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March 29, 2018

RECEIVED

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PUBLIC SERVICE  
COMMISSION

**VIA OVERNIGHT DELIVERY**

Ms. Gwen R. Pinson  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd  
Frankfort, KY 40602-0615

**RE: Duke Energy Kentucky, Inc.'s Annual Report - Calendar Year 2017**

Dear Ms. Pinson:

Enclosed please find Duke Energy Kentucky, Inc.'s ("Duke Energy Kentucky") Annual Report to the Commission pursuant to 807 KAR 5:080, *Procedural and filing requirements and safeguards concerning nonregulated activities of utilities or utility affiliates*.

Please note that the responses to Commission data requests filed annually as ordered in Administrative Case No. 387 are being filed separately upon request.

Very truly yours,

E. Minna Rolfes-Adkins  
Sr. Paralegal

ERA  
Enclosure

**Index to the Annual Reporting of  
Duke Energy Kentucky, Inc. Calendar year 2017**

<b>DATA REQUIREMENT</b>	<b>SOURCE</b>	<b>REPORT</b>
Description of Change to Cost Allocation Manual	807 KAR 5:080, Section 2 (1)(a)	Duke Energy Kentucky's Cost Allocation Manual will be filed with the Commission as required by 807 KAR 5:080, section 3. The updated manual reflects: 1) updates to the various reporting requirements of non-regulated activities.
Incidental nonregulated activities	807 KAR 5:080, Section 2 (1)(b)	Exhibit A
List of nonregulated affiliates	807 KAR 5:080, Section 2 (1)(c)	Exhibit B
Copy of service agreements	807 KAR 5:080, Section 2 (2)	Exhibit C Duke Energy Kentucky, Inc. updated its existing service agreements to include Piedmont Natural Gas Company as part of its acquisition on June 1, 2017. <sup>1</sup>

<sup>1</sup> See *In the Matter of the Application of Duke Energy Kentucky, Inc., for Deviation from Affiliate Pricing Requirements*, Case No. 2016-00312.

**Exhibit A**

*A report on the utility's incidental nonregulated activity that describes the activity and provides justification for reporting the nonregulated activity as an incidental nonregulated activity, including:*

- 1. Revenue per year or percentage of total revenue per year of the activity reported as an incidental nonregulated activity;*
- 2. A calculation demonstrating the manner in which the affected utility has determined the percentage of revenue set forth in subparagraph 1 of this paragraph;*
- 3. A full explanation as to why the activity reported as an incidental nonregulated activity is reasonably related to the affected utility's regulated services*

**INCIDENTAL AND NON-REGULATED ACTIVITIES OF DUKE ENERGY  
KENTUCKY  
For Year Ended December 31, 2017**

Activity	Revenues
<b>Gas Curb to Meter &amp; Misc. Replacement &amp; Repair</b> Optional service offered to customers who need to have their customer-owned curb-to-meter service line replaced, maintained or repaired.	0
<b>Joint Underground Trench – Telephone, internet and cable wiring</b> Offers telecom and cable providers the option of placing their facilities in the same underground trench as those of the Company.	312,528
<b>Pilot Lights</b> Optional service offered to customers whose furnace or water heater pilot light needs to be re-lit. Usually offered when customer smells gas and calls the Company to investigate where the cause of the gas odor is an unlit pilot light.	400
<b>Pole Sets</b> Optional service offered to private “utility pole” owners whereby the Company will use its equipment and expertise to set a customer-owned pole into the ground.	48,717
<b>Property Management – Lease/Rental</b> General lease of Company land to another.	0
<b>Repair Underground Electric – Permanent/Temp Service</b> Optional service offered to customers who need to have their customer-owned underground electric line replaced, maintained or repaired.	
<b>Underground Repair Protection</b>	0
<b>Miscellaneous Work Performed on Customer Premises</b>	818,812
<b>Total 2017 Duke Energy Kentucky Non-Utility/Non-Regulated Revenue</b>	1,180,457
<b>Total 2017 Duke Energy Kentucky Revenue</b>	430,252,700
<b>Non-Utility/Non-Regulated % of Total Revenue</b>	.27%

**Exhibit B**

*A list of nonregulated affiliates and a brief description of the activities in which each affiliate is involved.*

See attached. The entities on the attached list are non-regulated affiliates of Duke Energy Kentucky, Inc. except for certain affiliates that are regulated by other state utility commissions or the Federal Energy Regulatory Commission. The major regulated affiliates of Duke Energy Kentucky, Inc. are: Duke Energy Ohio, Inc.'s gas and electric transmission and distribution business; Duke Energy Indiana, LLC; Duke Energy Florida, LLC; Duke Energy Progress, LLC; and Duke Energy Carolinas, LLC.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

Name	Nature of Business
Advance SC LLC	Distribute a portion of bulk power marketing revenues of Duke Power Company for certain South Carolina public assistance programs, education programs, economic development funding and manufacturing competitiveness funding. FERC Form 1: Grant making
American Tax Credit Corporate Fund II	Real Estate Investments
APOG, LLC	To provide technical, engineering and procurement support services to and for the benefit of Member-owned or operated nuclear facilities.
Atlantic Coast Pipeline, LLC	Holding company for natural gas pipeline joint venture.
Baker House Apartments LLC	Real Estate Development
Bethel Price Solar, LLC	Development, construction, ownership and operation of solar photovoltaic facility
Bison Insurance Company Limited	Bison Insurance Company Limited is a captive insurance company that insures the risks of Duke Energy Corporation and many of its subsidiaries and affiliates. Duke insures part or all of its risks with Bison, and Bison in turn retains a portion of its reinsurance premiums, claim costs and expenses and invests its cash just as any other insurance company would do.
Black Mountain Solar, LLC	Developing, constructing and thereafter operating and maintaining a 9.87 megawatt "MW" DC solar photovoltaic electric generation facility in Mojave County, AZ near the City of Kingman.
Boston Capital Corporate Tax Credit Fund	Real Estate Investments
Caldwell Power Company	The purpose of this entity is to generate, transmit, and distribute electric power and preserve property rights.
Capitan Corporation	Real Estate Operations
Caprock Solar 1 LLC	Development of a 25 MW solar power project near Tucumcari in Quay County, New Mexico.
Caprock Solar 2 LLC	Development of a 30 MW solar power project located near Tucumcari in Quay County, New Mexico.
Caprock Solar Holdings 1, LLC	Holding company

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Caprock Solar Holdings 2, LLC	Holding company
Cardinal Pipeline Company, LLC	A NCUC regulated intrastate natural gas pipeline.
Carofund, Inc.	Investments in Real Estate Rental
CaroHome, LLC	Investments in Real Estate Rental
Carolinas Virginia Nuclear Power Associates, Inc.	The Duke Power nuclear program began in 1956 with the formation of the Carolinas Virginia Nuclear Power Associates, Inc. (CVNPA), consisting of Duke Power, Carolina Power & Light, Virginia Electric Power Company, and South Carolina Electric & Gas. CVNPA sponsored the construction and operation of the demonstration Carolinas-Virginia Tube Reactor (CVTR) at the Parr site, north of Columbia, SC. The CVTR began its demonstration mission in 1964 with a generating capacity of 17 Mwe, and completed its mission in January, 1967. Decommissioning of the plant was delayed until 2001; it currently still on-going (Non-profit)
Carousel Capital Partners LP	Carousel Capital was formed in March 1996 as a venture capital fund that focused on investments in established, strategically positioned mid-sized companies located primarily in the Southeast.
Catamount Energy Corporation	Owns non-regulated power generation companies in the USA and United Kingdom
Catamount Rumford Corporation	Limited Partner in a cogeneration plant in Maine
Catamount Sweetwater 1 LLC	Member of a Limited Liability Company that owns wind power assets in Texas
Catamount Sweetwater 2 LLC	Member of a Limited Liability Company that owns wind power assets in Texas
Catamount Sweetwater 3 LLC	Member of a Limited Liability Company that owns wind power assets in Texas
Catamount Sweetwater 4-5 LLC	Member of a Limited Liability Company that owns wind power assets in Texas
Catamount Sweetwater 6 LLC	Member of a Limited Liability Company that is developing a wind facility in Texas
Catamount Sweetwater Corporation	Member of three Limited Liability Companies
Catamount Sweetwater Holdings LLC	Holding company that owns LLCs with interests in wind power assets in Texas
Catawba Manufacturing &	The purpose of this entity is to generate, transmit and distribute electric power and preserves

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Electric Power Co.	property rights.
CEC UK1 Holding Corp.	General Partner in Scottish limited partnerships
CEC UK2 Holding Corp.	Limited Partner in Scottish limited partnerships
Cedar Tree Properties Limited Partnership	Real Estate Rental
Century Group Real Estate Holdings, LLC	Holding company formed to purchase land in South Carolina.
CGP Global Greece Holdings, SA	Greek company which holds 51% (ownership of Attiki Denmark ApS) interest in the Attiki Gas Project, and debt for the project.
Cimarron Windpower II, LLC	Project company that has been developing, constructing, owning and operating an approximately 131.1 megawatt wind-powered electric generation facility located in Gray County, KS
CinCap V, LLC	Markets electricity at wholesale.
Cinergy Climate Change Investments, LLC	Formed to facilitate investments by Cinergy or its subsidiaries, and other energy companies in forestation projects in the Lower Mississippi River Valley, and possibly other sites, as a means for removing carbon dioxide (Co2) from the atmosphere.
Cinergy Corp.	The parent holding company of Duke Energy Indiana, Inc., Duke Energy Ohio, Inc., and Duke Energy Renewables Holding Company, LLC (f/k/a Cinergy Investments, Inc.)
Cinergy Global (Cayman) Holdings, Inc.	Cayman holding entity. Formed to be utilized in connection with future EWG or FUCO acquisitions by Cinergy Corp.
Cinergy Global Holdings, Inc.	Delaware holding company which holds 100% of Cinergy Holdings B.V. and 1 share in CGP Global Holdings, SA.
Cinergy Global Power Africa (Proprietary) Limited	South African entity is currently in process for dissolution.
Cinergy Global Power, Inc.	To engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Cinergy Global Resources, Inc.	The U.S. holding company created for Cinergy's international, non-regulated investments, as well as its domestic initiatives in renewable generation. Through its subsidiaries, Cinergy Global Resources, Inc. holds interests in power generation, transmission and distribution projects worldwide and is also active in European gas and electricity markets. Assets in operation/development are located in various countries, including the Czech Republic, Denmark, Greece, Kenya, Spain, South Africa, England and Wales, Cayman Islands, the Netherlands, Poland, the U.S. and the Republic of Zambia. O'Neill, Teri 6/14/2004 1:37:27 PM
Cinergy Global Tsavo Power	Holds 48% interest in IPS-Cinergy Power Limited, a Kenyan entity, through its joint venture with Industrial Promotion Services (Kenya) Limited which holds the other 51.8% in IPS-Cinergy Power Limited.
Cinergy Receivables Company LLC	Intended to and shall operate and function as a Qualified Special Purpose Entity ("QSPE") as that term is defined in the Statement of Financial Accounting Standards No. 140 ("FASB 140"). For detailed purpose, please refer to Section 7 of the A&R LLC Agreement dated 3.31.2002. Cinergy Receivables Company LLC was formed for the purpose of purchasing the accounts receivables and related rights of Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc. and Duke Energy Ohio, Inc. and then securitizing such receivables through a loan agreement with certain commercial banks.
Cinergy Solutions - Utility, Inc.	To provide engineering, construction, operation and maintenance services with respect to electric and natural gas systems and infrastructure.
Claiborne Energy Services, Inc.	Is the general partner of Clean Energy Partners Limited Partnership, a limited partnership which was formed to develop, own and operate a coal gasification electric power facility. Own and operate a uranium enrichment facility.
Clear Skies Solar Holdings, LLC	Holding company for Clear Skies Solar, LLC
Clear Skies Solar, LLC	Parent company that will hold 9 solar project companies
Colonial Eagle Solar, LLC	Development, construction, ownership and operation of solar photovoltaic facility. This entity will be a Delaware LLC qualified to do business in North Carolina, and is a subsidiary of Duke Energy Renewables NC Solar, LLC. For tax purposes, it will be a disregarded entity with no employees. This project will be a part of the American University/George Washington University transaction in Pasquotank County, North Carolina.



## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Conetoe II Solar, LLC	Conetoe II Solar, LLC is the owner of a 112.08 megawatt (dc) (80 megawatt (ac)) solar photovoltaic electric generating facility pending construction in Edgecombe County, on the site located at 189 Leigh Road, Conetoe, North Carolina.
Constitution Pipeline Company, LLC	An interstate natural gas pipeline project which is under development.
Creswell Alligood Solar, LLC	To own, develop, construct, operate and maintain a solar photovoltaic power project located in North Carolina.
CS Murphy Point, LLC	Project company which owns and is developing and constructing a 998 kilowatt (DC) solar PV electric generation facility located on a site in Notla Township, Cherokee County, NC at 70 Wingate Road, Murphy, NC 28906
CSCC Holdings Limited Partnership	Canadian entity that previously held 50% ownership interests in Compania de Servicios de Compresion de Campeche S.A. de C.V. Since the transfer of the Campeche platform to Pemex in August 2007, this company is now dormant and on hold for liquidation.
CTE Petrochemicals Company	Cayman partnership 50% owned by Texas Eastern Arabian Ltd. (Duke entity) and 50% owned by sub of Duke's partner, Celanese Corporation. CTE is the holding company for 50% interest in National Methanol Company, a methanol project in Saudi Arabia and JV with SABIC.
CURRENT Group, LLC	CURRENT provides electric utilities a Smart Grid solution that increases the efficiency and reliability of the electric grid while reducing the environmental impact of electric usage.
D/FD Holdings, LLC	Holding company for previous D/FD companies
D/FD Operating Services LLC	Operation of electric generating plant
DATC Holdings Path 15, LLC	This company was part of a group of companies DATC acquired from Atlantic Power Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central California.
DATC Midwest Holdings, LLC	Holding company for DATC operating companies which will own and operate commercial transmission projects in the Midwest
DATC Path 15 Transmission,	This company was part of a group of companies DATC acquired from Atlantic Power

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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LLC	Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central California.
DATC Path 15, LLC	This company was part of a group of companies DATC acquired from Atlantic Power Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central California.
DE Nuclear Engineering, Inc.	Nuclear Engineering Services
DEGS O&M, LLC	To operate and maintain several facilities owned by subsidiaries of KGen, LLC.
DEGS of Narrows, LLC	Formed for the purpose of operating, maintaining and managing the existing utility system at the Celanese acetate manufacturing facility located in Narrows, Virginia.
DEGS Wind Supply II, LLC	To procure wind turbine generators from General Electric for projects under development by DEGS Wind I, LLC and its affiliates.
DEGS Wind Supply, LLC	The purpose of the Company is to engage in any activity for which limited liability companies may be organized in the State of Delaware.
DEPHCO Logistics, LLC	The Company may carry on any lawful business purpose or activity.
DETMI Management, Inc.	Holding company.
Dixilyn-Field (Nigeria) Limited	Inactive, but still on the books
Dixilyn-Field Drilling Company	Inactive but still on the books
Dogwood Solar, LLC	Project company will hold solar assets for tax credit purposes
DS Cornerstone LLC	Joint Venture company formed to engage in developing, constructing, owning, financing, refinancing, selling or otherwise disposing of, operating, maintaining, improving and managing either or both of the Cimarron Windpower II or the Ironwood Windpower Project companies
DTMSI Management Ltd.	Holding Company
Duke Energy ACP, LLC	Will hold an investment in a joint venture LLC that will develop, construct, own and operate natural gas pipeline.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Duke Energy Americas, LLC	Holding Company
Duke Energy Arabian Limited	Holding Company
Duke Energy Beckjord Storage LLC	Own and operate battery storage project.
Duke Energy Beckjord, LLC	Owns and operates a generation facility
Duke Energy Brazil Holdings I, C.V.	Brazilian limited partnership acting as a holding company in Duke Energy International's legal structure.
Duke Energy Brazil Holdings II, C.V.	Brazilian limited partnership acting as a holding company in Duke Energy International's legal structure.
Duke Energy Business Services LLC	Management Services
Duke Energy Carolinas Plant Operations, LLC	Performs the operations and maintenance and provides other plant services for power generation and energy facilities.
Duke Energy Carolinas, LLC	The production, transmission, distribution, and sale of electricity in North and South Carolina
Duke Energy China Corp.	Corporate staff operations; General Partner (1%) in PanEnergy Services Limited Partnership.
Duke Energy Clean Energy Resources	Engage in rooftop solar leasing in South Carolina.
Duke Energy Commercial Enterprises, Inc.	Duke Energy Commercial Enterprises, Inc. (f/k/a Cinergy Capital & Trading, Inc.) is engaged in the business of marketing energy commodities at wholesale.
Duke Energy Corporate Services, Inc.	Serves as the holding company to Duke Energy Business Services LLC
Duke Energy Corporation	Holding Company.
Duke Energy Florida Project Finance, LLC	Holding Company
Duke Energy Florida Receivables	Receivables Financing Company

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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LLC

Duke Energy Florida Solar Solutions, LLC	Company will build, own and operate solar facilities in Florida and contract to sell the generation output to consumers.
Duke Energy Florida, LLC	The production, generation, transmission, distribution, and sale of electricity in Florida.
Duke Energy Generation Services, Inc.	Develops, acquires, owns and operates certain energy-related businesses, formerly conducted by Cinergy Solutions Holding Company, Inc.
Duke Energy Group Holdings, LLC	Delaware limited liability company which holds the 100% ownership interest in Duke Energy Group, LLC.
Duke Energy Group, LLC	Delaware limited liability company with interests in Duke's international companies involved with electric power projects and marketing of electric power.
Duke Energy Indiana, LLC	After converting to an IN LLC on 1/01/2016 from an IN corporation f/k/a/ Duke Energy Indiana, Inc., this company remains involved in the production, transmission, distribution, and sale of electricity in North Central, Central, and Southern Indiana.
Duke Energy Industrial Sales, LLC	The purpose of this entity is to engage in the sale of coal and other supplies to industrial companies.
Duke Energy International (Europe) Holdings ApS	Danish holding company slated for dissolution pending dissolutions of its UK subsidiaries.
Duke Energy International Argentina Marketing/Trading (Bermuda) Ltd.	Bermuda entity slated for dissolution.
Duke Energy International Asia Pacific Ltd.	Bermuda holding company slated for dissolution pending liquidation of its subsidiaries.
Duke Energy International Brazil Holdings Ltd.	Bermuda holding company for Duke Energy International's assets in Brazil.
Duke Energy International El Salvador Investments No. 1 Ltd	Bermuda holding entity for Duke Energy International's assets in El Salvador.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Duke Energy International Group, Ltd.	Bermuda holding company for all of Duke Energy International's interests in Latin America.
Duke Energy International Holding S.à r.l.	Luxembourg holding company for Duke Energy International's interests in Latin America
Duke Energy International Holding, Ltd.	Holding company
Duke Energy International Latin America, Ltd.	Bermuda holding company for all of Duke Energy International's interests in Latin America.
Duke Energy International Netherlands Financial Services B.V.	Dutch entity used for various financial transactions within DEI.
Duke Energy International PJP Holdings, Ltd.	Bermuda entity slated for dissolution.
Duke Energy International Uruguay Investments, S.R.L.	Uruguayan limited liability holding entity for Duke's assets in Argentina and Ecuador.
Duke Energy International, LLC	Delaware parent/holding company for all of the DEI subsidiaries.
Duke Energy Luxembourg I, S.à r.l.	<p>The corporate purpose of the Company is the holding of participations, in any form whatsoever, in other Luxembourg or foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships.</p>
Duke Energy Luxembourg II, LLC	<p>The corporate purpose of the Company is the holding of participations, in any form whatsoever, in other Luxembourg or foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships.</p>
Duke Energy Luxembourg III, S.à r.l.	<p>The corporate purpose of the Company is the holding of participations, in any form whatsoever, in other Luxembourg or foreign companies, the acquisition by purchase, subscription, or in any other</p>

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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	<p>manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships.</p> <p>The corporate purpose of the Company is the holding of participations, in any form whatsoever, in other Luxembourg or foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships.</p>
Duke Energy Luxembourg IV, S.à r.l.	
Duke Energy Merchants, LLC	<p>Provides financial, risk management and asset management services to producers, transporters and users of global energy commodities and derivative products such as crude oil, refined products, LPGs, residual fuels, coal, and fertilizer.</p>
Duke Energy North America, LLC	<p>Development, ownership, and operation of energy facilities.</p>
Duke Energy Ohio, Inc.	<p>Engaged in the production, transmission, distribution and sale of electricity and the sale and transportation of natural gas in the southwestern portion of Ohio.</p>
Duke Energy One, Inc.	<p>Entity has two different businesses - one for residential customers and one for commercial/industrial customers. On the residential side, Michael Goldenberg directs DE One's strikestop and underground protection offerings. Strikestop is a whole-house surge protector that DE One sells to residential customers. Underground protection is an offering under which DE One repairs underground customer-owned electric. On the commercial/industrial side, Bruce Modlin directs DE One's customer-owned substation construction and maintenance activities. Evidently, there are large customers with their own transformers/substations. DE One builds these and repairs/maintains these.</p>
Duke Energy Pipeline Holding Company, LLC	<p>Holding company for natural gas pipeline joint ventures.</p>
Duke Energy Progress Receivables LLC	<p>Receivables Financing Company</p>
Duke Energy Progress, LLC	<p>The production, transmission, distribution, and sale of electricity in North and South Carolina</p>

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

Duke Energy Receivables Finance Company, LLC	Receivables finance company
Duke Energy Registration Services, Inc.	Manages the brand protection of Duke energy Corporation.
Duke Energy Renewable Services, LLC	To acquire and hold the Outland Energy onsite wind operating and maintenance business and to hold other renewable operating and maintenance service businesses as well.
Duke Energy Renewables Commercial, LLC	This entity will be the long-term owner of beyond-the-meter commercial solar assets that are developed by REC Solar Commercial Corporation, an interest in which is being acquired through Project Caravan, and which will be the seller of the power output under PPAs between the entity and the commercial customer
Duke Energy Renewables Holding Company, LLC	After converting to a DE LLC in 2015 from a DE corporation f/k/a Cinergy Investments, Inc., this company remains a non-utility subsidiary holding company that holds the majority of both Duke Energy Renewables and Cinergy's domestic non-utility businesses.
Duke Energy Renewables NC Solar, LLC	To serve as a holding company for multiple solar project companies.
Duke Energy Renewables Solar, LLC	To serve as a holding company to hold all solar projects of Duke Energy Generation Services Holding Company, Inc. other than those in North Carolina.
Duke Energy Renewables Wind, LLC	Holding Company for project companies which will develop wind assets.
Duke Energy Renewables, Inc.	Markets an array of energy-related products and services and develops, acquires, owns and operates certain energy-related projects.
Duke Energy Royal, LLC	Holding Company
Duke Energy Sabal Trail, LLC	Will hold an investment in a joint venture that will develop, construct, own and operate natural gas pipelines.
Duke Energy SAM, LLC	Holding Company
Duke Energy Services Canada ULC	Purchasing, selling and marketing natural gas, electric power and other energy products.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Duke Energy Services, Inc.	A holding company.
Duke Energy Shoreham, LLC	Holding company.
Duke Energy Transmission Holding Company, LLC	Holding company for transmission joint venture.
Duke Energy Vermillion II, LLC	Owns and operates a generation facility.
Duke Investments, LLC	The Company may carry on any lawful business, purpose or activity.
Duke Project Services, Inc.	Engaged in engineering activities for coal projects.
Duke Supply Network, LLC	The Company may carry on any lawful business, purpose or activity.
Duke Technologies, Inc.	A holding company for various Cinergy investments and initiatives.
Duke Ventures II, LLC	The Company may carry on any lawful business, purpose or activity.
Duke Ventures Real Estate, LLC	Holder/owner of real property currently owned by Duke Ventures, LLC
Duke Ventures, LLC	Holding company
Duke/Fluor Daniel	Engineering activities to coal fired plants.
Duke/Fluor Daniel Caribbean, S.E.	Execution of an engineering, procurement and construction services agreement between the partnership and AES Puerto Rico, L.P.
Duke/Fluor Daniel El Salvador S.A. de C.V.	Per Skip Weiss: Entity apparently set up as a contracting entity for El Salvador, but is apparently dormant.
Duke/Fluor Daniel International	Provides engineering, construction and operation services inside the U.S. to coal fired electric plants outside the U.S.
Duke/Fluor Daniel International Services	Coal Fired Generating Plant Services
Duke/Fluor Daniel International Services (Trinidad) Ltd.	Execution of an engineering, procurement and construction services agreement between Duke/Fluor Daniel International Services (partnership) and InCOGEN Limited.
Duke-American Transmission	The Company is organized for the purpose of evaluating, analysing and assessing potential



## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Company, LLC	Projects transmission facilities to determine whether such potential Projects can be authorized, constructed, owned and operated on a profitable basis, and for any purposes and activities necessary, convenient, or incidental to the conduct, promotion, or attainment of such purpose.
DukeNet VentureCo, Inc.	Holding Company
Duke-Reliant Resources, Inc.	Holds Cinergy's investment in Reliant Services, LLC.
Eastman Whipstock do Brasil Ltda.	Dormant entity
Eastman Whipstock, S.A.	Dormant. Oil and gas field services
Eastover Land Company	Entity created for purposes of holding the land for Eastover Mining.
Eastover Mining Company	Mining company (NOT a payroll entity)
Emerald State Solar Holdings, LLC	Holding Company.
Emerald State Solar, LLC	Holding company that will own up to 24 project companies.
Energy Pipelines International Company	Engineering & Management Services.
EP3 L.L.C.	International marketing alliance for development of power generation projects.
Equinox Vermont Corporation	Non-regulated ownership of biomass and cogeneration facilities in Vermont and Maine
ESG Engineering Corp.	Construction and Engineering Services
Everetts Wildcat Solar, LLC	To construct, own and operate a 5 mw ac solar photovoltaic electric generating facility in Martin County, NC.
First Partners Corporate Limited Partnership II	Real Estate Investments
Florida Progress Funding Corporation	Obtains financing for Florida Progress Corporation and its direct and indirect subsidiaries and serves as depositor of statutory business trusts through which securities are issued.
Florida Progress, LLC	Holding Company

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Forest Subsidiary, Inc.	Holding Company
Free State Windpower, LLC	Serves as a holding company to facilitate the financing of the Ironwood and Cimarron Windpower II wind facilities.
Fresh Air Energy X, LLC	Twenty (20) megawatt (ac) solar photovoltaic project located near Shawboro Road in Currituck County, North Carolina.
Frontier Windpower II, LLC	To hold certain leases and easements associated with Phase II of the Frontier City wind project that will be assigned by Frontier Windpower, LLC.
Frontier Windpower, LLC	To hold the development assets of the Frontier City Windpower project, which is under development in Oklahoma
Garysburg Solar LLC	Five MW(ac) Solar PV electric generating facility in Garysburg, North Carolina (Northampton County).
Gaston Solar LLC	Developing a ground-mounted, fixed tilt 5 MW (ac) solar PV electric generating facility located in Gaston, NC in Northampton County.
Gato Montes Solar, LLC	Construct and develop a 6/1 megawatt (DC) solar photovoltaic electric generation project located in the Solar Zone of the Univ of AZ Tech Park in Tucson, AZ
Green Frontier Windpower Holdings, LLC	Holding company formed for the purpose of financing a portfolio of wind energy project companies
Green Frontier Windpower, LLC	To serve as a holding company to hold certain wind power project companies that would be financed by Duke on a portfolio basis
Greenville Gas and Electric Light and Power Company	This corporation shall have for its object the manufacture of gas, and the generating of electricity to be sold for lighting, heating, and all other purposes for which gas and electricity or either of them may be used. The corporation also preserves property rights.
Grid Assurance LLC	Supplier of electrical equipment and services to utilities.
Grove Arcade Restoration LLC	Restoration of Public Market
Happy Jack Windpower, LLC	Owner of all the assets that comprise the 29.4 MW Happy Jack Windpower Project being developed in Cheyenne, Wyoming.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Hardy Storage Company, LLC	A FERC regulated liquefied natural gas storage facility.
HGA Development, LLC	Real Estate Investments
High Noon Solar Holdings, LLC	Holding company for High Noon Solar, LLC.
High Noon Solar, LLC	To serve as a holding company for eight solar projects.
Highlander Solar 1, LLC	Project company that owns, constructs and is developing a 14.6 MW (dc) (12 MW (ac)) solar PV electric generating facility located near the City of Twentynine Palms, CA.
Highlander Solar 2, LLC	Project company that owns, constructs and is developing a 11 MW (dc) 9 MW (ac)) solar PV electric generating facility located near the City of Twentynine Palms, CA.
Historic Property Management, LLC	Real Estate Rental - Holds investment interest in Tax Credit Projects
HXOap Solar One, LLC	Solar Electricity Generation
IGC Aguaytia Partners, LLC	Cayman company with ownership interests in the Aguaytia project in Peru.
Inflexion Fund, LP	Real Estate Investments
IPS-Cinergy Power Limited	Holds a joint venture in Tsavo Power Company in Kenya.
Ironwood Windpower, LLC	Project Company that will hold the assets of the Ironwood Windpower project.
Ironwood-Cimarron Windpower Holdings, LLC	Serve as a holding company for the assets of Free State Windpower LLC.
ISH Solar Grin, LLC	Owns, operates maintains and manages the solar power generating facility located on property owned by GRINNELL Enterprises, Inc. in Sparta, NJ
Kanawha River Terminals, Inc.	Operate river docks on the Kanawha River and Ohio River in West Virginia.
Kentucky May Coal Company, LLC	Coal Mining
Kinetic Ventures I LLC	Real Estate Investments
Kinetic Ventures II LLC	Real Estate Investments

