Earnings Review and Business Update
November 5, 2014  |  Third Quarter 2014

Lynn Good, President and CEO
Steve Young, Executive VP and CFO
Safe Harbor statement
Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy’s 2013 Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

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

Supplemental information
Supplemental information related to today’s presentation can be accessed via our Investor Relations website at www.duke-energy.com/investors/. This supplemental information includes presentation appendix materials.
On-track to achieve 2014 guidance range of $4.50 to $4.65 per share (1)(2)

- On-track to achieve LT EPS growth of 4-6% (1) through 2016
- Balance sheet remains strong
- Long-term customer load growth trends remain positive

Announced agreement to sell Midwest generation fleet to Dynegy for $2.8 billion
- Solid results at Duke Energy Renewables

Achieved record 3Q nuclear capacity factor
- Strong capacity factors for the regulated combined-cycle gas fleet
- On-track to achieve expected merger savings

3Q-2014 Earnings Review and Financial Update
- On-track to achieve 2014 guidance range of $4.50 to $4.65 per share (1)(2)
- On-track to achieve LT EPS growth of 4-6% (1) through 2016

Topics for today’s call

Position Core Businesses for Growth
- Announced infrastructure and generation growth investment opportunities of up to $5.5 billion during 3Q 2014
- Obtained Florida PSC approval of new generation investments

Optimize Operational Performance

Maximize Commercial Business Value
- Announced agreement to sell Midwest generation fleet to Dynegy for $2.8 billion

3Q-2014 Earnings Review and Financial Update
- On-track to achieve 2014 guidance range of $4.50 to $4.65 per share (1)(2)
- On-track to achieve LT EPS growth of 4-6% (1) through 2016

(1) Based on adjusted diluted EPS  (2) Assumes normal weather for 4Q 2014
Growth initiatives underpin long-term financial objectives

Growth initiatives announced during 3Q 2014

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlantic Coast Pipeline</td>
<td>Potential $2 billion investment (1)</td>
</tr>
<tr>
<td></td>
<td>2016 – 2018 construction timeframe</td>
</tr>
<tr>
<td>Indiana SB 560 Plan</td>
<td>Requested IURC approval for $1.9 billion investment</td>
</tr>
<tr>
<td></td>
<td>2015 – 2021 timeframe</td>
</tr>
<tr>
<td>NCEMPA Asset Purchase</td>
<td>Potential $1.2 billion investment</td>
</tr>
<tr>
<td></td>
<td>Required to close purchase by end of 2016</td>
</tr>
<tr>
<td>Regulated Renewables in NC</td>
<td>Commits $0.5 billion for solar generation (PPA and turnkey)</td>
</tr>
<tr>
<td></td>
<td>All projects online by end of 2015</td>
</tr>
</tbody>
</table>

These investments represent up to $5.5 billion in growth projects

(1) Duke Energy’s 40 percent ownership interest in the total $4.5-5.0 billion project. Investment level will depend upon how the project and Duke investment are financed
New generation projects update

2018 Citrus County CC – Florida ($1.5 Billion Investment)
- 1,640 MW CCGT, expected online in 2018
- CPCN issued by FPSC in October 2014

2017 Lee CC – Carolinas ($600 Million Investment) (1)
- 750 MW CCGT, expected online in late 2017 (2)
- Received CPCN in May 2014
- Initiated sourcing of long lead time equipment

2017 Gas Capacity – Florida ($350 Million Investment) (3)
- 220 MW uprate at Hines, to be online by the end of 2017
- CPCN issued by FPSC in October 2014
- Acquisition of Calpine’s Osprey CC or additional CTs at Suwannee (320 MW), expected online in 2017
- Filings expected in 4Q 2014 or 1Q 2015

2015 Solar – Carolinas (~$250 Million Investment) (4)
- Acquire and construct 3 projects (128 MW) by the end of 2015
- Filed for approval of CPCN transfer from previous owner

Major Generation Projects ($ millions)

- Florida CCGT
- Carolina CCGT
- Florida 2017 Capacity
- Carolina Solar

Estimated expenditures to complete project (Including AFUDC)

(1) Represents Duke Energy’s 650 MW share of the project
(2) NCEMC to own ~100MW of 750 MW plant
(3) Cost estimate assumes construction of Suwannee CTs
(4) Represents cost of constructing three owned projects; excludes value of five PPA agreements
Coal ash management activities moving forward

3Q 2014 Activities

- Implemented new internal Coal Combustion Products (CCP) organization to oversee ash basin facility improvements, maintenance, and beneficial re-use
- Established a National Ash Management Advisory Board (NAMAB), a panel of nine independent experts to help guide the company’s strategy for permanent ash storage
  - Includes expertise from industry and academia
  - Skill sets include engineering, waste management, coal technologies, environmental science and risk analysis

Next Steps

- Developing excavation plans for four high-priority sites (Dan River, Asheville, Riverbend and Sutton), as required by Coal Ash Management Act
- Final risk classifications will inform ultimate closure method and cost at other ten sites in North Carolina
- Developing comprehensive solutions at our remaining sites outside of North Carolina (34 ash basins)
  - Plans will vary based upon site-specific factors
  - Plans will be informed by final EPA rule, expected Dec. 2014

Coal Ash Management Act of 2014

North Carolina law enacted in September

- Requires North Carolina ash basins to be closed over a 5-15 year period based on NC DENR’s risk classifications
- Establishes a Coal Ash Management Commission to approve closure methods and oversee implementation
- North Carolina Utilities Commission continues to regulate cost recovery (1)

14 Sites in North Carolina (32 ash basins)

North Carolina Utilities Commission continues to regulate cost recovery (1)

(1) Costs related to the Dan River discharge clean-up activities will be borne by the company

6 | Third Quarter 2014 Earnings Review and Business Update
Edwardsport IGCC plant operations on track

**Operational Status**

- Plant began commercial operations in June 2013
- Performance testing is complete; reviewing test data received with GE
  - Achieved nameplate capacity of 618 MW
- Output and overall performance in 2014 has improved since extreme winter weather in January and February
  - Achieved gasifier availability of ~75 percent in Q2
  - Achieved gasifier availability of ~70 percent in Q3 (including planned maintenance outage in September)
  - Gasifier availability of ~90 percent in the peak summer months of July & August
- Plant is well positioned to reliably serve customers for decades to come

**IGCC Rider Proceeding Status**

<table>
<thead>
<tr>
<th>Tracker</th>
<th>Costs Thru</th>
<th>Filed</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGCC-11</td>
<td>Mar. 2013</td>
<td>May 2013</td>
<td>Awaiting order; expected in 1H 2015</td>
</tr>
<tr>
<td>IGCC-12</td>
<td>Sept. 2013</td>
<td>Dec. 2013</td>
<td>Hearings scheduled for February 2015, order expected 1H 2015</td>
</tr>
<tr>
<td>IGCC-13</td>
<td>Mar. 2014</td>
<td>June 2014</td>
<td></td>
</tr>
<tr>
<td>IGCC-14</td>
<td>Sept. 2014</td>
<td></td>
<td>Expect to file in December 2014</td>
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**Fuel Adjustment Clause (FAC) Status**

<table>
<thead>
<tr>
<th>Tracker</th>
<th>Time Period</th>
<th>Filed</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAC-99</td>
<td>Sept. – Nov. 2013</td>
<td>Jan. 2014</td>
<td>Approved in April</td>
</tr>
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</table>

- FAC-99 sub-docket being held in abeyance pending outcome of the IGCC-12 and 13 proceedings
- December 2013-March 2014 fuel costs approved subject to refund, pending outcome of the IGCC-12 and 13 proceedings
Announced agreement to sell Midwest generation to Dynegy

**Transaction overview**
- Announced sale of Midwest generation business to Dynegy for $2.8 billion in cash in August
- Use of proceeds could include a combination of:
  - Reinvestment in growth projects
  - Avoidance of future holding company debt issuances
  - Stock buyback
- Transaction expected to be accretive to adjusted diluted EPS, depending upon timing of closing and ultimate use of proceeds

**Approvals needed / closing timeline**
- Federal Energy Regulatory Commission (FERC)
- Department of Justice under the Hart-Scott Rodino Act
- Duke’s release from certain credit support obligations
- Expect to close the transaction by the end of Q1 2015
3Q 2014 earnings summary and key drivers

### Adjusted diluted EPS

<table>
<thead>
<tr>
<th></th>
<th>3Q 2013</th>
<th>3Q 2014</th>
<th>YTD 2013</th>
<th>YTD 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGULATED UTILITIES</td>
<td>$1.46</td>
<td>$1.40</td>
<td>$3.36</td>
<td>$3.69</td>
</tr>
<tr>
<td>INTERNATIONAL ENERGY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMMERCIAL POWER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### 3Q 2014 Key adjusted segment income drivers (2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>(Expense)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGULATED UTILITIES</td>
<td>(-$3 million)</td>
<td>Flat</td>
</tr>
<tr>
<td>Increased pricing &amp; riders</td>
<td>▲</td>
<td>$0.07</td>
</tr>
<tr>
<td>Less unfavorable weather</td>
<td>▲</td>
<td>$0.04</td>
</tr>
<tr>
<td>Favorable change in effective tax rate</td>
<td>▲</td>
<td>$0.04</td>
</tr>
<tr>
<td>Higher depreciation and amortization expense</td>
<td>▼</td>
<td>$0.06</td>
</tr>
<tr>
<td>Higher interest expense</td>
<td>▼</td>
<td>$0.04</td>
</tr>
<tr>
<td>Lower retail customer volumes</td>
<td>▼</td>
<td>$0.03</td>
</tr>
<tr>
<td>Higher property taxes and other non-income taxes</td>
<td>▼</td>
<td>$0.03</td>
</tr>
<tr>
<td>INTERNATIONAL ENERGY</td>
<td>(-$36 million)</td>
<td>-$0.05</td>
</tr>
<tr>
<td>Unfavorable results in Latin America, primarily due to lower volumes and higher purchased power costs in Brazil and an unplanned outage in Chile</td>
<td>▼</td>
<td></td>
</tr>
<tr>
<td>COMMERCIAL POWER</td>
<td>+$36 million</td>
<td>+$0.05</td>
</tr>
<tr>
<td>Higher Midwest generation results, primarily due to higher PJM capacity prices</td>
<td>▲</td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td>(-$37 million)</td>
<td>-$0.05</td>
</tr>
<tr>
<td>Unfavorable change in effective tax rate</td>
<td>▼</td>
<td>$0.07</td>
</tr>
<tr>
<td>Lower interest expense</td>
<td>▲</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

