes receivable from affiliated companies	29	37
Other	(6)	(10)
Net cash used in investing activities	(187)	(193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Notes payable to affiliated companies	21	101
Other	(1)	—
Net cash provided by financing activities	20	101
Net increase in cash and cash equivalents	2	4
Cash and cash equivalents at beginning of period	13	14
Cash and cash equivalents at end of period	$ 15	$ 18
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 82	$ 84

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
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
Balance at December 31, 2021	$ 762	$ 3,100	$ 602	$ 4,464
Net income	**—**	**—**	**77**	**77**
Other	**—**	**—**	**1**	**1**
Balance at March 31, 2022	**$ 762**	**$ 3,100**	**$ 680**	**$ 4,542**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Operating Revenues	**$ 822**	$ 745
Operating Expenses		
Fuel used in electric generation and purchased power	**319**	217
Operation, maintenance and other	**192**	178
Depreciation and amortization	**156**	152
Property and other taxes	**25**	21
Impairment of assets and other charges	**211**	—
Total operating expenses	**903**	568
Operating (Loss) Income	**(81)**	177
Other Income and Expenses, net	**10**	9
Interest Expense	**45**	50
(Loss) Income Before Income Taxes	**(116)**	136
Income Tax (Benefit) Expense	**(37)**	24
Net (Loss) Income and Comprehensive (Loss) Income	**$ (79)**	$ 112

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 19	$ 6
Receivables (net of allowance for doubtful accounts of $3 at 2022 and 2021)	83	100
Receivables from affiliated companies	69	98
Notes receivable from affiliated companies	20	134
Inventory	430	418
Regulatory assets	301	277
Other	72	68
Total current assets	994	1,101
Property, Plant and Equipment		
Cost	17,494	17,343
Accumulated depreciation and amortization	(5,693)	(5,583)
Net property, plant and equipment	11,801	11,760
Other Noncurrent Assets		
Regulatory assets	1,077	1,278
Operating lease right-of-use assets, net	52	53
Other	295	296
Total other noncurrent assets	1,424	1,627
Total Assets	$ 14,219	$ 14,488
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 268	$ 282
Accounts payable to affiliated companies	187	221
Taxes accrued	131	73
Interest accrued	56	49
Current maturities of long-term debt	31	84
Asset retirement obligations	115	110
Regulatory liabilities	140	127
Other	108	105
Total current liabilities	1,036	1,051
Long-Term Debt	4,089	4,089
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	1,234	1,303
Asset retirement obligations	861	877
Regulatory liabilities	1,557	1,565
Operating lease liabilities	49	50
Accrued pension and other post-retirement benefit costs	168	167
Investment tax credits	177	177
Other	74	44
Total other noncurrent liabilities	4,120	4,183
Commitments and Contingencies		
Equity		
Member's Equity	4,824	5,015
Total Liabilities and Equity	$ 14,219	$ 14,488

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	**$ (79)**	$ 112
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**157**	153
Equity component of AFUDC	**(7)**	(5)
Impairment of assets and other charges	**211**	—
Deferred income taxes	**(81)**	(12)
Payments for asset retirement obligations	**(15)**	(10)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	1
Receivables	**4**	(9)
Receivables from affiliated companies	**12**	—
Inventory	**(12)**	38
Other current assets	**(22)**	(23)
Increase (decrease) in		
Accounts payable	**19**	1
Accounts payable to affiliated companies	**(22)**	(16)
Taxes accrued	**74**	71
Other current liabilities	**14**	20
Other assets	**(10)**	3
Other liabilities	**50**	12
Net cash provided by operating activities	**293**	336
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(212)**	(186)
Purchases of debt and equity securities	**(16)**	(5)
Proceeds from sales and maturities of debt and equity securities	**13**	4
Notes receivable from affiliated companies	**131**	(1)
Other	**(17)**	(7)
Net cash used in investing activities	**(101)**	(195)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for the redemption of long-term debt	**(53)**	—
Notes payable to affiliated companies	**—**	(131)
Distributions to parent	**(125)**	—
Other	**(1)**	—
Net cash used in financing activities	**(179)**	(131)
Net increase in cash and cash equivalents	**13**	10
Cash and cash equivalents at beginning of period	**6**	7
Cash and cash equivalents at end of period	**$ 19**	$ 17
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 82**	$ 74

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(in millions)	Three Months Ended March 31, 2021 and 2022 Member's Equity
Balance at December 31, 2020	$ 4,783
Net income	112
Other	1
Balance at March 31, 2021	$ 4,896
Balance at December 31, 2021	$ 5,015
Net loss	**(79)**
Distributions to parent	**(113)**
Other	**1**
Balance at March 31, 2022	**$ 4,824**

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)	**2022**	**2021**
Operating Revenues	**$ 805**	$ 606
Operating Expenses		
Cost of natural gas	**374**	225
Operation, maintenance and other	**95**	78
Depreciation and amortization	**54**	48
Property and other taxes	**16**	14
Total operating expenses	**539**	365
Operating Income	**266**	241
Other Income and Expenses, net	**13**	17
Interest Expense	**32**	29
Income Before Income Taxes	**247**	229
Income Tax Expense	**33**	26
Net Income and Comprehensive Income	**$ 214**	$ 203

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $17 at 2022 and $15 at 2021)	$ 303	$ 318
Receivables from affiliated companies	13	11
Inventory	51	109
Regulatory assets	133	141
Other	16	9
Total current assets	516	588
Property, Plant and Equipment		
Cost	10,110	9,918
Accumulated depreciation and amortization	(1,952)	(1,899)
Facilities to be retired, net	10	11
Net property, plant and equipment	8,168	8,030
Other Noncurrent Assets		
Goodwill	49	49
Regulatory assets	349	316
Operating lease right-of-use assets, net	15	16
Investments in equity method unconsolidated affiliates	97	95
Other	307	288
Total other noncurrent assets	817	764
Total Assets	$ 9,501	$ 9,382
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 170	$ 196
Accounts payable to affiliated companies	52	40
Notes payable to affiliated companies	360	518
Taxes accrued	79	63
Interest accrued	35	37
Regulatory liabilities	98	56
Other	73	81
Total current liabilities	867	991
Long-Term Debt	2,969	2,968
Other Noncurrent Liabilities		
Deferred income taxes	831	815
Asset retirement obligations	22	22
Regulatory liabilities	1,041	1,058
Operating lease liabilities	13	14
Accrued pension and other post-retirement benefit costs	7	7
Other	188	158
Total other noncurrent liabilities	2,102	2,074
Commitments and Contingencies		
Equity		
Common stock, no par value: 100 shares authorized and outstanding at 2022 and 2021	1,635	1,635
Retained earnings	1,928	1,714
Total equity	3,563	3,349
Total Liabilities and Equity	$ 9,501	$ 9,382

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 214**	$ 203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**55**	48
Equity component of AFUDC	**(1)**	(6)
Deferred income taxes	**(11)**	(12)
Equity in earnings from unconsolidated affiliates	**(2)**	(2)
Provision for rate refunds	**(2)**	—
(Increase) decrease in		
Receivables	**15**	(8)
Receivables from affiliated companies	**(2)**	—
Inventory	**58**	31
Other current assets	**7**	66
Increase (decrease) in		
Accounts payable	**(16)**	(63)
Accounts payable to affiliated companies	**12**	(21)
Taxes accrued	**16**	45
Other current liabilities	**36**	(16)
Other assets	**(13)**	2
Other liabilities	**—**	(2)
Net cash provided by operating activities	**366**	265
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(199)**	(200)
Notes receivable from affiliated companies	**—**	(198)
Other	**(8)**	(8)
Net cash used in investing activities	**(207)**	(406)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**—**	347
Notes payable to affiliated companies	**(158)**	(530)
Capital contributions from parent	**—**	325
Other	**(1)**	—
Net cash (used in) provided by financing activities	**(159)**	142
Net increase in cash and cash equivalents	**—**	1
Cash and cash equivalents at beginning of period	**—**	—
Cash and cash equivalents at end of period	**$ —**	$ 1
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 87**	$ 106

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended March 31, 2021 and 2022		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
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
Balance at December 31, 2021	$ 1,635	$ 1,714	$ 3,349
Net income	**—**	**214**	**214**
Balance at March 31, 2022	**$ 1,635**	**$ 1,928**	**$ 3,563**

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, 2021.

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.

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 Sheets.

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.

During September 2021, Duke Energy completed the initial minority interest investment in a portion of Duke Energy Indiana to an affiliate of GIC. GIC's ownership interest in Duke Energy Indiana represents a noncontrolling interest. See Note 2 for additional information on the sale.

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 allocated losses to noncontrolling interest for the three months ended March 31, 2022, and 2021.

(in millions)	Three Months Ended March 31, 2022	2021
Noncontrolling Interest Allocation of Income		
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	**$ 24**	$ 43
Allocated losses to noncontrolling members based on pro rata shares of ownership	**13**	8
Total Noncontrolling Interest Allocated Losses	**$ 37**	$ 51

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress 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, 2022					December 31, 2021				
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida
Current Assets										
Cash and cash equivalents	**$ 853**	**$ 4**	**$ 63**	**$ 42**	**$ 13**	$ 343	$ 7	$ 70	$ 35	$ 23
Other	**151**	**4**	**28**	**13**	**13**	170	—	39	—	39
Other Noncurrent Assets										
Other	**16**	**1**	**4**	**4**	**—**	7	1	4	4	—
Total cash, cash equivalents and restricted cash	**$ 1,020**	**$ 9**	**$ 95**	**$ 59**	**$ 26**	$ 520	$ 8	$ 113	$ 39	$ 62

INVENTORY

Provisions for inventory write-offs were not material at March 31, 2022, and December 31, 2021. The components of inventory are presented in the tables below.

	March 31, 2022							
(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	**$ 2,455**	**$ 810**	**$ 1,089**	**$ 744**	**$ 345**	**$ 89**	**$ 320**	**$ 14**
Coal	**469**	**196**	**149**	**93**	**56**	**16**	**108**	**—**
Natural gas, oil and other fuel	**247**	**34**	**165**	**103**	**62**	**9**	**2**	**37**
Total inventory	**$ 3,171**	**$ 1,040**	**$ 1,403**	**$ 940**	**$ 463**	**$ 114**	**$ 430**	**$ 51**

	December 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	$ 2,397	$ 793	$ 1,067	$ 729	$ 338	$ 80	$ 311	$ 14
Coal	486	195	167	94	73	19	105	—
Natural gas, oil and other fuel	316	38	164	98	66	17	2	95
Total inventory	$ 3,199	$ 1,026	$ 1,398	$ 921	$ 477	$ 116	$ 418	$ 109

NEW ACCOUNTING STANDARDS

No new accounting standards were adopted by the Duke Energy Registrants in 2022.

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. On January 28, 2021, Duke Energy executed an agreement providing for an investment by an affiliate of GIC in Duke Energy Indiana in exchange for a 19.9% minority interest issued by Duke Energy Indiana Holdco, LLC, the holding company for Duke Energy Indiana. The transaction will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing, which occurred on September 8, 2021, resulted in Duke Energy Indiana Holdco, LLC issuing 11.05% of its membership interests in exchange for approximately $1,025 million or 50% of the purchase price. Duke Energy retained indirect control of these assets, and, therefore, no gain or loss was recognized on the Condensed Consolidated Statements of Operations. 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.

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. Duke Energy continues to monitor recoverability of its renewable merchant plants located in the ERCOT West market and in the PJM West market due to fluctuating market pricing and long-term forecasted energy prices. The assets were not impaired as of March 31, 2022, because the carrying value of approximately $200 million continues to approximate the aggregate estimated future undiscounted cash flows. Duke Energy has a 51% ownership interest in these assets. A continued decline in energy market pricing or other factors unfavorably impacting the economics 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 March 31, 2022						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 5,995	$ 1,009	$ 121	$ 7,125	$ 7	$ —	$ 7,132
Intersegment revenues	7	23	—	30	23	(53)	—
Total revenues	$ 6,002	$ 1,032	$ 121	$ 7,155	$ 30	$ (53)	$ 7,132
Segment income (loss)[(a)]	$ 723	$ 254	$ 11	$ 988	$ (170)	$ —	$ 818
Less: Noncontrolling interests							37
Add: Preferred stock dividend							39
Net Income							$ 820
Segment assets	$ 144,790	$ 15,170	$ 7,021	$ 166,981	$ 4,251	$ (12)	$ 171,220

	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)[(b)]	$ 820	$ 245	$ 27	$ 1,092	$ (139)	$ —	$ 953
Less: Noncontrolling interests							51
Add: Preferred stock dividend							39
Net Income							$ 941

(a) Electric Utilities and Infrastructure includes $211 million recorded within Impairment of assets and other charges, $46 million within Operating revenues and $22 million within Noncontrolling Interests related to the Duke Energy Supreme Court ruling on the Condensed Consolidated Statements of Operations. See Note 3 for additional information.

(b) 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 Operation, maintenance and other, $29 million within Equity in earnings (losses) of unconsolidated affiliates and $12 million within Net 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 earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments.

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, 2022					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 412	$ 226	$ 638	$ —	$ —	$ 638
Segment income/Net (loss) income	$ 41	$ 38	$ 79	$ (2)	$ —	$ 77
Segment assets	$ 7,101	$ 3,784	$ 10,885	$ 14	$ (168)	$ 10,731

	Three Months Ended March 31, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 363	$ 169	$ 532	$ —	$ 532
Segment income/Net (loss) income	$ 50	$ 43	$ 93	$ (2)	$ 91

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

HB 951

The NCUC is required by North Carolina House Bill 951 (HB 951) to adopt an initial Carbon Plan on or before December 31, 2022. The NCUC has directed Duke Energy Carolinas and Duke Energy Progress to file a proposed Carbon Plan on or before May 16, 2022. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

On February 10, 2022, the NCUC adopted rules to govern the application and review process for the PBR authorized under HB 951. On April 5, 2022, the NCUC adopted rules to govern the securitization of 50% of the North Carolina retail portion of the remaining net book value of retiring coal plants pursuant to HB 951. The rules are constructive and consistent with the policy objectives of HB 951.

Duke Energy Carolinas

Oconee Nuclear Station Subsequent License Renewal

On June 7, 2021, Duke Energy Carolinas filed a subsequent license renewal (SLR) application for the Oconee Nuclear Station (ONS) with the U.S. Nuclear Regulatory Commission (NRC) to renew ONS's operating license for an additional 20 years. The SLR would extend operations of the facility from 60 to 80 years. The current licenses for units 1 and 2 expire in 2033 and the license for unit 3 expires in 2034. By a Federal Register Notice dated July 28, 2021, the NRC provided a 60-day comment period for persons whose interest may be affected by the issuance of a subsequent renewed license for ONS to file a request for a hearing and a petition for leave to intervene. On September 27, 2021, Beyond Nuclear and Sierra Club (Petitioners) filed a Hearing Request and Petition to Intervene (Hearing Request) and a Petition for Waiver. The Hearing Request proposed three contentions purporting to challenge Duke Energy Carolinas' environmental report (ER). In general, the proposed contentions claimed that the ER did not consider certain information regarding the environmental aspects of severe accidents caused by a hypothetical failure of the Jocassee Dam, and therefore did not satisfy the National Environmental Policy Act (NEPA) of 1969, as amended, or the NRC's NEPA-implementing regulations. Duke Energy Carolinas filed its answer to the proposed contentions on October 22, 2021, and the Petitioners filed their reply to Duke Energy Carolinas' answer on November 5, 2021. On February 11, 2022, the Atomic Safety and Licensing Board (ASLB) issued its decision on the Hearing Request and found that the Petitioners failed to establish that the proposed contentions are litigable. The ASLB also denied the Petitioners' Petition for Waiver and terminated the proceeding.

On February 24, 2022, the NRC issued a decision in the Turkey Point SLR appeal and ruled that the NRC's license renewal Generic Environmental Impact Statement (GEIS) does not apply to SLR because the GEIS does not address SLR. The decision overturned a 2020 NRC decision that found the GEIS applies to SLR. While Turkey Point is not owned or operated by a Duke Energy Registrant, the NRC's order applies to all SLR applicants, including ONS. The NRC order also indicated no subsequent renewed licenses will be issued until the NRC staff has completed an adequate NEPA review for each application. On April 5, 2022, the NRC approved a 24-month rulemaking plan that will enable the NRC staff to complete an adequate NEPA review. Although an SLR applicant may wait until the rulemaking is completed, the NRC also noted that an applicant may submit a revised environmental report providing information on environmental impacts during the SLR period prior to the rulemaking being completed. Duke Energy Carolinas is evaluating the two options to determine which is preferable for ONS. Although the NRC's decision will delay completion of the SLR proceeding, Duke Energy Carolinas does not believe it changes the probability that the ONS subsequent renewed licenses will ultimately be issued, though Duke Energy Carolinas cannot guaranty the outcome of the license application process.

Duke Energy Carolinas and Duke Energy Progress intend to seek renewal of operating licenses and 20-year license extensions for all of their nuclear stations. New depreciation rates were implemented for all of the nuclear facilities during the second quarter of 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Progress

FERC Return on Equity Complaint

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 Federal Power Act (FPA), alleging that the 11% stated return on equity (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. A series of responses and answers were filed at FERC. The complaint proceeding is currently held in abeyance until June 1, 2022, based on representations that the parties have reached an agreement in principle and need additional time to finalize the filing. 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 retail portion of 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 contained 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 resolved remaining unrecovered storm costs for Hurricane Michael and Hurricane Dorian.

The FPSC approved the 2021 Settlement on May 4, 2021, issuing an order on June 4, 2021. Revised customer rates became effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

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 three 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. The FPSC approved the program in January 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. LULAC's reply brief was filed on September 24, 2021, and its request for oral argument was filed on September 28, 2021. The Supreme Court of Florida heard the oral argument on February 9, 2022. The FPSC approval order remains in effect pending the outcome of the appeal. Duke Energy Florida cannot predict the outcome of this matter.

Storm Protection Plan

On April 11, 2022, Duke Energy Florida filed a Storm Protection Plan for approval with the FPSC. The plan, which covers investments for the 2023-2032 time frame, reflects approximately $7 billion of capital investment in transmission and distribution meant to strengthen its infrastructure, reduce outage times associated with extreme weather events, reduce restoration costs and improve overall service reliability. The FPSC has scheduled a hearing to begin on August 2, 2022. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Duke Energy Ohio Electric Base Rate Case

Duke Energy Ohio filed with the PUCO an electric distribution base rate case application on October 1, 2021, with supporting testimony filed on October 15, 2021, requesting an increase in electric distribution base rates of approximately $55 million and an ROE of 10.3%. This is an approximate 3.3% average increase in the customer's total bill across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last electric distribution base rate case in 2017. Duke Energy Ohio is also seeking to adjust the caps on its Distribution Capital Investment Rider (DCI Rider). Duke Energy Ohio anticipates the PUCO will rule on the request in 2022. Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

In response to changes in Ohio law that eliminated Ohio's energy efficiency mandates, the PUCO issued an order on February 26, 2020, directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020. Duke Energy Ohio took the following actions:

- 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 an order replacing the cost cap previously imposed upon Duke Energy Ohio with a cap on shared savings recovery. On December 18, 2020, Duke Energy Ohio filed an additional application for rehearing challenging, among other things, the imposition of the cap on shared savings. On January 13, 2021, the application for rehearing was granted for further consideration.
- 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 proposed a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review.
- On November 18, 2020, the PUCO issued an order directing all utilities to set their energy efficiency riders 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. Effective January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs.
- 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.
- On February 23, 2022, the PUCO issued its Fifth Entry on Rehearing that 1) affirmed its reduction in Duke Energy Ohio's shared savings cap; 2) denied rehearing/clarification regarding lost distribution revenues and shared savings recovery for periods after December 31, 2020; and 3) directed Duke Energy Ohio to submit an updated application with exhibits.
- On March 25, 2022, Duke Energy Ohio filed its Amended Application consistent with the PUCO's order.

Duke Energy Ohio cannot predict the outcome of this matter.

Natural Gas Pipeline Extension

Duke Energy Ohio installed 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. Construction of the pipeline extension was completed and placed in service on March 14, 2022. Duke Energy Ohio expects the final cost for the pipeline development and construction activities to be approximately $185 million (excluding overheads and AFUDC).

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 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. The Staff of the PUCO (Staff) issued reports recommending a disallowance of MGP remediation costs incurred that the Staff believes are not eligible for recovery. The Staff interprets the PUCO’s 2013 order granting Duke Energy Ohio recovery of MGP remediation as limiting the recovery to work directly on the East End and West End sites. 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. Additionally, the 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.

The 2013 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, the 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.

A Stipulation and Recommendation was filed jointly by Duke Energy Ohio, the Staff, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021, which was approved without modification by the PUCO on April 20, 2022. The Stipulation and Recommendation resolved all open issues regarding MGP remediation costs incurred between 2013 and 2019, Duke Energy Ohio’s request for additional deferral authority beyond 2019 and the pending issues related to the Tax Act described below as it related to Duke Energy Ohio’s natural gas operations. As a result of the approval of the Stipulation and Recommendation, Duke Energy Ohio recognized pretax charges of approximately $15 million to Operating revenues, regulated natural gas and $58 million to Operation, maintenance and other and a tax benefit of $72 million to Income Tax (Benefit) Expense in the Condensed Consolidated Statements of Operations for the three months ended March 31, 2022. The Stipulation and Recommendation further acknowledged Duke Energy Ohio’s ability to file a request for additional deferral authority in the future related to environmental remediation of any MGP impacts in the Ohio River if necessary, subject to specific conditions. Intervenors have 30 days to file for rehearing. 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 would 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 would 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. The Stipulation and Recommendation filed on August 31, 2021, and approved on April 20, 2022, disclosed in the MGP Cost Recovery matter above, resolves the outstanding issues in this proceeding by providing customers a one-time bill credit for the reduction in the statutory federal tax rate from 35% to 21% since January 1, 2018, through June 1, 2022, and reducing base rates going forward. Deferred income taxes subject to normalization rules will be refunded consistent with federal law through a new rider. Deferred income taxes not subject to normalization rules were written off. Intervenors have 30 days to file for rehearing. Duke Energy Ohio cannot predict the outcome of this matter.

Midwest Propane Caverns

Duke Energy Ohio used propane stored in caverns to meet peak demand during winter. Because the Central Corridor Project is complete and placed in service, the propane peaking facilities will no longer be necessary and have been retired. On October 7, 2021, Duke Energy Ohio requested deferral treatment of the property, plant and equipment as well as costs related to propane inventory and decommissioning costs. On January 6, 2022, the Staff issued a report recommending deferral authority for costs related to propane inventory and decommissioning costs, but not for the net book value of the remaining plant assets. As a result of the Staff's report, Duke Energy Ohio recorded a $19 million charge to Impairment of assets and other charges on the Consolidated Statements of Operations and Comprehensive Income in the fourth quarter of 2021. A Stipulation and Recommendation was filed jointly by Duke Energy Ohio and the Staff on April 27, 2022, recommending, among other things, approval of deferral treatment of a portion of the net book value of the property, plant and equipment prior to the 2021 impairment at the time of the next natural gas base rate case, excluding operations and maintenance savings, decommissioning costs not to exceed $7 million and costs related to propane inventory. The Stipulation and Recommendation states that Duke Energy Ohio will seek recovery of the deferral through its next gas base rate case proceeding with a proposed amortization period of at least ten years and include an independent engineering study analyzing the necessity and prudency of the incremental investments made at the facilities since March 31, 2012. Duke Energy Ohio will not seek a return on the deferred amounts. Duke Energy Ohio 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% is 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 on July 28, 2021, and implemented in August 2021. Step two rates are based on an ROE of 9.7% and actual December 31, 2020 capital structure with a 54% equity component. Step two rates were 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. The Indiana Supreme Court issued its opinion on March 10, 2022, finding that the IURC erred in allowing Duke Energy Indiana to recover coal ash costs incurred before the IURC's rate case order in June 2020. The Indiana Supreme Court found that allowing Duke Energy Indiana to recover coal ash costs incurred between rate cases that exceeded the amount built into base rates violated the prohibition against retroactive ratemaking. The IURC's order has been remanded to the IURC for additional proceedings consistent with the Indiana Supreme Court's opinion. As a result of the court's opinion, Duke Energy Indiana recognized pretax charges of approximately $211 million to Impairment of assets and other charges and $46 million to Operating revenues in the Condensed Consolidated Statements of Operations for the three months ended March 31, 2022. Duke Energy Indiana filed a request for rehearing with the Supreme Court on April 11, 2022. Until the Indiana Supreme Court acts on the petition for rehearing, the IURC may not act on the Supreme Court's initial remedy. 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 also opened a subdocket for 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 (IDEM) as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020. Briefing was completed by mid-September 2021. On November 3, 2021, the IURC issued an order allowing recovery for post-2018 coal ash basin closure costs for the plans that have been approved by IDEM, as well as continuing deferral, with carrying costs, on the balance. The OUCC filed a notice of appeal to the Indiana Court of Appeals on December 3, 2021. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

2022 South Carolina Rate Case

On April 1, 2022, Piedmont filed an application with the PSCSC for a rate increase for retail customers of approximately $7 million, which represents an approximate 3.4% increase in retail revenues. The rate increase is driven by customer growth and infrastructure upgrade investments (plant additions) since Piedmont's last proceeding in 2021 under South Carolina's Rate Stabilization Act. In addition, Piedmont agreed with the South Carolina Office of Regulatory Staff in 2019 to file a general rate case no later than April 1, 2022, to conduct a more comprehensive review of rates including the allocation of costs to residential, commercial and industrial customers. The PSCSC has scheduled an evidentiary hearing for the week of August 15, 2022. Piedmont cannot predict the outcome of this matter.

OTHER REGULATORY MATTERS

Potential Coal Plant Retirements

The Subsidiary Registrants periodically file IRPs with their state regulatory commissions. The IRPs provide a view of forecasted energy needs over a long term (10 to 20 years) and options being considered to meet those needs. IRPs filed by the Subsidiary Registrants included planning assumptions to potentially retire certain coal-fired generating facilities in North Carolina and Indiana earlier than their current estimated useful lives. Duke Energy continues to evaluate the potential need to retire these coal-fired generating facilities earlier than the current estimated useful lives and plans to seek regulatory recovery for amounts that would not be otherwise recovered when any of these assets are retired.

The table below contains the net carrying value of generating facilities planned for retirement or included in recent IRPs as evaluated for potential retirement. Dollar amounts in the table below are included in Net property, plant and equipment on the Condensed Consolidated Balance Sheets as of March 31, 2022, and exclude capitalized asset retirement costs.

	Capacity (in MW)	Remaining Net Book Value (in millions)
Duke Energy Carolinas		
Allen Steam Station Units 1[(a)]	167	$ 12
Allen Steam Station Units 5[(b)]	259	265
Cliffside Unit 5[(b)]	546	358
Duke Energy Progress		
Mayo Unit 1[(b)]	713	621
Roxboro Units 3-4[(b)]	1,409	450
Duke Energy Florida		
Crystal River Units 4-5[(c)]	1,442	1,636
Duke Energy Indiana		
Gibson Units 1-5[(d)]	2,845	2,076
Cayuga Units 1-2[(d)]	1,005	676
Total Duke Energy	8,386	$ 6,094

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Unit 1 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of this unit earlier than its current estimated useful live.

(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.

(c) On January 14, 2021, Duke Energy Florida filed the 2021 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 FPSC approved the 2021 Settlement on May 4, 2021.

(d) 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 Other within Other Noncurrent Liabilities on the Condensed Consolidated Balance Sheets.

(in millions)	March 31, 2022	December 31, 2021
Reserves for Environmental Remediation		
Duke Energy	**$ 87**	$ 88
Duke Energy Carolinas	**19**	19
Progress Energy	**23**	23
Duke Energy Progress	**11**	11
Duke Energy Florida	**11**	11
Duke Energy Ohio	**33**	34
Duke Energy Indiana	**4**	4
Piedmont	**8**	9

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.

LITIGATION

Duke Energy

Michael Johnson et al. v. Duke Energy Corporation et al.

On September 23, 2020, plaintiff Michael Johnson, a former Duke Energy employee and participant in the Duke Energy Retirement Savings Plan (Plan) brought suit on his own behalf and on behalf of other participants and beneficiaries similarly situated against Duke Energy Corporation, the Duke Energy Benefits Committee, and other unnamed individual defendants. The complaint, which was subsequently amended to add a current participant as a plaintiff on November 23, 2020, alleges that the defendants breached their fiduciary duties with respect to certain fees associated with the Plan in violation of the Employee Retirement Income Security Act of 1974 and seeks certification of a class of all individuals who were participants or beneficiaries of the Plan at any time on or after September 23, 2014. The defendants filed a motion to dismiss the plaintiffs' amended complaint on December 18, 2020. On January 31, 2022, the court denied the defendants' motion to dismiss. On February 28, 2022, Duke Energy responded to the amended complaint. Discovery commenced and the parties exchanged preliminary disclosures. After review of these disclosures, the parties filed a joint stipulation of dismissal with prejudice on April 28, 2022. If approved by the Court, this matter will be fully resolved. Duke Energy cannot predict the outcome of this matter.

Texas Storm Uri Tort Litigation

Several Duke Energy renewables project companies, located in the ERCOT market, were named in lawsuits arising out of Texas Storm Uri in mid-February 2021. Duke Energy Corporation, which had originally been named in several suits, was dismissed from the lawsuits. The lawsuits against the Duke Energy renewables project companies seek recovery for property damages, personal injury and for wrongful death allegedly caused by the power outages, which the plaintiffs claim was the result of collective failures of generators, transmission and distribution operators, retail energy providers and others, including ERCOT. The cases have been consolidated into a Texas state court multidistrict litigation (MDL) proceeding for discovery and pre-litigation purposes. Five MDL cases have been designated for motions to dismiss while all other cases are stayed. Duke Energy renewables projects are named as defendants in three of these five cases. The parties' briefing on omnibus motions to dismiss should be completed by July 2022 and will focus on lack of duty, tariff defenses and sovereign immunity. Decisions on these motions will be applicable to all of the stayed cases. Duke Energy cannot predict the outcomes of these matters.

Duke Energy Carolinas

Ruben Villano, et al. v. Duke Energy Carolinas, LLC

On June 16, 2021, a group of nine individuals went over a low head dam adjacent to the Dan River Steam Station in Eden, North Carolina, while water tubing. Emergency personnel rescued four people and five others were confirmed deceased. On August 11, 2021, Duke Energy Carolinas was served with the complaint filed in Durham County Superior Court on behalf of four survivors, which was later amended to include all the decedents along with the survivors, except for one minor. The lawsuit alleges that Duke Energy Carolinas knew that the river was used for recreational purposes and that Duke Energy did not adequately warn about the dam, and that Duke Energy Carolinas created a dangerous and hidden hazard on the Dan River in building and maintaining the low head dam. On September 30, 2021, Duke Energy Carolinas filed its motion to dismiss and motion for transfer of venue from Durham County to Rockingham County, both of which were denied on November 15, 2021. On November 15, 2021, Duke Energy Carolinas was also served with Plaintiffs Second Amended Complaint, which added the final minor plaintiff and consolidated all the actions into one lawsuit. Duke Energy Carolinas has filed its Answer and Affirmative Defenses to the Second Amended Complaint. Mediation is scheduled for December 2022. Discovery has commenced and is scheduled to be completed on or before February 28, 2023. The case is scheduled to be trial-ready by April 24, 2023. Duke Energy Carolinas cannot predict the outcome of this matter.

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' motions to dismiss. In October 2021, NTE filed a Second Amended Counterclaim and Complaint, and in January 2022, NTE filed a Third Amended Counterclaim and Complaint. Duke Energy Carolinas has responded to these pleadings. On December 6, 2021, Duke Energy Carolinas filed an Amended Complaint. On March 1, 2022, the parties participated in mediation, which ended in an impasse. On April 4, 2022, Duke Energy Carolinas filed a motion for summary judgment seeking a ruling in its favor as to some of its affirmative claims against NTE and to all of NTE's counterclaims. Duke Energy Carolinas' motion will be fully briefed on May 10, 2022. The case is scheduled to be trial-ready by August 1, 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.

Duke Energy Carolinas has recognized asbestos-related reserves of $495 million at March 31, 2022, and $501 million at December 31, 2021. 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 2041 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 2041 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. Receivables for insurance recoveries were $644 million at March 31, 2022, and $644 million at December 31, 2021. These amounts are classified in Other within Other Noncurrent Assets and Receivables within Current Assets on the Condensed Consolidated Balance Sheets. Any future payments up to the policy limit will be reimbursed by the third-party insurance carrier. 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.

The reserve for credit losses for insurance receivables is $12 million for Duke Energy and Duke Energy Carolinas as of March 31, 2022, and December 31, 2021. 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 DOE 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.

On March 30, 2022, the DOE and Duke Energy Progress executed a settlement agreement, pursuant to which Duke Energy Progress will receive damages for costs incurred between 2014 and 2018, and will be able to submit future costs on a defined schedule. In April 2022, Duke Energy Progress received $87 million in proceeds that related to damages incurred in 2014 through 2018.

On May 2, 2022, the DOE and Duke Energy Florida executed a settlement agreement, pursuant to which Duke Energy Florida will receive approximately $180 million for costs incurred between 2014 and 2018, and will be able to submit costs incurred in 2019 and 2020 pursuant to an audit process.

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 (IDEM's) December 10, 2019, partial approval of Duke Energy Indiana’s ash pond closure plan at Duke Energy's Gallagher power station. 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. On June 25, 2021, Duke Energy Indiana filed its response to the Petition to Review. On August 30, 2021, HEC served Duke Energy Indiana with its Brief in Support of Petition for Judicial Review. On October 29, 2021, Duke Energy Indiana and IDEM filed their response briefs. On December 13, 2021, HEC filed and served its Reply Brief.

On January 11, 2022, Duke Energy Indiana received a compliance obligation letter from the EPA notifying the company that the two basins at issue in the litigation are subject to requirements of the CCR Rule. The letter does not provide a deadline for compliance. Duke Energy Indiana is evaluating the EPA letter, its potential impacts on the litigation and the extent to which this letter could apply to CCR surface impoundments at its other Indiana sites.

Following the January 11, 2022 EPA notice of compliance letter, the parties filed a joint motion to stay the litigation for 45 days, which was approved by the court. As a result, the oral argument scheduled for February 1, 2022, was postponed. Duke Energy Indiana and HEC engaged in settlement discussions, but the parties were unable to reach resolution. On April 21, 2022, HEC filed a Motion to Lift Stay and Motion for Judicial Notice. HEC also requested that the court hold a hearing within 45 days and also take judicial notice of the EPA's January 11, 2022 letter. On April 22, 2022, Duke Energy Indiana sent IDEM a letter withdrawing the closure plans for the Gallagher North Ash Pond and Primary Pond Ash Fill. After acknowledgment by IDEM of withdrawal of these closure plans, Duke Energy Indiana filed a Motion to Dismiss the litigation as moot on April 28, 2022, and IDEM filed a separate brief on May 2, 2022, in support of this motion. Briefing is ongoing. 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. Reserves are classified on the Condensed Consolidated Balance Sheets in Other within Other Noncurrent Liabilities and Other within Current Liabilities.

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, 2022		
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy Carolinas	Duke Energy Progress
First Mortgage Bonds					
March 2022[(a)]	March 2032	2.850 %	$ **500**	$ **500**	$ **—**
March 2022[(a)]	March 2052	3.550 %	**650**	**650**	**—**
March 2022[(a)]	April 2032	3.400 %	**500**	**—**	**500**
March 2022[(a)]	April 2052	4.000 %	**400**	**—**	**400**
Total issuances			$ **2,050**	$ **1,150**	$ **900**

(a) Proceeds will be used to finance or refinance, in whole or in part, existing or new eligible projects under the sustainable financing framework.

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, 2022
Unsecured Debt			
Progress Energy	April 2022	3.150 %	$ **450**
Duke Energy (Parent)	August 2022	3.050 %	**500**
Duke Energy (Parent)	August 2022	2.400 %	**500**
First Mortgage Bonds			
Duke Energy Carolinas	May 2022	3.350 %	**350**
Duke Energy Progress	May 2022	2.800 %	**500**
Duke Energy Carolinas	March 2023	2.500 %	**500**
Duke Energy Carolinas	March 2023	3.050 %	**500**
Other[(a)]			**584**
Current maturities of long-term debt			$ **3,884**

(a) 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 2022, Duke Energy amended its existing Master Credit Facility to increase the amount of the facility from $8 billion to $9 billion and to extend the termination date to March 2027. 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, 2022							
(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)]	$ 9,000	$ 3,300	$ 1,225	$ 1,400	$ 900	$ 775	$ 600	$ 800
Reduction to backstop issuances								
Commercial paper[(b)]	(2,819)	(1,715)	(300)	(150)	(236)	(86)	(150)	(182)
Outstanding letters of credit	(38)	(25)	(4)	(2)	(7)	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 6,062	$ 1,560	$ 921	$ 1,248	$ 657	$ 689	$ 369	$ 618

(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

Duke Energy (Parent) Term Loan Facility

On March 9, 2022, Duke Energy (Parent) entered into a Term Loan Credit Agreement (Credit Agreement) with commitments totaling $1.4 billion maturing March 9, 2024. The maturity date of the Credit Agreement may be extended for up to two years by request of Duke Energy (Parent), upon satisfaction of certain conditions contained in the Credit Agreement. Borrowings under the facility were used to repay amounts drawn under the Three-Year Revolving Credit Facility and for general corporate purposes, including repayment of a portion of Duke Energy's outstanding commercial paper. The balance is classified as Long-Term Debt on Duke Energy's Condensed Consolidated Balance Sheets. The Three-Year Revolving Credit Facility was terminated in March 2022.

Intercompany Credit Agreements

In March 2022, Progress Energy closed a revolving credit agreement with Duke Energy (Parent), which allowed up to $2.5 billion in intercompany borrowings.

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, 2022, and December 31, 2021.

(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, 2022, and December 31, 2021.

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)	2022	2021
Duke Energy Carolinas		
Corporate governance and shared service expenses[(a)]	$ 206	$ 203
Indemnification coverages[(b)]	7	6
Joint Dispatch Agreement (JDA) revenue[(c)]	26	13
JDA expense[(c)]	94	40
Intercompany natural gas purchases[(d)]	13	14
Progress Energy		
Corporate governance and shared service expenses[(a)]	$ 196	$ 181
Indemnification coverages[(b)]	11	10
JDA revenue[(c)]	94	40
JDA expense[(c)]	26	13
Intercompany natural gas purchases[(d)]	19	19
Duke Energy Progress		
Corporate governance and shared service expenses[(a)]	$ 119	$ 105
Indemnification coverages[(b)]	5	5
JDA revenue[(c)]	94	40
JDA expense[(c)]	26	13
Intercompany natural gas purchases[(d)]	19	19
Duke Energy Florida		
Corporate governance and shared service expenses[(a)]	$ 77	$ 76
Indemnification coverages[(b)]	6	5
Duke Energy Ohio		
Corporate governance and shared service expenses[(a)]	$ 82	$ 79
Indemnification coverages[(b)]	1	1
Duke Energy Indiana		
Corporate governance and shared service expenses[(a)]	$ 124	$ 113
Indemnification coverages[(b)]	2	2
Piedmont		
Corporate governance and shared service expenses[(a)]	$ 35	$ 33
Indemnification coverages[(b)]	1	1
Intercompany natural gas sales[(d)]	32	33
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, 2022							
Intercompany income tax receivable	**$ 20**	**$ 49**	**$ —**	**$ 9**	**$ 5**	**$ —**	**$ —**
Intercompany income tax payable	**—**	**—**	**15**	**—**	**—**	**44**	**45**
December 31, 2021							
Intercompany income tax receivable	$ —	$ —	$ —	$ 40	$ 19	$ —	$ —
Intercompany income tax payable	62	—	84	—	—	10	27

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, 2022, and 2021, 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, 2022			
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 2,913	$ —	$ —	$ —
Undesignated contracts	577	250	300	27
Total notional amount[(a)]	$ 3,490	$ 250	$ 300	$ 27

	December 31, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 2,415	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	350	500	500	300	27
Total notional amount[(a)]	$ 3,592	$ 350	$ 500	$ 500	$ 300	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $663 million and $665 million in cash flow hedges as of March 31, 2022 and December 31, 2021, respectively.

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, 2022, and 2021, 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, 2022						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	16,176	—	—	—	791	4,501	—
Natural gas (millions of dekatherms)	860	284	243	243	—	7	326

	December 31, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	22,344	—	—	—	1,681	10,688	—
Natural gas (millions of dekatherms)	823	264	215	215	—	8	336

(a) Duke Energy includes 9,763 GWh and 9,975 GWh related to cash flow hedges as of March 31, 2022, and December 31, 2021, 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, 2022							
(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	$ 673	$ 335	$ 295	$ 255	$ 40	$ —	$ 28	$ 7
Noncurrent	280	151	130	130	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 953	$ 486	$ 425	$ 385	$ 40	$ —	$ 28	$ 7
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 94	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	37	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Noncurrent	24	7	—	—	—	—	17	—
Total Derivative Assets – Interest Rate Contracts	$ 155	$ 7	$ —	$ —	$ —	$ —	$ 17	$ —
Total Derivative Assets	$ 1,108	$ 493	$ 425	$ 385	$ 40	$ —	$ 45	$ 7

Derivative Liabilities															
	March 31, 2022														
(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	$	49	$	—	$	—	$	—	$	—	$	—	$	—	—
Noncurrent		160		—		—		—		—		—		—	—
Not Designated as Hedging Instruments															
Current		61		36		—		—		—		—		—	24
Noncurrent		149		1		—		—		—		—		—	149
Total Derivative Liabilities – Commodity Contracts	$	419	$	37	$	—	$	—	$	—	$	—	$	—	$ 173
Interest Rate Contracts															
Designated as Hedging Instruments															
Current	$	4	$	—	$	—	$	—	$	—	$	—	$	—	$ —
Noncurrent		7		—		—		—		—		—		—	—
Not Designated as Hedging Instruments															
Current		1		—		—		—		—		1		—	—
Noncurrent		2		—		—		—		—		2		—	—
Total Derivative Liabilities – Interest Rate Contracts	$	14	$	—	$	—	$	—	$	—	$	3	$	—	$ —
Total Derivative Liabilities	$	433	$	37	$	—	$	—	$	—	$	3	$	—	$ 173

Derivative Assets															
	December 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	$	199	$	99	$	72	$	72	$	—	$	2	$	23	$ 3
Noncurrent		113		63		50		50		—		—		—	—
Total Derivative Assets – Commodity Contracts	$	312	$	162	$	122	$	122	$	—	$	2	$	23	$ 3
Interest Rate Contracts															
Designated as Hedging Instruments															
Current	$	3	$	—	$	—	$	—	$	—	$	—	$	—	$ —
Noncurrent		3		—		—		—		—		—		—	—
Not Designated as Hedging Instruments															
Current		2		—		2		2		—		—		—	—
Total Derivative Assets – Interest Rate Contracts	$	8	$	—	$	2	$	2	$	—	$	—	$	—	$ —
Total Derivative Assets	$	320	$	162	$	124	$	124	$	—	$	2	$	23	$ 3

Derivative Liabilities	December 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	$ 27	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	117	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	72	18	19	5	14	—	13	21
Noncurrent	132	9	5	5	—	—	—	118
Total Derivative Liabilities – Commodity Contracts	$ 348	$ 27	$ 24	$ 10	$ 14	$ —	$ 13	$ 139
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 75	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	21	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	10	8	—	—	—	1	—	—
Noncurrent	18	—	—	—	—	4	14	—
Total Derivative Liabilities – Interest Rate Contracts	$ 124	$ 8	$ —	$ —	$ —	$ 5	$ 14	$ —
Total Derivative Liabilities	$ 472	$ 35	$ 24	$ 10	$ 14	$ 5	$ 27	$ 139

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, 2022							
(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	**$ 767**	**$ 335**	**$ 295**	**$ 255**	**$ 40**	**$ —**	**$ 28**	**$ 7**
Gross amounts offset	**(255)**	**(149)**	**(106)**	**(106)**	**—**	**—**	**—**	**—**
Net amounts presented in Current Assets: Other	**$ 512**	**$ 186**	**$ 189**	**$ 149**	**$ 40**	**$ —**	**$ 28**	**$ 7**
Noncurrent								
Gross amounts recognized	**$ 341**	**$ 158**	**$ 130**	**$ 130**	**$ —**	**$ —**	**$ 17**	**$ —**
Gross amounts offset	**(115)**	**(64)**	**(51)**	**(51)**	**—**	**—**	**—**	**—**
Net amounts presented in Other Noncurrent Assets: Other	**$ 226**	**$ 94**	**$ 79**	**$ 79**	**$ —**	**$ —**	**$ 17**	**$ —**

Derivative Liabilities	March 31, 2022							
(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	$ **115**	$ **36**	$ **—**	$ **—**	$ **—**	$ **1**	$ **—**	$ **24**
Gross amounts offset	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net amounts presented in Current Liabilities: Other	$ **115**	$ **36**	$ **—**	$ **—**	$ **—**	$ **1**	$ **—**	$ **24**
Noncurrent								
Gross amounts recognized	$ **318**	$ **1**	$ **—**	$ **—**	$ **—**	$ **2**	$ **—**	$ **149**
Gross amounts offset	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net amounts presented in Other Noncurrent Liabilities: Other	$ **318**	$ **1**	$ **—**	$ **—**	$ **—**	$ **2**	$ **—**	$ **149**

Derivative Assets	December 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	$ 204	$ 99	$ 74	$ 74	$ —	$ 2	$ 23	$ 3
Gross amounts offset	(25)	(16)	(9)	(9)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 179	$ 83	$ 65	$ 65	$ —	$ 2	$ 23	$ 3
Noncurrent								
Gross amounts recognized	$ 116	$ 63	$ 50	$ 50	$ —	$ —	$ —	$ —
Gross amounts offset	(23)	(15)	(8)	(8)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 93	$ 48	$ 42	$ 42	$ —	$ —	$ —	$ —

Derivative Liabilities	December 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	$ 184	$ 26	$ 19	$ 5	$ 14	$ 1	$ 13	$ 21
Gross amounts offset	(11)	(6)	(5)	(5)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 173	$ 20	$ 14	$ —	$ 14	$ 1	$ 13	$ 21
Noncurrent								
Gross amounts recognized	$ 288	$ 9	$ 5	$ 5	$ —	$ 4	$ 14	$ 118
Gross amounts offset	(12)	(8)	(5)	(5)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 276	$ 1	$ —	$ —	$ —	$ 4	$ 14	$ 118

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, 2022, and December 31, 2021.

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, 2022			December 31, 2021		
(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	**$ —**	**$ —**	**$ 128**	$ —	$ —	$ 160
Equity securities	**4,486**	**62**	**6,853**	4,905	43	7,350
Corporate debt securities	**9**	**43**	**786**	39	6	829
Municipal bonds	**2**	**16**	**321**	14	1	314
U.S. government bonds	**10**	**57**	**1,561**	31	12	1,568
Other debt securities	**—**	**7**	**177**	3	1	180
Total NDTF Investments	**$ 4,507**	**$ 185**	**$ 9,826**	$ 4,992	$ 63	$ 10,401
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 110**	$ —	$ —	$ 36
Equity securities	**31**	**4**	**147**	36	—	156
Corporate debt securities	**—**	**7**	**124**	2	1	119
Municipal bonds	**1**	**2**	**83**	3	1	80
U.S. government bonds	**—**	**2**	**45**	—	—	56
Other debt securities	**—**	**2**	**36**	—	1	45
Total Other Investments	**$ 32**	**$ 17**	**$ 545**	$ 41	$ 3	$ 492
Total Investments	**$ 4,539**	**$ 202**	**$ 10,371**	$ 5,033	$ 66	$ 10,893

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, 2022, and 2021, were as follows.

	Three Months Ended	
(in millions)	March 31, 2022	March 31, 2021
FV-NI:		
Realized gains	**$ 111**	$ 140
Realized losses	**85**	23
AFS:		
Realized gains	**4**	18
Realized losses	**23**	13

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 60	$ —	$ —	$ 53
Equity securities	2,632	30	3,962	2,887	19	4,265
Corporate debt securities	6	30	503	24	4	506
Municipal bonds	—	5	52	2	—	48
U.S. government bonds	4	21	692	16	3	712
Other debt securities	—	7	172	3	1	175
Total NDTF Investments	$ 2,642	$ 93	$ 5,441	$ 2,932	$ 27	$ 5,759

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, 2022, and 2021, were as follows.

	Three Months Ended	
(in millions)	March 31, 2022	March 31, 2021
FV-NI:		
Realized gains	$ 75	$ 128
Realized losses	49	16
AFS:		
Realized gains	3	13
Realized losses	16	9

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 107
Equity securities	1,854	32	2,891	2,018	24	3,085
Corporate debt securities	3	13	283	15	2	323
Municipal bonds	2	11	269	12	1	266
U.S. government bonds	6	36	869	15	9	856
Other debt securities	—	—	5	—	—	5
Total NDTF Investments	$ 1,865	$ 92	$ 4,385	$ 2,060	$ 36	$ 4,642
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 17	$ —	$ —	$ 20
Municipal bonds	1	—	26	2	—	26
Total Other Investments	$ 1	$ —	$ 43	$ 2	$ —	$ 46
Total Investments	$ 1,866	$ 92	$ 4,428	$ 2,062	$ 36	$ 4,688

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, 2022, and 2021, were as follows.

	Three Months Ended	
(in millions)	March 31, 2022	March 31, 2021
FV-NI:		
Realized gains	$ 36	$ 12
Realized losses	36	7
AFS:		
Realized gains	1	4
Realized losses	6	3

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 58	$ —	$ —	$ 94
Equity securities	1,757	32	2,782	1,915	23	2,970
Corporate debt securities	3	12	255	15	2	282
Municipal bonds	2	11	269	12	1	266
U.S. government bonds	6	19	502	15	3	472
Other debt securities	—	—	5	—	—	5
Total NDTF Investments	$ 1,768	$ 74	$ 3,871	$ 1,957	$ 29	$ 4,089
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 14	$ —	$ —	$ 16
Total Other Investments	$ —	$ —	$ 14	$ —	$ —	$ 16
Total Investments	$ 1,768	$ 74	$ 3,885	$ 1,957	$ 29	$ 4,105

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, 2022, and 2021, were as follows.

	Three Months Ended	
(in millions)	March 31, 2022	March 31, 2021
FV-NI:		
Realized gains	$ 36	$ 12
Realized losses	35	7
AFS:		
Realized gains	1	4
Realized losses	5	3

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 10	$ —	$ —	$ 13
Equity securities	97	—	109	103	1	115
Corporate debt securities	—	1	28	—	—	41
U.S. government bonds	—	17	367	—	6	384
Total NDTF Investments[(a)]	$ 97	$ 18	$ 514	$ 103	$ 7	$ 553
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 2	$ —	$ —	$ 3
Municipal bonds	1	—	26	2	—	26
Total Other Investments	$ 1	$ —	$ 28	$ 2	$ —	$ 29
Total Investments	$ 98	$ 18	$ 542	$ 105	$ 7	$ 582

(a) During the three months ended March 31, 2022, and the year ended December 31, 2021, 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, 2022, and 2021, 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, 2022			December 31, 2021		
(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	4	4	91	6	—	97
Corporate debt securities	—	—	8	—	—	6
Municipal bonds	—	2	49	1	1	46
U.S. government bonds	—	—	6	—	—	12
Total Investments	$ 4	$ 6	$ 155	$ 7	$ 1	$ 161

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, 2022, and 2021, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	March 31, 2022					
(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	$ 7	$ 139	$ 32	$ 107	$ 8
Due after one through five years	969	367	528	270	258	24
Due after five through 10 years	536	235	228	212	16	6
Due after 10 years	1,466	810	557	517	40	25
Total	$ 3,133	$ 1,419	$ 1,452	$ 1,031	$ 421	$ 63

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, 2021, 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, 2022				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized
NDTF cash and cash equivalents	$ 128	$ 128	$ —	$ —	$ —
NDTF equity securities	6,853	6,806	—	—	47
NDTF debt securities	2,845	947	1,898	—	—
Other equity securities	147	147	—	—	—
Other debt securities	288	39	249	—	—
Other cash and cash equivalents	110	110	—	—	—
Derivative assets	1,108	27	1,071	10	—
Total assets	11,479	8,204	3,218	10	47
Derivative liabilities	(433)	—	(224)	(209)	—
Net assets (liabilities)	$ 11,046	$ 8,204	$ 2,994	$ (199)	$ 47

	December 31, 2021				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Not Categorized
NDTF cash and cash equivalents	$ 160	$ 160	$ —	$ —	$ —
NDTF equity securities	7,350	7,300	—	—	50
NDTF debt securities	2,891	967	1,924	—	—
Other equity securities	156	156	—	—	—
Other debt securities	300	45	255	—	—
Other cash and cash equivalents	36	36	—	—	—
Derivative assets	320	3	293	24	—
Total assets	11,213	8,667	2,472	24	50
Derivative liabilities	(472)	(13)	(314)	(145)	—
Net assets (liabilities)	$ 10,741	$ 8,654	$ 2,158	$ (121)	$ 50

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)	2022	2021
Balance at beginning of period	$ (121)	$ (77)
Total pretax realized or unrealized losses included in comprehensive income	(68)	(44)
Purchases, sales, issuances and settlements:		
Settlements	(3)	(7)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	(7)	2
Balance at end of period	$ (199)	$ (126)

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, 2022			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 60	$ 60	$ —	$ —
NDTF equity securities	3,962	3,915	—	47
NDTF debt securities	1,419	349	1,070	—
Derivative assets	493	—	493	—
Total assets	5,934	4,324	1,563	47
Derivative liabilities	(37)	—	(37)	—
Net assets	$ 5,897	$ 4,324	$ 1,526	$ 47

	December 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 53	$ 53	$ —	$ —
NDTF equity securities	4,265	4,215	—	50
NDTF debt securities	1,441	339	1,102	—
Derivative assets	162	—	162	—
Total assets	5,921	4,607	1,264	50
Derivative liabilities	(35)	—	(35)	—
Net assets	$ 5,886	$ 4,607	$ 1,229	$ 50

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 68	$ 68	$ —	$ 107	$ 107	$ —
NDTF equity securities	2,891	2,891	—	3,085	3,085	—
NDTF debt securities	1,426	598	828	1,450	628	822
Other debt securities	26	—	26	26	—	26
Other cash and cash equivalents	17	17	—	20	20	—
Derivative assets	425	2	423	124	—	124
Total assets	4,853	3,576	1,277	4,812	3,840	972
Derivative liabilities	—	—	—	(24)	—	(24)
Net assets	$ 4,853	$ 3,576	$ 1,277	$ 4,788	$ 3,840	$ 948

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 58	$ 58	$ —	$ 94	$ 94	$ —
NDTF equity securities	2,782	2,782	—	2,970	2,970	—
NDTF debt securities	1,031	279	752	1,025	289	736
Other cash and cash equivalents	14	14	—	16	16	—
Derivative assets	385	2	383	124	—	124
Total assets	4,270	3,135	1,135	4,229	3,369	860
Derivative liabilities	—	—	—	(10)	—	(10)
Net assets	$ 4,270	$ 3,135	$ 1,135	$ 4,219	$ 3,369	$ 850

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 10	$ 10	$ —	$ 13	$ 13	$ —
NDTF equity securities	109	109	—	115	115	—
NDTF debt securities	395	319	76	425	339	86
Other debt securities	26	—	26	26	—	26
Other cash and cash equivalents	2	2	—	3	3	—
Derivative assets	40	—	40	—	—	—
Total assets	582	440	142	582	470	112
Derivative liabilities	—	—	—	(14)	—	(14)
Net assets	$ 582	$ 440	$ 142	$ 568	$ 470	$ 98

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, 2022, and December 31, 2021.

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, 2022				December 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Other equity securities	$ 91	$ 91	$ —	$ —	$ 97	$ 97	$ —	$ —
Other debt securities	63	—	63	—	64	—	64	—
Other cash and cash equivalents	1	1	—	—	—	—	—	—
Derivative assets	45	18	17	10	23	1	—	22
Total assets	200	110	80	10	184	98	64	22
Derivative liabilities	—	—	—	—	(27)	(13)	(14)	—
Net assets	$ 200	$ 110	$ 80	$ 10	$ 157	$ 85	$ 50	$ 22

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

	Derivatives (net)	
	Three Months Ended March 31,	
(in millions)	2022	2021
Balance at beginning of period	$ 22	$ 6
Purchases, sales, issuances and settlements:		
Settlements	(6)	(6)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	(6)	2
Balance at end of period	$ 10	$ 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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	$ 7	$ 7	$ —	$ 3	$ 3	$ —
Derivative liabilities	(173)	—	(173)	(139)	—	(139)
Net (liabilities) assets	$ (166)	$ 7	$ (173)	$ (136)	$ 3	$ (139)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

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

	March 31, 2022						
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range			Weighted Average Range
Duke Energy							
Electricity contracts	**$ (210)**	RTO forward pricing	Forward electricity curves – price per MWh	**$ 20.33**	**-**	**$ 187.82**	**$ 46.51**
Duke Energy Ohio							
FTRs	**1**	RTO auction pricing	FTR price – per MWh	**0.16**	**-**	**1.26**	**0.63**
Duke Energy Indiana							
FTRs	**10**	RTO auction pricing	FTR price – per MWh	**(0.46)**	**-**	**17.24**	**2.32**
Duke Energy							
Total Level 3 derivatives	**$ (199)**						

	December 31, 2021						
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range			Weighted Average Range
Duke Energy							
Electricity contracts	$ (145)	RTO forward pricing	Forward electricity curves – price per MWh	$ 19.04	-	$139.11	$37.57
Duke Energy Ohio							
FTRs	2	RTO auction pricing	FTR price – per MWh	0.06	-	1.79	0.96
Duke Energy Indiana							
FTRs	22	RTO auction pricing	FTR price – per MWh	(1.18)	-	13.11	2.68
Duke Energy							
Total Level 3 derivatives	$ (121)						

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, 2022		December 31, 2021	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 66,080**	**$ 66,633**	$ 63,835	$ 69,683
Duke Energy Carolinas	**14,470**	**15,117**	13,275	15,101
Progress Energy	**21,657**	**22,669**	20,823	23,751
Duke Energy Progress	**11,114**	**11,260**	10,249	11,252
Duke Energy Florida	**8,451**	**8,911**	8,482	9,772
Duke Energy Ohio	**3,193**	**3,278**	3,193	3,570
Duke Energy Indiana	**4,270**	**4,554**	4,323	5,067
Piedmont	**2,969**	**2,984**	2,968	3,278

(a) Book value of long-term debt includes $1.2 billion and $1.25 billion at March 31, 2022, and December 31, 2021, respectively, 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 March 31, 2022, and December 31, 2021, 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, 2022, and the year ended December 31, 2021, 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 are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt.

The most significant activity that impacts the economic performance of DERF, DEPR and DEFR are the decisions made to manage delinquent receivables. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are considered 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 2025	January 2025	April 2023	April 2023
Credit facility amount	$ 350	$ 475	$ 350	$ 250
Amounts borrowed at March 31, 2022	**350**	**499**	**350**	**250**
Amounts borrowed at December 31, 2021	350	475	350	250
Restricted Receivables at March 31, 2022	**566**	**858**	**658**	**503**
Restricted Receivables at December 31, 2021	587	844	574	427

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, 2022	December 31, 2021
Receivables of VIEs	$ 5	$ 5
Regulatory Assets: Current	54	54
Current Assets: Other	13	39
Other Noncurrent Assets: Regulatory assets	872	883
Current Liabilities: Other	2	9
Current maturities of long-term debt	56	56
Long-Term Debt	916	946

Storm Recovery Bonds – Duke Energy Carolinas NC Storm Funding and Duke Energy Progress NC Storm Funding

Duke Energy Carolinas NC Storm Funding, LLC. (DECNCSF) and Duke Energy Progress NC Storm Funding, LLC. (DEPNCSF) are bankruptcy remote, wholly owned special purpose subsidiaries of Duke Energy Carolinas and Duke Energy Progress, respectively. These entities were formed in 2021 for the sole purpose of issuing storm recovery bonds to finance certain of Duke Energy Carolinas' and Duke Energy Progress' unrecovered regulatory assets related to storm costs.

In November 2021, DECNCSF and DEPNCSF issued $237 million and $770 million of senior secured bonds, respectively and used the proceeds to acquire storm recovery property from Duke Energy Carolinas and Duke Energy Progress. The storm recovery property was created by state legislation and NCUC financing orders for the purpose of financing storm costs incurred in 2018 and 2019. The storm recovery property acquired includes the right to impose, bill, collect and adjust a non-bypassable charge from all Duke Energy Carolinas' and Duke Energy Progress' retail customers until the bonds are paid in full and all financing costs have been recovered. The storm recovery bonds are secured by the storm recovery property and cash collections from the storm recovery charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to Duke Energy Carolinas or Duke Energy Progress.

DECNCSF and DEPNCSF are considered VIEs primarily because the equity capitalization is insufficient to support their operations. Duke Energy Carolinas and Duke Energy Progress have the power to direct the significant activities of the VIEs as described above and therefore Duke Energy Carolinas and Duke Energy Progress are considered the primary beneficiaries and consolidate DECNCSF and DEPNCSF, respectively.

The following table summarizes the impact of these VIEs on Duke Energy Carolinas' and Duke Energy Progress' Consolidated Balance Sheets.

	March 31, 2022		December 31, 2021	
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Carolinas	Duke Energy Progress
Regulatory Assets: Current	$ 12	$ 39	$ 12	$ 39
Current Assets: Other	4	14	—	—
Other Noncurrent Assets: Regulatory assets	217	711	220	720
Other Noncurrent Assets: Other	1	4	1	4
Current Liabilities: Other	2	6	—	—
Current maturities of long-term debt	10	32	5	15
Long-Term Debt	223	730	228	747

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, 2022	December 31, 2021
Current Assets: Other	$ 215	$ 215
Property, Plant and Equipment: Cost	7,337	7,339
Accumulated depreciation and amortization	(1,534)	(1,474)
Other Noncurrent Assets: Other	70	62
Current maturities of long-term debt	297	167
Long-Term Debt	1,325	1,475
Other Noncurrent Liabilities: AROs	173	173
Other Noncurrent Liabilities: Other	360	319

NON-CONSOLIDATED VIEs

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

	March 31, 2022				
	Duke Energy			Duke Energy Ohio	Duke Energy Indiana
(in millions)	Pipeline Investments	Commercial Renewables	Total		
Receivables from affiliated companies	$ —	$ —	$ —	$ 65	$ 80
Investments in equity method unconsolidated affiliates	29	504	533	—	—
Deferred tax asset	61	—	61	—	—
Total assets	$ 90	$ 504	$ 594	$ 65	$ 80
Other current liabilities	50	3	53	—	—
Other noncurrent liabilities	52	3	55	—	—
Total liabilities	$ 102	$ 6	$ 108	$ —	$ —
Net (liabilities) assets	$ (12)	$ 498	$ 486	$ 65	$ 80

	December 31, 2021				
	Duke Energy			Duke Energy Ohio	Duke Energy Indiana
(in millions)	Pipeline Investments	Commercial Renewables	Total		
Receivables from affiliated companies	$ —	$ —	$ —	$ 79	$ 97
Investments in equity method unconsolidated affiliates	15	508	523	—	—
Other noncurrent assets	61	—	61	—	—
Total assets	$ 76	$ 508	$ 584	$ 79	$ 97
Other current liabilities	47	4	51	—	—
Other noncurrent liabilities	54	3	57	—	—
Total liabilities	$ 101	$ 7	$ 108	$ —	$ —
Net (liabilities) assets	$ (25)	$ 501	$ 476	$ 79	$ 97

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.

Commercial Renewables

Duke Energy has investments in various renewable energy project entities. Duke Energy has a 50% ownership in a VIE, which owns a portfolio of wind projects. This entity is a VIE as a result of Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Duke Energy does not consolidate this VIE because power to direct and control key activities is shared jointly by Duke Energy and the other owner. Duke Energy also has equity ownership in an entity, which owns a portfolio of fuel cell projects. Duke Energy does not consolidate the fuel cell portfolio as it does not have the power to direct the activities that most significantly impact the economic performance of the entity.

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.

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, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Receivables sold	**$ 263**	$ 269	**$ 305**	$ 328
Less: Retained interests	**65**	79	**80**	97
Net receivables sold	**$ 198**	$ 190	**$ 225**	$ 231

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)	2022	2021	2022	2021
Sales				
Receivables sold	**$ 663**	$ 561	**$ 782**	$ 698
Loss recognized on sale	**3**	3	**4**	3
Cash flows				
Cash proceeds from receivables sold	**$ 674**	$ 596	**$ 795**	$ 746
Collection fees received	**—**	—	**—**	—
Return received on retained interests	**1**	1	**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)	2022	2023	2024	2025	2026	Thereafter	Total
Progress Energy	**$ 80**	$ 53	$ 45	$ 7	$ 7	$ 43	$ 235
Duke Energy Progress	**6**	8	8	—	—	—	22
Duke Energy Florida	**74**	45	37	7	7	43	213
Duke Energy Indiana	**2**	11	16	17	15	12	73

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)	2022	2023	2024	2025	2026	Thereafter	Total
Piedmont	$ 48	$ 64	$ 61	$ 60	$ 50	$ 286	$ 569

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. Some of these PPAs have 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, 2022							
(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	$ 2,767	$ 831	$ 1,368	$ 624	$ 744	$ 211	$ 354	$ —
General	1,604	544	726	325	401	116	218	—
Industrial	772	276	270	194	76	35	192	—
Wholesale	626	113	411	349	62	23	79	—
Other revenues	202	111	211	139	72	21	(36)	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 5,971	$ 1,875	$ 2,986	$ 1,631	$ 1,355	$ 406	$ 807	$ —
Gas Utilities and Infrastructure								
Residential	$ 572	$ —	$ —	$ —	$ —	$ 149	$ —	$ 423
Commercial	269	—	—	—	—	64	—	204
Industrial	57	—	—	—	—	7	—	50
Power Generation	—	—	—	—	—	—	—	24
Other revenues	115	—	—	—	—	6	—	93
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,013	$ —	$ —	$ —	$ —	$ 226	$ —	$ 794
Commercial Renewables								
Revenue from contracts with customers	$ 51	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 7	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 7,042	$ 1,875	$ 2,986	$ 1,631	$ 1,355	$ 632	$ 807	$ 794
Other revenue sources[(a)]	$ 90	$ 13	$ 6	$ 1	$ —	$ 6	$ 15	$ 11
Total revenues	$ 7,132	$ 1,888	$ 2,992	$ 1,632	$ 1,355	$ 638	$ 822	$ 805

(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, 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.