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Kit Carson Windpower II Holdings, LLC	Serves as a holding company for the interests of the Kit Carson Windpower II project company
Kit Carson Windpower II, LLC	Project company that will develop, construct, commercialize, operate and maintain a 100 MW wind facility located in Kit Carson County, CO
Kit Carson Windpower, LLC	To develop, construct, own and operate a 51 MW wind farm facility located in Kit Carson County, Colorado, near Burlington.
KO Transmission Company	Engaged in the transportation of natural gas in interstate commerce between Kentucky and Ohio. O'Neill, Teri 3/10/2004 3:58:20 PM
Laurel Hill Wind Energy, LLC	Limited Liability Company that owns and is developing and operating a wind powered electricity generation facility in Pennsylvania
Lehman Housing Tax Credit Fund L.P.	Investment in affordable housing
Longboat Solar, LLC	Longboat Solar, LLC, a Delaware limited liability company, is developing a 26.73 MWDC / 20 MW (ac) solar generation facility located in San Bernardino County, California.
Long Farm 46 Solar, LLC	Solar Energy Project in Garysburg, NC.
Los Vientos Windpower IA Holdings, LLC	Serve as a holding company for the project company that will hold Phase I of the Los Vientos Windpower project.
Los Vientos Windpower IA, LLC	Special purpose entity to hold Phase I of the Los Vientos Windpower project
Los Vientos Windpower IB Holdings, LLC	To serve as a holding company for the interests of the Los Vientos Windpower phase IB project company
Los Vientos Windpower IB, LLC	To own development rights, and ultimately to construct, own and operate the approximately 200 MW Phase IB of the Los Vientos Windpower project near Harlingen, TX
Los Vientos Windpower III Holdings, LLC	Serves as a holding company for the interests of the Los Vientos Windpower III project company
Los Vientos Windpower III, LLC	Project company that will develop, construct, commercialize, operate and maintain Phase III of the Los Vientos Windpower project

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Los Vientos Windpower IV Holdings, LLC	Serves as a holding company for the interests of the Los Vientos Windpower IV project company
Los Vientos Windpower IV, LLC	Project company that will develop, construct, commercialize, operate and maintain Phase IV of the Los Vientos Windpower project
Los Vientos Windpower V Holdings, LLC	Serves as a holding company for the interests of the Los Vientos Windpower V project company
Los Vientos Windpower V, LLC	Project company that will develop, construct, commercialize, operate and maintain Phase V of the Los Vientos Windpower project
Louisiana Energy Services, LLC	A limited partnership formed to design, license, construct, own and operate a centrifuge uranium enrichment plant to be located in the U.S., and sell and provide enrichment services and products on a profitable basis therefrom.
Martins Creek Solar NC, LLC	Project company developing a 998 kilowatt (DC) solar photovoltaic ("PV") electric generation facility located in Murphy Township, Cherokee County, North Carolina
Maxey Flats Site IRP LLC	Real Estate Investments
McDonald Corporate Tax Credit Fund, L.P.	Investment in affordable housing
MCP, LLC	Owner of record of the land on which the Mill Creek Combustion Turbine Station sits in Cherokee County, South Carolina.
Mesquite Creek Wind LLC	Wind power project company located near Lamesa, TX serving Mars Inc. (Global food (candy) manufacturer)
Miami Power Corporation	Owns an electric transmission line in Indiana. O'Neill, Teri 3/10/2004 3:56:30 PM
Murphy Farm Power, LLC	Owns and is developing and constructing a 998 kilowatt (DC) solar PV electric generation facility located on a site in Culberson, NC
National Corporate Tax Credit Fund VI, a California Limited Partnership	Investment in affordable housing.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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National Methanol Company (IBN SINA)	A joint venture with SABIC for the operation of a methanol production plant in Saudi Arabia. 50% held by SABIC and 50% held by CTE Petrochemicals Company (Duke's partnership with Celanese).
Nemaha Windpower, LLC	The Company may carry on any lawful business purpose or activity.
North Allegheny Wind, LLC	Single purpose entity which owns and operates a 70 MW wind generating facility in Blair and Cambria Counties, Pennsylvania.
North Carolina Renewable Properties, LLC	Solar project company which owns and is developing and constructing a 998 kilowatt (DC) solar PV electric generation facility in Cherokee Ctny, NC at a site located at 480 Holiness Church Rd, Murphy, NC
NorthSouth Insurance Company Limited	A captive insurance company.
Notrees Windpower, LP	Owner of all the assets that comprise that Notrees Windpower Project being developed in Ector and Winkler Counties, Texas.
Ocotillo Windpower, LP	Owner of all the assets that comprise the 58.8 MW Ocotillo Windpower Project being developed near Big Spring, Texas.
Ohio Valley Electric Corporation	Formed for the purpose of providing the large electric power requirement projected for a major DOE uranium enrichment complex. OVEC has in turn a subsidiary called Indiana Kentucky Electric Corporation which provides similar services. Owns an electric generating facility and sells electricity to a government facility that makes weapons. It also provides the large electric power requirement for a major Department of Energy uranium enrichment complex.
PanEnergy Corp.	Parent Company
Path 15 Funding KBT, LLC	This company was part of a group of companies DATC acquired from Atlantic Power Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central California.
Path 15 Funding TV, LLC	This company was part of a group of companies DATC acquired from Atlantic Power Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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	California.
Path 15 Funding, LLC	This company was part of a group of companies DATC acquired from Atlantic Power Transmission, Inc. Through these companies, DATC owns 72% of the transmission system rights in the Path 15 transmission project, which is an 84-mile, 500-kilovolt transmission line in central California.
Peak Tower, LLC	Real Estate Rental
Phoenix Energy Technologies, Inc.	Provides enterprise energy management and information software systems to commercial businesses using a software as a service, or SaaS, business model. Phoenix's platform system can save customers up to 10% on their energy bills and can serve as the base for an expanded distributed energy offering.
PHX Management Holdings, LLC	Holding company that holds majority ownership interests in Phoenix Energy Technologies, Inc.
Piedmont ACP Company, LLC	Holds Piedmont's 7% interest in Atlantic Coast Pipeline, LLC.
Piedmont Constitution Pipeline Company, LLC	Sole asset is its ownership of 24% of the membership interests in Constitution Pipeline Company, LLC.
Piedmont ENCNG Company, LLC	Owens 100% of the membership interests in Piedmont ACP Company, LLC.
Piedmont Energy Company	A "shell" and has no assets, it used to be a member of SouthStar Energy, but Piedmont divested of that holding upon being acquired by Duke Energy Corporation.
Piedmont Energy Partners, Inc.	A subsidiary holding company whose sole purpose is to own interests in each of Piedmont Constitution Pipeline Company, LLC, Piedmont Energy Company, Piedmont Interstate Pipeline Company and Piedmont Intrastate Pipeline Company.
Piedmont Hardy Storage Company, LLC	Holds Piedmont's 50% interest in Hardy Storage Company, LLC.
Piedmont Interstate Pipeline Company	Holds Piedmont's 45% interest in Pine Needle LNG Company, LLC.
Piedmont Intrastate Pipeline Company	Holds Piedmont's 21.49% interest in Cardinal Pipeline Company, LLC.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Piedmont Natural Gas Company, Inc.	Transport, store, buy, manufacture, produce or in any manner acquire, sell, exchange, deliver, distribute, dispose of, trade and deal in natural or manufactured gas or a mixture of both or their by-products and residual products; to construct, build, purchase, lease, equip or otherwise acquire and to hold, own, operate, improve, develop, manage and maintain pipe lines or systems of pipe lines for the transmission of natural gas; to purchase, build, construct, develop, improve, acquire, own, hold, lease, operate, manage and maintain works or facilities for the manufacture, production, accumulation and distribution of natural or manufactured gas or a mixture of both or their by-products and residual products, together with all such buildings, pipe lines, mains, machinery, including compressor units and compressor stations, apparatus, appliances, facilities, rights of way, easements, rights, privileges, and all such real and personal property as may be necessary, useful or convenient to the production, acquisition, storage and distribution of the aforesaid products.
Piedmont Venture Partners Limited Partnership	Venture capital firm created to invest in high-technology and biotechnology (including clean energy) private start-up companies in the research triangle (Raleigh, Durham and Chapel Hill) of NC and the Southeast. Currently in bankruptcy proceedings.
PIH Tax Credit Fund III, Inc.	Holds Investments in Affordable Housing Fund.
PIH Tax Credit Fund IV, Inc.	Holds Investments in Affordable Housing Fund.
PIH Tax Credit Fund V, Inc.	Holds Investments in Affordable Housing Fund.
PIH, Inc.	Holding Company for investments in affordable housing projects.
Pine Needle LNG Company, LLC	A FERC regulated liquefied natural gas storage facility.
Pioneer Transmission, LLC	Joint Venture company formed to engage in developing, constructing, owning transmission lines.
Powerhouse Square, LLC	Real Estate Investments
PRAIRIE, LLC	Real Estate Investments
Progress Capital Holdings, Inc.	Downstream holding company for Florida Progress subsidiaries, except Florida Power Corporation; Provides financing to subsidiaries
Progress Energy EnviroTree, Inc.	Formed to hold a 5% interest in Power Tree Carbon Company, LLC, a consortium of utilities with the purpose of generating credits similar to Emission Allowance Credits through tree planting



## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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	projects designed to reduce carbondioxide emissions and global warming
Progress Energy, Inc.	Holding Company
Progress Fuels, LLC	The Company may carry on any lawful business purpose or activity.
Progress Materials, Inc.	To commercialize and manufacture Aardelite and operate Progress Environmental Laboratories
Progress Synfuel Holdings, Inc.	Holder of membership interests in limited liability companies that own and/or operate synthetic coal plants.
Progress Telecommunications Corporation	Operate wholesale telecommunication services throughout the State of Florida
PT Attachment Solutions, LLC	Telecommunication Services
PT Holding Company LLC	Wireless Services
Pumpjack Solar I, LLC	Develop, finance, construct, own and operate a Solar PV Generating Facility.
Raleigh-CaroHome/WCK, LLC	Real Estate Investments
RE Ajo 1 LLC	Project company that owns, is developing and will operate a 5.0 megawatt (dc) ground-mounted solar photovoltaic (PV) plant currently in construction located near Ajo, Pima County, Az
RE AZ Holdings LLC	Commercial Solar Developer that owns 2 project solar companies in AZ: RE Ajo 1 LLC, and RE Bagdad Solar 1 LLC
RE Bagdad Solar 1 LLC	Project company that owns, is developing and will operate a 16.6 megawatt (dc) ground-mounted solar photovoltaic (PV) plant currently in construction located near Bagdad, Az
RE SFCity1 GP, LLC	General Partner to RE SFCity1 LP, which owns the 5.0 MWdc photovoltaic solar generating facility located in San Francisco, CA.
RE SFCity1 Holdco LLC	Limited Partner to RE SFCity1 LP, and owns all (99%) of the outstanding limited partnership interests. As Sole Member of RE SFCity1 GP, LLC, it owns all (100%) outstanding membership interests in RE SFCity1 GP, LLC.
RE SFCity1, LP	The Limited Partnership owns the RE SFCity1 project. The project is the 5.0 MWdc photovoltaic solar generating facility located in San Francisco, CA.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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REC Solar Commercial Corporation	Specializes in the development, design, construction, and maintenance of commercial-scale solar projects. Provides comprehensive solar PV solutions that include sales, financing programs, state-of-the-art equipment, engineering design, and safety-focused construction with ongoing service and support.
Rio Bravo Solar I, LLC	20 MW (ac) Solar Photovoltaic (PV) electric generating facility in Kern County, CA.
Rio Bravo Solar II, LLC	20 MW (ac) solar PV electric generating facility in Kern County, CA
River Road Solar, LLC	Five megawatt (alternating current) solar photovoltaic electric generating facility located at 950 River Road, Winton, Hertford County, NC.
RP-Orlando, LLC	Project company that has been developing two solar photovoltaic ("PV") electric generation projects (Stanton project) and (Jetport project) to be located on property owned by the Orlando Utilities Commission in Orlando, FL
Ryegate Associates	Owns a biomass facility in Vermont
Sabal Trail Transmission, LLC	Plan, design, construct, acquire, own, maintain and operate an interstate natural gas pipeline and related facilities.
Sandy River Timber, LLC	Assemblage of land for future generation project use
SanGroup, LLC	Joint Venture
Seaboard Solar LLC	Five MW (ac) Solar electric generating facility located in Seaboard, NC.
Seahorse do Brasil Servicos Maritimos Ltda.	Has been dormant for many years. Dissolution under review.
Seville Solar Holding Company, LLC	Holding company for Seville Solar One, LLC; and Seville Solar Two, LLC.
Seville Solar Investments One LLC	Investment company for solar projects.
Seville Solar One LLC	Solar Generation Facility
Seville Solar Two, LLC	Solar Generation Facility

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Shirley Wind, LLC	Project Company which has developed and operates an approximately 20 megawatt wind-powered electric generation facility located in Brown Ctny, WI.
Shoreham Energy Holdings, LLC	Holding company.
Shreveport Red River Utilities, LLC	The purpose of the company is to develop, design and construct the improvements; to own, operate and maintain the Central Utilities Complex; to obtain financing for such activities; and to take all actions incident thereto (the "Purpose").
Silver Sage Windpower, LLC	Holds a lease for some property in Laramie County, Wyoming.
Solar Star North Carolina I, LLC	Special purpose company devoted to developing, constructing, owning, operating and selling the electricity and associated renewable energy credits from its 1 megawatt (AC) solar electric generating facility in Shelby, NC (currently under construction).
Solar Star North Carolina II, LLC	Special purpose company devoted to developing, constructing, owning, operating and selling the electricity and associated renewable energy credits from its 5 one-megawatt (AC) solar photovoltaic electric generating facilities in Murfreesboro, Hertford County, NC (currently under development).
SoINCPower10, L.L.C.	Solar Energy Project
SoINCPower5, LLC	A 5.0 MW (ac) Solar Photovoltaic Electric Generating Facility located at 662 West Battleboro Avenue, Battleboro, Nash County, NC.
SoINCPower6, LLC	Five MW solar project in Sunbury, NC.
South Atlantic Private Equity Fund IV, LP	This partnership provides equity funds to privately owned emerging growth companies in both technology and in Technology related markets, with an emphasis on investments located in the southeastern United States, Florida and Texas.
South Construction Company, Inc.	Holds legal title to real estate and interests in real estate which are either not used and useful in the conduct of Duke Energy Indiana, Inc.'s business or which has some defect in title which is unacceptable to Duke Energy Indiana Inc.
Southern Power Company	The purpose of this entity is to generate, transmit, and distribute electric power and preserve property rights.
Stenner Creek Solar LLC	Owner and seller of solar power.