**2014 Status**

On track to achieve revised range of $4.50 - $4.65 per share (1)

**3Q 2014 earnings summary and key drivers**

Despite lower results in the third quarter, the revised 2014 earnings guidance range is achievable (1)

(1) Based on adjusted diluted EPS / assumes normal weather for Q4 2014

(2) Drivers of adjusted income (expense) by segment are available in the 3Q 2014 earnings release located on our Investor Relations website at www.duke-energy.com/investors/.
Rolling 12 month (RTM) and YTD weather-normalized load growth is ahead of our 2014 expectations of 0.5% growth

- Growth by customer class (RTM):
  - Residential +0.5%
  - Commercial +1.1%
  - Industrial +0.6%

- Excluding two DEP industrial closings, growth improves to +0.9% (RTM)

3Q 2014 follows a prior period with strong retail load growth, contributing to lower quarter-over-quarter results
Residential customer growth continues to outpace usage

**Number of residential customers continues to consistently grow at around 1% over the last 12 months**

- Customer growth in our jurisdictions was led by Florida:
  - Florida +1.5%
  - Carolinas +1.0%
  - Midwest +0.5%

- Usage per customer trends remain volatile and can be driven by:
  - Changes in energy efficiency and conservation
  - Median household incomes and unemployment trends
  - Construction of multi-family housing

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**Residential Customer Trends**

- Q1 '13: 0.7%
- Q2 '13: 0.8%
- Q3 '13: 0.8%
- Q4 '13: 1.0%
- Q1 '14: 1.0%
- Q2 '14: 0.9%
- Q3 '14: 1.1%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '13</td>
<td>0.7%</td>
</tr>
<tr>
<td>Q2 '13</td>
<td>0.8%</td>
</tr>
<tr>
<td>Q3 '13</td>
<td>0.8%</td>
</tr>
<tr>
<td>Q4 '13</td>
<td>1.0%</td>
</tr>
<tr>
<td>Q1 '14</td>
<td>1.0%</td>
</tr>
<tr>
<td>Q2 '14</td>
<td>0.9%</td>
</tr>
<tr>
<td>Q3 '14</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

- YoY Growth in Avg. # of Customers
3Q Key Accounting Matters

Coal Ash Asset Retirement Obligation

- Accounting rules require the company to recognize an Asset Retirement Obligation (ARO) liability of ~$3.4 billion in 3Q 2014 as a result of the NC Coal Ash Management Act of 2014
- Obligation is capitalized on the balance sheet as PP&E (active sites) and regulatory asset (retired sites)
- The ARO is estimated using a probability-weighted net present value model for a number of closure scenarios
- The ARO will be adjusted over time, as new information becomes available

Midwest Generation Business

- Announced plans to exit the Midwest generation business in February 2014 and recognized a $1.4 billion pre-tax impairment in 1Q 2014 based on estimated market value
- In late August, announced agreement to sell business to Dynegy for $2.8 billion
- In 3Q 2014:
  - Reversed ~$475 million of the previously recognized impairment, due to higher than estimated fair value
  - The business is reflected as “Discontinued Operations” for GAAP reporting purposes (for current and prior periods)
  - Midwest generation’s earnings in 2014 will be included in Duke Energy’s adjusted EPS
Primary 4Q 2014 EPS drivers (1)

- Nuclear outage cost levelization benefits
- Lower results in Latin America
- Reduced COR amortization in Florida
- Normal weather
- Higher effective tax rate
- Higher PJM capacity prices
- Retail & wholesale load growth

4Q 2014 earnings are expected to decline from prior year; expect full-year 2014 earnings between $4.50 and $4.65 per share (1)(2)

(1) Based upon adjusted diluted EPS
(2) Assumes normal weather
Achieving long-term adjusted EPS growth of 4-6% through 2016 (1)

4% Adjusted EPS growth highly achievable with base plan

- 0.5% Retail Load Growth
- Wholesale Growth
- Cost Control

Annual Growth Investments (~$3 billion)
- Carolinas & Florida generation
- Indiana T&D infrastructure plan (SB 560)
- Regulated & Unregulated Renewables

Optimize Commercial Businesses
- Accretive deployment of Midwest generation sales proceeds
- International strategic review
- Accelerate growth in Renewables

Incremental Growth Initiatives
- NCEMPA Purchase ($1.2 billion investment by 2016)
- Atlantic Coast Pipeline (2) ($2 billion investment from 2016 – 2018)

Retail Load Growth >0.5%
- As of Sept. 30, rolling twelve month trend is ~0.7%
- Remain confident in longer-term growth assumption of 1%

Illustrative only, boxes are not to scale

(1) Based upon the midpoint of the original 2013 adjusted diluted EPS guidance range of $4.20-$4.45.
(2) May change depending upon how project and DUK investment are financed.
Financial objectives for 2014 and beyond

Achieve revised 2014 EPS guidance range of $4.50 - $4.65

Grow dividend within 65 - 70% target payout

Grow EPS 4 - 6% through 2016

Maintain strong credit ratings and balance sheet

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(1) Based on adjusted diluted EPS / 2014 EPS guidance range assumes normal weather for Q4 2014

(2) Long-term adjusted diluted EPS growth rate of 4-6% through 2016 is based upon the midpoint of the original 2013 adjusted diluted EPS guidance range of $4.20-$4.45
<table>
<thead>
<tr>
<th>Item</th>
<th>Slides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update on Key 2014 Assumptions</td>
<td>17-20</td>
</tr>
<tr>
<td>3Q 2014 Earnings Supplement</td>
<td>21-28</td>
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<tr>
<td>Growth Investments</td>
<td>29-34</td>
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<tr>
<td>Environmental Overview</td>
<td>35-41</td>
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<tr>
<td>Coal Ash Supplement</td>
<td>42-44</td>
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<tr>
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<td>45-52</td>
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<tr>
<td>Upcoming Events</td>
<td>53</td>
</tr>
</tbody>
</table>
Duke Energy value proposition

**Superior Total Shareholder Return (TSR) Potential**
- Long-term EPS growth of 4-6% \(^{(1)}\)
- Attractive annual dividend yield (~3.9%) \(^{(2)}\) with growth flexibility
- ~8-10% average annual TSR potential
- Strong balance sheet

**Leverage Our Competitive Advantages**
- Operate in constructive regulated jurisdictions
- Merger provides unique levers to deliver benefits
- Attractive service territories positioned for growth
- Diverse business mix & strategic flexibility

**Excel in Business Imperatives**
- Focus on the customer
- Operational excellence
- Exercise financial discipline
- Support our communities

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\(^{(1)}\) Long-term adjusted diluted EPS growth rate of 4-6% through 2016 is based upon the midpoint of the original 2013 adjusted diluted EPS guidance range of $4.20-$4.45

\(^{(2)}\) As of November 4, 2014
Business segment structure

DUKE ENERGY

REGULATED UTILITIES

Duke Energy Carolinas
- North and South Carolina

Duke Energy Progress
- North and South Carolina

Duke Energy Florida
- Florida

Duke Energy Indiana
- Indiana

Duke Energy Ohio
- Ohio T&D
- Ohio Gas Distribution
- Kentucky Electric and Gas

COMMERCIAL POWER

Duke Energy Renewables

INTERNATIONAL ENERGY

Duke Energy Retail (1)

Midwest Coal Generation (1)

Midwest Gas Generation (1)

(1) Midwest Coal & Gas Generation and Duke Energy Retail are reflected in “Discontinued Operations” for GAAP reporting purposes.
## Update on key 2014 earnings guidance assumptions

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Original 2014 assumptions (1)</th>
<th>2014 YTD (thru 9/30/14)</th>
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</thead>
<tbody>
<tr>
<td><strong>Adjusted segment income (expense) (2):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated Utilities</td>
<td>$2,855</td>
<td>$2,346</td>
</tr>
<tr>
<td>International Energy</td>
<td>$430</td>
<td>$356</td>
</tr>
<tr>
<td>Commercial Power</td>
<td>$130</td>
<td>$77</td>
</tr>
<tr>
<td>Other</td>
<td>($215)</td>
<td>($171)</td>
</tr>
<tr>
<td>Duke Energy Consolidated</td>
<td>$3,200</td>
<td>$2,608</td>
</tr>
<tr>
<td><strong>Additional consolidated information:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$1,650</td>
<td>$1,212</td>
</tr>
<tr>
<td>Adjusted effective tax rate</td>
<td>33 – 34%</td>
<td>32% (3)</td>
</tr>
<tr>
<td>Debt AFUDC and capitalized interest</td>
<td>$80</td>
<td>$55</td>
</tr>
<tr>
<td>AFUDC equity</td>
<td>$140</td>
<td>$99</td>
</tr>
<tr>
<td>Capital expenditures (4)</td>
<td>$5,825 – $6,125</td>
<td>$3,836</td>
</tr>
<tr>
<td>Weighted-average shares outstanding</td>
<td>707 million</td>
<td>707 million</td>
</tr>
</tbody>
</table>

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(1) As disclosed on February 18, 2014
(2) Original 2014 adjusted net income assumptions based upon midpoint of the original adjusted diluted EPS guidance range of $4.45 to $4.60 per share
(3) Expect full year 2014 adjusted effective tax rate between 32 and 33 percent
(4) Includes debt AFUDC and capitalized interest
3Q 2014 weather-normalized load growth was below full-year expectation of ~0.5%, while YTD and rolling 12 month results remain ahead

- **Residential**: continued steady growth in average number of customers of ~1%; usage per customer remains volatile
- **Commercial**: longer term trends are favorable, as employment and vacancy rates continue to show signs of improvement
- **Industrial**: strength in manufacturing, metals, and construction in Duke’s service territories (1)

Continue to be encouraged by overall economic growth prospects; expect longer-term load growth rates of ~1%

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(1) Excluding the impact of two DEP industrial closings, Q3 2014 industrial growth improves to +1.3% (Quarter over Quarter) and +1.4% (Rolling 12 months)
Regulated Utilities weather-normalized volume trends, by jurisdiction

### Q3 2014 Rolling 12-month Volume Trends

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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>1.5%</td>
<td>2.3%</td>
<td>1.5%</td>
<td>1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-0.3%</td>
<td>-0.5%</td>
<td>0.8%</td>
<td>-0.3%</td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>Commercial</td>
<td>Industrial</td>
<td>Total Retail</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Volume trends represent 12-month rolling average weather-normal volume changes.