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, 2021 and 2022							
(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, 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
Balance at December 31, 2021	$ 122	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 15
Write-Offs	**(23)**	**(9)**	**(10)**	**(2)**	**(8)**	**—**	**—**	**(1)**
Credit Loss Expense	**24**	**5**	**12**	**4**	**8**	**—**	**—**	**3**
Other Adjustments	**17**	**14**	**13**	**8**	**5**	**—**	**—**	**—**
Balance at March 31, 2022	**$ 140**	**$ 52**	**$ 51**	**$ 31**	**$ 21**	**$ 4**	**$ 3**	**$ 17**

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, 2022							
(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)]	**$ 945**	**$ 339**	**$ 270**	**$ 161**	**$ 109**	**$ 7**	**$ 44**	**$ 64**
0-30 days	**2,133**	**518**	**944**	**558**	**386**	**40**	**26**	**215**
30-60 days	**288**	**75**	**111**	**64**	**47**	**8**	**4**	**23**
60-90 days	**102**	**33**	**40**	**22**	**18**	**2**	**3**	**7**
90+ days	**274**	**119**	**77**	**39**	**38**	**46**	**9**	**7**
Deferred Payment Arrangements[(c)]	**136**	**60**	**61**	**33**	**28**	**2**	**—**	**4**
Trade and Other Receivables	**$ 3,878**	**$ 1,144**	**$ 1,503**	**$ 877**	**$ 626**	**$ 105**	**$ 86**	**$ 320**

	December 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)]	$ 964	$ 316	$ 266	$ 193	$ 73	$ 4	$ 27	$ 106
0-30 days	2,104	595	800	405	393	42	51	202
30-60 days	212	77	72	44	28	4	13	12
60-90 days	88	37	41	21	20	1	1	2
90+ days	249	106	65	37	28	47	11	7
Deferred Payment Arrangements[(c)]	115	55	45	22	23	2	—	4
Trade and Other Receivables	$ 3,732	$ 1,186	$ 1,289	$ 722	$ 565	$ 100	$ 103	$ 333

(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 $63 million and $100 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of March 31, 2022, and $82 million and $121 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of December 31, 2021.

(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)	2022	2021
Net income available to Duke Energy common stockholders	$ 818	$ 953
Accumulated preferred stock dividends adjustment	12	12
Less: Impact of participating securities	1	1
Income from continuing operations available to Duke Energy common stockholders	$ 829	$ 964
Weighted average common shares outstanding – basic and diluted	770	769
EPS available to Duke Energy common stockholders		
Basic and diluted	$ 1.08	$ 1.25
Potentially dilutive items excluded from the calculation[a]	2	2
Dividends declared per common share	$ 0.985	$ 0.965
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	$ 24.375

(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, 2022							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 40	$ 12	$ 12	$ 7	$ 4	$ 1	$ 2	$ 1
Interest cost on projected benefit obligation	58	14	18	8	10	3	5	2
Expected return on plan assets	(140)	(38)	(46)	(22)	(24)	(5)	(9)	(6)
Amortization of actuarial loss	24	5	6	3	3	1	2	2
Amortization of prior service credit	(5)	(1)	—	—	—	—	—	(2)
Amortization of settlement charges	2	1	1	—	—	—	—	—
Net periodic pension costs	$ (21)	$ (7)	$ (9)	$ (4)	$ (7)	$ —	$ —	$ (3)

	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)

NON-QUALIFIED PENSION PLANS

Net periodic pension costs for non-qualified pension plans were not material for the three months ended March 31, 2022, and 2021.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three months ended March 31, 2022, and 2021.

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,	
	2022	**2021**
Duke Energy	**(1.7)%**	8.2 %
Duke Energy Carolinas	**7.4 %**	6.9 %
Progress Energy	**15.9 %**	12.9 %
Duke Energy Progress	**14.0 %**	8.3 %
Duke Energy Florida	**20.1 %**	19.3 %
Duke Energy Ohio	**(266.7)%**	13.3 %
Duke Energy Indiana	**31.9 %**	17.6 %
Piedmont	**13.4 %**	11.4 %

The decrease in the ETR for Duke Energy for the three months ended March 31, 2022, was primarily due to an increase in the amortization of excess deferred taxes related to the Duke Energy Ohio MGP Settlement.

The increase in the ETR for Progress Energy for the three months ended March 31, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Progress for the three months ended March 31, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Ohio for the three months ended March 31, 2022, was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement.

The increase in the ETR for Duke Energy Indiana for the three months ended March 31, 2022, was primarily due to the coal ash impairment based on the Indiana Supreme Court Opinion.

The increase in the ETR for Piedmont for the three months ended March 31, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

16. SUBSEQUENT EVENTS

For information on subsequent events related to regulatory matters, and commitments and contingencies, see Notes 3 and 4.

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 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, 2022, and with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021.

Executive Overview

Advancing Our Clean Energy Transformation

During the first quarter, we continued to execute on our clean energy transformation, delivering strong, sustainable value for shareholders, customers, communities and employees.

- We're targeting energy generated from coal to represent less than 5% by 2030 and a full exit by 2035, subject to regulatory approvals. We've made strong progress in reducing carbon emissions from electricity generation (a 44% reduction from 2005) and have committed to do more (at least 50% reduction by 2030 and net-zero by 2050).
- We continued to execute financings under our Sustainable Financing Framework, raising approximately $2 billion during the quarter under the structure, with proceeds being allocated to eligible projects such as electric grid investments that support the deployment of renewables, new solar generation and battery storage, storm hardening and electric vehicle infrastructure, as well as expenditures that enable opportunities for diverse and small businesses.

Regulatory Activity. During the first quarter of 2022, we continued to monitor developments while moving our regulatory strategy forward. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

- In April 2022, the MGP Settlement was approved without modification by the PUCO. The MGP Settlement resolved certain issues related to MGP remediation costs and the Tax Act as it related to Duke Energy Ohio's natural gas operations.
- In April 2022, Piedmont Natural Gas filed a request with the South Carolina Public Service Commission to recover recent capital investments and update its operating costs and billing rates through a general rate case proceeding.
- In March 2022, the Indiana Supreme Court issued an opinion, which absent IURC preapproval of deferred accounting treatment determined DEI could not recover coal ash closure costs incurred between base rate cases. In connection with the rate case application filed in Indiana in 2019 by Duke Energy Indiana, the IURC issued an order in June 2020, which among other things provided for recovery of approximately $211 million of certain coal ash closure costs incurred by DEI prior to the IURC Order. The Court remanded the matter back to the IURC for proceedings consistent with the opinion. Duke Energy Indiana filed a request for rehearing with the Supreme Court on April 11, 2022.
- In February 2022, the NCUC adopted rules to govern the application and review process for the PBR authorized under HB 951. In April 2022, the NCUC adopted rules to govern the securitization of 50% of the North Carolina retail portion of the remaining net book value of retiring coal plants pursuant to HB 951. The rules are constructive and consistent with the policy objectives of HB 951. We remain engaged in next steps including developing an initial carbon reduction plan.
- In January 2022, the NCUC issued an order approving the stipulation of partial settlement related to the 2021 Piedmont North Carolina Rate Case, which included a base rate increase of $67 million, subject to completion of the Robeson County LNG facility and the Pender Onslow County expansion project.

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

Future spending of coal ash costs, including amounts recorded for depreciation and liability accretion, is expected to continue to be deferred and recovered in future rate cases or rider filings. The majority of spend is expected to occur over the next 15-20 years.

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 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. In January 2022, Duke Energy Indiana received a letter from the EPA regarding interpretation of the CCR rule. See Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies" for more information.

Commercial Renewables

Duke Energy continues to monitor recoverability of renewable merchant plants located in the ERCOT West market and in the PJM West market, due to fluctuating market pricing and 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 or other factors unfavorably impacting the economics 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 ERCOT market. Duke Energy has been named in multiple lawsuits arising out of this winter storm. For more information, see Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies."

Supply Chain

Duke Energy is monitoring supply chain disruptions, including the cost and availability of key components of planned generating facilities, which could impact the timing of in-service or economics of renewable projects and may result in adverse impacts on operating results. The Company is also monitoring the impacts on future financial results and clean energy goals due to the availability of solar panels as a result of the U.S. Department of Commerce investigation into the potential circumvention of anti-dumping and countervailing duties by certain Chinese companies.

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:

- Regulatory Matters represents the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash.
- Gas Pipeline Investments represents additional exit obligations related to ACP.

Three Months Ended March 31, 2022, as compared to March 31, 2021

GAAP reported EPS was $1.08 for the first quarter of 2022 compared to a $1.25 in the first quarter of 2021. In addition to the drivers below, GAAP reported EPS decreased primarily due to charges related to the Indiana Supreme Court ruling on coal ash.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's first quarter 2022 adjusted EPS was $1.30 compared to $1.26 for the first quarter of 2021. The increase in adjusted EPS was primarily due to higher volumes, partially offset by higher operation and maintenance expense, including storm costs, and lower returns on benefit trusts.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Three Months Ended March 31,			
	2022		2021	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	$ 818	$ 1.08	$ 953	$ 1.25
Adjustments:				
Regulatory Matters[(a)]	173	0.22	—	—
Gas Pipeline Investments[(b)]	—	—	5	0.01
Adjusted Earnings/Adjusted EPS	$ 991	$ 1.30	$ 958	$ 1.26

(a) Net of tax benefit of $62 million and $22 million in noncontrolling interests.
(b) Net of tax benefit of $1 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)	2022	2021	Variance
Operating Revenues	$ 6,002	$ 5,281	$ 721
Operating Expenses			
Fuel used in electric generation and purchased power	1,837	1,462	375
Operation, maintenance and other	1,426	1,282	144
Depreciation and amortization	1,131	1,057	74
Property and other taxes	337	311	26
Impairment of assets and other charges	214	—	214
Total operating expenses	4,945	4,112	833
Gains on Sales of Other Assets and Other, net	2	—	2
Operating Income	1,059	1,169	(110)
Other Income and Expenses, net	114	104	10
Interest Expense	376	340	36
Income Before Income Taxes	797	933	(136)
Income Tax Expense	83	113	(30)
Add: Loss Attributable to Noncontrolling Interest	9	—	9
Segment Income	$ 723	$ 820	$ (97)
Duke Energy Carolinas GWh sales	22,549	21,962	587
Duke Energy Progress GWh sales	17,969	16,537	1,432
Duke Energy Florida GWh sales	9,902	8,554	1,348
Duke Energy Ohio GWh sales	5,997	6,004	(7)
Duke Energy Indiana GWh sales	7,950	7,726	224
Total Electric Utilities and Infrastructure GWh sales	64,367	60,783	3,584
Net proportional MW capacity in operation	49,340	50,026	(686)

Three Months Ended March 31, 2022, as compared to March 31, 2021

Electric Utilities and Infrastructure's lower segment income is due to the Indiana Supreme Court ruling on recovery of certain coal ash costs and higher storm costs, partially offset by higher retail sales volumes. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $266 million increase in fuel revenues primarily due to higher fuel prices and retail sales volumes;
- a $243 million increase in weather-normal retail sales volumes;
- a $126 million increase in retail base rate pricing due to general rate cases in North Carolina, net of rider impacts as well as multiyear rate adjustments in Florida; and
- a $46 million increase in wholesale revenues primarily due to higher capacity volumes.

Partially offset by

- a $46 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $375 million increase in fuel used in electric generation and purchased power due to higher fuel prices and volumes from customer demand;
- a $214 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs;
- a $144 million increase in operation, maintenance and other primarily driven by higher storm costs and higher outage and maintenance costs;
- a $74 million increase in depreciation and amortization primarily due to higher plant in service and resolution of prior year rate cases, partially offset by lower depreciation related to the extension of the lives of nuclear facilities; and
- a $26 million increase in property and other taxes primarily due to higher payroll taxes due to CARES Act employee retention credits in the prior year, increased property tax as well as higher revenue related taxes.

Interest Expense. The variance was primarily driven by interest expense on excess deferred tax liabilities.

Income Tax Expense. The decrease in tax expense was primarily due to a decrease in pretax income. The ETRs for the three months ended March 31, 2022, and 2021, were 10.4% and 12.1%, respectively. The decrease in the ETR was primarily due to the amortization of excess deferred taxes in relation to lower pretax income.

Gas Utilities and Infrastructure

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,032**	$ 775	$ 257
Operating Expenses			
Cost of natural gas	**481**	276	205
Operation, maintenance and other	**182**	102	80
Depreciation and amortization	**79**	68	11
Property and other taxes	**41**	35	6
Total operating expenses	**783**	481	302
Operating Income	**249**	294	(45)
Other Income and Expenses, Net	**17**	17	—
Interest Expense	**40**	33	7
Income Before Income Taxes	**226**	278	(52)
Income Tax (Benefit) Expense	**(28)**	33	(61)
Segment Income	**$ 254**	$ 245	$ 9
Piedmont LDC throughput (dekatherms)	**180,187,101**	149,626,582	30,560,519
Duke Energy Midwest LDC throughput (Mcf)	**37,246,072**	37,109,003	137,069

Three Months Ended March 31, 2022, as compared to March 31, 2021

Gas Utilities and Infrastructure's results were impacted primarily by margin growth. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $205 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes;
- a $35 million increase due to base rate increases;
- a $7 million increase due to rider revenues related to Ohio Capital Expenditure Program (CEP); and
- a $6 million increase due to customer growth.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $205 million increase in cost of natural gas due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes;
- an $80 million increase in operation, maintenance and other primarily due to the MGP settlement; and
- an $11 million increase in depreciation and amortization due to additional plant in service and lower CEP deferrals.

Income Tax Benefit. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement and a decrease in pretax income. The ETRs for the three months ended March 31, 2022, and 2021, were -12.4% and 11.9%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement.

Commercial Renewables

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 121**	$ 119	$ 2
Operating Expenses			
Operation, maintenance and other	**82**	72	10
Depreciation and amortization	**60**	53	7
Property and other taxes	**10**	9	1
Total operating expenses	**152**	134	18
Losses on Sales of Other Assets and Other, net	**(1)**	—	(1)
Operating Loss	**(32)**	(15)	(17)
Other Income and Expenses, net	**—**	(25)	25
Interest Expense	**18**	13	5
Loss Before Income Taxes	**(50)**	(53)	3
Income Tax Benefit	**(33)**	(29)	(4)
Add: Loss Attributable to Noncontrolling Interests	**28**	51	(23)
Segment Income	**$ 11**	$ 27	$ (16)
Renewable plant production, GWh	**2,988**	2,588	400
Net proportional MW capacity in operation[(a)]	**4,753**	4,294	459

(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, 2022, as compared to March 31, 2021

Commercial Renewables' results were unfavorable primarily driven by fewer project investments financed by tax equity being placed into service in the current year and higher operating expenses for projects placed in service since the prior year, offset by the impacts for losses experienced in the prior year from Texas Storm Uri.

Operating Expenses. The variance was primarily driven by a $14 million increase for higher operating expenses, depreciation, property tax expense, and other development costs from the growth of new projects and a $4 million increase for higher operating expenses attributed to maintenance and other operating expenses.

Other Income and Expenses, net. The increase was primarily due to $29 million of losses experienced in the prior year from Texas Storm Uri offset by approximately $5 million decrease in equity earnings.

Interest Expense. The increase is primarily due to a $4 million gain recorded in the prior year for an interest rate swap that did not qualify for hedge accounting.

Income Tax Benefit. The increase in the tax benefit was primarily due to a decrease in taxes associated with tax equity investments.

Loss Attributable to Noncontrolling Interests. The variance was driven by a $23 million decrease for fewer projects placed in service financed with tax equity in the current year and a $12 million net decrease in losses allocated to tax equity members from existing tax equity structures offset by a $12 million increase for losses experienced in the prior year from Texas Storm Uri.

Other

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 30**	$ 26	$ 4
Operating Expenses	**33**	28	5
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Loss	**(2)**	(2)	—
Other Income and Expenses, net	**(6)**	21	(27)
Interest Expense	**159**	151	8
Loss Before Income Taxes	**(167)**	(132)	(35)
Income Tax Benefit	**(36)**	(32)	(4)
Less: Preferred Dividends	**39**	39	—
Net Loss	**$ (170)**	$ (139)	$ (31)

Three Months Ended March 31, 2022, as compared to March 31, 2021

The higher net loss was driven by lower return on investments and higher interest expense partially offset by higher equity earnings from the NMC investment.

Other Income and Expenses, net. The variance was primarily due to lower return on investments that fund certain employee benefit obligations partially offset by higher equity earnings from the NMC investment.

Interest Expense. The variance was primarily due to higher outstanding long-term debt.

Income Tax Benefit. The increase in the tax benefit was primarily due to an increase in pretax losses, partially offset by unfavorable tax impacts related to lower investment returns on certain employee benefit obligations. The ETRs for the three months ended March 31, 2022, and 2021, were 21.6% and 24.2%, respectively. The decrease in the ETR was primarily due to unfavorable tax impacts related to lower investment returns on certain employee benefit obligations.

DUKE ENERGY CAROLINAS

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,888**	$ 1,716	$ 172
Operating Expenses			
Fuel used in electric generation and purchased power	**448**	422	26
Operation, maintenance and other	**512**	441	71
Depreciation and amortization	**379**	359	20
Property and other taxes	**93**	83	10
Impairment of assets and other charges	**3**	—	3
Total operating expenses	**1,435**	1,305	130
Operating Income	**453**	411	42
Other Income and Expenses, net	**55**	48	7
Interest Expense	**141**	124	17
Income Before Income Taxes	**367**	335	32
Income Tax Expense	**27**	23	4
Net Income	**$ 340**	$ 312	$ 28

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	2022
Residential sales	**(3.6)%**
General service sales	**4.2 %**
Industrial sales	**4.7 %**
Wholesale power sales	**(4.6)%**
Joint dispatch sales	**(30.0)%**
Total sales	**2.7 %**
Average number of customers	**2.0 %**

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $99 million increase in weather-normal retail sales volumes;
- a $31 million increase in fuel revenues due to higher prices and volumes in the current year; and
- a $20 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers.

Operating Expenses. The variance was driven primarily by:

- a $71 million increase in operation, maintenance and other expense primarily due to higher storm restoration costs and higher outage and maintenance costs;
- a $26 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal prices; and
- a $20 million increase in depreciation and amortization primarily due to an increase in assets placed into service, and new depreciation rates associated with the North Carolina rate case, partially offset by the extension of the lives of nuclear facilities.

Interest Expense. The variance was driven by interest expense on excess deferred tax liabilities.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income, partially offset by amortization of excess deferred taxes.

PROGRESS ENERGY

Results of Operations

	Three Months Ended March 31,		
(in millions)	2022	2021	Variance
Operating Revenues	**$ 2,992**	$ 2,505	$ 487
Operating Expenses			
Fuel used in electric generation and purchased power	**1,064**	795	269
Operation, maintenance and other	**645**	601	44
Depreciation and amortization	**536**	485	51
Property and other taxes	**152**	142	10
Total operating expenses	**2,397**	2,023	374
Gains on Sales of Other Assets and Other, net	**2**	—	2
Operating Income	**597**	482	115
Other Income and Expenses, net	**35**	43	(8)
Interest Expense	**211**	192	19
Income Before Income Taxes	**421**	333	88
Income Tax Expense	**67**	43	24
Net Income	**354**	290	64

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $237 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $124 million increase in weather-normal retail sales volumes;

- a $106 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 2021 Settlement Agreement and the solar base rate adjustment; and
- a $32 million increase in wholesale revenues, net of fuel, due to higher capacity volumes.

Partially offset by:

- a $22 million decrease in capacity revenue primarily due to accelerated recovery of retired Crystal River coal units in 2021.

Operating Expenses. The variance was driven primarily by:

- a $269 million increase in fuel used in electric generation and purchased power primarily due to higher demand and higher natural gas prices;
- a $51 million increase in depreciation and amortization primarily due to increased rates at Duke Energy Florida and higher amortization of deferred coal ash and storm costs at Duke Energy Progress, partially offset by the extension of the lives at nuclear facilities at Duke Energy Progress; and
- a $44 million increase in operation, maintenance and other expense primarily due to higher storm costs at Duke Energy Progress.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities and higher outstanding debt at Duke Energy Progress.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

DUKE ENERGY PROGRESS

Results of Operations

	Three Months Ended March 31,		
(in millions)	2022	2021	Variance
Operating Revenues	**$ 1,632**	$ 1,401	$ 231
Operating Expenses			
Fuel used in electric generation and purchased power	**574**	436	138
Operation, maintenance and other	**391**	357	34
Depreciation and amortization	**306**	285	21
Property and other taxes	**49**	49	—
Total operating expenses	**1,320**	1,127	193
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Income	**313**	274	39
Other Income and Expenses, net	**22**	24	(2)
Interest Expense	**85**	69	16
Income Before Income Taxes	**250**	229	21
Income Tax Expense	**35**	19	16
Net Income	**$ 215**	$ 210	$ 5

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	2022
Residential sales	**(4.5)%**
General service sales	**10.3 %**
Industrial sales	**27.8 %**
Wholesale power sales	**1.0 %**
Joint dispatch sales	**51.4 %**
Total sales	**8.7 %**
Average number of customers	**2.0 %**

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $120 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $56 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers;

- a $33 million increase in weather-normal retail sales volumes in the current year; and
- a $16 million increase in wholesale revenues, net of fuel, due to higher capacity volumes.

Operating Expenses. The variance was driven primarily by:

- a $138 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal prices;
- a $34 million increase in operation, maintenance and other expense primarily due to higher storm costs; and
- a $21 million increase in depreciation and amortization due to higher amortization of deferred coal ash costs and amortization related to deferred storm costs, partially offset by lower depreciation related to the extension of the lives of nuclear facilities.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and the amortization of excess deferred taxes.

DUKE ENERGY FLORIDA

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,355**	$ 1,101	$ 254
Operating Expenses			
Fuel used in electric generation and purchased power	**490**	359	131
Operation, maintenance and other	**249**	242	7
Depreciation and amortization	**231**	200	31
Property and other taxes	**103**	93	10
Total operating expenses	**1,073**	894	179
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Income	**283**	207	76
Other Income and Expenses, net	**15**	18	(3)
Interest Expense	**84**	80	4
Income Before Income Taxes	**214**	145	69
Income Tax Expense	**43**	28	15
Net Income	**$ 171**	$ 117	$ 54

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	**2022**
Residential sales	**0.9 %**
General service sales	**4.0 %**
Industrial sales	**(0.9)%**
Wholesale and other	**77.4 %**
Total sales	**15.8 %**
Average number of customers	**1.9 %**

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $117 million increase in fuel revenue primarily due to higher retail sales volumes and higher fuel rate in current year in response to an increase in natural gas prices;
- a $91 million increase in weather-normal retail sales volumes;
- a $50 million increase in retail pricing due to base rate adjustments related to annual increases from the 2021 Settlement Agreement and the solar base rate adjustment; and
- a $16 million increase in wholesale power revenues, net of fuel, primarily due to higher capacity revenues and bulk power sales.

Partially offset by:

- a $22 million decrease in capacity revenue primarily due to accelerated recovery of the retired coal units Crystal River 1 and 2 in 2021.

Operating Expenses. The variance was driven primarily by:

- a $131 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices;
- a $31 million increase in depreciation and amortization primarily due to an increase in depreciation rates starting in January 2022; and
- a $10 million increase in property and other taxes primarily due to an increase in gross receipts taxes.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income.

DUKE ENERGY OHIO

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues			
Regulated electric	**$ 412**	$ 363	$ 49
Regulated natural gas	**226**	169	57
Total operating revenues	**638**	532	106
Operating Expenses			
Fuel used in electric generation and purchased power	**127**	82	45
Cost of natural gas	**107**	51	56
Operation, maintenance and other	**178**	108	70
Depreciation and amortization	**80**	74	6
Property and other taxes	**101**	92	9
Total operating expenses	**593**	407	186
Operating Income	**45**	125	(80)
Other Income and Expenses, net	**6**	5	1
Interest Expense	**30**	25	5
Income Before Income Taxes	**21**	105	(84)
Income Tax (Benefit) Expense	**(56)**	14	(70)
Net Income	**$ 77**	$ 91	$ (14)

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	**2022**	**2022**
Residential sales	**(4.9)%**	**1.5 %**
General service sales	**(1.0)%**	**1.0 %**
Industrial sales	**(2.9)%**	**(2.3)%**
Wholesale electric power sales	**(19.0)%**	**n/a**
Other natural gas sales	**n/a**	**(2.8)%**
Total sales	**(0.1)%**	**0.4 %**
Average number of customers	**1.0 %**	**0.8 %**

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $93 million increase in fuel related revenues primarily due to higher natural gas prices and increased volumes;
- a $10 million increase in retail revenue riders, primarily due to the Ohio Capital Expenditure Program (CEP), Distribution Capital Investment Rider (DCI), excise tax riders as a result of increased revenue and Kentucky Gas Weather Normalization rider, partially offset by decreases in Kentucky Environmental Surcharge Mechanism and the Ohio Tax Cuts and Jobs Act rider;
- a $9 million increase in weather-normal retail sales volumes;
- a $6 million increase in revenues related to OVEC collections and OVEC sales into PJM; and
- a $5 million increase in PJM transmission revenues as a result of increased capital spend.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $101 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas and purchased power;
- a $70 million increase in operation, maintenance and other expense primarily due to the MGP settlement and higher storm costs;
- 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 lower CEP deferrals and an increase in distribution plant in service.

Income Tax Benefit. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement and a decrease in pretax income.

DUKE ENERGY INDIANA

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 822**	$ 745	$ 77
Operating Expenses			
Fuel used in electric generation and purchased power	**319**	217	102
Operation, maintenance and other	**192**	178	14
Depreciation and amortization	**156**	152	4
Property and other taxes	**25**	21	4
Impairment of assets and other charges	**211**	—	211
Total operating expenses	**903**	568	335
Operating (Loss) Income	**(81)**	177	(258)
Other Income and Expenses, net	**10**	9	1
Interest Expense	**45**	50	(5)
(Loss) Income Before Income Taxes	**(116)**	136	(252)
Income Tax (Benefit) Expense	**(37)**	24	(61)
Net (Loss) Income	**$ (79)**	$ 112	$ (191)

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	**2022**
Residential sales	**(3.8)%**
General service sales	**0.3 %**
Industrial sales	**(5.3)%**
Wholesale power sales	**11.9 %**
Total sales	**2.9 %**
Average number of customers	**1.3 %**

Three Months Ended March 31, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $77 million increase in fuel revenues primarily due to higher fuel cost recovery driven by customer demand and fuel prices;
- a $16 million increase in weather-normal retail sales volumes driven by higher nonresidential customer demand;
- a $14 million increase in wholesale revenues primarily due to an increase in BPM sharing provision; and
- a $9 million increase in retail sales due to favorable weather in the current year.

Partially offset by:

- a $46 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $211 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs;
- a $102 million increase in fuel used in electric generation and purchased power expense primarily due to higher purchased power expense and higher natural gas costs; and
- a $14 million increase in operation, maintenance and other primarily due to higher storm costs and employee benefits.

Income Tax Benefit. The decrease in tax expense was primarily due to the change in pretax income from the coal ash impairment based on the Indiana Supreme Court Opinion.

PIEDMONT

Results of Operations

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 805**	$ 606	$ 199
Operating Expenses			
Cost of natural gas	**374**	225	149
Operation, maintenance and other	**95**	78	17
Depreciation and amortization	**54**	48	6
Property and other taxes	**16**	14	2
Total operating expenses	**539**	365	174
Operating Income	**266**	241	25
Other Income and Expenses, net	**13**	17	(4)
Interest Expense	**32**	29	3
Income Before Income Taxes	**247**	229	18
Income Tax Expense	**33**	26	7
Net Income	**$ 214**	$ 203	$ 11

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	**2022**
Residential deliveries	**(4.7)%**
Commercial deliveries	**2.9 %**
Industrial deliveries	**1.1 %**
Power generation deliveries	**45.8 %**
For resale	**(3.9)%**
Total throughput deliveries	**20.4 %**
Secondary market volumes	**18.8 %**
Average number of customers	**1.6 %**

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, 2022, as compared to March 31, 2021

Operating Revenues. The variance was driven primarily by:

- a $149 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes;
- a $35 million increase due to base rate increases; and
- a $6 million increase due to customer growth.

Operating Expenses. The variance was driven primarily by:

- a $149 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

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. Additionally, due to its existing tax attributes, Duke Energy does not expect to be a significant federal cash taxpayer until around 2030. Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021, included a summary and detailed discussion of projected primary sources and uses of cash for 2022 to 2024.

As of March 31, 2022, Duke Energy had approximately $853 million of cash on hand and $6.1 billion available under its $9 billion Master 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.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

	Three Months Ended March 31,	
(in millions)	**2022**	**2021**
Cash flows provided by (used in):		
Operating activities	**$ 1,795**	$ 2,088
Investing activities	**(2,699)**	(3,137)
Financing activities	**1,404**	1,185
Net increase in cash, cash equivalents and restricted cash	**500**	136
Cash, cash equivalents and restricted cash at beginning of period	**520**	556
Cash, cash equivalents and restricted cash at end of period	**$ 1,020**	$ 692

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Net income	**$ 820**	$ 941	$ (121)
Non-cash adjustments to net income	**1,582**	1,446	136
Payments for asset retirement obligations	**(119)**	(114)	(5)
Working capital	**(488)**	(185)	(303)
Net cash provided by operating activities	**$ 1,795**	$ 2,088	$ (293)

The variance was primarily due to timing of accruals and payments in working capital accounts.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Capital, investment and acquisition expenditures	**$ (2,568)**	$ (2,215)	$ (353)
Other investing items	**(131)**	(922)	791
Net cash used in investing activities	**$ (2,699)**	$ (3,137)	$ 438

The variance relates primarily to payment made in 2021 to fund ACP's outstanding debt and lower overall investments in the Commercial Renewables segment, partially offset by increases in capital expenditures due to higher overall investments in the Electric Utilities and Infrastructure and Gas Utilities and Infrastructure segments.

FINANCING CASH FLOWS

The following table summarizes key components of Duke Energy’s financing cash flows.

	Three Months Ended March 31,		
(in millions)	**2022**	**2021**	**Variance**
Issuances of long-term debt, net	**$ 2,291**	$ 532	$ 1,759
Issuances of common stock	**—**	5	(5)
Notes payable, commercial paper and other short-term borrowings	**(44)**	1,187	(1,231)
Dividends paid	**(799)**	(783)	(16)
Contributions from noncontrolling interests	**23**	303	(280)
Other financing items	**(67)**	(59)	(8)
Net cash provided by financing activities	**$ 1,404**	$ 1,185	$ 219

The variance was primarily due to:

- a $1.8 billion increase in net proceeds from issuances of long-term debt, primarily due to timing of issuances and redemptions of long-term debt.

Partially offset by:

- a $1.2 billion decrease in net borrowings from notes payable and commercial paper; and
- a $280 million decrease in contributions from noncontrolling interests.

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.

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, 2022, 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, 2022, 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, 2022, 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, 2021.

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, 2021, 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	One-Hundred and Sixth Supplemental Indenture, dated as of March 4, 2022 between the registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee, and forms of global bonds representing the First and Refunding Mortgage Bonds, 2.85% Series due 2032 and First and Refunding Mortgage Bonds, 3.55% Series due 2052 (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 4, 2022, File No. 1-32853).		X						
4.2	Eleventh Supplemental Indenture dated as of March 11, 2021, between the registrant and The Bank of New York Mellon Trust Company, N.A., as successor to Citibank, N.A. and form of global notes (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 11, 2022, File No. 1-6196).								X
4.3	Ninety-second Supplemental Indenture, dated as of March 1, 2022, among the registrant, The Bank of New York Mellon (formerly Irving Trust Company) and Christie Leppert (successor to Frederick G. Herbst) and forms of global bonds (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on March 17, 2022, File No. 1-3382).				X				
10.1	Duke Energy Corporation Executive Short-term Incentive Plan, as amended and restated, effective February 23, 2022 (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on February 24, 2022, File No. 1-32853).	X							

EXHIBITS

10.2	Amended and Restated Credit Agreement, dated as of March 18, 2022, 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, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender and Wells Fargo Securities, LLC, as Joint Lead Arranger, Joint Bookrunner and Sustainability Structuring Agent. that increases the amount of the credit facility from $8B to $9B (incorporated by reference to Exhibit 10.1 to registrants' Current Report on Form 8-K filed on March 21, 2022, File Nos. 1-32853, 1-4928, 1-3382, 1-3274, 1-1232, 1-3543, 1-6196).	X	X		X	X	X	X	X
10.3	$1,400,000,000 Term Loan Credit Facility, dated as of March 9, 2022, among the registrant, as Borrower, certain Lenders from time to time parties thereto, and The Bank of Nova Scotia as Administrative Agent and Coordinating Lead Arranger (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on March 22, 2022, File No. 1-32853).	X							
*10.4	Duke Energy Corporation Restricted Stock Unit Award Agreement	X							
*10.5	Duke Energy Corporation 2022 Director Compensation Program	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					

EXHIBITS

*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	

EXHIBITS

*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 9, 2022

/s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: May 9, 2022

/s/ CYNTHIA S. LEE
Cynthia S. Lee
Vice President, Chief Accounting Officer
and Controller
(Principal Accounting Officer)

Exhibit 10.4

RESTRICTED STOCK UNIT AWARD AGREEMENT

Duke Energy Corporation (the "Corporation") grants to the individual named below ("Grantee"), in accordance with the terms of the Duke Energy Corporation 2015 Long-Term Incentive Plan, as it may be amended from time to time (the "Plan") and this **Restricted Stock Unit Award Agreement** (the "Agreement"), the following number of Restricted Stock Units (the "Award"), on the Date of Grant set forth below:

Name of Grantee: ________________________________

Number of Restricted Stock Units: ________________________________

Date of Grant: ________________________________

Vesting Dates: ________________________________

Section 1. *Nature of Restricted Stock Units*. Each Restricted Stock Unit, upon becoming vested, represents a right to receive payment in the form of one (1) share of Common Stock (a "Share"). Restricted Stock Units are used solely as units of measurement and are not Shares, and Grantee is not, and has no rights as, a shareholder of the Corporation by virtue of this Award.

Section 2. *Vesting of Restricted Stock Units*. Subject to Section 3 and 6 below, the Restricted Stock Units shall vest as follows:

(a) The Restricted Stock Units shall vest in equal installments on each vesting date set forth above (each a "Vesting Date") (subject to rounding conventions adopted by the Corporation from time to time; provided that in no event will the total Shares issued exceed the total units granted under the Award), provided that Grantee shall have remained in the continuous employ of the Corporation or a Subsidiary through the applicable Vesting Date.

(b) Notwithstanding Section 2(a), the Restricted Stock Units that have not yet vested under this Section 2 shall immediately vest if, prior to the applicable Vesting Date: (i) Grantee ceases to be employed with the Corporation and its Subsidiaries by reason of death or Disability (defined by reference Section 22(e)(3) of the Code), or (ii) a Change in Control occurs and the Corporation and its Subsidiaries terminate Grantee's employment other than for cause (as determined by the Corporation in its sole discretion), or Grantee's employment terminates under circumstances that entitle Grantee to severance benefits under an employment or change in control agreement with the Corporation or a Subsidiary, or a severance plan maintained by the Corporation or a Subsidiary, as applicable, in each case within the two-year period commencing on the Change in Control.

(c) Notwithstanding Sections 2(a) or 2(b), a pro-rated portion of the Restricted Stock Units that has not yet vested under this Section 2 shall immediately vest if, prior to the applicable Vesting Date (and other than as provided in Section 2(b)(ii) above): (i) the Corporation and its Subsidiaries terminate Grantee's employment other than for cause, death or Disability, including as a result of the divestiture of assets, a business or a company by the

Corporation or a Subsidiary, or (ii) Grantee voluntarily terminates employment with the Corporation and its Subsidiaries after having attained age 55 and completed 10 years of consecutive service from Grantee's most recent date of hire or re-hire, as applicable (as determined under such rules as may be established by the Corporation from time-to-time) ("Retirement"). The pro-rated portion of the Restricted Stock Units that becomes vested under this Section 2(c), if any, shall be determined by the Committee or its delegate, in its sole discretion, based upon Grantee's continuous employment with the Corporation and its Subsidiaries from the Date of Grant through the date of termination of employment (including additional service credit provided to Grantee, if any, under an employment agreement with the Corporation or a Subsidiary, or a severance plan maintained by the Corporation or a Subsidiary, as applicable). Notwithstanding the foregoing provisions, if Grantee is a member of the Senior Management Committee on the Date of Grant, Grantee shall be entitled to all (rather than a pro-rated portion) of the Restricted Stock Units in the event that, prior to the applicable Vesting Date, Grantee voluntarily terminates employment with the Corporation and its Subsidiaries after having attained age 60 and completed five years of consecutive service from Grantee’s most recent date of hire or re-hire, as applicable (as determined under such rules as may be established by the Corporation from time-to-time), but only if such voluntary termination occurs following the completion of one year of service after the Date of Grant.

(d) For purposes of Section 2 of this Agreement, the continuous employment of Grantee with the Corporation and its Subsidiaries shall not be deemed to have been interrupted, and Grantee shall not be deemed to have ceased to be an employee, by reason of the transfer of his or her employment among the Corporation and its Subsidiaries or a leave of absence approved by the Corporation or a Subsidiary; provided that, to the extent permitted under applicable law, the Corporation shall pro-rate the vesting of Restricted Share Units in the event Grantee is on an approved but unpaid leave of absence, based upon the portion of the applicable vesting period during which Grantee received payment of salary (as determined under such rules as may be established by the Corporation from time-to-time).

Section 3. _Forfeiture_. The Restricted Stock Units that have not yet vested pursuant to Section 2 (including without limitation any right to Dividend Equivalents described in Section 5 hereof relating to dividends payable on or after the date of forfeiture) shall be forfeited automatically without further action or notice if (a) Grantee ceases to be employed by the Corporation or a Subsidiary other than as provided in Sections 2(b) or 2(c), or (b) the Committee or its delegate, in its sole discretion, determines that Grantee is in violation of any obligation identified in Section 6.

Section 4. _Payment of Restricted Stock Units_.

(a) Except as provided in Section 4(b) below, payment of vested Restricted Stock Units shall be made to Grantee within 60 days following the date the units become vested in accordance with Section 2, except to the extent deferred by Grantee in accordance with procedures as the Committee, or its delegate, may prescribe from time to time.

(b) To the extent Grantee's right to receive payment of the Restricted Stock Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code (because, for example, Grantee is Retirement eligible (or could become Retirement eligible during the term of this Agreement) or is a party to a Change in Control Agreement with the Corporation), then notwithstanding Section 4(a) hereof, payment of vested Restricted Stock Units shall be made to Grantee within 60 days following the earlier of: (i) Grantee's "separation from service" within the meaning of Section 409A of the Code; provided, however, that if Grantee is a "specified employee" within the meaning of Section 409A of the Code (as determined pursuant to the Company's policy for identifying specified employees) on the date of the Grantee's separation from service, then to the extent required to comply with Section 409A of the Code, payment shall be delayed until the first business day that is more than six months after the date of his or her separation from service; or (ii) the applicable Vesting Date(s) as provided in Section 2(a).

(c) Payment of vested Restricted Stock Units shall be in the form of one (1) Share for each full Restricted Stock Unit; provided that if payment would be less than ten (10) Shares, or if payment would result in fractional shares, then, if so determined by the Committee or its delegate, in its sole discretion, payment may be made in cash in lieu of Shares.

Section 5. _Dividend Equivalent Payments_. With respect to each Restricted Stock Unit, Grantee shall be entitled to a cash payment (without interest) equal to the cash dividends declared and payable with respect to one (1) Share for each record date that occurs during the period beginning on the Date of Grant and ending on the date the Restricted Stock Unit is paid (the "Dividend Equivalent"). The right to any Dividend Equivalents shall be forfeited to the extent that the underlying Restricted Stock Unit is forfeited. Dividend Equivalents shall be paid to Grantee at the same time that the related cash dividend is paid to shareholders of the Corporation. Dividend Equivalents will be subject to any required withholding for federal, state, local, foreign or other taxes.

Section 6. _Restrictive Covenants_.

(a) In consideration of the Award, Grantee agrees that during the period ending on the _______ anniversary of the Date of Grant ("Restricted Period"), Grantee shall not for any reason, directly or indirectly, without the prior written consent of the Corporation or its delegate: (i) become employed, engaged or involved with a competitor (defined below) of the Corporation or any Subsidiary in a position that involves: providing services that relate to or are similar in nature or purpose to the services performed by Grantee for the Corporation or any Subsidiary at any time during his or her previous _______ years of employment with the Corporation or any Subsidiary; or, supervision, management, direction or advice regarding such services; either as principal, agent, manager, employee, partner, shareholder, director, officer or consultant (other than as a less-than three percent (3%) equity owner of any corporation traded on any national, international or regional stock exchange or in the over-the-counter market); or (ii) induce or attempt to induce any customer, client, supplier, employee, agent or independent contractor of the Corporation or any of the Subsidiaries to reduce, terminate, restrict or otherwise alter (to the Corporation's detriment) its business relationship with the Corporation.

(b) The noncompetition obligations of clause (i) of the preceding sentence shall be effective only with respect to a "competitor" of the Corporation or any Subsidiary which is understood to mean any person or entity in competition with the Corporation or any Subsidiary, and more particularly those persons and entities engaged in any business in which the Corporation, including Subsidiaries, is engaged at the termination of Grantee's continuous employment by the Corporation, including Subsidiaries; and within the following geographical areas: (i) any country in the world (other than the United States) where the Corporation, including Subsidiaries, has at least $25 million in capital deployed as of the termination of Grantee's employment; (ii) the states of Florida, Indiana, Kentucky, North Carolina, Ohio, South Carolina and Tennessee, and (iii) any other state in the United States where the Corporation, including the Subsidiaries, has at least $25 million in capital deployed as of the termination of Grantee's employment. The Corporation and Grantee intend the above restrictions on competition in geographical areas to be entirely severable and independent, and any invalidity or unenforceability of this provision with respect to any one or more of such restrictions, including geographical areas, shall not render this provision unenforceable as applied to any one or more of the other restrictions, including geographical areas.

(c) Grantee agrees not to: (i) disclose to any third party or otherwise misappropriate any confidential or proprietary information of the Corporation or of any Subsidiary (except as required by subpoena or other legal process, in which event Grantee will give the Chief Legal Officer of the Corporation prompt notice of such subpoena or other legal process in order to permit the Corporation or any affected individual to seek appropriate protective orders); or (ii) publish or provide any oral or written statements about the Corporation or any Subsidiary, any of the Corporation's or any Subsidiary's current or former officers, executives, directors, employees, agents or representatives that are false, disparaging or defamatory, or that disclose private or confidential information about their business or personal affairs. The obligations of this paragraph are in addition to, and do not replace, eliminate, or reduce in any way, all other contractual, statutory, or common law obligations Grantee may have to protect the Corporation's confidential information and trade secrets and to avoid defamation or business disparagement.

(d) Nothing contained in this Agreement shall prohibit, restrict or otherwise discourage Grantee from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency"), from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations, or from participating in "protected activity" as defined in 10 CFR 50.7 and Section 211 of the Energy Reorganization Act of 1974, including, without limitation, reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, any public safety concern, or any other matter within the United States Nuclear Regulatory Commission's ("NRC") regulatory responsibilities to the NRC or any other Government Agency. Grantee does not need prior authorization of any kind to engage in such activity or make any such reports or disclosures to any Government Agency and Grantee is not required to notify the Corporation that Grantee has made such reports or disclosures. Nothing in this Agreement limits any right Grantee may have to receive a whistleblower award or bounty for information provided to any Government Agency.

(e) If any part of this Section is held to be unenforceable because of the duration, scope or geographical area covered, the Corporation and Grantee agree to modify such part, or that the court making such holding shall have the power to modify such part, to reduce its duration, scope or geographical area.

(f) Nothing in Section 6 shall be construed to prohibit Grantee from being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict Grantee from providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law. Notwithstanding any provisions of this Award to the contrary, Grantee may be entitled to immunity and protection from retaliation under the Defend Trade Secrets Act of 2016 for disclosing a trade secret under limited circumstances, as set forth in the Corporation's Innovations - Inventions, Patents and Intellectual Properties Policy.

(g) Grantee's agreement to the restrictions provided for in this Agreement and the Corporation's agreement to provide the Award are mutually dependent consideration. Therefore, notwithstanding any other provision to the contrary in this Agreement, if Grantee materially breaches any provision of this Section 6 or if the enforceability of any material restriction on Grantee provided for in this Agreement is challenged and found unenforceable by a court of law, then the Corporation shall, at its election, have the right to (i) cancel the Award, (ii) recover from Grantee any Shares or Dividend Equivalents or other cash paid under Award, or (iii) with respect to any Shares paid under the Award that have been disposed of, require Grantee to repay to the Corporation the fair market value of such Shares on the date such shares were sold, transferred, or otherwise disposed of by Grantee. This provision shall be construed as a return of consideration or ill-gotten gains due to the failure of Grantee's promises under the Agreement, and not as a liquidated damages clause. Nothing herein shall (x) reduce or eliminate the Corporation's right to assert that the restrictions provided for in this agreement are fully enforceable as written, or as modified by a court pursuant to Section 6, or (y) eliminate, reduce, or compromise the application of temporary or permanent injunctive relief as a fully appropriate and applicable remedy to enforce the restrictions provided for in Section 6 (inclusive of its subparts), in addition to recovery of damages or other remedies otherwise allowed by law.

(h) Notwithstanding any other provision of this Agreement to the contrary, if the Corporation determines at any time that the Grantee engaged in Detrimental Activity while employed by the Corporation or a Subsidiary, then, to the extent permitted by applicable law, such Grantee: (a) shall not be entitled to any further Shares, Dividend Equivalents or other amounts hereunder (and, if it is determined that a participant may have engaged in Detrimental Activity, payment of any Shares, Dividend Equivalents or other amounts otherwise due to the Grantee shall be suspended pending resolution to the Corporation’s satisfaction of any investigation of the matter), and (b) shall be required to promptly return to the Corporation, upon notice from the Corporation, any Shares, Dividend Equivalents or other amounts received under this Agreement by the Grantee during the three-year period preceding the date of the determination by the Corporation. To the extent that Shares, Dividend Equivalents or other amounts are not immediately returned or paid to the Corporation as provided in this paragraph, the Corporation may, to the extent permitted by applicable law, seek other remedies, including a set off of the Shares, Dividend Equivalents or other amounts so payable to it against any amounts that may be owing from time to time by the Corporation or an affiliate to the Grantee. For purposes of this paragraph, “Detrimental Activity” means: (i) the engaging by the Grantee in misconduct that is detrimental to the financial condition or business reputation of the Corporation or its affiliates, including due to any adverse publicity, or (ii) the Grantee's breach or violation of any material written policy of the Corporation, including without limitation the Corporation's Code of Business Ethics or any written policy or regulation dealing with workplace harassment, including sexual harassment and other forms of harassment prohibited by the Corporation's Harassment-Free Workplace Policy.

Section 7. <u>*Change in Control*</u>. Vesting of the Restricted Stock Units shall not accelerate solely as a result of a Change in Control. In the event of a Change in Control, the surviving, continuing, successor, or purchasing entity, as the case may be, may, without Grantee's consent, either assume or continue the Corporation's rights and obligations under this Agreement or provide a substantially equivalent award or other consideration in substitution for the Restricted Stock Units subject to this Agreement.

Section 8. <u>*Withholding*</u>. To the extent the Corporation or any Subsidiary is required to withhold any federal, state, local, foreign or other taxes in connection with the delivery of Shares under this Agreement, then the Corporation or Subsidiary (as applicable) shall retain a number of Shares otherwise deliverable hereunder with a value equal to the required withholding (based on the Fair Market Value of the Shares on the date of delivery); provided that in no event shall the value of the Shares retained exceed the minimum amount of taxes required to be withheld or such other amount permitted under the Plan.

Section 9. <u>*Conflicts with Plan, Correction of Errors, Section 409A and Grantee's Consent*</u>. In the event that any provision of this Agreement conflicts in any way with a provision of the Plan, such Plan provision shall be controlling and the applicable provision of this Agreement shall be without force and effect to the extent necessary to cause such Plan provision to be controlling. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to Grantee pursuant to the Plan, the Corporation, acting through its Executive Compensation and Benefits Department, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code and that this Award not result in unfavorable tax consequences to Grantee under Section 409A of the Code. This Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause this Agreement to fail to satisfy Section 409A of the Code will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A of the Code and made without the consent of Grantee). For purposes of this Agreement, each amount to be paid to Grantee pursuant to this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code.

Notwithstanding the foregoing, this Award is subject to cancellation by the Corporation in its sole discretion unless Grantee has signed a duplicate of this Agreement, in the space provided below, and returned the signed duplicate to the Executive Compensation and Benefits Department – Restricted Stock Units, ____, which, if, and to the extent, permitted by the Executive Compensation and Benefits Department, may be accomplished by electronic means.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed effective as of the Date of Grant.

DUKE ENERGY CORPORATION

By: ____________
Its:

Acceptance of Restricted Stock Unit Award

IN WITNESS OF Grantee's acceptance of this Award and Grantee's agreement to be bound by the provisions of this Agreement and the Plan, Grantee has signed this Agreement on _____________________.

____
Grantee's Signature

____________________________ (print name)

Exhibit 10.5

DUKE ENERGY CORPORATION DIRECTOR COMPENSATION PROGRAM SUMMARY

Effective May 5, 2022, the compensation paid to our outside directors will consist of:

Type of Fee	Fee
Annual Board Retainer (Cash)	$125,000
Annual Board Retainer (Stock)	$175,000
Annual Non-Executive Chairman of the Board Retainer, if applicable	$100,000
Annual Lead Director Retainer, if applicable	$40,000
Annual Audit Committee Chair Retainer	$25,000
Annual Compensation & People Development Committee Chair/Nuclear Oversight Committee Chair Retainer	$20,000
Annual Committee Chair Retainer (Other Committees)	$15,000
Additional Annual Board Retainer (Cash) (up to one) If director meets one or more of the following during the calendar year: - Serves as a member of a special committee - Attends (in person) more than two offsite committee meetings (excluding the annual Board retreat) - Attends more than thirty (30) meetings of the Board and its regular standing committees	$10,000

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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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 9, 2022

/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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022, 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 9, 2022

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, 2022

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) 526 South Church 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	5.625% 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
Duke Energy	3.10% Senior Notes due 2028	DUK 28A	New York Stock Exchange LLC
Duke Energy	3.85% Senior Notes due 2034	DUK 34	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, 2022:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	769,968,724

This combined Form 10-Q is filed separately by eight registrants: Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont (collectively the Duke Energy Registrants). Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other registrants.

Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, Duke Energy Indiana and Piedmont meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instructions H(2) of Form 10-Q.

TABLE OF CONTENTS

Glossary of Terms

The following terms or acronyms used in this Form 10-Q are defined below:

Term or Acronym	Definition
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
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligations
Bison	Bison Insurance Company Limited
CCR	Coal Combustion Residuals
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
DOE	Department of Energy
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 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
EPS	Earnings Per Share
ERCOT	Electric Reliability Council of Texas
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
GIC	GIC Private Limited, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure
GWh	Gigawatt-hours
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

GLOSSARY OF TERMS

KPSC	Kentucky Public Service Commission
LLC	Limited Liability Company
MGP	Manufactured gas plant
MGP Settlement	Stipulation and Recommendation filed jointly by Duke Energy Ohio the staff of the PUCO, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021
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
ORS	
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

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, asset retirement and construction costs related to carbon emissions reductions, 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, reduced customer usage due to cost pressures from inflation or fuel costs, and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts, natural gas building and appliance electrification, 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, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, 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 investor, customer and other stakeholder 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, an individual utility's generation mix, 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;

FORWARD-LOOKING STATEMENTS

- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values;
- Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana, may not yield the anticipated benefits;
- 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 its carbon emission reduction goals.

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

ITEM 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)	**2022**	**2021**	**2022**	**2021**
Operating Revenues				
Regulated electric	**$ 6,074**	$ 5,258	**$ 12,007**	$ 10,477
Regulated natural gas	**425**	302	**1,427**	1,051
Nonregulated electric and other	**186**	198	**383**	380
Total operating revenues	**6,685**	5,758	**13,817**	11,908
Operating Expenses				
Fuel used in electric generation and purchased power	**1,972**	1,415	**3,789**	2,858
Cost of natural gas	**189**	79	**670**	355
Operation, maintenance and other	**1,447**	1,410	**3,077**	2,812
Depreciation and amortization	**1,302**	1,207	**2,622**	2,433
Property and other taxes	**379**	349	**771**	702
Impairment of assets and other charges	**(9)**	131	**206**	131
Total operating expenses	**5,280**	4,591	**11,135**	9,291
Gains on Sales of Other Assets and Other, net	**8**	2	**10**	2
Operating Income	**1,413**	1,169	**2,692**	2,619
Other Income and Expenses				
Equity in earnings (losses) of unconsolidated affiliates	**36**	9	**61**	(8)
Other income and expenses, net	**115**	128	**204**	255
Total other income and expenses	**151**	137	**265**	247
Interest Expense	**607**	572	**1,194**	1,107
Income Before Income Taxes	**957**	734	**1,763**	1,759
Income Tax Expense	**77**	36	**63**	120
Net Income	**880**	698	**1,700**	1,639
Add: Net Loss Attributable to Noncontrolling Interests	**27**	67	**64**	118
Net Income Attributable to Duke Energy Corporation	**907**	765	**1,764**	1,757
Less: Preferred Dividends	**14**	14	**53**	53
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 893**	$ 751	**$ 1,711**	$ 1,704
Earnings Per Share – Basic and Diluted				
Net income available to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 1.14**	$ 0.96	**$ 2.22**	$ 2.21
Weighted Average Shares Outstanding				
Basic and Diluted	**770**	769	**770**	769

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)	**2022**	**2021**	**2022**	**2021**
Net Income	**$ 880**	$ 698	**$ 1,700**	$ 1,639
Other Comprehensive Income (Loss), net of tax[(a)]				
Pension and OPEB adjustments	**2**	—	**4**	2
Net unrealized gains (losses) on cash flow hedges	**149**	(97)	**262**	(68)
Reclassification into earnings from cash flow hedges	**4**	4	**9**	7
Net unrealized losses on fair value hedges	**(12)**	—	**(12)**	—
Unrealized (losses) gains on available-for-sale securities	**(8)**	4	**(21)**	(4)
Other Comprehensive Income (Loss), net of tax	**135**	(89)	**242**	(63)
Comprehensive Income	**1,015**	609	**1,942**	1,576
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**23**	68	**52**	112
Comprehensive Income Attributable to Duke Energy	**1,038**	677	**1,994**	1,688
Less: Preferred Dividends	**14**	14	**53**	53
Comprehensive Income Available to Duke Energy Corporation Common Stockholders	**$ 1,024**	$ 663	**$ 1,941**	$ 1,635

(a) Net of income tax impacts of approximately $40 million and $27 million for the three months ended June 30, 2022, and 2021, respectively, and $72 million and $19 million for the six months ended June 30, 2022, and 2021, respectively.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 428	$ 343
Receivables (net of allowance for doubtful accounts of $44 at 2022 and $46 at 2021)	907	1,173
Receivables of VIEs (net of allowance for doubtful accounts of $92 at 2022 and $76 at 2021)	3,021	2,437
Inventory	3,208	3,199
Regulatory assets (includes $105 at 2022 and 2021 related to VIEs)	2,834	2,150
Other (includes $284 at 2022 and $256 at 2021 related to VIEs)	1,163	638
Total current assets	11,561	9,940
Property, Plant and Equipment		
Cost	166,004	161,819
Accumulated depreciation and amortization	(52,252)	(50,555)
Facilities to be retired, net	99	144
Net property, plant and equipment	113,851	111,408
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $1,774 at 2022 and $1,823 at 2021 related to VIEs)	12,863	12,487
Nuclear decommissioning trust funds	8,574	10,401
Operating lease right-of-use assets, net	1,222	1,266
Investments in equity method unconsolidated affiliates	983	970
Other (includes $120 at 2022 and $92 at 2021 related to VIEs)	4,026	3,812
Total other noncurrent assets	46,971	48,239
Total Assets	$ 172,383	$ 169,587
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 3,971	$ 3,629
Notes payable and commercial paper	3,875	3,304
Taxes accrued	682	749
Interest accrued	554	533
Current maturities of long-term debt (includes $633 at 2022 and $243 at 2021 related to VIEs)	3,171	3,387
Asset retirement obligations	649	647
Regulatory liabilities	1,383	1,211
Other	2,259	2,471
Total current liabilities	16,544	15,931
Long-Term Debt (includes $4,435 at 2022 and $4,854 at 2021 related to VIEs)	63,147	60,448
Other Noncurrent Liabilities		
Deferred income taxes	9,948	9,379
Asset retirement obligations	12,080	12,129
Regulatory liabilities	14,519	16,152
Operating lease liabilities	1,039	1,074
Accrued pension and other post-retirement benefit costs	799	855
Investment tax credits	855	833
Other (includes $213 at 2022 and $319 at 2021 related to VIEs)	1,868	1,650
Total other noncurrent liabilities	41,108	42,072
Commitments and Contingencies		
Equity		
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2022 and 2021	973	973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2022 and 2021	989	989
Common stock, $0.001 par value, 2 billion shares authorized; 770 million shares outstanding at 2022 and 769 million shares outstanding at 2021	1	1
Additional paid-in capital	44,373	44,371
Retained earnings	3,457	3,265
Accumulated other comprehensive loss	(73)	(303)
Total Duke Energy Corporation stockholders' equity	49,720	49,296
Noncontrolling interests	1,864	1,840
Total equity	51,584	51,136
Total Liabilities and Equity	$ 172,383	$ 169,587

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Six Months Ended June 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 1,700**	$ 1,639
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**2,923**	2,753
Equity in (earnings) losses of unconsolidated affiliates	**(61)**	8
Equity component of AFUDC	**(99)**	(83)
Impairment of assets and other charges	**206**	131
Deferred income taxes	**67**	119
Payments for asset retirement obligations	**(255)**	(263)
Provision for rate refunds	**(65)**	(13)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**351**	15
Receivables	**(180)**	85
Inventory	**(12)**	153
Other current assets	**(1,144)**	(297)
Increase (decrease) in		
Accounts payable	**408**	(297)
Taxes accrued	**(49)**	219
Other current liabilities	**99**	(326)
Other assets	**55**	77
Other liabilities	**91**	(47)
Net cash provided by operating activities	**4,035**	3,873
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(5,117)**	(4,636)
Contributions to equity method investments	**(32)**	(21)
Purchases of debt and equity securities	**(2,184)**	(3,182)
Proceeds from sales and maturities of debt and equity securities	**2,225**	3,217
Disbursements to canceled equity method investments	**—**	(855)
Other	**(384)**	(137)
Net cash used in investing activities	**(5,492)**	(5,614)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	**5,714**	4,627
Issuance of common stock	**—**	5
Payments for the redemption of long-term debt	**(3,147)**	(2,002)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	**30**	75
Payments for the redemption of short-term debt with original maturities greater than 90 days	**(257)**	(959)
Notes payable and commercial paper	**785**	1,299
Contributions from noncontrolling interests	**126**	318
Dividends paid	**(1,574)**	(1,541)
Other	**(101)**	(72)
Net cash provided by financing activities	**1,576**	1,750
Net increase in cash, cash equivalents and restricted cash	**119**	9
Cash, cash equivalents and restricted cash at beginning of period	**520**	556
Cash, cash equivalents and restricted cash at end of period	**$ 639**	$ 565
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 1,264**	$ 990

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Hedges[b]	Net Unrealized Gains (Losses) on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Non-controlling Interests	Total Equity
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
Balance at March 31, 2022	$ 1,962	770	$ 1	$ 44,364	$ 3,323	$ (122)	$ (15)	$ (67)	$ 49,446	$ 1,806	$ 51,252
Net income (loss)	**—**	**—**	**—**	**—**	**893**	**—**	**—**	**—**	**893**	**(27)**	**866**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**137**	**(8)**	**2**	**131**	**4**	**135**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**27**	**—**	**—**	**—**	**—**	**27**	**—**	**27**
Common stock dividends	**—**	**—**	**—**	**—**	**(761)**	**—**	**—**	**—**	**(761)**	**—**	**(761)**
Sale of noncontrolling interest	**—**	**—**	**—**	**(17)**	**—**	**—**	**—**	**—**	**(17)**	**38**	**21**
Contribution from noncontrolling interests, net of transaction costs[a]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**65**	**65**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(22)**	**(22)**
Other	**—**	**—**	**—**	**(1)**	**2**	**—**	**—**	**—**	**1**	**—**	**1**
Balance at June 30, 2022	**$ 1,962**	**$ 770**	**$ 1**	**$ 44,373**	**$ 3,457**	**$ 15**	**$ (23)**	**$ (65)**	**$ 49,720**	**$ 1,864**	**$ 51,584**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Six Months Ended June 30, 2021 and 2022										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	**Preferred Stock**	**Common Stock Shares**	**Common Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Net Gains (Losses) on Hedges[b]**	**Net Unrealized Gains (Losses) on Available-for-Sale-Securities**	**Pension and OPEB Adjustments**	**Total Duke Energy Corporation Stockholders' Equity**	**Non-controlling Interests**	**Total Equity**
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[b]	—	—	—	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
Balance at December 31, 2021	$ 1,962	769	$ 1	$ 44,371	$ 3,265	$ (232)	$ (2)	$ (69)	$ 49,296	$ 1,840	$ 51,136
Net income (loss)	**—**	**—**	**—**	**—**	**1,711**	**—**	**—**	**—**	**1,711**	**(64)**	**1,647**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**247**	**(21)**	**4**	**230**	**12**	**242**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**1**	**—**	**20**	**—**	**—**	**—**	**—**	**20**	**—**	**20**
Common stock dividends	**—**	**—**	**—**	**—**	**(1,521)**	**—**	**—**	**—**	**(1,521)**	**—**	**(1,521)**
Sale of noncontrolling interest	**—**	**—**	**—**	**(17)**	**—**	**—**	**—**	**—**	**(17)**	**38**	**21**
Contributions from noncontrolling interests, net of transaction costs[a]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**88**	**88**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(50)**	**(50)**
Other	**—**	**—**	**—**	**(1)**	**2**	**—**	**—**	**—**	**1**	**—**	**1**
Balance at June 30, 2022	**$ 1,962**	**770**	**$ 1**	**$ 44,373**	**$ 3,457**	**$ 15**	**$ (23)**	**$ (65)**	**$ 49,720**	**$ 1,864**	**$ 51,584**

(a) Relates to tax equity financing activity in the Commercial Renewables segment.
(b) See Duke Energy Condensed Consolidated Statements of Comprehensive Income for detailed activity related to Cash Flow and Fair Value hedges.