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Strategic Resource Solutions Corp., A North Carolina Enterprise Corporation	The Company may carry on any lawful business, purpose or activity.
Summit Wind Energy Mesquite Creek, LLC	Holding company and Sole Member of the Mesquite Creek Wind, LLC project company located near Lamesa, TX
Sweetwater 4-5 Holdings LLC	Holding company that owns LLCs with interests in wind power assets in Texas
Sweetwater Development LLC	Developing a windpower project in Texas
Sweetwater Wind 4 LLC	Owns wind generation facility in Texas
Sweetwater Wind 5 LLC	Owns wind generation facility in Texas
Sweetwater Wind 6 LLC	Owns assets of windpower project being developed in Texas
Sweetwater Wind Power L.L.C.	Owns wind generation assets in Texas
Tallbear Seville LLC	Twenty (20) MW AC Solar Photovoltaic electric generating facility located in Imperial County, CA.
Tarboro Solar LLC	Solar Energy project
Taylorsville Solar, LLC	To develop a 1 MW solar PV project in Alexander County, Taylorsville, North Carolina.
TBP Properties, LLC	Hold land for future project use
TE Notrees, LLC	Holding company.
TE Ocotillo, LLC	Holding company
TEC Aguaytia, Ltd.	Bermuda holding entity with indirect ownership interest in the Aguaytia project in Peru.
Texas Eastern Arabian Ltd.	Investments in National Methanol Company.
Texas Eastern Arabian S.à r.l.	Luxembourg holding company for Duke Energy International's interest in National Methanol Company (Saudi Arabia).
Texoma Wind Holdings, LLC	To serve as a holding company for Texoma Wind, LLC.
Texoma Wind, LLC	To own Los Vientos Windpower III Holdings, LLC; Los Vientos Windpower III, LLC; Los

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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	Vientos Windpower IV Holdings, LLC; Los Vientos Windpower IV, LLC; Los Vientos Windpower V Holdings, LLC; Los Vientos Windpower V, LLC; and Frontier Windpower, LLC.
The Duke Energy Foundation	To receive, administer, and make donation of funds for educational, scientific, and charitable purposes.
Three Buttes Windpower, LLC	Develop, construct, own and operate the Campbell Hill Windpower project near Casper, Wyoming.
Top of the World Wind Energy Holdings LLC	To act as the holding company of the project company that owns the Top of the World wind farm, and to pledge that ownership interest as security for a project financing arrangement upon the project.
Top of the World Wind Energy LLC	Developing windpower project in Wyoming
TRES Timber, LLC	Hold land for future project use
Tri-State Improvement Company	Acquiring and holding property in Ohio, Kentucky, and Indiana for substations, electric and gas rights of way, office space, and other uses in connection with the utility business of Duke Energy Ohio, Inc., and its utility subsidiaries.
Tsavo Power Company Limited	Power plant at the Port of Mombasa, Kenya's main seaport. The facility sells power to Kenya Power and Lighting Corporation through a Purchased Power Agreement.
TX Solar I LLC	Special purpose company devoted to developing, constructing, owning, operating and selling the electricity and associated renewable energy credits from its 14 megawatt (AC) solar electric generating facility in San Antonio, TX (currently under construction).
Victory Solar LLC	13 megawatt (ac) solar photovoltaic electric generating facility located in Adams County, Colorado.
Washington Airport Solar, LLC	Development, construction, ownership and operation of solar photovoltaic facility.
Washington Millfield Solar, LLC	Formed to develop, construct, own and operate a 7.5 megawatt (dc) solar photovoltaic facility located in Beaufort County, North Carolina
Washington White Post Solar, LLC	Own, develop, construct, operate and maintain up to a 25 MWDC solar photovoltaic power project known as the Washington Solar Farm located in Beaufort County, NC

## Duke Energy Kentucky, Inc. Affiliate List as of 12/31/2017

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Wateree Power Company	The purpose of this entity is to generate, transmit, and distribute electric power and preserve property rights.
West Texas Angelos Holdings LLC	Developing, constructing, financing, owning and operating a possible solar photovoltaic ("PV") project generating facility, with an aggregate capacity of between approximately 40-80 megawatts ("MW") ac, that would be sited near the City of Odessa, in Ector County, TX.
Western Carolina Power Company	The purpose of this entity is to generate, transmit, and distribute electric power and preserve property rights.
Wild Jack Solar Holdings LLC	To borrow funds in a project financing transaction.
Wild Jack Solar LLC	To enter into a financing arrangement to fund two solar projects (Pumpjack Solar I, LLC and Wildwood Solar I, LLC).
Wildwood Solar I, LLC	Develop, finance, construct, own and operate Solar PV Generating Facility.
Wildwood Solar II, LLC	15 MW (ac) Solar photovoltaic (PV) electric generating facility in Kern County, CA
Wilrik Hotel Apartments LLC	Real Estate Development
Wind Star Holdings, LLC	Holding company for wind and solar financing project
Wind Star Renewables, LLC	Borrowing company in wind and solar financing transaction
Windsor Cooper Hill Solar, LLC	Development, construction, ownership and operation of solar photovoltaic facility.
Winton Solar LLC	Five (5) MW(ac) solar PV electric generating facility located in Winton, North Carolina, in Hertford County.
WNC Institutional Tax Credit Fund, L.P.	Real Estate Investments
Woodland Solar LLC	Ground-mounted, fixed tilt 5 MW (ac) solar PV electric generating facility located in Woodland, North Carolina, Hampton County.
Zephyr Power Transmission LLC	Joint Venture company formed to engage in developing, constructing, owning transmission lines.

### Exhibit C

*A copy of each service agreement existing on the effective date of KRS 278.2201 through 278.2219 and remaining in effect shall be filed as an attachment to the annual report required by this subsection. After the initial filing, an affected utility shall file only new or amended service agreements with the annual report.*

On June 1, 2017, the Commission approved Duke Energy Kentucky, Inc. to allow the inclusion of Piedmont Natural Gas Company (Piedmont) to the following existing service agreements<sup>2</sup>:

- Intercompany Asset Transfer Agreement, which permits the transfer of inventory assets, excluding commodities, at the transferring company's fully allocated costs, subject to certain limitations;
- Operating Companies Service Agreement, which allows the utilities to perform services for each other;
- Tax Sharing Agreement, which allows for joint filing of federal tax returns; and,
- Utility Money Pool Agreement, which allows for intercompany loans among the utility affiliates, service company, and holding company.

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<sup>2</sup> *Id.*

## INTERCOMPANY ASSET TRANSFER AGREEMENT

This **Intercompany Asset Transfer Agreement** (this “Agreement”) is made and entered into by and among Duke Energy Carolinas, LLC (“DEC”), a North Carolina limited liability company, Duke Energy Ohio, Inc. (“DEO”), an Ohio corporation, Duke Energy Indiana, LLC (“DEI”), an Indiana limited liability company, Duke Energy Progress, LLC (“DEP”), a North Carolina limited liability company, Duke Energy Florida, LLC (“DEF”), a Florida limited liability company, Duke Energy Kentucky, Inc. (“DEK”), a Kentucky corporation, and Piedmont Natural Gas Company, Inc., a North Carolina corporation (collectively the “Operating Companies” and, individually, an “Operating Company”). The Effective Date as stated herein is the date on which this Agreement is executed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. This Agreement supersedes and replaces in its entirety all previous Intercompany Asset Transfer Agreements dated before the Effective Date of this Agreement.

### WITNESSETH:

**WHEREAS**, Duke Energy Corporation (“Duke Energy”) is a Delaware corporation;

**WHEREAS**, each Operating Company is a subsidiary of Duke Energy and a public utility company;

**WHEREAS**, in the ordinary course of their businesses, the Operating Companies maintain inventory and other assets for the operation and maintenance of their respective electric utility, and with respect to DEO DEK, and Piedmont, gas utility, businesses; and

**WHEREAS**, subject to the terms and conditions herein set forth, and taking into consideration the Operating Companies’ utility responsibilities, each Operating Company is willing, upon request from time to time, to transfer Assets, as defined herein, to each other Operating Company, as each shall request from each other.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

### ARTICLE 1. TRANSFER OF ASSETS

Section 1.1 **Transfer**. Upon request from one party (“Recipient”), the other party (“Transferor”) shall transfer to the Recipient those Assets requested by Recipient, provided that (i) Transferor believes, in its reasonable judgment, that such transfer will not jeopardize Transferor’s ability to render electric utility service or natural gas utility service to its customers consistent with Good Utility Practice; (ii) the Cost of any shipment of transmission- or generation-related item(s) does not exceed \$10,000,000; (iii) DEC and DEP shall not transfer any Asset hereunder in contravention of S.C. Code Ann. § 58-27-1300; (iii) DEK shall not transfer any Asset hereunder in contravention of KRS 278.218. and (iv) DEC and DEP may transfer or take receipt of any transmission transformers or other transmission-related equipment under this



Agreement to or from DEC, DEP or DEF. DEC and DEP shall not, however, transfer or take receipt of any transmission transformers or transmission-related equipment to or from DEO, DEI, and DEK, other than transmission-related equipment that may be used on/with transformers within a range of voltages or regardless of voltage. "Assets" means parts inventory, capital spares, equipment and other goods except for the following: coal; natural gas; fuel oil used for electric power generation; emission allowances; electric power; and environmental control reagents. "Good Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the United States during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

Section 1.2 Compensation. Except to the extent otherwise required by Section 482 of the Internal Revenue Code or analogous state tax law, Recipient shall compensate Transferor for any Assets transferred hereunder at Cost. "Cost" means (i) for items of inventory accounted for in the FERC Uniform System of Accounts account 154 ("Inventory Items"), the average unit price of such Inventory Items as recorded on the books of the Transferor, plus stores, freight, handling, and other applicable costs, and (ii) for assets other than Inventory Items, net book value.

Alternatively, to the extent that an Asset may be transferred under this Agreement, the Transferor and Recipient may agree that the Asset transferred to the Recipient be replaced in kind. In this event, Transferor and Recipient shall agree to the timing of such replacement, and other necessary terms and conditions, and such in-kind replacement shall be deemed a transferred Asset for all purposes hereunder.

Section 1.3 Payment. Each Operating Company shall reasonably cooperate with each other Operating Company to record billings and payments required hereunder in their common accounting systems.

Section 1.4 Delivery; Title and Risk of Loss. The parties shall cooperate in providing transportation equipment necessary to deliver the Assets to the Recipient. Assets will be delivered FOB transportation equipment at the Transferor's location where such Assets reside ("Shipping Point"). All costs of transportation, including the cost of transporting in-kind replacement Assets to Transferor, shall be borne by the Recipient. Title to and risk of loss of the transferred Assets shall pass from the Transferor to the Recipient at the Shipping Point.

## ARTICLE 2. WARRANTIES

Section 2.1 Warranties. Each Operating Company, as Transferor, warrants that it will have good and marketable title to the Assets transferred hereunder. Further, each Operating Company, as Transferor, warrants that it shall obtain release of any liens or other encumbrances on the transferred Assets within a reasonable time. ALL ASSETS TRANSFERRED

HEREUNDER ARE BEING SOLD "AS IS, WHERE IS" AND WITHOUT ANY WARRANTY AS TO ITS CONDITION, INCLUDING WITHOUT ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 2.2 Disclaimer. WITH RESPECT TO ANY ASSETS TRANSFERRED HEREUNDER, EACH OPERATING COMPANY AS TRANSFEROR MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 2.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO SUCH ASSETS. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

### ARTICLE 3. INDEMNIFICATION

#### Section 3.1 Indemnification: Limitation of Liability.

(a) Subject to subparagraph (b) of this Section 3.1, each party (the "Indemnifying Party") shall release, defend, indemnify and hold harmless the other party (the "Indemnified Party"), including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim, incurred or sustained by or against any such Indemnified Party arising, directly or indirectly, from or in connection with Indemnifying Party's negligence or willful misconduct in the performance of its obligations hereunder.