(1) Excluding the impact of two DEP industrial closings, DEP’s industrial sector improves to -1.7% and DEP’s total retail improves to -0.4%

(2) Excluding the impact of two DEP industrial closings, Regulated Utilities’ industrial sector improves to +1.4% and total retail improves to +0.9%
### Regulated Utilities quarterly weather impacts

<table>
<thead>
<tr>
<th>Weather segment income to normal:</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>$100</td>
<td>706</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$40</td>
<td>707</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>($65)</td>
<td>707</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year-to-Date (1)</td>
<td>$75</td>
<td>707</td>
</tr>
</tbody>
</table>

(1) Year-to-date EPS amounts may not foot due to differences in weighted average shares outstanding and/or rounding

### Key weather data (3Q14)

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<thead>
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<tr>
<td></td>
<td>12</td>
<td>7</td>
<td>-</td>
<td>88</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>20.0%</td>
<td>16.7%</td>
<td>-</td>
<td>66.0%</td>
<td>26.1%</td>
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<tbody>
<tr>
<td></td>
<td>884 (13.3%)</td>
<td>1,000 (9.3%)</td>
<td>1,497 (0.7%)</td>
<td>507 (36.6%)</td>
<td>629 (22.3%)</td>
</tr>
</tbody>
</table>
Fuel and Joint Dispatch savings update

Guaranteed $687 million in fuel and joint dispatch savings to Carolinas customers over 5 years (1)

- During 3Q 2014 achieved ~$50 million in total savings
- ~$360 million in cumulative savings to date
- Achieved or locked-in ~82% of guaranteed fuel and joint dispatch savings through renegotiated contracts

Joint dispatch continues to deliver benefits to customers in the Carolinas

(1) Additional 18 months (6.5 years total) allowed to achieve savings if actual coal usage is lower than projected due to natural gas commodity prices
<table>
<thead>
<tr>
<th>Entity</th>
<th>Filing</th>
<th>Docket number</th>
<th>Status</th>
<th>Intervener filings</th>
<th>Staff Filing</th>
<th>Evidentiary Hearings</th>
<th>Expected Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indiana</td>
<td>FAC Sub-docket</td>
<td>38707-FC99S1</td>
<td>Held in abeyance pending outcome of IGCC-12 and IGCC-13</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Indiana</td>
<td>7-year TDSIC (SB 560)</td>
<td>44526</td>
<td>Procedural schedule set</td>
<td>Nov. 12, 2014</td>
<td>Nov. 12, 2014</td>
<td>Dec. 18, 2014</td>
<td>2Q 2015</td>
</tr>
</tbody>
</table>
### Edwardsport IGCC rider summary

<table>
<thead>
<tr>
<th>Tracker</th>
<th>Costs Thru (1)</th>
<th>Rates Effective</th>
<th>Status</th>
<th>Six-Month Revenue Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGCC-1</td>
<td>Feb. 2008</td>
<td>Jan. 2009</td>
<td>Approved</td>
<td>$ 8 million</td>
</tr>
<tr>
<td>IGCC-2</td>
<td>Sept. 2008</td>
<td>May 2009</td>
<td>Approved</td>
<td>$ 17 million</td>
</tr>
<tr>
<td>IGCC-4</td>
<td>Sept. 2009</td>
<td>July 2010</td>
<td>Approved</td>
<td>$ 49 million</td>
</tr>
<tr>
<td>IGCC-8 (2)</td>
<td>Sept. 2011</td>
<td>Jan 2013</td>
<td>Approved</td>
<td>$ 101 million (3)</td>
</tr>
<tr>
<td>IGCC-9</td>
<td>Mar. 2012</td>
<td>April 2013</td>
<td>Approved</td>
<td>$ 97 million (3)</td>
</tr>
<tr>
<td>IGCC-10</td>
<td>Sept. 2012</td>
<td>Sept. 2013</td>
<td>Approved</td>
<td>$ 152 million (3)</td>
</tr>
<tr>
<td>IGCC-11</td>
<td>Mar. 2013</td>
<td>TBD</td>
<td>Awaiting Order</td>
<td>$ 178 million (3)(4)</td>
</tr>
<tr>
<td>IGCC-12</td>
<td>Sept. 2013</td>
<td>TBD</td>
<td>Hearings in February 2015</td>
<td>$ 184 million (3)(5)</td>
</tr>
<tr>
<td>IGCC-13</td>
<td>Mar. 2014</td>
<td>TBD</td>
<td>Hearings in February 2015</td>
<td>$ 187 million (3)(5)</td>
</tr>
</tbody>
</table>

(1) Costs thru period is for actual costs. Operating expenses are estimated a year in advance (e.g., IGCC-10 included actual costs through Sept. 2012 and an estimate for operating expenses for the six-month period ending Sept. 2013.)

(2) IGCC riders 5-7 were delayed during settlement discussions. IGCC-8 incorporated Duke Energy Indiana's settlement with intervenors.

(3) Includes a credit for approx. $18 million ($35 million on an annual basis) related to a depreciation rate adjustment for non-IGCC property agreed upon in the Settlement.

(4) Includes a credit for ~$5 million to begin crediting back ~$31 million over 3 years related to a provision in the Commission’s 12/27/2012 Order approving the Settlement Agreement that required the establishment of a regulatory liability for amounts billed under IGCC-4 rates associated with previously granted deferred income tax incentive ratemaking treatment.

(5) Includes a net amortization of (1) operating expenses deferred pursuant to the terms in the Settlement Agreement and (2) the regulatory liability for the amount billed under IGCC-4 rates associated with previously granted deferred income tax incentive ratemaking treatment.
In 3Q 2014, the country’s thermal generation units continue to be used to preserve the nation’s reservoir levels and meet customer demand. Brazil has more thermal generation compared to 2001.

In anticipation of low reservoir levels and high electric demand, we strategically reduced our targeted 2014 contracted percentage, and have taken similar actions for 2015.
Growth Investments
Growth investments of $16-20B from 2014-2018

**New Generation ($6-8 Billion)**
- Florida CC / CT Investments
- W.S. Lee CCGT in SC
- Regulated Solar
- NCEMPA joint owner purchase agreement (1)
- Commercial renewable projects

**Infrastructure ($7-9 Billion)**
- SB560 in Indiana
- Grid modernization and T&D in OH, FL, NC, SC
- New customer connections
- Atlantic Coast Pipeline
- Commercial transmission projects

**Compliance & Other ($3 Billion)**
- EPA regulations, including existing and potential air, water and waste regulations
- NRC Fukushima-related regulations

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(1) Jointly owned plants include Harris Nuclear Plant, Brunswick Nuclear Plant, Roxboro Steam Plant Unit 4 and the Mayo Plant (totaling ~700 MW)
Atlantic Coast Pipeline provides DUK investment opportunity of ~$2 billion (1)

<table>
<thead>
<tr>
<th>Joint Venture Ownership Structure</th>
<th>Next Steps and Necessary Approvals (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent Company</strong></td>
<td><strong>Event</strong></td>
</tr>
<tr>
<td><strong>Dominion</strong></td>
<td>NCUC approval of affiliate agreement</td>
</tr>
<tr>
<td><strong>DUKE ENERGY.</strong></td>
<td>Pre-filing with FERC</td>
</tr>
<tr>
<td><strong>Piedmont Natural Gas</strong></td>
<td>File FERC application</td>
</tr>
<tr>
<td><strong>AGL Resources</strong></td>
<td>Obtain CPCN from FERC</td>
</tr>
<tr>
<td><strong>Ownership Percentage</strong></td>
<td>Begin construction</td>
</tr>
<tr>
<td><strong>45%</strong></td>
<td>In-service</td>
</tr>
<tr>
<td><strong>40%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>10%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>5%</strong></td>
<td></td>
</tr>
</tbody>
</table>

- Total investment of $4.5 - 5 billion (3)
- Pipeline is over 90 percent subscribed; open season launched to fill remaining capacity
  - Duke Energy Carolinas and Duke Energy Progress will enter into transportation agreements

(1) Investment level will depend upon how project and DUK investment are financed
(2) Project requires additional local, state and federal approvals other than those listed
(3) Excludes financing costs and expansion potential

- North Carolina Utility Commission (NCUC) approved affiliate agreement between Carolinas utilities and the pipeline (required due to Duke’s ownership interest)
- Federal Regulatory Energy Commission (FERC) to approve Certificate of Public Convenience and Necessity (CPCN)
Agreement in place to purchase NCEMPA’s joint ownership

- Agreement to purchase the North Carolina Eastern Municipal Power Agency (NCEMPA) joint ownership in several Duke Energy Progress plants (1)
- Purchase price of approximately $1.2 billion (2)
- Transaction requires approval from FERC, US Department of Justice, NRC, and the Carolinas utilities commissions
- DEP will enter into a full-requirements wholesale contract to continue supplying power to NCEMPA
- Required to close transaction by the end of 2016
- Expect annualized EPS impact between $0.05 and $0.10

Next Steps

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FERC Filing</td>
<td>Fall 2014 ✔</td>
</tr>
<tr>
<td>File with Carolinas Commissions</td>
<td>TBD</td>
</tr>
<tr>
<td>Final Approvals</td>
<td>TBD</td>
</tr>
<tr>
<td>Close Transaction</td>
<td>by end of 2016</td>
</tr>
</tbody>
</table>

(1) NCEMPA's ownership interest includes Harris Nuclear Plant, Brunswick Nuclear Plant, Roxboro Steam Plant Unit 4 and the Mayo Plant. NCEMPA owns approximately 700 megawatts of combined generating capacity in these plants.
(2) Subject to certain adjustments as set forth in the asset purchase agreement
## Growing renewables portfolio (~$2 billion of investments through 2018)