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 1,781**	$ 1,610	**$ 3,669**	$ 3,326
Operating Expenses				
Fuel used in electric generation and purchased power	**431**	344	**879**	766
Operation, maintenance and other	**462**	435	**974**	876
Depreciation and amortization	**384**	363	**763**	722
Property and other taxes	**77**	74	**170**	157
Impairment of assets and other charges	**(12)**	75	**(9)**	75
Total operating expenses	**1,342**	1,291	**2,777**	2,596
Gains on Sales of Other Assets and Other, net	**—**	2	**—**	2
Operating Income	**439**	321	**892**	732
Other Income and Expenses, net	**58**	44	**113**	92
Interest Expense	**143**	139	**284**	263
Income Before Income Taxes	**354**	226	**721**	561
Income Tax Expense	**26**	1	**53**	24
Net Income and Comprehensive Income	**$ 328**	$ 225	**$ 668**	$ 537

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 37	$ 7
Receivables (net of allowance for doubtful accounts of $2 at 2022 and $1 at 2021)	269	300
Receivables of VIEs (net of allowance for doubtful accounts of $50 at 2022 and $41 at 2021)	893	844
Receivables from affiliated companies	241	190
Inventory	1,033	1,026
Regulatory assets (includes $12 at 2022 and 2021 related to VIEs)	757	544
Other (includes $8 at 2022 and $0 at 2021 related to VIEs)	128	95
Total current assets	3,358	3,006
Property, Plant and Equipment		
Cost	53,074	51,874
Accumulated depreciation and amortization	(18,205)	(17,854)
Facilities to be retired, net	90	102
Net property, plant and equipment	34,959	34,122
Other Noncurrent Assets		
Regulatory assets (includes $214 at 2022 and $220 at 2021 related to VIEs)	3,339	2,935
Nuclear decommissioning trust funds	4,729	5,759
Operating lease right-of-use assets, net	84	92
Other	1,305	1,248
Total other noncurrent assets	9,457	10,034
Total Assets	$ 47,774	$ 47,162
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 1,158	$ 988
Accounts payable to affiliated companies	189	266
Notes payable to affiliated companies	29	226
Taxes accrued	177	274
Interest accrued	135	125
Current maturities of long-term debt (includes $10 at 2022 and $5 at 2021 related to VIEs)	1,018	362
Asset retirement obligations	254	249
Regulatory liabilities	460	487
Other	470	546
Total current liabilities	3,890	3,523
Long-Term Debt (includes $721 at 2022 and $703 at 2021 related to VIEs)	12,844	12,595
Long-Term Debt Payable to Affiliated Companies	300	318
Other Noncurrent Liabilities		
Deferred income taxes	3,911	3,634
Asset retirement obligations	5,065	5,052
Regulatory liabilities	6,300	7,198
Operating lease liabilities	70	78
Accrued pension and other post-retirement benefit costs	42	50
Investment tax credits	285	287
Other	558	536
Total other noncurrent liabilities	16,231	16,835
Commitments and Contingencies		
Equity		
Member's equity	14,515	13,897
Accumulated other comprehensive loss	(6)	(6)
Total equity	14,509	13,891
Total Liabilities and Equity	$ 47,774	$ 47,162

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 668**	$ 537
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**892**	861
Equity component of AFUDC	**(47)**	(30)
Impairment of assets and other charges	**(9)**	75
Deferred income taxes	**95**	(41)
Payments for asset retirement obligations	**(87)**	(93)
Provision for rate refunds	**(36)**	(11)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**55**	4
Receivables	**23**	—
Receivables from affiliated companies	**(51)**	13
Inventory	**(7)**	(3)
Other current assets	**(514)**	(45)
Increase (decrease) in		
Accounts payable	**124**	(266)
Accounts payable to affiliated companies	**(95)**	(4)
Taxes accrued	**(97)**	127
Other current liabilities	**151**	(152)
Other assets	**(9)**	8
Other liabilities	**(33)**	18
Net cash provided by operating activities	**1,023**	998
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,523)**	(1,251)
Purchases of debt and equity securities	**(1,073)**	(1,847)
Proceeds from sales and maturities of debt and equity securities	**1,073**	1,847
Other	**(118)**	(80)
Net cash used in investing activities	**(1,641)**	(1,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,287**	1,298
Payments for the redemption of long-term debt	**(382)**	(614)
Notes payable to affiliated companies	**(197)**	(35)
Distributions to parent	**(50)**	(300)
Other	**(1)**	(1)
Net cash provided by financing activities	**657**	348
Net increase in cash, cash equivalents and restricted cash	**39**	15
Cash, cash equivalents and restricted cash at beginning of period	**8**	21
Cash, cash equivalents and restricted cash at end of period	**$ 47**	$ 36
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 413**	$ 315

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
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
Balance at March 31, 2022	$ 14,188	$ (6)	$ 14,182
Net income	**328**	**—**	**328**
Other	**(1)**	**—**	**(1)**
Balance at June 30, 2022	**$ 14,515**	**$ (6)**	**$ 14,509**

	Six Months Ended June 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Losses on Cash Flow Hedges	Total Equity
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
Balance at December 31, 2021	$ 13,897	$ (6)	$ 13,891
Net income	**668**	**—**	**668**
Distributions to parent	**(50)**	**—**	**(50)**
Balance at June 30, 2022	**$ 14,515**	**$ (6)**	**$ 14,509**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 3,214**	$ 2,679	**$ 6,206**	$ 5,184
Operating Expenses				
Fuel used in electric generation and purchased power	**1,258**	833	**2,322**	1,628
Operation, maintenance and other	**603**	626	**1,248**	1,227
Depreciation and amortization	**509**	441	**1,045**	926
Property and other taxes	**151**	133	**303**	275
Impairment of assets and other charges	**4**	37	**4**	37
Total operating expenses	**2,525**	2,070	**4,922**	4,093
Gains on Sales of Other Assets and Other, net	**1**	1	**3**	1
Operating Income	**690**	610	**1,287**	1,092
Other Income and Expenses, net	**70**	38	**105**	81
Interest Expense	**208**	200	**419**	392
Income Before Income Taxes	**552**	448	**973**	781
Income Tax Expense	**93**	37	**160**	80
Net Income	**459**	411	**813**	701
Less: Net Income Attributable to Noncontrolling Interests	**1**	—	**1**	—
Net Income Attributable to Parent	**$ 458**	$ 411	**$ 812**	$ 701
Net Income	**$ 459**	$ 411	**$ 813**	$ 701
Other Comprehensive Income, net of tax				
Pension and OPEB adjustments	**—**	1	**—**	1
Net unrealized gains on cash flow hedges	**—**	—	**1**	1
Unrealized (losses) gains on available-for-sale securities	**(1)**	1	**(3)**	—
Other Comprehensive (Loss) Income, net of tax	**(1)**	2	**(2)**	2
Comprehensive Income	**$ 458**	$ 413	**$ 811**	$ 703

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 129	$ 70
Receivables (net of allowance for doubtful accounts of $12 at 2022 and $11 at 2021)	192	247
Receivables of VIEs (net of allowance for doubtful accounts of $40 at 2022 and $25 at 2021)	1,352	1,006
Receivables from affiliated companies	22	121
Notes receivable from affiliated companies	108	—
Inventory	1,426	1,398
Regulatory assets (includes $93 at 2022 and 2021 related to VIEs)	1,406	1,030
Other (includes $59 at 2022 and $39 at 2021 related to VIEs)	170	125
Total current assets	4,805	3,997
Property, Plant and Equipment		
Cost	62,609	60,894
Accumulated depreciation and amortization	(20,082)	(19,214)
Facilities to be retired, net	—	26
Net property, plant and equipment	42,527	41,706
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $1,560 at 2022 and $1,603 at 2021 related to VIEs)	6,081	5,909
Nuclear decommissioning trust funds	3,845	4,642
Operating lease right-of-use assets, net	677	691
Other	1,241	1,242
Total other noncurrent assets	15,499	16,139
Total Assets	$ 62,831	$ 61,842
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 1,219	$ 1,099
Accounts payable to affiliated companies	965	506
Notes payable to affiliated companies	458	2,809
Taxes accrued	221	128
Interest accrued	197	192
Current maturities of long-term debt (includes $338 at 2022 and $71 at 2021 related to VIEs)	393	1,082
Asset retirement obligations	262	275
Regulatory liabilities	580	478
Other	830	868
Total current liabilities	5,125	7,437
Long-Term Debt (includes $2,047 at 2022 and $2,293 at 2021 related to VIEs)	20,208	19,591
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	4,748	4,564
Asset retirement obligations	5,806	5,837
Regulatory liabilities	5,094	5,566
Operating lease liabilities	600	606
Accrued pension and other post-retirement benefit costs	399	417
Other	561	526
Total other noncurrent liabilities	17,208	17,516
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 100 shares authorized and outstanding at 2022 and 2021	—	—
Additional paid-in capital	9,149	9,149
Retained earnings	11,001	8,007
Accumulated other comprehensive loss	(13)	(11)
Total Progress Energy, Inc. stockholders' equity	20,137	17,145
Noncontrolling interests	3	3
Total equity	20,140	17,148
Total Liabilities and Equity	$ 62,831	$ 61,842

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 813**	$ 701
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,209**	1,104
Equity component of AFUDC	**(33)**	(23)
Impairment of assets and other charges	**4**	37
Deferred income taxes	**95**	163
Payments for asset retirement obligations	**(137)**	(139)
Provision for rate refunds	**(30)**	(7)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**314**	16
Receivables	**(246)**	(12)
Receivables from affiliated companies	**117**	88
Inventory	**(30)**	76
Other current assets	**(417)**	(247)
Increase (decrease) in		
Accounts payable	**161**	44
Accounts payable to affiliated companies	**459**	42
Taxes accrued	**93**	97
Other current liabilities	**74**	(79)
Other assets	**(76)**	(33)
Other liabilities	**(2)**	(156)
Net cash provided by operating activities	**2,368**	1,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,944)**	(1,745)
Purchases of debt and equity securities	**(996)**	(1,160)
Proceeds from sales and maturities of debt and equity securities	**1,032**	1,201
Notes receivable from affiliated companies	**(108)**	—
Other	**(21)**	(69)
Net cash used in investing activities	**(2,037)**	(1,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**940**	19
Payments for the redemption of long-term debt	**(1,019)**	(41)
Notes payable to affiliated companies	**80**	34
Dividends to parent	**(250)**	—
Other	**(3)**	(3)
Net cash (used in) provided by financing activities	**(252)**	9
Net increase (decrease) in cash, cash equivalents and restricted cash	**79**	(92)
Cash, cash equivalents and restricted cash at beginning of period	**113**	200
Cash, cash equivalents and restricted cash at end of period	**$ 192**	$ 108
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 455**	$ 329

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022							
			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, 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
Balance at March 31, 2022	$ 9,149	$ 10,543	$ (1)	$ (4)	$ (7)	$ 19,680	$ 2	$ 19,682
Net income	**—**	**458**	**—**	**—**	**—**	**458**	**1**	**459**
Other comprehensive loss	**—**	**—**	**—**	**(1)**	**—**	**(1)**	**—**	**(1)**
Balance at June 30, 2022	**$ 9,149**	**$ 11,001**	**$ (1)**	**$ (5)**	**$ (7)**	**$ 20,137**	**$ 3**	**$ 20,140**

	Six Months Ended June 30, 2021 and 2022							
			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, 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
Balance at December 31, 2021	$ 9,149	$ 8,007	$ (2)	$ (2)	$ (7)	$ 17,145	$ 3	$ 17,148
Net income	**—**	**812**	**—**	**—**	**—**	**812**	**1**	**813**
Other comprehensive income (loss)	**—**	**—**	**1**	**(3)**	**—**	**(2)**	**—**	**(2)**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**(1)**
Dividends to parent	**—**	**(250)**	**—**	**—**	**—**	**(250)**	**—**	**(250)**
Equitization of certain notes payable to affiliates	**—**	**2,431**	**—**	**—**	**—**	**2,431**	**—**	**2,431**
Other	**—**	**1**	**—**	**—**	**—**	**1**	**—**	**1**
Balance at June 30, 2022	**$ 9,149**	**$ 11,001**	**$ (1)**	**$ (5)**	**$ (7)**	**$ 20,137**	**$ 3**	**$ 20,140**

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)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 1,581**	$ 1,349	**$ 3,213**	$ 2,750
Operating Expenses				
Fuel used in electric generation and purchased power	**593**	409	**1,167**	845
Operation, maintenance and other	**360**	367	**751**	724
Depreciation and amortization	**271**	236	**577**	521
Property and other taxes	**41**	41	**90**	90
Impairment of assets and other charges	**4**	18	**4**	18
Total operating expenses	**1,269**	1,071	**2,589**	2,198
Gains on Sales of Other Assets and Other, net	**—**	1	**1**	1
Operating Income	**312**	279	**625**	553
Other Income and Expenses, net	**32**	20	**54**	44
Interest Expense	**90**	78	**175**	147
Income Before Income Taxes	**254**	221	**504**	450
Income Tax Expense	**35**	6	**70**	25
Net Income and Comprehensive Income	**$ 219**	$ 215	**$ 434**	$ 425

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		June 30, 2022		December 31, 2021
ASSETS				
Current Assets				
Cash and cash equivalents	$	75	$	35
Receivables (net of allowance for doubtful accounts of $4 at 2022 and 2021)		63		127
Receivables of VIEs (net of allowance for doubtful accounts of $27 at 2022 and $17 at 2021)		705		574
Receivables from affiliated companies		20		65
Notes receivable from affiliated companies		154		—
Inventory		948		921
Regulatory assets (includes $39 at 2022 and 2021 related to VIEs)		621		533
Other (includes $26 in 2022 related to VIEs)		123		83
Total current assets		2,709		2,338
Property, Plant and Equipment				
Cost		37,885		37,018
Accumulated depreciation and amortization		(13,977)		(13,387)
Facilities to be retired, net		—		26
Net property, plant and equipment		23,908		23,657
Other Noncurrent Assets				
Regulatory assets (includes $701 at 2022 and $720 at 2021 related to VIEs)		4,161		4,118
Nuclear decommissioning trust funds		3,374		4,089
Operating lease right-of-use assets, net		397		389
Other		787		792
Total other noncurrent assets		8,719		9,388
Total Assets	$	35,336	$	35,383
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	469	$	476
Accounts payable to affiliated companies		342		310
Notes payable to affiliated companies		—		172
Taxes accrued		114		163
Interest accrued		101		96
Current maturities of long-term debt (includes $32 at 2022 and $15 at 2021 related to VIEs)		66		556
Asset retirement obligations		261		274
Regulatory liabilities		342		381
Other		425		448
Total current liabilities		2,120		2,876
Long-Term Debt (includes $1,130 at 2022 and $1,097 at 2021 related to VIEs)		10,446		9,543
Long-Term Debt Payable to Affiliated Companies		150		150
Other Noncurrent Liabilities				
Deferred income taxes		2,323		2,208
Asset retirement obligations		5,414		5,401
Regulatory liabilities		4,342		4,868
Operating lease liabilities		365		350
Accrued pension and other post-retirement benefit costs		215		221
Investment tax credits		126		128
Other		100		87
Total other noncurrent liabilities		12,885		13,263
Commitments and Contingencies				
Equity				
Member's Equity		9,735		9,551
Total Liabilities and Equity	$	35,336	$	35,383

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 434**	$ 425
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**672**	610
Equity component of AFUDC	**(22)**	(15)
Impairment of assets and other charges	**4**	18
Deferred income taxes	**32**	28
Payments for asset retirement obligations	**(90)**	(88)
Provision for rate refunds	**(30)**	(7)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**314**	9
Receivables	**(25)**	31
Receivables from affiliated companies	**63**	(13)
Inventory	**(27)**	52
Other current assets	**(83)**	(52)
Increase (decrease) in		
Accounts payable	**(7)**	28
Accounts payable to affiliated companies	**32**	(1)
Taxes accrued	**(49)**	2
Other current liabilities	**(9)**	(45)
Other assets	**(75)**	(40)
Other liabilities	**9**	(43)
Net cash provided by operating activities	**1,143**	899
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(926)**	(869)
Purchases of debt and equity securities	**(887)**	(926)
Proceeds from sales and maturities of debt and equity securities	**882**	915
Notes receivable from affiliated companies	**(154)**	—
Other	**22**	(2)
Net cash used in investing activities	**(1,063)**	(882)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**939**	19
Payments for the redemption of long-term debt	**(530)**	(3)
Notes payable to affiliated companies	**(172)**	(25)
Distributions to parent	**(250)**	—
Other	**(1)**	(1)
Net cash used in financing activities	**(14)**	(10)
Net increase in cash, cash equivalents and restricted cash	**66**	7
Cash, cash equivalents and restricted cash at beginning of period	**39**	39
Cash, cash equivalents and restricted cash at end of period	**$ 105**	$ 46
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 158**	$ 97

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022	
(in millions)	**Member's Equity**	
Balance at March 31, 2021	$	9,470
Net income		215
Balance at June 30, 2021	$	9,685
Balance at March 31, 2022	$	9,517
Net income		**219**
Other		**(1)**
Balance at June 30, 2022	**$**	**9,735**

	Six Months Ended June 30, 2021 and 2022	
	Member's	
(in millions)	**Member's Equity**	
Balance at December 31, 2020	$	9,260
Net income		425
Balance at June 30, 2021	$	9,685
Balance at December 31, 2021	$	9,551
Net income		**434**
Distributions to parent		**(250)**
Balance at June 30, 2022	**$**	**9,735**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

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)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 1,628**	$ 1,325	**$ 2,983**	$ 2,426
Operating Expenses				
Fuel used in electric generation and purchased power	**665**	424	**1,155**	783
Operation, maintenance and other	**241**	255	**490**	497
Depreciation and amortization	**237**	205	**468**	405
Property and other taxes	**109**	92	**212**	185
Impairment of assets and other charges	**—**	19	**—**	19
Total operating expenses	**1,252**	995	**2,325**	1,889
Gains on Sales of Other Assets and Other, net	**1**	—	**2**	—
Operating Income	**377**	330	**660**	537
Other Income and Expenses, net	**40**	18	**55**	36
Interest Expense	**90**	80	**174**	160
Income Before Income Taxes	**327**	268	**541**	413
Income Tax Expense	**66**	51	**109**	79
Net Income	**$ 261**	$ 217	**$ 432**	$ 334
Other Comprehensive Income (Loss), net of tax				
Unrealized (losses) gains on available-for-sale securities	**(1)**	1	**(2)**	—
Comprehensive Income	**$ 260**	$ 218	**$ 430**	$ 334

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 44**	$ 23
Receivables (net of allowance for doubtful accounts of $8 at 2022 and 2021)	**126**	117
Receivables of VIEs (net of allowance for doubtful accounts of $13 at 2022 and $8 at 2021)	**647**	432
Receivables from affiliated companies	**5**	16
Inventory	**478**	477
Regulatory assets (includes $54 at 2022 and 2021 related to VIEs)	**785**	497
Other (includes $33 at 2022 and $39 at 2021 related to VIEs)	**58**	80
Total current assets	**2,143**	1,642
Property, Plant and Equipment		
Cost	**24,714**	23,865
Accumulated depreciation and amortization	**(6,097)**	(5,819)
Net property, plant and equipment	**18,617**	18,046
Other Noncurrent Assets		
Regulatory assets (includes $859 at 2022 and $883 at 2021 related to VIEs)	**1,920**	1,791
Nuclear decommissioning trust funds	**470**	553
Operating lease right-of-use assets, net	**280**	302
Other	**407**	399
Total other noncurrent assets	**3,077**	3,045
Total Assets	**$ 23,837**	$ 22,733
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 750**	$ 623
Accounts payable to affiliated companies	**147**	209
Notes payable to affiliated companies	**504**	199
Taxes accrued	**186**	51
Interest accrued	**72**	68
Current maturities of long-term debt (includes $306 at 2022 and $56 at 2021 related to VIEs)	**327**	76
Asset retirement obligations	**1**	1
Regulatory liabilities	**238**	98
Other	**394**	408
Total current liabilities	**2,619**	1,733
Long-Term Debt (includes $916 at 2022 and $1,196 at 2021 related to VIEs)	**8,120**	8,406
Other Noncurrent Liabilities		
Deferred income taxes	**2,506**	2,434
Asset retirement obligations	**392**	436
Regulatory liabilities	**752**	698
Operating lease liabilities	**235**	256
Accrued pension and other post-retirement benefit costs	**155**	166
Other	**333**	309
Total other noncurrent liabilities	**4,373**	4,299
Commitments and Contingencies		
Equity		
Member's equity	**8,730**	8,298
Accumulated other comprehensive loss	**(5)**	(3)
Total equity	**8,725**	8,295
Total Liabilities and Equity	**$ 23,837**	$ 22,733

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 432**	$ 334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**535**	491
Equity component of AFUDC	**(10)**	(8)
Impairment of assets and other charges	**—**	19
Deferred income taxes	**66**	130
Payments for asset retirement obligations	**(47)**	(52)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	5
Receivables	**(222)**	(42)
Receivables from affiliated companies	**11**	(5)
Inventory	**(4)**	24
Other current assets	**(307)**	(132)
Increase (decrease) in		
Accounts payable	**168**	15
Accounts payable to affiliated companies	**(62)**	44
Taxes accrued	**134**	62
Other current liabilities	**87**	(35)
Other assets	**(3)**	11
Other liabilities	**(11)**	(94)
Net cash provided by operating activities	**767**	767
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,018)**	(876)
Purchases of debt and equity securities	**(109)**	(234)
Proceeds from sales and maturities of debt and equity securities	**151**	286
Other	**(43)**	(67)
Net cash used in investing activities	**(1,019)**	(891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for the redemption of long-term debt	**(39)**	(38)
Notes payable to affiliated companies	**306**	167
Net cash provided by financing activities	**267**	129
Net increase in cash, cash equivalents and restricted cash	**15**	5
Cash, cash equivalents and restricted cash at beginning of period	**62**	50
Cash, cash equivalents and restricted cash at end of period	**$ 77**	$ 55
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 297**	$ 232

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022		
		Accumulated Other Comprehensive Income (Loss)	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
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
Balance at March 31, 2022	$ 8,469	$ (4)	$ 8,465
Net income	**261**	**—**	**261**
Other comprehensive loss	**—**	**(1)**	**(1)**
Balance at June 30, 2022	**$ 8,730**	**$ (5)**	**$ 8,725**

	Six Months Ended June 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
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
Balance at December 31, 2021	$ 8,298	$ (3)	$ 8,295
Net income	**432**	**—**	**432**
Other comprehensive loss	**—**	**(2)**	**(2)**
Balance at June 30, 2022	**$ 8,730**	**$ (5)**	**$ 8,725**

See Notes to Condensed Consolidated Financial Statements

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)	**2022**	**2021**	**2022**	**2021**
Operating Revenues				
Regulated electric	**$ 401**	$ 343	**$ 813**	$ 706
Regulated natural gas	**144**	113	**370**	282
Total operating revenues	**545**	456	**1,183**	988
Operating Expenses				
Fuel used in electric generation and purchased power	**127**	93	**254**	175
Cost of natural gas	**46**	16	**153**	67
Operation, maintenance and other	**109**	111	**287**	219
Depreciation and amortization	**83**	75	**163**	149
Property and other taxes	**92**	83	**193**	175
Impairment of assets and other charges	**—**	5	**—**	5
Total operating expenses	**457**	383	**1,050**	790
Gains on Sales of Other Assets and Other, net	**1**	—	**1**	—
Operating Income	**89**	73	**134**	198
Other Income and Expenses, net	**6**	5	**12**	10
Interest Expense	**30**	28	**60**	53
Income Before Income Taxes	**65**	50	**86**	155
Income Tax Expense (Benefit)	**9**	11	**(47)**	25
Net Income and Comprehensive Income	**$ 56**	$ 39	**$ 133**	$ 130

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 15	$ 13
Receivables (net of allowance for doubtful accounts of $4 at 2022 and 2021)	83	96
Receivables from affiliated companies	177	122
Notes receivable from affiliated companies	—	15
Inventory	112	116
Regulatory assets	59	72
Other	64	57
Total current assets	510	491
Property, Plant and Equipment		
Cost	12,033	11,725
Accumulated depreciation and amortization	(3,167)	(3,106)
Generation facilities to be retired, net	—	6
Net property, plant and equipment	8,866	8,625
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	613	635
Operating lease right-of-use assets, net	18	19
Other	88	84
Total other noncurrent assets	1,639	1,658
Total Assets	$ 11,015	$ 10,774
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 379	$ 348
Accounts payable to affiliated companies	58	64
Notes payable to affiliated companies	301	103
Taxes accrued	180	275
Interest accrued	31	30
Asset retirement obligations	12	13
Regulatory liabilities	76	62
Other	112	82
Total current liabilities	1,149	977
Long-Term Debt	3,218	3,168
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,095	1,050
Asset retirement obligations	125	123
Regulatory liabilities	580	739
Operating lease liabilities	18	18
Accrued pension and other post-retirement benefit costs	108	109
Other	100	101
Total other noncurrent liabilities	2,026	2,140
Commitments and Contingencies		
Equity		
Common Stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2022 and 2021	762	762
Additional paid-in capital	3,100	3,100
Retained earnings	735	602
Total equity	4,597	4,464
Total Liabilities and Equity	$ 11,015	$ 10,774

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 133**	$ 130
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**165**	151
Equity component of AFUDC	**(6)**	(4)
Impairment of assets and other charges	**—**	5
Deferred income taxes	**(41)**	17
Payments for asset retirement obligations	**(1)**	(1)
Provision for rate refunds	**5**	8
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	(1)
Receivables	**13**	2
Receivables from affiliated companies	**(3)**	(11)
Inventory	**3**	(1)
Other current assets	**13**	(12)
Increase (decrease) in		
Accounts payable	**57**	(8)
Accounts payable to affiliated companies	**—**	4
Taxes accrued	**(95)**	(58)
Other current liabilities	**(47)**	(7)
Other assets	**(46)**	(33)
Other liabilities	**72**	4
Net cash provided by operating activities	**222**	185
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(406)**	(415)
Notes receivable from affiliated companies	**(37)**	30
Other	**(25)**	(23)
Net cash used in investing activities	**(468)**	(408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**50**	—
Notes payable to affiliated companies	**199**	221
Other	**(1)**	—
Net cash provided by financing activities	**248**	221
Net increase (decrease) in cash and cash equivalents	**2**	(2)
Cash and cash equivalents at beginning of period	**13**	14
Cash and cash equivalents at end of period	**$ 15**	$ 12
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 102**	$ 88

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
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
Balance at March 31, 2022	$ 762	$ 3,100	$ 680	$ 4,542
Net income	**—**	**—**	**56**	**56**
Other	**—**	**—**	**(1)**	**(1)**
Balance at June 30, 2022	**$ 762**	**$ 3,100**	**$ 735**	**$ 4,597**

	Six Months Ended June 30, 2021 and 2022			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
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
Balance at December 31, 2021	$ 762	$ 3,100	$ 602	$ 4,464
Net income	**—**	**—**	**133**	**133**
Balance at June 30, 2022	**$ 762**	**$ 3,100**	**$ 735**	**$ 4,597**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating Revenues	**$ 918**	$ 735	**$ 1,740**	$ 1,480
Operating Expenses				
Fuel used in electric generation and purchased power	**359**	201	**678**	418
Operation, maintenance and other	**182**	192	**374**	370
Depreciation and amortization	**155**	152	**311**	304
Property and other taxes	**22**	20	**47**	41
Impairment of assets and other charges	**—**	8	**211**	8
Total operating expenses	**718**	573	**1,621**	1,141
Losses on Sales of Other Assets and Other, net	**—**	(1)	**—**	(1)
Operating Income	**200**	161	**119**	338
Other Income and Expenses, net	**8**	10	**18**	19
Interest Expense	**45**	49	**90**	99
Income Before Income Taxes	**163**	122	**47**	258
Income Tax Expense (Benefit)	**14**	19	**(23)**	43
Net Income and Comprehensive Income	**$ 149**	$ 103	**$ 70**	$ 215

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 26	$ 6
Receivables (net of allowance for doubtful accounts of $3 at 2022 and 2021)	85	100
Receivables from affiliated companies	221	98
Notes receivable from affiliated companies	—	134
Inventory	441	418
Regulatory assets	373	277
Other	237	68
Total current assets	1,383	1,101
Property, Plant and Equipment		
Cost	17,709	17,343
Accumulated depreciation and amortization	(5,824)	(5,583)
Net property, plant and equipment	11,885	11,760
Other Noncurrent Assets		
Regulatory assets	1,092	1,278
Operating lease right-of-use assets, net	50	53
Other	265	296
Total other noncurrent assets	1,407	1,627
Total Assets	$ 14,675	$ 14,488
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 317	$ 282
Accounts payable to affiliated companies	216	221
Notes payable to affiliated companies	275	—
Taxes accrued	76	73
Interest accrued	48	49
Current maturities of long-term debt	31	84
Asset retirement obligations	122	110
Regulatory liabilities	178	127
Other	179	105
Total current liabilities	1,442	1,051
Long-Term Debt	4,156	4,089
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	1,270	1,303
Asset retirement obligations	845	877
Regulatory liabilities	1,485	1,565
Operating lease liabilities	48	50
Accrued pension and other post-retirement benefit costs	167	167
Investment tax credits	176	177
Other	75	44
Total other noncurrent liabilities	4,066	4,183
Commitments and Contingencies		
Equity		
Member's Equity	4,861	5,015
Total Liabilities and Equity	$ 14,675	$ 14,488

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	**$ 70**	$ 215
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**312**	306
Equity component of AFUDC	**(10)**	(12)
Impairment of assets and other charges	**212**	8
Deferred income taxes	**(80)**	1
Payments for asset retirement obligations	**(31)**	(30)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**(53)**	—
Receivables	**21**	(15)
Receivables from affiliated companies	**2**	(8)
Inventory	**(23)**	61
Other current assets	**(166)**	(31)
Increase (decrease) in		
Accounts payable	**59**	35
Accounts payable to affiliated companies	**7**	(29)
Taxes accrued	**19**	10
Other current liabilities	**52**	20
Other assets	**(20)**	(3)
Other liabilities	**50**	6
Net cash provided by operating activities	**421**	534
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(433)**	(394)
Purchases of debt and equity securities	**(26)**	(9)
Proceeds from sales and maturities of debt and equity securities	**21**	6
Notes receivable from affiliated companies	**9**	7
Other	**(23)**	(8)
Net cash used in investing activities	**(452)**	(398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**67**	—
Payments for the redemption of long-term debt	**(53)**	—
Notes payable to affiliated companies	**275**	(131)
Distributions to parent	**(237)**	—
Other	**(1)**	—
Net cash provided by (used in) financing activities	**51**	(131)
Net increase in cash and cash equivalents	**20**	5
Cash and cash equivalents at beginning of period	**6**	7
Cash and cash equivalents at end of period	**$ 26**	$ 12
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 94**	$ 85

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended June 30, 2021 and 2022	
	Member's	
(in millions)	**Member's Equity**	
Balance at March 31, 2021	$	4,896
Net income		103
Balance at June 30, 2021	$	4,999
Balance at March 31, 2022	$	4,824
Net income		**149**
Distributions to parent		**(112)**
Balance at June 30, 2022	**$**	**4,861**

	Six Months Ended June 30, 2021 and 2022	
	Member's	
(in millions)	**Member's Equity**	
Balance at December 31, 2020	$	4,783
Net income		215
Other		1
Balance at June 30, 2021	$	4,999
Balance at December 31, 2021	$	5,015
Net income		**70**
Distributions to parent		**(225)**
Other		**1**
Balance at June 30, 2022	**$**	**4,861**

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 June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 310**	$ 215	**$ 1,115**	$ 821
Operating Expenses				
Cost of natural gas	**143**	63	**517**	288
Operation, maintenance and other	**88**	76	**183**	154
Depreciation and amortization	**56**	51	**110**	99
Property and other taxes	**15**	14	**31**	28
Impairment of assets and other charges	**—**	5	**—**	5
Total operating expenses	**302**	209	**841**	574
Gains on Sales of Other Assets and Other, net	4	—	**4**	—
Operating Income	**12**	6	**278**	247
Other Income and Expenses, net	**15**	18	**28**	35
Interest Expense	**34**	30	**66**	59
(Loss) Income Before Income Taxes	**(7)**	(6)	**240**	223
Income Tax (Benefit) Expense	**(6)**	(2)	**27**	24
Net (Loss) Income and Comprehensive (Loss) Income	**$ (1)**	$ (4)	**$ 213**	$ 199

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)		June 30, 2022		December 31, 2021
ASSETS				
Current Assets				
Receivables (net of allowance for doubtful accounts of $15 at 2022 and 2021)	$	**150**	$	318
Receivables from affiliated companies		**11**		11
Inventory		**68**		109
Regulatory assets		**154**		141
Other		**61**		9
Total current assets		**444**		588
Property, Plant and Equipment				
Cost		**10,317**		9,918
Accumulated depreciation and amortization		**(1,987)**		(1,899)
Facilities to be retired, net		**10**		11
Net property, plant and equipment		**8,340**		8,030
Other Noncurrent Assets				
Goodwill		**49**		49
Regulatory assets		**373**		316
Operating lease right-of-use assets, net		**14**		16
Investments in equity method unconsolidated affiliates		**79**		95
Other		**324**		288
Total other noncurrent assets		**839**		764
Total Assets	$	**9,623**	$	9,382
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable	$	**254**	$	196
Accounts payable to affiliated companies		**44**		40
Notes payable to affiliated companies		**33**		518
Taxes accrued		**31**		63
Interest accrued		**39**		37
Regulatory liabilities		**89**		56
Other		**77**		81
Total current liabilities		**567**		991
Long-Term Debt		**3,363**		2,968
Other Noncurrent Liabilities				
Deferred income taxes		**846**		815
Asset retirement obligations		**23**		22
Regulatory liabilities		**1,038**		1,058
Operating lease liabilities		**12**		14
Accrued pension and other post-retirement benefit costs		**7**		7
Other		**205**		158
Total other noncurrent liabilities		**2,131**		2,074
Commitments and Contingencies				
Equity				
Common stock, no par value: 100 shares authorized and outstanding at 2022 and 2021		**1,635**		1,635
Retained earnings		**1,927**		1,714
Total equity		**3,562**		3,349
Total Liabilities and Equity	$	**9,623**	$	9,382

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)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 213**	$ 199
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**111**	101
Equity component of AFUDC	**(4)**	(14)
Losses (gains) on sales of other assets	**(4)**	—
Impairment of assets and other charges	**—**	5
Deferred income taxes	**(4)**	3
Equity in earnings from unconsolidated affiliates	**(4)**	(4)
Provision for rate refunds	**(3)**	(3)
(Increase) decrease in		
Receivables	**168**	137
Inventory	**40**	26
Other current assets	**(63)**	30
Increase (decrease) in		
Accounts payable	**31**	(70)
Accounts payable to affiliated companies	**4**	(35)
Taxes accrued	**(32)**	3
Other current liabilities	**44**	(30)
Other assets	**(2)**	6
Other liabilities	**(1)**	(2)
Net cash provided by operating activities	**494**	352
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(385)**	(411)
Contributions to equity method investments	**(8)**	—
Return of investment capital	**—**	1
Other	**(9)**	(17)
Net cash used in investing activities	**(402)**	(427)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**394**	347
Payments for the redemption of long-term debt	**—**	(160)
Notes payable to affiliated companies	**(485)**	(437)
Capital contributions from parent	**—**	325
Other	**(1)**	—
Net cash (used in) provided by financing activities	**(92)**	75
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	**$ 124**	$ 111

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, 2021 and 2022		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
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
Balance at March 31, 2022	$ 1,635	$ 1,928	$ 3,563
Net loss	**—**	**(1)**	**(1)**
Balance at June 30, 2022	**$ 1,635**	**$ 1,927**	**$ 3,562**

	Six Months Ended June 30, 2021 and 2022		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
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
Balance at December 31, 2021	$ 1,635	$ 1,714	$ 3,349
Net income	**—**	**213**	**213**
Balance at June 30, 2022	**$ 1,635**	**$ 1,927**	**$ 3,562**

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, 2021.

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.

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 Sheets.

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.

During September 2021, Duke Energy completed the initial minority interest investment in a portion of Duke Energy Indiana to an affiliate of GIC. GIC's ownership interest in Duke Energy Indiana represents a noncontrolling interest. See Note 2 for additional information on the sale.

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 allocated losses to noncontrolling interest for the three and six months ended June 30, 2022, and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Noncontrolling Interest Allocation of Income				
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	$ **44**	$ 55	$ **68**	$ 98
Allocated (income) losses to noncontrolling members based on pro rata shares of ownership	**(17)**	12	**(4)**	20
Total Noncontrolling Interest Allocated Losses	$ **27**	$ 67	$ **64**	$ 118

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress 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, 2022					December 31, 2021				
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida
Current Assets										
Cash and cash equivalents	$ **428**	$ **37**	$ **129**	$ **75**	$ **44**	$ 343	$ 7	$ 70	$ 35	$ 23
Other	**193**	**9**	**59**	**26**	**33**	170	—	39	—	39
Other Noncurrent Assets										
Other	**18**	**1**	**4**	**4**	**—**	7	1	4	4	—
Total cash, cash equivalents and restricted cash	$ **639**	$ **47**	$ **192**	$ **105**	$ **77**	$ 520	$ 8	$ 113	$ 39	$ 62

INVENTORY

Provisions for inventory write-offs were not material at June 30, 2022, and December 31, 2021. The components of inventory are presented in the tables below.

	June 30, 2022							
(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	$ **2,490**	$ **817**	$ **1,124**	$ **769**	$ **355**	$ **88**	$ **321**	$ **13**
Coal	**446**	**182**	**132**	**79**	**53**	**14**	**117**	**—**
Natural gas, oil and other fuel	**272**	**34**	**170**	**100**	**70**	**10**	**3**	**55**
Total inventory	$ **3,208**	$ **1,033**	$ **1,426**	$ **948**	$ **478**	$ **112**	$ **441**	$ **68**

	December 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	$ 2,397	$ 793	$ 1,067	$ 729	$ 338	$ 80	$ 311	$ 14
Coal	486	195	167	94	73	19	105	—
Natural gas, oil and other fuel	316	38	164	98	66	17	2	95
Total inventory	$ 3,199	$ 1,026	$ 1,398	$ 921	$ 477	$ 116	$ 418	$ 109

OTHER NONCURRENT ASSETS

Duke Energy, through a nonregulated subsidiary, was the winner of the Carolina Long Bay offshore wind auction. As a result, an asset of $150 million related to the arrangement was recorded in Other within Other noncurrent assets as of June 30, 2022.

NEW ACCOUNTING STANDARDS

No new accounting standards were adopted by the Duke Energy Registrants in 2022.

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. On January 28, 2021, Duke Energy executed an agreement providing for an investment by an affiliate of GIC in Duke Energy Indiana in exchange for a 19.9% minority interest issued by Duke Energy Indiana Holdco, LLC, the holding company for Duke Energy Indiana. The transaction will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing, which occurred on September 8, 2021, resulted in Duke Energy Indiana Holdco, LLC issuing 11.05% of its membership interests in exchange for approximately $1,025 million or 50% of the purchase price. Duke Energy retained indirect control of these assets, and, therefore, no gain or loss was recognized on the Condensed Consolidated Statements of Operations. 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.

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. On August 4, 2022 Duke Energy announced a strategic review of the Commercial Renewables business segment. The review remains in the preliminary stage and there have been no binding or non-binding offers requested or submitted. Duke Energy can provide no assurance that this process will result in a transaction and there is no specific timeline for execution of a potential transaction. If the potential sale were to progress it could result in classification of the Commercial Renewables segment as assets held for sale and as discontinued operations. If Duke Energy is unable to recover its book value of these assets through a sale, it could result in an impairment.

Duke Energy continues to monitor recoverability of its renewable merchant plants located in the ERCOT West market and in the PJM West market due to fluctuating market pricing and long-term forecasted energy prices. The assets were not impaired as of June 30, 2022, because the carrying value of approximately $195 million continues to be supported by the expected cash flows. Duke Energy has a 51% ownership interest in these assets. A decline in energy market pricing or other factors unfavorably impacting the economics 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, 2022						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 6,126	$ 430	$ 121	$ 6,677	$ 8	$ —	$ 6,685
Intersegment revenues	9	23	—	32	22	(54)	—
Total revenues	$ 6,135	$ 453	$ 121	$ 6,709	$ 30	$ (54)	$ 6,685
Segment income (loss)[a]	$ 974	$ 19	$ 30	$ 1,023	$ (130)	$ —	$ 893
Less: Noncontrolling interests							27
Add: Preferred stock dividend							14
Net Income							$ 880
Segment assets	$ 145,874	$ 15,420	$ 7,276	$ 168,570	$ 3,821	$ (8)	$ 172,383

	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)[b]	$ 935	$ 17	$ 47	$ 999	$ (248)	$ —	$ 751
Less: Noncontrolling interests							67
Add: Preferred stock dividend							14
Net Income							$ 698

(a) Electric Utilities and Infrastructure includes $2 million within Noncontrolling Interests related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations. See Note 3 for additional information. Commercial Renewables includes a $21 million loss recorded within Nonregulated electric and other revenues related to mark-to-market derivative contracts on the Condensed Consolidated Statements of Operations.

(b) 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. 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.

	Six Months Ended June 30, 2022						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 12,121	$ 1,439	$ 242	$ 13,802	$ 15	$ —	$ 13,817
Intersegment revenues	16	46	—	62	45	(107)	—
Total revenues	$ 12,137	$ 1,485	$ 242	$ 13,864	$ 60	$ (107)	$ 13,817
Segment income (loss)[(a)]	$ 1,697	$ 273	$ 41	$ 2,011	$ (300)	$ —	$ 1,711
Less: Noncontrolling interests							64
Add: Preferred stock dividend							53
Net Income							$ 1,700

	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)[(b)]	$ 1,755	$ 262	$ 74	$ 2,091	$ (387)	$ —	$ 1,704
Less: Noncontrolling interests							118
Add: Preferred stock dividend							53
Net Income							$ 1,639

(a) Electric Utilities and Infrastructure includes $211 million recorded within Impairment of assets and other charges, $46 million within Regulated electric revenues and $20 million within Noncontrolling Interests related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations. See Note 3 for additional information. Commercial Renewables includes a $21 million loss recorded within Nonregulated electric and other revenues related to mark-to-market derivative contracts on the Condensed Consolidated Statements of Operations.

(b) 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. 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.

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, 2022					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 401	$ 144	$ 545	$ —	$ —	$ 545
Segment income/Net (loss) income	$ 37	$ 19	$ 56	$ —	$ —	$ 56
Segment assets	$ 7,237	$ 3,899	$ 11,136	$ 14	$ (135)	$ 11,015

	Three Months Ended June 30, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 343	$ 113	$ 456	$ —	$ 456
Segment income/Net (loss) income	$ 24	$ 23	$ 47	$ (8)	$ 39

	Six Months Ended June 30, 2022				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	**$ 813**	**$ 370**	**$ 1,183**	**$ —**	**$ 1,183**
Segment income/Net (loss) income	**$ 78**	**$ 57**	**$ 135**	**$ (2)**	**$ 133**

	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

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

Carbon Plan Proceeding

The NCUC is required by North Carolina House Bill 951 (HB 951) to adopt an initial Carbon Plan on or before December 31, 2022. Duke Energy Carolinas and Duke Energy Progress filed their proposed Carbon Plan on May 16, 2022. The NCUC Public Staff and other parties filed their reply comments on July 15, 2022, including alternative Carbon Plans filed by some of the other parties. The NCUC is conducting public hearings across North Carolina in July 2022 and August 2022. On July 29, 2022, the NCUC issued a procedural order setting forth the issues to be addressed in expert witness hearing scheduled to begin on September 13, 2022, and the issues to be addressed by written comments. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Storm Cost Securitization Legislation

On June 15, 2022, the South Carolina General Assembly unanimously adopted S. 1077 (Act 227) in both the House and Senate and the bill was signed into law by Governor Henry McMaster on June 17, 2022. The legislation enables the PSCSC to permit the issuance of bonds for the payment of storm costs and the creation of a storm charge for repayment.

Duke Energy Carolinas

Oconee Nuclear Station Subsequent License Renewal

On June 7, 2021, Duke Energy Carolinas filed a subsequent license renewal (SLR) application for the Oconee Nuclear Station (ONS) with the U.S. Nuclear Regulatory Commission (NRC) to renew ONS's operating license for an additional 20 years. The SLR would extend operations of the facility from 60 to 80 years. The current licenses for units 1 and 2 expire in 2033 and the license for unit 3 expires in 2034. By a Federal Register Notice dated July 28, 2021, the NRC provided a 60-day comment period for persons whose interest may be affected by the issuance of a subsequent renewed license for ONS to file a request for a hearing and a petition for leave to intervene. On September 27, 2021, Beyond Nuclear and Sierra Club (Petitioners) filed a Hearing Request and Petition to Intervene (Hearing Request) and a Petition for Waiver. The Hearing Request proposed three contentions purporting to challenge Duke Energy Carolinas' environmental report (ER). In general, the proposed contentions claimed that the ER did not consider certain information regarding the environmental aspects of severe accidents caused by a hypothetical failure of the Jocassee Dam in South Carolina and, therefore, did not satisfy the National Environmental Policy Act (NEPA) of 1969, as amended, or the NRC's NEPA-implementing regulations. Duke Energy Carolinas filed its answer to the proposed contentions on October 22, 2021, and the Petitioners filed their reply to Duke Energy Carolinas' answer on November 5, 2021. On February 11, 2022, the Atomic Safety and Licensing Board (ASLB) issued its decision on the Hearing Request and found that the Petitioners failed to establish that the proposed contentions are litigable. The ASLB also denied the Petitioners' Petition for Waiver and terminated the proceeding.

On February 24, 2022, the NRC issued a decision in the SLR appeal related to the Turkey Point nuclear generating station in Florida and ruled that the NRC's license renewal Generic Environmental Impact Statement (GEIS) does not apply to SLR because the GEIS does not address SLR. The decision overturned a 2020 NRC decision that found the GEIS applies to SLR. While Turkey Point is not owned or operated by a Duke Energy Registrant, the NRC's order applies to all SLR applicants, including ONS. The NRC order also indicated no subsequent renewed licenses will be issued until the NRC staff has completed an adequate NEPA review for each application. On April 5, 2022, the NRC approved a 24-month rulemaking plan that will enable the NRC staff to complete an adequate NEPA review. Although an SLR applicant may wait until the rulemaking is completed, the NRC also noted that an applicant may submit a revised ER providing information on environmental impacts during the SLR period prior to the rulemaking being completed. Duke Energy Carolinas is evaluating the two options to determine which is preferable for ONS. Although the NRC's decision will delay completion of the SLR proceeding, Duke Energy Carolinas does not believe it changes the probability that the ONS subsequent renewed licenses will ultimately be issued, although Duke Energy Carolinas cannot guarantee the outcome of the license application process.

Duke Energy Carolinas and Duke Energy Progress intend to seek renewal of operating licenses and 20-year license extensions for all of their nuclear stations. New depreciation rates were implemented for all of the nuclear facilities during the second quarter of 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of these additional relicensing proceedings.

Duke Energy Progress

2022 North Carolina Rate Case

On June 8, 2022, Duke Energy Progress requested initiation of the process necessary to file a performance-based regulation application (PBR Application). The request notified the NCUC that such PBR Application would be targeted for filing no earlier than October 6, 2022.

2022 South Carolina Rate Case

On August 1, 2022, Duke Energy Progress filed a notice with the PSCSC of the company's intent to file a base rate adjustment application no earlier than 30 days from the date of notice.

FERC Return on Equity Complaint

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 Federal Power Act (FPA), alleging that the 11% stated return on equity (ROE) component in the demand formula rate in the Power Supply and Coordination Agreement between NCEMC and Duke Energy Progress is unjust and unreasonable. On June 16, 2022, Duke Energy Progress submitted to the FERC an Offer of Settlement and Settlement Agreement (Settlement Agreement) between NCEMC and Duke Energy Progress. The Settlement Agreement provides for an ROE of 10%, effective January 1, 2022, among other contract modifications. On July 5, 2022, NCEMC filed comments in support of the Settlement Agreement. The parties are awaiting FERC approval of the Settlement Agreement. The final disposition of these proceedings is not expected to have a material effect on the results of operations, cash flows or financial position of Duke Energy Progress.

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%. On July 25, 2022, this provision was triggered. Duke Energy Florida has not yet made a filing to increase the ROE, but upon filing, the FPSC must rule on this matter within 60 days of the filing per the terms of the 2021 Settlement. The 2021 Settlement Agreement also provides that Duke Energy Florida will be able to retain the $173 million retail portion of the expected DOE award from its lawsuit to recover spent nuclear fuel 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. Duke Energy Florida settled the DOE lawsuit and received payment of approximately $180 million on June 15, 2022, of which the retail portion was approximately $154 million. The 2021 Settlement authorizes Duke Energy Florida to collect the difference between $173 million and the $154 million retail portion of the amount received through the capacity cost recovery clause.

In addition to these terms, the 2021 Settlement contained 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 resolved remaining unrecovered storm costs for Hurricane Michael and Hurricane Dorian.

The FPSC approved the 2021 Settlement on May 4, 2021, issuing an order on June 4, 2021. Revised customer rates became effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

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 three 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. The FPSC approved the program in January 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. The Supreme Court of Florida heard the oral argument on February 9, 2022. On May 27, 2022, the Supreme Court of Florida issued an order remanding the case back to the FPSC so that the FPSC can amend its order to better address some of the arguments raised by LULAC. The FPSC has not indicated a time frame in which it intends to act on revising its order. The FPSC approval order remains in effect pending the outcome of the appeal. Duke Energy Florida cannot predict the outcome of this matter.

Storm Protection Plan

On April 11, 2022, Duke Energy Florida filed a Storm Protection Plan for approval with the FPSC. The plan, which covers investments for the 2023-2032 time frame, reflects approximately $7 billion of capital investment in transmission and distribution meant to strengthen its infrastructure, reduce outage times associated with extreme weather events, reduce restoration costs and improve overall service reliability. The evidentiary hearing began on August 2, 2022. Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Duke Energy Ohio Electric Base Rate Case

Duke Energy Ohio filed with the PUCO an electric distribution base rate case application on October 1, 2021, with supporting testimony filed on October 15, 2021, requesting an increase in electric distribution base rates of approximately $55 million and an ROE of 10.3%. This is an approximate 3.3% average increase in the customer's total bill across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last electric distribution base rate case in 2017. Duke Energy Ohio is also seeking to adjust the caps on its Distribution Capital Investment Rider (DCI Rider). The Staff of the PUCO (Staff) report was issued on May 19, 2022, recommending an increase in electric distribution base rates of $2 million to $15 million with an ROE range of 8.84% to 9.85%. The procedural schedule was set with supplemental testimony to be filed August 18, 2022, and rebuttal testimony to be filed September 1, 2022. An evidentiary hearing is scheduled to begin on September 19, 2022. Depending on the matters submitted for hearing, a PUCO decision could be issued by the end of 2022. Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

In response to changes in Ohio law that eliminated Ohio's energy efficiency mandates, the PUCO issued an order on February 26, 2020, directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020. Duke Energy Ohio took the following actions:

- 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 an order replacing the cost cap previously imposed upon Duke Energy Ohio with a cap on shared savings recovery. On December 18, 2020, Duke Energy Ohio filed an additional application for rehearing challenging, among other things, the imposition of the cap on shared savings. On January 13, 2021, the application for rehearing was granted for further consideration.
- 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 proposed a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review.
- On November 18, 2020, the PUCO issued an order directing all utilities to set their energy efficiency riders 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. Effective January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs.
- On June 14, 2021, the PUCO requested 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.
- On February 23, 2022, the PUCO issued its Fifth Entry on Rehearing that 1) affirmed its reduction in Duke Energy Ohio's shared savings cap; 2) denied rehearing/clarification regarding lost distribution revenues and shared savings recovery for periods after December 31, 2020; and 3) directed Duke Energy Ohio to submit an updated application with exhibits.
- On March 25, 2022, Duke Energy Ohio filed its Amended Application consistent with the PUCO's order.

Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Ohio Natural Gas Base Rate Case

Duke Energy Ohio filed with the PUCO a natural gas base rate case application on June 30, 2022, with supporting testimony filed on July 14, 2022, requesting an increase in natural gas base rates of approximately $49 million and an ROE of 10.3%. This is an approximate 5.6% average increase in the customer's total bill across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last natural gas base rate case in 2012. Duke Energy Ohio is also seeking to adjust the caps on its Capital Expenditure Program Rider (CEP Rider). Duke Energy Ohio cannot predict the outcome of this matter.

Natural Gas Pipeline Extension

Duke Energy Ohio installed 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. Construction of the pipeline extension was completed and placed in service on March 14, 2022. Duke Energy Ohio expects the final cost for the pipeline development and construction activities to be approximately $185 million (excluding overheads and AFUDC).

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 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. The Staff issued reports recommending a disallowance of MGP remediation costs incurred that the Staff believes are not eligible for recovery. The Staff interprets the PUCO’s 2013 order granting Duke Energy Ohio recovery of MGP remediation as limiting the recovery to work directly on the East End and West End sites. 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. Additionally, the 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.

The 2013 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, the 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.

A Stipulation and Recommendation was filed jointly by Duke Energy Ohio, the Staff, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021, which was approved without modification by the PUCO on April 20, 2022. The Stipulation and Recommendation resolved all open issues regarding MGP remediation costs incurred between 2013 and 2019, Duke Energy Ohio’s request for additional deferral authority beyond 2019 and the pending issues related to the Tax Act described below as it related to Duke Energy Ohio’s natural gas operations. As a result of the approval of the Stipulation and Recommendation, Duke Energy Ohio recognized pretax charges of approximately $15 million to Operating revenues, regulated natural gas and $58 million to Operation, maintenance and other and a tax benefit of $72 million to Income Tax (Benefit) Expense in the Condensed Consolidated Statements of Operations for the six months ended June 30, 2022. The Stipulation and Recommendation further acknowledged Duke Energy Ohio’s ability to file a request for additional deferral authority in the future related to environmental remediation of any MGP impacts in the Ohio River, if necessary, subject to specific conditions. On June 15, 2022, the PUCO granted the rehearing requests of Interstate Gas Supply, Inc. (IGS) and The Retail Energy Supply Association (RESA), which were filed on May 20, 2022, for further consideration. 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. The new rider would 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 would be refunded consistent with federal law and deferred income taxes not subject to normalization rules will be refunded over a 10-year period. An evidentiary hearing occurred on August 7, 2019. The Stipulation and Recommendation filed on August 31, 2021, and approved on April 20, 2022, disclosed in the MGP Cost Recovery matter above, resolves the outstanding issues in this proceeding by providing customers a one-time bill credit for the reduction in the statutory federal tax rate from 35% to 21% since January 1, 2018, through June 1, 2022, and reducing base rates going forward. Deferred income taxes subject to normalization rules will be refunded consistent with federal law through a new rider. Deferred income taxes not subject to normalization rules were written off. The Commission granted the rehearing requests of IGS and RESA for further consideration. Duke Energy Ohio cannot predict the outcome of this matter.

Midwest Propane Caverns

Duke Energy Ohio used propane stored in caverns to meet peak demand during winter for several decades. Because the Central Corridor Project is complete and placed in service, the propane peaking facilities will no longer be necessary and have been retired. On October 7, 2021, Duke Energy Ohio requested deferral treatment of the property, plant and equipment as well as costs related to propane inventory and decommissioning costs. On January 6, 2022, the Staff issued a report recommending deferral authority for costs related to propane inventory and decommissioning costs, but not for the net book value of the remaining plant assets. As a result of the Staff's report, Duke Energy Ohio recorded a $19 million charge to Impairment of assets and other charges on the Condensed Consolidated Statements of Operations and Comprehensive Income in the fourth quarter of 2021. A Stipulation and Recommendation was filed jointly by Duke Energy Ohio and the Staff on April 27, 2022, recommending, among other things, approval of deferral treatment of a portion of the net book value of the property, plant and equipment prior to the 2021 impairment at the time of the next natural gas base rate case, excluding operations and maintenance savings, decommissioning costs not to exceed $7 million and costs related to propane inventory. The Stipulation and Recommendation states that Duke Energy Ohio will seek recovery of the deferral through its next natural gas base rate case proceeding with a proposed amortization period of at least 10 years and include an independent engineering study analyzing the necessity and prudency of the incremental investments made at the facilities since March 31, 2012. Duke Energy Ohio will not seek a return on the deferred amounts. Duke Energy Ohio 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 estimated to be the remaining 25% of the total rate increase were approved on July 28, 2021, and implemented in August 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 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. The Indiana Supreme Court issued its opinion on March 10, 2022, finding that the IURC erred in allowing Duke Energy Indiana to recover coal ash costs incurred before the IURC's rate case order in June 2020. The Indiana Supreme Court found that allowing Duke Energy Indiana to recover coal ash costs incurred between rate cases that exceeded the amount built into base rates violated the prohibition against retroactive ratemaking. The IURC's order has been remanded to the IURC for additional proceedings consistent with the Indiana Supreme Court's opinion. As a result of the court's opinion, Duke Energy Indiana recognized pretax charges of approximately $211 million to Impairment of assets and other charges and $46 million to Operating revenues in the Condensed Consolidated Statements of Operations for the six months ended June 30, 2022. Duke Energy Indiana filed a request for rehearing with the Supreme Court on April 11, 2022, which the court denied on May 26, 2022. Duke Energy Indiana expects to file its testimony in the remand proceeding on August 18, 2022. 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 also opened a subdocket for 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 (IDEM) as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020. Briefing was completed by mid-September 2021. On November 3, 2021, the IURC issued an order allowing recovery for post-2018 coal ash basin closure costs for the plans that have been approved by IDEM, as well as continuing deferral, with carrying costs, on the balance. The OUCC filed a notice of appeal to the Indiana Court of Appeals on December 3, 2021. The OUCC also argued in Duke Energy Indiana's Environmental Compliance Rider proceeding, which was filed on March 31, 2022, that coal ash related expenditures incurred prior to the subdocket order date should be disallowed and likely intends to make similar arguments in its appeal of this subdocket. Duke Energy Indiana cannot predict the outcome of this matter.

TDSIC 2.0

On November 23, 2021, Duke Energy Indiana filed for approval of the Transmission, Distribution, Storage Improvement Charge 2.0 investment plan for 2023-2028 (TDSIC 2.0). On June 15, 2022, the IURC approved, without modification, TDSIC 2.0, which includes approximately $2 billion in transmission and distribution investments selected to improve reliability to our customers, harden and improve resiliency of the grid, enable expansion of renewable and distributed energy projects and encourage economic development. In addition, the IURC set up a subdocket to consider the targeted economic development project, which the IURC approved on March 2, 2022. On July 15, 2022, the OUCC filed a notice of appeal in Duke Energy Indiana's TDSIC 2.0 proceeding. Other parties are currently intervening in the appeal and briefing schedule has not yet been set. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

2022 South Carolina Rate Case

On April 1, 2022, Piedmont filed an application with the PSCSC for a rate increase for retail customers of approximately $7 million, which represents an approximate 3.4% increase in retail revenues. The rate increase is driven by customer growth and infrastructure upgrade investments (plant additions) since Piedmont's last proceeding in 2021 under South Carolina's Rate Stabilization Act. In addition, Piedmont agreed with the South Carolina Office of Regulatory Staff in 2019 to file a general rate case no later than April 1, 2022, to conduct a more comprehensive review of rates including the allocation of costs to residential, commercial and industrial customers. In addition to the South Carolina Office of Regulatory Staff, the South Carolina Department of Consumer Affairs and the South Carolina Energy Users Committee intervened in the case and filed testimony on July 12, 2022, each recommending downward adjustments relating to several issues, including return on equity, capital structure, depreciation and employee compensation. Piedmont filed rebuttal testimony on July 26, 2022. The PSCSC has scheduled an evidentiary hearing for the week of August 15, 2022. Piedmont cannot predict the outcome of this matter.

OTHER REGULATORY MATTERS

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, 2022, and exclude capitalized asset retirement costs.

	Capacity (in MW)		Remaining Net Book Value (in millions)
Duke Energy Carolinas			
Allen Steam Station Unit 1[(a)]	**167**	$	**12**
Allen Steam Station Unit 5[(b)]	**259**		**265**
Cliffside Unit 5[(b)]	**546**		**362**
Duke Energy Progress			
Mayo Unit 1[(b)]	**713**		**634**
Roxboro Units 3-4[(b)]	**1,409**		**443**
Duke Energy Florida			
Crystal River Units 4-5[(c)]	**1,442**		**1,615**
Duke Energy Indiana			
Gibson Units 1-5[(d)]	**2,845**		**2,058**
Cayuga Units 1-2[(d)]	**1,005**		**660**
Total Duke Energy	**8,386**	$	**6,049**

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Unit 1 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of this unit earlier than its current estimated useful life.
(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.
(c) On January 14, 2021, Duke Energy Florida filed the 2021 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 FPSC approved the 2021 Settlement on May 4, 2021.
(d) 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 Other within Other Noncurrent Liabilities on the Condensed Consolidated Balance Sheets.

(in millions)	June 30, 2022	December 31, 2021
Reserves for Environmental Remediation		
Duke Energy	**$ 90**	$ 88
Duke Energy Carolinas	**24**	19
Progress Energy	**23**	23
Duke Energy Progress	**12**	11
Duke Energy Florida	**10**	11
Duke Energy Ohio	**33**	34
Duke Energy Indiana	**3**	4
Piedmont	**7**	9

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.

LITIGATION

Duke Energy

Michael Johnson et al. v. Duke Energy Corporation et al.

On September 23, 2020, plaintiff Michael Johnson, a former Duke Energy employee and participant in the Duke Energy Retirement Savings Plan (Plan) brought suit on his own behalf and on behalf of other participants and beneficiaries similarly situated against Duke Energy Corporation, the Duke Energy Benefits Committee, and other unnamed individual defendants. The complaint, which was subsequently amended to add a current participant as a plaintiff on November 23, 2020, alleges that the defendants breached their fiduciary duties with respect to certain fees associated with the Plan in violation of the Employee Retirement Income Security Act of 1974 and seeks certification of a class of all individuals who were participants or beneficiaries of the Plan at any time on or after September 23, 2014. The defendants filed a motion to dismiss the plaintiffs' amended complaint on December 18, 2020. On January 31, 2022, the court denied the defendants' motion to dismiss. On February 28, 2022, Duke Energy responded to the amended complaint. Discovery commenced and the parties exchanged preliminary disclosures. After review of these disclosures, the plaintiff agreed to voluntarily dismiss its suit and the parties subsequently filed a joint stipulation of voluntary dismissal with prejudice on April 29, 2022, ending this litigation.

Texas Storm Uri Tort Litigation

Several Duke Energy renewables project companies, located in the ERCOT market, were named in lawsuits arising out of Texas Storm Uri in mid-February 2021. Duke Energy Corporation, which had originally been named in several suits, was dismissed from the lawsuits. The lawsuits against the Duke Energy renewables project companies seek recovery for property damages, personal injury and for wrongful death allegedly caused by the power outages, which the plaintiffs claim was the result of collective failures of generators, transmission and distribution operators, retail energy providers and others, including ERCOT. The cases have been consolidated into a Texas state court multidistrict litigation (MDL) proceeding for discovery and pre-litigation purposes. Five MDL cases have been designated for motions to dismiss while all other cases are stayed. Duke Energy renewables projects are named as defendants in three of these five cases. Plaintiffs in these five cases have filed amended petitions, which are subject to renewed omnibus motions to dismiss. The parties' briefing on omnibus motions to dismiss should be completed by September 2022 and will focus on lack of duty, tariff defenses and sovereign immunity. Decisions on these motions will be applicable to all of the stayed cases. Duke Energy cannot predict the outcomes of these matters.

Duke Energy Carolinas

Ruben Villano, et al. v. Duke Energy Carolinas, LLC

On June 16, 2021, a group of nine individuals went over a low head dam adjacent to the Dan River Steam Station in Eden, North Carolina, while water tubing. Emergency personnel rescued four people and five others were confirmed deceased. On August 11, 2021, Duke Energy Carolinas was served with the complaint filed in Durham County Superior Court on behalf of four survivors, which was later amended to include all the decedents along with the survivors, except for one minor. The lawsuit alleges that Duke Energy Carolinas knew that the river was used for recreational purposes and that Duke Energy did not adequately warn about the dam, and that Duke Energy Carolinas created a dangerous and hidden hazard on the Dan River in building and maintaining the low head dam. On September 30, 2021, Duke Energy Carolinas filed its motion to dismiss and motion for transfer of venue from Durham County to Rockingham County, both of which were denied on November 15, 2021. On November 15, 2021, Duke Energy Carolinas was also served with Plaintiffs Second Amended Complaint, which added the final minor plaintiff and consolidated all the actions into one lawsuit. Duke Energy Carolinas has filed its Answer and Affirmative Defenses to the Second Amended Complaint. Mediation is scheduled for December 2022. Discovery has commenced and is scheduled to be completed on or before February 28, 2023. The case is scheduled to be trial-ready by April 24, 2023. Duke Energy Carolinas cannot predict the outcome of this matter.

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' motions to dismiss. In October 2021, NTE filed a Second Amended Counterclaim and Complaint, and in January 2022, NTE filed a Third Amended Counterclaim and Complaint. Duke Energy Carolinas has responded to these pleadings. On December 6, 2021, Duke Energy Carolinas filed an Amended Complaint. Following completion of discovery, Duke Energy Carolinas filed a motion for summary judgment seeking a ruling in its favor as to some of its affirmative claims against NTE and to all of NTE's counterclaims. On June 24, 2022, the court issued an order partially granting Duke Energy Carolinas' motion by dismissing NTE's counterclaims that Duke Energy Carolinas engaged in anti-competitive behavior that violated various federal and state antitrust and deceptive trade practices statutes. The remaining claims in the litigation are Duke Energy Carolinas' original claims against NTE and NTE's claims for declaratory judgment and breach of contract. Trial on these remaining claims is scheduled to begin on October 11, 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.

Duke Energy Carolinas has recognized asbestos-related reserves of $488 million at June 30, 2022, and $501 million at December 31, 2021. 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 2041 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 2041 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. Receivables for insurance recoveries were $644 million at June 30, 2022, and $644 million at December 31, 2021. These amounts are classified in Other within Other Noncurrent Assets and Receivables within Current Assets on the Condensed Consolidated Balance Sheets. Any future payments up to the policy limit will be reimbursed by the third-party insurance carrier. 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.

The reserve for credit losses for insurance receivables is $12 million for Duke Energy and Duke Energy Carolinas as of June 30, 2022, and December 31, 2021. 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 DOE 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.

On March 30, 2022, the DOE and Duke Energy Progress executed a settlement agreement, pursuant to which Duke Energy Progress will receive damages for costs incurred between 2014 and 2018, and will be able to submit future costs on a defined schedule. In April 2022, Duke Energy Progress received $87 million in proceeds that related to damages incurred in 2014 through 2018.

On May 2, 2022, the DOE and Duke Energy Florida executed a settlement agreement, pursuant to which Duke Energy Florida will receive damages for costs incurred between 2014 and 2018, and will be able to submit costs incurred in 2019 and 2020 pursuant to an audit process. In June 2022, Duke Energy Florida received $180 million in proceeds that related to damages incurred in 2014 through 2018.

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 (IDEM's) December 10, 2019, partial approval of Duke Energy Indiana's ash pond closure plan at Duke Energy's Gallagher power station. 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. On June 25, 2021, Duke Energy Indiana filed its response to the Petition to Review. On August 30, 2021, HEC served Duke Energy Indiana with its Brief in Support of Petition for Judicial Review. On October 29, 2021, Duke Energy Indiana and IDEM filed their response briefs. On December 13, 2021, HEC filed and served its Reply Brief.

On January 11, 2022, Duke Energy Indiana received a compliance obligation letter from the Environmental Protection Agency (EPA) notifying the company that the two basins at issue in the litigation are subject to requirements of the CCR Rule. The letter does not provide a deadline for compliance. Duke Energy Indiana is evaluating the EPA letter, its potential impacts on the litigation and the extent to which this letter could apply to CCR surface impoundments at its other Indiana sites.

Following the January 11, 2022 EPA notice of compliance letter, the parties filed a joint motion to stay the litigation for 45 days, which was approved by the court. As a result, the oral argument scheduled for February 1, 2022, was postponed. Duke Energy Indiana and HEC engaged in settlement discussions, but the parties were unable to reach resolution. On April 21, 2022, HEC filed a Motion to Lift Stay and Motion for Judicial Notice. HEC also requested that the court hold a hearing within 45 days and also take judicial notice of the EPA's January 11, 2022 letter. On April 22, 2022, Duke Energy Indiana sent IDEM a letter withdrawing the closure plans for the Gallagher North Ash Pond and Primary Pond Ash Fill. After acknowledgment by IDEM of withdrawal of these closure plans, Duke Energy Indiana filed a Motion to Dismiss the litigation as moot on April 28, 2022, which IDEM supported, and the court granted the Motion to Dismiss on July 8, 2022.

Coal Ash Insurance Coverage Litigation

In June 2022, Duke Energy Indiana filed a civil action in Indiana Superior Court against various insurance companies seeking declaratory relief with respect to insurance coverage for coal combustion residuals-related expenses and liabilities covered by third-party liability insurance policies. The insurance policies cover the 1969-1972 and 1984-1985 periods and provide third-party liability insurance for claims and suits alleging property damage, bodily injury and personal injury (or a combination thereof). 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. Reserves are classified on the Condensed Consolidated Balance Sheets in Other within Other Noncurrent Liabilities and Other within Current Liabilities.

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, 2022				
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Piedmont
Unsecured Debt							
May 2022[(a)]	May 2052	5.050 %	$ **400**	$ **—**	$ **—**	$ **—**	$ **400**
June 2022[(b)]	June 2028	4.750 %	**645**	**645**	**—**	**—**	**—**
June 2022[(b)]	June 2034	5.306 %	**537**	**537**	**—**	**—**	**—**
First Mortgage Bonds							
March 2022[(c)]	March 2032	2.850 %	**500**	**—**	**500**	**—**	**—**
March 2022[(c)]	March 2052	3.550 %	**650**	**—**	**650**	**—**	**—**
March 2022[(c)]	April 2032	3.400 %	**500**	**—**	**—**	**500**	**—**
March 2022[(c)]	April 2052	4.000 %	**400**	**—**	**—**	**400**	**—**
Tax-exempt Bonds							
June 2022[(d)]	September 2030	4.000 %	**168**	**168**	**—**	**—**	**—**
June 2022[(d)]	November 2039	4.250 %	**234**	**234**	**—**	**—**	**—**
Total issuances			$ **4,034**	$ **1,584**	$ **1,150**	$ **900**	$ **400**

(a) Proceeds will be used to pay down a portion of outstanding intercompany short-term debt and for general corporate purposes
(b) Duke Energy (Parent) issued 600 million euros aggregate principal amount of 3.10% senior notes due June 2028 and 500 million euros aggregate principal amount of 3.85% senior notes due June 2034. Proceeds will be used to repay a $500 million debt maturity, pay down short-term debt and for general corporate purposes. Duke Energy's obligations under its euro-denominated fixed-rate notes were effectively converted to fixed-rate U.S. dollars at issuance through cross-currency swaps, mitigating foreign currency exchange risk associated with the interest and principal payments. See Note 8 for additional information.
(c) Proceeds will be used to finance or refinance, in whole or in part, existing or new eligible projects under the sustainable financing framework.
(d) Proceeds were used to refund the Ohio Air Quality Development Revenue Refunding bonds, previously held in treasury, which were used to finance or refinance portions of certain solid waste disposal facilities. The mandatory purchase date of these bonds is June 1, 2027.