(b) Notwithstanding any other provision hereof, each party's total liability hereunder with respect to any Assets shall be limited to the amount actually paid to Transferor for such Assets for which the liability arises, and under no circumstances shall Transferor be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

Section 3.2 Procedure for Indemnification. Within 15 business days after receipt by an Indemnified Party of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a "Proceeding") with respect to which it is eligible for indemnification hereunder, the Indemnified Party shall notify the Indemnifying Party thereof in writing (it being understood that failure so to notify the Indemnifying Party shall not relieve the latter of its indemnification obligation, unless the Indemnifying Party establishes that defense thereof has been prejudiced by such failure). Thereafter, the Indemnifying Party shall be entitled

to participate in such Proceeding and, at its election upon notice to such Indemnified Party and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such Indemnified Party, Indemnifying Party shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Indemnified Party for which such Indemnified Party is not entitled to indemnification hereunder. If such Indemnified Party has given timely notice to Indemnifying Party of the commencement of such Proceeding, but Indemnifying Party has not, within 15 business days after receipt of such notice, given notice to Indemnified Party of its election to assume the defense thereof, Indemnifying Party shall be bound by any determination made in such Proceeding or any compromise or settlement made by Indemnified Party. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Indemnified Party to Indemnifying Party.

#### ARTICLE 4. MISCELLANEOUS

Section 4.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, each Operating Company shall comply in all respects with any such requirements.

Section 4.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect until terminated by either party upon not less than 30 days prior written notice to the other party. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of the parties hereto.

Section 4.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 4.4 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 4.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any party hereto without the prior written consent of the other party. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 4.6 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

Section 4.7 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, "hereof," "hereunder," "herein," "hereto," and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 4.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

Section 4.9 DEC, DEP, and Piedmont Conditions. In addition to the terms and conditions set forth herein, with respect to DEC, DEP, and Piedmont, the provisions set out in Exhibit A are hereby incorporated herein by reference. In addition, except with respect to the pricing of Asset transfers as set forth herein, DEC's, DEP's and Piedmont's participation in this Agreement is explicitly subject to the Regulatory Conditions and Code of Conduct approved by the NCUC in its Order Approving Merger Subject to Regulatory Conditions and Code of Conduct issued in Docket No. E-2, Sub 1095, Docket No. E-7, Sub 1100, and Docket No. G-9, Sub 682 ("Merger Order"), as such Regulatory Conditions and Code of Conduct may be amended from time to time. In accordance with Regulatory Condition 3.9 as approved in the Merger Order, nothing in this Agreement shall be construed or interpreted so as to commit DEC or DEP, or to involve DEC or DEP in, joint planning, coordination, or operation of generation, transmission, or distribution facilities with one or more affiliates nor shall it be interpreted as otherwise altering DEC's or DEP's obligations with respect to the Regulatory Conditions approved in the Merger Order. In the event of a conflict between the provisions of this Agreement and the Regulatory Conditions and Code, the Regulatory Conditions and Code shall govern, except as altered by the Commission by Order for this Agreement.

Section 4.10 DEI Conditions. DEI agrees and acknowledges that in accordance with its Affiliate Standards, Section II O (i) it will make Assets available to non-affiliated wholesale power marketers under the same terms, conditions and prices, and at the same time, as it makes Assets available to a DEO's wholesale power marketing function, and (ii) it will process all requests for Assets from DEO's wholesale power marketing function and non-affiliated wholesale power marketers on a non-discriminatory basis.

Section 4.11 Regulatory Approvals. This Agreement is expressly contingent on the receipt of all regulatory approvals or waivers deemed necessary by the parties.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed on \_\_\_\_\_, 201\_\_, on its behalf by an appropriate officer thereunto duly authorized.

Duke Energy Carolinas, LLC

By: 

Nancy M. Wright  
Assistant Secretary

Duke Energy Indiana, LLC

By: 

Nancy M. Wright  
Assistant Secretary

Duke Energy Ohio, Inc.

By: 

Nancy M. Wright  
Assistant Corporate Secretary

Duke Energy Kentucky, Inc.

By: 

Nancy M. Wright  
Assistant Corporate Secretary

Duke Energy Progress, LLC

By: 

Nancy M. Wright  
Assistant Secretary

Duke Energy Florida, LLC

By: 

Nancy M. Wright  
Assistant Secretary

Piedmont Natural Gas Company, Inc.

By: 

Nancy M. Wright  
Assistant Corporate Secretary

## EXHIBIT A

### **Duke Energy Carolinas, LLC, Duke Energy Progress, LLC and Piedmont Natural Gas Company, Inc. Conditions**

In connection with the NCUC approval of the Merger in NCUC Docket No. E-2, Sub 1095, Docket No. E-7, Sub 1100, and Docket No. G-5, Sub 682, the NCUC adopted certain Regulatory Conditions and a revised Code of Conduct governing transactions between DEC, DEP, Piedmont, and their affiliates. Pursuant to the Regulatory Conditions, the following provisions are applicable to DEC, DEP, and Piedmont:

- (a) DEC's, DEP's and Piedmont's participation in this Agreement is voluntary. DEC, DEP, or Piedmont is not obligated to take or provide services or make any purchases or sales pursuant to this Agreement, and DEC, DEP, or Piedmont may elect to discontinue its participation in this Agreement at its election after giving any required notice;
- (b) DEC, DEP or Piedmont may not make or incur a charge under this Agreement except in accordance with North Carolina law and the rules, regulations and orders of the NCUC promulgated thereunder.
- (c) DEC, DEP or Piedmont may not seek to reflect in rates any (A) costs incurred under this Agreement exceeding the amount allowed by the NCUC or (B) revenue level earned under this Agreement less than the amount imputed by the NCUC; and
- (d) DEC, DEP or Piedmont shall not assert in any forum – whether judicial, administrative, federal, state, local or otherwise – either on its own initiative or in support of other entity's assertions, that the NCUC's authority to assign, allocate, make pro-forma adjustments to or disallow revenues and costs for retail ratemaking and regulatory accounting and reporting purposes is, in whole or in part, (A) preempted by Federal Law or (B) not within the Commission's power, authority, or jurisdiction; DEC, DEP, and Piedmont will bear the full risk of any preemptive effects of Federal Law with respect to this Agreement.

## **OPERATING COMPANIES SERVICE AGREEMENT**

This Operating Companies Service Agreement (this "Agreement") by and among Duke Energy Carolinas, LLC ("DEC"), a North Carolina limited liability company, Duke Energy Ohio, Inc. ("DEO"), an Ohio corporation, Duke Energy Indiana, LLC ("DEI"), an Indiana limited liability company, Duke Energy Kentucky, Inc. ("DEK"), a Kentucky corporation, Duke Energy Progress, LLC ("DEP"), a North Carolina limited liability company, and Duke Energy Florida, LLC ("DEF"), a Florida limited liability company and Piedmont Natural Gas Company, Inc., a North Carolina corporation ("Piedmont"), supersedes and replaces in its entirety all previous Operating Company Service Agreements dated before the Effective Date of this Agreement. The Effective date as stated herein is the date on which this agreement is signed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. DEC, DEO, DEI, DEK, DEP, DEF and Piedmont are referred to collectively as the "Operating Companies" and, individually, an "Operating Company."

### **WITNESSETH:**

**WHEREAS**, Duke Energy Corporation ("Duke Energy") is a Delaware corporation;

**WHEREAS**, each Operating Company is a subsidiary of Duke Energy and a public utility company;

**WHEREAS**, in the ordinary course of their businesses, Operating Companies maintain organizations of employees with technical expertise in matters affecting public utility companies and related businesses and own or acquire related equipment, facilities, properties and other resources; and

**WHEREAS**, subject to the terms and conditions herein set forth, and taking into consideration the parties' utility responsibilities or primary business operations, as the case may be, the parties hereto are willing, upon request from time to time, to perform such services, and in connection therewith to make available such equipment, facilities, properties and other resources, as they shall request from each other;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

### **ARTICLE 1. PROVISION OF SERVICES; LOANED EMPLOYEES**

#### **Section 1.1 Provision of Services.**

(a) Except as hereinafter provided with respect to DEC, DEP, and Piedmont providing services for each other, upon receipt by a party hereto (in such capacity, a "Service Provider") of a written request in substantially the same form attached hereto as Exhibit A (a "Service Request") from another party hereto (in such capacity, a "Client Company") for the provision to such Client

Company of such services as are specified therein, including if applicable use of any related equipment, facilities, properties or other resources (collectively, "Services"), the Service Provider, if in its sole discretion it has available the personnel or other resources needed to perform the Service Request without impairment of its utility responsibilities or business operations, as the case may be, shall furnish such Services to the Client Company at such times, for such periods and in such manner as the Client Company shall have so requested and otherwise in accordance with the provisions hereof.

(b) For purposes of this Agreement, "Services" may include, but shall not be limited to, services in such areas as engineering and construction; operations and maintenance; installation services; equipment testing; generation technical support; environmental, health and safety; and procurement services (including, but not limited to, fuel procurement).

(c) "Services" may also include the use of assets, equipment and facilities, provided the Client Company compensates the Service Provider for such use in accordance with Article 3.

(d) For the avoidance of doubt, affiliate transactions involving sales or other transfers of assets, goods, energy commodities (including electricity, natural gas, coal and other combustible fuels) or thermal energy products are outside the scope of this Agreement.

#### Section 1.2 Loaned Employees.

(a) If specifically requested in connection with the provision of Services, Service Provider shall loan one or more of its employees to such Client Company, provided that such loan shall not, in the sole discretion of Service Provider, interfere with or impair Service Provider's utility responsibilities or business operations, as the case may be. After the commencement thereof, any such loaned employees may be withdrawn by Service Provider from tasks duly assigned by Client Company, prior to completion thereof as contemplated in the associated Service Request, only with the consent of Client Company (which shall not be unreasonably withheld or delayed), except in the event of a demonstrable emergency requiring the use of any such employees in another capacity for Service Provider.

(b) While performing work on behalf of Client Company, any such loaned employees shall be under its supervision and control, and Client Company shall be responsible for their actions to the same extent as though such persons were its employees (it being understood that such persons shall nevertheless remain employees of Service Provider and nothing herein shall be construed as creating an employer-employee relationship between any Client Company and any loaned employees). Accordingly, for the duration of any such loan, Service Provider shall continue to provide its loaned employees with the same payroll, pension, savings, tax withholding, unemployment, bookkeeping and other personnel support services then being provided by Service Provider to its other employees.

### **ARTICLE 2. SERVICE REQUESTS**

Section 2.1 Procedure. All Services (including any loans of employees) (i) shall be performed in accordance with Service Requests issued by or on behalf of Client Company and



accepted by Service Provider and (ii) shall be assigned to applicable activities, processes, projects, responsibility centers or on other appropriate bases to enable specific work to be properly assigned. Service Requests shall be as specific as practicable in defining the Services requested. Client Company shall have the right from time to time to amend or rescind any Service Request, *provided* that (a) Service Provider consents to any amendment that results in a material change in the scope of Services to be provided, (b) the costs associated with an amended or rescinded Service Request shall include the costs incurred by Service Provider as a result of such amendment or rescission, and (c) no amendment or rescission of a Service Request shall release Client Company from any liability for costs already incurred or contracted for by Service Provider pursuant to the original Service Request, regardless of whether any labor or the furnishing of any property or other resources has been commenced or completed.

### **ARTICLE 3. COMPENSATION FOR SERVICES**

Section 3.1 Cost of Services. As compensation for any Services rendered to it pursuant to this Agreement, Client Company shall pay to Service Provider the Cost thereof, except to the extent otherwise required by Section 482 of the Internal Revenue Code. "Costs" means the sum of (i) direct costs, (ii) indirect costs and (iii) costs of capital. As soon as practicable after the close of each month, Service Provider shall render to each Client Company a statement reflecting the billing information necessary to identify the costs charged for that month. By the last day of each month, Client Company shall remit to Service Provider all charges billed to it. For avoidance of doubt, the Service Provider and each Client Company may satisfy the foregoing requirement by recording billings and payments required hereunder in their common accounting systems without rendering paper or electronic monthly statements or remitting cash payments.

Section 3.2 Exception. In the event any Services to be rendered under this Agreement are to be provided to or from DEC, DEP, and Piedmont in accordance with DEC's, DEP's, and Piedmont's North Carolina Code of Conduct at anything other than fully embedded cost as described above, then prior to entering into the transaction, DEI, DEK, DEF or DEO, whichever is applicable, shall provide 30 days written notice to the respective state commission staffs and state consumer representatives explaining the proposed transaction, including the benefits of the transaction. If no objection is received within 30 days, then the transaction may proceed. If one or more third parties object to the transaction in writing within 30 days, then DEI, DEK, DEF or DEO, whichever is applicable, must seek specific state commission approval of the transaction prior to entering into the transaction.

### **ARTICLE 4. LIMITATION OF LIABILITY; INDEMNIFICATION**

Section 4.1 Limitation of Liability/Services. In performing Services pursuant to Section 1.1 hereof, Service Provider will exercise due care to assure that the Services are performed in a workmanlike manner in accordance with the specifications set forth in the applicable Service Request and consistent with any applicable legal standards. The sole and exclusive responsibility of Service Provider for any deficiency therein shall be promptly to correct or repair such deficiency or to re-perform such Services, in either case at no additional cost to Client Company, so that the Services fully conform to the standards described in the first sentence of this Section 4.1. No Service Provider makes any other warranty with respect to the provision of Services, and each Client Company agrees to accept any Services without further warranty of any nature.

**Section 4.2 Limitation of Liability/Loaned Employees.** In furnishing Services under Section 1.2 hereof (*i.e.*, involving loaned employees), neither the Service Provider, nor any officer, director, employee or agent thereof, shall have any responsibility whatsoever to any Client Company receiving such Services, and Client Company specifically releases Service Provider and such persons, on account of any claims, liabilities, injuries, damages or other consequences arising in connection with the provision of such Services under any theory of liability, whether in contract, tort (including negligence or strict liability) or otherwise, it being understood and agreed that any such loaned employees are made available without warranty as to their suitability or expertise.

**Section 4.3 Disclaimer.** WITH RESPECT TO ANY SERVICES PROVIDED UNDER THIS AGREEMENT, THE SERVICE PROVIDER THEREOF MAKES NO WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH IN SECTION 4.1, AND THE PARTIES HERETO HEREBY AGREE THAT NO OTHER WARRANTY, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), SHALL BE APPLICABLE TO THE PROVISION OF ANY SUCH SERVICES. THE PARTIES FURTHER AGREE THAT THE REMEDIES STATED HEREIN ARE EXCLUSIVE AND SHALL CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY OF ANY PARTY HERETO FOR A FAILURE BY ANY OTHER PARTY HERETO TO COMPLY WITH ITS WARRANTY OBLIGATIONS.

**Section 4.4 Indemnification.**

(a) Subject to subparagraph (b) of this Section 4.4, Service Provider shall release, defend, indemnify and hold harmless each Client Company, including any officer, director, employee or agent thereof, from and against, and shall pay the full amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim, incurred or sustained by or against any such Client Company arising, directly or indirectly, from or in connection with Service Provider's negligence or willful misconduct in the performance of the Services.

(b) Notwithstanding any other provision hereof, Service Provider's total liability hereunder with respect to any specific Services shall be limited to the amount actually paid to Service Provider for its performance of the specific Services for which the liability arises, and under no circumstances shall Service Provider be liable for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise (it being the intent of the parties that the indemnification obligations in this Agreement shall cover only actual damages and accordingly, without limitation of the foregoing, shall be net of any insurance proceeds actually received in respect of any such damages).

**Section 4.5 Procedure for Indemnification.** Within 15 business days after receipt by any Client Company of notice of any claim or the commencement of any action, suit, litigation or other proceeding against it (a "Proceeding") with respect to which it is eligible for indemnification hereunder, such Client Company shall notify Service Provider thereof in writing (it being understood that failure to so notify Service Provider shall not relieve the latter of its indemnification obligation, unless Service Provider establishes that defense thereof has been prejudiced by such

failure). Thereafter, Service Provider shall be entitled to participate in such Proceeding and, at its election upon notice to such Client Company and at its expense, to assume the defense of such Proceeding. Without the prior written consent of such Client Company, Service Provider shall not enter into any settlement of any third-party claim that would lead to liability or create any financial or other obligation on the part of such Client Company for which such Client Company is not entitled to indemnification hereunder. If such Client Company has given timely notice to Service Provider of the commencement of such Proceeding, but Service Provider has not, within 15 business days after receipt of such notice, given notice to Client Company of its election to assume the defense thereof, Service Provider shall be bound by any determination made in such Proceeding or any compromise or settlement made by Client Company. A claim for indemnification for any matter not involving a third-party claim may be asserted by notice from the applicable Client Company to Service Provider.

## ARTICLE 5. MISCELLANEOUS

Section 5.1 Amendments. Any amendments to this Agreement shall be in writing executed by each of the parties hereto. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, each Operating Company shall comply in all respects with any such requirements.

Section 5.2 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect as to each party until terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto. Any such termination of parties shall not be deemed an amendment hereto. This Agreement may be terminated and thereafter be of no further force and effect upon the mutual consent of all of the parties hereto.

Section 5.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 5.4 Severability. If any provision of this Agreement or any application thereof shall be determined to be invalid or unenforceable, the remainder of this Agreement and any other application thereof shall not be affected thereby.

Section 5.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 5.6 Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of New York, without regard to conflicts of laws principles.

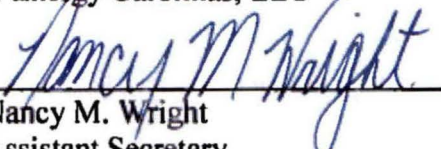
Section 5.7 Captions, Headings. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, "hereof," "hereunder," "herein," "hereto," and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

Section 5.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

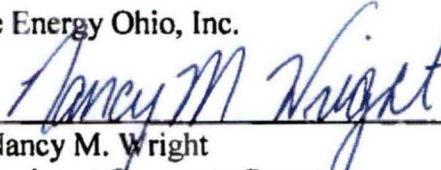
Section 5.9 DEC, DEP, and Piedmont Conditions. In addition to the terms and conditions set forth herein, with respect to DEC, DEP, and Piedmont, the provisions set out in Appendix B are hereby incorporated herein by reference. In addition, except with respect to the pricing of Services as set forth herein, DEC's, DEP's and Piedmont's participation in this Agreement is explicitly subject to the Regulatory Conditions and Code of Conduct approved by the North Carolina Utilities Commission ("NCUC") in its *Order Approving Merger Subject to Regulatory Conditions and Code of Conduct* issued, in Docket Nos. E-2, Sub 1095 and E-7, Sub 1100, and G-9, Sub 682, and applicable to South Carolina, as such Regulatory Conditions and Code of Conduct may be amended from time to time. In the event of any conflict between the provisions of this Agreement and the approved Regulatory Conditions and Code of Conduct provisions, the Regulatory Conditions and Code of Conduct shall govern.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed on \_\_\_\_\_, 201\_, on its behalf by an appropriate officer thereunto duly authorized.

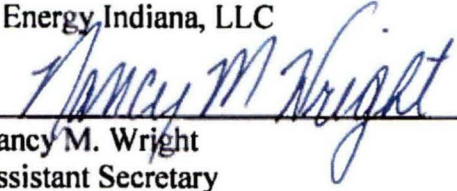
Duke Energy Carolinas, LLC

By:   
Nancy M. Wright  
Assistant Secretary

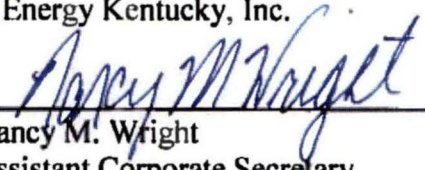
Duke Energy Ohio, Inc.

By:   
Nancy M. Wright  
Assistant Corporate Secretary


Duke Energy Indiana, LLC

By:   
Nancy M. Wright  
Assistant Secretary

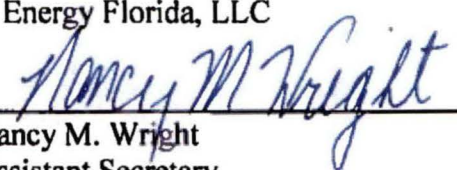
Duke Energy Kentucky, Inc.

By:   
Nancy M. Wright  
Assistant Corporate Secretary

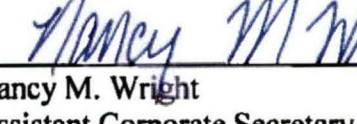
Duke Energy Progress, LLC

By:   
Nancy M. Wright  
Assistant Secretary

Duke Energy Florida, LLC

By:   
Nancy M. Wright  
Assistant Secretary

Piedmont Natural Gas Company, Inc.

By:   
Nancy M. Wright  
Assistant Corporate Secretary



Folder Name: afr146v1-003818  
Status: New

### Service Request for Affiliates

\* Red Asterisk indicates required fields \* Functional Area (for the Service Provider):

#### Service Provider

\* Service Provider    
\* Legal Approval Representative

#### Proposed Service

\* Description of Proposed Service  
Please Provide Basis for Estimated Costs, include # of employees requested and amount of time requested.

\* Estimated Costs (Numbers only, no commas or decimals)   
\* Scheduled Start Date    
\* Scheduled Completion Date

#### Client Company

\* Client Company

#### PeopleSoft Accounting Codes for the Services Provided

\*\*\* Process OR Project & Activities OR GL Account for Client Company must be entered

* Client Company Operating Unit	* Service Provider Resp. Center	* Process
<input type="text"/>	<input type="text"/>	<input type="text"/>
* Project	* Activity	* GL Account
<input type="text"/>	<input type="text"/>	<input type="text"/>

#### Confirmation of Service Provider Utility Responsibilities by Service Provider Approver

\*  Check this box to confirm that this Service Request will not result in impairment of Service Provider's utility responsibilities or business operations.

**Confirmation of Service Provider Utility Responsibilities by Service Provider Approver**

- Check this box to confirm that this Service Request will not result in impairment of Service Provider's utility responsibilities or business operations

**Miscellaneous Comments**

Comments

Comments Log

**Attachments**

[Help](#)

Filename	Size

**Approver Selection**

The approvers should be appropriate according to the [Delegation of Authority \(DOA\)](#) matrix.

Route To:	Name	Phone	Status
• Client Company	<input style="width: 100%;" type="text"/> <input type="button" value="Select"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
• Service Provider	<input style="width: 100%;" type="text"/> <input type="button" value="Select"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
• Legal	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

**Submitter Details**

Created by <input style="width: 100%;" type="text"/>	Created on <input style="width: 100%; text-align: center; value: 11/10/2015 1:19:43 PM;" type="text"/>
• Phone <input style="width: 100%;" type="text"/>	
Last Modified by <input style="width: 100%;" type="text"/>	Last Modified <input style="width: 100%;" type="text"/>

## Exhibit B

### DUKE ENERGY CAROLINAS, LLC DUKE ENERGY PROGRESS, LLC, AND PIEDMONT NATURAL GAS COMPANY, INC. CONDITIONS

1. In connection with the NCUC approval of the Merger in NCUC Docket No. E-2, Sub 1095, Docket No. E-7, Sub 1100, and Docket No. G-5, Sub 682, the NCUC adopted certain Regulatory Conditions and a revised Code of Conduct governing transactions between DEC, DEP, Piedmont, and their affiliates. Pursuant to the Regulatory Conditions, the following provisions are applicable to DEC, DEP, and Piedmont:

(a) DEC's, DEP's and Piedmont's participation in this Agreement is voluntary. DEC, DEP, or Piedmont is not obligated to take or provide services or make any purchases or sales pursuant to this Agreement, and DEC, DEP, or Piedmont may elect to discontinue its participation in this Agreement at its election after giving any required notice;

(b) DEC, DEP or Piedmont may not make or incur a charge under this Agreement except in accordance with North Carolina law and the rules, regulations and orders of the NCUC promulgated thereunder.

(c) DEC, DEP or Piedmont may not seek to reflect in rates any (A) costs incurred under this Agreement exceeding the amount allowed by the NCUC or (B) revenue level earned under this Agreement less than the amount imputed by the NCUC; and

(d) DEC, DEP or Piedmont shall not assert in any forum – whether judicial, administrative, federal, state, local or otherwise – either on its own initiative or in support of other entity's assertions, that the NCUC's authority to assign, allocate, make pro-forma adjustments to or disallow revenues and costs for retail ratemaking and regulatory accounting and reporting purposes is, in whole or in part, (A) preempted by Federal Law or (B) not within the Commission's power, authority, or jurisdiction; DEC, DEP, and Piedmont will bear the full risk of any preemptive effects of Federal Law with respect to this Agreement.

2. Transfers by DEC, DEP, or Piedmont. With respect to the transfer by DEC, DEP, or Piedmont under this Agreement of the control of, operational responsibility for, or ownership of any DEC, DEP, or Piedmont assets used for the generation, transmission or distribution of electric power to its North Carolina retail customers with a gross book value in excess of ten million dollars, the following shall apply: (a) neither DEC, DEP nor Piedmont may commit to or carry out the transfer except in accordance with all applicable law, and the rules, regulations and orders of the NCUC promulgated thereunder; and (b) neither DEC, DEP, or Piedmont may include in its North Carolina cost of service or rates the value of the transfer, whether or not subject to federal law, except as allowed by the NCUC in accordance with North Carolina law.

3. Access to DEC, DEP or Piedmont Information. Any Operating Company providing Services to DEC or DEP pursuant to this Agreement, including any loaned employees under Section 1.2 of the Agreement, shall be permitted to have access to DEC's, DEP's or Piedmont's Customer Information and Confidential Systems Operation Information, as those terms are defined in the Code of Conduct, to the extent necessary for the performance of such Services; provided that such Operating Company shall take reasonable steps to protect the confidentiality of such Information.



## Exhibit B

4. Procedures for Services Received By DEC, DEP, or Piedmont from each other or the other Operating Companies and for Services Provided by DEC, DEP or Piedmont to each other or the other Operating Companies. DEC, DEP, and Piedmont shall receive from each other and the other Operating Companies, upon the terms and conditions set forth in this agreement, such of the services listed in the Operating Companies Service Agreement List on file with the NCUC, at such times, for such periods and in such manner as DEC, DEP, or Piedmont may from time to time request of each other or another Operating Company. DEC, DEP, or Piedmont may provide to each other and the other Operating Companies, upon the terms and conditions set forth in this Agreement, at such times for such periods, and in such a manner as DEC, DEP or Piedmont concludes it is equipped to perform for each other or another Operating Company. DEC, DEP, or Piedmont may perform these services for each other as described in this paragraph without the requirement of a written request in substantially the form attached to this Agreement as Exhibit A.

**DUKE ENERGY CORPORATION AND CONSENTING MEMBERS OF ITS  
CONSOLIDATED GROUP**

**FOURTH AMENDED AGREEMENT FOR  
FILING CONSOLIDATED INCOME TAX  
RETURNS AND FOR ALLOCATION OF  
CONSOLIDATED INCOME TAX**

Duke Energy Corporation, a Delaware corporation ("Duke Energy"), and its Members hereby agree as of January 1, 2016 to join annually in the filing of a consolidated Federal income tax return and to allocate the consolidated Federal income tax liabilities and benefits among the Members of the Consolidated Group in accordance with the provisions of this Agreement ("Agreement"). This Fourth Amended Agreement supersedes and replaces in its entirety the Third Amended Agreement for Filing Consolidated Income Tax Returns and for Allocation of Consolidated Income and Tax Liabilities and Benefits dated July 2, 2012, to clarify certain terms and reflect changes in parties to the agreement.

**1. DEFINITIONS**

**"Affiliate"** means a corporation, or a company that is treated as a corporation or a company wholly owned by an entity treated as a corporation that is disregarded for purposes of U.S. federal income taxation, other than the common parent which is a Member of the Affiliated Group.

**"Affiliated Group"** means a group of corporations, or companies that are treated as corporations or disregarded for purposes of U.S. federal income taxation, as defined in Internal Revenue Code<sup>1</sup> section 1504 and the regulations enacted thereunder.

**"Consolidated Group"** means a group filing (or required to file) consolidated returns for the tax year.

**"Consolidated tax"** is the aggregate current Federal income tax liability for the Consolidated Group for a tax year shown on the consolidated Federal income tax return, including any adjustments thereto, or as described in section 5 hereof.

**"Corporate taxable income"** is the positive taxable income of an Affiliate for a tax year, computed as though such company had filed a separate return on the same basis as used in the consolidated return, except that dividend income from Affiliates shall be disregarded, and other intercompany transactions, eliminated in consolidation, shall be given appropriate effect.

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<sup>1</sup> All references to the "Internal Revenue Code" or "IRC" are to the Internal Revenue Code of 1986, as amended.

**"Corporate taxable loss"** is the taxable loss of an Affiliate for a tax year, computed as though such entity had filed a Separate return on the same basis as used in the consolidated return, except that dividend income from Affiliates shall be disregarded, and other intercompany transactions, eliminated in consolidation, shall be given appropriate effect.

**"Corporate tax credit"** is a negative separate regular tax of an Affiliate for a tax year, equal to the amount by which the consolidated regular tax is reduced by including the Corporate taxable loss of such Affiliate in the consolidated tax return.

**"Group"** means a group of Affiliates as defined in IRC section 1504.

**"Separate return"** is the tax liability calculated on the taxable income or loss of an Affiliate as though such entity were not a Member of a Consolidated Group.

**"Member"** is an Affiliate, including any Regulated Business as indicated in section 3 herein, which is part of the Affiliated Group as defined in IRC section 1504 that files consolidated tax returns and agrees to be subject to this Agreement.

These definitions shall apply, as appropriate, in the context of the regular income tax and the Alternative Minimum Tax ("AMT") unless otherwise indicated in the Agreement.

## **2. FILING OF RETURNS**

A U.S. consolidated federal income tax return shall be filed by Duke Energy as the common parent for the tax year ended December 31, 2016, and for each subsequent taxable period for which the Affiliated Group is required or permitted to do so. Each Member of the Affiliated Group consents to the filing by Duke Energy of consolidated federal income tax returns for all taxable periods in which it is eligible to be a member of the Affiliated Group. Duke Energy and each Member of the Affiliated Group agrees to execute and file such consents, elections and other documents, and to take such other action as may be necessary, required or appropriate for the proper filing of such returns. Duke Energy will timely pay the Affiliated Group's federal income tax liability for each taxable year.

## **3. REGULATED BUSINESSES OPERATING IN LLC OR LP FORM**

For purposes of allocating the consolidated federal and state tax liabilities and tax benefits under this Agreement, each business operating as a LLC, or LP that is subject to the rules and regulations of the Federal Energy Regulatory Commission or state utilities commissions (hereinafter, a "Regulated Business") shall be considered a Member of the Consolidated Group, and shall be responsible for tax due on its allocable share of taxable income (or shall be entitled to a credit for its allocable share of tax loss), as set forth in Sections 4 through 7 hereof. For purposes of this Agreement, the determination of a Regulated Business's allocable share shall be made (i) as if such Regulated Business was a taxable or regarded entity for U.S. federal income tax purposes and (ii) utilizing the separate "taxable income" method.

4. ALLOCATION PROCEDURES FOR CONSOLIDATED FEDERAL INCOME TAXES

For all taxable periods, Duke Energy shall calculate the consolidated federal income tax liability (including, if applicable, alternative minimum tax liability) of the Affiliated Group for the period. The Members agree that their respective shares of the Consolidated tax liability for each year shall be an amount equal to the amount determined under the taxable income method in accordance with IRC section 1562(a)(1)<sup>1</sup>, with the absorption of tax benefits determined under the percentage method in accordance with Treas. Reg. section 1.1502-33(d)(3)<sup>2</sup>, using 100% as the applicable percentage for allocation of any excess of a member's Separate return liability over that determined under the income method. To the extent that the Consolidated Group federal income tax liability is reduced by a loss or tax credit available to it as a result of the inclusion of a Member in the consolidated federal income tax return, Duke Energy shall make a payment or an inter-company account adjustment for the amount of the benefit to the Member as determined in accordance with this section.

To illustrate the above, the Consolidated tax liability shall be allocated among the Members of the Group utilizing the separate return "taxable income" allocation method attributable to each Member, in the following manner:

- a) Each Member, which has a Corporate taxable loss, will be entitled to a Corporate payment or intercompany credit equal to the amount by which the consolidated regular income tax is reduced by including the corporate tax loss of such Member in the consolidated tax return.

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<sup>1</sup> Under IRC section 1552(a)(1), tax liability is apportioned to each member of the group in accordance with the ratio of the consolidated taxable income attributable to each member bears to the consolidated taxable income.

<sup>2</sup> The percentage method under this regulation "allocates tax liability based on the absorption of tax attributes, without taking into account the ability of any member to subsequently absorb its own tax attributes. The allocation under this method is in addition to the allocation under section 1552."

The Members having corporate taxable income will be allocated an amount of regular income tax liability equal to the sum of the consolidated regular tax liability and the Corporate tax credits allocated to the Members having corporate tax losses based on the ratio that each such Member's Corporate taxable income bears to the total corporate taxable income of all Members having Corporate taxable income.

If the aggregate of the Members' Corporate taxable losses are not entirely utilized on the current year's consolidated return, the consolidated carryback or carryforward of such losses to the applicable taxable year(s) will be allocated to each Member having a Corporate taxable loss in the ratio that such Member's separate Corporate tax loss bears to the total corporate tax losses of all Members having Corporate taxable losses.

- b) The consolidated AMT will be allocated among the Members in accordance with the procedures and principles set forth in Proposed Treasury Regulation section 1.1502-55 in the form such Regulation existed on the date on which this Agreement was executed.
- c) Tax benefits such as general business credits, foreign tax benefits, or other tax credits shall be apportioned directly to those Members whose investments or contributions generated the credit or benefit.

If the credit or benefit cannot be entirely utilized to offset current Consolidated tax, the consolidated credit carryback or carryforward shall be apportioned to those Members whose investments or contributions generated the credit or benefit in proportion to the relative amounts of credits or benefits generated by each Member.

- d) If the amount of Consolidated tax allocated to any Member under this Agreement, as determined above, exceeds the separate return tax of such Member, such excess shall be reallocated among those Members whose allocated tax liability is less than the amount of their respective separate return tax liabilities. The reallocation shall be proportionate to the respective reductions in separate return tax liability of such Members. Any remaining unallocated tax liability shall be assigned to Duke Energy. The term "tax" and "tax liability" used in the subsection shall include regular tax and AMT.

## **5. TAX PAYMENTS AND COLLECTIONS FOR ALLOCATIONS**

Duke Energy shall make any calculations on behalf of the Members necessary to comply with the estimated tax provisions of the Internal Revenue Code of 1986 as amended. Based on such calculations, Duke Energy shall charge or refund to the Members appropriate amounts at intervals consistent with the dates indicated by IRC section 6855. Duke Energy shall be responsible for paying to the Internal Revenue Service

the consolidated current Federal income tax liability.

After filing the consolidated Federal income tax return and allocating the Consolidated tax liability among the Members, Duke Energy and the Members agree to settle between them the difference, if any, between the allocable federal income tax liability as determined under this Agreement and the sum of all payments or inter-company adjustments previously made relating to that tax year no later than ninety (90) days after the filing of the consolidated Federal income tax return.

**6. ALLOCATION OF STATE TAX LIABILITIES OR BENEFITS**

State and local income tax liabilities will be allocated, where appropriate, among Members in accordance with principles similar to those employed in the Agreement for the allocation of consolidated Federal income tax liability.

**7. TAX RETURN ADJUSTMENTS**

In the event the consolidated tax return is subsequently adjusted by the Internal Revenue Service, state tax authorities, amended returns, claims for refund, or otherwise, such adjustments shall be reflected in the same manner as though they had formed part of the original consolidated return. Interest paid or received, and penalties imposed on account of any adjustment will be allocated to the responsible Member.

**8. NEW MEMBERS**

If, at any time, a corporation becomes a Member of the affiliated group, the parties hereto agree that such new Member shall become a party to this Agreement and execute a duplicate copy of this Agreement. Unless otherwise specified, such new Member shall have similar rights and obligations of all other Members under this Agreement, effective as of the day they become a member of the Affiliated Group that elects to file a consolidated return.

**9. MEMBERS LEAVING THE AFFILIATED GROUP**

In the event that any Member of the Affiliated Group at any time leaves the Group and, under any applicable statutory provision or regulation, that Member is assigned and is deemed to take with it all or a portion of any of the tax attributes (including, but not limited to, net operating losses, credit carryforwards, and Minimum Tax Credit carryforwards) of the Affiliated Group, then, to the extent the amount of the attributes so assigned differs from the amount of such attributes previously allocated to such Member under this Agreement, the leaving Member shall appropriately settle with the Group. Such settlement shall consist of payment on a dollar-for-dollar basis for all differences in credits and, in the case of net operating loss differences, in an amount computed by reference to the highest marginal

corporate tax rate. The settlement amounts shall be allocated among the remaining Members of the Group in proportion to the relative level of attributes possessed by each Member and the attributes of each Member shall be adjusted accordingly.

10. **SUCCESSORS, ASSIGNS**

The provisions and terms of the Agreement shall be binding on and inure to the benefit of any successor or assignee by reason of merger, acquisition of assets, or otherwise, of any of the Members hereto.

11. **AMENDMENTS AND TERMINATION**

This Agreement may be amended at any time by the written agreement of the parties hereto at the date of such amendment and may be terminated at any time by the written consent of all such parties.

12. **GOVERNING LAW**

This Agreement is made under the law of the State of Delaware, which law shall be controlling in all matters relating to the interpretation, construction, or enforcement hereof.

13. **EFFECTIVE DATE**

This Agreement is effective for the allocation of the current Federal income tax liabilities of the Members for the consolidated tax year 2016 and all subsequent years until this Agreement is revised in writing.

The above procedure for apportioning the consolidated annual net current federal and state tax liabilities and tax benefits of Duke Energy and consenting Members of its Consolidated Group have been agreed to by each of the below listed Members of the Consolidated Group as evidenced by the signature of an officer of each entity.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed on its behalf by an appropriate officer thereunto duly authorized.

**DUKE ENERGY CORPORATION**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**CINERGY CORP.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE ENERGY BUSINESS SERVICES LLC**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**DUKE ENERGY OHIO, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE ENERGY INDIANA, LLC**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**SOUTH CONSTRUCTION COMPANY, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE ENERGY KENTUCKY, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary



**DUKE ENERGY CAROLINAS, LLC**

By:   
Nancy M. Wright  
Assistant Secretary

**MIAMI POWER CORPORATION**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**TRI-STATE IMPROVEMENT COMPANY**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**KO TRANSMISSION COMPANY**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE ENERGY COMMERCIAL ENTERPRISES, INC.**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**CINERGY GLOBAL POWER, INC.**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**CINERGY GLOBAL RESOURCES, INC.**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE TECHNOLOGIES, INC.**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

DE NUCLEAR ENGINEERING, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DEMI MANAGEMENT, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKE ENERGY MARKETING AMERICA, LLC

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY REGISTRATION SERVICES, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY SERVICES, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKENET VENTURECO, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

EASTOVER MINING COMPANY

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY CHINA CORP.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKE ENERGY CORPORATE SERVICES, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

PROGRESS ENERGY, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKE ENERGY PROGRESS, LLC

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY FLORIDA, LLC

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

CAROFUND, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

CAPITAN CORPORATION

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PROGRESS ENERGY ENVIROTREE, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

STRATEGIC RESOURCE SOLUTIONS CORP.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

FLORIDA PROGRESS FUNDING CORPORATION

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PROGRESS CAPITAL HOLDINGS, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PIH, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PIH TAX CREDIT FUND III, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PIH TAX CREDIT FUND IV, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PIH TAX CREDIT FUND V, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

PROGRESS TELECOMMUNICATIONS CORPORATION

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

**PROGRESS FUELS CORPORATION**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**PROGRESS SYNFUEL HOLDINGS, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**DUKE ENERGY RENEWABLES, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**CINERGY GLOBAL HOLDINGS, INC.**

By: *R. G. Beach*  
Richard G. Beach  
Secretary

**DUKE ENERGY ONE, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE-RELIANT RESOURCES, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**DUKE ENERGY GENERATION SERVICES, INC.**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**CINERGY CLIMATE CHANGE INVESTMENTS, LLC**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

CINERGY SOLUTIONS – UTILITY, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

CALDWELL POWER COMPANY

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

CATAWBA MFG. & ELECTRIC POWER CO.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

CLAIBORNE ENERGY SERVICES, INC.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DIXILYN-FIELD DRILLING COMPANY

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY MARKETING CORP.

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

EASTOVER LAND COMPANY

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Corporate Secretary

ENERGY PIPELINES INTERNATIONAL COMPANY

By: Nancy M. Wright  
Nancy M. Wright  
Assistant Secretary

**GREENVILLE GAS AND ELECTRIC LIGHT AND POWER COMPANY**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**SOUTHERN POWER COMPANY**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**WESTERN CAROLINA POWER COMPANY**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Corporate Secretary

**WATEREE POWER COMPANY**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**DUKE ENERGY TRANSMISSION HOLDING COMPANY, LLC**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**CATAMOUNT ENERGY CORPORATION**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

**CATAMOUNT RUMFORD CORPORATION**

By: *Nancy M. Wright*  
Nancy M. Wright  
Assistant Secretary

CATAMOUNT SWEETWATER CORPORATION

By:   
Nancy M. Wright  
Assistant Secretary


CEC UK1 HOLDING CORP.

By:   
Nancy M. Wright  
Assistant Secretary

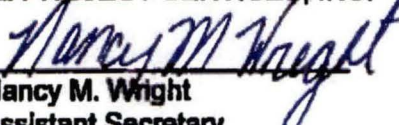
CEC UK2 HOLDING CORP.

By:   
Nancy M. Wright  
Assistant Secretary

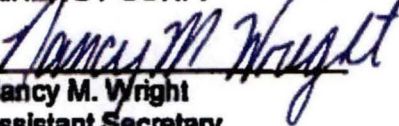
EQUINOX VERMONT CORPORATION

By:   
Nancy M. Wright  
Assistant Secretary


DUKE PROJECT SERVICES, INC.

By:   
Nancy M. Wright  
Assistant Secretary

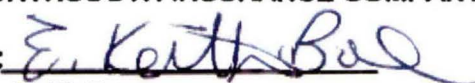
PANENERGY CORP.

By:   
Nancy M. Wright  
Assistant Secretary

BISON INSURANCE COMPANY LIMITED

By:   
Keith Bone  
Secretary

NORTHSOUTH INSURANCE COMPANY LIMITED

By:   
Keith Bone  
Secretary



**DUKE ENERGY INTERNATIONAL, LLC**

By:   
Stephen De May  
Treasurer/Vice President


**DUKE ENERGY GLOBAL INVESTMENTS, LLC**

By:   
Stephen De May  
Treasurer/Vice President

**RE SFCITY1, LP  
(BY ITS PARENT, DUKE ENERGY RENEWABLES, INC.)**

By:   
Nancy M. Wright  
Assistant Corporate Secretary

**RP-ORLANDO, LLC**

By:   
Nancy M. Wright  
Assistant Secretary

**PIEDMONT NATURAL GAS COMPANY, INC.**

By:   
Nancy M. Wright  
Assistant Corporate Secretary


**PIEDMONT ENERGY PARTNERS, INC.**

By:   
Nancy M. Wright  
Assistant Secretary

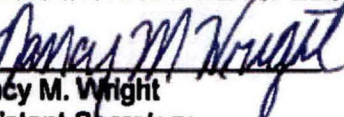
**PIEDMONT ENCG COMPANY, LLC**

By:   
Nancy M. Wright  
Assistant Secretary

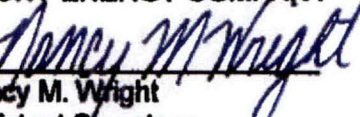
**PIEDMONT INTERSTATE PIPELINE COMPANY**

By:   
Nancy M. Wright  
Assistant Secretary

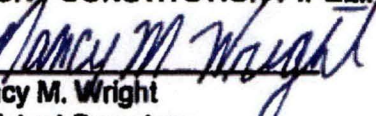
**PIEDMONT INTRASTATE PIPELINE COMPANY**

By:   
Nancy M. Wright  
Assistant Secretary

**PIEDMONT ENERGY COMPANY**

By:   
Nancy M. Wright  
Assistant Secretary

**PIEDMONT CONSTITUTION PIPELINE COMPANY, LLC**

By:   
Nancy M. Wright  
Assistant Secretary

## UTILITY MONEY POOL AGREEMENT

This UTILITY MONEY POOL AGREEMENT (this "Agreement") is made and entered into by and among Duke Energy Corporation, a Delaware corporation ("Duke Energy"), Cinergy Corp., a Delaware corporation ("Cinergy"), Duke Energy Carolinas, LLC, a North Carolina limited liability company ("DEC"), Duke Energy Indiana, LLC, an Indiana limited liability company ("DEI"), Duke Energy Ohio, Inc., an Ohio corporation ("DEO"), Duke Energy Kentucky, Inc., a Kentucky corporation ("DEK"), Progress Energy, Inc., a North Carolina corporation ("Progress Energy"), Duke Energy Progress, LLC, a North Carolina limited liability company ("DEP"), Duke Energy Florida, LLC, a Florida limited liability company, ("DEF"), Piedmont Natural Gas Company, Inc., a North Carolina corporation ("Piedmont"), and Duke Energy Business Services LLC, a Delaware limited liability company ("DEBS"), (each a "party" and collectively, the "parties"). The Effective Date as stated herein is the date on which the Agreement is executed or, as may be required, submitted to the appropriate regulatory body for approval, whichever occurs last. This Agreement supersedes and replaces in its entirety all previous Utility Money Pool Agreements dated before the Effective Date of this Agreement.

### Recitals

Each of DEC, DEI, DEO, DEK, DEF, DEP, and Piedmont is a public utility company and a subsidiary company of Duke Energy. DEBS is a subsidiary service company of Duke Energy.

The parties from time to time have need to borrow funds on a short-term basis. Some of the parties from time to time have funds available to loan on a short-term basis. The parties desire to establish a cash management program (the "Utility Money Pool") to coordinate and provide for certain of their short-term cash and working capital requirements.

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the parties hereto agree as follows:

## ARTICLE I CONTRIBUTIONS AND BORROWINGS

Section 1.1 Contributions to Utility Money Pool. Each party will determine each day, on the basis of cash flow projections and other relevant factors, in such party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by such party's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other

relevant factors, in such party's sole discretion. Each party may withdraw any of its funds at any time upon notice to DEBS as administrative agent of the Utility Money Pool.

**Section 1.2 Rights to Borrow.** Subject to the provisions of Section 1.4(b) of this Agreement, all short-term borrowing needs of the parties, with the exception of Duke Energy, Progress Energy and Cinergy, will be met by funds in the Utility Money Pool to the extent such funds are available. Each party (other than Duke Energy, Progress Energy and Cinergy) shall have the right to make short-term borrowings from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein. Each party (other than Duke Energy, Progress Energy and Cinergy) may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the parties; provided, however, that the aggregate amount of all loans requested by any party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of regulatory authorities, resolutions of such party's shareholders and Board of Directors, such party's governing corporate documents, and agreements binding upon such party. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by Duke Energy, Progress Energy and Cinergy.

**Section 1.3 Source of Funds.** (a) Funds will be available through the Utility Money Pool from the following sources for use by the parties from time to time: (i) surplus funds in the treasuries of parties other than Duke Energy, Progress Energy and Cinergy, (ii) surplus funds in the treasuries of Duke Energy, Progress Energy and Cinergy, and (iii) proceeds from borrowings by parties, including the sale of commercial paper by Duke Energy, Progress Energy, Cinergy, DEC, DEI, DEO, DEK, DEP, DEF, and Piedmont ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such other order as DEBS, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the parties providing funds to the Utility Money Pool.

(b) Borrowing parties will borrow pro rata from each lending party in the proportion that the total amount loaned by such lending party bears to the total amount then loaned through the Utility Money Pool. On any day when more than one fund source (e.g., surplus treasury funds of Duke Energy, Progress Energy and Cinergy and other Utility Money Pool participants ("Internal Funds") and External Funds), with different rates of interest, is used to fund loans through the Utility Money Pool, each borrowing party will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Utility Money Pool.

**Section 1.4 Authorization.** (a) Each loan shall be authorized by the lending party's chief financial officer or treasurer, or by a designee thereof.

(b) All borrowings from the Utility Money Pool shall be authorized by the borrowing party's chief financial officer or treasurer, or by a designee thereof. No party shall be required to effect a borrowing through the Utility Money Pool if such party determines that it can (and is authorized to) effect such borrowing at lower cost from other sources, including but not limited to directly from banks or through the sale of its own commercial paper.

Section 1.5 Interest. Each party receiving a loan shall accrue interest monthly on the unpaid principal amount of such loan to the Utility Money Pool from the date of such loan until such principal amount shall be paid in full.

(a) If only Internal Funds comprise the funds available in the Utility Money Pool, the interest rate applicable to loans of such Internal Funds shall be the CD yield equivalent of the 30-day Federal Reserve "AA" Industrial Commercial Paper Composite Rate (or, if no such Composite Rate is established for that day, then the applicable rate shall be the Composite Rate for the next preceding day for which such Composite Rate was established).

(b) If only External Funds comprise the funds available in the Utility Money Pool, the interest rate applicable to loans of such External Funds shall be equal to the lending party's cost for such External Funds (or, if more than one party had made available External Funds on such day, the applicable interest rate shall be a composite rate, equal to the weighted average of the cost incurred by the respective parties for such External Funds).

(c) In cases where both Internal Funds and External Funds are concurrently borrowed through the Utility Money Pool, the rate applicable to all loans comprised of such "blended" funds shall be a composite rate, equal to the weighted average of the (i) cost of all Internal Funds contributed by parties (as determined pursuant to Section 1.5(a) above) and (ii) the cost of all such External Funds (as determined pursuant to Section 1.5(b) above); provided, that in circumstances where Internal Funds and External Funds are available for loans through the Utility Money Pool, loans may be made exclusively from Internal Funds or External Funds, rather than from a "blend" of such funds, to the extent it is expected that such loans would result in a lower cost of borrowing.

Section 1.6 Certain Costs. The cost of compensating balances and fees paid to banks to maintain credit lines by parties lending External Funds to the Utility Money Pool shall initially be paid by the party maintaining such line. A portion of such costs shall be retroactively allocated every month to the parties borrowing such External Funds through the Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

Section 1.7 Repayment. Each party receiving a loan hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 365 days of the date on which such loan was made. All loans made

through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

Section 1.8 Form of Loans to Parties. Loans to the parties through the Utility Money Pool will be made pursuant to open-account advances, repayable upon demand and in any event not later than one year after the date of the advance; provided, that each lending party shall at all times be entitled to receive upon demand one or more promissory notes evidencing any and all loans by such lender. Any such note shall: (a) be dated as of the date of the initial borrowing, (b) mature on demand or on a date agreed by the parties to the transaction, but in any event not later than one year after the date of the applicable borrowing, and (c) be repayable in whole at any time or in part from time to time, without premium or penalty.

## ARTICLE II OPERATION OF UTILITY MONEY POOL

Section 2.1 Operation. Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by DEBS under the authority of the appropriate officers of the parties. DEBS shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the parties. DEBS will administer the Utility Money Pool on an at-cost basis. Separate records shall be kept by DEBS for the money pool established by this agreement and any other money pool administered by DEBS.

Section 2.2 Investment of Surplus Funds in the Utility Money Pool. Funds not required to meet Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including: (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 or P-1 or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar certificates of deposit or time deposits; and (viii) such other investments as the parties mutually determine .

Section 2.3 Allocation of Interest Income and Investment Earnings. The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the parties in accordance with the proportion each party's contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool and the cost of any External Funds provided to the Utility Money Pool by such party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

Section 2.4 Event of Default. If any party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any party seeking to adjudicate it a bankrupt or insolvent, then the other parties may declare the unpaid principal amount of any loans to such party, and all interest thereon, to be forthwith due and payable and all such amounts shall forthwith become due and payable.

### ARTICLE III MISCELLANEOUS

Section 3.1 Amendments. No amendment to this Agreement shall be effective unless set forth in writing and executed by each of the parties. To the extent that applicable state law or regulation or other binding obligation requires that any such amendment be filed with any affected state public utility commission for its review or otherwise, the parties shall comply in all respects with any such requirements.

Section 3.2 Legal Responsibility. Nothing herein contained shall render any party liable for the obligations of any other party hereunder and the rights, obligations and liabilities of the parties are several in accordance with their respective obligations, and not joint.

Section 3.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

Section 3.4 Effective Date; Term. This Agreement shall become effective on the Effective Date and shall continue in full force and effect until terminated by the parties. This Agreement may be terminated and thereafter will be of no further force and effect upon the mutual consent in writing of all of the parties.

Section 3.5 Entire Agreement. This Agreement contains the entire agreement between and among the parties with respect to the subject matter hereof and supersedes any prior or contemporaneous contracts, agreements, understandings or arrangements, whether written or oral, with respect thereto. Any oral or written statements, representations, promises, negotiations or agreements, whether prior hereto or concurrently herewith, are superseded by and merged into this Agreement.

Section 3.6 Severability; Regulatory Requirements. If any provision of this Agreement shall be determined to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby. Without limiting the generality of the foregoing, the transactions contemplated under this Agreement shall in all cases, and notwithstanding anything herein to the contrary, be subject to any limitations or restrictions contained in any applicable orders or authorizations, statutory provisions, rules or regulations, or agreements, whether now in existence or hereinafter promulgated,

of those regulatory or governmental agencies, including without limitation any affected state public utility commission or the Federal Energy Regulatory Commission, having jurisdiction over any of the parties. To the extent, if any, that at any time any provision of this Agreement conflicts with any such limitation or restriction of any such regulatory agencies, such limitation shall control.

Section 3.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of each of the other parties. Any attempted or purported assignment in violation of the preceding sentence shall be null and void and of no effect whatsoever. Subject to the preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 3.8 Captions, etc. The captions and headings used in this Agreement are for convenience of reference only and shall not affect the construction to be accorded any of the provisions hereof. As used in this Agreement, "hereof," "hereunder," "herein," "hereto," and words of like import refer to this Agreement as a whole and not to any particular section or other paragraph or subparagraph thereof.

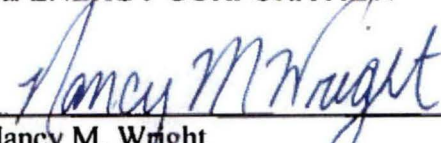
Section 3.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed a duplicate original hereof, but all of which shall be deemed one and the same Agreement.

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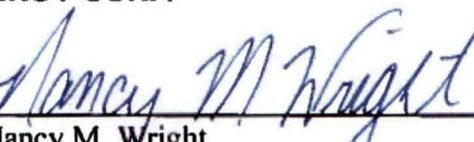


IN WITNESS WHEREOF, the undersigned companies have duly caused this Utility Money Pool Agreement to be executed on \_\_\_\_\_, 201\_\_, on their behalf on the Effective Date above by the undersigned thereunto duly authorized.

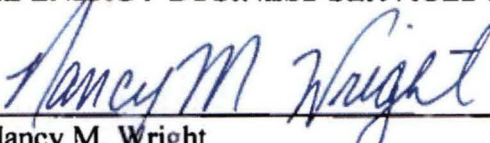
DUKE ENERGY CORPORATION

By:   
Nancy M. Wright  
Assistant Corporate Secretary

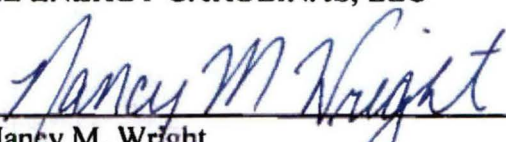
CINERGY CORP.

By:   
Nancy M. Wright  
Assistant Corporate Secretary

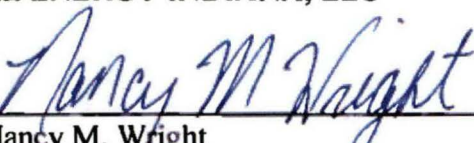
DUKE ENERGY BUSINESS SERVICES LLC

By:   
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY CAROLINAS, LLC

By:   
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY INDIANA, LLC

By:   
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY OHIO, INC.

By: Nancy M Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKE ENERGY KENTUCKY, INC.

By: Nancy M Wright  
Nancy M. Wright  
Assistant Corporate Secretary

PROGRESS ENERGY, INC.

By: Nancy M Wright  
Nancy M. Wright  
Assistant Corporate Secretary

DUKE ENERGY PROGRESS, LLC

By: Nancy M Wright  
Nancy M. Wright  
Assistant Secretary

DUKE ENERGY FLORIDA, LLC

By: Nancy M Wright  
Nancy M. Wright  
Assistant Secretary

PIEDMONT NATURAL GAS COMPANY,  
INC.

By: Nancy M Wright  
Nancy M. Wright  
Assistant Corporate Secretary