<table>
<thead>
<tr>
<th>Commercial Renewables</th>
<th>Regulated Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wind</strong></td>
<td><strong>Rooftop solar installation in NC</strong></td>
</tr>
<tr>
<td>– Construction of Los Vientos III and IV wind projects (400 MW capacity); long-term PPA with Austin Energy</td>
<td></td>
</tr>
<tr>
<td>– Expected online in 2015 and 2016</td>
<td></td>
</tr>
<tr>
<td>– Construction of Los Vientos V wind project (110 MW capacity); long-term PPAs with Garland Power &amp; Light, Greenville Electric Utility System and Bryan Texas Utilities (BTU)</td>
<td></td>
</tr>
<tr>
<td>– Expected online in 2015</td>
<td></td>
</tr>
<tr>
<td><strong>Solar</strong></td>
<td><strong>North Carolina Solar RFP</strong></td>
</tr>
<tr>
<td>– ~110 MW under construction in North Carolina and California; long-term PPAs with SO Cal. Edison and institutional customers</td>
<td></td>
</tr>
<tr>
<td>– Expected online in 2014 and 2015</td>
<td></td>
</tr>
<tr>
<td><strong>North Carolina Solar RFP</strong></td>
<td></td>
</tr>
<tr>
<td>– On Sept. 15th, company announced (1) PPAs with 5 new projects (150 MW) and (2) the acquisition and construction of 3 projects (128 MW); all online by end of 2015</td>
<td></td>
</tr>
<tr>
<td>– 8 projects (278 MW) represent total commitment of $500M</td>
<td></td>
</tr>
<tr>
<td>– NCUC approval needed for CPCN transfer of owned projects</td>
<td></td>
</tr>
<tr>
<td><strong>South Carolina Legislation</strong></td>
<td></td>
</tr>
<tr>
<td>– New legislation passed addressing (1) cost recovery for utility renewable investments, (2) a commission review of net metering rates, and (3) solar leasing</td>
<td></td>
</tr>
<tr>
<td>– Potential 150 MW investment for DEC and DEP by 2021</td>
<td></td>
</tr>
</tbody>
</table>
Duke Energy Indiana files $1.9 billion T&D infrastructure plan

- On August 29th, filed a seven-year T&D infrastructure improvement plan with the Indiana Utility Regulatory Commission (IURC) under the provisions of Senate Enrolled Act 560

- **Total investments of ~$1.9 billion over 7-year term**
  - Transmission & Distribution system modernization
  - Advanced metering infrastructure (AMI)
  - Economic Development and T&D support

- **Project benefits**
  - Improved reliability and safety
  - More efficient customer outage management
  - Enhanced information for customers
  - Quicker customer requested connects and disconnects
  - Energy savings

- **Cost recovery (if approved)**
  - Plan results in approximate 1% per year customer rate impact
  - 80 percent of approved costs through a semi-annual rider
  - Remaining 20 percent deferred until next general rate case
  - Utility to file a general rate case by the end of the 7-year plan

**Next Steps**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidentiary Hearings</td>
<td>December 2014</td>
</tr>
<tr>
<td>IURC decision on filing</td>
<td>2Q 2015</td>
</tr>
<tr>
<td>Begin project work</td>
<td>Upon approval</td>
</tr>
</tbody>
</table>
Environmental Overview
## Pending environmental regulations

<table>
<thead>
<tr>
<th>Rule overview</th>
<th>Potential impacts to Duke Energy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mercury and Air Toxics Standards Rule (MATS)</strong></td>
<td></td>
</tr>
<tr>
<td>Regulates Hazardous Air Pollutants (e.g., mercury &amp; non-mercury HAPs)</td>
<td>Additional air emissions control equipment</td>
</tr>
<tr>
<td>Compliance deadline April 16, 2015 with possible one-year extension</td>
<td>Timing of unit retirements</td>
</tr>
<tr>
<td>DC Circuit Court upheld the rule in its entirety</td>
<td>Execute strategy as planned</td>
</tr>
<tr>
<td>Supreme Court has been requested to review the DC Circuit Decision</td>
<td></td>
</tr>
<tr>
<td><strong>Cross-State Air Pollution Rule (CSAPR)</strong></td>
<td>No additional CapEx investment anticipated</td>
</tr>
<tr>
<td>Regulates NO\textsubscript{x} and SO\textsubscript{2}; D.C. Circuit issued a stay in December 2011</td>
<td></td>
</tr>
<tr>
<td>D.C. Circuit lifted the stay on rule in October 2014</td>
<td></td>
</tr>
<tr>
<td>Phase I of CSAPR Rule to go into effect January 1, 2015</td>
<td></td>
</tr>
<tr>
<td>Additional issues are still under review by the D.C. Circuit</td>
<td></td>
</tr>
<tr>
<td><strong>Greenhouse Gas New Source Performance Standard (New Sources)</strong></td>
<td>Could affect technology selection for future new generation</td>
</tr>
<tr>
<td>Proposed rule published Jan 8, 2014; expect final rule 2015</td>
<td>Potential to affect long-term fuel diversity</td>
</tr>
<tr>
<td>Regulation of CO\textsubscript{2} emissions for new pulverized coal, IGCC, and natural gas combustion turbine and combined-cycle facilities</td>
<td></td>
</tr>
<tr>
<td>Partial CCS required for coal</td>
<td></td>
</tr>
<tr>
<td><strong>Greenhouse Gas New Source Performance Standard (Existing Sources)</strong></td>
<td>States to develop regulations based on final EPA guidance</td>
</tr>
<tr>
<td>Proposed rule published June 18, 2014; comments due December 1, 2014</td>
<td>Outcome of proceedings unknown</td>
</tr>
<tr>
<td>EPA targeting June 1, 2015 to finalize</td>
<td></td>
</tr>
<tr>
<td>A broad ranging proposal for limiting CO\textsubscript{2} emissions from existing coal-fired power plants</td>
<td></td>
</tr>
</tbody>
</table>
## Pending environmental regulations, cont.

<table>
<thead>
<tr>
<th>Rule overview</th>
<th>Potential impacts to Duke Energy</th>
</tr>
</thead>
</table>
| **Coal Combustion Residuals Rule (CCR)** | | Close or upgrade wet ash ponds  
| - Regulates coal combustion residuals (e.g., coal ash)  
| - Rule proposed in June 2010  
| - EPA expected to finalize the rule by December 19, 2014 | Convert wet ash handling to dry  
| | New wastewater treatment systems |
| **316(b) Cooling Water Intake Structures Rule** | | Modification of existing cooling water intake structures or cooling tower installations  
| - Targets minimizing the impact to aquatic life from the location and operation of cooling water intake structures  
| - Final rule effective October 14, 2014  
| - Litigation has been filed challenging the rule | Site specific evaluations will occur over the next 3 to 5 years with modifications, if necessary, expected to occur in 5 to 8 years  
| | Potential capex range of $400 - $500 million |
| **Revisions to the Steam Electric Effluent Limitations Guidelines (ELG)** | | Convert wet ash handling to dry  
| - Establishes technology based wastewater discharge limits for steam electric generating facilities  
| - Applies to coal, gas-fired, combined cycle, and nuclear, with proposed revisions primarily affecting coal  
| - Coordination with the CCR rule expected  
| - Proposed rule published on June 7, 2013  
| - EPA to finalize rule in September 2015 per revised settlement agreement | New/upgraded wastewater treatment systems |
Pending EPA regulations will impact U.S. generation

<table>
<thead>
<tr>
<th>Major regulations</th>
<th>Duke Energy domestic generation (as of 9/30/14)</th>
<th>Considerations for EPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Combustion Residuals Rule (Coal Ash)</td>
<td><strong>Coal generation profile</strong></td>
<td>• Transition period must be reasonable to allow utilities time to comply with the new rules</td>
</tr>
<tr>
<td>Steam Electric Effluent Limitations Guidelines</td>
<td>TODAY – 21.4 GW (1)</td>
<td>• Plant closures could cause a strain on reliability</td>
</tr>
<tr>
<td>Cross-State Air Pollution Rule</td>
<td>POST MODERNIZATION (2) – 20.2 GW</td>
<td>• Flexibility should be maintained to help keep the cost of compliance at a reasonable level</td>
</tr>
<tr>
<td>Mercury and Air Toxics Standards Rule</td>
<td><strong>Coal generation by technology</strong></td>
<td></td>
</tr>
<tr>
<td>Cooling Water Intake Structures Rule</td>
<td><strong>Steam Generation Cooling Water Intake Profile</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TODAY – 40.7 GW (4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>POST MODERNIZATION (2) – 39.5 GW</td>
<td></td>
</tr>
</tbody>
</table>

(1) Reflects already completed retirements of Edwardsport 6-8 (160 MW); Buck 3-6 (369 MW); Cliffside 1-4 (198 MW); Dan River 1-3 (276 MW); Riverbend 4-7 (454 MW); Gallagher 1,3 (280 MW) per Consent Decree; Beckjord 1-6 (859 MW); Weatherspoon 1-3 (177 MW); DEP Lee 1-3 (391 MW); Bartow 1-3 (440 MW); Robinson 1 (177 MW); Cape Fear 5-6 (316 MW); Crystal River 3 (789 MW); and Sutton 1-3 (575 MW).
(2) Reflects potential future retirements
(3) Includes Gallagher 2&4, which are retrofitted with baghouse

---

Duke Energy domestic generation (as of 9/30/14) Considerations for EPA

- Transition period must be reasonable to allow utilities time to comply with the new rules
- Plant closures could cause a strain on reliability
- Flexibility should be maintained to help keep the cost of compliance at a reasonable level
### Positioning our coal fleet for EPA regulations

<table>
<thead>
<tr>
<th>Coal generation profile – as of 9/30/14</th>
<th>Plans for coal generation without controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duke Carolinas ~7.2 GW</td>
<td>- Lee 1&amp;2 ~200 MW potential to be retired by 2015</td>
</tr>
<tr>
<td></td>
<td>- Lee 3 ~170 MW expected to be converted to gas in 2014</td>
</tr>
<tr>
<td>Duke Progress ~3.3 GW</td>
<td>- Crystal River 1&amp;2 873 - Planning for limited continued operation after April 2015; MATS compliance provisions currently under review by State agencies</td>
</tr>
<tr>
<td>Duke Florida ~2.3 GW</td>
<td>- Wabash River 2-5 ~350 MW potential to be retired by 2016</td>
</tr>
<tr>
<td></td>
<td>- Wabash River 6 ~320 MW potential to convert to gas or retire by 2016</td>
</tr>
<tr>
<td></td>
<td>- * Includes Gallagher 2&amp;4, which are retrofitted with baghouse</td>
</tr>
<tr>
<td>Duke Indiana ~5.4 GW</td>
<td>- Beckjord 5-6 ~390 MW retired September 1, 2014</td>
</tr>
<tr>
<td>Duke Ohio ~2.7 GW</td>
<td>- Miami Fort 6 ~165 MW potential to be retired by 2015</td>
</tr>
</tbody>
</table>
| Duke Kentucky ~0.6 GW                  | - 