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, 2022
Unsecured Debt[(a)]			
Duke Energy (Parent)	August 2022	2.400 %	**500**
Duke Energy (Parent)	April 2023	2.875 %	**350**
Duke Energy (Parent)[(b)]	June 2023	1.938 %	**500**
First Mortgage Bonds			
Duke Energy Carolinas	March 2023	2.500 %	**500**
Duke Energy Carolinas	March 2023	3.050 %	**500**
Other[(c)]			**821**
Current maturities of long-term debt			$ **3,171**

(a) In May 2022, Duke Energy (Parent) early retired $500 million of unsecured debt with an original maturity date of August 2022.
(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 2022, Duke Energy amended its existing Master Credit Facility to increase the amount of the facility from $8 billion to $9 billion and to extend the termination date to March 2027. 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, 2022							
(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]	$ 9,000	$ 3,150	$ 1,225	$ 1,200	$ 1,100	$ 775	$ 750	$ 800
Reduction to backstop issuances								
Commercial paper[b]	(3,516)	(1,853)	(326)	(150)	(458)	(299)	(400)	(30)
Outstanding letters of credit	(38)	(25)	(4)	(2)	(7)	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 5,365	$ 1,272	$ 895	$ 1,048	$ 635	$ 476	$ 269	$ 770

(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

Duke Energy (Parent) Term Loan Facility

On March 9, 2022, Duke Energy (Parent) entered into a Term Loan Credit Agreement (Credit Agreement) with commitments totaling $1.4 billion maturing March 9, 2024. The maturity date of the Credit Agreement may be extended for up to two years by request of Duke Energy (Parent), upon satisfaction of certain conditions contained in the Credit Agreement. Borrowings under the facility were used to repay amounts drawn under the Three-Year Revolving Credit Facility and for general corporate purposes, including repayment of a portion of Duke Energy's outstanding commercial paper. The balance is classified as Long-Term Debt on Duke Energy's Condensed Consolidated Balance Sheets. The Three-Year Revolving Credit Facility was terminated in March 2022.

Intercompany Credit Agreements

In March 2022, Progress Energy closed a revolving credit agreement with Duke Energy (Parent), which allowed up to $2.5 billion in intercompany borrowings.

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, 2022, and December 31, 2021.

(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, 2022, and December 31, 2021.

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)	**2022**	**2021**	**2022**	**2021**
Duke Energy Carolinas				
Corporate governance and shared service expenses[a]	**$ 191**	$ 243	**$ 397**	$ 446
Indemnification coverages[b]	**7**	6	**14**	12
Joint Dispatch Agreement (JDA) revenue[c]	**12**	13	**38**	26
JDA expense[c]	**173**	25	**267**	65
Intercompany natural gas purchases[d]	**5**	15	**9**	29
Progress Energy				
Corporate governance and shared service expenses[a]	**$ 184**	$ 233	**$ 380**	$ 414
Indemnification coverages[b]	**11**	11	**22**	21
JDA revenue[c]	**173**	25	**267**	65
JDA expense[c]	**12**	13	**38**	26
Intercompany natural gas purchases[d]	**19**	18	**38**	37
Duke Energy Progress				
Corporate governance and shared service expenses[a]	**$ 108**	$ 141	**$ 227**	$ 246
Indemnification coverages[b]	**5**	5	**10**	10
JDA revenue[c]	**173**	25	**267**	65
JDA expense[c]	**12**	13	**38**	26
Intercompany natural gas purchases[d]	**19**	18	**38**	37
Duke Energy Florida				
Corporate governance and shared service expenses[a]	**$ 76**	$ 92	**$ 153**	$ 168
Indemnification coverages[b]	**6**	6	**12**	11
Duke Energy Ohio				
Corporate governance and shared service expenses[a]	**$ 82**	$ 79	**$ 164**	$ 158
Indemnification coverages[b]	**1**	1	**2**	2
Duke Energy Indiana				
Corporate governance and shared service expenses[a]	**$ 91**	$ 93	**$ 215**	$ 206
Indemnification coverages[b]	**2**	2	**4**	4
Piedmont				
Corporate governance and shared service expenses[a]	**$ 37**	$ 36	**$ 72**	$ 69
Indemnification coverages[b]	**2**	1	**3**	2
Intercompany natural gas sales[d]	**24**	33	**47**	66
Natural gas storage and transportation costs[e]	**5**	5	**11**	11

(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, 2022							
Intercompany income tax receivable	**$ 17**	**$ —**	**$ —**	**$ —**	**$ 2**	**$ —**	**$ 19**
Intercompany income tax payable	**—**	**22**	**29**	**54**	**—**	**17**	**—**
December 31, 2021							
Intercompany income tax receivable	$ —	$ —	$ —	$ 40	$ 19	$ —	$ —
Intercompany income tax payable	62	—	84	—	—	10	27

8. DERIVATIVES AND HEDGING

The Duke Energy Registrants use commodity, interest rate and foreign currency contracts to manage commodity price risk, interest rate risk and foreign currency exchange 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. Foreign currency derivatives are used to manage risk related to foreign currency exchange rates on certain issuances of debt.

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 or financing activities on the Condensed Consolidated Statements of Cash Flows consistent with the classification of the hedged transaction.

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, 2022, and 2021, 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, 2022			
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 2,877	$ —	$ —	$ —
Undesignated contracts	577	250	300	27
Total notional amount[(a)]	$ 3,454	$ 250	$ 300	$ 27

	December 31, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 2,415	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	350	500	500	300	27
Total notional amount[(a)]	$ 3,592	$ 350	$ 500	$ 500	$ 300	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $627 million and $665 million in cash flow hedges as of June 30, 2022, and December 31, 2021, respectively.

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, 2022, and 2021, were not material. Duke Energy's commodity derivatives designated as hedges include long-term electricity sales in the Commercial Renewables segment.

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.

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.

Duke Energy's undesignated contracts include long-term electricity sales in the Commercial Renewables segment.

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, 2022						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	39,032	—	—	—	4,002	24,241	—
Natural gas (millions of dekatherms)	873	283	259	259	—	13	318

	December 31, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[a]	22,344	—	—	—	1,681	10,688	—
Natural gas (millions of dekatherms)	823	264	215	215	—	8	336

(a) Duke Energy includes 4,477 GWh and 9,975 GWh related to cash flow hedges as of June 30, 2022, and December 31, 2021, respectively.

FOREIGN CURRENCY RISK

Duke Energy may enter into foreign currency derivatives to hedge exposure to changes in foreign currency exchange rates, such as that arising from the issuance of debt denominated in a currency other than U.S. dollars.

Fair Value Hedges

Derivatives related to existing fixed rate securities are accounted for as fair value hedges, where the derivatives' fair value gains or losses and hedged items' fair value gains or losses are both recorded directly to earnings on the same income statement line item, including foreign currency gains or losses arising from changes in the U.S. currency exchange rates. Duke Energy has elected to exclude the cross-currency basis spread from the assessment of effectiveness in the fair value hedges of its foreign currency risk and record any difference between the change in the fair value of the excluded components and the amounts recognized in earnings as a component of OCI.

The following table shows Duke Energy's outstanding derivatives related to foreign currency risk. There were no fair value hedges in 2021.

	June 30, 2022					
	Pay Notional (in millions)	Pay Rate	Receive Notional (in millions)	Receive Rate	Hedge Maturity Date	Fair Value Gain (Loss)[a] (in millions)
Fair value hedges						
	$ 645	**4.75 %**	**600 euros**	**3.10 %**	**June 2028**	**$ (16)**
	537	**5.31 %**	**500 euros**	**3.85 %**	**June 2034**	**(13)**
Total notional amount	**$ 1,182**		**1,100 euros**			**$ (29)**

(a) Amounts are recorded in Other Income and expenses, net on the Condensed Consolidated Statement of Operations, which offsets an equal translation adjustment of the foreign denominated debt. See the Condensed Consolidated Statements of Comprehensive Income for amounts excluded from the assessment of effectiveness for which the difference between changes in fair value and periodic amortization is recorded.

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, 2022							
(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	$ 571	$ 268	$ 203	$ 203	$ —	$ 5	$ 86	$ —
Noncurrent	350	186	165	165	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 921	$ 454	$ 368	$ 368	$ —	$ 5	$ 86	$ —
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 242	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	88	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	55	—	—	—	—	—	55	—
Noncurrent	30	30	—	—	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 415	$ 30	$ —	$ —	$ —	$ —	$ 55	$ —
Total Derivative Assets	$ 1,336	$ 484	$ 368	$ 368	$ —	$ 5	$ 141	$ —

Derivative Liabilities	June 30, 2022							
(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	$ 35	$ —	$ —	$ —	$ —	$ —	$ —	—
Noncurrent	114	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	135	32	33	1	33	—	21	25
Noncurrent	259	9	10	10	—	—	—	168
Total Derivative Liabilities – Commodity Contracts	$ 543	$ 41	$ 43	$ 11	$ 33	$ —	$ 21	$ 193
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 1	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	2	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	1	—	—	—	—	1	—	—
Noncurrent	2	—	—	—	—	2	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 6	$ —	$ —	$ —	$ —	$ 3	$ —	$ —
Foreign Currency Contracts								
Designated as Hedging Instruments								
Current	$ 18	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	26	—	—	—	—	—	—	—
Total Derivative Liabilities – Foreign Currency Contracts	$ 44	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Derivative Liabilities	$ 593	$ 41	$ 43	$ 11	$ 33	$ 3	$ 21	$ 193

Derivative Assets	December 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	$ 199	$ 99	$ 72	$ 72	$ —	$ 2	$ 23	$ 3
Noncurrent	113	63	50	50	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 312	$ 162	$ 122	$ 122	$ —	$ 2	$ 23	$ 3
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 3	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	3	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	2	—	2	2	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 8	$ —	$ 2	$ 2	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 320	$ 162	$ 124	$ 124	$ —	$ 2	$ 23	$ 3

Derivative Liabilities	December 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	$ 27	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	117	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	72	18	19	5	14	—	13	21
Noncurrent	132	9	5	5	—	—	—	118
Total Derivative Liabilities – Commodity Contracts	$ 348	$ 27	$ 24	$ 10	$ 14	$ —	$ 13	$ 139
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 75	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	21	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	10	8	—	—	—	1	—	—
Noncurrent	18	—	—	—	—	4	14	—
Total Derivative Liabilities – Interest Rate Contracts	$ 124	$ 8	$ —	$ —	$ —	$ 5	$ 14	$ —
Total Derivative Liabilities	$ 472	$ 35	$ 24	$ 10	$ 14	$ 5	$ 27	$ 139

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 cash collateral posted to offset the net position. The amounts shown are calculated by counterparty. Accounts receivable or accounts payable and letters of credit 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, 2022**							
(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	**$ 868**	**$ 268**	**$ 203**	**$ 203**	**$ —**	**$ 5**	**$ 141**	**$ —**
Gross amounts offset	**(331)**	**(193)**	**(137)**	**(137)**	**—**	**—**	**—**	**—**
Net amounts presented in Current Assets: Other	**$ 537**	**$ 75**	**$ 66**	**$ 66**	**$ —**	**$ 5**	**$ 141**	**$ —**
Noncurrent								
Gross amounts recognized	**$ 468**	**$ 216**	**$ 165**	**$ 165**	**$ —**	**$ —**	**$ —**	**$ —**
Gross amounts offset	**(242)**	**(125)**	**(117)**	**(117)**	**—**	**—**	**—**	**—**
Net amounts presented in Other Noncurrent Assets: Other	**$ 226**	**$ 91**	**$ 48**	**$ 48**	**$ —**	**$ —**	**$ —**	**$ —**

Derivative Liabilities	**June 30, 2022**							
(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	**$ 190**	**$ 32**	**$ 33**	**$ 1**	**$ 33**	**$ 1**	**$ 21**	**$ 25**
Gross amounts offset	**(19)**	**(1)**	**(1)**	**(1)**	**—**	**—**	**(17)**	**—**
Net amounts presented in Current Liabilities: Other	**$ 171**	**$ 31**	**$ 32**	**$ —**	**$ 33**	**$ 1**	**$ 4**	**$ 25**
Noncurrent								
Gross amounts recognized	**$ 403**	**$ 9**	**$ 10**	**$ 10**	**$ —**	**$ 2**	**$ —**	**$ 168**
Gross amounts offset	**(19)**	**(9)**	**(10)**	**(10)**	**—**	**—**	**—**	**—**
Net amounts presented in Other Noncurrent Liabilities: Other	**$ 384**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 2**	**$ —**	**$ 168**

Derivative Assets	**December 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	$ 204	$ 99	$ 74	$ 74	$ —	$ 2	$ 23	$ 3
Gross amounts offset	(25)	(16)	(9)	(9)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 179	$ 83	$ 65	$ 65	$ —	$ 2	$ 23	$ 3
Noncurrent								
Gross amounts recognized	$ 116	$ 63	$ 50	$ 50	$ —	$ —	$ —	$ —
Gross amounts offset	(23)	(15)	(8)	(8)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 93	$ 48	$ 42	$ 42	$ —	$ —	$ —	$ —

Derivative Liabilities	December 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	$ 184	$ 26	$ 19	$ 5	$ 14	$ 1	$ 13	$ 21
Gross amounts offset	(11)	(6)	(5)	(5)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 173	$ 20	$ 14	$ —	$ 14	$ 1	$ 13	$ 21
Noncurrent								
Gross amounts recognized	$ 288	$ 9	$ 5	$ 5	$ —	$ 4	$ 14	$ 118
Gross amounts offset	(12)	(8)	(5)	(5)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 276	$ 1	$ —	$ —	$ —	$ 4	$ 14	$ 118

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 Available for Sale (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 guidelines 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, 2022, and December 31, 2021.

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 134	$ —	$ —	$ 160
Equity securities	3,500	141	5,751	4,905	43	7,350
Corporate debt securities	—	81	728	39	6	829
Municipal bonds	—	32	334	14	1	314
U.S. government bonds	2	89	1,462	31	12	1,568
Other debt securities	—	14	170	3	1	180
Total NDTF Investments	$ 3,502	$ 357	$ 8,579	$ 4,992	$ 63	$ 10,401
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 51	$ —	$ —	$ 36
Equity securities	20	17	124	36	—	156
Corporate debt securities	—	13	108	2	1	119
Municipal bonds	—	3	82	3	1	80
U.S. government bonds	—	5	49	—	—	56
Other debt securities	—	2	35	—	1	45
Total Other Investments	$ 20	$ 40	$ 449	$ 41	$ 3	$ 492
Total Investments	$ 3,522	$ 397	$ 9,028	$ 5,033	$ 66	$ 10,893

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, 2022, and 2021, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FV-NI:				
Realized gains	$ 34	$ 146	$ 145	$ 286
Realized losses	101	37	186	60
AFS:				
Realized gains	11	16	15	34
Realized losses	42	18	65	31

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 58	$ —	$ —	$ 53
Equity securities	2,058	69	3,327	2,887	19	4,265
Corporate debt securities	—	63	470	24	4	506
Municipal bonds	—	9	63	2	—	48
U.S. government bonds	1	37	645	16	3	712
Other debt securities	—	13	165	3	1	175
Total NDTF Investments	$ 2,059	$ 191	$ 4,728	$ 2,932	$ 27	$ 5,759

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, 2022, and 2021, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FV-NI:				
Realized gains	**$ 18**	$ 90	**$ 93**	$ 218
Realized losses	**55**	23	**104**	39
AFS:				
Realized gains	**9**	12	**12**	25
Realized losses	**21**	13	**37**	22

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, 2022			December 31, 2021		
(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**	$ —	$ —	$ 107
Equity securities	**1,442**	**72**	**2,424**	2,018	24	3,085
Corporate debt securities	**—**	**18**	**258**	15	2	323
Municipal bonds	**—**	**23**	**271**	12	1	266
U.S. government bonds	**1**	**52**	**817**	15	9	856
Other debt securities	**—**	**1**	**5**	—	—	5
Total NDTF Investments	**$ 1,443**	**$ 166**	**$ 3,851**	$ 2,060	$ 36	$ 4,642
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 15**	$ —	$ —	$ 20
Municipal bonds	**—**	**—**	**25**	2	—	26
Total Other Investments	**$ —**	**$ —**	**$ 40**	$ 2	$ —	$ 46
Total Investments	**$ 1,443**	**$ 166**	**$ 3,891**	$ 2,062	$ 36	$ 4,688

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, 2022, and 2021, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FV-NI:				
Realized gains	**$ 16**	$ 56	**$ 52**	$ 68
Realized losses	**46**	14	**82**	21
AFS:				
Realized gains	**2**	3	**3**	7
Realized losses	**17**	3	**23**	6

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 46	$ —	$ —	$ 94
Equity securities	1,363	72	2,333	1,915	23	2,970
Corporate debt securities	—	17	241	15	2	282
Municipal bonds	—	23	271	12	1	266
U.S. government bonds	1	31	477	15	3	472
Other debt securities	—	1	5	—	—	5
Total NDTF Investments	$ 1,364	$ 144	$ 3,373	$ 1,957	$ 29	$ 4,089
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 12	$ —	$ —	$ 16
Total Other Investments	$ —	$ —	$ 12	$ —	$ —	$ 16
Total Investments	$ 1,364	$ 144	$ 3,385	$ 1,957	$ 29	$ 4,105

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, 2022, and 2021, were as follows.

	Three Months Ended		Six Months Ended	
(in millions)	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
FV-NI:				
Realized gains	$ 15	$ 55	$ 51	$ 67
Realized losses	45	13	80	20
AFS:				
Realized gains	2	3	3	7
Realized losses	15	3	20	6

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, 2022			December 31, 2021		
(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	$ —	$ —	$ 13
Equity securities	79	—	91	103	1	115
Corporate debt securities	—	1	17	—	—	41
U.S. government bonds	—	21	340	—	6	384
Total NDTF Investments[(a)]	$ 79	$ 22	$ 478	$ 103	$ 7	$ 553
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 1	$ —	$ —	$ 3
Municipal bonds	—	—	25	2	—	26
Total Other Investments	$ —	$ —	$ 26	$ 2	$ —	$ 29
Total Investments	$ 79	$ 22	$ 504	$ 105	$ 7	$ 582

(a) During the six months ended June 30, 2022, and the year ended December 31, 2021, 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 and six months ended June 30, 2022, and 2021, 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, 2022			December 31, 2021		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
Investments						
Equity securities	$ 2	$ 17	$ 77	$ 6	$ —	$ 97
Corporate debt securities	—	—	8	—	—	6
Municipal bonds	—	3	48	1	1	46
U.S. government bonds	—	—	5	—	—	12
Total Investments	$ 2	$ 20	$ 138	$ 7	$ 1	$ 161

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, 2022, and 2021, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	June 30, 2022					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Due in one year or less	$ 137	$ 7	$ 118	$ 24	$ 94	$ 9
Due after one through five years	930	350	501	266	235	23
Due after five through 10 years	484	209	204	189	15	6
Due after 10 years	1,417	777	553	515	38	23
Total	$ 2,968	$ 1,343	$ 1,376	$ 994	$ 382	$ 61

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.

Foreign currency derivatives

Most over-the-counter foreign currency derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward foreign currency rate curves, notional amounts, 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, 2021, 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, 2022				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	**$ 134**	**$ 134**	**$ —**	**$ —**	**$ —**
NDTF equity securities	**5,751**	**5,704**	**—**	**—**	**47**
NDTF debt securities	**2,694**	**849**	**1,845**	**—**	**—**
Other equity securities	**124**	**124**	**—**	**—**	**—**
Other debt securities	**274**	**44**	**230**	**—**	**—**
Other cash and cash equivalents	**51**	**51**	**—**	**—**	**—**
Derivative assets	**1,336**	**2**	**1,245**	**89**	**—**
Total assets	**10,364**	**6,908**	**3,320**	**89**	**47**
Derivative liabilities	**(593)**	**(21)**	**(327)**	**(245)**	**—**
Net assets (liabilities)	**$ 9,771**	**$ 6,887**	**$ 2,993**	**$ (156)**	**$ 47**

	December 31, 2021				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	$ 160	$ 160	$ —	$ —	$ —
NDTF equity securities	7,350	7,300	—	—	50
NDTF debt securities	2,891	967	1,924	—	—
Other equity securities	156	156	—	—	—
Other debt securities	300	45	255	—	—
Other cash and cash equivalents	36	36	—	—	—
Derivative assets	320	3	293	24	—
Total assets	11,213	8,667	2,472	24	50
Derivative liabilities	(472)	(13)	(314)	(145)	—
Net assets (liabilities)	$ 10,741	$ 8,654	$ 2,158	$ (121)	$ 50

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)	2022	2021	2022	2021
Balance at beginning of period	**$ (199)**	$ (126)	**$ (121)**	$ (77)
Total pretax realized or unrealized losses included in comprehensive income	**(42)**	(31)	**(110)**	(75)
Purchases, sales, issuances and settlements:				
Purchases	**77**	21	**77**	21
Settlements	**21**	(1)	**18**	(8)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	**(13)**	6	**(20)**	8
Balance at end of period	**$ (156)**	$ (131)	**$ (156)**	$ (131)

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, 2022			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	**$ 58**	**$ 58**	**$ —**	**$ —**
NDTF equity securities	**3,327**	**3,280**	**—**	**47**
NDTF debt securities	**1,343**	**304**	**1,039**	**—**
Derivative assets	**484**	**—**	**484**	**—**
Total assets	**5,212**	**3,642**	**1,523**	**47**
Derivative liabilities	**(41)**	**—**	**(41)**	**—**
Net assets	**$ 5,171**	**$ 3,642**	**$ 1,482**	**$ 47**

	December 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 53	$ 53	$ —	$ —
NDTF equity securities	4,265	4,215	—	50
NDTF debt securities	1,441	339	1,102	—
Derivative assets	162	—	162	—
Total assets	5,921	4,607	1,264	50
Derivative liabilities	(35)	—	(35)	—
Net assets	$ 5,886	$ 4,607	$ 1,229	$ 50

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	**$ 76**	**$ 76**	**$ —**	$ 107	$ 107	$ —
NDTF equity securities	**2,424**	**2,424**	**—**	3,085	3,085	—
NDTF debt securities	**1,351**	**545**	**806**	1,450	628	822
Other debt securities	**25**	**—**	**25**	26	—	26
Other cash and cash equivalents	**15**	**15**	**—**	20	20	—
Derivative assets	**368**	**—**	**368**	124	—	124
Total assets	**4,259**	**3,060**	**1,199**	4,812	3,840	972
Derivative liabilities	**(43)**	**—**	**(43)**	(24)	—	(24)
Net assets	**$ 4,216**	**$ 3,060**	**$ 1,156**	$ 4,788	$ 3,840	$ 948

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 46	$ 46	$ —	$ 94	$ 94	$ —
NDTF equity securities	2,333	2,333	—	2,970	2,970	—
NDTF debt securities	994	253	741	1,025	289	736
Other cash and cash equivalents	12	12	—	16	16	—
Derivative assets	368	—	368	124	—	124
Total assets	3,753	2,644	1,109	4,229	3,369	860
Derivative liabilities	(11)	—	(11)	(10)	—	(10)
Net assets	$ 3,742	$ 2,644	$ 1,098	$ 4,219	$ 3,369	$ 850

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, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 30	$ 30	$ —	$ 13	$ 13	$ —
NDTF equity securities	91	91	—	115	115	—
NDTF debt securities	357	292	65	425	339	86
Other debt securities	25	—	25	26	—	26
Other cash and cash equivalents	1	1	—	3	3	—
Total assets	504	414	90	582	470	112
Derivative liabilities	(33)	—	(33)	(14)	—	(14)
Net assets	$ 471	$ 414	$ 57	$ 568	$ 470	$ 98

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, 2022, and December 31, 2021.

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, 2022				December 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Other equity securities	$ 77	$ 77	$ —	$ —	$ 97	$ 97	$ —	$ —
Other debt securities	61	—	61	—	64	—	64	—
Derivative assets	141	2	55	84	23	1	—	22
Total assets	279	79	116	84	184	98	64	22
Derivative liabilities	(21)	(21)	—	—	(27)	(13)	(14)	—
Net assets	$ 258	$ 58	$ 116	$ 84	$ 157	$ 85	$ 50	$ 22

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

	Derivatives (net)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Balance at beginning of period	**$ 10**	$ 2	**$ 22**	$ 6
Purchases, sales, issuances and settlements:				
Purchases	**74**	18	**74**	18
Settlements	**16**	(3)	**10**	(9)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	**(16)**	5	**(22)**	7
Balance at end of period	**$ 84**	$ 22	**$ 84**	$ 22

PIEDMONT

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

	June 30, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	**$ —**	**$ —**	**$ —**	$ 3	$ 3	$ —
Derivative liabilities	**(193)**	**—**	**(193)**	(139)	—	(139)
Net (liabilities) assets	**$ (193)**	**$ —**	**$ (193)**	$ (136)	$ 3	$ (139)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

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

	June 30, 2022					
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range		Weighted Average Range
Duke Energy						
Electricity contracts	**$ (245)**	RTO forward pricing	Forward electricity curves – price per MWh	**$ 23.35 -**	**$ 243.21**	**$ 53.28**
Duke Energy Ohio						
FTRs	**5**	RTO auction pricing	FTR price – per MWh	**(0.29) -**	**2.30**	**0.89**
Duke Energy Indiana						
FTRs	**84**	RTO auction pricing	FTR price – per MWh	**(0.61) -**	**24.34**	**3.69**
Duke Energy						
Total Level 3 derivatives	**$ (156)**					

	December 31, 2021					
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range		Weighted Average Range
Duke Energy						
Electricity contracts	$ (145)	RTO forward pricing	Forward electricity curves – price per MWh	$ 19.04 -	$139.11	$37.57
Duke Energy Ohio						
FTRs	2	RTO auction pricing	FTR price – per MWh	0.06 -	1.79	0.96
Duke Energy Indiana						
FTRs	22	RTO auction pricing	FTR price – per MWh	(1.18) -	13.11	2.68
Duke Energy						
Total Level 3 derivatives	$ (121)					

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, 2022		December 31, 2021	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	$ **66,318**	$ **61,451**	$ 63,835	$ 69,683
Duke Energy Carolinas	**14,162**	**13,501**	13,275	15,101
Progress Energy	**20,751**	**19,830**	20,823	23,751
Duke Energy Progress	**10,662**	**9,829**	10,249	11,252
Duke Energy Florida	**8,447**	**8,150**	8,482	9,772
Duke Energy Ohio	**3,243**	**3,071**	3,193	3,570
Duke Energy Indiana	**4,337**	**4,168**	4,323	5,067
Piedmont	**3,363**	**3,086**	2,968	3,278

(a) Book value of long-term debt includes $1.21 billion and $1.25 billion at June 30, 2022, and December 31, 2021, respectively, 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, 2022, and December 31, 2021, 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, 2022, and the year ended December 31, 2021, 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 are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt.

The most significant activity that impacts the economic performance of DERF, DEPR and DEFR are the decisions made to manage delinquent receivables. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are considered 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 2025	January 2025	April 2025	April 2023
Credit facility amount	$ 350	$ 500	$ 400	$ 250
Amounts borrowed at June 30, 2022	**350**	**498**	**400**	**250**
Amounts borrowed at December 31, 2021	350	475	350	250
Restricted Receivables at June 30, 2022	**776**	**893**	**705**	**640**
Restricted Receivables at December 31, 2021	587	844	574	427

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, 2022	December 31, 2021
Receivables of VIEs	**$ 7**	$ 5
Regulatory Assets: Current	**54**	54
Current Assets: Other	**33**	39
Other Noncurrent Assets: Regulatory assets	**859**	883
Current Liabilities: Other	**9**	9
Current maturities of long-term debt	**56**	56
Long-Term Debt	**916**	946

Storm Recovery Bonds – Duke Energy Carolinas NC Storm Funding and Duke Energy Progress NC Storm Funding

Duke Energy Carolinas NC Storm Funding, LLC (DECNCSF) and Duke Energy Progress NC Storm Funding, LLC (DEPNCSF) are bankruptcy remote, wholly owned special purpose subsidiaries of Duke Energy Carolinas and Duke Energy Progress, respectively. These entities were formed in 2021 for the sole purpose of issuing storm recovery bonds to finance certain of Duke Energy Carolinas' and Duke Energy Progress' unrecovered regulatory assets related to storm costs.

In November 2021, DECNCSF and DEPNCSF issued $237 million and $770 million of senior secured bonds, respectively and used the proceeds to acquire storm recovery property from Duke Energy Carolinas and Duke Energy Progress. The storm recovery property was created by state legislation and NCUC financing orders for the purpose of financing storm costs incurred in 2018 and 2019. The storm recovery property acquired includes the right to impose, bill, collect and adjust a non-bypassable charge from all Duke Energy Carolinas' and Duke Energy Progress' retail customers until the bonds are paid in full and all financing costs have been recovered. The storm recovery bonds are secured by the storm recovery property and cash collections from the storm recovery charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to Duke Energy Carolinas or Duke Energy Progress.

DECNCSF and DEPNCSF are considered VIEs primarily because the equity capitalization is insufficient to support their operations. Duke Energy Carolinas and Duke Energy Progress have the power to direct the significant activities of the VIEs as described above and therefore Duke Energy Carolinas and Duke Energy Progress are considered the primary beneficiaries and consolidate DECNCSF and DEPNCSF, respectively.

The following table summarizes the impact of these VIEs on Duke Energy Carolinas' and Duke Energy Progress' Consolidated Balance Sheets.

	June 30, 2022		December 31, 2021	
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Carolinas	Duke Energy Progress
Regulatory Assets: Current	**$ 12**	**$ 39**	$ 12	$ 39
Current Assets: Other	**8**	**26**	—	—
Other Noncurrent Assets: Regulatory assets	**214**	**701**	220	720
Other Noncurrent Assets: Other	**1**	**4**	1	4
Current Liabilities: Other	**3**	**10**	1	2
Current maturities of long-term debt	**10**	**32**	5	15
Long-Term Debt	**224**	**731**	228	747

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, 2022	December 31, 2021
Current Assets: Other	**$ 215**	$ 215
Property, Plant and Equipment: Cost	**7,552**	7,339
Accumulated depreciation and amortization	**(1,646)**	(1,474)
Other Noncurrent Assets: Other	**75**	62
Current maturities of long-term debt	**285**	167
Long-Term Debt	**1,255**	1,475
Other Noncurrent Liabilities: AROs	**176**	173
Other Noncurrent Liabilities: Other	**213**	319

NON-CONSOLIDATED VIEs

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

	June 30, 2022				
	Duke Energy			Duke	Duke
(in millions)	Pipeline Investments	Commercial Renewables	Total	Energy Ohio	Energy Indiana
Receivables from affiliated companies	**$ —**	**$ —**	**$ —**	**$ 131**	**$ 222**
Investments in equity method unconsolidated affiliates	**29**	**507**	**536**	**—**	**—**
Deferred tax asset	**62**	**—**	**62**	**—**	**—**
Total assets	**$ 91**	**$ 507**	**$ 598**	**$ 131**	**$ 222**
Other current liabilities	**53**	**4**	**57**	**—**	**—**
Other noncurrent liabilities	**51**	**3**	**54**	**—**	**—**
Total liabilities	**$ 104**	**$ 7**	**$ 111**	**$ —**	**$ —**
Net (liabilities) assets	**$ (13)**	**$ 500**	**$ 487**	**$ 131**	**$ 222**

	December 31, 2021				
	Duke Energy				
(in millions)	Pipeline Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 79	$ 97
Investments in equity method unconsolidated affiliates	15	508	523	—	—
Other noncurrent assets	61	—	61	—	—
Total assets	$ 76	$ 508	$ 584	$ 79	$ 97
Other current liabilities	47	4	51	—	—
Other noncurrent liabilities	54	3	57	—	—
Total liabilities	$ 101	$ 7	$ 108	$ —	$ —
Net (liabilities) assets	$ (25)	$ 501	$ 476	$ 79	$ 97

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.

Natural Gas Investments

Duke Energy has investments in various joint ventures to construct and operate pipeline and renewable natural gas 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.

Commercial Renewables

Duke Energy has investments in various renewable energy project entities. Duke Energy has a 50% ownership in a VIE, which owns a portfolio of wind projects. This entity is a VIE as a result of Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Duke Energy does not consolidate this VIE because power to direct and control key activities is shared jointly by Duke Energy and the other owner. Duke Energy also has equity ownership in an entity, which owns a portfolio of fuel cell projects. Duke Energy does not consolidate the fuel cell portfolio as it does not have the power to direct the activities that most significantly impact the economic performance of the entity.

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.

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, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Receivables sold	**$ 313**	$ 269	**$ 466**	$ 328
Less: Retained interests	**131**	79	**222**	97
Net receivables sold	**$ 182**	$ 190	**$ 244**	$ 231

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

	Duke Energy Ohio		Duke Energy Indiana	
	Six Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Sales				
Receivables sold	**$ 1,247**	$ 1,004	**$ 1,617**	$ 1,382
Loss recognized on sale	**7**	5	**8**	6
Cash flows				
Cash proceeds from receivables sold	**$ 1,188**	$ 1,029	**$ 1,484**	$ 1,401
Collection fees received	**1**	—	**1**	—
Return received on retained interests	**3**	2	**4**	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)	2022	2023	2024	2025	2026	Thereafter	Total
Progress Energy	**$ 54**	$ 53	$ 45	$ 7	$ 7	$ 43	$ 209
Duke Energy Progress	**4**	8	8	—	—	—	20
Duke Energy Florida	**50**	45	37	7	7	43	189
Duke Energy Indiana	**2**	11	16	17	15	12	73

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)	2022	2023	2024	2025	2026	Thereafter	Total
Piedmont	**$ 32**	$ 64	$ 61	$ 60	$ 50	$ 286	$ 553

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. Some of these PPAs have 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:

(in millions) By market or type of customer	Three Months Ended June 30, 2022 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	$ 2,625	$ 736	$ 1,400	$ 530	$ 870	$ 196	$ 296	$ —
General	1,817	566	889	370	519	111	251	—
Industrial	824	296	274	184	90	33	220	—
Wholesale	629	103	389	281	108	35	102	—
Other revenues	202	92	247	210	37	20	23	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 6,097	$ 1,793	$ 3,199	$ 1,575	$ 1,624	$ 395	$ 892	$ —
Gas Utilities and Infrastructure								
Residential	$ 197	$ —	$ —	$ —	$ —	$ 94	$ —	$ 103
Commercial	127	—	—	—	—	38	—	90
Industrial	34	—	—	—	—	6	—	28
Power Generation	—	—	—	—	—	—	—	23
Other revenues	66	—	—	—	—	6	—	44
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 424	$ —	$ —	$ —	$ —	$ 144	$ —	$ 288
Commercial Renewables								
Revenue from contracts with customers	$ 77	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 8	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 6,606	$ 1,793	$ 3,199	$ 1,575	$ 1,624	$ 539	$ 892	$ 288
Other revenue sources[(a)]	$ 79	$ (12)	$ 15	$ 6	$ 4	$ 6	$ 26	$ 22
Total revenues	$ 6,685	$ 1,781	$ 3,214	$ 1,581	$ 1,628	$ 545	$ 918	$ 310

(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, 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.

	Six Months Ended June 30, 2022							
(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	$ 5,392	$ 1,567	$ 2,768	$ 1,154	$ 1,614	$ 407	$ 650	$ —
General	3,421	1,110	1,615	695	920	227	469	—
Industrial	1,596	572	544	378	166	68	412	—
Wholesale	1,255	216	800	630	170	58	181	—
Other revenues	404	203	458	349	109	41	(13)	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 12,068	$ 3,668	$ 6,185	$ 3,206	$ 2,979	$ 801	$ 1,699	$ —
Gas Utilities and Infrastructure								
Residential	$ 769	$ —	$ —	$ —	$ —	$ 243	$ —	$ 526
Commercial	396	—	—	—	—	102	—	294
Industrial	91	—	—	—	—	13	—	78
Power Generation	—	—	—	—	—	—	—	47
Other revenues	181	—	—	—	—	12	—	137
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,437	$ —	$ —	$ —	$ —	$ 370	$ —	$ 1,082
Commercial Renewables								
Revenue from contracts with customers	$ 128	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 15	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 13,648	$ 3,668	$ 6,185	$ 3,206	$ 2,979	$ 1,171	$ 1,699	$ 1,082
Other revenue sources[(a)]	$ 169	$ 1	$ 21	$ 7	$ 4	$ 12	$ 41	$ 33
Total revenues	$ 13,817	$ 3,669	$ 6,206	$ 3,213	$ 2,983	$ 1,183	$ 1,740	$ 1,115

(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.

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, 2021 and 2022							
(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, 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**
Balance at March 31, 2022	$ 140	$ 52	$ 51	$ 31	$ 21	$ 4	$ 3	$ 17
Write-Offs	(31)	(16)	(9)	(5)	(5)	—	—	(5)
Credit Loss Expense	20	8	7	2	5	—	—	3
Other Adjustments	7	8	3	3	—	—	—	—
Balance at June 30, 2022	**$ 136**	**$ 52**	**$ 52**	**$ 31**	**$ 21**	**$ 4**	**$ 3**	**$ 15**

	Six Months Ended June 30, 2021 and 2022							
(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, 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
Balance at December 31, 2021	$ 122	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 15
Write-Offs	**(54)**	**(25)**	**(19)**	**(7)**	**(13)**	**—**	**—**	**(6)**
Credit Loss Expense	**44**	**13**	**19**	**6**	**13**	**—**	**—**	**6**
Other Adjustments	**24**	**22**	**16**	**11**	**5**	**—**	**—**	**—**
Balance at June 30, 2022	**$ 136**	**$ 52**	**$ 52**	**$ 31**	**$ 21**	**$ 4**	**$ 3**	**$ 15**

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, 2022							
(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)]	**$ 1,175**	**$ 412**	**$ 359**	**$ 205**	**$ 154**	**$ 8**	**$ 24**	**$ 10**
0-30 days	**2,202**	**592**	**946**	**451**	**492**	**32**	**41**	**127**
30-60 days	**177**	**52**	**90**	**41**	**49**	**2**	**3**	**8**
60-90 days	**88**	**16**	**44**	**20**	**24**	**1**	**6**	**5**
90+ days	**274**	**80**	**96**	**46**	**50**	**43**	**14**	**11**
Deferred Payment Arrangements[(c)]	**148**	**62**	**61**	**36**	**25**	**1**	**—**	**4**
Trade and Other Receivables	**$ 4,064**	**$ 1,214**	**$ 1,596**	**$ 799**	**$ 794**	**$ 87**	**$ 88**	**$ 165**

	December 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)]	$ 964	$ 316	$ 266	$ 193	$ 73	$ 4	$ 27	$ 106
0-30 days	2,104	595	800	405	393	42	51	202
30-60 days	212	77	72	44	28	4	13	12
60-90 days	88	37	41	21	20	1	1	2
90+ days	249	106	65	37	28	47	11	7
Deferred Payment Arrangements[(c)]	115	55	45	22	23	2	—	4
Trade and Other Receivables	$ 3,732	$ 1,186	$ 1,289	$ 722	$ 565	$ 100	$ 103	$ 333

(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 $102 million and $199 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of June 30, 2022, and $82 million and $121 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of December 31, 2021.
(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)	2022	2021	2022	2021
Net income available to Duke Energy common stockholders	**$ 893**	$ 751	**$ 1,711**	$ 1,704
Accumulated preferred stock dividends adjustment	**(12)**	(12)	**—**	—
Less: Impact of participating securities	**—**	1	**1**	1
Income from continuing operations available to Duke Energy common stockholders	**$ 881**	$ 738	**$ 1,710**	$ 1,703
Weighted average common shares outstanding – basic and diluted	**770**	769	**770**	769
EPS available to Duke Energy common stockholders				
Basic and diluted	**$ 1.14**	$ 0.96	**$ 2.22**	$ 2.21
Potentially dilutive items excluded from the calculation[(a)]	**2**	2	**2**	2
Dividends declared per common share	**$ 0.985**	$ 0.965	**$ 1.970**	$ 1.930
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**	$ 24.375

(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, 2022							
(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**	**$ 14**	**$ 11**	**$ 7**	**$ 6**	**$ 1**	**$ 2**	**$ 2**
Interest cost on projected benefit obligation	**59**	**13**	**18**	**8**	**10**	**3**	**5**	**2**
Expected return on plan assets	**(141)**	**(38)**	**(47)**	**(22)**	**(24)**	**(6)**	**(10)**	**(6)**
Amortization of actuarial loss	**23**	**5**	**7**	**4**	**3**	**1**	**3**	**1**
Amortization of prior service credit	**(4)**	**(1)**	**—**	**—**	**—**	**—**	**(1)**	**(2)**
Amortization of settlement charges	**2**	**2**	**—**	**1**	**—**	**—**	**—**	**—**
Net periodic pension costs	**$ (20)**	**$ (5)**	**$ (11)**	**$ (2)**	**$ (5)**	**$ (1)**	**$ (1)**	**$ (3)**

	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)

	Six Months Ended June 30, 2022							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	**$ 81**	**$ 26**	**$ 23**	**$ 14**	**$ 10**	**$ 2**	**$ 4**	**$ 3**
Interest cost on projected benefit obligation	**117**	**27**	**36**	**16**	**20**	**6**	**10**	**4**
Expected return on plan assets	**(281)**	**(76)**	**(93)**	**(44)**	**(48)**	**(11)**	**(19)**	**(12)**
Amortization of actuarial loss	**47**	**10**	**13**	**7**	**6**	**2**	**5**	**3**
Amortization of prior service credit	**(9)**	**(2)**	**—**	**—**	**—**	**—**	**(1)**	**(4)**
Amortization of settlement charges	**4**	**3**	**1**	**1**	**—**	**—**	**—**	**—**
Net periodic pension costs	**$ (41)**	**$ (12)**	**$ (20)**	**$ (6)**	**$ (12)**	**$ (1)**	**$ (1)**	**$ (6)**

	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)

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, 2022, and 2021.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three and six months ended June 30, 2022, and 2021.

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,	
	2022	**2021**	**2022**	**2021**
Duke Energy	**8.0 %**	4.9 %	**3.6 %**	6.8 %
Duke Energy Carolinas	**7.3 %**	0.4 %	**7.4 %**	4.3 %
Progress Energy	**16.8 %**	8.3 %	**16.4 %**	10.2 %
Duke Energy Progress	**13.8 %**	2.7 %	**13.9 %**	5.6 %
Duke Energy Florida	**20.2 %**	19.0 %	**20.1 %**	19.1 %
Duke Energy Ohio	**13.8 %**	22.0 %	**(54.7)%**	16.1 %
Duke Energy Indiana	**8.6 %**	15.6 %	**(48.9)%**	16.7 %
Piedmont	**85.7 %**	33.3 %	**11.4 %**	10.8 %

The increase in the ETR for Duke Energy for the three months ended June 30, 2022, was primarily due to the amortization of excess deferred taxes in relation to higher pretax income.

The decrease in the ETR for Duke Energy for the six months ended June 30, 2022, was primarily due to an increase in the amortization of excess deferred taxes related to the Duke Energy Ohio MGP Settlement.

The increase in the ETR for Duke Energy Carolinas for the three and six months ended June 30, 2022, was primarily due to the amortization of excess deferred taxes in relation to higher pretax income.

The increase in the ETR for Progress Energy for the three and six months ended June 30, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Progress for the three and six months ended June 30, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Florida for the three months ended June 30, 2022, was primarily due to the amortization of excess deferred taxes in relation to higher pretax income.

The decrease in the ETR for Duke Energy Ohio for the three months ended June 30, 2022, was primarily due to an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Ohio for the six months ended June 30, 2022, was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement.

The decrease in the ETR for Duke Energy Indiana for the three months ended June 30, 2022, was primarily due to an increase in the amortization of excess deferred taxes from the coal ash impairment based on the Indiana Supreme Court Opinion.

The decrease in the ETR for Duke Energy Indiana for the six months ended June 30, 2022, was primarily due to the coal ash impairment based on the Indiana Supreme Court Opinion and the associated amortization of excess deferred taxes.

The increase in the ETR for Piedmont for the three months ended June 30, 2022, was primarily due to certain favorable tax credits, in relation to pretax losses.

16. SUBSEQUENT EVENTS

For information on subsequent events related to business segments, regulatory matters, and commitments and contingencies, see Notes 2, 3 and 4.

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 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, 2022, and with Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021.

Executive Overview

Advancing Our Clean Energy Transformation

During the second quarter of 2022, we continued to execute on our clean energy transformation, delivering strong, sustainable value for shareholders, customers, communities and employees.

- In June 2022, Duke Energy Florida completed The Fort Green Renewable Energy Center, the first of 10 solar sites, totaling 750 MW, that are part of the Duke Energy Florida's new community solar program, Clean Energy Connection. Through the program, Duke Energy Florida customers can subscribe to solar power and earn credits toward their electricity bills without having to install or maintain their own equipment.
- In May 2022, we were awarded one of two North Carolina offshore wind lease sites held by the Bureau of Ocean Energy Management. The approximately 55,000-acre site in the Atlantic Ocean east of Wilmington could support up to 1.6 gigawatts of potential offshore wind energy, enough to power nearly 375,000 homes. Securing this lease creates optionality for future offshore wind if the NCUC determines it's part of the least cost path to achieve North Carolina's interim and long-term carbon reduction goals.

Regulatory Activity. During the second quarter of 2022, we continued to monitor developments while moving our regulatory strategy forward. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

- In June 2022, Duke Energy Ohio filed an application with the PUCO for a regulatory review of our natural gas base rates. Since our last Ohio natural gas rate case, which we filed in 2012, Duke Energy Ohio has invested $1.4 billion in a variety of capital investments, including the installation of new infrastructure to enable a robust system for customers.
- In June 2022, bipartisan legislation was signed into law that gives the PSCSC authority to approve securitization of storm costs in South Carolina. This is an important tool to provide our customers significant savings while helping our company recover storm restoration costs.
- In June 2022, the IURC approved Duke Energy Indiana's TDSIC 2.0 plan in its entirety, with no modifications. This six-year plan will continue to build upon electric grid modernization efforts to improve the reliability and resilience of the statewide network of power lines and infrastructure to improve service to more than 870,000 customers.
- In May 2022, Duke Energy Carolinas and Duke Energy Progress filed a proposed Carbon Plan with the NCUC. In keeping with the framework of HB 951, the proposed plan presents two pathways consisting of several different portfolios and includes a path to achieve 70% carbon dioxide emissions reduction by 2030, while offering regulators multiple options that balance affordability and reliability for customers. All portfolios plan for the retirement of all remaining coal generation resources by the end of 2035 and include significant expansion of zero-carbon resources, such as renewable technologies including solar, onshore and offshore wind, greater integration of battery and pumped-hydro energy storage, expanded energy efficiency and demand response and the deployment of new zero-emitting load-following resources such as new small modular nuclear resources as well as hydrogen solutions in later years to achieve carbon neutrality from electric generating facilities by 2050.

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

<u>Coal Ash Costs</u>

Future spending of coal ash costs, including amounts recorded for depreciation and liability accretion, is expected to continue to be deferred and recovered in future rate cases or rider filings. The majority of spend is expected to occur over the next 15-20 years.

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 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. In January 2022, Duke Energy Indiana received a letter from the EPA regarding interpretation of the CCR rule. See Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies" for more information.

Commercial Renewables

On August 4, 2022 Duke Energy announced a strategic review of the Commercial Renewables business segment. The review remains in the preliminary stage and there have been no binding or non-binding offers requested or submitted. Duke Energy can provide no assurance that this process will result in a transaction and there is no specific timeline for execution of a potential transaction. If the potential sale were to progress it could result in classification of the Commercial Renewables segment as assets held for sale and as discontinued operations. If Duke Energy is unable to recover its book value of these assets through a sale, it could result in an impairment.

Duke Energy continues to monitor recoverability of renewable merchant plants located in the ERCOT West market and in the PJM West market, due to fluctuating market pricing and long-term forecasted energy prices. Based on the most recent recoverability test, the carrying value for the assets under review continues to be supported by the expected cash flows. A decline in energy market pricing or other factors unfavorably impacting the economics 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 ERCOT market. Duke Energy has been named in multiple lawsuits arising out of this winter storm. For more information, see Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies."

Supply Chain

Duke Energy is monitoring supply chain disruptions, which could impact the timing of in service or economics of projects and may result in adverse impacts on operating results.

The company is also monitoring the impacts on future financial results and clean energy goals due to the availability of solar panels as a result of the U.S. Department of Commerce investigation into the potential circumvention of anti-dumping and countervailing duties by certain Chinese companies. In June 2022, in response to the uncertainty of solar supplies resulting from the investigation, a 24-month tariff exemption for solar panels from four Southeast Asian nations was declared.

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:

- Regulatory Matters represents the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash.
- Mark-to-Market represents the income statement impact of derivative instruments that do not qualify for hedge accounting or regulatory accounting.
- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.
- Gas Pipeline Investments represents additional exit obligations related to ACP.

Three Months Ended June 30, 2022, as compared to June 30, 2021

GAAP reported EPS was $1.14 for the second quarter of 2022 compared to $0.96 in the second quarter of 2021. In addition to the drivers below, GAAP reported EPS increased primarily due to workplace and workforce realignment costs in the prior year.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's second quarter 2022 adjusted EPS was $1.14 compared to $1.15 for the second quarter of 2021. The decrease in adjusted EPS was primarily due to higher operation and maintenance expense due to plant outage timing, higher interest expense and the impact of GIC minority interest, partially offset by favorable weather, volumes and positive rate case contributions.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Three Months Ended June 30,			
	2022		2021	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 893**	**$ 1.14**	$ 751	$ 0.96
Adjustments:				
Regulatory Matters[a]	**(16)**	**(0.02)**	—	—
Mark-to-Market[b]	**16**	**0.02**	—	—
Workplace and Workforce Realignment[c]	**—**	**—**	135	0.18
Gas Pipeline Investments[d]	**—**	**—**	12	0.01
Adjusted Earnings/Adjusted EPS	**$ 893**	**$ 1.14**	$ 898	$ 1.15

(a) Net of $2 million in noncontrolling interests.
(b) Net of tax benefit of $5 million.
(c) Net of tax benefit of $40 million.
(d) Net of tax benefit of $4 million.

Six Months Ended June 30, 2022, as compared to June 30, 2021

GAAP Reported EPS was $2.22 for the six months ended June 30, 2022, compared to $2.21 for the six months ended June 30, 2021. In addition to the drivers below, GAAP reported EPS increased due to workplace and workforce realignment costs in the prior year, partially offset by the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's adjusted EPS was $2.45 for the six months ended June 30, 2022, compared to $2.41 for the six months ended June 30, 2021. The increase in adjusted EPS was primarily due to higher volumes, positive rate case contributions and favorable weather, partially offset by higher operations and maintenance expense, including storm costs, higher interest expense, the impact of GIC minority interest sale and lower returns on investments.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Six Months Ended June 30,			
	2022		2021	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 1,711**	**$ 2.22**	$ 1,704	$ 2.21
Adjustments:				
Regulatory Matters[a]	**157**	**0.21**	—	—
Mark-to-Market[b]	**16**	**0.02**	—	—
Workplace and Workforce Realignment[c]	**—**	**—**	135	0.18
Gas Pipeline Investments[d]	**—**	**—**	17	0.02
Adjusted Earnings/Adjusted EPS	**$ 1,884**	**$ 2.45**	$ 1,856	$ 2.41

(a) Net of tax benefit of $80 million and $20 million in noncontrolling interests.
(b) Net of tax benefit of $5 million.
(c) Net of tax benefit of $40 million.
(d) Net of tax benefit of $5 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)	2022	2021	Variance	2022	2021	Variance
Operating Revenues	**$ 6,135**	$ 5,335	$ 800	**$ 12,137**	$ 10,616	$ 1,521
Operating Expenses						
Fuel used in electric generation and purchased power	**1,991**	1,434	557	**3,828**	2,896	932
Operation, maintenance and other	**1,328**	1,262	66	**2,754**	2,544	210
Depreciation and amortization	**1,110**	1,013	97	**2,241**	2,070	171
Property and other taxes	**331**	308	23	**668**	619	49
Impairment of assets and other charges	**(8)**	1	(9)	**206**	1	205
Total operating expenses	**4,752**	4,018	734	**9,697**	8,130	1,567
Gains on Sales of Other Assets and Other, net	**3**	2	1	**5**	2	3
Operating Income	**1,386**	1,319	67	**2,445**	2,488	(43)
Other Income and Expenses, net	**153**	97	56	**267**	201	66
Interest Expense	**391**	361	30	**767**	701	66
Income Before Income Taxes	**1,148**	1,055	93	**1,945**	1,988	(43)
Income Tax Expense	**158**	120	38	**241**	233	8
Less: Income Attributable to Noncontrolling Interest	**16**	—	16	**7**	—	7
Segment Income	**$ 974**	$ 935	$ 39	**$ 1,697**	$ 1,755	$ (58)
Duke Energy Carolinas GWh sales	22,022	20,362	1,660	**44,571**	42,324	2,247
Duke Energy Progress GWh sales	16,915	15,799	1,116	**34,884**	32,336	2,548
Duke Energy Florida GWh sales	12,340	11,194	1,146	**22,242**	19,748	2,494
Duke Energy Ohio GWh sales	5,564	5,738	(174)	**11,561**	11,742	(181)
Duke Energy Indiana GWh sales	7,644	7,366	278	**15,594**	15,092	502
Total Electric Utilities and Infrastructure GWh sales	**64,485**	60,459	4,026	**128,852**	121,242	7,610
Net proportional MW capacity in operation				**49,459**	49,749	(290)

Three Months Ended June 30, 2022, as compared to June 30, 2021

Electric Utilities and Infrastructure's higher segment income is due to favorable weather, favorable retail sales volumes, and a favorable spent nuclear fuel storage settlement with the Department of Energy, partially offset by higher depreciation. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $459 million increase in fuel revenues primarily due to higher fuel prices and retail sales volumes;
- a $108 million increase in retail base rate pricing due to general rate cases in North Carolina, net of rider impacts as well as multiyear rate adjustments in Florida;
- a $91 million increase in retail sales due to favorable weather in the current year;
- a $47 million increase in wholesale revenues primarily due to higher capacity volumes; and
- a $28 million increase in weather-normal retail sales volumes.

Operating Expenses. The variance was driven primarily by:

- a $557 million increase in fuel used in electric generation and purchased power due to higher fuel prices and volumes from customer demand;
- a $97 million increase in depreciation and amortization primarily due to higher plant in service and resolution of prior year rate cases;
- a $66 million increase in operation, maintenance and other primarily driven by higher outage and maintenance costs; and
- a $23 million increase in property and other taxes primarily due to higher property taxes as well as higher revenue related taxes.

Other Income and Expenses, net. The increase is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage and higher AFUDC equity.

Interest Expense. The variance was primarily driven by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes. The ETRs for the three months ended June 30, 2022, and 2021, were 13.8% and 11.4%, respectively. The increase in the ETR was primarily due to a decrease in the amortization of excess deferred taxes.

Six Months Ended June 30, 2022, as compared to June 30, 2021

Electric Utilities and Infrastructure's lower segment income is due to the Indiana Supreme Court ruling on recovery of certain coal ash costs and higher storm costs, partially offset by higher retail sales volumes. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $759 million increase in fuel revenues primarily due to higher fuel prices and retail sales volumes;
- a $271 million increase in weather-normal retail sales volumes;
- a $234 million increase in retail base rate pricing due to general rate cases in North Carolina, net of rider impacts as well as multiyear rate adjustments in Florida;
- an $82 million increase in retail sales due to favorable weather compared to prior year;
- an $81 million increase in rider revenues primarily due to higher sales volumes; and
- a $77 million increase in wholesale revenues primarily due to higher capacity volumes.

Partially offset by

- a $53 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $932 million increase in fuel used in electric generation and purchased power due to higher fuel prices and volumes from customer demand;
- a $210 million increase in operation, maintenance and other primarily driven by higher storm costs and higher outage and maintenance costs;
- a $205 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs;
- a $171 million increase in depreciation and amortization primarily due to higher plant in service and resolution of prior year rate cases, partially offset by lower depreciation related to the extension of the lives of nuclear facilities; and
- a $49 million increase in property and other taxes primarily due to higher property taxes as well as higher revenue related taxes.

Other Income and Expenses, net. The increase is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage and higher AFUDC equity.

Interest Expense. The variance was primarily driven by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to a decrease in the amortization of excess deferred taxes, partially offset by a decrease in pretax income. The ETRs for the six months ended June 30, 2022, and 2021, were 12.4% and 11.7%, respectively. The increase in the ETR was primarily due to a decrease in the amortization of excess deferred taxes.

Gas Utilities and Infrastructure

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 453**	$ 327	$ 126	**$ 1,485**	$ 1,102	$ 383
Operating Expenses						
Cost of natural gas	**189**	79	110	**670**	355	315
Operation, maintenance and other	**113**	98	15	**295**	200	95
Depreciation and amortization	**82**	74	8	**161**	142	19
Property and other taxes	**33**	27	6	**74**	62	12
Total operating expenses	**417**	278	139	**1,200**	759	441
Gains on Sales of Other Assets and Other, net	**4**	—	4	**4**	—	4
Operating Income	**40**	49	(9)	**289**	343	(54)
Other Income and Expenses, Net	**19**	10	9	**36**	27	9
Interest Expense	**42**	35	7	**82**	68	14
Income Before Income Taxes	**17**	24	(7)	**243**	302	(59)
Income Tax (Benefit) Expense	**(2)**	7	(9)	**(30)**	40	(70)
Segment Income	**$ 19**	$ 17	$ 2	**$ 273**	$ 262	$ 11
Piedmont LDC throughput (dekatherms)	126,530,274	106,034,615	20,495,659	**306,717,375**	255,661,197	51,056,178
Duke Energy Midwest LDC throughput (Mcf)	16,531,986	14,842,906	1,689,080	**53,762,623**	51,951,909	1,810,714

Three Months Ended June 30, 2022, as compared to June 30, 2021

Gas Utilities and Infrastructure's results were impacted primarily by margin growth and certain favorable tax credits, partially offset by higher operation and maintenance costs. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $110 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs; and
- a $7 million increase due to base rate increases.

Operating Expenses. The variance was driven primarily by:

- a $110 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs; and
- a $15 million increase in operations, maintenance and other primarily due to higher costs for natural gas pipeline safety and integrity work, labor and benefits, customer repair plan program, and material and security purchases.

Income Tax Benefit. The decrease in tax expense was primarily due to certain favorable tax credits and an increase in the amortization of excess deferred taxes. The ETRs for the three months ended June 30, 2022, and 2021, were (11.8)% and 29.2%, respectively. The decrease in the ETR was primarily due to certain favorable tax credits and an increase in the amortization of excess deferred taxes.

Six Months Ended June 30, 2022, as compared to June 30, 2021

Gas Utilities and Infrastructure's results were impacted primarily by margin growth partially offset by higher operation and maintenance costs. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $315 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes;
- a $41 million increase due to base rate increases;
- a $15 million increase due to rider revenues related to Ohio Capital Expenditure Program (CEP); and
- a $7 million increase due to customer growth.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $315 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower residential volumes;
- a $95 million increase in operations, maintenance and other primarily due to the MGP settlement and higher costs for natural gas pipeline safety and integrity work, labor and benefits, customer repair plan program, and material and security purchases;
- a $19 million increase in depreciation and amortization due to additional plant in service and lower CEP deferrals; and
- a $12 million increase in property and other taxes due to lower CEP deferrals.

Interest Expense. The increase was primarily due to lower AFUDC debt income and higher outstanding debt.

Income Tax Benefit. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement and a decrease in pretax income. The ETRs for the six months ended June 30, 2022, and 2021, were (12.3)% and 13.2%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement.

Commercial Renewables

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 121**	$ 119	$ 2	**$ 242**	$ 238	$ 4
Operating Expenses						
Operation, maintenance and other	**82**	78	4	**164**	150	14
Depreciation and amortization	**60**	56	4	**120**	109	11
Property and other taxes	**10**	9	1	**20**	18	2
Total operating expenses	**152**	143	9	**304**	277	27
Losses on Sales of Other Assets and Other, net	**—**	**—**	—	**(1)**	—	(1)
Operating Loss	**(31)**	(24)	(7)	**(63)**	(39)	(24)
Other Income and Expenses, net	**—**	3	(3)	**—**	(22)	22
Interest Expense	**19**	20	(1)	**37**	33	4
Loss Before Income Taxes	**(50)**	(41)	(9)	**(100)**	(94)	(6)
Income Tax Benefit	**(36)**	(21)	(15)	**(69)**	(50)	(19)
Add: Loss Attributable to Noncontrolling Interests	**44**	67	(23)	**72**	118	(46)
Segment Income	**$ 30**	$ 47	$ (17)	**$ 41**	$ 74	$ (33)
Renewable plant production, GWh	**3,430**	2,787	643	**6,418**	5,375	1,043
Net proportional MW capacity in operation[(a)]				**4,759**	4,474	285

(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, 2022, as compared to June 30, 2021

Commercial Renewables' results were unfavorable to prior year primarily driven by fewer project investments financed by tax equity being placed into service in the current year and higher operating expenses from projects placed in service since the prior year.

Operating Expenses. The variance was primarily driven by an $11 million increase for higher operating expenses, depreciation, property tax expense, and other development costs from the growth of new projects, partially offset by $2 million decrease for lower operating expenses attributed to maintenance and other operating expenses.

Income Tax Benefit. The increase in the tax benefit was primarily due to an increase in production tax credits generated and a decrease in taxes associated with tax equity investments.

Loss Attributable to Noncontrolling Interests. The variance was driven by a decrease for fewer projects placed in service financed with tax equity in the current year and a net decrease in losses allocated to tax equity members from existing tax equity structures.

Six Months Ended June 30, 2022, as compared to June 30, 2021

Commercial Renewables' results were unfavorable primarily driven by fewer project investments financed by tax equity being placed into service in the current year and higher operating expenses from projects placed in service since the prior year offset by the impacts for losses experienced in the prior year from Texas Storm Uri.

Operating Expenses. The variance was primarily driven by an increase for higher operating expenses, depreciation, property tax expense and other development costs from the growth of new projects.

Other Income and Expenses, net. The increase was primarily due to $29 million of losses experienced in the prior year from Texas Storm Uri offset by a decrease in equity earnings.

Income Tax Benefit. The increase in the tax benefit was primarily due to a decrease in taxes associated with tax equity investments and an increase in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The variance was driven by a $34 million decrease for fewer projects placed in service financed with tax equity in the current year and a $12 million net decrease in losses allocated to tax equity members from existing tax equity structures offset by losses experienced in the prior year from Texas Storm Uri.

Other

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 30**	$ 27	$ 3	**$ 60**	$ 53	$ 7
Operating Expenses	**16**	208	(192)	**49**	236	(187)
Gains on Sales of Other Assets and Other, net	**—**	—	—	**1**	—	1
Operating Income (Loss)	**14**	(181)	195	**12**	(183)	195
Other Income and Expenses, net	**(7)**	32	(39)	**(13)**	53	(66)
Interest Expense	**165**	156	9	**324**	307	17
Loss Before Income Taxes	**(158)**	(305)	147	**(325)**	(437)	112
Income Tax Benefit	**(43)**	(71)	28	**(79)**	(103)	24
Less: Income Attributable to Noncontrolling Interests	**1**	—	1	**1**	—	1
Less: Preferred Dividends	**14**	14	—	**53**	53	—
Net Loss	**$ (130)**	$ (248)	$ 118	**$ (300)**	$ (387)	$ 87

Three Months Ended June 30, 2022, as compared to June 30, 2021

The lower net loss was driven by prior year 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 and by higher equity earnings from the NMC investment, partially offset by lower return on investments that fund certain employee benefit obligations.

Operating Expenses. The decrease was primarily driven by prior year 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 return on investments that fund certain employee benefit obligations partially offset by higher equity earnings from the NMC investment.

Interest Expense. The variance was primarily due to higher interest rates on commercial paper and higher outstanding long-term debt.

Income Tax Benefit. The decrease in the tax benefit was primarily due to a decrease in pretax losses. The ETRs for the three months ended June 30, 2022, and 2021, were 27.2% and 23.3%, respectively. The increase in the ETR was primarily due to higher equity earnings from the NMC investment.

Six Months Ended June 30, 2022, as compared to June 30, 2021

The lower net loss was driven by prior year 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, partially offset by lower return on investments that fund certain employee benefit obligations.

Operating Expenses. The decrease was primarily driven by prior year 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 return on investments that fund certain employee benefit obligations partially offset by higher equity earnings from the NMC investment.

Interest Expense. The variance was primarily due to higher outstanding long-term debt and higher interest rates on commercial paper.

Income Tax Benefit. The decrease in the tax benefit was primarily due to a decrease in pretax losses.

DUKE ENERGY CAROLINAS

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 3,669**	$ 3,326	$ 343
Operating Expenses			
Fuel used in electric generation and purchased power	**879**	766	113
Operation, maintenance and other	**974**	876	98
Depreciation and amortization	**763**	722	41
Property and other taxes	**170**	157	13
Impairment of assets and other charges	**(9)**	75	(84)
Total operating expenses	**2,777**	2,596	181
Gains on Sales of Other Assets and Other, net	**—**	2	(2)
Operating Income	**892**	732	160
Other Income and Expenses, net	**113**	92	21
Interest Expense	**284**	263	21
Income Before Income Taxes	**721**	561	160
Income Tax Expense	**53**	24	29
Net Income	**$ 668**	$ 537	$ 131

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	**2022**
Residential sales	**(0.4)%**
General service sales	**7.1 %**
Industrial sales	**8.1 %**
Wholesale power sales	**(1.8)%**
Joint dispatch sales	**(50.6)%**
Total sales	**5.3 %**
Average number of customers	**1.9 %**

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $150 million increase in weather-normal retail sales volumes;
- an $85 million increase in fuel revenues due to higher fuel prices and weather-normal retail sales volumes in the current year;
- a $36 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers; and
- a $32 million increase in rider revenues primarily due to energy efficiency, storm securitization, and competitive procurement of renewable energy programs.

Operating Expenses. The variance was driven primarily by:

- a $113 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal prices;
- a $98 million increase in operation, maintenance and other expense primarily due to higher storm restoration costs and higher outage and maintenance costs; and
- a $41 million increase in depreciation and amortization primarily due to an increase in assets placed into service, and new depreciation rates associated with the North Carolina rate case, partially offset by the extension of the lives of nuclear facilities.

Partially offset by:

- an $84 million decrease in impairment of assets and other charges due to the prior year 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 an adjustment to the South Carolina Supreme Court decision on coal ash.

Other Income and Expenses. The variance was driven by an increase in AFUDC equity due to higher AFUDC base.

Interest Expense. The variance was driven by interest expense on excess deferred tax liabilities.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income, partially offset by amortization of excess deferred taxes.

PROGRESS ENERGY

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 6,206**	$ 5,184	$ 1,022
Operating Expenses			
Fuel used in electric generation and purchased power	**2,322**	1,628	694
Operation, maintenance and other	**1,248**	1,227	21
Depreciation and amortization	**1,045**	926	119
Property and other taxes	**303**	275	28
Impairment of assets and other charges	**4**	37	(33)
Total operating expenses	**4,922**	4,093	829
Gains on Sales of Other Assets and Other, net	**3**	1	2
Operating Income	**1,287**	1,092	195
Other Income and Expenses, net	**105**	81	24
Interest Expense	**419**	392	27
Income Before Income Taxes	**973**	781	192
Income Tax Expense	**160**	80	80
Net Income	**813**	701	112
Less: Net Income Attributable to Noncontrolling Interests	**1**	—	1
Net Income Attributable to Parent	**$ 812**	$ 701	$ 111

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $610 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $198 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 2021 Settlement Agreement and the solar base rate adjustment;
- a $97 million increase in weather-normal retail sales volumes;
- a $36 million increase in retail sales due to favorable weather; and
- a $23 million increase in wholesale revenues, net of fuel, due to higher capacity volumes at Duke Energy Florida.

Partially offset by:

- a $43 million decrease in capacity revenue primarily due to accelerated recovery of retired Crystal River coal units in 2021.

Operating Expenses. The variance was driven primarily by:

- a $694 million increase in fuel used in electric generation and purchased power primarily due to higher demand and higher natural gas prices;
- a $119 million increase in depreciation and amortization primarily due to increased rates at Duke Energy Florida and higher amortization of deferred coal ash and storm costs at Duke Energy Progress, partially offset by the extension of the lives at nuclear facilities at Duke Energy Progress;
- a $28 million increase in property and other taxes primarily due to an increase in gross receipts taxes at Duke Energy Florida; and
- a $21 million increase in operation, maintenance and other expense primarily due to higher storm costs at Duke Energy Progress.

Partially offset by:

- a $33 million decrease in impairment of assets and other charges due to the prior year optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to hybrid and remote workforce strategy.

Other Income and Expenses, net. The increase is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities at Duke Energy Progress and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

DUKE ENERGY PROGRESS

Results of Operations

	Six Months Ended June 30,		
(in millions)	2022	2021	Variance
Operating Revenues	**$ 3,213**	$ 2,750	$ 463
Operating Expenses			
Fuel used in electric generation and purchased power	**1,167**	845	322
Operation, maintenance and other	**751**	724	27
Depreciation and amortization	**577**	521	56
Property and other taxes	**90**	90	—
Impairment of assets and other charges	**4**	18	(14)
Total operating expenses	**2,589**	2,198	391
Gains on Sales of Other Assets and Other, net	**1**	1	—
Operating Income	**625**	553	72
Other Income and Expenses, net	**54**	44	10
Interest Expense	**175**	147	28
Income Before Income Taxes	**504**	450	54
Income Tax Expense	**70**	25	45
Net Income	**$ 434**	$ 425	$ 9

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	2022
Residential sales	**(0.9)%**
General service sales	**8.4 %**
Industrial sales	**16.3 %**
Wholesale power sales	**2.8 %**
Joint dispatch sales	**61.4 %**
Total sales	**7.9 %**
Average number of customers	**2.0 %**

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $291 million increase in fuel revenues due to higher fuel prices and retail sales volumes in the current year;
- a $111 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers;
- a $19 million increase in weather-normal retail sales volumes; and
- a $10 million increase in retail sales due to favorable weather compared to prior year.

Operating Expenses. The variance was driven primarily by:

- a $322 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal prices;
- a $56 million increase in depreciation and amortization due to higher amortization of deferred coal ash costs and amortization related to deferred storm costs, partially offset by lower depreciation related to the extension of the lives of nuclear facilities; and
- a $27 million increase in operation, maintenance and other expense primarily due to higher storm costs.

Partially offset by:

- a $14 million decrease in impairment of assets and other charges due to the prior year optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to hybrid and remote workforce strategy.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

DUKE ENERGY FLORIDA

Results of Operations

	Six Months Ended June 30,		
(in millions)	2022	2021	Variance
Operating Revenues	$ **2,983**	$ 2,426	$ 557
Operating Expenses			
Fuel used in electric generation and purchased power	**1,155**	783	372
Operation, maintenance and other	**490**	497	(7)
Depreciation and amortization	**468**	405	63
Property and other taxes	**212**	185	27
Impairment of assets and other charges	**—**	19	(19)
Total operating expenses	**2,325**	1,889	436
Gains on Sales of Other Assets and Other, net	**2**	—	2
Operating Income	**660**	537	123
Other Income and Expenses, net	**55**	36	19
Interest Expense	**174**	160	14
Income Before Income Taxes	**541**	413	128
Income Tax Expense	**109**	79	30
Net Income	$ **432**	$ 334	$ 98

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	2022
Residential sales	**2.1 %**
General service sales	**4.0 %**
Industrial sales	**6.2 %**
Wholesale and other	**63.3 %**
Total sales	**12.6 %**
Average number of customers	**1.8 %**

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $319 million increase in fuel revenue primarily due to higher retail sales volumes and a higher fuel rate in the current year in response to an increase in natural gas prices;
- an $87 million increase in retail pricing due to base rate adjustments related to annual increases from the 2021 Settlement Agreement and the solar base rate adjustment;
- a $78 million increase in weather-normal retail sales volumes;
- a $37 million increase in rider revenues primarily due to increased Storm Protection Plan rider revenue driven by higher debt and equity returns from increased capital expenditures in the current year;
- a $26 million increase in retail sales due to favorable weather in the current year; and
- a $23 million increase in wholesale power revenues, net of fuel, primarily due to higher capacity revenues and bulk power sales.

Partially offset by:

- a $43 million decrease in capacity revenue primarily due to accelerated recovery of the retired coal units Crystal River 1 and 2 in 2021.

Operating Expenses. The variance was driven primarily by:

- a $372 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices;
- a $63 million increase in depreciation and amortization primarily due to an increase in depreciation rates starting in January 2022; and
- a $27 million increase in property and other taxes primarily due to an increase in gross receipts taxes.

Partially offset by:

- a $19 million decrease in impairment of assets and other charges due to the prior year optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to hybrid and remote workforce strategy.

Other Income and Expense, net. The increase is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage.

Interest Expense. The increase in interest expense was primarily due to higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income.

DUKE ENERGY OHIO

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues			
Regulated electric	**$ 813**	$ 706	$ 107
Regulated natural gas	**370**	282	88
Total operating revenues	**1,183**	988	195
Operating Expenses			
Fuel used in electric generation and purchased power	**254**	175	79
Cost of natural gas	**153**	67	86
Operation, maintenance and other	**287**	219	68
Depreciation and amortization	**163**	149	14
Property and other taxes	**193**	175	18
Impairment of assets and other charges	**—**	5	(5)
Total operating expenses	**1,050**	790	260
Gains on Sales of Other Assets and Other, net	**1**	—	1
Operating Income	**134**	198	(64)
Other Income and Expenses, net	**12**	10	2
Interest Expense	**60**	53	7
Income Before Income Taxes	**86**	155	(69)
Income Tax (Benefit) Expense	**(47)**	25	(72)
Net Income	**$ 133**	$ 130	$ 3

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	**2022**	**2022**
Residential sales	**0.2 %**	**5.4 %**
General service sales	**(9.7)%**	**6.0 %**
Industrial sales	**(16.5)%**	**5.7 %**
Wholesale electric power sales	**(18.5)%**	**n/a**
Other natural gas sales	**n/a**	**(4.6)%**
Total sales	**(1.5)%**	**3.5 %**
Average number of customers	**1.2 %**	**1.7 %**

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $139 million increase in fuel related revenues primarily due to higher natural gas prices and increased natural gas volumes;
- a $21 million increase in other electric revenues primarily due to Distribution Decoupling rider adjustments recorded in 2021;
- an $18 million increase in retail revenue riders, primarily due to the Ohio CEP, Distribution Capital Investment Rider (DCI);
- a $13 million increase in revenues related to OVEC collections and OVEC sales into PJM; and
- an $8 million increase in PJM transmission revenues as a result of increased capital spend.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $165 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas and purchased power;
- a $68 million increase in operation, maintenance and other expense primarily due to the MGP settlement and higher storm costs;
- an $18 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 partially offset by Sales and Use Tax and the Ohio Kilowatt Tax; and
- a $14 million increase in depreciation and amortization primarily driven by lower CEP deferrals and an increase in distribution plant in service.

Income Tax Benefit. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement and a decrease in pretax income.

DUKE ENERGY INDIANA

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,740**	$ 1,480	$ 260
Operating Expenses			
Fuel used in electric generation and purchased power	**678**	418	260
Operation, maintenance and other	**374**	370	4
Depreciation and amortization	**311**	304	7
Property and other taxes	**47**	41	6
Impairment of assets and other charges	**211**	8	203
Total operating expenses	**1,621**	1,141	480
Losses on Sales of Other Assets and Other, net	**—**	(1)	1
Operating Income	**119**	338	(219)
Other Income and Expenses, net	**18**	19	(1)
Interest Expense	**90**	99	(9)
Income Before Income Taxes	**47**	258	(211)
Income Tax (Benefit) Expense	**(23)**	43	(66)
Net Income	**$ 70**	$ 215	$ (145)

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	**2022**
Residential sales	**0.8 %**
General service sales	**4.4 %**
Industrial sales	**(14.6)%**
Wholesale power sales	**16.6 %**
Total sales	**3.3 %**
Average number of customers	**1.4 %**

Six Months Ended June 30, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $221 million increase in fuel revenues primarily due to higher fuel cost recovery driven by retail sales volumes and fuel prices;
- a $54 million increase in wholesale revenues primarily driven by higher fuel rates and BPM sharing provision;
- an $18 million increase in weather-normal retail sales volumes driven by higher nonresidential customer demand;
- a $12 million increase primarily due to Energy Efficiency and Renewables riders; and
- an $11 million increase in retail sales due to favorable weather in the current year.

Partially offset by:

- a $53 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $260 million increase in fuel used in electric generation and purchased power expense primarily due to higher purchased power expense and higher coal and natural gas costs; and
- a $203 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Income Tax Benefit. The decrease in tax expense was primarily due the change in pretax income and excess deferred income taxes from the coal ash impairment.

PIEDMONT

Results of Operations

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,115**	$ 821	$ 294
Operating Expenses			
Cost of natural gas	**517**	288	229
Operation, maintenance and other	**183**	154	29
Depreciation and amortization	**110**	99	11
Property and other taxes	**31**	28	3
Impairment of assets and other charges	**—**	5	(5)
Total operating expenses	**841**	574	267
Gains on Sales of Other Assets and Other, net	**4**	—	4
Operating Income	**278**	247	31
Other Income and Expenses, net	**28**	35	(7)
Interest Expense	**66**	59	7
Income Before Income Taxes	**240**	223	17
Income Tax Expense	**27**	24	3
Net Income	**$ 213**	$ 199	$ 14

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	**2022**
Residential deliveries	**(5.0)%**
Commercial deliveries	**0.7 %**
Industrial deliveries	**0.8 %**
Power generation deliveries	**38.2 %**
For resale	**(3.9)%**
Total throughput deliveries	**20.0 %**
Secondary market volumes	**28.8 %**
Average number of customers	**1.5 %**

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, 2022, as compared to June 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $229 million increase due to higher natural gas costs passed through to customers and increased off-system natural sales gas costs, partially offset by lower volumes billed;
- a $41 million increase due to base rate increases; and
- a $7 million increase due to customer growth.

Operating Expenses. The variance was driven primarily by:

- a $229 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs, partially offset by lower volumes billed;
- a $29 million increase in operation, maintenance and other due higher costs for natural gas pipeline safety and integrity work, labor and benefits, customer repair plan program, and material and security purchases; and
- an $11 million increase in depreciation and amortization due to additional plant in service.

Other Income and Expenses, net. The decrease was primarily due to lower AFUDC equity income.

Interest Expense. The increase was primarily due to lower AFUDC debt income and higher outstanding debt.

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. Additionally, due to its existing tax attributes, Duke Energy does not expect to be a significant federal cash taxpayer until around 2030. Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021, included a summary and detailed discussion of projected primary sources and uses of cash for 2022 to 2024.

As of June 30, 2022, Duke Energy had approximately $428 million of cash on hand and $5.4 billion available under its $9 billion Master 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.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

	Six Months Ended June 30,	
(in millions)	**2022**	**2021**
Cash flows provided by (used in):		
Operating activities	**$ 4,035**	$ 3,873
Investing activities	**(5,492)**	(5,614)
Financing activities	**1,576**	1,750
Net increase in cash, cash equivalents and restricted cash	**119**	9
Cash, cash equivalents and restricted cash at beginning of period	**520**	556
Cash, cash equivalents and restricted cash at end of period	**$ 639**	$ 565

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Net income	**$ 1,700**	$ 1,639	$ 61
Non-cash adjustments to net income	**2,971**	2,915	56
Payments for asset retirement obligations	**(255)**	(263)	8
Working capital	**(381)**	(418)	37
Net cash provided by operating activities	**$ 4,035**	$ 3,873	$ 162

The variance is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage as well as timing of accruals and payments in working capital accounts.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Capital, investment and acquisition expenditures	**$ (5,149)**	$ (4,657)	$ (492)
Other investing items	**(343)**	(957)	614
Net cash used in investing activities	**$ (5,492)**	$ (5,614)	$ 122

The variance relates primarily to payment made in 2021 to fund ACP's outstanding debt and lower overall investments in the Gas Utilities and Infrastructure and Commercial Renewables segments, partially offset by increases in capital expenditures due to higher overall investments in the Electric Utilities and Infrastructure segment.

FINANCING CASH FLOWS

The following table summarizes key components of Duke Energy's financing cash flows.

	Six Months Ended June 30,		
(in millions)	**2022**	**2021**	**Variance**
Issuances of long-term debt, net	**$ 2,567**	$ 2,625	$ (58)
Issuances of common stock	**—**	5	(5)
Notes payable, commercial paper and other short-term borrowings	**558**	415	143
Dividends paid	**(1,574)**	(1,541)	(33)
Contributions from noncontrolling interests	**126**	318	(192)
Other financing items	**(101)**	(72)	(29)
Net cash provided by financing activities	**$ 1,576**	$ 1,750	$ (174)

The variance was primarily due to:

- a $192 million decrease in contributions from noncontrolling interests due to fewer project investments financed by tax equity being placed into service in the current year; and
- a $58 million decrease in net proceeds from issuances of long-term debt, primarily due to timing of issuances and redemptions of long-term debt.

Partially offset by:

- a $143 million increase in net borrowings from notes payable and commercial paper.

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.

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.

Foreign Currency Exchange Risk

Duke Energy is exposed to risk resulting from changes in the foreign currency exchange rates as a result of its issuances of long-term debt denominated in a foreign currency. Duke Energy manages foreign currency exchange risk exposure by entering into cross-currency swaps, a type of financial derivative instrument, which mitigate foreign currency exchange exposure. See Notes 5, 8 and 10 to the Condensed Consolidated Financial Statements, "Debt and Credit Facilities," "Derivatives and Hedging" and "Fair Value Measurements," respectively.

Credit Risk

Duke Energy is subject to credit risk from transactions with counterparties to cross-currency swaps related to future interest and principal payments. The credit exposure to such counterparties may take the form of higher costs to meet Duke Energy's future Euro-denominated interest and principal payments in the event of counterparty default. Duke Energy selects highly-rated banks as counterparties and allocates the hedge for each debt issuance across multiple counterparties. The master agreements with the counterparties impose collateral requirements on the parties in certain circumstances indicative of material deterioration in a party's creditworthiness.

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, 2022, 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 June 30, 2022, 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, 2021.

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, 2021, 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, 2021.

The Duke Energy Registrants rely on access to short-term borrowings and longer-term debt and equity markets to finance their capital requirements and support their liquidity needs. Access to those markets can be adversely affected by a number of conditions, many of which are beyond the Duke Energy Registrants’ control.

The Duke Energy Registrants’ businesses are significantly financed through issuances of debt and equity. The maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from their assets. Accordingly, as a source of liquidity for capital requirements not satisfied by the cash flows from their operations and to fund investments originally financed through debt instruments with disparate maturities, the Duke Energy Registrants rely on access to short-term money markets as well as longer-term capital markets. The Subsidiary Registrants also rely on access to short-term intercompany borrowings. If the Duke Energy Registrants are not able to access debt or equity at competitive rates or at all, the ability to finance their operations and implement their strategy and business plan as scheduled could be adversely affected. An inability to access debt and equity may limit the Duke Energy Registrants’ ability to pursue improvements or acquisitions that they may otherwise rely on for future growth.

Market disruptions may increase the cost of borrowing or adversely affect the ability to access one or more financial markets. Such disruptions could include: economic downturns, unfavorable capital market conditions, market prices for natural gas and coal, geopolitical risks, actual or threatened terrorist attacks, or the overall health of the energy industry. Additionally, rapidly rising interest rates could impact the ability to affordably finance the capital plan or increase rates to customers and could have an impact on our ability to execute on our clean energy strategy. The availability of credit under Duke Energy’s Master Credit Facility depends upon the ability of the banks providing commitments under the facility to provide funds when their obligations to do so arise. Systemic risk of the banking system and the financial markets could prevent a bank from meeting its obligations under the facility agreement.

Duke Energy maintains a revolving credit facility to provide backup for its commercial paper program and letters of credit to support variable rate demand tax-exempt bonds that may be put to the Duke Energy Registrant issuer at the option of the holder. The facility includes borrowing sublimits for the Duke Energy Registrants, each of whom is a party to the credit facility, and financial covenants that limit the amount of debt that can be outstanding as a percentage of the total capital for the specific entity. Failure to maintain these covenants at a particular entity could preclude Duke Energy from issuing commercial paper or the Duke Energy Registrants from issuing letters of credit or borrowing under the Master Credit Facility.

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-seventh Supplemental Indenture, dated as of June 15, 2022, 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 registrant's Current Report on Form 8-K filed on June 16, 2022, File No. 1-32853).	X							
4.2	Twelfth Supplemental Indenture dated as of May 13, 2022 between Piedmont Natural Gas Company, Inc. and The Bank of New York Mellon Trust Company, N.A., as successor to Citibank, N.A. and form of global notes (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on May 13, 2022, File No. 1-6196).								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		

EXHIBITS

*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 its XBRL tags are embedded within the Inline XBRL document).	X	X	X	X	X	X	X	X

EXHIBITS

*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: August 4, 2022

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Date: August 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/s/ LYNN J. GOOD

Lynn J. Good
Chief Executive 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: August 4, 2022

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial 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 4, 2022

/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 4, 2022

/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 4, 2022

/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 4, 2022

/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: August 4, 2022

/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: August 4, 2022

/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: August 4, 2022

/s/ STEVEN K. YOUNG

Steven K. Young
Executive Vice President and Chief Financial Officer

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 June 30, 2022, 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

August 4, 2022

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 September 30, 2022

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) 526 South Church 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	5.625% 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
Duke Energy	3.10% Senior Notes due 2028	DUK 28A	New York Stock Exchange LLC
Duke Energy	3.85% Senior Notes due 2034	DUK 34	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 October 31, 2022:

Registrant	Description	Shares
Duke Energy	Common stock, $0.001 par value	770,062,772

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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Glossary of Terms

The following terms or acronyms used in this Form 10-Q are defined below:

Term or Acronym	Definition
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
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligations
Bison	Bison Insurance Company Limited
Board of Directors	Duke Energy Board of Directors
CCR	Coal Combustion Residuals
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
DOE	Department of Energy
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 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
EPS	Earnings Per Share
ERCOT	Electric Reliability Council of Texas
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
GIC	GIC Private Limited, Singapore's sovereign wealth fund and an experienced investor in U.S. infrastructure
GWh	Gigawatt-hours
IRA	Inflation Reduction Act
IRS	Internal Revenue Service
IURC	Indiana Utility Regulatory Commission

GLOSSARY OF TERMS

KPSC	Kentucky Public Service Commission
LLC	Limited Liability Company
MGP	Manufactured gas plant
MGP Settlement	Stipulation and Recommendation filed jointly by Duke Energy Ohio the staff of the PUCO, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021
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
TPUC	Tennessee Public Utility Commission
U.S.	United States
VIE	Variable Interest Entity

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, asset retirement and construction costs related to carbon emissions reductions, 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, reduced customer usage due to cost pressures from inflation or fuel costs, and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts, natural gas building and appliance electrification, 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, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, 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 investor, customer and other stakeholder 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, an individual utility's generation mix, 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;

FORWARD-LOOKING STATEMENTS

- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values;
- Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana, may not yield the anticipated benefits;
- 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 its carbon emission reduction goals.

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

ITEM 1. FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	**2022**	**2021**	**2022**	**2021**
Operating Revenues				
Regulated electric	**$ 7,374**	$ 6,495	**$ 19,381**	$ 16,972
Regulated natural gas	**397**	263	**1,824**	1,314
Nonregulated electric and other	**197**	193	**580**	573
Total operating revenues	**7,968**	6,951	**21,785**	18,859
Operating Expenses				
Fuel used in electric generation and purchased power	**2,629**	1,844	**6,418**	4,702
Cost of natural gas	**189**	75	**859**	430
Operation, maintenance and other	**1,394**	1,507	**4,471**	4,319
Depreciation and amortization	**1,364**	1,265	**3,986**	3,698
Property and other taxes	**378**	371	**1,149**	1,073
Impairment of assets and other charges	**(4)**	211	**202**	342
Total operating expenses	**5,950**	5,273	**17,085**	14,564
Gains on Sales of Other Assets and Other, net	**6**	9	**16**	11
Operating Income	**2,024**	1,687	**4,716**	4,306
Other Income and Expenses				
Equity in earnings of unconsolidated affiliates	**26**	22	**87**	14
Other income and expenses, net	**89**	238	**293**	493
Total other income and expenses	**115**	260	**380**	507
Interest Expense	**621**	581	**1,815**	1,688
Income From Continuing Operations Before Income Taxes	**1,518**	1,366	**3,281**	3,125
Income Tax Expense From Continuing Operations	**128**	90	**191**	210
Income From Continuing Operations	**1,390**	1,276	**3,090**	2,915
Income From Discontinued Operations, net of tax	**23**	—	**23**	—
Net Income	**1,413**	1,276	**3,113**	2,915
Add: Net Loss Attributable to Noncontrolling Interests	**9**	129	**73**	247
Net Income Attributable to Duke Energy Corporation	**1,422**	1,405	**3,186**	3,162
Less: Preferred Dividends	**39**	39	**92**	92
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 1,383**	$ 1,366	**$ 3,094**	$ 3,070
Earnings Per Share – Basic and Diluted				
Income from continuing operations available to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 1.78**	$ 1.79	**$ 4.00**	$ 4.00
Income from discontinued operations attributable to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 0.03**	$ —	**$ 0.03**	$ —
Net income available to Duke Energy Corporation common stockholders				
Basic and Diluted	**$ 1.81**	$ 1.79	**$ 4.03**	$ 4.00
Weighted Average Shares Outstanding				
Basic and Diluted	**770**	769	**770**	769

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Net Income	**$ 1,413**	$ 1,276	**$ 3,113**	$ 2,915
Other Comprehensive Income (Loss), net of tax[(a)]				
Pension and OPEB adjustments	**(7)**	1	**(3)**	3
Net unrealized gains (losses) on cash flow hedges	**14**	9	**276**	(59)
Reclassification into earnings from cash flow hedges	**—**	2	**9**	9
Net unrealized losses on fair value hedges	**(8)**	—	**(20)**	—
Unrealized gains (losses) on available-for-sale securities	**1**	(2)	**(20)**	(6)
Other Comprehensive Income (Loss), net of tax	**—**	10	**242**	(53)
Comprehensive Income	**1,413**	1,286	**3,355**	2,862
Add: Comprehensive Loss Attributable to Noncontrolling Interests	**4**	128	**56**	240
Comprehensive Income Attributable to Duke Energy	**1,417**	1,414	**3,411**	3,102
Less: Preferred Dividends	**39**	39	**92**	92
Comprehensive Income Available to Duke Energy Corporation Common Stockholders	**$ 1,378**	$ 1,375	**$ 3,319**	$ 3,010

(a) Net of income tax expense of approximately $72 million for the nine months ended September, 30, 2022 and income tax benefit of $16 million for the nine months ended September 30, 2021. All other periods presented include immaterial income tax impacts.

DUKE ENERGY CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 453	$ 343
Receivables (net of allowance for doubtful accounts of $38 at 2022 and $46 at 2021)	1,092	1,173
Receivables of VIEs (net of allowance for doubtful accounts of $136 at 2022 and $76 at 2021)	3,120	2,437
Inventory	3,487	3,199
Regulatory assets (includes $105 at 2022 and 2021 related to VIEs)	3,576	2,150
Other (includes $243 at 2022 and $256 at 2021 related to VIEs)	1,244	638
Total current assets	12,972	9,940
Property, Plant and Equipment		
Cost	169,053	161,819
Accumulated depreciation and amortization	(53,241)	(50,555)
Facilities to be retired, net	95	144
Net property, plant and equipment	115,907	111,408
Other Noncurrent Assets		
Goodwill	19,303	19,303
Regulatory assets (includes $1,742 at 2022 and $1,823 at 2021 related to VIEs)	13,835	12,487
Nuclear decommissioning trust funds	8,123	10,401
Operating lease right-of-use assets, net	1,199	1,266
Investments in equity method unconsolidated affiliates	951	970
Other (includes $164 at 2022 and $92 at 2021 related to VIEs)	4,050	3,812
Total other noncurrent assets	47,461	48,239
Total Assets	$ 176,340	$ 169,587
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 4,175	$ 3,629
Notes payable and commercial paper	3,606	3,304
Taxes accrued	946	749
Interest accrued	596	533
Current maturities of long-term debt (includes $635 at 2022 and $243 at 2021 related to VIEs)	3,249	3,387
Asset retirement obligations	798	647
Regulatory liabilities	1,338	1,211
Other	2,204	2,471
Total current liabilities	16,912	15,931
Long-Term Debt (includes $4,387 at 2022 and $4,854 at 2021 related to VIEs)	66,060	60,448
Other Noncurrent Liabilities		
Deferred income taxes	10,244	9,379
Asset retirement obligations	12,152	12,129
Regulatory liabilities	14,017	16,152
Operating lease liabilities	1,004	1,074
Accrued pension and other post-retirement benefit costs	995	855
Investment tax credits	851	833
Other (includes $202 at 2022 and $319 at 2021 related to VIEs)	1,936	1,650
Total other noncurrent liabilities	41,199	42,072
Commitments and Contingencies		
Equity		
Preferred stock, Series A, $0.001 par value, 40 million depositary shares authorized and outstanding at 2022 and 2021	973	973
Preferred stock, Series B, $0.001 par value, 1 million shares authorized and outstanding at 2022 and 2021	989	989
Common stock, $0.001 par value, 2 billion shares authorized; 770 million shares outstanding at 2022 and 769 million shares outstanding at 2021	1	1
Additional paid-in capital	44,397	44,371
Retained earnings	4,063	3,265
Accumulated other comprehensive loss	(78)	(303)
Total Duke Energy Corporation stockholders' equity	50,345	49,296
Noncontrolling interests	1,824	1,840
Total equity	52,169	51,136
Total Liabilities and Equity	$ 176,340	$ 169,587

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 3,113**	$ 2,915
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**4,414**	4,189
Equity component of AFUDC	**(151)**	(126)
Impairment of assets and other charges	**202**	342
Deferred income taxes	**209**	206
Equity in earnings of unconsolidated affiliates	**(87)**	(14)
Contributions to qualified pension plans	**(58)**	—
Payments for asset retirement obligations	**(418)**	(389)
Provision for rate refunds	**(97)**	(41)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**33**	116
Receivables	**(356)**	(167)
Inventory	**(290)**	268
Other current assets[(a)]	**(2,403)**	(643)
Increase (decrease) in		
Accounts payable	**504**	(146)
Taxes accrued	**206**	431
Other current liabilities	**263**	10
Other assets	**(84)**	199
Other liabilities	**188**	77
Net cash provided by operating activities	**5,188**	7,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(8,148)**	(7,089)
Contributions to equity method investments	**(37)**	(30)
Purchases of debt and equity securities	**(3,619)**	(4,292)
Proceeds from sales and maturities of debt and equity securities	**3,691**	4,335
Disbursements to canceled equity method investments	**—**	(855)
Other	**(517)**	(269)
Net cash used in investing activities	**(8,630)**	(8,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the:		
Issuance of long-term debt	**9,466**	6,379
Issuance of common stock	**—**	5
Payments for the redemption of long-term debt	**(3,803)**	(3,696)
Proceeds from the issuance of short-term debt with original maturities greater than 90 days	**80**	109
Payments for the redemption of short-term debt with original maturities greater than 90 days	**(287)**	(997)
Notes payable and commercial paper	**476**	165
Contributions from noncontrolling interests	**132**	1,556
Dividends paid	**(2,389)**	(2,340)
Other	**(124)**	(21)
Net cash provided by financing activities	**3,551**	1,160
Net increase in cash, cash equivalents and restricted cash	**109**	187
Cash, cash equivalents and restricted cash at beginning of period	**520**	556
Cash, cash equivalents and restricted cash at end of period	**$ 629**	$ 743
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 1,387**	$ 998

(a) Includes approximately $2.2 billion of under-collected deferred fuel regulatory assets for the nine months ended September 30, 2022

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Hedges[c]	Net Unrealized (Losses) Gains on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at June 30, 2021	$ 1,962	769	$ 1	$ 43,788	$ 2,687	$ (234)	$ 2	$ (74)	$ 48,132	$ 1,413	$ 49,545
Net income (loss)	—	—	—	—	1,366	—	—	—	1,366	(129)	1,237
Other comprehensive income (loss)	—	—	—	—	—	10	(2)	1	9	1	10
Common stock issuances, including dividend reinvestment and employee benefits	—	—	—	20	—	—	—	—	20	—	20
Common stock dividends	—	—	—	—	(760)	—	—	—	(760)	—	(760)
Sale of noncontrolling interest[a]	—	—	—	545	—	—	—	—	545	454	999
Contribution from noncontrolling interests, net of transaction costs[b]	—	—	—	(3)	—	—	—	—	(3)	213	210
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(22)	(22)
Other	—	—	—	(2)	—	—	—	—	(2)	3	1
Balance at September 30, 2021	$ 1,962	$ 769	$ 1	$ 44,348	$ 3,293	$ (224)	$ —	$ (73)	$ 49,307	$ 1,933	$ 51,240
Balance at June 30, 2022	$ 1,962	770	$ 1	$ 44,373	$ 3,457	$ 15	$ (23)	$ (65)	$ 49,720	$ 1,864	$ 51,584
Net income (loss)	**—**	**—**	**—**	**—**	**1,383**	**—**	**—**	**—**	**1,383**	**(9)**	**1,374**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**1**	**1**	**(7)**	**(5)**	**5**	**—**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**—**	**—**	**21**	**—**	**—**	**—**	**—**	**21**	**—**	**21**
Common stock dividends	**—**	**—**	**—**	**—**	**(776)**	**—**	**—**	**—**	**(776)**	**—**	**(776)**
Contribution from noncontrolling interests, net of transaction costs[b]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**6**	**6**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(42)**	**(42)**
Other	**—**	**—**	**—**	**3**	**(1)**	**—**	**—**	**—**	**2**	**—**	**2**
Balance at September 30, 2022	**$ 1,962**	**$ 770**	**$ 1**	**$ 44,397**	**$ 4,063**	**$ 16**	**$ (22)**	**$ (72)**	**$ 50,345**	**$ 1,824**	**$ 52,169**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CORPORATION
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Nine Months Ended September 30, 2021 and 2022										
						Accumulated Other Comprehensive (Loss) Income					
(in millions)	Preferred Stock	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Hedges[c]	Net Unrealized Gains (Losses) on Available-for-Sale-Securities	Pension and OPEB Adjustments	Total Duke Energy Corporation Stockholders' Equity	Non-controlling Interests	Total Equity
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)	—	—	—	—	3,070	—	—	—	3,070	(247)	2,823
Other comprehensive (loss) income	—	—	—	—	—	(57)	(6)	3	(60)	7	(53)
Common stock issuances, including dividend reinvestment and employee benefits	—	—	—	43	—	—	—	—	43	—	43
Common stock dividends	—	—	—	—	(2,248)	—	—	—	(2,248)	—	(2,248)
Sale of noncontrolling interest[a]	—	—	—	545	—	—	—	—	545	454	999
Contributions from noncontrolling interests, net of transaction costs[b]	—	—	—	(6)	—	—	—	—	(6)	531	525
Distributions to noncontrolling interest in subsidiaries	—	—	—	—	—	—	—	—	—	(34)	(34)
Other	—	—	—	(1)	—	—	—	—	(1)	2	1
Balance at September 30, 2021	$ 1,962	769	$ 1	$ 44,348	$ 3,293	$ (224)	$ —	$ (73)	$ 49,307	$ 1,933	$ 51,240
Balance at December 31, 2021	$ 1,962	769	$ 1	$ 44,371	$ 3,265	$ (232)	$ (2)	$ (69)	$ 49,296	$ 1,840	$ 51,136
Net income (loss)	**—**	**—**	**—**	**—**	**3,094**	**—**	**—**	**—**	**3,094**	**(73)**	**3,021**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**248**	**(20)**	**(3)**	**225**	**17**	**242**
Common stock issuances, including dividend reinvestment and employee benefits	**—**	**1**	**—**	**41**	**—**	**—**	**—**	**—**	**41**	**—**	**41**
Common stock dividends	**—**	**—**	**—**	**—**	**(2,297)**	**—**	**—**	**—**	**(2,297)**	**—**	**(2,297)**
Sale of noncontrolling interest	**—**	**—**	**—**	**(17)**	**—**	**—**	**—**	**—**	**(17)**	**38**	**21**
Contributions from noncontrolling interests, net of transaction costs[b]	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**94**	**94**
Distributions to noncontrolling interest in subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(92)**	**(92)**
Other	**—**	**—**	**—**	**2**	**1**	**—**	**—**	**—**	**3**	**—**	**3**
Balance at September 30, 2022	**$ 1,962**	**770**	**$ 1**	**$ 44,397**	**$ 4,063**	**$ 16**	**$ (22)**	**$ (72)**	**$ 50,345**	**$ 1,824**	**$ 52,169**

(a) Relates to the sale of a noncontrolling interest in Duke Energy Indiana. See Note 2 for additional discussion.
(b) Relates primarily to tax equity financing activity in the Commercial Renewables segment.
(c) See Duke Energy Condensed Consolidated Statements of Comprehensive Income for detailed activity related to Cash Flow and Fair Value hedges.

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Operating Revenues	$ 2,175	$ 2,104	$ 5,844	$ 5,430
Operating Expenses				
Fuel used in electric generation and purchased power	544	452	1,423	1,218
Operation, maintenance and other	436	471	1,410	1,347
Depreciation and amortization	375	366	1,138	1,088
Property and other taxes	88	91	258	248
Impairment of assets and other charges	6	163	(3)	238
Total operating expenses	1,449	1,543	4,226	4,139
Gains (Losses) on Sales of Other Assets and Other, net	4	(1)	4	1
Operating Income	730	560	1,622	1,292
Other Income and Expenses, net	59	126	172	218
Interest Expense	131	137	415	400
Income Before Income Taxes	658	549	1,379	1,110
Income Tax Expense	34	16	87	40
Net Income and Comprehensive Income	$ 624	$ 533	$ 1,292	$ 1,070

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 36	$ 7
Receivables (net of allowance for doubtful accounts of $2 at 2022 and $1 at 2021)	318	300
Receivables of VIEs (net of allowance for doubtful accounts of $60 at 2022 and $41 at 2021)	932	844
Receivables from affiliated companies	297	190
Inventory	1,112	1,026
Regulatory assets (includes $12 at 2022 and 2021 related to VIEs)	995	544
Other (includes $5 at 2022 and $0 at 2021 related to VIEs)	267	95
Total current assets	3,957	3,006
Property, Plant and Equipment		
Cost	53,878	51,874
Accumulated depreciation and amortization	(18,504)	(17,854)
Facilities to be retired, net	86	102
Net property, plant and equipment	35,460	34,122
Other Noncurrent Assets		
Regulatory assets (includes $211 at 2022 and $220 at 2021 related to VIEs)	3,969	2,935
Nuclear decommissioning trust funds	4,481	5,759
Operating lease right-of-use assets, net	87	92
Other	1,179	1,248
Total other noncurrent assets	9,716	10,034
Total Assets	$ 49,133	$ 47,162
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 1,184	$ 988
Accounts payable to affiliated companies	196	266
Notes payable to affiliated companies	584	226
Taxes accrued	265	274
Interest accrued	118	125
Current maturities of long-term debt (includes $10 at 2022 and $5 at 2021 related to VIEs)	1,019	362
Asset retirement obligations	278	249
Regulatory liabilities	442	487
Other	565	546
Total current liabilities	4,651	3,523
Long-Term Debt (includes $718 at 2022 and $703 at 2021 related to VIEs)	12,903	12,595
Long-Term Debt Payable to Affiliated Companies	300	318
Other Noncurrent Liabilities		
Deferred income taxes	4,107	3,634
Asset retirement obligations	5,115	5,052
Regulatory liabilities	5,974	7,198
Operating lease liabilities	73	78
Accrued pension and other post-retirement benefit costs	39	50
Investment tax credits	301	287
Other	537	536
Total other noncurrent liabilities	16,146	16,835
Commitments and Contingencies		
Equity		
Member's equity	15,139	13,897
Accumulated other comprehensive loss	(6)	(6)
Total equity	15,133	13,891
Total Liabilities and Equity	$ 49,133	$ 47,162

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ **1,292**	$ 1,070
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**1,335**	1,295
Equity component of AFUDC	**(75)**	(46)
Gains on sales of other assets	**—**	(1)
Impairment of assets and other charges	**(3)**	238
Deferred income taxes	**230**	(146)
Contributions to qualified pension plans	**(15)**	—
Payments for asset retirement obligations	**(137)**	(132)
Provision for rate refunds	**(55)**	(29)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	(1)
Receivables	**(17)**	(172)
Receivables from affiliated companies	**(107)**	39
Inventory	**(86)**	41
Other current assets[(a)]	**(1,139)**	(153)
Increase (decrease) in		
Accounts payable	**104**	(254)
Accounts payable to affiliated companies	**(88)**	(15)
Taxes accrued	**(9)**	315
Other current liabilities	**279**	72
Other assets	**22**	52
Other liabilities	**(269)**	167
Net cash provided by operating activities	**1,262**	2,340
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(2,313)**	(1,947)
Purchases of debt and equity securities	**(2,083)**	(2,465)
Proceeds from sales and maturities of debt and equity securities	**2,083**	2,465
Other	**(185)**	(122)
Net cash used in investing activities	**(2,498)**	(2,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,352**	1,367
Payments for the redemption of long-term debt	**(389)**	(616)
Notes payable to affiliated companies	**358**	(421)
Distributions to parent	**(50)**	(600)
Other	**(1)**	(1)
Net cash provided by (used in) financing activities	**1,270**	(271)
Net increase in cash, cash equivalents and restricted cash	**34**	—
Cash, cash equivalents and restricted cash at beginning of period	**8**	21
Cash, cash equivalents and restricted cash at end of period	$ **42**	$ 21
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ **460**	$ 308

(a) Includes approximately $1.1 billion of under-collected deferred fuel regulatory assets for the nine months ended September 30, 2022

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY CAROLINAS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	**Member's Equity**	**Net Losses on Cash Flow Hedges**	**Total Equity**
Balance at June 30, 2021	$ 13,399	$ (7)	$ 13,392
Net income	533	—	533
Distributions to parent	(300)	—	(300)
Other	(1)	—	(1)
Balance at September 30, 2021	$ 13,631	$ (7)	$ 13,624
Balance at June 30, 2022	$ 14,515	$ (6)	$ 14,509
Net income	**624**	**—**	**624**
Balance at September 30, 2022	**$ 15,139**	**$ (6)**	**$ 15,133**

	Nine Months Ended September 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	**Member's Equity**	**Net Losses on Cash Flow Hedges**	**Total Equity**
Balance at December 31, 2020	$ 13,161	$ (7)	$ 13,154
Net income	1,070	—	1,070
Distributions to parent	(600)	—	(600)
Balance at September 30, 2021	$ 13,631	$ (7)	$ 13,624
Balance at December 31, 2021	$ 13,897	$ (6)	$ 13,891
Net income	**1,292**	**—**	**1,292**
Distributions to parent	**(50)**	**—**	**(50)**
Balance at September 30, 2022	**$ 15,139**	**$ (6)**	**$ 15,133**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 3,881**	$ 3,233	**$ 10,087**	$ 8,417
Operating Expenses				
Fuel used in electric generation and purchased power	**1,605**	1,074	**3,927**	2,702
Operation, maintenance and other	**581**	636	**1,829**	1,863
Depreciation and amortization	**562**	504	**1,607**	1,430
Property and other taxes	**169**	144	**472**	419
Impairment of assets and other charges	**—**	42	**4**	79
Total operating expenses	**2,917**	2,400	**7,839**	6,493
Gains on Sales of Other Assets and Other, net	**3**	8	**6**	9
Operating Income	**967**	841	**2,254**	1,933
Other Income and Expenses, net	**45**	86	**150**	167
Interest Expense	**197**	200	**616**	592
Income Before Income Taxes	**815**	727	**1,788**	1,508
Income Tax Expense	**129**	94	**289**	174
Net Income	**686**	633	**1,499**	1,334
Less: Net Income Attributable to Noncontrolling Interests	**—**	1	**1**	1
Net Income Attributable to Parent	**$ 686**	$ 632	**$ 1,498**	$ 1,333
Net Income	**$ 686**	$ 633	**$ 1,499**	$ 1,334
Other Comprehensive Income, net of tax				
Pension and OPEB adjustments	**—**	(1)	**—**	—
Net unrealized gains on cash flow hedges	**—**	1	**1**	2
Unrealized losses on available-for-sale securities	**(1)**	—	**(4)**	—
Other Comprehensive (Loss) Income, net of tax	**(1)**	—	**(3)**	2
Comprehensive Income	**$ 685**	$ 633	**$ 1,496**	$ 1,336
Less: Comprehensive Income Attributable to Noncontrolling Interests	**—**	1	**1**	1
Comprehensive Income Attributable to Parent	**$ 685**	$ 632	**$ 1,495**	$ 1,335

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 101	$ 70
Receivables (net of allowance for doubtful accounts of $12 at 2022 and $11 at 2021)	292	247
Receivables of VIEs (net of allowance for doubtful accounts of $55 at 2022 and $25 at 2021)	1,344	1,006
Receivables from affiliated companies	29	121
Notes receivable from affiliated companies	232	—
Inventory	1,549	1,398
Regulatory assets (includes $93 at 2022 and 2021 related to VIEs)	1,871	1,030
Other (includes $34 at 2022 and $39 at 2021 related to VIEs)	365	125
Total current assets	5,783	3,997
Property, Plant and Equipment		
Cost	63,753	60,894
Accumulated depreciation and amortization	(20,475)	(19,214)
Facilities to be retired, net	—	26
Net property, plant and equipment	43,278	41,706
Other Noncurrent Assets		
Goodwill	3,655	3,655
Regulatory assets (includes $1,531 at 2022 and $1,603 at 2021 related to VIEs)	6,520	5,909
Nuclear decommissioning trust funds	3,642	4,642
Operating lease right-of-use assets, net	653	691
Other	1,227	1,242
Total other noncurrent assets	15,697	16,139
Total Assets	$ 64,758	$ 61,842
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 1,431	$ 1,099
Accounts payable to affiliated companies	475	506
Notes payable to affiliated companies	887	2,809
Taxes accrued	301	128
Interest accrued	183	192
Current maturities of long-term debt (includes $340 at 2022 and $71 at 2021 related to VIEs)	696	1,082
Asset retirement obligations	311	275
Regulatory liabilities	586	478
Other	725	868
Total current liabilities	5,595	7,437
Long-Term Debt (includes $2,004 at 2022 and $2,293 at 2021 related to VIEs)	20,303	19,591
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	5,015	4,564
Asset retirement obligations	5,892	5,837
Regulatory liabilities	4,949	5,566
Operating lease liabilities	563	606
Accrued pension and other post-retirement benefit costs	397	417
Other	625	526
Total other noncurrent liabilities	17,441	17,516
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 100 shares authorized and outstanding at 2022 and 2021	—	—
Additional paid-in capital	9,626	9,149
Retained earnings	11,687	8,007
Accumulated other comprehensive loss	(14)	(11)
Total Progress Energy, Inc. stockholders' equity	21,299	17,145
Noncontrolling interests	(30)	3
Total equity	21,269	17,148
Total Liabilities and Equity	$ 64,758	$ 61,842

See Notes to Condensed Consolidated Financial Statements

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Nine Months Ended September 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ **1,499**	$ 1,334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion (including amortization of nuclear fuel)	**1,826**	1,707
Equity component of AFUDC	**(50)**	(37)
Impairment of assets and other charges	**4**	79
Deferred income taxes	**284**	235
Contributions to qualified pension plans	**(13)**	—
Payments for asset retirement obligations	**(207)**	(206)
Provision for rate refunds	**(44)**	(22)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	117
Receivables	**(314)**	(123)
Receivables from affiliated companies	**110**	96
Inventory	**(154)**	120
Other current assets[a]	**(1,133)**	(347)
Increase (decrease) in		
Accounts payable	**360**	79
Accounts payable to affiliated companies	**(31)**	(68)
Taxes accrued	**173**	161
Other current liabilities	**216**	(36)
Other assets	**(262)**	(3)
Other liabilities	**615**	(139)
Net cash provided by operating activities	**2,879**	2,947
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(3,130)**	(2,628)
Purchases of debt and equity securities	**(1,301)**	(1,583)
Proceeds from sales and maturities of debt and equity securities	**1,357**	1,649
Notes receivable from affiliated companies	**(232)**	—
Other	**(88)**	(131)
Net cash used in investing activities	**(3,394)**	(2,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,452**	1,190
Payments for the redemption of long-term debt	**(1,136)**	(977)
Notes payable to affiliated companies	**509**	154
Dividends to parent	**(250)**	(700)
Other	**(36)**	(2)
Net cash provided by (used in) financing activities	**539**	(335)
Net increase (decrease) in cash, cash equivalents and restricted cash	**24**	(81)
Cash, cash equivalents and restricted cash at beginning of period	**113**	200
Cash, cash equivalents and restricted cash at end of period	$ **137**	$ 119
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ **472**	$ 290

(a) Includes approximately $1 billion of under-collected deferred fuel regulatory assets for the nine months ended September 30, 2022

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

PROGRESS ENERGY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022							
			Accumulated Other Comprehensive Loss					
(in millions)	Additional Paid-in Capital	Retained Earnings	Net Gains (Losses) on Cash Flow Hedges	Net Unrealized Losses on Available-for-Sale Securities	Pension and OPEB Adjustments	Total Progress Energy, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at June 30, 2021	$ 9,143	$ 7,809	$ (4)	$ (2)	$ (7)	$ 16,939	$ 3	$ 16,942
Net income	—	632	—	—	—	632	1	633
Other comprehensive income (loss)	—	—	1	—	(1)	—	—	—
Dividends to parent	—	(700)	—	—	—	(700)	—	(700)
Other	6	2	—	—	—	8	(1)	7
Balance at September 30, 2021	$ 9,149	$ 7,743	$ (3)	$ (2)	$ (8)	$ 16,879	$ 3	$ 16,882
Balance at June 30, 2022	$ 9,149	$ 11,001	$ (1)	$ (5)	$ (7)	$ 20,137	$ 3	$ 20,140
Net income	**—**	**686**	**—**	**—**	**—**	**686**	**—**	**686**
Other comprehensive loss	**—**	**—**	**—**	**(1)**	**—**	**(1)**	**—**	**(1)**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(33)**	**(33)**
Equitization of certain notes payable to affiliates	**475**	**—**	**—**	**—**	**—**	**475**	**—**	**475**
Other	**2**	**—**	**—**	**—**	**—**	**2**	**—**	**2**
Balance at September 30, 2022	**$ 9,626**	**$ 11,687**	**$ (1)**	**$ (6)**	**$ (7)**	**$ 21,299**	**$ (30)**	**$ 21,269**

	Nine Months Ended September 30, 2021 and 2022							
			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, 2020	$ 9,143	$ 7,109	$ (5)	$ (2)	$ (8)	$ 16,237	$ 4	$ 16,241
Net income	—	1,333	—	—	—	1,333	1	1,334
Other comprehensive income	—	—	2	—	—	2	—	2
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
Dividends to parent	—	(700)	—	—	—	(700)	—	(700)
Other	6	1	—	—	—	7	(1)	6
Balance at September 30, 2021	$ 9,149	$ 7,743	$ (3)	$ (2)	$ (8)	$ 16,879	$ 3	$ 16,882
Balance at December 31, 2021	$ 9,149	$ 8,007	$ (2)	$ (2)	$ (7)	$ 17,145	$ 3	$ 17,148
Net income	**—**	**1,498**	**—**	**—**	**—**	**1,498**	**1**	**1,499**
Other comprehensive income (loss)	**—**	**—**	**1**	**(4)**	**—**	**(3)**	**—**	**(3)**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(34)**	**(34)**
Dividends to parent	**—**	**(250)**	**—**	**—**	**—**	**(250)**	**—**	**(250)**
Equitization of certain notes payable to affiliates	**475**	**2,431**	**—**	**—**	**—**	**2,906**	**—**	**2,906**
Other	**2**	**1**	**—**	**—**	**—**	**3**	**—**	**3**
Balance at September 30, 2022	**$ 9,626**	**$ 11,687**	**$ (1)**	**$ (6)**	**$ (7)**	**$ 21,299**	**$ (30)**	**$ 21,269**

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 1,969**	$ 1,667	**$ 5,182**	$ 4,417
Operating Expenses				
Fuel used in electric generation and purchased power	**749**	523	**1,916**	1,368
Operation, maintenance and other	**350**	368	**1,101**	1,092
Depreciation and amortization	**313**	290	**890**	811
Property and other taxes	**46**	39	**136**	129
Impairment of assets and other charges	**—**	42	**4**	60
Total operating expenses	**1,458**	1,262	**4,047**	3,460
Gains on Sales of Other Assets and Other, net	**1**	7	**2**	8
Operating Income	**512**	412	**1,137**	965
Other Income and Expenses, net	**29**	67	**83**	111
Interest Expense	**85**	79	**260**	226
Income Before Income Taxes	**456**	400	**960**	850
Income Tax Expense	**59**	25	**129**	50
Net Income and Comprehensive Income	**$ 397**	$ 375	**$ 831**	$ 800

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 58	$ 35
Receivables (net of allowance for doubtful accounts of $4 at 2022 and 2021)	130	127
Receivables of VIEs (net of allowance for doubtful accounts of $37 at 2022 and $17 at 2021)	733	574
Receivables from affiliated companies	19	65
Notes receivable from affiliated companies	329	—
Inventory	980	921
Regulatory assets (includes $39 at 2022 and 2021 related to VIEs)	658	533
Other (includes $17 at 2022 and $0 at 2021 related to VIEs)	189	83
Total current assets	3,096	2,338
Property, Plant and Equipment		
Cost	38,503	37,018
Accumulated depreciation and amortization	(14,224)	(13,387)
Facilities to be retired, net	—	26
Net property, plant and equipment	24,279	23,657
Other Noncurrent Assets		
Regulatory assets (includes $691 at 2022 and $720 at 2021 related to VIEs)	4,482	4,118
Nuclear decommissioning trust funds	3,204	4,089
Operating lease right-of-use assets, net	383	389
Other	749	792
Total other noncurrent assets	8,818	9,388
Total Assets	$ 36,193	$ 35,383
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 504	$ 476
Accounts payable to affiliated companies	368	310
Notes payable to affiliated companies	—	172
Taxes accrued	161	163
Interest accrued	73	96
Current maturities of long-term debt (includes $34 at 2022 and $15 at 2021 related to VIEs)	368	556
Asset retirement obligations	310	274
Regulatory liabilities	336	381
Other	356	448
Total current liabilities	2,476	2,876
Long-Term Debt (includes $1,114 at 2022 and $1,097 at 2021 related to VIEs)	10,572	9,543
Long-Term Debt Payable to Affiliated Companies	150	150
Other Noncurrent Liabilities		
Deferred income taxes	2,388	2,208
Asset retirement obligations	5,529	5,401
Regulatory liabilities	4,179	4,868
Operating lease liabilities	344	350
Accrued pension and other post-retirement benefit costs	212	221
Investment tax credits	125	128
Other	86	87
Total other noncurrent liabilities	12,863	13,263
Commitments and Contingencies		
Equity		
Member's Equity	10,132	9,551
Total Liabilities and Equity	$ 36,193	$ 35,383

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 831**	$ 800
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including amortization of nuclear fuel)	**1,034**	951
Equity component of AFUDC	**(37)**	(25)
Impairment of assets and other charges	**4**	60
Deferred income taxes	**66**	22
Contributions to qualified pension plans	**(8)**	—
Payments for asset retirement obligations	**(133)**	(129)
Provision for rate refunds	**(44)**	(22)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	108
Receivables	**(95)**	(66)
Receivables from affiliated companies	**64**	(18)
Inventory	**(58)**	95
Other current assets	**(266)**	(79)
Increase (decrease) in		
Accounts payable	**7**	20
Accounts payable to affiliated companies	**58**	(102)
Taxes accrued	**(1)**	75
Other current liabilities	**122**	(36)
Other assets	**(105)**	48
Other liabilities	**39**	(32)
Net cash provided by operating activities	**1,478**	1,670
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,506)**	(1,313)
Purchases of debt and equity securities	**(1,148)**	(1,306)
Proceeds from sales and maturities of debt and equity securities	**1,141**	1,291
Notes receivable from affiliated companies	**(329)**	—
Other	**(11)**	(36)
Net cash used in investing activities	**(1,853)**	(1,364)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**1,448**	1,190
Payments for the redemption of long-term debt	**(612)**	(605)
Notes payable to affiliated companies	**(172)**	(178)
Distributions to parent	**(250)**	(700)
Other	**(1)**	(1)
Net cash provided by (used in) financing activities	**413**	(294)
Net increase in cash, cash equivalents and restricted cash	**38**	12
Cash, cash equivalents and restricted cash at beginning of period	**39**	39
Cash, cash equivalents and restricted cash at end of period	**$ 77**	$ 51
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 184**	$ 82

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY PROGRESS, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022
(in millions)	**Member's Equity**
Balance at June 30, 2021	$ 9,685
Net income	375
Distributions to parent	(700)
Balance at September 30, 2021	$ 9,360
Balance at June 30, 2022	$ 9,735
Net income	**397**
Balance at September 30, 2022	**$ 10,132**

	Nine Months Ended September 30, 2021 and 2022
(in millions)	**Member's Equity**
Balance at December 31, 2020	$ 9,260
Net income	800
Distributions to parent	(700)
Balance at September 30, 2021	$ 9,360
Balance at December 31, 2021	$ 9,551
Net income	**831**
Distributions to parent	**(250)**
Balance at September 30, 2022	**$ 10,132**

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Operating Revenues	**$ 1,907**	$ 1,561	**$ 4,890**	$ 3,987
Operating Expenses				
Fuel used in electric generation and purchased power	**856**	552	**2,011**	1,335
Operation, maintenance and other	**226**	263	**716**	760
Depreciation and amortization	**249**	214	**717**	619
Property and other taxes	**123**	105	**335**	290
Impairment of assets and other charges	**—**	—	**—**	19
Total operating expenses	**1,454**	1,134	**3,779**	3,023
Gains on Sales of Other Assets and Other, net	**3**	1	**5**	1
Operating Income	**456**	428	**1,116**	965
Other Income and Expenses, net	**19**	18	**74**	54
Interest Expense	**84**	79	**258**	239
Income Before Income Taxes	**391**	367	**932**	780
Income Tax Expense	**72**	70	**181**	149
Net Income	**$ 319**	$ 297	**$ 751**	$ 631
Other Comprehensive Loss, net of tax				
Unrealized losses on available-for-sale securities	**(1)**	—	**(3)**	—
Comprehensive Income	**$ 318**	$ 297	**$ 748**	$ 631

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 25	$ 23
Receivables (net of allowance for doubtful accounts of $8 at 2022 and 2021)	159	117
Receivables of VIEs (net of allowance for doubtful accounts of $18 at 2022 and $8 at 2021)	611	432
Receivables from affiliated companies	6	16
Inventory	569	477
Regulatory assets (includes $54 at 2022 and $54 at 2021 related to VIEs)	1,212	497
Other (includes $17 at 2022 and $39 at 2021 related to VIEs)	162	80
Total current assets	2,744	1,642
Property, Plant and Equipment		
Cost	25,243	23,865
Accumulated depreciation and amortization	(6,244)	(5,819)
Net property, plant and equipment	18,999	18,046
Other Noncurrent Assets		
Regulatory assets (includes $840 at 2022 and $883 at 2021 related to VIEs)	2,038	1,791
Nuclear decommissioning trust funds	438	553
Operating lease right-of-use assets, net	269	302
Other	431	399
Total other noncurrent assets	3,176	3,045
Total Assets	$ 24,919	$ 22,733
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 926	$ 623
Accounts payable to affiliated companies	119	209
Notes payable to affiliated companies	983	199
Taxes accrued	174	51
Interest accrued	82	68
Current maturities of long-term debt (includes $306 at 2022 and $56 at 2021 related to VIEs)	328	76
Asset retirement obligations	1	1
Regulatory liabilities	250	98
Other	338	408
Total current liabilities	3,201	1,733
Long-Term Debt (includes $890 at 2022 and $1,196 at 2021 related to VIEs)	8,089	8,406
Other Noncurrent Liabilities		
Deferred income taxes	2,723	2,434
Asset retirement obligations	363	436
Regulatory liabilities	770	698
Operating lease liabilities	219	256
Accrued pension and other post-retirement benefit costs	156	166
Other	355	309
Total other noncurrent liabilities	4,586	4,299
Commitments and Contingencies		
Equity		
Member's equity	9,049	8,298
Accumulated other comprehensive loss	(6)	(3)
Total equity	9,043	8,295
Total Liabilities and Equity	$ 24,919	$ 22,733

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 751**	$ 631
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	**790**	752
Equity component of AFUDC	**(13)**	(12)
Impairment of assets and other charges	**—**	19
Deferred income taxes	**237**	207
Contributions to qualified pension plans	**(5)**	—
Payments for asset retirement obligations	**(73)**	(77)
(Increase) decrease in		
Net realized and unrealized mark-to-market and hedging transactions	**—**	7
Receivables	**(218)**	(57)
Receivables from affiliated companies	**10**	—
Inventory	**(95)**	25
Other current assets[(a)]	**(814)**	(247)
Increase (decrease) in		
Accounts payable	**354**	59
Accounts payable to affiliated companies	**(90)**	44
Taxes accrued	**123**	95
Other current liabilities	**72**	(5)
Other assets	**(162)**	(46)
Other liabilities	**37**	(94)
Net cash provided by operating activities	**904**	1,301
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(1,624)**	(1,316)
Purchases of debt and equity securities	**(153)**	(277)
Proceeds from sales and maturities of debt and equity securities	**216**	358
Other	**(76)**	(95)
Net cash used in investing activities	**(1,637)**	(1,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**4**	—
Payments for the redemption of long-term debt	**(74)**	(372)
Notes payable to affiliated companies	**784**	408
Other	**(1)**	—
Net cash provided by financing activities	**713**	36
Net (decrease) increase in cash, cash equivalents and restricted cash	**(20)**	7
Cash, cash equivalents and restricted cash at beginning of period	**62**	50
Cash, cash equivalents and restricted cash at end of period	**$ 42**	$ 57
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 288**	$ 208

(a) Includes approximately $746 million of under-collected deferred fuel regulatory assets for the nine months ended September 30, 2022

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY FLORIDA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
Balance at June 30, 2021	$ 7,893	$ (2)	$ 7,891
Net income	297	—	297
Balance at September 30, 2021	$ 8,190	$ (2)	$ 8,188
Balance at June 30, 2022	$ 8,730	$ (5)	$ 8,725
Net income	**319**	**—**	**319**
Other comprehensive loss	**—**	**(1)**	**(1)**
Balance at September 30, 2022	**$ 9,049**	**$ (6)**	**$ 9,043**

	Nine Months Ended September 30, 2021 and 2022		
		Accumulated Other Comprehensive Loss	
(in millions)	Member's Equity	Net Unrealized Losses on Available-for-Sale Securities	Total Equity
Balance at December 31, 2020	$ 7,560	$ (2)	$ 7,558
Net income	631	—	631
Other	(1)	—	(1)
Balance at September 30, 2021	$ 8,190	$ (2)	$ 8,188
Balance at December 31, 2021	$ 8,298	$ (3)	$ 8,295
Net income	**751**	**—**	**751**
Other comprehensive loss	**—**	**(3)**	**(3)**
Balance at September 30, 2022	**$ 9,049**	**$ (6)**	**$ 9,043**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues				
Regulated electric	**$ 507**	$ 413	**$ 1,320**	$ 1,119
Regulated natural gas	**121**	93	**491**	375
Total operating revenues	**628**	506	**1,811**	1,494
Operating Expenses				
Fuel used in electric generation and purchased power	**185**	119	**439**	294
Cost of natural gas	**21**	9	**174**	76
Operation, maintenance and other	**121**	116	**408**	335
Depreciation and amortization	**84**	79	**247**	228
Property and other taxes	**79**	91	**272**	266
Impairment of assets and other charges	**(11)**	—	**(11)**	5
Total operating expenses	**479**	414	**1,529**	1,204
Losses on Sales of Other Assets and Other, net	**(1)**	—	**—**	—
Operating Income	**148**	92	**282**	290
Other Income and Expenses, net	**4**	4	**16**	14
Interest Expense	**32**	29	**92**	82
Income Before Income Taxes	**120**	67	**206**	222
Income Tax Expense (Benefit)	**17**	9	**(30)**	34
Net Income and Comprehensive Income	**$ 103**	$ 58	**$ 236**	$ 188

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 9	$ 13
Receivables (net of allowance for doubtful accounts of $6 at 2022 and $4 at 2021)	88	96
Receivables from affiliated companies	211	122
Notes receivable from affiliated companies	—	15
Inventory	118	116
Regulatory assets	81	72
Other	115	57
Total current assets	622	491
Property, Plant and Equipment		
Cost	12,283	11,725
Accumulated depreciation and amortization	(3,203)	(3,106)
Generation facilities to be retired, net	—	6
Net property, plant and equipment	9,080	8,625
Other Noncurrent Assets		
Goodwill	920	920
Regulatory assets	584	635
Operating lease right-of-use assets, net	18	19
Other	91	84
Total other noncurrent assets	1,613	1,658
Total Assets	$ 11,315	$ 10,774
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 327	$ 348
Accounts payable to affiliated companies	60	64
Notes payable to affiliated companies	501	103
Taxes accrued	231	275
Interest accrued	33	30
Current maturities of long-term debt	300	—
Asset retirement obligations	23	13
Regulatory liabilities	71	62
Other	86	82
Total current liabilities	1,632	977
Long-Term Debt	2,919	3,168
Long-Term Debt Payable to Affiliated Companies	25	25
Other Noncurrent Liabilities		
Deferred income taxes	1,133	1,050
Asset retirement obligations	132	123
Regulatory liabilities	572	739
Operating lease liabilities	18	18
Accrued pension and other post-retirement benefit costs	86	109
Other	97	101
Total other noncurrent liabilities	2,038	2,140
Commitments and Contingencies		
Equity		
Common Stock, $8.50 par value, 120 million shares authorized; 90 million shares outstanding at 2022 and 2021	762	762
Additional paid-in capital	3,100	3,100
Retained earnings	839	602
Total equity	4,701	4,464
Total Liabilities and Equity	$ 11,315	$ 10,774

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 236**	$ 188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**251**	231
Equity component of AFUDC	**(7)**	(5)
Impairment of assets and other charges	**(11)**	5
Deferred income taxes	**(13)**	27
Contributions to qualified pension plans	**(3)**	—
Payments for asset retirement obligations	**(7)**	(1)
Provision for rate refunds	**5**	12
(Increase) decrease in		
Receivables	**8**	(9)
Receivables from affiliated companies	**11**	(11)
Inventory	**(2)**	(4)
Other current assets	**(60)**	(34)
Increase (decrease) in		
Accounts payable	**(6)**	27
Accounts payable to affiliated companies	**(4)**	(9)
Taxes accrued	**(44)**	(37)
Other current liabilities	**(76)**	(12)
Other assets	**(54)**	(35)
Other liabilities	**80**	8
Net cash provided by operating activities	**304**	341
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(623)**	(615)
Notes receivable from affiliated companies	**(85)**	36
Other	**(47)**	(42)
Net cash used in investing activities	**(755)**	(621)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**50**	—
Notes payable to affiliated companies	**399**	282
Other	**(2)**	—
Net cash provided by financing activities	**447**	282
Net (decrease) increase in cash and cash equivalents	**(4)**	2
Cash and cash equivalents at beginning of period	**13**	14
Cash and cash equivalents at end of period	**$ 9**	$ 16
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	**$ 119**	$ 103

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY OHIO, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance at June 30, 2021	$ 762	$ 2,776	$ 527	$ 4,065
Net income	—	—	58	58
Balance at September 30, 2021	$ 762	$ 2,776	$ 585	$ 4,123
Balance at June 30, 2022	$ 762	$ 3,100	$ 735	$ 4,597
Net income	**—**	**—**	**103**	**103**
Other	**—**	**—**	**1**	**1**
Balance at September 30, 2022	**$ 762**	**$ 3,100**	**$ 839**	**$ 4,701**

	Nine Months Ended September 30, 2021 and 2022			
(in millions)	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Equity
Balance at December 31, 2020	$ 762	$ 2,776	$ 397	$ 3,935
Net income	—	—	188	188
Balance at September 30, 2021	$ 762	$ 2,776	$ 585	$ 4,123
Balance at December 31, 2021	$ 762	$ 3,100	$ 602	$ 4,464
Net income	**—**	**—**	**236**	**236**
Other	**—**	**—**	**1**	**1**
Balance at September 30, 2022	**$ 762**	**$ 3,100**	**$ 839**	**$ 4,701**

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 September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 1,095**	$ 886	**$ 2,835**	$ 2,366
Operating Expenses				
Fuel used in electric generation and purchased power	**556**	292	**1,234**	710
Operation, maintenance and other	**177**	173	**551**	543
Depreciation and amortization	**167**	154	**478**	458
Property and other taxes	**13**	16	**60**	57
Impairment of assets and other charges	**—**	—	**211**	8
Total operating expenses	**913**	635	**2,534**	1,776
Gains on Sales of Other Assets and Other, net	**—**	1	**—**	—
Operating Income	**182**	252	**301**	590
Other Income and Expenses, net	**9**	12	**27**	31
Interest Expense	**48**	49	**138**	148
Income Before Income Taxes	**143**	215	**190**	473
Income Tax Expense	**24**	34	**1**	77
Net Income and Comprehensive Income	**$ 119**	$ 181	**$ 189**	$ 396

See Notes to Condensed Consolidated Financial Statements

FINANCIAL STATEMENTS

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 32**	$ 6
Receivables (net of allowance for doubtful accounts of $4 at 2022 and $3 at 2021)	**106**	100
Receivables from affiliated companies	**247**	98
Notes receivable from affiliated companies	**—**	134
Inventory	**452**	418
Regulatory assets	**384**	277
Other	**245**	68
Total current assets	**1,466**	1,101
Property, Plant and Equipment		
Cost	**17,916**	17,343
Accumulated depreciation and amortization	**(5,920)**	(5,583)
Net property, plant and equipment	**11,996**	11,760
Other Noncurrent Assets		
Regulatory assets	**1,030**	1,278
Operating lease right-of-use assets, net	**49**	53
Other	**275**	296
Total other noncurrent assets	**1,354**	1,627
Total Assets	**$ 14,816**	$ 14,488
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 310**	$ 282
Accounts payable to affiliated companies	**72**	221
Notes payable to affiliated companies	**483**	—
Taxes accrued	**74**	73
Interest accrued	**59**	49
Current maturities of long-term debt	**3**	84
Asset retirement obligations	**185**	110
Regulatory liabilities	**175**	127
Other	**178**	105
Total current liabilities	**1,539**	1,051
Long-Term Debt	**4,157**	4,089
Long-Term Debt Payable to Affiliated Companies	**150**	150
Other Noncurrent Liabilities		
Deferred income taxes	**1,323**	1,303
Asset retirement obligations	**773**	877
Regulatory liabilities	**1,468**	1,565
Operating lease liabilities	**47**	50
Accrued pension and other post-retirement benefit costs	**135**	167
Investment tax credits	**186**	177
Other	**59**	44
Total other noncurrent liabilities	**3,991**	4,183
Commitments and Contingencies		
Equity		
Member's Equity	**4,979**	5,015
Total Liabilities and Equity	**$ 14,816**	$ 14,488

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Nine Months Ended September 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 189	$ 396
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	481	460
Equity component of AFUDC	(12)	(19)
Impairment of assets and other charges	211	8
Deferred income taxes	(26)	19
Contributions to qualified pension plans	(5)	—
Payments for asset retirement obligations	(67)	(49)
(Increase) decrease in		
Receivables	(1)	(7)
Receivables from affiliated companies	17	17
Inventory	(34)	106
Other current assets	(181)	(58)
Increase (decrease) in		
Accounts payable	44	46
Accounts payable to affiliated companies	(24)	(15)
Taxes accrued	5	25
Other current liabilities	18	23
Other assets	8	11
Other liabilities	9	3
Net cash provided by operating activities	632	966
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(643)	(584)
Purchases of debt and equity securities	(43)	(34)
Proceeds from sales and maturities of debt and equity securities	32	16
Notes receivable from affiliated companies	(32)	(218)
Other	(38)	(8)
Net cash used in investing activities	(724)	(828)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	67	—
Payments for the redemption of long-term debt	(81)	—
Notes payable to affiliated companies	483	(131)
Distributions to parent	(350)	—
Other	(1)	—
Net cash provided by (used in) financing activities	118	(131)
Net increase in cash and cash equivalents	26	7
Cash and cash equivalents at beginning of period	6	7
Cash and cash equivalents at end of period	$ 32	$ 14
Supplemental Disclosures:		
Significant non-cash transactions:		
Accrued capital expenditures	$ 102	$ 105

See Notes to Condensed Consolidated Financial Statements

DUKE ENERGY INDIANA, LLC
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022	
(in millions)	**Member's Equity**	
Balance at June 30, 2021	$	4,999
Net income		181
Distributions to parent		(125)
Balance at September 30, 2021	$	5,055
Balance at June 30, 2022	$	4,861
Net income		**119**
Other	**$**	**(1)**
Balance at September 30, 2022	**$**	**4,979**

	Nine Months Ended September 30, 2021 and 2022	
(in millions)	**Member's Equity**	
Balance at December 31, 2020	$	4,783
Net income		396
Distributions to parent		(125)
Other		1
Balance at September 30, 2021	$	5,055
Balance at December 31, 2021	$	5,015
Net income		**189**
Distributions to parent		**(225)**
Balance at September 30, 2022	**$**	**4,979**

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating Revenues	**$ 306**	$ 195	**$ 1,421**	$ 1,016
Operating Expenses				
Cost of natural gas	**168**	66	**685**	354
Operation, maintenance and other	**87**	77	**270**	231
Depreciation and amortization	**56**	51	**166**	150
Property and other taxes	**13**	16	**44**	44
Impairment of assets and other charges	**1**	4	**1**	9
Total operating expenses	**325**	214	**1,166**	788
Gains on Sales of Other Assets and Other, net	**—**	—	**4**	—
Operating (Loss) Income	**(19)**	(19)	**259**	228
Other Income and Expenses, net	**13**	16	**41**	51
Interest Expense	**36**	29	**102**	88
(Loss) Income Before Income Taxes	**(42)**	(32)	**198**	191
Income Tax (Benefit) Expense	**(9)**	(8)	**18**	16
Net (Loss) Income and Comprehensive (Loss) Income	**$ (33)**	$ (24)	**$ 180**	$ 175

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions)	September 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Receivables (net of allowance for doubtful accounts of $14 at 2022 and $15 at 2021)	$ 116	$ 318
Receivables from affiliated companies	10	11
Inventory	135	109
Regulatory assets	161	141
Other	90	9
Total current assets	512	588
Property, Plant and Equipment		
Cost	10,561	9,918
Accumulated depreciation and amortization	(2,028)	(1,899)
Facilities to be retired, net	9	11
Net property, plant and equipment	8,542	8,030
Other Noncurrent Assets		
Goodwill	49	49
Regulatory assets	379	316
Operating lease right-of-use assets, net	13	16
Investments in equity method unconsolidated affiliates	79	95
Other	299	288
Total other noncurrent assets	819	764
Total Assets	$ 9,873	$ 9,382
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 284	$ 196
Accounts payable to affiliated companies	35	40
Notes payable to affiliated companies	308	518
Taxes accrued	45	63
Interest accrued	43	37
Regulatory liabilities	65	56
Other	84	81
Total current liabilities	864	991
Long-Term Debt	3,363	2,968
Other Noncurrent Liabilities		
Deferred income taxes	870	815
Asset retirement obligations	23	22
Regulatory liabilities	1,032	1,058
Operating lease liabilities	11	14
Accrued pension and other post-retirement benefit costs	7	7
Other	174	158
Total other noncurrent liabilities	2,117	2,074
Commitments and Contingencies		
Equity		
Common stock, no par value: 100 shares authorized and outstanding at 2022 and 2021	1,635	1,635
Retained earnings	1,894	1,714
Total equity	3,529	3,349
Total Liabilities and Equity	$ 9,873	$ 9,382

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 180**	$ 175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**168**	152
Equity component of AFUDC	**(7)**	(19)
Impairment of assets and other charges	**1**	10
Deferred income taxes	**13**	10
Equity in earnings from unconsolidated affiliates	**(5)**	(7)
Contributions to qualified pension plans	**(2)**	—
Provision for rate refunds	**(3)**	(3)
(Increase) decrease in		
Receivables	**198**	151
Receivables from affiliated companies	**1**	(1)
Inventory	**(26)**	—
Other current assets	**(91)**	7
Increase (decrease) in		
Accounts payable	**24**	(55)
Accounts payable to affiliated companies	**(5)**	(48)
Taxes accrued	**(18)**	17
Other current liabilities	**23**	(32)
Other assets	**(8)**	3
Other liabilities	**(3)**	2
Net cash provided by operating activities	**440**	362
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(598)**	(628)
Contributions to equity method investments	**(8)**	(9)
Return of investment capital	**—**	1
Other	**(17)**	(23)
Net cash used in investing activities	**(623)**	(659)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	**394**	347
Payments for the redemption of long-term debt	**—**	(160)
Notes payable to affiliated companies	**(210)**	(215)
Capital contributions from parent	**—**	325
Other	**(1)**	—
Net cash provided by financing activities	**183**	297
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	**$ 163**	$ 115

See Notes to Condensed Consolidated Financial Statements

PIEDMONT NATURAL GAS COMPANY, INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

	Three Months Ended September 30, 2021 and 2022		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
Balance at June 30, 2021	$ 1,635	$ 1,604	$ 3,239
Net loss	—	(24)	(24)
Other	—	(1)	(1)
Balance at September 30, 2021	$ 1,635	$ 1,579	$ 3,214
Balance at June 30, 2022	$ 1,635	$ 1,927	$ 3,562
Net loss	**—**	**(33)**	**(33)**
Balance at September 30, 2022	**$ 1,635**	**$ 1,894**	**$ 3,529**

	Nine Months Ended September 30, 2021 and 2022		
(in millions)	**Common Stock**	**Retained Earnings**	**Total Equity**
Balance at December 31, 2020	$ 1,310	$ 1,405	$ 2,715
Net income	—	175	175
Contribution from parent	325	—	325
Other	—	(1)	(1)
Balance at September 30, 2021	$ 1,635	$ 1,579	$ 3,214
Balance at December 31, 2021	$ 1,635	$ 1,714	$ 3,349
Net income	**—**	**180**	**180**
Balance at September 30, 2022	**$ 1,635**	**$ 1,894**	**$ 3,529**

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**	**17**
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's Annual Report on Form 10-K for the year ended December 31, 2021.

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 12 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.

COMMERCIAL RENEWABLES STRATEGIC REVIEW

On November 1, 2022, the Board of Directors committed to a plan to sell the Commercial Renewables business segment, excluding the offshore wind lease for Carolina Long Bay. Duke Energy is actively marketing the business as two separate disposal units, the utility scale solar and wind unit and the distributed generation unit. Non-binding offers were received for the utility scale solar and wind unit in late October 2022. We are evaluating the initial offers and expect to receive final offers from select bidders in early 2023. Non-binding offers for the distributed generation unit are also expected in early 2023. Duke Energy expects to dispose of both units in mid-2023. In the fourth quarter of 2022, Duke Energy will reclassify the Commercial Renewables business segment to assets held for sale and report it as a discontinued operation. Duke Energy could record a material impairment loss in the fourth quarter of 2022 if the carrying value of one or both of the units is not expected to be recovered. If the proceeds exceed the carrying value of one or both of the units, a gain would be recognized at the closing of the transaction in mid-2023. Proceeds from a successful sale are expected to be used for debt reduction and avoidance.

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 Sheets.

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.

During September 2021, Duke Energy completed the initial minority interest investment in a portion of Duke Energy Indiana to an affiliate of GIC. GIC's ownership interest in Duke Energy Indiana represents a noncontrolling interest. See Note 2 for additional information on the sale.

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 allocated losses to noncontrolling interest for the three and nine months ended September 30, 2022, and 2021.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Noncontrolling Interest Allocation of Income				
Allocated losses to noncontrolling tax equity members utilizing the HLBV method	**$ 11**	$ 119	**$ 78**	$ 217
Allocated (income) losses to noncontrolling members based on pro rata shares of ownership	**(2)**	10	**(5)**	30
Total Noncontrolling Interest Allocated Losses	**$ 9**	$ 129	**$ 73**	$ 247

CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress and Duke Energy Florida have restricted cash balances related primarily to collateral assets, escrow deposits and VIEs. See Notes 10 and 12 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.

	September 30, 2022					December 31, 2021				
	Duke Energy	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**	**Duke Energy**	**Duke Energy Carolinas**	**Progress Energy**	**Duke Energy Progress**	**Duke Energy Florida**
Current Assets										
Cash and cash equivalents	**$ 453**	**$ 36**	**$ 101**	**$ 58**	**$ 25**	$ 343	$ 7	$ 70	$ 35	$ 23
Other	**164**	**5**	**34**	**17**	**17**	170	—	39	—	39
Other Noncurrent Assets										
Other	**12**	**1**	**2**	**2**	**—**	7	1	4	4	—
Total cash, cash equivalents and restricted cash	**$ 629**	**$ 42**	**$ 137**	**$ 77**	**$ 42**	$ 520	$ 8	$ 113	$ 39	$ 62

INVENTORY

Provisions for inventory write-offs were not material at September 30, 2022, and December 31, 2021. The components of inventory are presented in the tables below.

	September 30, 2022							
(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	**$ 2,583**	**$ 863**	**$ 1,167**	**$ 786**	**$ 381**	**$ 91**	**$ 329**	**$ 13**
Coal	**556**	**215**	**202**	**87**	**115**	**18**	**121**	**—**
Natural gas, oil and other fuel	**348**	**34**	**180**	**107**	**73**	**9**	**2**	**122**
Total inventory	**$ 3,487**	**$ 1,112**	**$ 1,549**	**$ 980**	**$ 569**	**$ 118**	**$ 452**	**$ 135**

	December 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	$ 2,397	$ 793	$ 1,067	$ 729	$ 338	$ 80	$ 311	$ 14
Coal	486	195	167	94	73	19	105	—
Natural gas, oil and other fuel	316	38	164	98	66	17	2	95
Total inventory	$ 3,199	$ 1,026	$ 1,398	$ 921	$ 477	$ 116	$ 418	$ 109

OTHER NONCURRENT ASSETS

Duke Energy, through a nonregulated subsidiary, was the winner of the Carolina Long Bay offshore wind auction in May 2022 and recorded an asset of $150 million related to the arrangement in Other within Other noncurrent assets.

NEW ACCOUNTING STANDARDS

No new accounting standards were adopted by the Duke Energy Registrants in 2022.

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. On January 28, 2021, Duke Energy executed an agreement providing for an investment by an affiliate of GIC in Duke Energy Indiana in exchange for a 19.9% minority interest issued by Duke Energy Indiana Holdco, LLC, the holding company for Duke Energy Indiana. The transaction will be completed following two closings for an aggregate purchase price of approximately $2 billion. The first closing, which occurred on September 8, 2021, resulted in Duke Energy Indiana Holdco, LLC issuing 11.05% of its membership interests in exchange for approximately $1,025 million or 50% of the purchase price. Duke Energy retained indirect control of these assets, and, therefore, no gain or loss was recognized on the Condensed Consolidated Statements of Operations. 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.

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. See Note 1 for information on the strategic review of the Commercial Renewables business segment. Duke Energy continued to monitor recoverability of its renewable merchant plants located in the ERCOT West market and in the PJM West market during the third quarter of 2022 due to fluctuating market pricing and long-term forecasted energy prices. The assets were not impaired as of September 30, 2022, because the carrying value of approximately $192 million continued to be supported by the expected cash flows. Duke Energy has a 51% ownership interest in these 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 September 30, 2022						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 7,431	$ 404	$ 127	$ 7,962	$ 6	$ —	$ 7,968
Intersegment revenues	8	23	3	34	23	(57)	—
Total revenues	$ 7,439	$ 427	$ 130	$ 7,996	$ 29	$ (57)	$ 7,968
Segment income (loss)[(a)]	$ 1,540	$ 4	$ 2	$ 1,546	$ (186)	$ —	$ 1,360
Less: Noncontrolling interests							9
Add: Preferred stock dividend							39
Income from discontinued operations, net of tax[(b)]							23
Net Income							$ 1,413
Segment assets	$ 149,518	$ 15,800	$ 7,507	$ 172,825	$ 3,519	$ (4)	$ 176,340

	Three Months Ended September 30, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 6,560	$ 266	$ 117	$ 6,943	$ 8	$ —	$ 6,951
Intersegment revenues	9	23	—	32	20	(52)	—
Total revenues	$ 6,569	$ 289	$ 117	$ 6,975	$ 28	$ (52)	$ 6,951
Segment income (loss)(c)(d)	$ 1,425	$ (3)	$ 78	$ 1,500	$ (134)	$ —	$ 1,366
Less: Noncontrolling interests							129
Add: Preferred stock dividend							39
Net Income							$ 1,276

(a) Commercial Renewables includes a $6 million gain recorded within Nonregulated electric and other revenues related to mark-to-market derivative contracts on the Condensed Consolidated Statements of Operations.
(b) Discontinued operations includes a reduction to a previously accrued liability as a result of the expiration of tax statutes related to the International Disposal Group.
(c) Electric Utilities and Infrastructure includes $160 million recorded within Impairment of assets and other charges, $77 million within Other Income and expenses, $5 million within Operations, maintenance and other, $13 million within Regulated electric operating revenues and $3 million within Interest expense on the Duke Energy Carolinas' Condensed Consolidated Statement of Operations related to the 2018 South Carolina rate cases and the CCR settlement and insurance proceeds distributed in accordance with that agreement; it also includes $42 million recorded within Impairment of assets and other charges, $34 million within Other Income and expenses, $7 million within Operations, maintenance, and other, $15 million within Regulated electric operating revenues and $5 million within Interest expense on the Duke Energy Progress' Condensed Consolidated Statement of Operations.
(d) Other includes $8 million recorded within Impairment of assets and other charges, $1 million within Operations, maintenance and other on the Condensed Consolidated Statements of Operations, related to the workplace and workforce realignment.

	Nine Months Ended September 30, 2022						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	**$ 19,552**	**$ 1,843**	**$ 369**	**$ 21,764**	**$ 21**	**$ —**	**$ 21,785**
Intersegment revenues	**24**	**69**	**3**	**96**	**68**	**(164)**	**—**
Total revenues	**$ 19,576**	**$ 1,912**	**$ 372**	**$ 21,860**	**$ 89**	**$ (164)**	**$ 21,785**
Segment income (loss)(a)(b)	**$ 3,237**	**$ 277**	**$ 43**	**$ 3,557**	**$ (486)**	**$ —**	**$ 3,071**
Less: Noncontrolling interests							**73**
Add: Preferred stock dividend							**92**
Income from discontinued operations, net of tax(c)							**23**
Net Income							**$ 3,113**

	Nine Months Ended September 30, 2021						
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Total Reportable Segments	Other	Eliminations	Total
Unaffiliated revenues	$ 17,161	$ 1,323	$ 355	$ 18,839	$ 20	$ —	$ 18,859
Intersegment revenues	24	68	—	92	61	(153)	—
Total revenues	$ 17,185	$ 1,391	$ 355	$ 18,931	$ 81	$ (153)	$ 18,859
Segment income (loss)(d)(e)(f)(g)	$ 3,180	$ 259	$ 152	$ 3,591	$ (521)	$ —	$ 3,070
Less: Noncontrolling interests							247
Add: Preferred stock dividend							92
Net Income							$ 2,915

(a) Electric Utilities and Infrastructure includes $211 million recorded within Impairment of assets and other charges, $46 million within Regulated electric revenues and $20 million within Noncontrolling Interests related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations. See Note 3 for additional information.
(b) Commercial Renewables includes a $15 million loss recorded within Nonregulated electric and other revenues related to mark-to-market derivative contracts on the Condensed Consolidated Statements of Operations.
(c) Discontinued operations includes a reduction to a previously accrued liability as a result of the expiration of tax statutes related to the International Disposal Group.
(d) Electric Utilities and Infrastructure includes $160 million recorded within Impairment of assets and other charges, $77 million within Other Income and expenses, $5 million within Operations, maintenance and other, $13 million within regulated operating revenues and $3 million within interest expense on the Duke Energy Carolinas' Condensed Consolidated Statement of Operations related to the 2018 South Carolina rate cases and the CCR settlement and insurance proceeds distributed in accordance with that agreement; it also includes $42 million recorded within Impairment of assets and other charges, $34 million within Other Income and expenses, $7 million within Operations, maintenance, and other, $15 million within Regulated electric operating revenues and $5 million within interest expense on the Duke Energy Progress' Condensed Consolidated Statement of Operations.
(e) Gas Utilities and Infrastructure includes $19 million, recorded within Equity in earnings of unconsolidated affiliates on the Condensed Consolidated Statements of Operations, related to gas pipeline investments.
(f) 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 of unconsolidated affiliates and $12 million within Loss Attributable to Noncontrolling Interests on the Condensed Consolidated Statements of Operations.
(g) Other includes $139 million recorded within Impairment of assets and other charges, $28 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.

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 September 30, 2022					
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Eliminations	Total
Total revenues	$ 507	$ 121	$ 628	$ —	$ —	$ 628
Segment income (loss)/Net income	$ 74	$ 30	$ 104	$ (1)	$ —	$ 103
Segment assets	$ 7,400	$ 4,023	$ 11,423	$ 14	$ (122)	$ 11,315

	Three Months Ended September 30, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 413	$ 93	$ 506	$ —	$ 506
Segment income (loss)/Net income	$ 48	$ 11	$ 59	$ (1)	$ 58

	Nine Months Ended September 30, 2022				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 1,320	$ 491	$ 1,811	$ —	$ 1,811
Segment income (loss)/Net income	$ 152	$ 87	$ 239	$ (3)	$ 236

	Nine Months Ended September 30, 2021				
(in millions)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Total Reportable Segments	Other	Total
Total revenues	$ 1,119	$ 375	$ 1,494	$ —	$ 1,494
Segment income (loss)/Net income	$ 122	$ 77	$ 199	$ (11)	$ 188

3. REGULATORY MATTERS

RATE-RELATED INFORMATION

The NCUC, PSCSC, FPSC, IURC, PUCO, TPUC and KPSC approve rates for retail electric and natural gas services within their states. The FERC approves rates for electric sales to wholesale customers served under cost-based rates (excluding Ohio and Indiana), as well as sales of transmission service. The FERC also regulates certification and siting of new interstate natural gas pipeline projects.

Duke Energy Carolinas and Duke Energy Progress

Hurricane Ian

In late September and early October 2022, Hurricane Ian inflicted severe damage to the Duke Energy Carolinas and Duke Energy Progress territories in North Carolina and South Carolina. Approximately 950,000 customers were impacted. Total storm restoration costs, including capital, are currently expected to be in the range of $100 million to $125 million and most of the costs were incurred in October 2022. Duke Energy Carolinas and Duke Energy Progress have regulatory tools to recover storm costs including deferral and securitization. Duke Energy Carolinas and Duke Energy Progress are estimating recovery of the majority of the incremental operation and maintenance costs through one or more of these mechanisms. These estimates will change as Duke Energy Carolinas and Duke Energy Progress receive additional information on actual costs.

Carbon Plan Proceeding

The NCUC is required by North Carolina Session Law 2021-165 (HB 951) to adopt an initial Carbon Plan on or before December 31, 2022. Duke Energy Carolinas and Duke Energy Progress filed their proposed Carbon Plan on May 16, 2022. The NCUC Public Staff and other parties filed their reply comments on July 15, 2022, including alternative Carbon Plans filed by some of the other parties. The NCUC conducted public hearings across North Carolina in July 2022 and August 2022 and held an evidentiary hearing in September 2022. Proposed orders and briefs were filed on October 24, 2022, and a final order is expected by the end of 2022. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of this matter.

Storm Cost Securitization Legislation

On June 15, 2022, the South Carolina General Assembly unanimously adopted S. 1077 (Act 227) in both the House and Senate and the bill was signed into law on June 17, 2022. The legislation enables the PSCSC to permit the issuance of bonds for the payment of storm costs and the creation of a storm charge for repayment.

On August 5, 2022, Duke Energy Progress filed a petition with the PSCSC for review and approval of deferred storm costs to be securitized of approximately $223 million. On September 1, 2022, the PSCSC approved a procedural schedule and scheduled an evidentiary hearing for February 1, 2023. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Carolinas

2023 North Carolina Rate Case

On September 8, 2022, Duke Energy Carolinas requested initiation of the process necessary to file a performance-based regulation application (PBR Application). The request notified the NCUC that such PBR Application would be targeted for filing no earlier than January 6, 2023. In addition, the NCUC held a technical conference on November 2, 2022, in which Duke Energy Carolinas presented information on approximately $4 billion of planned transmission and distribution capital spending projects that it intends to include in the Multiyear Rate Plan (MYRP) portion of its PBR Application.

Oconee Nuclear Station Subsequent License Renewal

On June 7, 2021, Duke Energy Carolinas filed a subsequent license renewal (SLR) application for the Oconee Nuclear Station (ONS) with the U.S. Nuclear Regulatory Commission (NRC) to renew ONS's operating license for an additional 20 years. The SLR would extend operations of the facility from 60 to 80 years. The current licenses for units 1 and 2 expire in 2033 and the license for unit 3 expires in 2034. By a Federal Register Notice dated July 28, 2021, the NRC provided a 60-day comment period for persons whose interest may be affected by the issuance of a subsequent renewed license for ONS to file a request for a hearing and a petition for leave to intervene. On September 27, 2021, Beyond Nuclear and Sierra Club (Petitioners) filed a Hearing Request and Petition to Intervene (Hearing Request) and a Petition for Waiver. The Hearing Request proposed three contentions purporting to challenge Duke Energy Carolinas' environmental report (ER). In general, the proposed contentions claimed that the ER did not consider certain information regarding the environmental aspects of severe accidents caused by a hypothetical failure of the Jocassee Dam in South Carolina and, therefore, did not satisfy the National Environmental Policy Act (NEPA) of 1969, as amended, or the NRC's NEPA-implementing regulations. Duke Energy Carolinas filed its answer to the proposed contentions on October 22, 2021, and the Petitioners filed their reply to Duke Energy Carolinas' answer on November 5, 2021. On February 11, 2022, the Atomic Safety and Licensing Board (ASLB) issued its decision on the Hearing Request and found that the Petitioners failed to establish that the proposed contentions are litigable. The ASLB also denied the Petitioners' Petition for Waiver and terminated the proceeding.

On February 24, 2022, the NRC issued a decision in the SLR appeal related to the Turkey Point nuclear generating station in Florida and ruled that the NRC's license renewal Generic Environmental Impact Statement (GEIS) does not apply to SLR because the GEIS does not address SLR. The decision overturned a 2020 NRC decision that found the GEIS applies to SLR. While Turkey Point is not owned or operated by a Duke Energy Registrant, the NRC's order applies to all SLR applicants, including ONS. The NRC order also indicated no subsequent renewed licenses will be issued until the NRC staff has completed an adequate NEPA review for each application. On April 5, 2022, the NRC approved a 24-month rulemaking plan that will enable the NRC staff to complete an adequate NEPA review. Although an SLR applicant may wait until the rulemaking is completed, the NRC also noted that an applicant may submit a supplement to its ER providing information on environmental impacts during the SLR period prior to the rulemaking being completed. Duke Energy is evaluating the two options to determine which is preferable for ONS. Although the NRC's decision will delay completion of the SLR proceeding, Duke Energy Carolinas does not believe it changes the probability that the ONS subsequent renewed licenses will ultimately be issued, although Duke Energy Carolinas cannot guarantee the outcome of the license application process.

Duke Energy Carolinas and Duke Energy Progress intend to seek renewal of operating licenses and 20-year license extensions for all of their nuclear stations. New depreciation rates were implemented for all of the nuclear facilities during the second quarter of 2021. Duke Energy Carolinas and Duke Energy Progress cannot predict the outcome of these additional relicensing proceedings.

Duke Energy Progress

2022 North Carolina Rate Case

On October 6, 2022, Duke Energy Progress filed an application with the NCUC to request an increase in base rate retail revenues. The rate request before the NCUC includes a PBR Application, which includes a MYRP and proposes rates for three years within the MYRP period. In addition to the MYRP, the PBR Application includes an Earnings Sharing Mechanism, Residential Decoupling Mechanism and Performance Incentive Mechanisms as required by HB 951. If approved, the overall retail revenue increase would be $326 million in Year 1, $151 million in Year 2 and $138 million in Year 3, for a combined total of $615 million or 16% by late 2025. The rate increase is driven primarily by major transmission and distribution investments since the last rate case and projected in the MYRP, as well as investments in energy storage and solar assets included in the MYRP consistent with the Carbon Plan filing. Duke Energy Progress plans to implement temporary rates, subject to refund, on June 1, 2023, and has requested permanent rates be effective by October 1, 2023. Duke Energy Progress cannot predict the outcome of this matter.

2022 South Carolina Rate Case

On September 1, 2022, Duke Energy Progress filed an application with the PSCSC to request an increase in base rate retail revenues. Duke Energy Progress' rate request proposes a step in of the proposed rate increase over two years. If approved, the overall retail revenue increase in Year 1 would be approximately $53 million or 8.6%. In Year 2, the remaining portion of the request would take effect for a net cumulative increase in retail revenues of approximately $68 million or 11%. The rate increase is driven by major capital investments, including grid improvements and advanced metering infrastructure, the addition of two new combined-cycle units located in Asheville, North Carolina, and environmental compliance costs, including recovery over a seven-year period of $108 million of deferred coal ash related compliance costs. Duke Energy Progress is proposing to accelerate flow back of the remaining portion of the federal unprotected EDIT associated with Property, Plant and Equipment over 26 months compared to the amortization over 20 years that was approved in the last base rate case. Duke Energy Progress also requested approval to establish a storm reserve for future incremental storm costs. Hearings are scheduled to begin in January 2023, and Duke Energy Progress has requested to implement new customer rates by April 1, 2023. Duke Energy Progress cannot predict the outcome of this matter.

FERC Return on Equity Complaint

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 Federal Power Act (FPA), alleging that the 11% stated return on equity (ROE) component in the demand formula rate in the Power Supply and Coordination Agreement between NCEMC and Duke Energy Progress is unjust and unreasonable. On June 16, 2022, Duke Energy Progress submitted to the FERC an Offer of Settlement and Settlement Agreement (Settlement Agreement) between NCEMC and Duke Energy Progress. The Settlement Agreement provides for an ROE of 10%, effective January 1, 2022, among other contract modifications. On July 5, 2022, NCEMC filed comments in support of the Settlement Agreement. The parties are awaiting FERC approval of the Settlement Agreement. The final disposition of these proceedings is not expected to have a material effect on the results of operations, cash flows or financial position of Duke Energy Progress.

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%. On July 25, 2022, this provision was triggered. Duke Energy Florida filed a petition with the FPSC on August 12, 2022, to increase the ROE effective August 2022 with a base rate increase effective January 1, 2023. The FPSC approved this request on October 4, 2022. The 2021 Settlement Agreement also provided that Duke Energy Florida will be able to retain the $173 million retail portion of the expected DOE award from its lawsuit to recover spent nuclear fuel 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. Duke Energy Florida settled the DOE lawsuit and received payment of approximately $180 million on June 15, 2022, of which the retail portion was approximately $154 million. The 2021 Settlement authorizes Duke Energy Florida to collect the difference between $173 million and the $154 million retail portion of the amount received through the capacity cost recovery clause.

The 2021 Settlement also contained a provision to recover or flow-back the effects of tax law changes. As a result of the IRA enacted on August 16, 2022, Duke Energy Florida is eligible for production tax credits associated with solar facilities placed in service beginning in January 2022. Duke Energy Florida filed a petition with the FPSC on October 17, 2022, to reduce base rates effective January 1, 2023, by $56 million to flow back the expected 2023 production tax credits and to flow back the expected 2022 production tax credits via an adjustment to the capacity cost recovery clause. Duke Energy Florida cannot predict the outcome of this matter. See Note 16 for additional information on the IRA.

In addition to these terms, the 2021 Settlement contained 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 resolved remaining unrecovered storm costs for Hurricane Michael and Hurricane Dorian.

The FPSC approved the 2021 Settlement on May 4, 2021, issuing an order on June 4, 2021. Revised customer rates became effective January 1, 2022, with subsequent base rate increases effective January 1, 2023, and January 1, 2024.

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 and the projects are expected to be completed by the end of 2024. This investment will be included in base rates offset by the revenue from the subscription fees and the credits will be included for recovery in the fuel cost recovery clause. The FPSC approved the program in January 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. The Supreme Court of Florida heard the oral argument on February 9, 2022. On May 27, 2022, the Supreme Court of Florida issued an order remanding the case back to the FPSC so that the FPSC can amend its order to better address some of the arguments raised by LULAC. On September 23, 2022, the FPSC issued a revised order and submitted it on September 26, 2022, to the Supreme Court of Florida. The FPSC approval order remains in effect pending the outcome of the appeal. Duke Energy Florida cannot predict the outcome of this matter.

Storm Protection Plan

On April 11, 2022, Duke Energy Florida filed a Storm Protection Plan for approval with the FPSC. The plan, which covers investments for the 2023-2032 time frame, reflects approximately $7 billion of capital investment in transmission and distribution meant to strengthen its infrastructure, reduce outage times associated with extreme weather events, reduce restoration costs and improve overall service reliability. The evidentiary hearing began on August 2, 2022. On October 4, 2022, the FPSC voted to approve Duke Energy Florida's plan with one modification to remove the transmission loop radially fed program, representing a reduction of approximately $80 million over the 10-year period starting in 2025.

Hurricane Ian

On September 28, 2022, much of Duke Energy Florida's service territory was impacted by Hurricane Ian, which caused significant damage resulting in more than 1.1 million outages. Duke Energy Florida's September 30, 2022 Condensed Consolidated Balance Sheets included an estimate of approximately $162 million related to deferred Hurricane Ian storm costs incurred through September 30, 2022, consistent with the FPSC's storm rule, in Regulatory assets within Other Noncurrent Assets. Total storm restoration costs, including capital, are estimated to be in the range of $325 million to $375 million by the end of the year. The estimate will change as Duke Energy Florida receives additional information on actual costs. After depleting any existing storm reserves, which were approximately $107 million before Hurricane Ian, Duke Energy Florida is permitted to petition the FPSC for recovery of additional incremental operation and maintenance costs resulting from the storm and to replenish the retail customer storm reserve to approximately $132 million. Duke Energy Florida plans to make this petition in late 2022 or early 2023.

Duke Energy Ohio

Duke Energy Ohio Electric Base Rate Case

Duke Energy Ohio filed with the PUCO an electric distribution base rate case application on October 1, 2021, with supporting testimony filed on October 15, 2021, requesting an increase in electric distribution base rates of approximately $55 million and an ROE of 10.3%. This is an approximate 3.3% average increase in the customer's total bill across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last electric distribution base rate case in 2017. Duke Energy Ohio is also seeking to adjust the caps on its Distribution Capital Investment Rider (DCI Rider). The Staff of the PUCO (Staff) report was issued on May 19, 2022, recommending an increase in electric distribution base rates of $2 million to $15 million with an ROE range of 8.84% to 9.85%. On September 19, 2022, Duke Energy Ohio filed a Stipulation and Recommendation with the PUCO, which includes an increase in overall electric distribution base rates of approximately $23 million and an ROE of 9.5%. The stipulation is among all but one party to the proceeding. The four-day hearing ended on October 11, 2022. Initial briefs were filed on October 31, 2022, and reply briefs are due November 14, 2022. Duke Energy Ohio cannot predict the outcome of this matter.

Energy Efficiency Cost Recovery

In response to changes in Ohio law that eliminated Ohio's energy efficiency mandates, the PUCO issued an order on February 26, 2020, directing utilities to wind down their demand-side management programs by September 30, 2020, and to terminate the programs by December 31, 2020. Duke Energy Ohio took the following actions:

- 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 an order replacing the cost cap previously imposed upon Duke Energy Ohio with a cap on shared savings recovery. On December 18, 2020, Duke Energy Ohio filed an additional application for rehearing challenging, among other things, the imposition of the cap on shared savings. On January 13, 2021, the application for rehearing was granted for further consideration.
- 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 proposed a mechanism for recovery of program costs and a benefit associated with avoided transmission and distribution costs. The application remains under review.
- On November 18, 2020, the PUCO issued an order directing all utilities to set their energy efficiency riders 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. Effective January 1, 2021, Duke Energy Ohio suspended its energy efficiency programs.
- On June 14, 2021, the PUCO requested 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.

- On February 23, 2022, the PUCO issued its Fifth Entry on Rehearing that 1) affirmed its reduction in Duke Energy Ohio's shared savings cap; 2) denied rehearing/clarification regarding lost distribution revenues and shared savings recovery for periods after December 31, 2020; and 3) directed Duke Energy Ohio to submit an updated application with exhibits.
- On March 25, 2022, Duke Energy Ohio filed its Amended Application consistent with the PUCO's order.

Duke Energy Ohio cannot predict the outcome of this matter.

Duke Energy Ohio Natural Gas Base Rate Case

Duke Energy Ohio filed with the PUCO a natural gas base rate case application on June 30, 2022, with supporting testimony filed on July 14, 2022, requesting an increase in natural gas base rates of approximately $49 million and an ROE of 10.3%. This is an approximate 5.6% average increase in the customer's total bill across all customer classes. The drivers for this case are capital invested since Duke Energy Ohio's last natural gas base rate case in 2012. Duke Energy Ohio is also seeking to adjust the caps on its Capital Expenditure Program Rider (CEP Rider). Duke Energy Ohio cannot predict the outcome of this matter.

Natural Gas Pipeline Extension

Duke Energy Ohio installed 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. Construction of the pipeline extension was completed and placed in service on March 14, 2022, with a total cost of approximately $170 million (excluding overheads and AFUDC).

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 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. The Staff issued reports recommending a disallowance of MGP remediation costs incurred that the Staff believes are not eligible for recovery. The Staff interprets the PUCO’s 2013 order granting Duke Energy Ohio recovery of MGP remediation as limiting the recovery to work directly on the East End and West End sites. 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. Additionally, the 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.

The 2013 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, the 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.

A Stipulation and Recommendation was filed jointly by Duke Energy Ohio, the Staff, the Office of the Ohio Consumers' Counsel and the Ohio Energy Group on August 31, 2021, which was approved without modification by the PUCO on April 20, 2022. The Stipulation and Recommendation resolved all open issues regarding MGP remediation costs incurred between 2013 and 2019, Duke Energy Ohio’s request for additional deferral authority beyond 2019 and the pending issues related to the Tax Cuts and Jobs Act (the Tax Act) described below as it related to Duke Energy Ohio’s natural gas operations. As a result of the approval of the Stipulation and Recommendation, Duke Energy Ohio recognized pretax charges of approximately $15 million to Operating revenues, regulated natural gas and $58 million to Operation, maintenance and other and a tax benefit of $72 million to Income Tax (Benefit) Expense in the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2022. The Stipulation and Recommendation further acknowledged Duke Energy Ohio’s ability to file a request for additional deferral authority in the future related to environmental remediation of any MGP impacts in the Ohio River, if necessary, subject to specific conditions. On June 15, 2022, the PUCO granted the rehearing requests of Interstate Gas Supply, Inc. (IGS) and The Retail Energy Supply Association (RESA), which were filed on May 20, 2022, for further consideration. 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. The new rider would 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 would be refunded consistent with federal law and deferred income taxes not subject to normalization rules will be refunded over a 10-year period. An evidentiary hearing occurred on August 7, 2019. The Stipulation and Recommendation filed on August 31, 2021, and approved on April 20, 2022, disclosed in the MGP Cost Recovery matter above, resolves the outstanding issues in this proceeding by providing customers a one-time bill credit for the reduction in the statutory federal tax rate from 35% to 21% since January 1, 2018, through June 1, 2022, and reducing base rates going forward. Deferred income taxes subject to normalization rules will be refunded consistent with federal law through a new rider. Deferred income taxes not subject to normalization rules were written off. The commission granted the rehearing requests of IGS and RESA for further consideration. Duke Energy Ohio cannot predict the outcome of this matter.

Midwest Propane Caverns

Duke Energy Ohio used propane stored in caverns to meet peak demand during winter for several decades. Once the Central Corridor Project was complete and placed in service, the propane peaking facilities were no longer necessary and were retired. On October 7, 2021, Duke Energy Ohio requested deferral treatment of the property, plant and equipment as well as costs related to propane inventory and decommissioning costs. On January 6, 2022, the Staff issued a report recommending deferral authority for costs related to propane inventory and decommissioning costs, but not for the net book value of the remaining plant assets. As a result of the Staff's report, Duke Energy Ohio recorded a $19 million charge to Impairment of assets and other charges on the Condensed Consolidated Statements of Operations and Comprehensive Income in the fourth quarter of 2021. A Stipulation and Recommendation was filed jointly by Duke Energy Ohio and the Staff on April 27, 2022, recommending, among other things, approval of deferral treatment of a portion of the net book value of the property, plant and equipment prior to the 2021 impairment at the time of the next natural gas base rate case, excluding operations and maintenance savings, decommissioning costs not to exceed $7 million and costs related to propane inventory. The Stipulation and Recommendation states that Duke Energy Ohio will seek recovery of the deferral through its next natural gas base rate case proceeding with a proposed amortization period of at least 10 years and include an independent engineering study analyzing the necessity and prudency of the incremental investments made at the facilities since March 31, 2012. Duke Energy Ohio will not seek a return on the deferred amounts. An evidentiary hearing was held on September 8, 2022. On October 5, 2022, the PUCO issued an order approving the Stipulation and Recommendation as filed. As a result of the order, Duke Energy Ohio recorded a reversal of $12 million to Impairment of assets and other charges on the Condensed Consolidated Statements of Operations and Comprehensive Income for the three months and nine months ended September 30, 2022.

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 estimated to be the remaining 25% of the total rate increase were approved on July 28, 2021, and implemented in August 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 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. The Indiana Supreme Court issued its opinion on March 10, 2022, finding that the IURC erred in allowing Duke Energy Indiana to recover coal ash costs incurred before the IURC’s rate case order in June 2020. The Indiana Supreme Court found that allowing Duke Energy Indiana to recover coal ash costs incurred between rate cases that exceeded the amount built into base rates violated the prohibition against retroactive ratemaking. The IURC’s order has been remanded to the IURC for additional proceedings consistent with the Indiana Supreme Court’s opinion. As a result of the court's opinion, Duke Energy Indiana recognized pretax charges of approximately $211 million to Impairment of assets and other charges and $46 million to Operating revenues in the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2022. Duke Energy Indiana filed a request for rehearing with the Supreme Court on April 11, 2022, which the court denied on May 26, 2022. Duke Energy Indiana filed its testimony in the remand proceeding on August 18, 2022. An evidentiary hearing is scheduled to begin January 20, 2023. 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 also opened a subdocket for 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 (IDEM) as well as continuing deferral, with carrying costs, on the balance. An evidentiary hearing was held on September 14, 2020. Briefing was completed by mid-September 2021. On November 3, 2021, the IURC issued an order allowing recovery for post-2018 coal ash basin closure costs for the plans that have been approved by IDEM, as well as continuing deferral, with carrying costs, on the balance. The OUCC filed a notice of appeal to the Indiana Court of Appeals on December 3, 2021. The OUCC's opening brief was filed on October 12, 2022. Duke Energy Indiana cannot predict the outcome of this matter.

TDSIC 2.0

On November 23, 2021, Duke Energy Indiana filed for approval of the Transmission, Distribution, Storage Improvement Charge 2.0 investment plan for 2023-2028 (TDSIC 2.0). On June 15, 2022, the IURC approved, without modification, TDSIC 2.0, which includes approximately $2 billion in transmission and distribution investments selected to improve reliability to our customers, harden and improve resiliency of the grid, enable expansion of renewable and distributed energy projects and encourage economic development. In addition, the IURC set up a subdocket to consider the targeted economic development project, which the IURC approved on March 2, 2022. On July 15, 2022, the OUCC filed a notice of appeal to the Indiana Court of Appeals in Duke Energy Indiana’s TDSIC 2.0 proceeding. An appellant brief was filed on October 28, 2022. Duke Energy Indiana cannot predict the outcome of this matter.

Piedmont

2022 South Carolina Rate Case

On April 1, 2022, Piedmont filed an application with the PSCSC for a rate increase for retail customers of approximately $7 million, which represents an approximate 3.4% increase in retail revenues. The rate increase is driven by customer growth and infrastructure upgrade investments (plant additions) since Piedmont's last proceeding in 2021 under South Carolina's Rate Stabilization Act. In addition, Piedmont agreed with the South Carolina Office of Regulatory Staff (ORS) in 2019 to file a general rate case no later than April 1, 2022, to conduct a more comprehensive review of rates including the allocation of costs to residential, commercial and industrial customers. In addition to the ORS, the South Carolina Department of Consumer Affairs (DCA) and the South Carolina Energy Users Committee (SCEUC) intervened in the case and filed testimony on July 12, 2022, each recommending downward adjustments relating to several issues, including ROE, capital structure, depreciation and employee compensation. Prior to hearing, Piedmont entered into a comprehensive settlement with the ORS and the SCEUC, which included a stipulated ROE of 9.49% and capital structure of 53.5% equity. The DCA stipulated to all terms with the exception of ROE and capital structure. An evidentiary hearing was held on August 15, 2022. On September 15, 2022, the PSCSC delivered its decision, which included an ROE of 9.3% and a capital structure of 52.2% equity and 47.8% debt and issued its final order on October 6, 2022. Revised customer rates became effective in October 2022 and resulted in a rate decrease for retail customers of approximately $1 million.

Tennessee Annual Review Mechanism

On October 10, 2022, the TPUC approved Piedmont's petition to adopt an Annual Review Mechanism (ARM) as allowed by Tennessee law. Under the ARM, Piedmont will adjust rates annually to achieve its allowed 9.80% ROE over the upcoming year and to true up any variance between its allowed ROE and actual ROE from the prior calendar year. The initial year subject to the true up is 2022, and the initial rate adjustments request will be filed in May 2023 for rates effective October 1, 2023.

OTHER REGULATORY MATTERS

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 September 30, 2022, and exclude capitalized asset retirement costs.

	Capacity (in MW)	Remaining Net Book Value (in millions)
Duke Energy Carolinas		
Allen Steam Station Unit 1[(a)]	167	$ 11
Allen Steam Station Unit 5[(b)]	259	243
Cliffside Unit 5[(b)]	546	351
Duke Energy Progress		
Mayo Unit 1[(b)]	713	623
Roxboro Units 3-4[(b)]	1,409	433
Duke Energy Florida		
Crystal River Units 4-5[(c)]	1,442	1,578
Duke Energy Indiana		
Gibson Units 1-5[(d)]	2,845	2,019
Cayuga Units 1-2[(d)]	1,005	644
Total Duke Energy	8,386	$ 5,902

(a) As part of the 2015 resolution of a lawsuit involving alleged New Source Review violations, Duke Energy Carolinas must retire Allen Steam Station Unit 1 by December 31, 2024. The long-term energy options considered in the IRP could result in retirement of this unit earlier than its current estimated useful life.

(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.

(c) On January 14, 2021, Duke Energy Florida filed the 2021 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 FPSC approved the 2021 Settlement on May 4, 2021. The remaining net book value reflected in the table above excludes $200 million of accelerated deprecation collected from retail customers pursuant to Duke Energy Florida's 2017 Settlement.

(d) 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 Other within Other Noncurrent Liabilities on the Condensed Consolidated Balance Sheets.

(in millions)	September 30, 2022	December 31, 2021
Reserves for Environmental Remediation		
Duke Energy	**$ 89**	$ 88
Duke Energy Carolinas	**23**	19
Progress Energy	**24**	23
Duke Energy Progress	**12**	11
Duke Energy Florida	**11**	11
Duke Energy Ohio	**32**	34
Duke Energy Indiana	**3**	4
Piedmont	**7**	9

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.

LITIGATION

Duke Energy

Michael Johnson et al. v. Duke Energy Corporation et al.

On September 23, 2020, plaintiff Michael Johnson, a former Duke Energy employee and participant in the Duke Energy Retirement Savings Plan (Plan) brought suit on his own behalf and on behalf of other participants and beneficiaries similarly situated against Duke Energy Corporation, the Duke Energy Benefits Committee, and other unnamed individual defendants. The complaint, which was subsequently amended to add a current participant as a plaintiff on November 23, 2020, alleges that the defendants breached their fiduciary duties with respect to certain fees associated with the Plan in violation of the Employee Retirement Income Security Act of 1974 and seeks certification of a class of all individuals who were participants or beneficiaries of the Plan at any time on or after September 23, 2014. The defendants filed a motion to dismiss the plaintiffs' amended complaint on December 18, 2020. On January 31, 2022, the court denied the defendants' motion to dismiss. On February 28, 2022, Duke Energy responded to the amended complaint. Discovery commenced and the parties exchanged preliminary disclosures. After review of these disclosures, the plaintiff agreed to voluntarily dismiss its suit and the parties subsequently filed a joint stipulation of voluntary dismissal with prejudice on April 29, 2022, ending this litigation.

Texas Storm Uri Tort Litigation

Several Duke Energy renewables project companies, located in the ERCOT market, were named in lawsuits arising out of Texas Storm Uri in mid-February 2021. Duke Energy Corporation, which had originally been named in several suits, was dismissed from the lawsuits. The lawsuits against the Duke Energy renewables project companies seek recovery for property damages, personal injury and for wrongful death allegedly caused by the power outages, which the plaintiffs claim was the result of collective failures of generators, transmission and distribution operators, retail energy providers and others, including ERCOT. The cases have been consolidated into a Texas state court multidistrict litigation (MDL) proceeding for discovery and pre-litigation purposes. Five MDL cases have been designated for motions to dismiss while all other cases are stayed. Duke Energy renewables projects are named as defendants in three of these five cases. Plaintiffs in these five cases have filed amended petitions, which are subject to renewed omnibus motions to dismiss focusing on lack of duty, tariff defenses and sovereign immunity. The motions were heard by the court on October 11 and 12, 2022. The court is expected to make a decision on all motions within two months. Thereafter, the parties expect an appeal which may have the effect of staying all or some of the litigation. Duke Energy cannot predict the outcomes of these matters.

Duke Energy Carolinas

Ruben Villano, et al. v. Duke Energy Carolinas, LLC

On June 16, 2021, a group of nine individuals went over a low head dam adjacent to the Dan River Steam Station in Eden, North Carolina, while water tubing. Emergency personnel rescued four people and five others were confirmed deceased. On August 11, 2021, Duke Energy Carolinas was served with the complaint filed in Durham County Superior Court on behalf of four survivors, which was later amended to include all the decedents along with the survivors, except for one minor. The lawsuit alleges that Duke Energy Carolinas knew that the river was used for recreational purposes and that Duke Energy did not adequately warn about the dam, and that Duke Energy Carolinas created a dangerous and hidden hazard on the Dan River in building and maintaining the low head dam. On September 30, 2021, Duke Energy Carolinas filed its motion to dismiss and motion for transfer of venue from Durham County to Rockingham County, both of which were denied on November 15, 2021. On November 15, 2021, Duke Energy Carolinas was also served with Plaintiffs Second Amended Complaint, which added the final minor plaintiff and consolidated all the actions into one lawsuit. Duke Energy Carolinas has filed its Answer and Affirmative Defenses to the Second Amended Complaint. Discovery has commenced and is scheduled to be completed on or before April 28, 2023. The parties are preparing for mediation in December 2022. If the case is not resolved, dispositive motions are due to be filed by September 6, 2023. The case is scheduled to be trial-ready by October 2, 2023. Duke Energy Carolinas cannot predict the outcome of this matter.

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 sought 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' motions to dismiss. In October 2021, NTE filed a Second Amended Counterclaim and Complaint, and in January 2022, NTE filed a Third Amended Counterclaim and Complaint. Duke Energy Carolinas has responded to these pleadings. On December 6, 2021, Duke Energy Carolinas filed an Amended Complaint. Following completion of discovery, Duke Energy Carolinas filed a motion for summary judgment seeking a ruling in its favor as to some of its affirmative claims against NTE and to all of NTE's counterclaims. On June 24, 2022, the court issued an order partially granting Duke Energy Carolinas' motion by dismissing NTE's counterclaims that Duke Energy Carolinas engaged in anti-competitive behavior that violated various federal and state antitrust and deceptive trade practices statutes. On October 12, 2022, the parties executed a settlement agreement with respect to the remaining breach of contract claims in the litigation and a Stipulation of Dismissal was filed with the court on October 13, 2022. NTE has until November 14, 2022 to appeal the District Court's summary judgment ruling in Duke Energy Carolinas' favor on NTE's antitrust and unfair competition claims. 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.

Duke Energy Carolinas has recognized asbestos-related reserves of $467 million at September 30, 2022, and $501 million at December 31, 2021. 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 2041 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 2041 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. Receivables for insurance recoveries were $595 million at September 30, 2022, and $644 million at December 31, 2021. These amounts are classified in Other within Other Noncurrent Assets and Receivables within Current Assets on the Condensed Consolidated Balance Sheets. Any future payments up to the policy limit will be reimbursed by the third-party insurance carrier. 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.

The reserve for credit losses for insurance receivables is $12 million for Duke Energy and Duke Energy Carolinas as of September 30, 2022, and December 31, 2021. 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 DOE 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.

On March 30, 2022, the DOE and Duke Energy Progress executed a settlement agreement, pursuant to which Duke Energy Progress will receive damages for costs incurred between 2014 and 2018, and will be able to submit future costs on a defined schedule. In April 2022, Duke Energy Progress received $87 million in proceeds that related to damages incurred in 2014 through 2018.

On May 2, 2022, the DOE and Duke Energy Florida executed a settlement agreement, pursuant to which Duke Energy Florida will receive damages for costs incurred between 2014 and 2018, and will be able to submit costs incurred in 2019 and 2020 pursuant to an audit process. In June 2022, Duke Energy Florida received $180 million in proceeds that related to damages incurred in 2014 through 2018.

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 (IDEM's) December 10, 2019, partial approval of Duke Energy Indiana’s ash pond closure plan at Duke Energy's Gallagher power station. 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. On June 25, 2021, Duke Energy Indiana filed its response to the Petition to Review. On August 30, 2021, HEC served Duke Energy Indiana with its Brief in Support of Petition for Judicial Review. On October 29, 2021, Duke Energy Indiana and IDEM filed their response briefs. On December 13, 2021, HEC filed and served its Reply Brief.

On January 11, 2022, Duke Energy Indiana received a compliance obligation letter from the Environmental Protection Agency (EPA) notifying the company that the two basins at issue in the litigation are subject to requirements of the CCR Rule. The letter does not provide a deadline for compliance. Duke Energy Indiana is evaluating the EPA letter, its potential impacts on the litigation and the extent to which this letter could apply to CCR surface impoundments at its other Indiana sites.

Following the January 11, 2022 EPA notice of compliance letter, the parties filed a joint motion to stay the litigation for 45 days, which was approved by the court. As a result, the oral argument scheduled for February 1, 2022, was postponed. Duke Energy Indiana and HEC engaged in settlement discussions, but the parties were unable to reach resolution. On April 21, 2022, HEC filed a Motion to Lift Stay and Motion for Judicial Notice. HEC also requested that the court hold a hearing within 45 days and also take judicial notice of the EPA's January 11, 2022 letter. On April 22, 2022, Duke Energy Indiana sent IDEM a letter withdrawing the closure plans for the Gallagher North Ash Pond and Primary Pond Ash Fill. After acknowledgment by IDEM of withdrawal of these closure plans, Duke Energy Indiana filed a Motion to Dismiss the litigation as moot on April 28, 2022, which IDEM supported, and the court granted the Motion to Dismiss on July 8, 2022.

Coal Ash Insurance Coverage Litigation

In June 2022, Duke Energy Indiana filed a civil action in Indiana Superior Court against various insurance companies seeking declaratory relief with respect to insurance coverage for coal combustion residuals-related expenses and liabilities covered by third-party liability insurance policies. The insurance policies cover the 1969-1972 and 1984-1985 periods and provide third-party liability insurance for claims and suits alleging property damage, bodily injury and personal injury (or a combination thereof). A case schedule has not yet been set. 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. Reserves are classified on the Condensed Consolidated Balance Sheets in Other within Other Noncurrent Liabilities and Other within Current Liabilities.

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).

			Nine Months Ended September 30, 2022				
Issuance Date	Maturity Date	Interest Rate	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Piedmont
Unsecured Debt							
May 2022[(a)]	May 2052	5.050 %	$ 400	$ —	$ —	$ —	$ 400
June 2022[(b)]	June 2028	4.750 %	645	645	—	—	—
June 2022[(b)]	June 2034	5.306 %	537	537	—	—	—
August 2022[(c)]	March 2028	4.300 %	900	900	—	—	—
August 2022[(c)]	August 2032	4.500 %	1,150	1,150	—	—	—
August 2022[(c)]	August 2052	5.000 %	1,150	1,150	—	—	—
First Mortgage Bonds							
March 2022[(d)]	March 2032	2.850 %	500	—	500	—	—
March 2022[(d)]	March 2052	3.550 %	650	—	650	—	—
March 2022[(d)]	April 2032	3.400 %	500	—	—	500	—
March 2022[(d)]	April 2052	4.000 %	400	—	—	400	—
Tax-exempt Bonds							
June 2022[(e)]	September 2030	4.000 %	168	168	—	—	—
June 2022[(e)]	November 2039	4.250 %	234	234	—	—	—
September 2022[(f)]	October 2046	3.300 %	200	—	—	200	—
September 2022[(g)]	October 2046	3.700 %	210	—	—	210	—
September 2022[(g)]	October 2046	4.000 %	42	—	—	42	—
Total issuances			$ 7,686	$ 4,784	$ 1,150	$ 1,352	$ 400

(a) Proceeds were used to pay down a portion of outstanding intercompany short-term debt and for general corporate purposes.
(b) Duke Energy (Parent) issued 600 million euros aggregate principal amount of 3.10% senior notes due June 2028 and 500 million euros aggregate principal amount of 3.85% senior notes due June 2034. Proceeds were used to repay a $500 million debt maturity, pay down short-term debt and for general corporate purposes. Duke Energy's obligations under its euro-denominated fixed-rate notes were effectively converted to fixed-rate U.S. dollars at issuance through cross-currency swaps, mitigating foreign currency exchange risk associated with the interest and principal payments. See Note 9 for additional information.
(c) Proceeds will be used to repay a portion of short-term debt and for general corporate purposes.
(d) Proceeds were used to finance or refinance, in whole or in part, existing or new eligible projects under the sustainable financing framework.
(e) Proceeds were used to provide funds to refund the prior bonds, which were used to finance or refinance portions of certain solid waste disposal facilities. The mandatory purchase date of these bonds is June 1, 2027.
(f) Proceeds were used to provide funds to refund the prior bonds, which were used to finance or refinance portions of certain air and water pollution control equipment and solid waste disposal equipment. The mandatory purchase date of these bonds is October 1, 2026.
(g) Proceeds were used to provide funds to refund the prior bonds, which were used to finance or refinance portions of certain air and water pollution control equipment and solid waste disposal equipment. The mandatory purchase date of these bonds is October 1, 2030.

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	September 30, 2022
Unsecured Debt[a]			
Duke Energy (Parent)	April 2023	2.875 %	$ 350
Duke Energy (Parent)[b]	June 2023	2.048 %	500
First Mortgage Bonds			
Duke Energy Carolinas	March 2023	2.500 %	500
Duke Energy Carolinas	March 2023	3.050 %	500
Duke Energy Progress	September 2023	3.375 %	300
Duke Energy Ohio	September 2023	3.800 %	300
Other[c]			799
Current maturities of long-term debt			$ 3,249

(a) In May 2022, Duke Energy (Parent) early retired $500 million of unsecured debt with an original maturity date of August 2022.
(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 2022, Duke Energy amended its existing Master Credit Facility to increase the amount of the facility from $8 billion to $9 billion and to extend the termination date to March 2027. 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.

	September 30, 2022							
(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]	$ 9,000	$ 3,000	$ 1,225	$ 950	$ 1,350	$ 775	$ 900	$ 800
Reduction to backstop issuances								
Commercial paper[b]	(3,339)	(135)	(827)	(150)	(887)	(476)	(586)	(278)
Outstanding letters of credit	(38)	(25)	(4)	(2)	(7)	—	—	—
Tax-exempt bonds	(81)	—	—	—	—	—	(81)	—
Available capacity under the Master Credit Facility	$ 5,542	$ 2,840	$ 394	$ 798	$ 456	$ 299	$ 233	$ 522

(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

Duke Energy (Parent) Term Loan Facility

On March 9, 2022, Duke Energy (Parent) entered into a Term Loan Credit Agreement (Credit Agreement) with commitments totaling $1.4 billion maturing March 9, 2024. The maturity date of the Credit Agreement may be extended for up to two years by request of Duke Energy (Parent), upon satisfaction of certain conditions contained in the Credit Agreement. Borrowings under the facility were used to repay amounts drawn under the Three-Year Revolving Credit Facility and for general corporate purposes, including repayment of a portion of Duke Energy's outstanding commercial paper. The balance is classified as Long-Term Debt on Duke Energy's Condensed Consolidated Balance Sheets. The Three-Year Revolving Credit Facility was terminated in March 2022.

Duke Energy Florida Term Loan Facility

In October 2022, Duke Energy Florida entered into a term loan facility with commitments totaling $800 million expiring in April 2024. The term loan was fully drawn at the time of closing in October and borrowings were used for storm costs, under-collected fuel and general company purposes. The balance will be classified as Long-Term Debt on Duke Energy Florida's Consolidated Balance Sheet.

Other Debt Matters

In September 2022, 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. Also in September 2022, Duke Energy filed a Form S-3 that allows Duke Energy to sell up to $4 billion of variable denomination floating-rate demand notes, called PremierNotes. The Form S-3 states that no more than $2 billion of the notes will be outstanding at any particular time.

Intercompany Credit Agreements

In March 2022, Progress Energy closed a revolving credit agreement with Duke Energy (Parent), which allowed up to $2.5 billion in intercompany borrowings.

6. ASSET RETIREMENT OBLIGATIONS

The Duke Energy Registrants record AROs when there is a legal obligation to incur retirement costs associated with the retirement of a long-lived asset and the obligation can be reasonably estimated. Actual costs incurred could be materially different from current estimates that form the basis of the recorded AROs.

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

	September 30, 2022							
(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)]	$ 7,206	$ 2,968	$ 4,202	$ 3,908	$ 294	$ —	$ —	$ —
Closure of ash impoundments	5,293	2,360	1,914	1,885	29	99	919	—
Other	451	65	87	46	41	56	39	23
Total ARO	$ 12,950	$ 5,393	$ 6,203	$ 5,839	$ 364	$ 155	$ 958	$ 23
Less: Current portion	798	278	311	310	1	23	185	—
Total noncurrent ARO	$ 12,152	$ 5,115	$ 5,892	$ 5,529	$ 363	$ 132	$ 773	$ 23

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

ARO Liability Rollforward

The following table presents the change in liability associated with AROs for the Duke Energy Registrants.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Balance at December 31, 2021[(a)]	$ 12,776	$ 5,301	$ 6,112	$ 5,675	$ 437	$ 136	$ 987	$ 22
Accretion expense[(b)]	376	180	170	159	11	4	21	1
Liabilities settled[(c)]	(488)	(163)	(239)	(160)	(79)	(8)	(77)	—
Revisions in estimates of cash flows[(d)]	286	75	160	165	(5)	23	27	—
Balance at September 30, 2022	$ 12,950	$ 5,393	$ 6,203	$ 5,839	$ 364	$ 155	$ 958	$ 23

(a) Primarily relates to decommissioning nuclear power facilities, closure of ash impoundments, asbestos removal, closure of landfills at fossil generation facilities, retirement of natural gas mains and removal of renewable energy generation assets.
(b) For the nine months ended September 30, 2022, substantially all accretion expense relates to Duke Energy's regulated operations and has been deferred in accordance with regulatory accounting treatment.
(c) Primarily relates to ash impoundment closures and nuclear decommissioning.
(d) The amounts recorded represent the discounted cash flows for estimated closure costs as evaluated on a site-by-site basis. The increases primarily relate to higher unit costs associated with basin closure, routine maintenance and beneficiation activities, partially offset by lower post closure maintenance costs, a reduction in monitoring wells needed, and higher discount rates applied to future cash flows.

Asset retirement costs associated with the AROs for operating plants and retired plants are included in Net property, plant and equipment and Regulatory assets within Other Noncurrent Assets, respectively, on the Condensed Consolidated Balance Sheets.

7. GOODWILL

Duke Energy

The following table presents the goodwill by reportable segment included on Duke Energy's Condensed Consolidated Balance Sheets at September 30, 2022, and December 31, 2021.

(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 September 30, 2022, and December 31, 2021.

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.

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 the third quarter of 2022.

8. 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 September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Duke Energy Carolinas				
Corporate governance and shared service expenses[a]	**$ 193**	$ 207	**$ 590**	$ 653
Indemnification coverages[b]	**7**	6	**21**	18
Joint Dispatch Agreement (JDA) revenue[c]	**16**	6	**54**	32
JDA expense[c]	**210**	68	**477**	133
Intercompany natural gas purchases[d]	**5**	14	**14**	43
Progress Energy				
Corporate governance and shared service expenses[a]	**$ 188**	$ 201	**$ 568**	$ 615
Indemnification coverages[b]	**10**	10	**32**	31
JDA revenue[c]	**210**	68	**477**	133
JDA expense[c]	**16**	6	**54**	32
Intercompany natural gas purchases[d]	**19**	19	**57**	56
Duke Energy Progress				
Corporate governance and shared service expenses[a]	**$ 111**	$ 121	**$ 338**	$ 367
Indemnification coverages[b]	**5**	4	**15**	14
JDA revenue[c]	**210**	68	**477**	133
JDA expense[c]	**16**	6	**54**	32
Intercompany natural gas purchases[d]	**19**	19	**57**	56
Duke Energy Florida				
Corporate governance and shared service expenses[a]	**$ 77**	$ 80	**$ 230**	$ 248
Indemnification coverages[b]	**5**	6	**17**	17
Duke Energy Ohio				
Corporate governance and shared service expenses[a]	**$ 87**	$ 79	**$ 251**	$ 237
Indemnification coverages[b]	**2**	1	**4**	3
Duke Energy Indiana				
Corporate governance and shared service expenses[a]	**$ 115**	$ 96	**$ 330**	$ 302
Indemnification coverages[b]	**2**	2	**6**	6
Piedmont				
Corporate governance and shared service expenses[a]	**$ 37**	$ 32	**$ 109**	$ 101
Indemnification coverages[b]	**1**	1	**2**	3
Intercompany natural gas sales[d]	**24**	33	**71**	99
Natural gas storage and transportation costs[e]	**6**	6	**17**	17

(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 12, 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
September 30, 2022							
Intercompany income tax receivable	**$ 80**	**$ 114**	**$ —**	**$ 102**	**$ 14**	**$ 27**	**$ 25**
Intercompany income tax payable	**—**	**—**	**33**	**—**	**—**	**—**	**—**
December 31, 2021							
Intercompany income tax receivable	$ —	$ —	$ —	$ 40	$ 19	$ —	$ —
Intercompany income tax payable	62	—	84	—	—	10	27

9. DERIVATIVES AND HEDGING

The Duke Energy Registrants use commodity, interest rate and foreign currency contracts to manage commodity price risk, interest rate risk and foreign currency exchange 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. Foreign currency derivatives are used to manage risk related to foreign currency exchange rates on certain issuances of debt.

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 or financing activities on the Condensed Consolidated Statements of Cash Flows consistent with the classification of the hedged transaction.

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 nine months ended September 30, 2022, and 2021, 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.

	September 30, 2022					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 1,125	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,102	625	150	150	300	27
Total notional amount[(a)]	$ 2,227	$ 625	$ 150	$ 150	$ 300	$ 27

	December 31, 2021					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Indiana	Duke Energy Ohio
Cash flow hedges	$ 2,415	$ —	$ —	$ —	$ —	$ —
Undesignated contracts	1,177	350	500	500	300	27
Total notional amount[(a)]	$ 3,592	$ 350	$ 500	$ 500	$ 300	$ 27

(a) Duke Energy includes amounts related to consolidated VIEs of $625 million and $665 million in cash flow hedges as of September 30, 2022, and December 31, 2021, respectively.

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 nine months ended September 30, 2022, and 2021, were not material. Duke Energy's commodity derivatives designated as hedges include long-term electricity sales in the Commercial Renewables segment.

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.

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.

Duke Energy's undesignated contracts include long-term electricity sales in the Commercial Renewables segment.

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.

	September 30, 2022						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	32,282	—	—	—	3,067	18,633	—
Natural gas (millions of dekatherms)	862	274	265	265	—	14	309

	December 31, 2021						
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Electricity (GWh)[(a)]	22,344	—	—	—	1,681	10,688	—
Natural gas (millions of dekatherms)	823	264	215	215	—	8	336

(a) Duke Energy includes 4,335 GWh and 9,975 GWh related to cash flow hedges as of September 30, 2022, and December 31, 2021, respectively.

FOREIGN CURRENCY RISK

Duke Energy may enter into foreign currency derivatives to hedge exposure to changes in foreign currency exchange rates, such as that arising from the issuance of debt denominated in a currency other than U.S. dollars.

Fair Value Hedges

Derivatives related to existing fixed rate securities are accounted for as fair value hedges, where the derivatives' fair value gains or losses and hedged items' fair value gains or losses are both recorded directly to earnings on the same income statement line item, including foreign currency gains or losses arising from changes in the U.S. currency exchange rates. Duke Energy has elected to exclude the cross-currency basis spread from the assessment of effectiveness in the fair value hedges of its foreign currency risk and record any difference between the change in the fair value of the excluded components and the amounts recognized in earnings as a component of other comprehensive income or loss.

The following table shows Duke Energy's outstanding derivatives related to foreign currency risk. There were no fair value hedges in 2021.

	September 30, 2022					
	Pay Notional (in millions)	Pay Rate	Receive Notional (in millions)	Receive Rate	Hedge Maturity Date	Fair Value Gain (Loss)[(a)] (in millions)
Fair value hedges						
	$ **645**	**4.75 %**	**600 euros**	**3.10 %**	**June 2028**	$ **(57)**
	537	**5.31 %**	**500 euros**	**3.85 %**	**June 2034**	**(47)**
Total notional amount	$ **1,182**		**1,100 euros**			$ **(104)**

(a) Amounts are recorded in Other Income and expenses, net on the Condensed Consolidated Statement of Operations, which offsets an equal translation adjustment of the foreign denominated debt. See the Condensed Consolidated Statements of Comprehensive Income for amounts excluded from the assessment of effectiveness for which the difference between changes in fair value and periodic amortization is recorded.

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	**September 30, 2022**							
(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	$ 615	$ 282	$ 263	$ 241	$ 22	$ 4	$ 58	$ —
Noncurrent	340	172	162	162	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 955	$ 454	$ 425	$ 403	$ 22	$ 4	$ 58	$ —
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 103	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	35	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	85	—	12	12	—	—	73	—
Noncurrent	81	81	—	—	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 304	$ 81	$ 12	$ 12	$ —	$ —	$ 73	$ —
Total Derivative Assets	$ 1,259	$ 535	$ 437	$ 415	$ 22	$ 4	$ 131	$ —

Derivative Liabilities	**September 30, 2022**							
(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	$ 24	$ —	$ —	$ —	$ —	$ —	$ —	—
Noncurrent	106	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	168	99	—	—	—	—	18	31
Noncurrent	233	14	9	9	—	—	—	140
Total Derivative Liabilities – Commodity Contracts	$ 531	$ 113	$ 9	$ 9	$ —	$ —	$ 18	$ 171
Interest Rate Contracts								
Not Designated as Hedging Instruments								
Current	1	—	—	—	—	1	—	—
Noncurrent	2	—	—	—	—	2	—	—
Total Derivative Liabilities – Interest Rate Contracts	$ 3	$ —	$ —	$ —	$ —	$ 3	$ —	$ —
Foreign Currency Contracts								
Designated as Hedging Instruments								
Current	$ 21	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	116	—	—	—	—	—	—	—
Total Derivative Liabilities – Foreign Currency Contracts	$ 137	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Derivative Liabilities	$ 671	$ 113	$ 9	$ 9	$ —	$ 3	$ 18	$ 171

Derivative Assets	December 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	$ 199	$ 99	$ 72	$ 72	$ —	$ 2	$ 23	$ 3
Noncurrent	113	63	50	50	—	—	—	—
Total Derivative Assets – Commodity Contracts	$ 312	$ 162	$ 122	$ 122	$ —	$ 2	$ 23	$ 3
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 3	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	3	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	2	—	2	2	—	—	—	—
Total Derivative Assets – Interest Rate Contracts	$ 8	$ —	$ 2	$ 2	$ —	$ —	$ —	$ —
Total Derivative Assets	$ 320	$ 162	$ 124	$ 124	$ —	$ 2	$ 23	$ 3

Derivative Liabilities	December 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	$ 27	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	117	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	72	18	19	5	14	—	13	21
Noncurrent	132	9	5	5	—	—	—	118
Total Derivative Liabilities – Commodity Contracts	$ 348	$ 27	$ 24	$ 10	$ 14	$ —	$ 13	$ 139
Interest Rate Contracts								
Designated as Hedging Instruments								
Current	$ 75	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Noncurrent	21	—	—	—	—	—	—	—
Not Designated as Hedging Instruments								
Current	10	8	—	—	—	1	—	—
Noncurrent	18	—	—	—	—	4	14	—
Total Derivative Liabilities – Interest Rate Contracts	$ 124	$ 8	$ —	$ —	$ —	$ 5	$ 14	$ —
Total Derivative Liabilities	$ 472	$ 35	$ 24	$ 10	$ 14	$ 5	$ 27	$ 139

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 cash collateral posted to offset the net position. The amounts shown are calculated by counterparty. Accounts receivable or accounts payable and letters of credit may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

Derivative Assets	September 30, 2022							
(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	$ 803	$ 282	$ 275	$ 253	$ 22	$ 4	$ 131	$ —
Gross amounts offset	(232)	(124)	(109)	(109)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 571	$ 158	$ 166	$ 144	$ 22	$ 4	$ 131	$ —
Noncurrent								
Gross amounts recognized	$ 456	$ 253	$ 162	$ 162	$ —	$ —	$ —	$ —
Gross amounts offset	(191)	(86)	(105)	(105)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 265	$ 167	$ 57	$ 57	$ —	$ —	$ —	$ —

Derivative Liabilities	September 30, 2022							
(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	$ 214	$ 99	$ —	$ —	$ —	$ 1	$ 18	$ 31
Gross amounts offset	(18)	—	—	—	—	—	(18)	—
Net amounts presented in Current Liabilities: Other	$ 196	$ 99	$ —	$ —	$ —	$ 1	$ —	$ 31
Noncurrent								
Gross amounts recognized	$ 457	$ 14	$ 9	$ 9	$ —	$ 2	$ —	$ 140
Gross amounts offset	(17)	(9)	(9)	(9)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 440	$ 5	$ —	$ —	$ —	$ 2	$ —	$ 140

Derivative Assets	December 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	$ 204	$ 99	$ 74	$ 74	$ —	$ 2	$ 23	$ 3
Gross amounts offset	(25)	(16)	(9)	(9)	—	—	—	—
Net amounts presented in Current Assets: Other	$ 179	$ 83	$ 65	$ 65	$ —	$ 2	$ 23	$ 3
Noncurrent								
Gross amounts recognized	$ 116	$ 63	$ 50	$ 50	$ —	$ —	$ —	$ —
Gross amounts offset	(23)	(15)	(8)	(8)	—	—	—	—
Net amounts presented in Other Noncurrent Assets: Other	$ 93	$ 48	$ 42	$ 42	$ —	$ —	$ —	$ —

Derivative Liabilities	December 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	$ 184	$ 26	$ 19	$ 5	$ 14	$ 1	$ 13	$ 21
Gross amounts offset	(11)	(6)	(5)	(5)	—	—	—	—
Net amounts presented in Current Liabilities: Other	$ 173	$ 20	$ 14	$ —	$ 14	$ 1	$ 13	$ 21
Noncurrent								
Gross amounts recognized	$ 288	$ 9	$ 5	$ 5	$ —	$ 4	$ 14	$ 118
Gross amounts offset	(12)	(8)	(5)	(5)	—	—	—	—
Net amounts presented in Other Noncurrent Liabilities: Other	$ 276	$ 1	$ —	$ —	$ —	$ 4	$ 14	$ 118

10. 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 Available for Sale (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 guidelines 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 September 30, 2022, and December 31, 2021.

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.

	September 30, 2022			December 31, 2021		
(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	$ —	$ —	$ 120	$ —	$ —	$ 160
Equity securities	3,238	181	5,447	4,905	43	7,350
Corporate debt securities	—	116	682	39	6	829
Municipal bonds	—	49	319	14	1	314
U.S. government bonds	—	139	1,391	31	12	1,568
Other debt securities	—	20	164	3	1	180
Total NDTF Investments	$ 3,238	$ 505	$ 8,123	$ 4,992	$ 63	$ 10,401
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 37	$ —	$ —	$ 36
Equity securities	15	20	116	36	—	156
Corporate debt securities	—	14	81	2	1	119
Municipal bonds	—	4	80	3	1	80
U.S. government bonds	—	1	63	—	—	56
Other debt securities	—	3	40	—	1	45
Total Other Investments	$ 15	$ 42	$ 417	$ 41	$ 3	$ 492
Total Investments	$ 3,253	$ 547	$ 8,540	$ 5,033	$ 66	$ 10,893

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and nine months ended September 30, 2022, and 2021, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
FV-NI:				
Realized gains	$ 25	$ 34	$ 170	$ 320
Realized losses	61	40	247	100
AFS:				
Realized gains	7	17	22	51
Realized losses	40	15	105	46

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.

	September 30, 2022			December 31, 2021		
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						
Cash and cash equivalents	$ —	$ —	$ 41	$ —	$ —	$ 53
Equity securities	1,903	87	3,154	2,887	19	4,265
Corporate debt securities	—	86	433	24	4	506
Municipal bonds	—	13	57	2	—	48
U.S. government bonds	—	65	637	16	3	712
Other debt securities	—	19	159	3	1	175
Total NDTF Investments	$ 1,903	$ 270	$ 4,481	$ 2,932	$ 27	$ 5,759

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and nine months ended September 30, 2022, and 2021, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
FV-NI:				
Realized gains	$ 16	$ 25	$ 109	$ 243
Realized losses	39	29	143	68
AFS:				
Realized gains	7	10	19	35
Realized losses	20	10	57	32

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.

	September 30, 2022			December 31, 2021		
(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	$ —	$ —	$ 79	$ —	$ —	$ 107
Equity securities	1,335	94	2,293	2,018	24	3,085
Corporate debt securities	—	30	249	15	2	323
Municipal bonds	—	36	262	12	1	266
U.S. government bonds	—	74	754	15	9	856
Other debt securities	—	1	5	—	—	5
Total NDTF Investments	$ 1,335	$ 235	$ 3,642	$ 2,060	$ 36	$ 4,642
Other Investments						
Cash and cash equivalents	$ —	$ —	$ 13	$ —	$ —	$ 20
Municipal bonds	—	—	25	2	—	26
Total Other Investments	$ —	$ —	$ 38	$ 2	$ —	$ 46
Total Investments	$ 1,335	$ 235	$ 3,680	$ 2,062	$ 36	$ 4,688

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and nine months ended September 30, 2022, and 2021, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
FV-NI:				
Realized gains	$ 9	$ 9	$ 61	$ 77
Realized losses	22	11	104	32
AFS:				
Realized gains	—	7	3	14
Realized losses	9	6	32	12

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.

	September 30, 2022			December 31, 2021		
(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	**$ —**	**$ —**	**$ 47**	$ —	$ —	$ 94
Equity securities	**1,261**	**94**	**2,206**	1,915	23	2,970
Corporate debt securities	**—**	**29**	**234**	15	2	282
Municipal bonds	**—**	**36**	**262**	12	1	266
U.S. government bonds	**—**	**47**	**450**	15	3	472
Other debt securities	**—**	**1**	**5**	—	—	5
Total NDTF Investments	**$ 1,261**	**$ 207**	**$ 3,204**	$ 1,957	$ 29	$ 4,089
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 11**	$ —	$ —	$ 16
Total Other Investments	**$ —**	**$ —**	**$ 11**	$ —	$ —	$ 16
Total Investments	**$ 1,261**	**$ 207**	**$ 3,215**	$ 1,957	$ 29	$ 4,105

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and nine months ended September 30, 2022, and 2021, were as follows.

	Three Months Ended		Nine Months Ended	
(in millions)	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
FV-NI:				
Realized gains	**$ 9**	$ 9	**$ 60**	$ 76
Realized losses	**21**	11	**101**	31
AFS:				
Realized gains	**—**	6	**3**	13
Realized losses	**9**	5	**29**	11

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.

	September 30, 2022			December 31, 2021		
(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	**$ —**	**$ —**	**$ 32**	$ —	$ —	$ 13
Equity securities	**74**	**—**	**87**	103	1	115
Corporate debt securities	**—**	**1**	**15**	—	—	41
U.S. government bonds	**—**	**27**	**304**	—	6	384
Total NDTF Investments[(a)]	**$ 74**	**$ 28**	**$ 438**	$ 103	$ 7	$ 553
Other Investments						
Cash and cash equivalents	**$ —**	**$ —**	**$ 1**	$ —	$ —	$ 3
Municipal bonds	**—**	**—**	**25**	2	—	26
Total Other Investments	**$ —**	**$ —**	**$ 26**	$ 2	$ —	$ 29
Total Investments	**$ 74**	**$ 28**	**$ 464**	$ 105	$ 7	$ 582

(a) During the nine months ended September 30, 2022, and the year ended December 31, 2021, 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 and nine months ended September 30, 2022, and 2021, 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.

	September 30, 2022			December 31, 2021		
(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	—	20	72	6	—	97
Corporate debt securities	—	1	7	—	—	6
Municipal bonds	—	4	45	1	1	46
U.S. government bonds	—	—	7	—	—	12
Total Investments	$ —	$ 25	$ 132	$ 7	$ 1	$ 161

Realized gains and losses, which were determined on a specific identification basis, from sales of FV-NI and AFS securities for the three and nine months ended September 30, 2022, and 2021, were immaterial.

DEBT SECURITY MATURITIES

The table below summarizes the maturity date for debt securities.

	September 30, 2022					
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana
Due in one year or less	$ 139	$ 7	$ 115	$ 35	$ 80	$ 8
Due after one through five years	854	301	473	259	214	22
Due after five through 10 years	451	208	191	176	15	7
Due after 10 years	1,376	770	516	481	35	22
Total	$ 2,820	$ 1,286	$ 1,295	$ 951	$ 344	$ 59

11. 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.

Foreign currency derivatives

Most over-the-counter foreign currency derivatives are valued using financial models that utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward foreign currency rate curves, notional amounts, 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, 2021, 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 9. See Note 10 for additional information related to investments by major security type for the Duke Energy Registrants.

	September 30, 2022				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	**$ 120**	**$ 120**	**$ —**	**$ —**	**$ —**
NDTF equity securities	**5,447**	**5,402**	**—**	**—**	**45**
NDTF debt securities	**2,556**	**778**	**1,778**	**—**	**—**
Other equity securities	**116**	**116**	**—**	**—**	**—**
Other debt securities	**264**	**56**	**208**	**—**	**—**
Other cash and cash equivalents	**37**	**37**	**—**	**—**	**—**
Derivative assets	**1,259**	**3**	**1,196**	**60**	**—**
Total assets	**9,799**	**6,512**	**3,182**	**60**	**45**
Derivative liabilities	**(671)**	**(18)**	**(432)**	**(221)**	**—**
Net assets (liabilities)	**$ 9,128**	**$ 6,494**	**$ 2,750**	**$ (161)**	**$ 45**

	December 31, 2021				
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Not Categorized**
NDTF cash and cash equivalents	$ 160	$ 160	$ —	$ —	$ —
NDTF equity securities	7,350	7,300	—	—	50
NDTF debt securities	2,891	967	1,924	—	—
Other equity securities	156	156	—	—	—
Other debt securities	300	45	255	—	—
Other cash and cash equivalents	36	36	—	—	—
Derivative assets	320	3	293	24	—
Total assets	11,213	8,667	2,472	24	50
Derivative liabilities	(472)	(13)	(314)	(145)	—
Net assets (liabilities)	$ 10,741	$ 8,654	$ 2,158	$ (121)	$ 50

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 September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Balance at beginning of period	$ (156)	$ (131)	$ (121)	$ (77)
Total pretax realized or unrealized gains included in earnings	15	—	15	—
Total pretax realized or unrealized losses included in comprehensive income	(5)	(11)	(115)	(86)
Purchases, sales, issuances and settlements:				
Purchases	—	—	77	21
Settlements	(6)	4	12	(4)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	(9)	7	(29)	15
Balance at end of period	$ (161)	$ (131)	$ (161)	$ (131)

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.

	September 30, 2022			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 41	$ 41	$ —	$ —
NDTF equity securities	3,154	3,109	—	45
NDTF debt securities	1,286	276	1,010	—
Derivative assets	535	—	535	—
Total assets	5,016	3,426	1,545	45
Derivative liabilities	(113)	—	(113)	—
Net assets	$ 4,903	$ 3,426	$ 1,432	$ 45

	December 31, 2021			
(in millions)	Total Fair Value	Level 1	Level 2	Not Categorized
NDTF cash and cash equivalents	$ 53	$ 53	$ —	$ —
NDTF equity securities	4,265	4,215	—	50
NDTF debt securities	1,441	339	1,102	—
Derivative assets	162	—	162	—
Total assets	5,921	4,607	1,264	50
Derivative liabilities	(35)	—	(35)	—
Net assets	$ 5,886	$ 4,607	$ 1,229	$ 50

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.

	September 30, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
NDTF cash and cash equivalents	$ 79	$ 79	$ —	$ 107	$ 107	$ —
NDTF equity securities	2,293	2,293	—	3,085	3,085	—
NDTF debt securities	1,270	502	768	1,450	628	822
Other debt securities	25	—	25	26	—	26
Other cash and cash equivalents	13	13	—	20	20	—
Derivative assets	437	—	437	124	—	124
Total assets	4,117	2,887	1,230	4,812	3,840	972
Derivative liabilities	(9)	—	(9)	(24)	—	(24)
Net assets	$ 4,108	$ 2,887	$ 1,221	$ 4,788	$ 3,840	$ 948

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.

	September 30, 2022			December 31, 2021		
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Total Fair Value**	**Level 1**	**Level 2**
NDTF cash and cash equivalents	**$ 47**	**$ 47**	**$ —**	$ 94	$ 94	$ —
NDTF equity securities	**2,206**	**2,206**	**—**	2,970	2,970	—
NDTF debt securities	**951**	**243**	**708**	1,025	289	736
Other cash and cash equivalents	**11**	**11**	**—**	16	16	—
Derivative assets	**415**	**—**	**415**	124	—	124
Total assets	**3,630**	**2,507**	**1,123**	4,229	3,369	860
Derivative liabilities	**(9)**	**—**	**(9)**	(10)	—	(10)
Net assets	**$ 3,621**	**$ 2,507**	**$ 1,114**	$ 4,219	$ 3,369	$ 850

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.

	September 30, 2022			December 31, 2021		
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Total Fair Value**	**Level 1**	**Level 2**
NDTF cash and cash equivalents	**$ 32**	**$ 32**	**$ —**	$ 13	$ 13	$ —
NDTF equity securities	**87**	**87**	**—**	115	115	—
NDTF debt securities	**319**	**259**	**60**	425	339	86
Other debt securities	**25**	**—**	**25**	26	—	26
Other cash and cash equivalents	**1**	**1**	**—**	3	3	—
Derivative assets	**22**	**—**	**22**	—	—	—
Total assets	**486**	**379**	**107**	582	470	112
Derivative liabilities	**—**	**—**	**—**	(14)	—	(14)
Net assets	**$ 486**	**$ 379**	**$ 107**	$ 568	$ 470	$ 98

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 September 30, 2022, and December 31, 2021.

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.

	September 30, 2022				December 31, 2021			
(in millions)	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Other equity securities	**$ 72**	**$ 72**	**$ —**	**$ —**	$ 97	$ 97	$ —	$ —
Other debt securities	**59**	**—**	**59**	**—**	64	—	64	—
Other cash and cash equivalents	**1**	**1**	**—**	**—**	—	—	—	—
Derivative assets	**131**	**2**	**73**	**56**	23	1	—	22
Total assets	**263**	**75**	**132**	**56**	184	98	64	22
Derivative liabilities	**(18)**	**(18)**	**—**	**—**	(27)	(13)	(14)	—
Net assets	**$ 245**	**$ 57**	**$ 132**	**$ 56**	$ 157	$ 85	$ 50	$ 22

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

	Derivatives (net)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Balance at beginning of period	**$ 84**	$ 22	**$ 22**	$ 6
Purchases, sales, issuances and settlements:				
Purchases	**—**	—	**74**	18
Settlements	**(20)**	(3)	**(10)**	(12)
Total (losses) gains included on the Condensed Consolidated Balance Sheet	**(8)**	5	**(30)**	12
Balance at end of period	**$ 56**	$ 24	**$ 56**	$ 24

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.

	September 30, 2022			December 31, 2021		
(in millions)	Total Fair Value	Level 1	Level 2	Total Fair Value	Level 1	Level 2
Derivative assets	**$ —**	**$ —**	**$ —**	$ 3	$ 3	$ —
Derivative liabilities	**(171)**	**—**	**(171)**	(139)	—	(139)
Net (liabilities) assets	**$ (171)**	**$ —**	**$ (171)**	$ (136)	$ 3	$ (139)

QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS

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

	September 30, 2022				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	**$ (221)**	RTO forward pricing	Forward electricity curves – price per MWh	**$ 24.46 - $ 145.44**	**$ 52.10**
Duke Energy Ohio					
FTRs	**4**	RTO auction pricing	FTR price – per MWh	**— - 3.00**	**1.49**
Duke Energy Indiana					
FTRs	**56**	RTO auction pricing	FTR price – per MWh	**(0.64) - 21.81**	**3.41**
Duke Energy					
Total Level 3 derivatives	**$ (161)**				

	December 31, 2021				
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range	Weighted Average Range
Duke Energy					
Electricity contracts	$ (145)	RTO forward pricing	Forward electricity curves – price per MWh	$ 19.04 - $139.11	$37.57
Duke Energy Ohio					
FTRs	2	RTO auction pricing	FTR price – per MWh	0.06 - 1.79	0.96
Duke Energy Indiana					
FTRs	22	RTO auction pricing	FTR price – per MWh	(1.18) - 13.11	2.68
Duke Energy					
Total Level 3 derivatives	$ (121)				

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.

	September 30, 2022		December 31, 2021	
(in millions)	Book Value	Fair Value	Book Value	Fair Value
Duke Energy[(a)]	**$ 69,309**	**$ 60,247**	$ 63,835	$ 69,683
Duke Energy Carolinas	**14,222**	**12,614**	13,275	15,101
Progress Energy	**21,149**	**18,744**	20,823	23,751
Duke Energy Progress	**11,090**	**9,495**	10,249	11,252
Duke Energy Florida	**8,417**	**7,528**	8,482	9,772
Duke Energy Ohio	**3,244**	**2,891**	3,193	3,570
Duke Energy Indiana	**4,310**	**3,821**	4,323	5,067
Piedmont	**3,363**	**2,857**	2,968	3,278

(a) Book value of long-term debt includes $1.19 billion and $1.25 billion at September 30, 2022, and December 31, 2021, respectively, 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 September 30, 2022, and December 31, 2021, 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.

12. 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 nine months ended September 30, 2022, and the year ended December 31, 2021, 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 are reflected on the Condensed Consolidated Balance Sheets as Long-Term Debt.

The most significant activity that impacts the economic performance of DERF, DEPR and DEFR are the decisions made to manage delinquent receivables. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are considered 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 2025	January 2025	April 2025	April 2023
Credit facility amount	$ 350	$ 500	$ 400	$ 250
Amounts borrowed at September 30, 2022	**350**	**500**	**400**	**250**
Amounts borrowed at December 31, 2021	350	475	350	250
Restricted Receivables at September 30, 2022	**844**	**932**	**733**	**603**
Restricted Receivables at December 31, 2021	587	844	574	427

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)	**September 30, 2022**	**December 31, 2021**
Receivables of VIEs	**$ 8**	$ 5
Regulatory Assets: Current	**54**	54
Current Assets: Other	**17**	39
Other Noncurrent Assets: Regulatory assets	**840**	883
Current Liabilities: Other	2	9
Current maturities of long-term debt	**56**	56
Long-Term Debt	**890**	946

Storm Recovery Bonds – Duke Energy Carolinas NC Storm Funding and Duke Energy Progress NC Storm Funding

Duke Energy Carolinas NC Storm Funding, LLC (DECNCSF) and Duke Energy Progress NC Storm Funding, LLC (DEPNCSF) are bankruptcy remote, wholly owned special purpose subsidiaries of Duke Energy Carolinas and Duke Energy Progress, respectively. These entities were formed in 2021 for the sole purpose of issuing storm recovery bonds to finance certain of Duke Energy Carolinas' and Duke Energy Progress' unrecovered regulatory assets related to storm costs.

In November 2021, DECNCSF and DEPNCSF issued $237 million and $770 million of senior secured bonds, respectively and used the proceeds to acquire storm recovery property from Duke Energy Carolinas and Duke Energy Progress. The storm recovery property was created by state legislation and NCUC financing orders for the purpose of financing storm costs incurred in 2018 and 2019. The storm recovery property acquired includes the right to impose, bill, collect and adjust a non-bypassable charge from all Duke Energy Carolinas' and Duke Energy Progress' retail customers until the bonds are paid in full and all financing costs have been recovered. The storm recovery bonds are secured by the storm recovery property and cash collections from the storm recovery charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to Duke Energy Carolinas or Duke Energy Progress.

DECNCSF and DEPNCSF are considered VIEs primarily because the equity capitalization is insufficient to support their operations. Duke Energy Carolinas and Duke Energy Progress have the power to direct the significant activities of the VIEs as described above and therefore Duke Energy Carolinas and Duke Energy Progress are considered the primary beneficiaries and consolidate DECNCSF and DEPNCSF, respectively.

The following table summarizes the impact of these VIEs on Duke Energy Carolinas' and Duke Energy Progress' Consolidated Balance Sheets.

	September 30, 2022		December 31, 2021	
(in millions)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Carolinas	Duke Energy Progress
Regulatory Assets: Current	$ 12	$ 39	$ 12	$ 39
Current Assets: Other	5	17	—	—
Other Noncurrent Assets: Regulatory assets	211	691	220	720
Other Noncurrent Assets: Other	1	2	1	4
Current Liabilities: Other	1	4	1	2
Current maturities of long-term debt	10	34	5	15
Long-Term Debt	219	714	228	747

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)	September 30, 2022	December 31, 2021
Current Assets: Other	$ 201	$ 215
Property, Plant and Equipment: Cost	7,554	7,339
Accumulated depreciation and amortization	(1,710)	(1,474)
Other Noncurrent Assets: Other	115	62
Current maturities of long-term debt	285	167
Long-Term Debt	1,252	1,475
Other Noncurrent Liabilities: AROs	178	173
Other Noncurrent Liabilities: Other	202	319

NON-CONSOLIDATED VIEs

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

	September 30, 2022				
	Duke Energy				
(in millions)	Natural Gas Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 178	$ 263
Investments in equity method unconsolidated affiliates	34	505	539	—	—
Other noncurrent assets	60	—	60	—	—
Total assets	$ 94	$ 505	$ 599	$ 178	$ 263
Other current liabilities	56	2	58	—	—
Other noncurrent liabilities	49	2	51	—	—
Total liabilities	$ 105	$ 4	$ 109	$ —	$ —
Net (liabilities) assets	$ (11)	$ 501	$ 490	$ 178	$ 263

	December 31, 2021				
	Duke Energy				
(in millions)	Natural Gas Investments	Commercial Renewables	Total	Duke Energy Ohio	Duke Energy Indiana
Receivables from affiliated companies	$ —	$ —	$ —	$ 79	$ 97
Investments in equity method unconsolidated affiliates	15	508	523	—	—
Other noncurrent assets	61	—	61	—	—
Total assets	$ 76	$ 508	$ 584	$ 79	$ 97
Other current liabilities	47	4	51	—	—
Other noncurrent liabilities	54	3	57	—	—
Total liabilities	$ 101	$ 7	$ 108	$ —	$ —
Net (liabilities) assets	$ (25)	$ 501	$ 476	$ 79	$ 97

The Duke Energy Registrants are not aware of any situations where the maximum exposure to loss significantly exceeds the carrying values shown above.

Natural Gas Investments

Duke Energy has investments in various joint ventures to construct and operate pipeline and renewable natural gas 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.

Commercial Renewables

Duke Energy has investments in various renewable energy project entities. Duke Energy has a 50% ownership in a VIE, which owns a portfolio of wind projects. This entity is a VIE as a result of Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Duke Energy does not consolidate this VIE because power to direct and control key activities is shared jointly by Duke Energy and the other owner. Duke Energy also has equity ownership in an entity, which owns a portfolio of fuel cell projects. Duke Energy does not consolidate the fuel cell portfolio as it does not have the power to direct the activities that most significantly impact the economic performance of the entity.

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.

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)	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Receivables sold	**$ 334**	$ 269	**$ 531**	$ 328
Less: Retained interests	**178**	79	**263**	97
Net receivables sold	**$ 156**	$ 190	**$ 268**	$ 231

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

	Duke Energy Ohio		Duke Energy Indiana	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2022	2021	2022	2021
Sales				
Receivables sold	**$ 1,869**	$ 1,490	**$ 2,646**	$ 2,176
Loss recognized on sale	**11**	7	**15**	10
Cash flows				
Cash proceeds from receivables sold	**$ 1,757**	$ 1,519	**$ 2,465**	$ 2,199
Collection fees received	**1**	1	**1**	1
Return received on retained interests	**6**	3	**9**	4

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.

13. 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)	2022	2023	2024	2025	2026	Thereafter	Total
Progress Energy	**$ 27**	$ 53	$ 45	$ 7	$ 7	$ 43	$ 182
Duke Energy Progress	**2**	8	8	—	—	—	18
Duke Energy Florida	**25**	45	37	7	7	43	164
Duke Energy Indiana	**1**	11	16	17	15	12	72

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)	2022	2023	2024	2025	2026	Thereafter	Total
Piedmont	**$ 16**	$ 64	$ 62	$ 61	$ 51	$ 290	$ 544

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. Some of these PPAs have 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 September 30, 2022							
(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	$ 3,250	$ 887	$ 1,719	$ 670	$ 1,049	$ 249	$ 396	$ —
General	2,077	686	947	419	528	150	291	—
Industrial	986	366	298	216	82	62	260	—
Wholesale	874	140	588	403	185	32	115	—
Other revenues	248	105	317	259	58	15	19	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 7,435	$ 2,184	$ 3,869	$ 1,967	$ 1,902	$ 508	$ 1,081	$ —
Gas Utilities and Infrastructure								
Residential	$ 167	$ —	$ —	$ —	$ —	$ 88	$ —	$ 79
Commercial	108	—	—	—	—	26	—	82
Industrial	34	—	—	—	—	4	—	30
Power Generation	—	—	—	—	—	—	—	24
Other revenues	103	—	—	—	—	4	—	83
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 412	$ —	$ —	$ —	$ —	$ 122	$ —	$ 298
Commercial Renewables								
Revenue from contracts with customers	$ 89	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 6	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 7,942	$ 2,184	$ 3,869	$ 1,967	$ 1,902	$ 630	$ 1,081	$ 298
Other revenue sources[(a)]	$ 26	$ (9)	$ 12	$ 2	$ 5	$ (2)	$ 14	$ 8
Total revenues	$ 7,968	$ 2,175	$ 3,881	$ 1,969	$ 1,907	$ 628	$ 1,095	$ 306

(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 September 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	$ 2,955	$ 892	$ 1,525	$ 619	$ 906	$ 223	$ 316	$ —
General	1,873	685	826	400	426	119	240	—
Industrial	861	360	264	195	69	35	202	—
Wholesale	619	111	399	324	75	19	89	—
Other revenues	252	72	198	118	80	17	23	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 6,560	$ 2,120	$ 3,212	$ 1,656	$ 1,556	$ 413	$ 870	$ —
Gas Utilities and Infrastructure								
Residential	$ 129	$ —	$ —	$ —	$ —	$ 62	$ —	$ 66
Commercial	78	—	—	—	—	24	—	58
Industrial	30	—	—	—	—	3	—	26
Power Generation	—	—	—	—	—	—	—	23
Other revenues	33	—	—	—	—	4	—	9
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 270	$ —	$ —	$ —	$ —	$ 93	$ —	$ 182
Commercial Renewables								
Revenue from contracts with customers	$ 56	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 8	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total revenue from contracts with customers	$ 6,894	$ 2,120	$ 3,212	$ 1,656	$ 1,556	$ 506	$ 870	$ 182
Other revenue sources[(a)]	$ 57	$ (16)	$ 21	$ 11	$ 5	$ —	$ 16	$ 13
Total revenues	$ 6,951	$ 2,104	$ 3,233	$ 1,667	$ 1,561	$ 506	$ 886	$ 195

(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.

	Nine Months Ended September 30, 2022							
(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	$ 8,642	$ 2,454	$ 4,487	$ 1,824	$ 2,663	$ 656	$ 1,046	$ —
General	5,498	1,796	2,562	1,114	1,448	377	760	—
Industrial	2,582	938	842	594	248	130	672	—
Wholesale	2,129	356	1,388	1,033	355	90	296	—
Other revenues	652	308	775	608	167	56	6	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 19,503	$ 5,852	$ 10,054	$ 5,173	$ 4,881	$ 1,309	$ 2,780	$ —
Gas Utilities and Infrastructure								
Residential	$ 936	$ —	$ —	$ —	$ —	$ 331	$ —	$ 605
Commercial	504	—	—	—	—	128	—	376
Industrial	125	—	—	—	—	17	—	108
Power Generation	—	—	—	—	—	—	—	71
Other revenues	284	—	—	—	—	16	—	220
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,849	$ —	$ —	$ —	$ —	$ 492	$ —	$ 1,380
Commercial Renewables								
Revenue from contracts with customers	$ 217	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 21	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 21,590	$ 5,852	$ 10,054	$ 5,173	$ 4,881	$ 1,801	$ 2,780	$ 1,380
Other revenue sources[(a)]	$ 195	$ (8)	$ 33	$ 9	$ 9	$ 10	$ 55	$ 41
Total revenues	$ 21,785	$ 5,844	$ 10,087	$ 5,182	$ 4,890	$ 1,811	$ 2,835	$ 1,421

(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
	Nine Months Ended September 30, 2021							
Electric Utilities and Infrastructure								
Residential	$ 7,753	$ 2,368	$ 3,903	$ 1,657	$ 2,246	$ 589	$ 894	$ —
General	4,805	1,685	2,170	1,036	1,134	329	619	—
Industrial	2,228	872	700	500	200	99	558	—
Wholesale	1,644	341	1,056	901	155	45	202	—
Other revenues	712	208	509	272	237	61	64	—
Total Electric Utilities and Infrastructure revenue from contracts with customers	$ 17,142	$ 5,474	$ 8,338	$ 4,366	$ 3,972	$ 1,123	$ 2,337	$ —
Gas Utilities and Infrastructure								
Residential	$ 747	$ —	$ —	$ —	$ —	$ 241	$ —	$ 505
Commercial	373	—	—	—	—	99	—	273
Industrial	110	—	—	—	—	14	—	96
Power Generation	—	—	—	—	—	—	—	69
Other revenues	100	—	—	—	—	21	—	34
Total Gas Utilities and Infrastructure revenue from contracts with customers	$ 1,330	$ —	$ —	$ —	$ —	$ 375	$ —	$ 977
Commercial Renewables								
Revenue from contracts with customers	$ 163	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other								
Revenue from contracts with customers	$ 20	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Revenue from contracts with customers	$ 18,655	$ 5,474	$ 8,338	$ 4,366	$ 3,972	$ 1,498	$ 2,337	$ 977
Other revenue sources[(a)]	$ 204	$ (44)	$ 79	$ 51	$ 15	$ (4)	$ 29	$ 39
Total revenues	$ 18,859	$ 5,430	$ 8,417	$ 4,417	$ 3,987	$ 1,494	$ 2,366	$ 1,016

(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.

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.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
	Three Months Ended September 30, 2021 and 2022							
Balance at June 30, 2021	$ 123	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 13
Write-Offs	(13)	(3)	(6)	(3)	(3)	—	—	(4)
Credit Loss Expense	11	4	6	3	3	—	—	2
Other Adjustments	2	(1)	—	—	—	—	—	4
Balance at September 30, 2021	**$ 123**	**$ 42**	**$ 36**	**$ 21**	**$ 16**	**$ 4**	**$ 3**	**$ 15**
Balance at June 30, 2022	$ 136	$ 52	$ 52	$ 31	$ 21	$ 4	$ 3	$ 15
Write-Offs	(49)	(19)	(26)	(11)	(15)	—	—	(4)
Credit Loss Expense	36	10	20	5	15	2	1	3
Other Adjustments	51	19	21	16	5	—	—	—
Balance at September 30, 2022	**$ 174**	**$ 62**	**$ 67**	**$ 41**	**$ 26**	**$ 6**	**$ 4**	**$ 14**

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
	Nine Months Ended September 30, 2021 and 2022							
Balance at December 31, 2020	$ 146	$ 23	$ 37	$ 23	$ 14	$ 4	$ 3	$ 12
Write-Offs	(39)	(10)	(20)	(11)	(9)	—	—	(7)
Credit Loss Expense	40	20	19	9	10	—	—	6
Other Adjustments	(24)	9	—	—	1	—	—	4
Balance at September 30, 2021	$ 123	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 15
Balance at December 31, 2021	$ 122	$ 42	$ 36	$ 21	$ 16	$ 4	$ 3	$ 15
Write-Offs	**(103)**	**(44)**	**(45)**	**(18)**	**(28)**	**—**	**—**	**(10)**
Credit Loss Expense	**80**	**23**	**39**	**11**	**28**	**2**	**1**	**9**
Other Adjustments	**75**	**41**	**37**	**27**	**10**	**—**	**—**	**—**
Balance at September 30, 2022	**$ 174**	**$ 62**	**$ 67**	**$ 41**	**$ 26**	**$ 6**	**$ 4**	**$ 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.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
	September 30, 2022							
Unbilled Revenue[(a)(b)]	**$ 1,046**	**$ 342**	**$ 328**	**$ 233**	**$ 95**	**$ 3**	**$ 32**	**$ 14**
0-30 days	**2,589**	**728**	**1,132**	**534**	**595**	**34**	**50**	**100**
30-60 days	**169**	**60**	**48**	**34**	**14**	**6**	**6**	**6**
60-90 days	**95**	**27**	**40**	**28**	**12**	**2**	**3**	**3**
90+ days	**308**	**97**	**76**	**35**	**41**	**45**	**19**	**7**
Deferred Payment Arrangements[(c)]	**179**	**58**	**79**	**40**	**39**	**4**	**—**	**—**
Trade and Other Receivables	**$ 4,386**	**$ 1,312**	**$ 1,703**	**$ 904**	**$ 796**	**$ 94**	**$ 110**	**$ 130**

	December 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)]	$ 964	$ 316	$ 266	$ 193	$ 73	$ 4	$ 27	$ 106
0-30 days	2,104	595	800	405	393	42	51	202
30-60 days	212	77	72	44	28	4	13	12
60-90 days	88	37	41	21	20	1	1	2
90+ days	249	106	65	37	28	47	11	7
Deferred Payment Arrangements[(c)]	115	55	45	22	23	2	—	4
Trade and Other Receivables	$ 3,732	$ 1,186	$ 1,289	$ 722	$ 565	$ 100	$ 103	$ 333

(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 12 for further information. These receivables for unbilled revenues are $100 million and $168 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of September 30, 2022, and $82 million and $121 million for Duke Energy Ohio and Duke Energy Indiana, respectively, as of December 31, 2021.

(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.

14. 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 September 30,		Nine Months Ended September 30,	
(in millions, except per share amounts)	2022	2021	2022	2021
Net income available to Duke Energy common stockholders	**$ 1,383**	$ 1,366	**$ 3,094**	$ 3,070
Less: Income from discontinued operations	**23**	—	**23**	—
Accumulated preferred stock dividends adjustment	**12**	12	**12**	12
Less: Impact of participating securities	**1**	1	**2**	3
Income from continuing operations available to Duke Energy common stockholders	**$ 1,371**	$ 1,377	**$ 3,081**	$ 3,079
Weighted average common shares outstanding – basic and diluted	**770**	769	**770**	769
EPS available to Duke Energy common stockholders				
Basic and diluted	**$ 1.78**	$ 1.79	**$ 4.00**	$ 4.00
Potentially dilutive items excluded from the calculation[(a)]	**2**	2	**2**	2
Dividends declared per common share	**$ 1.005**	$ 0.985	**$ 2.975**	$ 2.915
Dividends declared on Series A preferred stock per depositary share[(b)]	**$ 0.359**	$ 0.359	**$ 1.078**	$ 1.078
Dividends declared on Series B preferred stock per share[(c)]	**$ 24.375**	$ 24.375	**$ 48.750**	$ 48.750

(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.

15. 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.

The following table includes information related to the Duke Energy Registrants' contributions to its qualified defined benefit pension plans.

	Nine Months Ended September 30, 2022							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Contributions made	$ 58	$ 15	$ 13	$ 8	$ 5	$ 3	$ 5	$ 2

Duke Energy uses a December 31 measurement date for its qualified non-contributory defined benefit retirement plan assets and obligations. However, because Duke Energy believes it is probable in 2022 that total lump-sum benefit payments will exceed the settlement threshold, which is defined as the sum of the service cost and interest cost on projected benefit obligation components of net periodic pension costs, Duke Energy remeasured the plan assets and plan obligations associated with one of its qualified pension plans as of September 30, 2022. The discount rate used for the remeasurement was 5.7% as of September 30, 2022. The cash balance interest crediting rate was 4.5% as of September 30, 2022. The interest rate for lump sum and annuity conversions was updated to reflect current market conditions. All other assumptions used for the September 30, 2022, remeasurement were consistent with the measurement as of December 31, 2021.

As a result of the remeasurement, Duke Energy recognized a remeasurement loss of $276 million, of which $266 million was recorded in Regulatory Assets within Other Noncurrent Assets and $10 million was recorded in Accumulated Other Comprehensive Loss within the Condensed Consolidated Balance Sheets as of September 30, 2022. The remeasurement loss, which represents a decrease in funded status, reflects a decrease of $1,198 million in the fair value of plan assets and a decrease of $922 million in the projected benefit obligation.

As the result of settlement accounting, Duke Energy recognized settlement charges of $66 million, of which $55 million was recorded to Regulatory Assets within Other Noncurrent Assets on the Condensed Consolidated Balance Sheets and $11 million was recorded to Other Income and Expenses, net, within the Condensed Consolidated Statement of Operations as of September 30, 2022. Settlement charges recognized by the Subsidiary Registrants as of September 30, 2022, were $28 million for Duke Energy Carolinas, $16 million for Duke Energy Progress, $5 million for Duke Energy Florida, $4 million for Duke Energy Indiana, $2 million for Duke Energy Ohio and $11 million for Piedmont.

QUALIFIED PENSION PLANS

The following tables include the components of net periodic pension costs for qualified pension plans.

	Three Months Ended September 30, 2022							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 39	$ 12	$ 11	$ 6	$ 4	$ 1	$ 3	$ 1
Interest cost on projected benefit obligation	58	14	19	9	10	3	4	2
Expected return on plan assets	(140)	(38)	(46)	(22)	(24)	(6)	(9)	(6)
Amortization of actuarial loss	24	5	6	3	3	2	3	2
Amortization of prior service credit	(5)	(1)	—	—	—	—	—	(2)
Amortization of settlement charges	14	3	5	4	1	2	1	2
Net periodic pension costs	$ (10)	$ (5)	$ (5)	$ —	$ (6)	$ 2	$ 2	$ (1)

	Three Months Ended September 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	$ 43	$ 14	$ 13	$ 7	$ 5	$ 2	$ 2	$ 1
Interest cost on projected benefit obligation	55	13	17	8	10	2	5	2
Expected return on plan assets	(139)	(36)	(47)	(21)	(25)	(7)	(10)	(5)
Amortization of actuarial loss	33	7	10	5	5	2	3	2
Amortization of prior service credit	(7)	(2)	(1)	—	(1)	—	—	(1)
Amortization of settlement charges	2	1	1	—	—	—	—	1
Net periodic pension costs	$ (13)	$ (3)	$ (7)	$ (1)	$ (6)	$ (1)	$ —	$ —

	Nine Months Ended September 30, 2022							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	Piedmont
Service cost	$ 120	$ 38	$ 34	$ 20	$ 14	$ 3	$ 7	$ 4
Interest cost on projected benefit obligation	175	41	55	25	30	9	14	6
Expected return on plan assets	(421)	(114)	(139)	(66)	(72)	(17)	(28)	(18)
Amortization of actuarial loss	71	15	19	10	9	4	8	5
Amortization of prior service credit	(14)	(3)	—	—	—	—	(1)	(6)
Amortization of settlement charges	18	6	6	5	1	2	1	2
Net periodic pension costs	$ (51)	$ (17)	$ (25)	$ (6)	$ (18)	$ 1	$ 1	$ (7)

	Nine Months Ended September 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	$ 131	$ 42	$ 38	$ 22	$ 16	$ 4	$ 7	$ 4
Interest cost on projected benefit obligation	165	38	52	23	29	9	14	6
Expected return on plan assets	(418)	(106)	(141)	(63)	(76)	(21)	(30)	(15)
Amortization of actuarial loss	100	22	29	14	15	5	10	7
Amortization of prior service credit	(22)	(6)	(2)	(1)	(1)	—	(1)	(6)
Amortization of settlement charges	6	4	2	1	—	—	—	1
Net periodic pension costs	$ (38)	$ (6)	$ (22)	$ (4)	$ (17)	$ (3)	$ —	$ (3)

NON-QUALIFIED PENSION PLANS

Net periodic pension costs for non-qualified pension plans were not material for the three and nine months ended September 30, 2022, and 2021.

OTHER POST-RETIREMENT BENEFIT PLANS

Net periodic costs for OPEB plans were not material for the three and nine months ended September 30, 2022, and 2021.

16. INCOME TAXES

Inflation Reduction Act

On August 16, 2022, the IRA was signed into law. Among other provisions, the IRA implemented a new 15% corporate alternative minimum tax based on GAAP net income, with certain adjustments as defined by the IRA, and clean energy-related provisions. The IRA's clean energy provisions include, among other provisions, the extension and modification of existing investment and production tax credits for projects placed in service through 2024 and introduces new technology-neutral clean energy related credits beginning in 2025. In addition, the IRA created a new, zero-emission nuclear power production tax credit and a clean hydrogen production tax credit.

Duke Energy has preliminarily reviewed the provisions of the IRA and has determined there were no material impacts on the results of operations, financial position, or cash flows in the periods presented for the Duke Energy Registrants as a result of the IRA being signed into law. Based on the preliminary review of the IRA provisions, future annual cash flow impacts related to the energy credits could be material to the Duke Energy Registrants. However, the majority of Duke Energy's operations are regulated and the FERC and state utility commissions will determine the regulatory treatment. We anticipate the Subsidiary Registrants will defer and expect to pass along the net financial impact associated with the IRA to customers over time. See Note 3 for further details on the IRA as it relates to Duke Energy Florida. Duke Energy will continue to assess the IRA as new information and anticipated guidance from the U.S. Department of the Treasury becomes available.

EFFECTIVE TAX RATES

The ETRs from continuing operations for each of the Duke Energy Registrants are included in the following table.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Duke Energy	**8.4 %**	6.6 %	**5.8 %**	6.7 %
Duke Energy Carolinas	**5.2 %**	2.9 %	**6.3 %**	3.6 %
Progress Energy	**15.8 %**	12.9 %	**16.2 %**	11.5 %
Duke Energy Progress	**12.9 %**	6.3 %	**13.4 %**	5.9 %
Duke Energy Florida	**18.4 %**	19.1 %	**19.4 %**	19.1 %
Duke Energy Ohio	**14.2 %**	13.4 %	**(14.6)%**	15.3 %
Duke Energy Indiana	**16.8 %**	15.8 %	**0.5 %**	16.3 %
Piedmont	**21.4 %**	25.0 %	**9.1 %**	8.4 %

The increase in the ETR for Duke Energy for the three months ended September 30, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Carolinas for the three and nine months ended September 30, 2022, was primarily due to the amortization of excess deferred taxes in relation to higher pretax income.

The increase in the ETR for Progress Energy for the three and nine months ended September 30, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The increase in the ETR for Duke Energy Progress for the three and nine months ended September 30, 2022, was primarily due to a decrease in the amortization of excess deferred taxes.

The decrease in the ETR for Duke Energy Ohio for the nine months ended September 30, 2022, was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement.

The decrease in the ETR for Duke Energy Indiana for the nine months ended September 30, 2022, was primarily due to the coal ash impairment based on the Indiana Supreme Court Opinion recorded and an increase in the amortization of excess deferred taxes.

The decrease in the ETR for Piedmont for the three months ended September 30, 2022, was primarily due to a decrease in research tax credits.

17. 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 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 nine months ended September 30, 2022, and with Duke Energy’s Annual Report on Form 10-K for the year ended December 31, 2021.

Executive Overview

Advancing Our Clean Energy Transformation

During the third quarter of 2022, we continued to execute on our clean energy transformation, delivering strong, sustainable value for shareholders, customers, communities and employees.

- In October 2022, we announced an additional interim target to reduce carbon emissions from electric generation by 80% by 2040. We also adopted a goal of reducing Scope 2 and certain Scope 3 emissions, including emissions from upstream purchased power and fossil fuel purchases, as well as downstream customer use of natural gas, by 50% by 2035. Duke Energy is one of the first utilities to address the totality of its impact – 95% of the company's greenhouse gas emissions are now tied to a measurable net-zero goal. Over the next decade, we expect to deploy approximately $145 billion of capital into our regulated businesses, driven by clean energy transition investments.
- In August 2022, we announced a strategic review of our commercial renewables business, which has been an integral part of Duke Energy's renewable energy platform over the past 15 years. Since 2007, we have built a portfolio of approximately 5,000 megawatts of commercial wind, solar and battery projects across the U.S., and established a robust development pipeline. As we look forward to the remainder of this decade and beyond, we have line of sight to significant renewable, grid and other investment opportunities within our faster-growing regulated operations. In November 2022, the Board of Directors committed to a plan to sell the Commercial Renewables business segment, excluding the Offshore Wind lease for Carolina Long Bay. See Note 1 to the Condensed Consolidated Financial Statements, "Organization and Basis of Presentation," for additional information.
- In August 2022, Duke Energy launched the utility industry’s first sustainable commercial paper notes focused on socioeconomic advancement. The company plans to disburse or allocate an amount equal to the net proceeds from the sustainable commercial paper notes to fund expenditures and programs related to enabling opportunities for diverse businesses.
- In August 2022, Duke Energy Carolinas filed for approval of a new demand response pilot program expected to launch in 2023 for customers in the Duke Energy Carolinas (DEC) service area. Pilot incentives will reduce vehicle lease payments for program participants who lease an eligible electric vehicle, including Ford F-150 Lightning trucks. In exchange, customers will allow their electric vehicles to feed energy back to the grid – helping to balance it during peak demand. Also in August 2022, Duke Energy Florida announced a research and development pilot program to test and evaluate the viability of the new Ford F-150 Lightning all-electric truck's high-capacity batteries as a grid edge resource.

Regulatory Activity. During the third quarter of 2022, we continued to monitor developments while moving our regulatory strategy forward. See Note 3 to the Condensed Consolidated Financial Statements, "Regulatory Matters," for additional information.

- In October 2022, Duke Energy Florida received approval from the FPSC for its proposed ten year storm protection plan, with minor modifications. This plan will continue to provide for investments to enhance the integrity and reliability of the state's electric grid. Also in October 2022, as a result of rising interest rates and as allowed under the 2021 Settlement, the FPSC approved an increase in Duke Energy Florida's ROE band, increasing the ROE midpoint effective in January 1, 2023 base rates from 9.85% to 10.1%.
- In October 2022, Duke Energy Progress filed a rate case in North Carolina to request an increase in base rate retail revenues. This proposal is the first by Duke Energy Progress in North Carolina to increase base rates since 2019 and is our first rate case filing in North Carolina to include a Performance Based Regulation Application and a Multiyear Rate Plan as allowed under HB 951. Duke Energy Progress’ rate request before the NCUC proposes a gradual rate increase over three years as the company continues to strengthen the electricity grid, reducing power outages for customers and facilitating the clean energy transition in a manner that supports economic development across the state.
- In September 2022, Duke Energy Progress filed a rate case in South Carolina to request an increase in base rate retail revenues. This proposal is the first by Duke Energy Progress in South Carolina to increase base rates since 2018 and is driven by ongoing investments to improve resiliency, work toward an orderly transition to a secure energy future and improve the customer experience. Duke Energy Progress’ rate request before the PSCSC proposes a step in of the proposed rate increase over two years.
- In September 2022, Duke Energy Ohio reached an electric distribution base rate settlement with the PUCO's technical staff and other parties, subject to review and approval of the PUCO.

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

Future spending of coal ash costs, including amounts recorded for depreciation and liability accretion, is expected to continue to be deferred and recovered in future rate cases or rider filings. The majority of spend is expected to occur over the next 15-20 years.

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. Interpretation of the requirements of the CCR rule is subject to further legal challenges and regulatory approvals, which could result in additional coal 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. In January 2022, Duke Energy Indiana received a letter from the EPA regarding interpretation of the CCR rule. See Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies" for more information.

Commercial Renewables

On November 1, 2022, the Board of Directors committed to a plan to sell the Commercial Renewables business segment, excluding the offshore wind lease for Carolina Long Bay. Duke Energy is actively marketing the business as two separate disposal units, the utility scale solar and wind unit and the distributed generation unit. Non-binding offers were received for the utility scale solar and wind unit in late October 2022. We are evaluating the initial offers and expect to receive final offers from select bidders in early 2023. Non-binding offers for the distributed generation unit are also expected in early 2023. Duke Energy expects to dispose of both units in mid-2023. In the fourth quarter of 2022, Duke Energy will reclassify the Commercial Renewables business segment to assets held for sale and report it as a discontinued operation. Duke Energy could record a material impairment loss in the fourth quarter of 2022 if the carrying value of one or both of the units is not expected to be recovered. If the proceeds exceed the carrying value of one or both of the units, a gain would be recognized at the closing of the transaction in mid-2023. Proceeds from a successful sale are expected to be used for debt reduction and avoidance.

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 ERCOT market. Duke Energy has been named in multiple lawsuits arising out of this winter storm. For more information, see Note 4 to the Condensed Consolidated Financial Statements, "Commitments and Contingencies."

Supply Chain

Duke Energy is monitoring supply chain disruptions, which could impact the timing of in-service dates and may result in adverse impacts on operating results. The company is also monitoring the potential impacts on future financial results and clean energy goals due to supply chain challenges regarding the availability of transformers and renewable components like solar panels and batteries.

Other

Duke Energy is monitoring general market conditions, including rising interest rates, and evaluating the impact to its results of operations, financial position and cash flows in the future. Duke Energy is developing mitigation plans to partially offset the impacts of these general market conditions. These mitigation plans could result in charges related to a reduction in workforce, primarily in corporate and operational support roles as work is reassessed, real estate modifications to leased office space or asset impairments on property, plant and equipment.

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:

- Regulatory Matters represents the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash.
- Mark-to-Market represents the income statement impact of derivative instruments that do not qualify for hedge accounting or regulatory accounting.

- Workplace and Workforce Realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.
- Regulatory Settlements represents an impairment charge related to the South Carolina Supreme Court decision on coal ash, insurance proceeds and the Duke Energy Carolinas and Duke Energy Progress coal ash settlement.
- Gas Pipeline Investments represents additional exit obligations related to ACP.

Three Months Ended September 30, 2022, as compared to September 30, 2021

GAAP reported EPS was $1.81 for the third quarter of 2022 compared to $1.79 in the third quarter of 2021. GAAP reported EPS increased primarily due to regulatory settlements in the prior year and higher volumes and lower operations and maintenance expense in the current year, partially offset by lower Commercial Renewables earnings, higher depreciation and interest expense and lower returns on investments..

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's third quarter 2022 adjusted EPS was $1.78 compared to $1.88 for the third quarter of 2021. The decrease in adjusted EPS was primarily due to lower Commercial Renewables earnings, higher depreciation and interest expense and lower returns on investments, partially offset by higher volumes and lower operation and maintenance expense.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Three Months Ended September 30,			
	2022		2021	
(in millions, except per share amounts)	**Earnings**	**EPS**	**Earnings**	**EPS**
GAAP Reported Earnings/GAAP Reported EPS	**$ 1,383**	**$ 1.81**	$ 1,366	$ 1.79
Adjustments:				
Mark-to-Market[(a)]	**(4)**	**—**	—	—
Workplace and Workforce Realignment[(b)]	**—**	**—**	7	—
Regulatory Settlements[(c)]	**—**	**—**	64	0.09
Gas Pipeline Investments[(d)]	**—**	**—**	(2)	—
Discontinued Operations[(e)]	**(23)**	**(0.03)**	—	—
Adjusted Earnings/Adjusted EPS	**$ 1,356**	**$ 1.78**	$ 1,435	$ 1.88

(a) Net of tax expense of $2 million.
(b) Net of tax benefit of $2 million.
(c) Net of tax benefit of $19 million.
(d) Net of tax expense of $1 million.
(e) Represents the net impact of the expiration of statutes related to the International Disposal Group.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

GAAP Reported EPS was $4.03 for the nine months ended September 30, 2022, compared to $4.00 for the nine months ended September 30, 2021. In addition to the drivers below, GAAP reported EPS increased due to higher volumes, favorable weather and workplace and workforce realignment costs in the prior year, partially offset by the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash, higher operations and maintenance expense, including storm costs, the impact of GIC minority interest sale and lower returns on investments.

As discussed above, management also evaluates financial performance based on adjusted EPS. Duke Energy's adjusted EPS was $4.22 for the nine months ended September 30, 2022, compared to $4.30 for the nine months ended September 30, 2021. The decrease in adjusted EPS was primarily due to lower Commercial Renewables earnings and higher operations and maintenance expense, including storm costs,, the impact of the GIC minority interest sale and lower returns on investments, partially offset by higher volumes and favorable weather in the current year.

The following table reconciles non-GAAP measures, including adjusted EPS, to their most directly comparable GAAP measures.

	Nine Months Ended September 30,			
	2022		2021	
(in millions, except per share amounts)	Earnings	EPS	Earnings	EPS
GAAP Reported Earnings/GAAP Reported EPS	**$ 3,094**	**$ 4.03**	$ 3,070	$ 4.00
Adjustments:				
Regulatory Matters[(a)]	**157**	**0.20**	—	—
Mark-to-Market[(b)]	**12**	**0.02**	—	—
Workplace and Workforce Realignment[(c)]	**—**	**—**	142	0.19
Regulatory Settlements[(d)]	**—**	**—**	64	0.09
Gas Pipeline Investments[(e)]	**—**	**—**	15	0.02
Discontinued Operations[(f)]	**(23)**	**(0.03)**	—	—
Adjusted Earnings/Adjusted EPS	**$ 3,240**	**$ 4.22**	$ 3,291	$ 4.30

(a) Net of tax benefit of $80 million and $20 million in noncontrolling interests.
(b) Net of tax benefit of $3 million.
(c) Net of tax benefit of $42 million.
(d) Net of tax benefit of $19 million.
(e) Net of tax benefit of $4 million.
(f) Represents the net impact of the expiration of statutes related to the International Disposal Group.

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 September 30,			Nine Months Ended September 30,		
(in millions)	2022	2021	Variance	2022	2021	Variance
Operating Revenues	**$ 7,439**	$ 6,569	$ 870	**$ 19,576**	$ 17,185	$ 2,391
Operating Expenses						
Fuel used in electric generation and purchased power	**2,653**	1,864	789	**6,481**	4,760	1,721
Operation, maintenance and other	**1,257**	1,363	(106)	**4,011**	3,907	104
Depreciation and amortization	**1,170**	1,084	86	**3,411**	3,154	257
Property and other taxes	**336**	330	6	**1,004**	949	55
Impairment of assets and other charges	**8**	202	(194)	**214**	203	11
Total operating expenses	**5,424**	4,843	581	**15,121**	12,973	2,148
Gains on Sales of Other Assets and Other, net	**7**	9	(2)	**12**	11	1
Operating Income	**2,022**	1,735	287	**4,467**	4,223	244
Other Income and Expenses, net	**114**	220	(106)	**381**	421	(40)
Interest Expense	**377**	365	12	**1,144**	1,066	78
Income Before Income Taxes	**1,759**	1,590	169	**3,704**	3,578	126
Income Tax Expense	**207**	160	47	**448**	393	55
Less: Income Attributable to Noncontrolling Interest	**12**	5	7	**19**	5	14
Segment Income	**$ 1,540**	$ 1,425	$ 115	**$ 3,237**	$ 3,180	$ 57
Duke Energy Carolinas GWh sales	24,554	25,033	(479)	**69,125**	67,357	1,768
Duke Energy Progress GWh sales	19,608	19,219	389	**54,492**	51,555	2,937
Duke Energy Florida GWh sales	13,555	12,983	572	**35,797**	32,731	3,066
Duke Energy Ohio GWh sales	7,074	6,844	230	**18,635**	18,586	49
Duke Energy Indiana GWh sales	8,934	8,788	146	**24,528**	23,880	648
Total Electric Utilities and Infrastructure GWh sales	**73,725**	72,867	858	**202,577**	194,109	8,468
Net proportional MW capacity in operation				**49,520**	49,749	(229)

Three Months Ended September 30, 2022, as compared to September 30, 2021

Electric Utilities and Infrastructure's higher segment income is due to favorable retail sales volumes, lower operations and maintenance expense, and a prior year impairment charge related to the South Carolina Supreme Court decision on coal ash, partially offset by higher depreciation. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $732 million increase in fuel revenues primarily due to higher fuel prices and retail sales volumes;
- an $85 million increase in weather-normal retail sales volumes;
- a $72 million increase in wholesale revenues primarily due to higher capacity volumes; and
- a $48 million increase in rider revenues primarily due to storm securitization in North Carolina and energy efficiency programs.

Operating Expenses. The variance was driven primarily by:

- a $789 million increase in fuel used in electric generation and purchased power due to higher fuel prices and volumes from customer demand; and
- an $86 million increase in depreciation and amortization primarily due to higher plant in service and resolution of prior year rate cases.

Partially offset by:

- a $194 million decrease in impairment of assets and other charges due to a prior year impairment charge related to the South Carolina Supreme Court decision on coal ash; and
- a $106 million decrease in operation, maintenance and other primarily driven by lower employee benefits.

Other Income and Expenses, net. The decrease is primarily due to coal ash insurance litigation proceeds received in the prior year.

Interest Expense. The variance was primarily driven by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes. The ETRs for the three months ended September 30, 2022, and 2021, were 11.8% and 10.1%, respectively. The increase in the ETR was primarily due to a decrease in the amortization of excess deferred taxes.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Electric Utilities and Infrastructure's higher segment income is due to higher retail sales volumes and favorable weather, partially offset by higher depreciation and higher storm costs. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $1,526 million increase in fuel revenues primarily due to higher fuel prices and retail sales volumes;
- a $356 million increase in weather-normal retail sales volumes;
- a $238 million increase in retail base rate pricing due to general rate cases in North Carolina, net of rider impacts as well as multiyear rate adjustments in Florida;
- a $149 million increase in wholesale revenues primarily due to higher capacity volumes
- a $117 million increase in rider revenues primarily due to higher sales volumes and storm securitization in North Carolina; and
- a $71 million increase in retail sales due to favorable weather compared to prior year.

Partially offset by

- a $60 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $1,721 million increase in fuel used in electric generation and purchased power due to higher fuel prices and volumes from customer demand;
- a $257 million increase in depreciation and amortization primarily due to higher plant in service and resolution of prior year rate cases, partially offset by lower depreciation related to the extension of the lives of nuclear facilities;
- a $104 million increase in operation, maintenance and other primarily driven by higher storm costs and higher outage and maintenance costs;
- a $55 million increase in property and other taxes primarily due to higher property taxes as well as higher revenue related taxes; and
- an $11 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs, partially offset by a prior year impairment charge related to the South Carolina Supreme Court decision on coal ash.

Other Income and Expenses, net. The decrease is primarily due to coal ash insurance litigation proceeds received in the prior year, partially offset by a 2022 settlement with the Department of Energy over spent nuclear fuel storage and higher AFUDC equity.

Interest Expense. The variance was primarily driven by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes. The ETRs for the nine months ended September 30, 2022, and 2021, were 12.1% and 11.0%, respectively. The increase in the ETR was primarily due to a decrease in the amortization of excess deferred taxes.

Gas Utilities and Infrastructure

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 427**	$ 289	$ 138	**$ 1,912**	$ 1,391	$ 521
Operating Expenses						
Cost of natural gas	**189**	75	114	**859**	430	429
Operation, maintenance and other	**115**	102	13	**410**	302	108
Depreciation and amortization	**80**	74	6	**241**	216	25
Property and other taxes	**29**	30	(1)	**103**	92	11
Impairment of assets and other charges	**(12)**	—	(12)	**(12)**	—	(12)
Total operating expenses	**401**	281	120	**1,601**	1,040	561
Gains on Sales of Other Assets and Other, net	**—**	—	—	**4**	—	4
Operating Income	**26**	8	18	**315**	351	(36)
Other Income and Expenses, Net	**25**	25	—	**61**	52	9
Interest Expense	**45**	37	8	**127**	105	22
Income (Loss) Before Income Taxes	**6**	(4)	10	**249**	298	(49)
Income Tax Expense (Benefit)	**2**	(1)	3	**(28)**	39	(67)
Segment Income (Loss)	**$ 4**	$ (3)	$ 7	**$ 277**	$ 259	$ 18
Piedmont LDC throughput (dekatherms)	157,145,659	134,549,588	22,596,071	**463,863,034**	390,210,785	73,652,249
Duke Energy Midwest LDC throughput (Mcf)	9,559,214	10,268,918	(709,704)	**63,346,715**	62,220,827	1,125,888

Three Months Ended September 30, 2022, as compared to September 30, 2021

Gas Utilities and Infrastructure's results were impacted primarily by margin growth and the partial reversal of the prior year impairment related to the propane caverns in Ohio, partially offset by higher operation and maintenance costs. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $114 million increase due to increased off-system sales natural gas costs and higher natural gas costs passed through to customers;
- a $17 million increase due to rider revenues related to Ohio Capital Expenditure Program (CEP); and
- a $5 million increase due to base rate increases.

Operating Expenses. The variance was driven primarily by:

- a $114 million increase due to increased off-system sales natural gas costs and higher natural gas costs passed through to customers;
- a $13 million increase in operations, maintenance and other primarily due to higher spend on internal and contract labor costs and materials; and
- a $6 million increase in depreciation and amortization due to additional plant in service.

Partially offset by:

- a $12 million decrease in impairment of assets and other charges due to the partial reversal of the prior year impairment related to the propane caverns in Ohio.

Interest Expense. The increase was primarily due to higher debt outstanding.

Income Tax Expense (Benefit). The increase in tax expense was primarily due to an increase in pretax income. The ETRs for the three months ended September 30, 2022, and 2021, were 33.3% and 25.0%, respectively. The increase in the ETR was primarily due to the amortization of excess deferred taxes in relation to higher pretax income.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Gas Utilities and Infrastructure's results were impacted primarily by margin growth, partially offset by higher operation and maintenance costs. The following is a detailed discussion of the variance drivers by line item.

Operating Revenues. The variance was driven primarily by:

- a $429 million increase due to higher natural gas costs passed through to customers, increased off-system sales activity and higher volumes;
- a $50 million increase due to base rate increases;
- a $32 million increase due to rider revenues related to Ohio CEP; and
- a $5 million increase due to customer growth.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $429 million increase due to higher natural gas costs passed through to customers, increased off-system sales activity and higher volumes;
- a $108 million increase in operations, maintenance and other primarily due to the MGP settlement and higher spend on internal and contract labor costs, fleet and materials;
- a $25 million increase in depreciation and amortization due to additional plant in service and lower CEP deferrals; and
- an $11 million increase in property and other taxes due to lower CEP deferrals.

Partially offset by:

- a $12 million decrease in impairment of assets and other charges due to the partial reversal of the prior year impairment related to the propane caverns in Ohio.

Interest Expense. The increase was primarily due to lower AFUDC debt income and higher debt outstanding.

Income Tax Expense (Benefit). The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement and a decrease in pretax income. The ETRs for the nine months ended September 30, 2022, and 2021, were (11.2)% and 13.1%, respectively. The decrease in the ETR was primarily due to an increase in the amortization of excess deferred taxes related to the Ohio MGP Settlement.

Commercial Renewables

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 130**	$ 117	$ 13	**$ 372**	$ 355	$ 17
Operating Expenses						
Operation, maintenance and other	**87**	90	(3)	**251**	240	11
Depreciation and amortization	**61**	58	3	**181**	167	14
Property and other taxes	**11**	10	1	**31**	28	3
Total operating expenses	**159**	158	1	**463**	435	28
Losses on Sales of Other Assets and Other, net	**—**	**—**	—	**(1)**	—	(1)
Operating Loss	**(29)**	(41)	12	**(92)**	(80)	(12)
Other Income and Expenses, net	**—**	(2)	2	**—**	(24)	24
Interest Expense	**18**	20	(2)	**55**	53	2
Loss Before Income Taxes	**(47)**	(63)	16	**(147)**	(157)	10
Income Tax Benefit	**(29)**	(6)	(23)	**(98)**	(56)	(42)
Add: Loss Attributable to Noncontrolling Interests	**20**	135	(115)	**92**	253	(161)
Segment Income	**$ 2**	$ 78	$ (76)	**$ 43**	$ 152	$ (109)
Renewable plant production, GWh	**2,742**	2,567	175	**9,160**	7,942	1,218
Net proportional MW capacity in operation[(a)]				**4,759**	4,630	129

(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 September 30, 2022, as compared to September 30, 2021

Commercial Renewables' results were unfavorable to prior year primarily driven by fewer project investments financed by tax equity being placed into service in the current year.

Operating Revenues. The variance was primarily driven by a $10 million increase due to higher wind resource and higher market prices impacting the wind portfolio and a $6 million gain related to derivative contracts that do not qualify for hedge accounting, partially offset by a $4 million decrease in the distributed energy portfolio primarily due to fewer projects placed in service.

Income Tax Benefit. The increase in the tax benefit was primarily due to fewer project investments financed by tax equity being placed into service in the current year.

Loss Attributable to Noncontrolling Interests. The variance was primarily driven by a $100 million decrease for fewer projects placed in service financed with tax equity in the current year and a $15 million net decrease in losses allocated to tax equity members from existing tax equity structures.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Commercial Renewables' results were unfavorable primarily driven by fewer project investments financed by tax equity being placed into service in the current year and higher expenses from projects placed in service since the prior year, partially offset by the impacts for losses experienced in the prior year from Texas Storm Uri.

Operating Revenues. The variance was primarily driven by a $41 million increase due to higher wind resource and market prices impacting the wind portfolio, partially offset by a $15 million loss related to derivative contracts that do not qualify for hedge accounting and an $8 million decrease for market sales in excess of market purchases experienced during Texas Storm Uri in the prior year.

Operating Expenses. The variance was primarily driven by a $33 million increase due to higher operating expenses, depreciation, property tax expense and other development costs from the growth of new projects, partially offset by a $5 million decrease for lower operating expenses attributed to maintenance and other operating expenses.

Other Income and Expenses, net. The increase was primarily due to $29 million of losses experienced in the prior year from Texas Storm Uri.

Income Tax Benefit. The increase in the tax benefit was primarily due to a decrease in taxes associated with tax equity investments and an increase in production tax credits generated.

Loss Attributable to Noncontrolling Interests. The variance was primarily driven by a $133 million decrease for fewer projects placed in service financed with tax equity in the current year and a $40 million net decrease in losses allocated to tax equity members from existing tax equity structures, partially offset by a $12 million increase for losses experienced in the prior year from Texas Storm Uri.

Other

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**	**2022**	**2021**	**Variance**
Operating Revenues	**$ 29**	$ 28	$ 1	**$ 89**	$ 81	$ 8
Operating Expenses	**29**	46	(17)	**78**	282	(204)
Gains (Losses) on Sales of Other Assets and Other, net	**—**	(1)	1	**1**	(1)	2
Operating Income (Loss)	**—**	(19)	19	**12**	(202)	214
Other Income and Expenses, net	**5**	25	(20)	**(8)**	78	(86)
Interest Expense	**205**	163	42	**529**	470	59
Loss Before Income Taxes	**(200)**	(157)	(43)	**(525)**	(594)	69
Income Tax Benefit	**(52)**	(63)	11	**(131)**	(166)	35
Less: Net (Loss) Income Attributable to Noncontrolling Interests	**(1)**	1	(2)	**—**	1	(1)
Less: Preferred Dividends	**39**	39	—	**92**	92	—
Net Loss	**$ (186)**	$ (134)	$ (52)	**$ (486)**	$ (521)	$ 35

Three Months Ended September 30, 2022, as compared to September 30, 2021

The higher net loss was driven by current year higher interest rates on commercial paper, higher outstanding long-term debt and lower return on investments that fund certain employee benefit obligations.

Operating Expenses. The decrease was primarily driven by prior year asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business moved to a hybrid and remote workforce strategy and lower return on investments on certain employee benefit obligations in the current year.

Other Income and Expenses, net. The variance was primarily due to lower return on investments that fund certain employee benefit obligations.

Interest Expense. The variance was primarily due to higher interest rates on commercial paper and higher outstanding long-term debt.

Income Tax Benefit. The decrease in the tax benefit was primarily due to unfavorable tax impacts related to lower investment returns on certain employee benefit obligations, partially offset by an increase in pretax losses. The ETRs for the three months ended September 30, 2022, and 2021, were 26.0% and 40.1%, respectively. The decrease in the ETR was primarily due to unfavorable tax impacts related to lower investment returns on certain employee benefit obligations.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

The lower net loss was driven by prior year asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business moved to a hybrid and remote workforce strategy, partially offset by lower return on investments that fund certain employee benefit obligations, higher outstanding long-term debt and higher interest rates on commercial paper in the current year.

Operating Expenses. The decrease was primarily driven by prior year asset impairments to optimize the company's real estate portfolio and reduce office space as parts of the business moved to a hybrid and remote workforce strategy and lower return on investments on certain employee benefit obligations in the current year.

Other Income and Expenses, net. The variance was primarily due to lower return on investments that fund certain employee benefit obligations, partially offset by higher equity earnings from the NMC investment.

Interest Expense. The variance was primarily due to higher outstanding long-term debt and higher interest rates on commercial paper.

Income Tax Benefit. The decrease in the tax benefit was primarily due to a decrease in pretax losses and unfavorable tax impacts related to lower investment returns on certain employee benefit obligations. The ETRs for the nine months ended September 30, 2022, and 2021, were 25% and 27.9%, respectively. The decrease in the ETR was primarily due to unfavorable tax impacts related to lower investment returns on certain employee benefit obligations.

INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	2022	2021	Variance	2022	2021	Variance
Income From Discontinued Operations, net of tax	**$ 23**	$ —	$ 23	**$ 23**	$ —	$ 23

Three Months Ended September 30, 2022, as compared to September 30, 2021

The variance was primarily driven by a reduction to a previously accrued liability as a result of the expiration of tax statutes related to the International Disposal Group.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

The variance was primarily driven by a reduction to a previously accrued liability as a result of the expiration of tax statutes related to the International Disposal Group.

DUKE ENERGY CAROLINAS

Results of Operations

	Nine Months Ended September 30,		
(in millions)	2022	2021	Variance
Operating Revenues	**$ 5,844**	$ 5,430	$ 414
Operating Expenses			
Fuel used in electric generation and purchased power	**1,423**	1,218	205
Operation, maintenance and other	**1,410**	1,347	63
Depreciation and amortization	**1,138**	1,088	50
Property and other taxes	**258**	248	10
Impairment of assets and other charges	**(3)**	238	(241)
Total operating expenses	**4,226**	4,139	87
Gains on Sales of Other Assets and Other, net	**4**	1	3
Operating Income	**1,622**	1,292	330
Other Income and Expenses, net	**172**	218	(46)
Interest Expense	**415**	400	15
Income Before Income Taxes	**1,379**	1,110	269
Income Tax Expense	**87**	40	47
Net Income	**$ 1,292**	$ 1,070	$ 222

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	2022
Residential sales	0.6 %
General service sales	5.4 %
Industrial sales	2.7 %
Wholesale power sales	(1.2)%
Joint dispatch sales	(35.6)%
Total sales	2.6 %
Average number of customers	1.8 %

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $173 million increase in fuel revenues due to higher fuel prices and weather-normal retail sales volumes in the current year;
- a $121 million increase in weather-normal retail sales volumes;
- a $45 million increase in rider revenues primarily due to energy efficiency, storm securitization, and competitive procurement of renewable energy programs; and
- a $36 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers.

Operating Expenses. The variance was driven primarily by:

- a $205 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal prices;
- a $63 million increase in operation, maintenance and other expense primarily due to higher storm restoration costs and higher outage and maintenance costs; and
- a $50 million increase in depreciation and amortization primarily due to an increase in assets placed into service, new depreciation rates associated with the North Carolina rate case and a higher depreciable base, partially offset by the extension of the lives of nuclear facilities.

Partially offset by:

- a $241 million decrease in impairment of assets and other charges due to the prior year optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to a hybrid and remote workforce strategy and an adjustment to the South Carolina Supreme Court decision on coal ash.

Other Income and Expenses. The variance was driven by the coal ash insurance litigation proceeds received in the prior year, partially offset by an increase in AFUDC equity due to higher AFUDC base.

Interest Expense. The variance was driven by interest expense on excess deferred tax liabilities.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income, partially offset by an increase in the amortization of excess deferred taxes.

PROGRESS ENERGY

Results of Operations

	Nine Months Ended September 30,		
(in millions)	2022	2021	Variance
Operating Revenues	**$ 10,087**	$ 8,417	$ 1,670
Operating Expenses			
Fuel used in electric generation and purchased power	**3,927**	2,702	1,225
Operation, maintenance and other	**1,829**	1,863	(34)
Depreciation and amortization	**1,607**	1,430	177
Property and other taxes	**472**	419	53
Impairment of assets and other charges	**4**	79	(75)
Total operating expenses	**7,839**	6,493	1,346
Gains on Sales of Other Assets and Other, net	**6**	9	(3)
Operating Income	**2,254**	1,933	321
Other Income and Expenses, net	**150**	167	(17)
Interest Expense	**616**	592	24
Income Before Income Taxes	**1,788**	1,508	280
Income Tax Expense	**289**	174	115
Net Income	**1,499**	1,334	165
Less: Net Income Attributable to Noncontrolling Interests	**1**	1	—
Net Income Attributable to Parent	**$ 1,498**	$ 1,333	$ 165

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $1,182 million increase in fuel cost recovery driven by higher fuel prices and volumes in the current year;
- a $202 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 2021 Settlement Agreement and the solar base rate adjustment;
- a $171 million increase in weather-normal retail sales volumes;
- a $63 million increase in wholesale revenues, net of fuel, due to higher capacity volumes; and
- a $30 million increase in retail sales due to favorable weather.

Partially offset by:

- a $62 million decrease in capacity revenue primarily due to accelerated recovery of retired Crystal River coal units in 2021.

Operating Expenses. The variance was driven primarily by:

- a $1,225 million increase in fuel used in electric generation and purchased power primarily due to higher demand and higher natural gas prices;
- a $177 million increase in depreciation and amortization primarily due to increased rates at Duke Energy Florida and higher amortization of deferred coal ash and storm costs at Duke Energy Progress, partially offset by the extension of the lives at nuclear facilities at Duke Energy Progress; and
- a $53 million increase in property and other taxes primarily due to an increase in gross receipts taxes at Duke Energy Florida.

Partially offset by:

- a $75 million decrease in impairment of assets and other charges due to the prior year South Carolina Supreme Court decision on coal ash and optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to hybrid and remote workforce strategy; and
- a $34 million decrease in operation, maintenance and other expense primarily due to reduced storm amortization at Duke Energy Florida, partially offset by higher storm costs at Duke Energy Progress.

Other Income and Expenses, net. The decrease is primarily due to coal ash insurance litigation proceeds received in the prior year at Duke Energy Progress, partially offset by a 2022 settlement with the Department of Energy over spent nuclear fuel storage at Duke Energy Florida.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities at Duke Energy Progress and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

DUKE ENERGY PROGRESS

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 5,182**	$ 4,417	$ 765
Operating Expenses			
Fuel used in electric generation and purchased power	**1,916**	1,368	548
Operation, maintenance and other	**1,101**	1,092	9
Depreciation and amortization	**890**	811	79
Property and other taxes	**136**	129	7
Impairment of assets and other charges	**4**	60	(56)
Total operating expenses	**4,047**	3,460	587
Gains on Sales of Other Assets and Other, net	**2**	8	(6)
Operating Income	**1,137**	965	172
Other Income and Expenses, net	**83**	111	(28)
Interest Expense	**260**	226	34
Income Before Income Taxes	**960**	850	110
Income Tax Expense	**129**	50	79
Net Income	**$ 831**	$ 800	$ 31

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	**2022**
Residential sales	**— %**
General service sales	**3.1 %**
Industrial sales	**10.0 %**
Wholesale power sales	**2.1 %**
Joint dispatch sales	**43.2 %**
Total sales	**5.7 %**
Average number of customers	**1.9 %**

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $514 million increase in fuel revenues due to higher fuel prices and retail sales volumes in the current year;
- a $111 million increase due to higher pricing from the North Carolina retail rate case, net of a return of EDIT to customers;
- a $48 million increase in weather-normal retail sales volumes;
- a $34 million increase in wholesale revenues, net of fuel, due to higher capacity volumes;
- a $29 million increase in rider revenues primarily due to storm securitization and energy efficiency, partially offset by renewable energy and energy efficiency portfolio standard programs; and
- a $19 million increase in retail sales due to favorable weather compared to prior year.

Operating Expenses. The variance was driven primarily by:

- a $548 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices and changes in the generation mix, partially offset by the recovery of fuel expenses and lower coal expense; and
- a $79 million increase in depreciation and amortization due to higher amortization of deferred coal ash costs and amortization related to deferred storm costs, partially offset by lower depreciation related to the extension of the lives of nuclear facilities.

Partially offset by:

- a $56 million decrease in impairment of assets and other charges primarily due to the prior year South Carolina Supreme Court decision on coal ash and optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to a hybrid and remote workforce strategy.

Other Income and Expenses, net. The variance was primarily due to coal ash insurance litigation proceeds received in the prior year.

Interest Expense. The variance was driven primarily by interest expense on excess deferred tax liabilities and higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income and a decrease in the amortization of excess deferred taxes.

DUKE ENERGY FLORIDA

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 4,890**	$ 3,987	$ 903
Operating Expenses			
Fuel used in electric generation and purchased power	**2,011**	1,335	676
Operation, maintenance and other	**716**	760	(44)
Depreciation and amortization	**717**	619	98
Property and other taxes	**335**	290	45
Impairment of assets and other charges	**—**	19	(19)
Total operating expenses	**3,779**	3,023	756
Gains on Sales of Other Assets and Other, net	**5**	1	4
Operating Income	**1,116**	965	151
Other Income and Expenses, net	**74**	54	20
Interest Expense	**258**	239	19
Income Before Income Taxes	**932**	780	152
Income Tax Expense	**181**	149	32
Net Income	**$ 751**	$ 631	$ 120

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	**2022**
Residential sales	**3.9 %**
General service sales	**5.1 %**
Industrial sales	**6.4 %**
Wholesale and other	**48.7 %**
Total sales	**9.4 %**
Average number of customers	**1.7 %**

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $668 million increase in fuel revenue primarily due to higher retail and wholesale sales volumes and a higher fuel rate in the current year in response to an increase in natural gas prices;
- a $123 million increase in weather-normal retail sales volumes;
- a $91 million increase in retail pricing due to base rate adjustments related to annual increases from the 2021 Settlement Agreement and the solar base rate adjustment;
- a $43 million increase in rider revenues primarily due to increased Storm Protection Plan rider revenue driven by higher debt and equity returns from increased capital expenditures in the current year;
- a $29 million increase in wholesale power revenues, net of fuel, primarily due to higher capacity revenues and bulk power sales; and
- an $11 million increase in retail sales due to favorable weather in the current year.

Partially offset by:

- a $62 million decrease in capacity revenue primarily due to accelerated recovery of the retired coal units Crystal River 1 and 2 in 2021.

Operating Expenses. The variance was driven primarily by:

- a $676 million increase in fuel used in electric generation and purchased power primarily due to higher natural gas prices;
- a $98 million increase in depreciation and amortization primarily due to an increase in depreciation rates starting in January 2022; and
- a $45 million increase in property and other taxes primarily due to an increase in gross receipt taxes driven by higher revenues and franchise and property taxes.

Partially offset by:

- a $44 million decrease in operation, maintenance and other primarily due to reduced storm amortization and reduced vegetation management costs, partially offset by increased charge-offs; and
- a $19 million decrease in impairment of assets and other charges due to the prior year optimization of the company's real estate portfolio and reduction of office space as parts of the business moved to hybrid and remote workforce strategy.

Other Income and Expenses, net. The increase is primarily due to a 2022 settlement with the Department of Energy over spent nuclear fuel storage.

Interest Expense. The increase in interest expense was primarily due to higher outstanding debt.

Income Tax Expense. The increase in tax expense was primarily due to an increase in pretax income.

DUKE ENERGY OHIO

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues			
Regulated electric	**$ 1,320**	$ 1,119	$ 201
Regulated natural gas	**491**	375	116
Total operating revenues	**1,811**	1,494	317
Operating Expenses			
Fuel used in electric generation and purchased power	**439**	294	145
Cost of natural gas	**174**	76	98
Operation, maintenance and other	**408**	335	73
Depreciation and amortization	**247**	228	19
Property and other taxes	**272**	266	6
Impairment of assets and other charges	**(11)**	5	(16)
Total operating expenses	**1,529**	1,204	325
Operating Income	**282**	290	(8)
Other Income and Expenses, net	**16**	14	2
Interest Expense	**92**	82	10
Income Before Income Taxes	**206**	222	(16)
Income Tax (Benefit) Expense	**(30)**	34	(64)
Net Income	**$ 236**	$ 188	$ 48

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	**2022**	**2022**
Residential sales	**0.6 %**	**6.1 %**
General service sales	**(2.2)%**	**1.7 %**
Industrial sales	**(8.5)%**	**2.6 %**
Wholesale electric power sales	**(25.0)%**	**n/a**
Other natural gas sales	**n/a**	**(4.8)%**
Total sales	**0.3 %**	**1.8 %**
Average number of customers	**1.3 %**	**0.5 %**

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $227 million increase in fuel related revenues primarily due to higher retail sales volumes and a higher fuel rates in the current year in response to an increase in natural gas prices and purchased power expense;
- a $36 million increase in retail revenue riders primarily due to the Ohio CEP and Distribution Capital Investment Rider (DCI);
- a $30 million increase in other electric revenues primarily due to Distribution Decoupling rider adjustments recorded in 2021; and
- an $11 million increase in revenues related to OVEC collections and OVEC sales into PJM.

Partially offset by:

- a $15 million decrease due to the MGP settlement.

Operating Expenses. The variance was driven primarily by:

- a $243 million increase in fuel expense primarily driven by higher retail prices and increased volumes for natural gas and purchased power;
- a $73 million increase in operation, maintenance and other expense primarily due to the MGP settlement and higher storm costs; and
- a $19 million increase in depreciation and amortization primarily driven by lower CEP deferrals and an increase in distribution plant in service.

Partially offset by:

- a $16 million decrease in impairment of assets and other charges primarily due to the partial reversal of the prior year impairment related to the propane caverns in Ohio.

Interest Expense. The increase was primarily due to interest costs on long term debt.

Income Tax (Benefit) Expense. The decrease in tax expense was primarily due to an increase in the amortization of excess deferred taxes related to the MGP Settlement and a decrease in pretax income.

DUKE ENERGY INDIANA

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 2,835**	$ 2,366	$ 469
Operating Expenses			
Fuel used in electric generation and purchased power	**1,234**	710	524
Operation, maintenance and other	**551**	543	8
Depreciation and amortization	**478**	458	20
Property and other taxes	**60**	57	3
Impairment of assets and other charges	**211**	8	203
Total operating expenses	**2,534**	1,776	758
Operating Income	**301**	590	(289)
Other Income and Expenses, net	**27**	31	(4)
Interest Expense	**138**	148	(10)
Income Before Income Taxes	**190**	473	(283)
Income Tax Expense	**1**	77	(76)
Net Income	**$ 189**	$ 396	$ (207)

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	**2022**
Residential sales	**0.6 %**
General service sales	**2.1 %**
Industrial sales	**(9.2)%**
Wholesale power sales	**11.2 %**
Total sales	**2.7 %**
Average number of customers	**1.4 %**

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $406 million increase in retail fuel revenues primarily due to higher fuel cost recovery driven by retail sales volumes and fuel prices;
- an $86 million increase primarily due to wholesale revenues, including fuel revenues, driven by higher rates and BPM sharing provision; and
- a $37 million increase in weather-normal retail sales volumes driven by higher nonresidential customer demand.

Partially offset by:

- a $60 million decrease due to the Indiana Supreme Court ruling on recovery of certain coal ash costs.

Operating Expenses. The variance was driven primarily by:

- a $524 million increase in fuel used in electric generation and purchased power expense primarily due to higher purchased power expense and higher coal and natural gas costs;
- a $203 million increase in impairment of assets and other charges primarily due to the Indiana Supreme Court ruling on recovery of certain coal ash costs; and
- a $20 million increase in depreciation and amortization primarily due to additional plant in service and the Step 2 rates true-up adjustment to depreciation expense.

Income Tax Expense. The decrease in tax expense was primarily due the change in pretax income from the coal ash impairment and an increase in the amortization of excess deferred income taxes.

PIEDMONT

Results of Operations

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Operating Revenues	**$ 1,421**	$ 1,016	$ 405
Operating Expenses			
Cost of natural gas	**685**	354	331
Operation, maintenance and other	**270**	231	39
Depreciation and amortization	**166**	150	16
Property and other taxes	**44**	44	—
Impairment of assets and other charges	**1**	9	(8)
Total operating expenses	**1,166**	788	378
Gains on Sales of Other Assets and Other, net	**4**	—	4
Operating Income	**259**	228	31
Other Income and Expenses, net	**41**	51	(10)
Interest Expense	**102**	88	14
Income Before Income Taxes	**198**	191	7
Income Tax Expense	**18**	16	2
Net Income	**$ 180**	$ 175	$ 5

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	**2022**
Residential deliveries	**(4.6)%**
Commercial deliveries	**0.9 %**
Industrial deliveries	**0.8 %**
Power generation deliveries	**31.3 %**
For resale	**(5.1)%**
Total throughput deliveries	**18.9 %**
Secondary market volumes	**31.8 %**
Average number of customers	**1.4 %**

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.

Nine Months Ended September 30, 2022, as compared to September 30, 2021

Operating Revenues. The variance was driven primarily by:

- a $331 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas costs;
- a $50 million increase due to base rate increases; and
- a $5 million increase due to customer growth.

Operating Expenses. The variance was driven primarily by:

- a $331 million increase due to higher natural gas costs passed through to customers and increased off-system sales natural gas;
- a $39 million increase in operation, maintenance and other due to higher spend on internal and contract labor costs, fleet, materials and other; and
- a $16 million increase in depreciation and amortization due to additional plant in service.

Other Income and Expenses, net. The decrease was primarily due to lower AFUDC equity income.

Interest Expense. The increase was primarily due to higher debt outstanding and lower AFUDC debt income.

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. Additionally, due to its existing tax attributes and projected tax credits to be generated relating to the IRA, Duke Energy does not expect to be a significant federal cash taxpayer until around 2030. Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021, included a summary and detailed discussion of projected primary sources and uses of cash for 2022 to 2024.

As of September 30, 2022, Duke Energy had approximately $453 million of cash on hand and $5.5 billion available under its $9 billion Master 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.

Cash Flow Information

The following table summarizes Duke Energy's cash flows.

	Nine Months Ended September 30,	
(in millions)	**2022**	**2021**
Cash flows provided by (used in):		
Operating activities	**$ 5,188**	$ 7,227
Investing activities	**(8,630)**	(8,200)
Financing activities	**3,551**	1,160
Net increase in cash, cash equivalents and restricted cash	**109**	187
Cash, cash equivalents and restricted cash at beginning of period	**520**	556
Cash, cash equivalents and restricted cash at end of period	**$ 629**	$ 743

OPERATING CASH FLOWS

The following table summarizes key components of Duke Energy's operating cash flows.

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Net income	**$ 3,113**	$ 2,915	$ 198
Non-cash adjustments to net income	**4,490**	4,556	(66)
Contributions to qualified pension plans	**(58)**	—	(58)
Payments for asset retirement obligations	**(418)**	(389)	(29)
Working capital	**(1,939)**	145	(2,084)
Net cash provided by operating activities	**$ 5,188**	$ 7,227	$ (2,039)

The variance is primarily due to the timing of accruals and payments in working capital accounts, including fuel purchases.

INVESTING CASH FLOWS

The following table summarizes key components of Duke Energy's investing cash flows.

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Capital, investment and acquisition expenditures	**$ (8,185)**	$ (7,119)	$ (1,066)
Other investing items	**(445)**	(1,081)	636
Net cash used in investing activities	**$ (8,630)**	$ (8,200)	$ (430)

The variance is primarily due to higher overall investments in the Electric Utilities and Infrastructure segment, partially offset by a payment made in 2021 to fund ACP's outstanding debt.

FINANCING CASH FLOWS

The following table summarizes key components of Duke Energy's financing cash flows.

	Nine Months Ended September 30,		
(in millions)	**2022**	**2021**	**Variance**
Issuances of long-term debt, net	**$ 5,663**	$ 2,683	$ 2,980
Issuances of common stock	**—**	5	(5)
Notes payable, commercial paper and other short-term borrowings	**269**	(723)	992
Dividends paid	**(2,389)**	(2,340)	(49)
Contributions from noncontrolling interests	**132**	1,556	(1,424)
Other financing items	**(124)**	(21)	(103)
Net cash provided by financing activities	**$ 3,551**	$ 1,160	$ 2,391

The variance was primarily due to:

- a $3 billion increase in net proceeds from issuances of long-term debt, primarily due to timing of issuances and redemptions of long-term debt; and
- a $992 million increase in net borrowings from notes payable and commercial paper.

Partially offset by:

- a $1.4 billion decrease in contributions from noncontrolling interests due to fewer project investments financed by tax equity being placed into service in the current year.

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.

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 Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021.

Foreign Currency Exchange Risk

Duke Energy is exposed to risk resulting from changes in the foreign currency exchange rates as a result of its issuances of long-term debt denominated in a foreign currency. Duke Energy manages foreign currency exchange risk exposure by entering into cross-currency swaps, a type of financial derivative instrument, which mitigate foreign currency exchange exposure. See Notes 5, 9 and 11 to the Condensed Consolidated Financial Statements, “Debt and Credit Facilities,” “Derivatives and Hedging” and “Fair Value Measurements," respectively.

Credit Risk

Duke Energy is subject to credit risk from transactions with counterparties to cross-currency swaps related to future interest and principal payments. The credit exposure to such counterparties may take the form of higher costs to meet Duke Energy's future Euro-denominated interest and principal payments in the event of counterparty default. Duke Energy selects highly rated banks as counterparties and allocates the hedge for each debt issuance across multiple counterparties. The master agreements with the counterparties impose collateral requirements on the parties in certain circumstances indicative of material deterioration in a party's creditworthiness.

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 September 30, 2022, 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 September 30, 2022, 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, 2021.

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's Annual Report on Form 10-K for the year ended December 31, 2021, 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 Duke Energy's Annual Report on Form 10-K for the year ended December 31, 2021.

The Duke Energy Registrants rely on access to short-term borrowings and longer-term debt and equity markets to finance their capital requirements and support their liquidity needs. Access to those markets can be adversely affected by a number of conditions, many of which are beyond the Duke Energy Registrants’ control.

The Duke Energy Registrants’ businesses are significantly financed through issuances of debt and equity. The maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from their assets. Accordingly, as a source of liquidity for capital requirements not satisfied by the cash flows from their operations and to fund investments originally financed through debt instruments with disparate maturities, the Duke Energy Registrants rely on access to short-term money markets as well as longer-term capital markets. The Subsidiary Registrants also rely on access to short-term intercompany borrowings. If the Duke Energy Registrants are not able to access debt or equity at competitive rates or at all, the ability to finance their operations and implement their strategy and business plan as scheduled could be adversely affected. An inability to access debt and equity may limit the Duke Energy Registrants’ ability to pursue improvements or acquisitions that they may otherwise rely on for future growth.

Market disruptions may increase the cost of borrowing or adversely affect the ability to access one or more financial markets. Such disruptions could include: economic downturns, unfavorable capital market conditions, market prices for natural gas and coal, geopolitical risks, actual or threatened terrorist attacks, or the overall health of the energy industry. Additionally, rapidly rising interest rates could impact the ability to affordably finance the capital plan or increase rates to customers and could have an impact on our ability to execute on our clean energy strategy. The availability of credit under Duke Energy’s Master Credit Facility depends upon the ability of the banks providing commitments under the facility to provide funds when their obligations to do so arise. Systemic risk of the banking system and the financial markets could prevent a bank from meeting its obligations under the facility agreement.

Duke Energy maintains a revolving credit facility to provide backup for its commercial paper program and letters of credit to support variable rate demand tax-exempt bonds that may be put to the Duke Energy Registrant issuer at the option of the holder. The facility includes borrowing sublimits for the Duke Energy Registrants, each of whom is a party to the credit facility, and financial covenants that limit the amount of debt that can be outstanding as a percentage of the total capital for the specific entity. Failure to maintain these covenants at a particular entity could preclude Duke Energy from issuing commercial paper or the Duke Energy Registrants from issuing letters of credit or borrowing under the Master Credit Facility.

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
3.1	Amended and Restated By-Laws of Duke Energy Corporation, effective as of September 22, 2022, (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on September 28, 2022, File No. 1-32853).	X							
4.1	Twenty-eighth Supplemental Indenture, dated as of August 11, 2022, 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, and forms of global notes included therein (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on August 11, 2022, File No. 1-32853).	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		

EXHIBITS

*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 its XBRL tags are embedded within the Inline XBRL document).	X	X	X	X	X	X	X	X

EXHIBITS

*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:	November 4, 2022	/s/ BRIAN D. SAVOY Brian D. Savoy Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	November 4, 2022	/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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: November 4, 2022

/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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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, Brian D. Savoy, 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: November 4, 2022

/s/ BRIAN D. SAVOY

Brian D. Savoy
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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, 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

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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 September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian D. Savoy, 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/ BRIAN D. SAVOY

Brian D. Savoy
Executive Vice President and Chief Financial Officer

November 4, 2022

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

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

Date of Report (Date of earliest event reported): February 10, 2022

Commission file number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification Number
1-32853	DUKE ENERGY CORPORATION (a Delaware corporation) 526 South Church Street Charlotte, North Carolina 28202-1803 704-382-3853	20-2777218

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Conditions.

On February 10, 2022, Duke Energy Corporation (the "Corporation") will issue and post a news release to its website (duke-energy.com/investors) announcing its financial results for the fourth quarter ended December 31, 2021. A copy of this news release is attached hereto as Exhibit 99.1. The information in Exhibit 99.1 is being furnished pursuant to this Item 2.02. In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

99.1 News Release to be issued by Duke Energy Corporation on February 10, 2022 (furnished pursuant to Item 2.02).

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

SIGNATURE

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

DUKE ENERGY CORPORATION
/s/ CYNTHIA S. LEE
Cynthia S. Lee
Vice President, Chief Accounting Officer and Controller

Dated: February 10, 2022

News Release

Media Contact: Jennifer Garber
24-Hour: 800.559.3853

Analyst Contact: Jack Sullivan
Office: 980.373.3564

Feb. 10, 2022

Duke Energy reports fourth-quarter and full-year 2021 financial results

- **2021 reported EPS of $4.94 and adjusted EPS of $5.24, closing year above the midpoint of updated guidance range**
- **Strong results driven by constructive rate case outcomes and continued customer growth in electric and gas segments**
- **Five-year capital plan increases to $63 billion with over 80% funding investments in the grid and clean energy transition**
- **Established 2022 adjusted EPS guidance range of $5.30 to $5.60, and extended long-term adjusted EPS growth rate of 5% to 7% through 2026, off 2021 original midpoint of $5.15**

CHARLOTTE, N.C. – Duke Energy (NYSE: DUK) today announced 2021 full-year reported EPS of $4.94, prepared in accordance with Generally Accepted Accounting Principles (GAAP), and adjusted EPS of $5.24. This is compared to reported and adjusted EPS of $1.72 and $5.12, respectively, for the full-year 2020.

Adjusted EPS excludes the impact of certain items that are included in reported EPS. The difference between full-year 2021 reported and adjusted EPS was primarily due to an impairment charge related to the South Carolina Supreme Court decision on coal ash and insurance proceeds, as well as workplace and workforce realignment costs.

Higher full-year 2021 adjusted results were primarily driven by rate case contributions and higher volumes in the Electric Utilities Infrastructure segment, complemented by growth and rate case contributions in the Gas Utilities and Infrastructure segment. These items were partially offset by higher O&M, the loss of ACP earnings, Texas Storm Uri, fewer Commercial Renewable projects placed in service and share dilution.

“The fourth quarter capped a strong finish to an exceptionally productive 2021, where we made great progress against our strategic and financial goals,” said Lynn Good, Duke Energy chair, president and chief executive officer.

“We’re leading the industry’s largest clean energy transformation with more than 80% of our $63 billion capital plan funding investments in grid modernization and zero or lower-carbon emitting generation. These investments position us to earn solidly within our 5% to 7% EPS growth range throughout our five-year plan.”

“We also remain focused on ensuring reliable and affordable energy during this transition - delivering value to customers and shareholders in the years ahead."

Quarterly results

Duke Energy's fourth quarter 2021 reported EPS was $0.93, compared to reported loss per share of $0.12 for the fourth quarter of 2020. Duke Energy's fourth quarter 2021 adjusted EPS was $0.94, compared to $1.03 for the fourth quarter of 2020. Lower adjusted results for the quarter compared to last year were driven by mild weather, fewer renewable projects placed in service and share dilution, partially offset by lower income tax expense.

In addition to the following summary of fourth quarter 2021 business segment performance, comprehensive tables with detailed EPS drivers for the fourth quarter and full-year 2021 compared to prior year are provided at the end of this news release.

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

Electric Utilities and Infrastructure

On a reported basis, Electric Utilities and Infrastructure recognized fourth quarter 2021 segment income of $670 million, compared to segment loss of $170 million in the fourth quarter of 2020. Fourth quarter 2020 reported earnings included impacts of the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress.

On an adjusted basis, Electric Utilities and Infrastructure recognized fourth quarter 2021 and fourth quarter 2020 segment income of $675 million. Flat quarterly results, excluding share dilution of $0.03, were primarily driven by lower income tax expense (+$0.06 per share) and lower depreciation and amortization (+$0.03 per share), partially offset by mild weather (-$0.08 per share).

Gas Utilities and Infrastructure

On a reported basis, Gas Utilities and Infrastructure recognized fourth quarter 2021 segment income of $137 million, compared to $134 million in the fourth quarter of 2020. In addition to the 2021 drivers outlined below, fourth quarter 2020 results included costs related to the cancellation of ACP.

On an adjusted basis, Gas Utilities and Infrastructure recognized fourth quarter 2021 segment income of $137 million, compared to $150 million in the fourth quarter of 2020, a decrease of $0.02 per share, excluding share dilution of $0.02. Lower quarterly results were driven by higher O&M (-$0.02 per share) and higher depreciation and amortization (-$0.02 per share), offset by rate case contributions (+$0.03 per share).

Commercial Renewables

On a reported and adjusted basis, Commercial Renewables recognized fourth quarter 2021 segment income of $49 million, compared to $79 million in the fourth quarter of 2020. This represents a decrease of $0.04 per share, excluding share dilution of $0.01. Lower quarterly results were primarily driven by fewer renewable projects placed in service.

Other

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

On a reported basis, Other recognized a fourth quarter 2021 net loss of $131 million, compared to a net loss of $127 million in the fourth quarter of 2020. In addition to the drivers outlined below, fourth quarter 2021 results include workplace and workforce realignment costs.

On an adjusted basis, Other recognized a fourth quarter 2021 net loss of $125 million, compared to a net loss of $127 million in the fourth quarter of 2020, an increase of $0.01 per share, excluding share dilution. Quarterly results were primarily due to lower income tax expense, partially offset by higher contributions to the Duke Energy Foundation.

Effective tax rate

Duke Energy's consolidated reported effective tax rate for the fourth quarter of 2021 was (2.8)% compared to 50.8% in the fourth quarter of 2020. The decrease in the effective tax rate was primarily due to charges as part of the coal ash settlement in North Carolina for Duke Energy Carolinas and Duke Energy Progress in the prior year.

The effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the fourth quarter of 2021 was (2.4%) compared to the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items of 11.1% in the fourth quarter of 2020. The decrease was primarily due to tax optimization and an increase in the amortization of excess deferred taxes.

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

Earnings conference call for analysts

An earnings conference call for analysts is scheduled from 10 to 11 a.m. ET today to discuss fourth-quarter 2021 financial results. The conference call will be hosted by Lynn Good, chair, president and chief executive officer, and Steve Young, executive vice president and chief financial officer.

The call can be accessed via the investors section (duke-energy.com/investors) of Duke Energy's website or by dialing 800.458.4121 in the United States or 323.794.2093 outside the United States. The confirmation code is 9510910. Please call in 10 to 15 minutes prior to the scheduled start time.

A replay of the conference call will be available until 1 p.m. ET, Feb. 20, 2022, by calling 888.203.1112 in the United States or 719.457.0820 outside the United States and using the code 9510910. An audio replay and transcript will also be available by accessing the investors section of the company's website.

Special Items and Non-GAAP Reconciliation

The following tables present a reconciliation of GAAP reported to adjusted earnings per share for fourth-quarter and full-year 2021 and 2020 financial results:

(In millions, except per share amounts)	After-Tax Amount	4Q 2021 EPS	4Q 2020 EPS
EPS, as reported		**$ 0.93**	$ (0.12)
Adjustments to reported EPS:			
Fourth Quarter 2021			
Workplace and workforce realignment	**$ 6**	**$ 0.01**	
Regulatory settlements	**5**	**0.01**	
Discontinued operations	**(7)**	**(0.01)**	
Fourth Quarter 2020			
Regulatory settlements	$ 845		1.14
Gas pipeline investments	16		0.02
Discontinued operations	(7)		(0.01)
Total adjustments		**$ 0.01**	$ 1.15
EPS, adjusted		**$ 0.94**	$ 1.03

(In millions, except per share amounts)	After-Tax Amount	Full-Year 2021 EPS	Full-Year 2020 EPS
EPS, as reported		**$ 4.94**	$ 1.72
Adjustments to reported EPS:			
Full-Year 2021			
Workplace and workforce realignment	**$ 148**	**$ 0.20**	
Regulatory settlements	**69**	**0.09**	
Gas pipeline investments	**15**	**0.02**	
Discontinued operations	**(7)**	**(0.01)**	
Full-Year 2020			
Gas pipeline investments	$ 1,711		2.32
Regulatory settlements	872		1.19
Severance	(75)		(0.10)
Discontinued operations	(7)		(0.01)
Total adjustments		**$ 0.30**	$ 3.40
EPS, adjusted		**$ 5.24**	$ 5.12

Non-GAAP financial measures

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

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

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

- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.
- Regulatory settlements represents an impairment charge related to the South Carolina Supreme Court decision on coal ash, insurance proceeds and Duke Energy Carolinas and Duke Energy Progress coal ash settlement and the partial settlements in the 2019 North Carolina rate cases.
- Gas pipeline investments represents costs related to the cancellation of the ACP investment 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 Duke Energy Progress 2019 North Carolina rate cases.

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

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

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

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

Duke Energy

Duke Energy (NYSE: DUK), a Fortune 150 company headquartered in Charlotte, N.C., is one of America's largest energy holding companies. Its electric utilities serve 8.2 million customers in North Carolina, South Carolina, Florida, Indiana, Ohio and Kentucky, and collectively own 51,000 megawatts of energy capacity. Its natural gas unit serves 1.6 million customers in North Carolina, South Carolina, Tennessee, Ohio and Kentucky. The company employs 28,000 people.

Duke Energy is executing an aggressive clean energy strategy to create a smarter energy future for its customers and communities - with goals of at least a 50% carbon reduction by 2030 and net-zero carbon emissions by 2050. The company is also a top U.S. renewable energy provider, on track to own or purchase 16,000 megawatts of renewable energy capacity by 2025. The company also is investing in major electric grid upgrades and expanded battery storage, and exploring zero-emitting power generation technologies such as hydrogen and advanced nuclear.

Duke Energy was named to Fortune's 2022 "World's Most Admired Companies" list and Forbes' "America's Best Employers" list. More information about the company is available at duke-energy.com. The Duke Energy News Center contains news releases, fact sheets, photos and videos. Duke Energy's illumination features stories about people, innovations, community topics and environmental issues. Follow Duke Energy on Twitter, LinkedIn, Instagram and Facebook.

Forward-Looking Information

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

- The impact of the COVID-19 pandemic;
- State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices;
- The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate;
- The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations, asset retirement and construction costs related to carbon emissions reductions, 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, natural gas building and appliance electrification, 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, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, 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 investor, customer and other stakeholder 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, an individual utility's generation mix, and general market and economic conditions;
- Credit ratings of the Duke Energy Registrants may be different from what is expected;
- Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds;
- Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all;
- Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants;
- The ability to control operation and maintenance costs;
- The level of creditworthiness of counterparties to transactions;
- The ability to obtain adequate insurance at acceptable costs;
- Employee workforce factors, including the potential inability to attract and retain key personnel;
- The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent);
- The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities;
- The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings;
- The impacts from potential impairments of goodwill or equity method investment carrying values;
- Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana, may not yield the anticipated benefits;
- 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 its carbon emission reduction goals.

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

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended December 31, 2021
(Dollars in millions, except per share amounts)

		Special Items				
	Reported Earnings	Workplace and Workforce Realignment	Regulatory Settlements	Discontinued Operations	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)						
Electric Utilities and Infrastructure	**$ 670**	**$ —**	$ 5 **B**	$ —	$ 5	$ 675
Gas Utilities and Infrastructure	**137**	**—**	—	—	—	137
Commercial Renewables	**49**	$ —	—	—	—	49
Total Reportable Segment Income	**856**	**—**	**5**	**—**	**5**	**861**
Other	**(131)**	6 **A**	—	—	6	(125)
Discontinued Operations	**7**	—	—	(7) **C**	(7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 732**	**$ 6**	**$ 5**	**$ (7)**	**$ 4**	**$ 736**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 0.93**	**$ 0.01**	**$ 0.01**	**$ (0.01)**	**$ 0.01**	**$ 0.94**

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

A - Net of $2 million tax benefit. $6 million reversal recorded within Impairment of assets and other charges and $14 million within Operations, maintenance and other related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Consolidated Statements of Operations.

B - Net of $2 million tax benefit at Duke Energy Carolinas.

- $6 million of expense recorded within Depreciation and amortization on the Duke Energy Carolinas' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash.
- $1 million of expense recorded within Depreciation and amortization on the Duke Energy Progress' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash.

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

Weighted Average Shares (reported and adjusted) – 769 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Year Ended December 31, 2021
(Dollars in millions, except per share amounts)

		Special Items					
	Reported Earnings	**Gas Pipeline Investments**	**Workplace and Workforce Realignment**	**Regulatory Settlements**	**Discontinued Operations**	**Total Adjustments**	**Adjusted Earnings**
SEGMENT INCOME (LOSS)							
Electric Utilities and Infrastructure	**$ 3,850**	$ —	$ —	$ 69 **C**	$ —	$ 69	$ 3,919
Gas Utilities and Infrastructure	**396**	15 **A**	—	—	—	15	411
Commercial Renewables	**201**	—	—	—	—	—	201
Total Reportable Segment Income	**4,447**	**15**	**—**	**69**	**—**	**84**	**4,531**
Other	**(652)**	—	148 **B**		—	148	(504)
Discontinued Operations	**7**	—	—	—	(7) **D**	(7)	—
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 3,802**	**$ 15**	**$ 148**	**$ 69**	**$ (7)**	**$ 225**	**$ 4,027**
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	**$ 4.94**	**$ 0.02**	**$ 0.20**	**$ 0.09**	**$ (0.01)**	**$ 0.30**	**$ 5.24**

A - Net of $5 million tax benefit. $20 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to exit obligations for ACP on the Consolidated Statements of Operations.

B - Net of $44 million tax benefit. $133 million recorded within Impairment of assets and other charges, $42 million within Operations, maintenance and other, and $17 million within Depreciation and amortization related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Consolidated Statements of Operations.

C - Net of $20 million tax benefit at Duke Energy Carolinas and $1 million tax benefit at Duke Energy Progress.

- $160 million of expense recorded within Impairment of assets and other charges, $77 million of income within Other income and expenses, $5 million of expense within Operations, maintenance and other, $13 million of income within Regulated electric operating revenues, $3 million of expense within Interest expense and $6 million of expense within Depreciation and amortization on the Duke Energy Carolinas' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash and insurance proceeds.

- $42 million of expense recorded within Impairment of assets and other charges, $34 million of income within Other income and expenses, $7 million of expense within Operations, maintenance and other, $15 million of income within Regulated electric operating revenues, $5 million of expense within Interest expense and $1 million of expense within Depreciation and amortization on the Duke Energy Progress' Consolidated Statement of Operations related to the South Carolina Supreme Court decision on coal ash and insurance proceeds.

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

Weighted Average Shares (reported and adjusted) – 769 million

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

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

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

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

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

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

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

Weighted Average Shares (reported and adjusted) – 742 million

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

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

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

B - Net of $398 million tax benefit.

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

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

D - Net of $123 million tax benefit at Duke Energy Carolinas and $140 million tax benefit at Duke Energy Progress.

- $454 million included within Impairment charges and reversal of $50 million included in Regulated electric operating revenues related to the coal ash settlement filed with the NCUC on the Duke Energy Carolinas' Consolidated Statements of Operations.
- $19 million included within Impairment charges related to the Clemson University Combined Heat and Power Plant and $8 million of shareholder contributions within Operations, maintenance and other on the Duke Energy Carolinas' Consolidated Statements of Operations.
- $494 million included within Impairment charges and reversal of $102 million included in Regulated electric operating revenues related to the coal ash settlement filed with NCUC on the Duke Energy Progress' Consolidated Statements of Operations.
- $8 million of shareholder contributions included within Operations, maintenance and other on the Duke Energy Progress' Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) – 737 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
December 2021
(Dollars in millions)

	Three Months Ended December 31, 2021		Year Ended December 31, 2021	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes From Continuing Operations Before Income Taxes	$ 639		$ 3,764	
Gas Pipeline Investments	—		20	
Workplace and Workforce Realignment	8		192	
Regulatory Settlements	7		90	
Noncontrolling Interests	79		326	
Preferred Dividends	(14)		(106)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 719		$ 4,286	
Reported Income Tax (Benefit) Expense From Continuing Operations	$ (18)	(2.8) %	$ 192	5.1 %
Gas Pipeline Investments	—		5	
Workplace and Workforce Realignment	2		44	
Regulatory Settlements	2		21	
Noncontrolling interest portion of income taxes[(a)]	(3)		(3)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ (17)	(2.4 %)	$ 259	6.0 %

(a) Income tax related to non-pass through entities for tax purposes.

	Three Months Ended December 31, 2020		Year Ended December 31, 2020	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported (Loss) Income From Continuing Operations Before Income Taxes	$ (319)		$ 839	
Regulatory Settlements	1,100		1,135	
Gas Pipeline Investments	20		2,110	
Severance	—		(98)	
Noncontrolling Interests	87		295	
Preferred Dividends	(14)		(107)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 874		$ 4,174	
Reported Income Tax Benefit From Continuing Operations	$ (162)	50.8 %	$ (236)	(28.1)%
Regulatory Settlements	255		263	
Gas Pipeline Investments	4		399	
Severance	—		(23)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	$ 97	11.1 %	$ 403	9.7 %

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2021 QTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2020 QTD Reported Earnings Per Share	**$ (0.23)**	**$ 0.20**	**$ 0.11**	**$ (0.21)**	**$ 0.01**	**$ (0.12)**
Gas Pipeline Investments	—	0.02	—		—	0.02
Regulatory Settlements	1.14	—	—	—	—	1.14
Discontinued Operations	—	—	—	—	(0.01)	(0.01)
2020 QTD Adjusted Earnings Per Share	**$ 0.91**	**$ 0.22**	**$ 0.11**	**$ (0.21)**	**$ —**	**$ 1.03**
Weather	(0.08)	—	—	—	—	(0.08)
Volume	0.01	—	—	—	—	0.01
Riders and Other Retail Margin	(0.01)	0.02	—	—	—	0.01
Rate case impacts, net[(a)]	0.02	0.03	—	—	—	0.05
Wholesale	(0.03)	—	—	—	—	(0.03)
Operations and maintenance, net of recoverables	—	(0.02)	—	—	—	(0.02)
Duke Energy Renewables[(b)]	—	—	(0.04)	—	—	(0.04)
Interest Expense	(0.01)	—	—	(0.02)	—	(0.03)
AFUDC Equity	0.01	—	—	—	—	0.01
Depreciation and amortization[(c)]	0.03	(0.02)	—	—	—	0.01
Other[(d)]	0.06	(0.03)	—	0.03	—	0.06
Total variance before share count	$ —	$ (0.02)	$ (0.04)	$ 0.01	$ —	$ (0.05)
Change in share count	(0.03)	(0.02)	(0.01)	0.02	—	(0.04)
2021 QTD Adjusted Earnings Per Share	**$ 0.88**	**$ 0.18**	**$ 0.06**	**$ (0.18)**	**$ —**	**$ 0.94**
Workplace and Workforce Realignment	—	—	—	(0.01)	—	(0.01)
Regulatory Settlements	(0.01)	—	—	—	—	(0.01)
Discontinued Operations	**—**	**—**	**—**	**—**	0.01	0.01
2021 QTD Reported Earnings Per Share	**$ 0.87**	**$ 0.18**	**$ 0.06**	**$ (0.19)**	**$ 0.01**	**$ 0.93**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 742 million shares to 769 million.

(a) Electric Utilities and Infrastructure includes the net impact the DEC and DEP North Carolina interim rates, effective August and September 2020 (+$0.01), respectively, and the DEF SBRA and multiyear rate plan (+0.01). Gas Utilities and Infrastructure includes the net impact of the PNG North Carolina rate case, effective November 2021 (+0.02), and the PNG Tennessee rate case, effective January 2021 (+0.01).
(b) Primarily due to fewer renewable projects placed in service in the current year.
(c) Electric Utilities and Infrastructure excludes rate case impacts.
(d) Electric Utilities and Infrastructure and Other include lower income tax expense. Gas Utilities and Infrastructure is primarily due to an asset impairment in Ohio. Other includes lower income tax expense, partially offset by higher contributions to the Duke Energy Foundation.

DUKE ENERGY CORPORATION
EARNINGS VARIANCES
December 2021 YTD vs. Prior Year

(Dollars per share)	Electric Utilities and Infrastructure	Gas Utilities and Infrastructure	Commercial Renewables	Other	Discontinued Operations	Consolidated
2020 YTD Reported Earnings Per Share	**$ 3.62**	**$ (1.70)**	**$ 0.39**	**$ (0.60)**	**$ 0.01**	**$ 1.72**
Gas Pipeline Investments	—	2.32	—	—	—	2.32
Severance	—	—	—	(0.10)	—	(0.10)
Regulatory Settlements	1.19	—	—	—	—	1.19
Discontinued Operations	—	—	—	—	(0.01)	(0.01)
2020 YTD Adjusted Earnings Per Share	**$ 4.81**	**$ 0.62**	**$ 0.39**	**$ (0.70)**	**$ —**	**$ 5.12**
Weather	0.01	—	—	—	—	0.01
Volume	0.19	—	—	—	—	0.19
Riders and Other Retail Margin[(a)]	0.07	0.07	—	—	—	0.14
Rate case impacts, net[(b)]	0.34	0.05	—	—	—	0.39
Wholesale	(0.01)	—	—	—	—	(0.01)
Operations and maintenance, net of recoverables[(c)]	(0.12)	(0.01)	—	—	—	(0.13)
Midstream Gas Pipelines[(d)]	—	(0.07)	—	—	—	(0.07)
Duke Energy Renewables[(e)]	—	—	(0.11)	—	—	(0.11)
Interest Expense	(0.02)	—	—	—	—	(0.02)
AFUDC Equity	0.02	—	—	—	—	0.02
Depreciation and amortization[(f)]	0.04	(0.05)	—	—	—	(0.01)
Other[(g)]	(0.03)	(0.03)	—	—	—	(0.06)
Total variance before share count	$ 0.49	$ (0.04)	$ (0.11)	$ —	$ —	$ 0.34
Change in share count	(0.20)	(0.04)	(0.02)	0.04	—	(0.22)
2021 YTD Adjusted Earnings Per Share	**$ 5.10**	**$ 0.54**	**$ 0.26**	**$ (0.66)**	**$ —**	**$ 5.24**
Gas Pipeline Investments	—	(0.02)	—	—	—	(0.02)
Workplace and Workforce Realignment	—	—	—	(0.20)	—	(0.20)
Regulatory Settlements	(0.09)	—	—	—	—	(0.09)
Discontinued Operations	—	—	—	—	0.01	0.01
2021 YTD Reported Earnings Per Share	**$ 5.01**	**$ 0.52**	**$ 0.26**	**$ (0.86)**	**$ 0.01**	**$ 4.94**

Note: Earnings Per Share amounts are calculated using the consolidated statutory income tax rate for all drivers except for Commercial Renewables, which uses an effective rate. Weighted average shares outstanding increased from 737 million shares to 769 million.

(a) Electric Utilities and Infrastructure includes higher transmission revenues and a disallowance of purchased power at a DEF plant in the prior year. Gas Utilities and Infrastructure includes increases related to the North Carolina and Ohio construction based riders and customer growth.
(b) Electric Utilities and Infrastructure includes the net impact of DEC and DEP North Carolina interim rates effective August and September 2020, respectively (+0.20), DEI base rate increases, effective August 2020 (+0.10), DEF SBRA and multi-year rate plan (+0.03) and DEK base rates increases, effective April 2020 (+0.01). Gas Utilities and Infrastructure includes the net impact of the PNG North Carolina rate case, effective November 2021, and the PNG Tennessee rate case, effective January 2021.
(c) Primarily due to higher employee-related expenses.
(d) Primarily the loss of ACP earnings.
(e) Primarily due to Texas Storm Uri impacts (-0.04) in February 2021, fewer projects placed in service in the current year (-0.04) and lower wind resource.
(f) Electric Utilities and Infrastructure excludes rate case impacts. Gas Utilities and Infrastructure is primarily due to a higher depreciable base.
(g) Electric Utilities and Infrastructure includes higher property tax expense. Gas Utilities and Infrastructure is primarily due to an asset impairment in Ohio. Other includes higher earnings at National Methanol Company, offset by higher contributions to the Duke Energy Foundation.

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

	Years Ended December 31,		
	2021	**2020**	**2019**
Operating Revenues			
Regulated electric	**$ 22,319**	$ 21,461	$ 22,615
Regulated natural gas	**2,008**	1,642	1,759
Nonregulated electric and other	**770**	765	705
Total operating revenues	**25,097**	23,868	25,079
Operating Expenses			
Fuel used in electric generation and purchased power	**6,255**	6,051	6,826
Cost of natural gas	**705**	460	627
Operation, maintenance and other	**6,042**	5,788	6,066
Depreciation and amortization	**4,990**	4,705	4,548
Property and other taxes	**1,389**	1,337	1,307
Impairment of assets and other charges	**356**	984	(8)
Total operating expenses	**19,737**	19,325	19,366
Gains (Losses) on Sales of Other Assets and Other, net	**13**	10	(4)
Operating Income	**5,373**	4,553	5,709
Other Income and Expenses			
Equity in earnings (losses) of unconsolidated affiliates	**28**	(2,005)	162
Other income and expenses, net	**643**	453	430
Total other income and expenses	**671**	(1,552)	592
Interest Expense	**2,280**	2,162	2,204
Income From Continuing Operations Before Income Taxes	**3,764**	839	4,097
Income Tax Expense (Benefit) From Continuing Operations	**192**	(236)	519
Income From Continuing Operations	**3,572**	1,075	3,578
Income (Loss) From Discontinued Operations, net of tax	**7**	7	(7)
Net Income	**3,579**	1,082	3,571
Add: Net Loss Attributable to Noncontrolling Interests	**329**	295	177
Net Income Attributable to Duke Energy Corporation	**3,908**	1,377	$ 3,748
Less: Preferred Dividends	**106**	107	$ 41
Net Income Available to Duke Energy Corporation Common Stockholders	**$ 3,802**	$ 1,270	$ 3,707
Earnings Per Share – Basic and Diluted			
Income from continuing operations available to Duke Energy Corporation common stockholders			
Basic and Diluted	**$ 4.93**	$ 1.71	$ 5.07
Income (Loss) from discontinued operations attributable to Duke Energy Corporation common stockholders			
Basic and Diluted	**$ 0.01**	$ 0.01	$ (0.01)
Net income available to Duke Energy Corporation common stockholders			
Basic and Diluted	**$ 4.94**	$ 1.72	$ 5.06
Weighted average shares outstanding			
Basic	**769**	737	729
Diluted	**769**	738	729

DUKE ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions)	December 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 343	$ 259
Receivables (net of allowance for doubtful accounts of $46 at 2021 and $29 at 2020)	1,173	1,009
Receivables of VIEs (net of allowance for doubtful accounts of $76 at 2021 and $117 at 2020)	2,437	2,144
Inventory	3,199	3,167
Regulatory assets (includes $105 at 2021 and $53 at 2020 related to VIEs)	2,150	1,641
Other (includes $256 at 2021 and $296 at 2020 related to VIEs)	638	462
Total current assets	**9,940**	8,682
Property, Plant and Equipment		
Cost	**161,819**	155,580
Accumulated depreciation and amortization	**(50,555)**	(48,827)
Facilities to be retired, net	**144**	29
Net property, plant and equipment	**111,408**	106,782
Other Noncurrent Assets		
Goodwill	**19,303**	19,303
Regulatory assets (includes $1,823 at 2021 and $937 at 2020 related to VIEs)	**12,487**	12,421
Nuclear decommissioning trust funds	**10,401**	9,114
Operating lease right-of-use assets, net	**1,266**	1,524
Investments in equity method unconsolidated affiliates	**970**	961
Other (includes $92 at 2021 and $81 at 2020 related to VIEs)	**3,812**	3,601
Total other noncurrent assets	**48,239**	46,924
Total Assets	**$ 169,587**	$ 162,388
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 3,629**	$ 3,144
Notes payable and commercial paper	**3,304**	2,873
Taxes accrued	**749**	482
Interest accrued	**533**	537
Current maturities of long-term debt (includes $243 at 2021 and $472 at 2020 related to VIEs)	**3,387**	4,238
Asset retirement obligations	**647**	718
Regulatory liabilities	**1,211**	1,377
Other	**2,471**	2,936
Total current liabilities	**15,931**	16,305
Long-Term Debt (includes $4,854 at 2021 and $3,535 at 2020 related to VIEs)	**60,448**	55,625
Other Noncurrent Liabilities		
Deferred income taxes	**9,379**	9,244
Asset retirement obligations	**12,129**	12,286
Regulatory liabilities	**16,152**	15,029
Operating lease liabilities	**1,074**	1,340
Accrued pension and other post-retirement benefit costs	**855**	969
Investment tax credits	**833**	687
Other (includes $319 at 2021 and $316 at 2020 related to VIEs)	**1,650**	1,719
Total other noncurrent liabilities	**42,072**	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, $0.001 par value, 2 billion shares authorized; 769 million shares outstanding at 2021 and 2020	**1**	1
Additional paid-in capital	**44,371**	43,767
Retained earnings	**3,265**	2,471
Accumulated other comprehensive loss	**(303)**	(237)
Total Duke Energy Corporation stockholders' equity	**49,296**	47,964
Noncontrolling interests	**1,840**	1,220
Total equity	**51,136**	49,184
Total Liabilities and Equity	**$ 169,587**	$ 162,388

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

	Years Ended December 31,		
	2021	**2020**	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	**$ 3,579**	$ 1,082	$ 3,571
Adjustments to reconcile net income to net cash provided by operating activities	**4,711**	7,774	4,638
Net cash provided by operating activities	**8,290**	8,856	8,209
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	**(10,935)**	(10,604)	(11,957)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities	**2,609**	1,731	3,730
Net decrease in cash, cash equivalents and restricted cash	**(36)**	(17)	(18)
Cash, cash equivalents and restricted cash at beginning of period	**556**	573	591
Cash, cash equivalents and restricted cash at end of period	**$ 520**	$ 556	$ 573

DUKE ENERGY CORPORATION
CONSOLIDATING STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31, 2021					
(In millions)	**Electric Utilities and Infrastructure**	**Gas Utilities and Infrastructure**	**Commercial Renewables**	**Other**	**Eliminations/Adjustments**	**Duke Energy**
Operating Revenues						
Regulated electric	$ 5,418	$ —	$ —	$ —	$ (71)	**$ 5,347**
Regulated natural gas	—	718	—	—	(24)	**694**
Nonregulated electric and other	—	3	121	30	43	**197**
Total operating revenues	5,418	721	121	30	(52)	**6,238**
Operating Expenses						
Fuel used in electric generation and purchased power	1,572	—	—	—	(19)	**1,553**
Cost of natural gas	—	275	—	—	—	**275**
Operation, maintenance and other	1,433	140	102	83	(35)	**1,723**
Depreciation and amortization	1,097	87	58	55	(5)	**1,292**
Property and other taxes	284	28	6	(2)	—	**316**
Impairment of assets and other charges	1	19	—	(6)	—	**14**
Total operating expenses	4,387	549	166	130	(59)	**5,173**
Gains on Sales of Other Assets and Other, net	2	—	—	—	—	**2**
Operating Income (Loss)	1,033	172	(45)	(100)	7	**1,067**
Other Income and Expenses						
Equity in (losses) earnings of unconsolidated affiliates	(1)	6	(2)	11	—	**14**
Other income and expenses, net	114	12	2	32	(10)	**150**
Total Other Income and Expenses	113	18	—	43	(10)	**164**
Interest Expense	366	37	19	173	(3)	**592**
Income (Loss) from Continuing Operations Before Income Taxes	780	153	(64)	(230)	—	**639**
Income Tax Expense (Benefit) from Continuing Operations	101	16	(22)	(113)	—	**(18)**
Income (Loss) from Continuing Operations	679	137	(42)	(117)	—	**657**
Add: Net (Income) Loss Attributable to Noncontrolling Interest	(9)	—	91	—	—	**82**
Income from Continuing Operations Attributable to Duke Energy Corporation	670	137	49	(117)	—	**739**
Less: Preferred Dividends	—	—	—	14	—	**14**
Segment Income/Other Net Loss	$ 670	$ 137	$ 49	$ (131)	$ —	**$ 725**
Income from Discontinued Operations, net of tax						**7**
Net Income Available to Duke Energy Corporation Common Stockholders						**$ 732**
Segment Income/Other Net Loss	$ 670	$ 137	$ 49	$ (131)	$ —	**$ 725**
Special Items	5	—	—	6	—	**11**
Adjusted Earnings[(a)]	$ 675	$ 137	$ 49	$ (125)	$ —	**$ 736**

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