(1) All amounts represent approximate owned summer rating capacity
(2) Environmental control plans are per the respective jurisdictional IRPs and are subject to change
(3) Duke Energy Carolinas retirement plans reflect meeting the requirements of the January 2012 Settlement Agreement for Cliffside Unit 6. Agreement requires, in varying blocks of MWs and dates, the ultimate retirement of 1,667 MWs of coal-fired generation by December 31, 2020.
(4) Duke Energy Florida retirement plans reflect meeting the requirements of the agreement for Visibility Rule compliance. Agreement requires the cessation of coal fired operation by the end of 2020.
(5) Reflects already completed retirements of Edwardsport 6-8 (160 MW); Buck 3-6 (369 MW); Cliffside 1-4 (198 MW); Dan River 1-3 (276MW); Riverbend 4-7 (454MW); Gallagher 1,3 (280MW) per Consent Decree; Beckjord 1-6 (859 MW); Weatherspoon 1-3 (177 MW); DEP Lee 1-3 (391 MW); Bartow 1-3 (440 MW); Robinson 1 (177 MW); Cape Fear 5-6 (316 MW); Crystal River 3 (789 MW); and Sutton 1-3 (575 MW).
### Duke Energy steam facility data (As of 9/30/14)

<table>
<thead>
<tr>
<th>Structure</th>
<th>Operating state</th>
<th>Jurisdiction</th>
<th>Steam unit facility</th>
<th>Owned capacity – summer rating (MW)</th>
<th>Fuel type</th>
<th>Current cooling method</th>
<th>Air Emissions controls</th>
<th>Ash Handling (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Allen</td>
<td>1,127</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Scrubber</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Belews Creek</td>
<td>2,220</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Cliffside 5</td>
<td>556</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Cliffside 6</td>
<td>825</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Lee</td>
<td>370</td>
<td>Coal</td>
<td>Once-Through</td>
<td></td>
<td>Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation (1)</td>
<td>DE Carolinas</td>
<td>Marshall</td>
<td>2,078</td>
<td>Coal</td>
<td>Once-Through</td>
<td>658MW with Scrubber and SCR; 1420MW with Scrubber</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Buck CC</td>
<td>620</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Dan River CC</td>
<td>620</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Catawba</td>
<td>435</td>
<td>Nuclear</td>
<td>Closed Cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>McGuire</td>
<td>2,200</td>
<td>Nuclear</td>
<td>Once-Through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Carolinas</td>
<td>Oconee</td>
<td>2,538</td>
<td>Nuclear</td>
<td>Once-Through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Asheville</td>
<td>376</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Mayo</td>
<td>609</td>
<td>Coal</td>
<td>Cooling Lake</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Roxboro 1-4</td>
<td>2,327</td>
<td>Coal</td>
<td>Once-Through (1-3), Closed Cycle (4)</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Smith 4-5</td>
<td>1,122</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Wayne County CC</td>
<td>920</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
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</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Sutton CC</td>
<td>625</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Brunswick</td>
<td>1,517</td>
<td>Nuclear</td>
<td>Once-Through</td>
<td></td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Harns</td>
<td>742</td>
<td>Nuclear</td>
<td>Cooling Lake</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Progress</td>
<td>Robinson</td>
<td>724</td>
<td>Nuclear</td>
<td>Once-Through</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Kentucky</td>
<td>East Bend</td>
<td>414</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation (1)</td>
<td>DE Kentucky</td>
<td>Miami Fort 6</td>
<td>163</td>
<td>Coal</td>
<td>Once-Through</td>
<td></td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
</tbody>
</table>

(1) Potential retirements include DEC Lee Units 1-2; Wabash River Units 2-5; and Miami Fort Unit 6. Reflects already completed retirements of Edwardsport 6-8 (160 MW); Buck 3-6 (369 MW); Cliffside 1-4 (198 MW); Dan River 1-3 (276MW); Riverbend 4-7 (454MW); Gallagher 1,3 (280MW) per Consent Decree; Beckjord 1-6 (859 MW); Weatherspoon 1-3 (177 MW); DEP Lee 1-3 (391 MW); Bartow 1-3 (440 MW); Robinson 1 (177 MW); Cape Fear 5-6 (316 MW); Crystal River 3 (789 MW); and Sutton 1-3 (575 MW). Wabash River Unit 6 (320 MW) potential to be converted to gas or retired. DEC Lee Unit 3 (170MW) expected to be converted to gas.

(2) For additional information on ash management, please see [http://www.duke-energy.com/ash-management/](http://www.duke-energy.com/ash-management/)
<table>
<thead>
<tr>
<th>Structure</th>
<th>Operating state</th>
<th>Jurisdiction</th>
<th>Steam unit facility</th>
<th>Owned capacity – summer rating (MW)</th>
<th>Fuel type</th>
<th>Current cooling method</th>
<th>Air Emissions controls</th>
<th>Ash Handling (3)</th>
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</thead>
<tbody>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Indiana</td>
<td>Cayuga</td>
<td>1,005</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Scrubber; SCR Under Construction</td>
<td>Wet Sluice (Dry Under Construction); Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Indiana</td>
<td>Gibson</td>
<td>2,822</td>
<td>Coal</td>
<td>Cooling Lake, No NPDES Permit</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation (1)</td>
<td>DE Indiana</td>
<td>Wabash River</td>
<td>668</td>
<td>Coal</td>
<td>Once-Through</td>
<td>318MW Dry; Wet 350MW Wet; Wet Sluice</td>
<td></td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Indiana</td>
<td>Gallagher 2&amp;4</td>
<td>280</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Baghouse</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Indiana</td>
<td>Edwardsport IGCC</td>
<td>618</td>
<td>Coal</td>
<td>Closed Cycle - No Intake</td>
<td>Slexol and SCR</td>
<td>Dry Slag Handling</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Indiana</td>
<td>Noblesville CC</td>
<td>310</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td></td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Florida</td>
<td>Anclote</td>
<td>1,011</td>
<td>Gas</td>
<td>Once-Through</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated</td>
<td>In Operation (2)</td>
<td>DE Florida</td>
<td>Crystal River 1-2</td>
<td>1,133</td>
<td>Gas</td>
<td>Once-Through</td>
<td>SCR</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Florida</td>
<td>Crystal River 4-5</td>
<td>1,422</td>
<td>Coal</td>
<td>Closed Cycle</td>
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<td>Dry; Dry</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Florida</td>
<td>Hines CC</td>
<td>1,912</td>
<td>Gas</td>
<td>Cooling Lake</td>
<td>SCR</td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Florida</td>
<td>Suwannee River</td>
<td>129</td>
<td>Gas/Oil</td>
<td>Once-Through</td>
<td></td>
<td></td>
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<tr>
<td>Regulated</td>
<td>In Operation</td>
<td>DE Florida</td>
<td>Tiger Bay</td>
<td>205</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Conesville 4</td>
<td>312</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Stuart 1-3</td>
<td>675</td>
<td>Coal</td>
<td>Once-Through</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Stuart 4</td>
<td>225</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Killen</td>
<td>198</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Wet Sluice; Wet Sluice</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Miami Fort 7-8</td>
<td>640</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Dry; Wet Sluice</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>DE Ohio</td>
<td>Zimmer</td>
<td>605</td>
<td>Coal</td>
<td>Closed Cycle</td>
<td>Scrubber and SCR</td>
<td>Dry; Dry</td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>Duke Energy</td>
<td>Fayette CC</td>
<td>633</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
<td></td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>Duke Energy</td>
<td>Hanging Rock CC</td>
<td>1,262</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
<td></td>
</tr>
<tr>
<td>Non-Regulated</td>
<td>In Operation</td>
<td>Duke Energy</td>
<td>Washington CC</td>
<td>639</td>
<td>Gas</td>
<td>Closed Cycle</td>
<td>SCR</td>
<td></td>
</tr>
</tbody>
</table>

(1) Potential retirements include DEC Lee Units 1-2; Wabash River Units 2-5; and Miami Fort Unit 6. Reflects already completed retirements of Edwardsport 6-8 (160 MW); Buck 3-6 (369 MW); Cliffside 1-4 (198 MW); Dan River 1-3 (276MW); Riverbend 4-7 (454MW); Gallagher 1,3 (280MW) per Consent Decree; Beckjord 1-6 (859 MW); Weatherspoon 1-3 (177 MW); DEP Lee 1-3 (391 MW); Bartow 1-3 (440 MW); Robinson 1 (177 MW); Cape Fear 5-6 (316 MW); Crystal River 3 (789 MW); and Sutton 1-3 (575 MW). Wabash River Unit 6 (320 MW) potential to be converted to gas or retired. DEC Lee Unit 3 (170MW) expected to be converted to gas.

(2) Crystal River 1-2 (873 MW) - Planning for limited continued operation after April 2015; MATS compliance provisions currently under review by State agencies

(3) For additional information on ash management, please see http://www.duke-energy.com/ash-management/
Ash Basins: Dedicated company website

Ash Management

Duke Energy is focused on finding safe, smart options for the communities we serve

Visit: www.duke-energy.com/ash-management for up-to-date information
# Ash Basins: Notice of Violations in the Carolinas

<table>
<thead>
<tr>
<th>Site</th>
<th>NOV Issuance</th>
<th>Duke’s NOV Response</th>
<th>Cited Violation</th>
<th>Duke’s Response Summary</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dan River</td>
<td>2/28/2014</td>
<td>3/13/14</td>
<td>Notice of unlawful discharge and potential issuance of civil penalties (associated with stormwater pipe failure)</td>
<td>- Duke Energy was operating in full compliance with its NPDES permit prior to the release and had been undertaking regular inspections of the ash pond dikes as required. The failure of the pipe was sudden and unintentional. Duke Energy believes that it took all reasonable steps to prevent discharges in violation of the NPDES permit.</td>
<td>Awaiting action from NC DENR regarding NOV</td>
</tr>
<tr>
<td>W.S. Lee</td>
<td>3/5/2014</td>
<td>4/4/2014</td>
<td>Violations for not having stormwater permits</td>
<td>- Duke Energy performed all required inspections, but failed to submit the reports as outlined in the permit</td>
<td>All required reports have now been submitted to the state</td>
</tr>
<tr>
<td>Belew’s Creek</td>
<td>3/5/2014</td>
<td></td>
<td>Non-permitted discharge of stormwater</td>
<td>- Duke Energy submitted stormwater applications for all our plants in both N.C. and S.C. since the early 1990s when the stormwater requirements first became effective</td>
<td>Awaiting action from NC DENR regarding NOV</td>
</tr>
<tr>
<td>Cliffside</td>
<td>3/5/2014</td>
<td>3/25/2014</td>
<td></td>
<td>- H.F. Lee and Sutton do not have stormwater discharges and do not require stormwater permits</td>
<td>Awaiting action from NC DENR regarding NOV</td>
</tr>
<tr>
<td>Dan River</td>
<td>3/5/2014</td>
<td>3/25/2014</td>
<td></td>
<td></td>
<td>Awaiting action from NC DENR regarding NOV</td>
</tr>
<tr>
<td>H.F. Lee</td>
<td>8/26/2014</td>
<td>9/10/2014</td>
<td>Constituent levels that exceed groundwater standards in monitoring wells</td>
<td>- The NOV was not warranted as these allegations have already been raised in pending litigation</td>
<td>Awaiting action from NC DENR</td>
</tr>
<tr>
<td>Roxboro</td>
<td></td>
<td></td>
<td></td>
<td>- DENR has not yet established the standard to be applied for naturally occurring constituents</td>
<td>Awaiting action from NC DENR</td>
</tr>
<tr>
<td>Sutton</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Awaiting action from NC DENR</td>
</tr>
</tbody>
</table>

Note: The NOV indicated that NC DENR was recommending assessment of civil penalties, the magnitude of which is currently unknown.
Established track record of dividend growth

- DUK has an above-average dividend yield compared to its peer group
- DUK is growing the dividend annually, but at a rate slower than the growth in EPS
- DUK will reach its targeted 65-70% payout ratio in 2014
- Once the targeted dividend payout range is achieved, DUK board has additional flexibility to grow dividend more consistent with earnings growth rate

**DUK annual dividend per share**

- 2009: $2.88
- 2010: $2.94
- 2011: $3.00
- 2012: $3.06
- 2013: $3.12
- 2014E: $3.18

*2% Dividend CAGR*

**Attractive current dividend yield of 3.9%**

---

(1) Annual dividends reflect annualized Q4 dividend per share for each year and have been adjusted for the 1-for-3 reverse stock split; 2014 projected dividend is subject to Board discretion
(2) Based on adjusted diluted earnings per share (EPS)
(3) As of November 4, 2014
Simplified financing structure

Duke Energy (HoldCo)

- Cinergy Corp. (HoldCo)
  - Duke Energy Carolinas
  - Duke Energy Ohio
  - Duke Energy Kentucky
- Duke Energy International
  - Duke Energy Indiana
- Progress Energy (HoldCo) (1)
  - Duke Energy Progress
  - Duke Energy Florida

Commercial Paper and LT Financings
Money Pool and LT Financings
Project / International Financings

(1) Progress Energy HoldCo has long-term debt outstanding, but no future issuance is planned at this financing entity.
Progress on 2014 financing plan (as of November 4, 2014) (1)

($ in millions)

(1) Debt issuances and maturities exclude potential pre-funding of 2015 needs. Holdco issuances included funding to pay-down ~$400 million of DE Ohio tax-exempt debt related to the Midwest Generation asset transfer.

(2) Expected to be achieved through issuances of commercial paper; a portion of the proceeds from the sale of Midwest Generation will be used to reduce outstanding commercial paper.

(3) Full year maturities at DE Progress and DE Florida include ~$450 million and ~$250 million of expected calls on tax-exempt debt, respectively.
## Access to capital – 2014 long-term debt financing activity

<table>
<thead>
<tr>
<th>Amount ($ in millions)</th>
<th>Entity</th>
<th>Date Issued</th>
<th>Credit Ratings (M/S&amp;P/F)</th>
<th>Term</th>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$225</td>
<td>DE Florida</td>
<td>March 2014</td>
<td>N/A</td>
<td>3 Year</td>
<td>Accounts Receivable securitization</td>
<td>Initial variable rate of ~0.85%</td>
</tr>
<tr>
<td>$650</td>
<td>DE Progress</td>
<td>March 2014</td>
<td>Aa2 / A / A+</td>
<td>$400 million – 30 year</td>
<td>First Mortgage Bond</td>
<td>4.375% fixed rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Aa2 / A / A+</td>
<td>$250 million – 3 year</td>
<td>Floating Rate Notes</td>
<td>Initial variable rate of ~0.44%</td>
</tr>
<tr>
<td>$1,000</td>
<td>HoldCo</td>
<td>April 2014</td>
<td>A3 / BBB / BBB+</td>
<td>$600 million – 10 year</td>
<td>Senior Notes</td>
<td>3.75% -fixed rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>A3 / BBB / BBB+</td>
<td>$400 million – 3 year</td>
<td>Floating Rate Notes</td>
<td>Initial variable rate of ~0.60%</td>
</tr>
<tr>
<td>$218</td>
<td>DEI Brazil</td>
<td>June 2014</td>
<td>Baa3 / BBB-</td>
<td>$108.5 million – 5 year</td>
<td>Unsecured Amortizing Notes</td>
<td>Initial variable rate of ~12.30%</td>
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<tr>
<td>$129</td>
<td>DE Renewables</td>
<td>July 2014</td>
<td>N/A</td>
<td>22 year final term (12.7 year average life)</td>
<td>Senior Secured Amortizing Notes</td>
<td>5.34% fixed rate</td>
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</table>
## Liquidity summary (as of September 30, 2014)

($ in millions)

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<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Master Credit Facility (1)</td>
<td>$2,250</td>
<td>$1,000</td>
<td>$750</td>
<td>$650</td>
<td>$700</td>
<td>$550</td>
<td>$100</td>
<td>$6,000</td>
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<tr>
<td>Less: Commercial paper (2)</td>
<td>(784)</td>
<td>(300)</td>
<td>(27)</td>
<td>-</td>
<td>(163)</td>
<td>-</td>
<td>(4)</td>
<td>(1,278)</td>
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<tr>
<td>Outstanding letters of credit (LOCs)</td>
<td>(56)</td>
<td>(4)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(64)</td>
</tr>
<tr>
<td>Tax-exempt bonds</td>
<td>-</td>
<td>(35)</td>
<td>-</td>
<td>(1)</td>
<td>(81)</td>
<td>-</td>
<td>-</td>
<td>(116)</td>
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<tr>
<td>Available capacity</td>
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<td>$661</td>
<td>$721</td>
<td>$649</td>
<td>$455</td>
<td>$550</td>
<td>$96</td>
<td>$4,542</td>
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<td>Cash &amp; short-term investments (3)</td>
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<td></td>
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<td></td>
<td></td>
<td>$328</td>
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<tr>
<td><strong>Total available liquidity</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,870</td>
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</tbody>
</table>

(1) Master Credit Facility supports tax-exempt put bonds, LOCs and the Duke Energy commercial paper program of $4 billion
(2) Includes permanent layer of commercial paper of $450 million, which is classified as long-term debt
(3) Excludes certain cash and short-term investments in foreign jurisdictions of approximately $1.6 billion
# Credit ratings (as of November 4, 2014)

<table>
<thead>
<tr>
<th>Holding companies</th>
<th>Fitch</th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUKE ENERGY</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>BBB+</td>
<td>A3</td>
<td>BBB</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>F-2</td>
<td>P-2</td>
<td>A-2</td>
</tr>
<tr>
<td>PROGRESS ENERGY</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>BBB</td>
<td>Baa1</td>
<td>BBB</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating companies</th>
<th>Fitch</th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUKE ENERGY CAROLINAS</td>
<td>Positive</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A+</td>
<td>Aa2</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A</td>
<td>A1</td>
<td>BBB+</td>
</tr>
<tr>
<td>DUKE ENERGY PROGRESS</td>
<td>Stable</td>
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<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A+</td>
<td>Aa2</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A</td>
<td>A1</td>
<td>BBB+</td>
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<td>DUKE ENERGY FLORIDA</td>
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<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
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<td>A1</td>
<td>A</td>
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<tr>
<td>Senior Unsecured Debt</td>
<td>A-</td>
<td>A3</td>
<td>BBB+</td>
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<tr>
<td>DUKE ENERGY INDIANA</td>
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<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A</td>
<td>Aa3</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A-</td>
<td>A2</td>
<td>BBB+</td>
</tr>
<tr>
<td>DUKE ENERGY OHIO</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Senior Secured Debt</td>
<td>A</td>
<td>A2</td>
<td>A</td>
</tr>
<tr>
<td>Senior Unsecured Debt</td>
<td>A-</td>
<td>Baa1</td>
<td>BBB+</td>
</tr>
<tr>
<td>DUKE ENERGY KENTUCKY</td>
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<td>Stable</td>
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<tr>
<td>Senior Unsecured Debt</td>
<td>A-</td>
<td>Baa1</td>
<td>BBB+</td>
</tr>
</tbody>
</table>
Investor Relations App

- Free mobile app for Investor Relations materials now available for iPhone, iPad, and Android mobile devices
- The Duke Energy app provides mobile access to commonly used IR materials, including:
  - SEC Filings
  - Earnings Materials
  - Company Presentations
  - Press Releases
- Search for “Duke Energy Investor Relations” in the app store or scan the QR Code
## Upcoming events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEI Financial Conference (Dallas)</td>
<td>November 12-13</td>
</tr>
<tr>
<td>4Q 2014 Earnings Call</td>
<td>TBD</td>
</tr>
</tbody>
</table>
For additional information on Duke Energy, please visit: www.duke-energy.com/investors
Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation’s (Duke Energy) Third Quarter Earnings Review and Business Update on November 5, 2014 include a discussion of adjusted diluted EPS for the quarters and year-to-date periods ended September 30, 2014 and 2013. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per share impact of the mark-to-market impacts of economic hedges in the Commercial Power segment and special items, including the operating results of the nonregulated Midwest generation business (Disposal Group) classified as discontinued operations for GAAP purposes. Special items represent certain charges and credits, which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. As result of the agreement in August of 2014 to sell the Disposal Group to Dynegy, the operating results of the Disposal Group were classified as discontinued operations in the current period and retrospectively, including a portion of the mark-to-market adjustments associated with derivative contracts. Management believes that including the operating results of the Disposal Group classified as discontinued operations better reflects its financial performance and therefore has included these results in adjusted diluted EPS. Derivative contracts are used in Duke Energy’s hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately and, if associated with the Disposal Group, classified as discontinued operations, as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g. coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. However, due to the divestiture of the nonregulated Midwest generation business as mentioned above, certain derivative positions have tenors beyond the planned disposal date of these assets. As such, management excluded any settlement of these derivative positions from adjusted diluted EPS as these realized gains and losses more closely relate to the loss on disposal of these assets. Management believes that the presentation of adjusted diluted EPS provides useful information to investors, as it provides them an additional relevant comparison of the company’s performance across periods. Adjusted diluted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted diluted EPS for the quarters and year-to-date periods ended September 30, 2014 and 2013 to the most directly comparable GAAP measures are included here-in.

2013 and 2014 Adjusted Diluted EPS Outlook

The materials for Duke Energy’s Third Quarter Earnings Review and Business Update on November 5, 2014 include a reference to the original forecasted 2013 adjusted diluted EPS guidance range of $4.20 - $4.45 per share, the original forecasted 2014 adjusted diluted EPS outlook range of $4.45 - $4.60, the revised forecasted 2014 adjusted diluted EPS outlook range of $4.50 - $4.65 per share, and the projected 2014 fourth quarter adjusted diluted EPS outlook range of $0.80 - $0.95 per share. The materials also reference the long-
term targeted range of growth of 4% - 6% in adjusted diluted EPS (on a compound annual growth rate (CAGR) basis). Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment (as discussed above under Adjusted Diluted Earnings per Share (EPS)). Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy’s hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items or mark-to-market adjustments for future periods. The earnings guidance range assumptions for 2014 include a full-year of earnings contributions from the nonregulated Midwest generation business, which management has entered into an agreement to sell. Irrespective of discontinued operations accounting treatment, operating results from the nonregulated Midwest generation business will be included in Duke Energy’s adjusted diluted EPS and adjusted segment income during 2014.

Adjusted Segment Income and Adjusted Other Net Expense for 2014 and Forecasted Adjusted Segment Income and Adjusted Other Net Expense for 2014

The materials for Duke Energy’s Third Quarter Earnings Review and Business Update on November 5, 2014 include a discussion of adjusted segment income and adjusted Other net expense for the year-to-date period ended September 30, 2014 and a discussion of forecasted 2014 adjusted segment income and adjusted Other net expense.

Adjusted segment income and adjusted Other net expense are non-GAAP financial measures, as they represent reported segment income and Other net expense adjusted for special items and the mark-to-market impacts of economic hedges in the Commercial Power segment (as discussed above under Adjusted Diluted Earnings per Share (EPS)). Management believes that the presentation of adjusted segment income and adjusted Other net expense provides useful information to investors, as it provides them an additional relevant comparison of a segment’s or Other’s performance across periods. When an EPS amount is provided for a segment income driver, the per share impact is derived by taking the before-tax amount of the item less income taxes based on the consolidated prior-year adjusted effective tax rate, divided by the Duke Energy weighted-average shares outstanding for the period. The prior-year adjusted effective tax rate used to calculate the quarter-to-date per share impact on EPS is approximately 32 percent. The prior-year adjusted effective tax rate used to calculate the year to date per share impact on EPS is approximately 34 percent. The most directly comparable GAAP measure for adjusted segment income or adjusted Other net expense is reported segment income or Other net expense, which represents segment income and Other net expense from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. A reconciliation of adjusted segment income and Other net expense for the year-to-date period ended September 30, 2014 to the most directly comparable GAAP measures is included below. Due to the forward-looking nature of any forecasted adjusted segment income or adjusted Other net expense and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as the company is unable to forecast all special items, the mark-to-market impacts of economic hedges in the
Commercial Power segment, or any amounts that may be reported as discontinued operations or extraordinary items for future periods.

**Adjusted Effective Tax Rate**

The materials for Duke Energy’s Third Quarter Earnings Review and Business Update on November 5, 2014 include a discussion of the adjusted effective tax rate (ETR) for the year-to-date period ended September 30, 2014. The materials also include a discussion of the 2014 forecasted adjusted ETR. Adjusted effective tax rate is a non-GAAP financial measure as the rate is calculated using a pre-tax earnings and income tax expense, both adjusted for the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. The most directly comparable GAAP measure for adjusted effective tax rate is reported effective tax rate, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. A reconciliation of the adjusted effective tax rate for the year-to-date period ended September 30, 2014 to the most directly comparable GAAP measure is included below (amounts in millions). Due to the forward-looking nature of the 2014 forecasted ETR, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items or mark-to-market adjustments for future periods.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
<th>Adjusted ETR (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Earnings, Pre-Tax Income*</td>
<td>$3,842</td>
<td></td>
</tr>
<tr>
<td>Costs to Achieve, Progress Merger</td>
<td>(172)</td>
<td></td>
</tr>
<tr>
<td>Midwest Generation Operations</td>
<td>(133)</td>
<td></td>
</tr>
<tr>
<td>Asset Impairment</td>
<td>(94)</td>
<td></td>
</tr>
<tr>
<td>Economic Hedges (Mark-to-Market)</td>
<td>(9)</td>
<td></td>
</tr>
<tr>
<td>Asset Sales</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Total Before Income Taxes</td>
<td>$3,448</td>
<td></td>
</tr>
<tr>
<td>Adjusted Tax Expense*</td>
<td>$1,230</td>
<td>Adjusted ETR 32.0%</td>
</tr>
<tr>
<td>Costs to Achieve, Progress Merger</td>
<td>(65)</td>
<td></td>
</tr>
<tr>
<td>Midwest Generation Operations</td>
<td>(51)</td>
<td></td>
</tr>
<tr>
<td>Asset Impairment</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>Economic Hedges (Mark-to-Market)</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Asset Sales</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total Reported Income Tax Expense From Continuing Operations</td>
<td>$1,081</td>
<td>Reported ETR 31.4%</td>
</tr>
</tbody>
</table>

*Includes amounts attributable to noncontrolling interests

**Dividend Payout Ratio**

The materials for Duke Energy’s Third Quarter Earnings Review and Business Update on November 5, 2014 include a discussion of Duke Energy’s anticipated long-term dividend payout ratio of 65% - 70% based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment, as discussed above under Adjusted Diluted Earnings Per Share (EPS). The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most
directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

**Available Liquidity**

The materials for Duke Energy’s Third Quarter Earnings Review and Business Update on November 5, 2014 include a discussion of Duke Energy’s available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents (excluding amounts held in foreign jurisdictions and cash otherwise unavailable for operations) and remaining availability under the master credit facility. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of September 30, 2014 to the most directly comparable GAAP measure is included here-in.
DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Three Months Ended September 30, 2014
(Dollars in millions, except per-share amounts)

<table>
<thead>
<tr>
<th>Special Items</th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Midwest Generation Operations</th>
<th>Asset Sales</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Reported Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated Utilities</td>
<td>$(920)</td>
<td>$920</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
<td>$2</td>
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<tr>
<td>International Energy</td>
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<td>$80</td>
<td>$80</td>
<td>$80</td>
<td>$80</td>
<td>$80</td>
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<tr>
<td>Commercial Power</td>
<td>$51</td>
<td>$51</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
<td>$1,051</td>
<td>$1,051</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
<td>$(68)</td>
</tr>
<tr>
<td>Other</td>
<td>$(58)</td>
<td>$(58)</td>
<td>$(8)</td>
<td>$(8)</td>
<td>$(8)</td>
<td>$(8)</td>
<td>$(8)</td>
</tr>
<tr>
<td>Intercompany Eliminations</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
<td>$9</td>
</tr>
<tr>
<td>Total Reportable Segment Income and Other Net Expense</td>
<td>$993</td>
<td>$993</td>
<td>$(35)</td>
<td>$(35)</td>
<td>$(35)</td>
<td>$(35)</td>
<td>$(35)</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>$76</td>
<td>$76</td>
<td>$76</td>
<td>$76</td>
<td>$76</td>
<td>$76</td>
<td>$76</td>
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</table>

EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$1.40</td>
<td>$1.40</td>
</tr>
<tr>
<td>Diluted</td>
<td>$(0.05)</td>
<td>$(0.05)</td>
</tr>
</tbody>
</table>

EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$1.40</td>
<td>$1.40</td>
</tr>
<tr>
<td>Diluted</td>
<td>$(0.05)</td>
<td>$(0.05)</td>
</tr>
</tbody>
</table>

A - Net of $21 million tax benefit. $4 million recorded as a decrease in Operating Revenues, $51 million recorded in Operating Expenses and $1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Midwest Generation Operations reclassifies the operating results of the nonregulated Midwest generation business that had been classified as discontinued operations after adjustment for special items and economic hedges from discontinued operations to the Commercial Power segment (net of $32 million tax benefit) and Other segment (net of $10 million tax expense).

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

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

E - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

Weighted Average Shares (reported and adjusted) - in millions

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>707</td>
<td>707</td>
</tr>
<tr>
<td>Diluted</td>
<td>707</td>
<td>707</td>
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</tbody>
</table>
## DUKE ENERGY CORPORATION
### ADJUSTED TO REPORTED EARNINGS RECONCILIATION

Nine Months Ended September 30, 2014

(Dollars in millions, except per-share amounts)

<table>
<thead>
<tr>
<th>SEGMENT INCOME</th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Asset Impairment</th>
<th>Midwest Generation Operations</th>
<th>Asset Sales</th>
<th>Economic Hedges (Mark-to-Market)</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Reported Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated Utilities</td>
<td>$2,346</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
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<tr>
<td>International Energy</td>
<td>356</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commercial Power</td>
<td>77</td>
<td>(59)</td>
<td>F</td>
<td>(82)</td>
<td>C</td>
<td>—</td>
<td>(6)</td>
<td>B</td>
<td>—</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
<td>2,779</td>
<td>—</td>
<td>(59)</td>
<td>(82)</td>
<td>—</td>
<td>(6)</td>
<td>—</td>
<td>(147)</td>
<td>2,632</td>
</tr>
<tr>
<td>Other</td>
<td>(171)</td>
<td>(107)</td>
<td>A</td>
<td>—</td>
<td>—</td>
<td>9</td>
<td>E</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Intercompany Eliminations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(7)</td>
<td>G</td>
<td>(7)</td>
</tr>
<tr>
<td>Total Reportable Segment Income and Other Net Expense</td>
<td>2,608</td>
<td>(107)</td>
<td>(59)</td>
<td>(82)</td>
<td>9</td>
<td>(6)</td>
<td>(7)</td>
<td>(252)</td>
<td>2,356</td>
</tr>
</tbody>
</table>

| Net Income (Loss) Attributable to Duke Energy Corporation | $2,608 | $— | $— | $82 | C | — | — | — | (652) |
| **EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC** | **3.69** | $(0.15)$ | $(0.08)$ | $—$ | $0.01$ | $(0.01)$ | $—$ | $—$ | $1.786$ |
| **EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED** | **3.69** | $(0.15)$ | $(0.08)$ | $—$ | $0.01$ | $(0.01)$ | $—$ | $—$ | $1.786$ |

A - Net of $65 million tax benefit. $5 million recorded as a decrease in Operating Revenues, $165 million recorded within Operating Expenses and $2 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.


C - Midwest Generation Operations reclassifies the operating results of the nonregulated Midwest generation business that had been classified as discontinued operations after adjustment for special items and economic hedges from discontinued operations to the Commercial Power segment (net of $51 million tax benefit).

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

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


G - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

**Weighted Average Shares (reported and adjusted)** - in millions

| Basic | 707 |
| Diluted | 707 |

* Mark-to-market adjustments reflect the impact of derivative contracts, which are used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment and also relate to existing derivative positions that may have tenors beyond the planned disposal date of the nonregulated Midwest generation business. The mark-to-market impact of derivative contracts is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory treatment. The economic value of generation assets is subject to fluctuations in fair value due to market price volatility of input and output commodities (e.g., coal, electricity, natural gas). Economic hedging involves both purchases and sales of those input and output commodities related to generation assets. Operations of the generation assets are accounted for under the accrual method. Management believes excluding impacts of mark-to-market changes of the derivative contracts from adjusted earnings until settlement better matches the financial impacts of the derivative contract with the portion of economic value of the underlying hedged asset. However, due to the divestiture of the nonregulated Midwest generation business as mentioned above, certain derivative positions have tenors beyond the planned disposal date of these assets. As such, management has excluded settlements of these derivative positions from adjusted diluted EPS as these realized gains and losses more closely relate to the loss on disposal of these assets. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.
<table>
<thead>
<tr>
<th>SEGMENT INCOME</th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Midwest Generation Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Reported Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated Utilities</td>
<td>$923</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>International Energy</td>
<td>116</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commercial Power</td>
<td>15</td>
<td>—</td>
<td>(43)B</td>
<td>—</td>
<td>(43)</td>
<td>(28)</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
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<td>—</td>
<td>(43)</td>
<td>—</td>
<td>(43)</td>
<td>1,011</td>
</tr>
<tr>
<td>Other</td>
<td>(21)</td>
<td>(54)A</td>
<td>11 B</td>
<td>—</td>
<td>(43)</td>
<td>(64)</td>
</tr>
<tr>
<td>Intercompany Eliminations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(5)D</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>Total Reportable Segment Income and Other Net Expense</td>
<td>1,033</td>
<td>(54)</td>
<td>(32)</td>
<td>(5)</td>
<td>(91)</td>
<td>942</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>—</td>
<td>—</td>
<td>32 B</td>
<td>30 C</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Net Income (Loss) Attributable to Duke Energy Corporation</td>
<td>$1,033</td>
<td>(54)</td>
<td>—</td>
<td>$25</td>
<td>(29)</td>
<td>$1,004</td>
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**EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC**

<table>
<thead>
<tr>
<th></th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Midwest Generation Operations</th>
<th>Discontinued Operations</th>
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<th>Reported Earnings</th>
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<tbody>
<tr>
<td>Basic</td>
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<td>$0.04</td>
<td>$(0.04)</td>
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<tr>
<td>Diluted</td>
<td>$1.46</td>
<td>$(0.08)</td>
<td>$ —</td>
<td>$0.04</td>
<td>$(0.04)</td>
<td>$1.42</td>
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**EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED**

<table>
<thead>
<tr>
<th></th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Midwest Generation Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Reported Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$1.46</td>
<td>$(0.08)</td>
<td>$ —</td>
<td>$0.04</td>
<td>$(0.04)</td>
<td>$1.42</td>
</tr>
<tr>
<td>Diluted</td>
<td>$1.46</td>
<td>$(0.08)</td>
<td>$ —</td>
<td>$0.04</td>
<td>$(0.04)</td>
<td>$1.42</td>
</tr>
</tbody>
</table>

A - Net of $34 million tax benefit. $24 million recorded as an increase in Operating Revenues and $113 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Midwest Generation Operations reclassifies the operating results of the nonregulated Midwest generation business that had been classified as discontinued operations after adjustment for special items and economic hedges from discontinued operations to the Commercial Power segment (net of $17 million tax benefit) and Other segment (net of $8 million tax benefit).

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

D - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

**Weighted Average Shares (reported and adjusted) - in millions**

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>706</td>
<td>706</td>
</tr>
<tr>
<td>Diluted</td>
<td>706</td>
<td>706</td>
</tr>
</tbody>
</table>
DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
Nine Months Ended September 30, 2013
(Dollars in millions, except per-share amounts)

<table>
<thead>
<tr>
<th>Special Items</th>
<th>Adjusted Earnings</th>
<th>Costs to Achieve, Progress Merger</th>
<th>Nuclear Development Charges</th>
<th>Litigation Reserve</th>
<th>Crystal River Unit 3 Impairment</th>
<th>Midwest Generation Operations</th>
<th>Discontinued Operations</th>
<th>Total Adjustments</th>
<th>Reported Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulated Utilities</td>
<td>$ 2,169</td>
<td>$</td>
<td>$(57)</td>
<td>$(180)</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$(237)</td>
<td>$ 1,932</td>
</tr>
<tr>
<td>International Energy</td>
<td>300</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Commercial Power</td>
<td>18</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$(72)</td>
<td>—</td>
<td>—</td>
<td>(72)</td>
<td>(54)</td>
</tr>
<tr>
<td>Total Reportable Segment Income</td>
<td>2,487</td>
<td>—</td>
<td>(57)</td>
<td>—</td>
<td>(180)</td>
<td>(72)</td>
<td>—</td>
<td>(309)</td>
<td>2,178</td>
</tr>
<tr>
<td>Other</td>
<td>(114)</td>
<td>(139)</td>
<td>—</td>
<td>(31)</td>
<td>6</td>
<td>—</td>
<td>(164)</td>
<td>(278)</td>
<td></td>
</tr>
<tr>
<td>Intercompany Eliminations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(10)</td>
<td>—</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td>Total Reportable Segment Income and Other Net Expense</td>
<td>2,373</td>
<td>(139)</td>
<td>(57)</td>
<td>(31)</td>
<td>(180)</td>
<td>(66)</td>
<td>(10)</td>
<td>(483)</td>
<td>1,890</td>
</tr>
<tr>
<td>Discontinued Operations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>66 B</td>
<td>21 C</td>
<td>87</td>
<td>87</td>
</tr>
<tr>
<td>Net Income (Loss) Attributable to Duke Energy Corporation</td>
<td>$ 2,373</td>
<td>$ (139)</td>
<td>$ (57)</td>
<td>$ (31)</td>
<td>$ (180)</td>
<td>$ —</td>
<td>$ 11</td>
<td>$ (396)</td>
<td>$ 1,977</td>
</tr>
<tr>
<td><strong>EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC</strong></td>
<td>$ 3.36</td>
<td>$(0.20)</td>
<td>$(0.08)</td>
<td>$(0.04)</td>
<td>$(0.26)</td>
<td>$ —</td>
<td>$ 0.01</td>
<td>$ (0.57)</td>
<td>$ 2.79</td>
</tr>
<tr>
<td><strong>EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED</strong></td>
<td>$ 3.36</td>
<td>$(0.20)</td>
<td>$(0.08)</td>
<td>$(0.04)</td>
<td>$(0.26)</td>
<td>$ —</td>
<td>$ 0.01</td>
<td>$ (0.57)</td>
<td>$ 2.79</td>
</tr>
</tbody>
</table>

A - Net of $86 million tax benefit. $57 million recorded as an increase in Operating Revenues, $275 million recorded within Operating Expenses and $1 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

B - Midwest Generation Operations reclassifies the operating results of the nonregulated Midwest generation business that had been classified as discontinued operations after adjustment for special items and economic hedges from discontinued operations to the Commercial Power segment (net of $33 million tax benefit) and Other segment (net of $4 million tax benefit).

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


F - Net of $115 million tax benefit. Recorded in Impairment charges (Operating Expenses) on the Condensed Consolidated Statement of Operations.

G - Reverses the impact on eliminations of classifying the nonregulated Midwest generation business as discontinued operations.

Weighted Average Shares (reported and adjusted) - in millions
- Basic: 706
- Diluted: 706
**Duke Energy Corporation**  
**Available Liquidity Reconciliation**  
**As of September 30, 2014**  
**(In millions)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,931</td>
</tr>
<tr>
<td>Short-Term Investments</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,931</td>
</tr>
<tr>
<td>Less: Amounts Held in Foreign Jurisdictions</td>
<td>(1,561)</td>
</tr>
<tr>
<td>Less: Unavailable Domestic Cash</td>
<td>(42)</td>
</tr>
<tr>
<td><strong>328</strong></td>
<td></td>
</tr>
<tr>
<td>Plus: Remaining Availability under Master Credit Facility</td>
<td>4,542</td>
</tr>
<tr>
<td><strong>Total Available Liquidity (a)</strong></td>
<td>$4,870</td>
</tr>
</tbody>
</table>

(approximately 4.9 billion)

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents (excluding amounts held in foreign jurisdictions and cash otherwise unavailable for operations) and remaining availability under the master credit facility. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents.