

May 9, 2019

FIRST QUARTER 2019

Duke Energy Earnings Review & Business Update

Lynn Good
Steve Young

Chairman, President & CEO
Executive Vice President & CFO



BUILDING A **SMARTER** ENERGY FUTURE®

Safe Harbor statement

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



Regulation G disclosure

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

BUSINESS UPDATE

Lynn Good, Chairman, President & CEO

- First quarter 2019 update
- Carolinas legislative and regulatory update
- Progress on strategic initiatives
- North Carolina coal ash order

FINANCIAL UPDATE

Steve Young, Executive VP & CFO

- First quarter 2019 earnings drivers
- Economic conditions and load growth trends
- Financing plan update
- Key investor considerations



TRANSFORMING THE
FUTURE



\$1.24

1Q 2019 REPORTED/ADJUSTED DILUTED EPS
COMPARED TO \$0.88/\$1.28 IN 1Q 2018

ON TRACK

TO ACHIEVE 2019 EPS
GUIDANCE RANGE OF \$4.80 - \$5.20 ⁽¹⁾

AFFIRMING 4 - 6% GROWTH THROUGH 2023

OFF THE MIDPOINT OF
2019 ADJUSTED EPS
GUIDANCE RANGE (\$5.00)

QUARTER HIGHLIGHTS

- North Carolina legislation introduced that would enable alternative rate-making frameworks and storm securitization in our largest jurisdiction
- Announced 1,250 MW of regulated and commercial renewables projects that we will own or procure on behalf of customers
- Announced sale of minority interest in Commercial Renewables portfolio to John Hancock
- Second green bond issuance closed March 7 supporting sustainable investment projects
- Preferred stock offering completed March 29
- EEI named Duke Energy one of the industry leaders in safety for fourth year in a row
- Forbes named Duke Energy one of America's Best Employers

(1) Based on adjusted diluted EPS

NORTH CAROLINA LEGISLATION INTRODUCED



NORTH CAROLINA STORM COST SECURITIZATION AND ALT RATES BILL

- Identical bills introduced in Senate and House in early April
- Legislation would enable NCUC to consider:
 - Multi-year rate plans and/or ROE bands
 - Storm cost securitization
- Senate bill passed May 2; under consideration in the House

CAROLINAS REGULATORY ACTIVITY



PIEDMONT NATURAL GAS **NORTH CAROLINA** BASE RATE CASE

- Filed April 1; first NC rate case for Piedmont since 2013
- Requested 10.6% ROE and 52% equity cap. structure
- Based on North Carolina rate base of \$3.3 billion
- If approved, expect rates to be effective by the end of 2019



SOUTH CAROLINA ELECTRIC BASE RATE CASES

- Received PSCSC directives, in both cases awaiting final orders
- Intend to make a motion for rehearing by the PSCSC and, if necessary, appeal portions of the cases

Update on strategic initiatives



HIGHLY-EFFICIENT NATURAL GAS

- \$1.1 billion WCMP combined cycle (DEP) on target for late-2019 completion

RENEWABLES

- Announced three new solar projects at DEF ⁽¹⁾
- Results issued for first renewable energy RFP under House Bill 589 in North Carolina ⁽¹⁾
- Commercial Renewables announced and forthcoming projects provide line-of-sight to ~90% of earnings targets for 2019 and 2020, ~60% of the five-year plan



FL GRID IMPROVEMENT PLAN

- \$1.1 billion grid program in FL recovered via annual base rate step-ups starting in 2019

NC EV CHARGING STATION PROGRAM

- \$76 million initiative to spur EV adoption by installing ~2,500 new charging stations
- Largest utility initiative in the Southeast
- Proposed program is subject to NCUC approval



ATLANTIC COAST PIPELINE

- Hearing at 4th Circuit Court of Appeals on Biological Opinion/ITS held May 9
- Expect to file petition this summer seeking SCOTUS review of the Appalachian Trail decision
- No change to cost or schedule; estimated cost remains \$7.0 to \$7.8 billion ⁽²⁾

⁽¹⁾ See appendix for detailed project listing

⁽²⁾ Represents total project cost, of which Duke Energy's share is 47%. Excludes AFUDC

NC DEQ ORDER SUMMARY

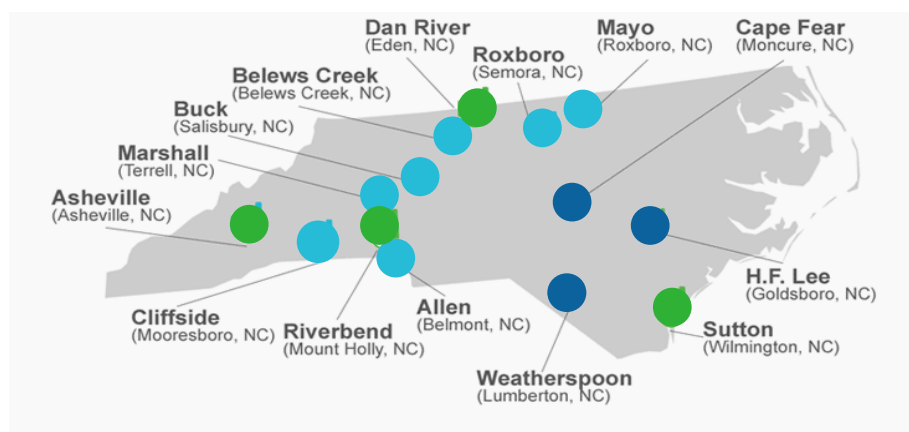
- NC Department of Environmental Quality (DEQ) issued order April 1 requiring low priority sites be fully excavated
 - Incremental cost of \$4 - 5 billion vs. cap-in-place / hybrid closure methods would be spent over decades
 - Coal ash closure costs would increase \$200 – 400 million over 5-year plan (<1% of total capital plan)
- Company appealed the decision to the NC Office of Administrative Hearings on April 26; expect process to take 9-12 months to conclude

SIGNIFICANT PROGRESS CLOSING BASINS

- ~20 million tons of ash excavated at high priority sites in North Carolina since basin closure began
- On track to close high priority sites by 2019 deadlines⁽¹⁾
- Advanced construction of three ash reprocessing units in North Carolina
- By mid-2019, ash and wastewater will stop being sent to nearly all basins



NC COAL ASH BASINS

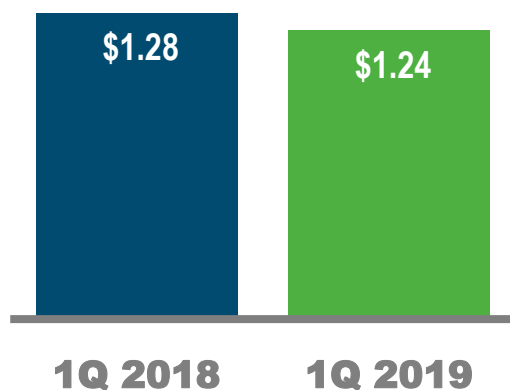


- High - Excavation
- Intermediate – Excavation / beneficiation
- Low – Full range of closure options

(1) Sutton, Riverbend and Dan River to be completed in 2019. Asheville deadline extended to 2022 per Mountain Energy Act.

1Q 2019 adjusted diluted EPS summary and primary drivers

ADJUSTED DILUTED EARNINGS PER SHARE



ON TRACK

TO ACHIEVE 2019 EPS
GUIDANCE RANGE
OF \$4.80 - \$5.20 ⁽²⁾

SEGMENT RESULTS VS. PRIOR YEAR QUARTER ⁽¹⁾

Electric Utilities & Infrastructure, -\$66 M (-\$0.10 per share)

- ▼ Weather (-\$0.07) and volumes
- ▼ Higher depreciation and amortization, primarily due to a growing asset base
- ▼ Higher interest expense
- ▲ Contribution from base rate changes in NC and FL
- ▲ Higher rider revenues

Gas Utilities & Infrastructure, +\$68 M (+\$0.10 per share)

- ▲ Higher earnings from midstream, primarily due to income tax adjustment
- ▲ LDC margin expansion

Commercial Renewables, -\$7 M (-\$0.01 per share)

- ▼ Lower wind production

Other, +\$6 M (+\$0.01 per share)

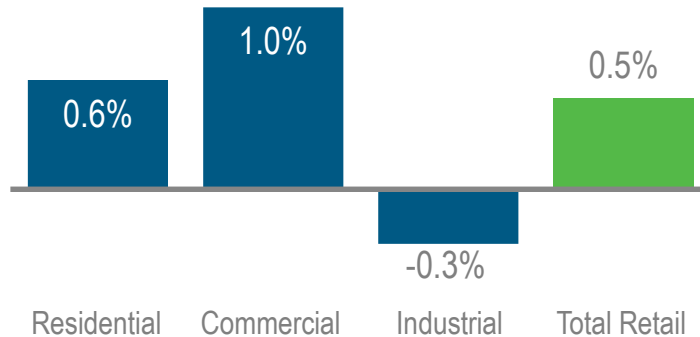
Share Dilution (-\$0.04 per share)

(1) Detailed drivers of adjusted segment income (loss) are available in the 1Q 2019 earnings release located on our Investor Relations website at www.duke-energy.com/investors/

(2) Based on adjusted diluted EPS

Customer growth and weather-normal electric volume trends

ROLLING 12-MONTH RETAIL ELECTRIC VOLUME GROWTH



RESIDENTIAL

- Increase in average number of customers drives volume growth for electric and gas utilities
- Four jurisdictions in top 15 states for job growth

COMMERCIAL

- Continued expansion of data centers
- Strength in services businesses offsets weakness in big box retail stores

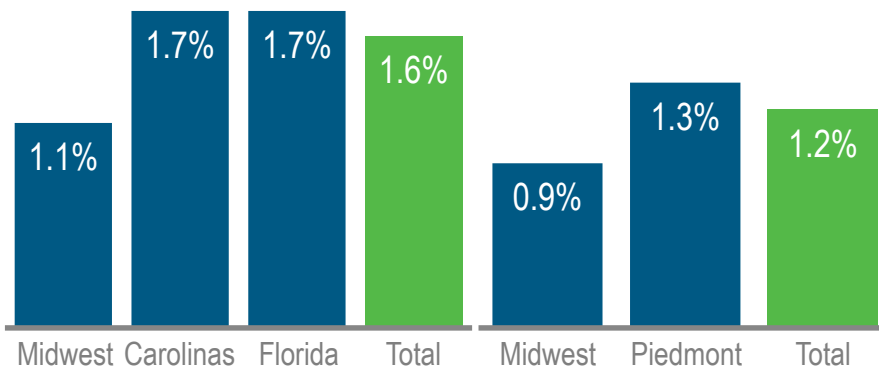
INDUSTRIAL

- Sector continues to recover from the timing of production declines and temporary outage activities in the prior year
- As curtailments continue to roll off, expect growth within the sector to continue to rebound

ANNUAL GROWTH IN NUMBER OF RESIDENTIAL CUSTOMERS

Electric Utilities

Gas Utilities



Maintaining balance sheet strength

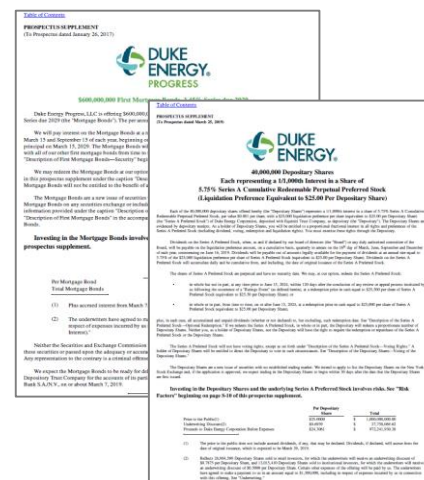
COMMERCIAL RENEWABLES MINORITY STAKE SALE

- Sale to John Hancock announced April 24
- ~\$415 million pre-tax proceeds to offset debt
- Operating assets included in the transaction:
 - 1,200 MW⁽¹⁾ (~48% of the offered portfolio)
 - Enterprise value of ~\$1.25 billion
- Duke to retain tax benefits from the projects
- Closing expected in second half 2019



2019 FINANCING PLAN STATUS

- Issued \$600 million “Green Bonds” in March at DEP
 - Follows DEC’s \$1 billion green bond in 2018
- Issued \$1 billion preferred stock in March
 - Largest ever utility preferred issuance
 - 50% equity credit with rating agencies
- Continue to expect common stock issuances of \$500 million per year 2019-2023 via DRIP/ATM programs
 - Priced \$240 million of the 2019 target



COMMITTED TO MAINTAINING STRONG CREDIT QUALITY & INVESTMENT GRADE RATINGS

(1) 49% of 37 operating wind, solar and battery storage assets and 33% of 11 operating solar assets across the U.S.

FIRST QUARTER 2019 EARNINGS REVIEW AND BUSINESS UPDATE

// 10

DUK
LISTED
NYSE

A SOLID LONG-TERM HOLDING



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

(1) As of May 8, 2019

(2) Subject to approval by the Board of Directors.

(3) Total shareholder return proposition at a constant P/E ratio

(4) Based on adjusted diluted EPS off the midpoint of the 2019 guidance range (\$5.00)

Appendix



ITEM

SLIDES

Financial supplement

13-20

Sustainability / ESG

21-24

Other supplemental information

25-29

Upcoming events & other

30-34

Financial supplement



Key 2019 adjusted earnings guidance assumptions

(\$ in millions)	Original 2019 Assumptions ⁽¹⁾	2019 YTD (thru 3/31/2019)
Adjusted segment income/(expense) ⁽²⁾:		
Electric Utilities & Infrastructure	\$3,480	\$750
Gas Utilities & Infrastructure	\$375	\$226
Commercial Renewables	\$230	\$13
Other	(\$440)	(\$89)
Duke Energy Consolidated	\$3,645	\$900
Additional consolidated information:		
Interest expense	\$2,238	\$543
Adjusted effective tax rate	12-14%	9.6%
Debt AFUDC and capitalized interest	\$151	\$34
AFUDC equity	\$168	\$31
Capital expenditures ⁽³⁾⁽⁴⁾	\$11,100	\$2,835
Weighted-average shares outstanding	~729 million	~727 million

(1) Full year amounts for 2019, as disclosed on Feb. 14, 2019

(2) Adjusted net income for 2019 assumptions is based upon the midpoint of the adjusted diluted EPS guidance range of \$4.80 to \$5.20

(3) Includes debt AFUDC and capitalized interest, except for ACP

(4) 2019 YTD (thru 3/31/2019) includes ~\$150 million of coal ash closure spend that was included in operating cash flows and \$60 million funded under the ACP revolving credit facility. 2019 Assumptions include ~\$850 million of projected coal ash closure spend and \$220 million projected to be funded under the ACP revolving credit facility

Key 2019 earnings sensitivities

Driver		EPS Impact
Electric Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.49
	\$1 billion change in rate base	+/- \$0.07
	1% change in volumes	+/- \$0.13
Gas Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.06
	\$200 million change in rate base	+/- \$0.01
	1% change in number of new customers	+/- \$0.01
Consolidated	1% change in interest rates ⁽¹⁾	+/- \$0.07

Note: EPS amounts based on forecasted 2019 share count of ~729 million shares

(1) Based on average variable-rate debt outstanding throughout the year

Electric utilities quarterly weather impacts

Weather segment income to normal:	2019			2018		
	Pretax impact	Weighted avg. diluted shares	EPS impact favorable / (unfavorable)	Pretax impact	Weighted avg. shares	EPS impact favorable / (unfavorable)
First Quarter	(\$55)	727	(\$0.06)	\$10	701	\$0.01
Second Quarter				\$90	704	\$0.10
Third Quarter ⁽¹⁾				\$55	714	\$0.05
Fourth Quarter				\$60	716	\$0.06
Year-to-Date ⁽¹⁾⁽²⁾	(\$55)	727	(\$0.06)	\$215	708	\$0.22

1Q 2019	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	1,603	(6.9%)	1,483	(7.8%)	271	(26.9%)	2,884	4.6%	2,571	0.6%
Cooling degree days / Variance from normal	4	(46.0%)	6	(45.5%)	244	27.8%	-	(100%)	-	(100%)

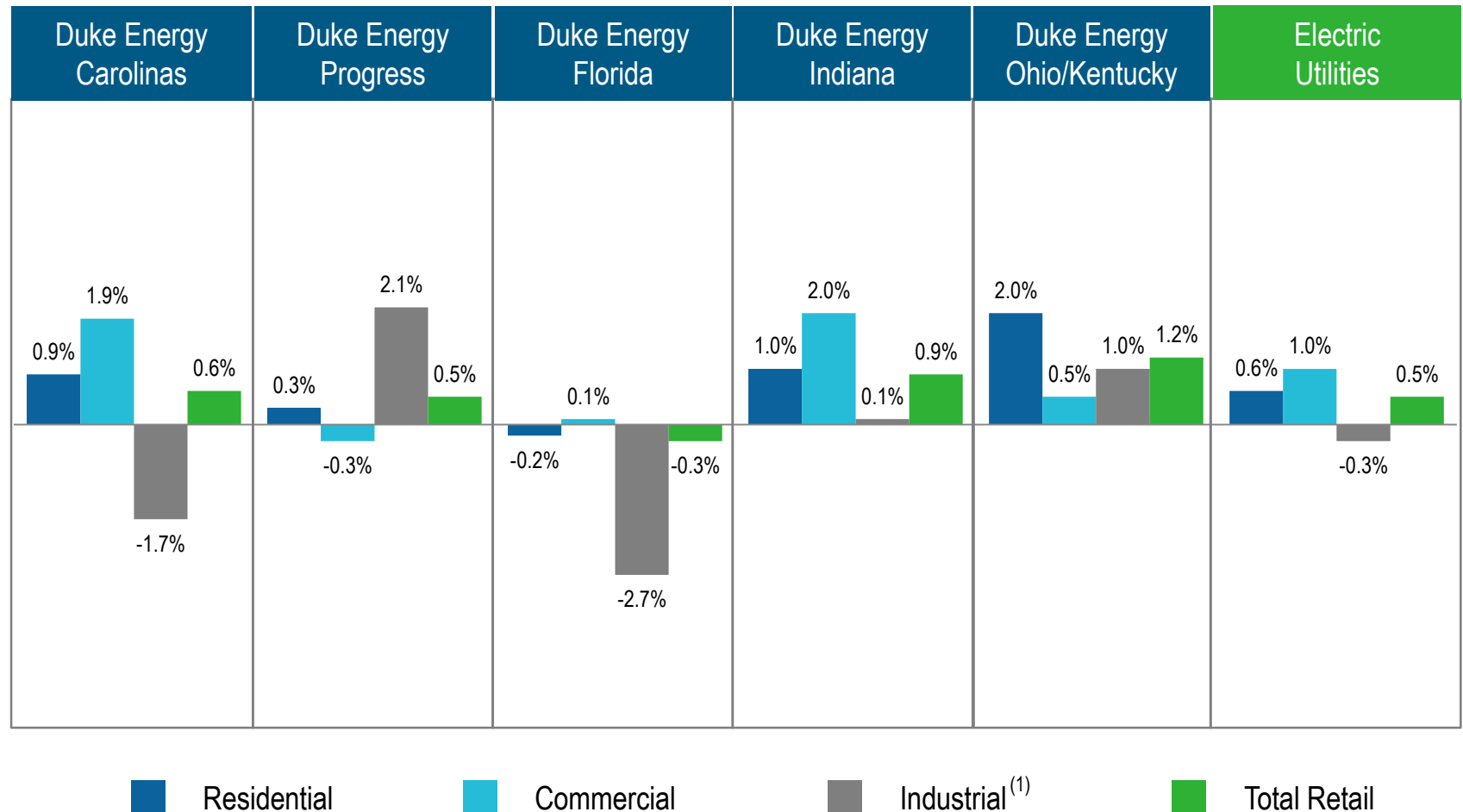
1Q 2018	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY	
Heating degree days / Variance from normal	1,721	(1.3%)	1,614	(0.1%)	383	1.1%	2,831	2.4%	2,569	2.6%
Cooling degree days / Variance from normal	10	56.4%	23	139.2%	264	42.7%	4	22.1%	4	(0.1%)

(1) 2018 includes an unfavorable ~\$15 million or \$0.01/share impact from Hurricane Florence

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

Weather normalized volume trends, by electric jurisdiction

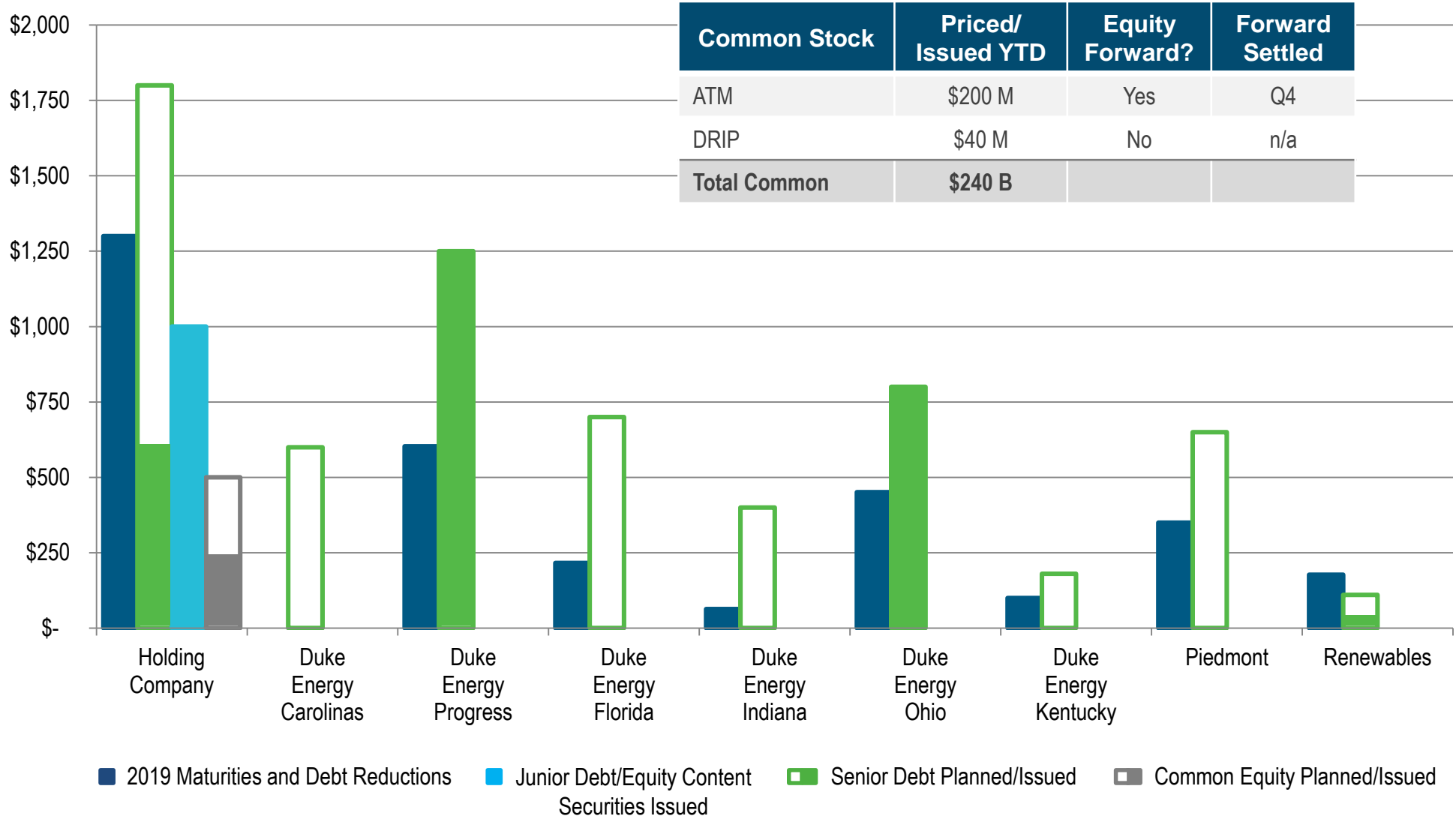
Rolling Twelve Months, as of March 31, 2019



(1) Electric Utilities industrial results have been impacted by production interruptions at a couple of large customers

2019 financing plan as of April 5, 2019 ⁽¹⁾⁽²⁾

(\$ in millions)



Common Stock	Priced/ Issued YTD	Equity Forward?	Forward Settled
ATM	\$200 M	Yes	Q4
DRIP	\$40 M	No	n/a
Total Common	\$240 B		

- (1) Represents expected long-term debt, preferred stock and common equity capital raising during 2019
- (2) Approximately \$200 million of common equity priced through April 5, 2019 pursuant to forward contracts that are expected to be physically settled in Q4 2019. In addition, ~\$40 million issued through the dividend reinvestment program

2019 long-term debt and preferred stock financing activity as of April 5, 2019

Amount (\$ in millions)	Entity	Date Issued	Credit Ratings (M/S&P/F, unless otherwise noted)	Term	Type	Rate
\$400	DE Ohio	January 2019	A2/A	10-Year	First Mortgage Bond	Fixed – 3.65%
\$400	DE Ohio	January 2019	A2/A	30-Year	First Mortgage Bond	Fixed – 4.30%
\$650	DE Progress	Jan. & Feb. 2019	A2/A- ⁽¹⁾	2-Year	Term Loan	Floating
\$600	DE Progress	March 2019	Aa3/A	10-year	First Mortgage Bond	Fixed – 3.45%
\$300	DE Corp.	March 2019	Baa1/BBB+	3-Year	Senior Unsecured Notes	Fixed – 3.227%
\$300	DE Corp.	March 2019	Baa1/BBB+	3-Year	Senior Unsecured Notes	Floating
\$1,000	DE Corp.	March 2019	Baa3/BBB/BBB-	Perpetual	Preferred Stock	Fixed – 5.75%

(1) Represents the Issuer/Corporate Credit Ratings

Liquidity summary as of March 31, 2019

(\$ in millions)

	Duke Energy	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio	Duke Energy Kentucky	Piedmont Natural Gas	Total
Master Credit Facility ⁽¹⁾	\$ 2,650	\$ 1,750	\$ 1,400	\$ 650	\$ 600	\$ 300	\$ 150	\$ 500	\$ 8,000
Less: Notes payable and commercial paper ⁽²⁾	(884)	(859)	(150)	(299)	(252)	-	(62)	(151)	(2,657)
Coal Ash Set-Aside	-	(250)	(250)	-	-	-	-	-	(500)
Outstanding letters of credit (LOCs)	(45)	(4)	(2)	-	-	-	-	(2)	(53)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	\$ 1,721	\$ 637	\$ 998	\$ 351	\$ 267	\$ 300	\$ 88	\$ 347	\$ 4,709
Funded Revolver and Term Loan ⁽³⁾	\$ 1,000		\$ 700						\$ 1,700
Less: Borrowings Under Credit Facilities	(500)		(700)						(1,200)
Available capacity	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Cash & short-term investments									203
Total available liquidity									\$ 5,412

Note: excludes variable denomination floating-rate demand notes, called PremierNotes. At March 31, 2019, the PremierNotes balance was \$993 million

(1) Master Credit Facility supports tax-exempt put bonds, LOCs and the Duke Energy commercial paper program of \$4.85 billion

(2) Includes permanent layer of commercial paper of \$625 million, which is classified as long-term debt

(3) Borrowings under these facilities will be used for general corporate purposes

Sustainability / Environmental Social and Governance (ESG)



CARBON AND OTHER REDUCTIONS



OTHER ESG FOCUS AREAS

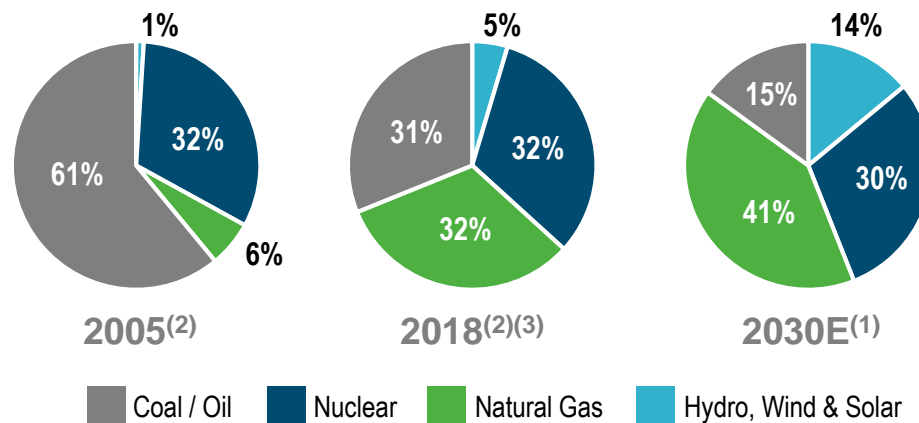


INDUSTRY LEADING DISCLOSURE



- Targeting 40% reduction in carbon dioxide (CO₂) emissions by 2030⁽¹⁾
- Since 2005, decreased CO₂ emissions by 31%, sulfur dioxide emissions by 96% and nitrogen oxides emissions by 74%
- 49 coal units retired (~6.2 GW) since 2010
- As of year-end 2018, owned or contracted 7,100 MW of renewables
- Targeting 1 trillion gallon reduction in water withdrawals by our generation fleet by 2030 (from 5.34 trillion gallons in 2016)

FUEL DIVERSITY (MWh OUTPUT)



(1) From 2005 levels. 2030 carbon reduction will be influenced by customer demand, generation mix, weather, fuel availability and prices

(2) 2005 and 2018 data based on Duke's ownership share of U.S. generation assets as of Dec. 31, 2018

(3) 2018 data excludes 8,519 GWh of purchased renewables, equivalent to ~4% of Duke's output

CARBON AND OTHER REDUCTIONS



OTHER ESG FOCUS AREAS



INDUSTRY LEADING DISCLOSURE



SAFETY – OUR NUMBER ONE PRIORITY

- Total Incident Case Rate (TICR) of 0.43 in 2018; one of the industry leaders for 4th year in a row

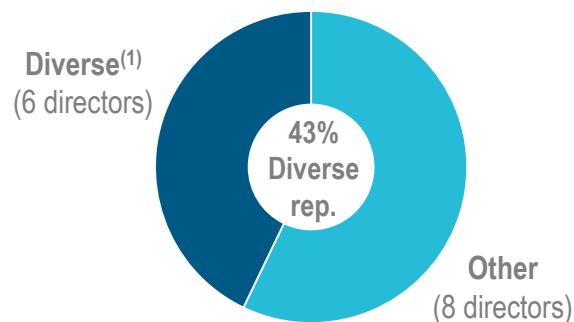
EMPLOYEES

- Targeting a companywide engagement score of 76% by 2022
- Named one of “America’s Best Employers” by Forbes
- Named one of the “50 Best Companies for Diversity” by Black Enterprise magazine

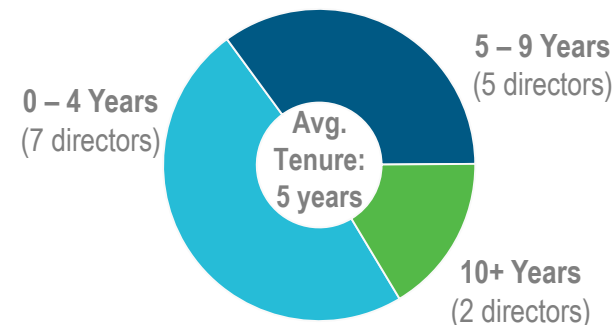
GOVERNANCE

- Oversight of sustainability formally added to Corporate Governance Committee of the Duke Energy Board of Directors charter in 2018

BOARD DIVERSITY



BOARD TENURE



(1) Racial, gender and ethnic diversity

CARBON AND OTHER REDUCTIONS



OTHER ESG FOCUS AREAS



INDUSTRY LEADING DISCLOSURE



- Dow Jones Sustainability Index for 13 years in a row
- Over a decade of annual Sustainability reports
- Climate Report issued in 2018 analyzes 2-degree scenario
 - Our 40% CO₂ reduction goal is consistent with a pathway to achieve a 2-degree target
- EEI / AGA reporting templates provide investors greater uniformity and consistency in reporting of ESG metrics
- Bloomberg ESG disclosure score of 56.6, the second-best score and in the top decile of our peer U.S. utilities⁽¹⁾



see more at: www.duke-energy.com/our-company/sustainability

(1) As of March 29, 2019

Other supplemental information





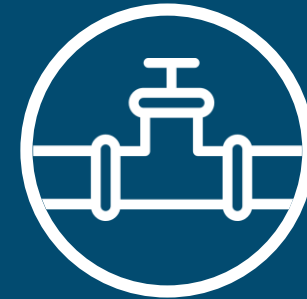
TRANSFORM THE **CUSTOMER EXPERIENCE**



MODERNIZE THE
ENERGY GRID



GENERATE
CLEANER ENERGY



EXPAND **NATURAL GAS**
INFRASTRUCTURE



STAKEHOLDER
ENGAGEMENT

**EMPLOYEE ENGAGEMENT AND OPERATIONAL EXCELLENCE
ARE FOUNDATIONAL TO OUR SUCCESS**

Renewables projects detail

		Megawatts			COD	Location
Site		Solar	Wind	Total		
Regulated:	Lake Placid	45	-	45	Q4 2019	FL
	Trenton	74.9	-	74.9	Q4 2019	FL
	DeBary	74.5	-	74.5	Q1 2020	FL
	Catawba County ⁽¹⁾	69	-	69	2020	NC (DEC)
	Gaston County ⁽¹⁾	25	-	25	2020	NC (DEC)
	Onslow County (BOT) ⁽¹⁾⁽²⁾	80	-	80	2020	NC (DEP)
	PPA projects ⁽¹⁾⁽³⁾	333	-	333	2020	NC/SC
Subtotal – Regulated		702	-	702		
Commercial:	Cleveland County ⁽¹⁾	50	-	50	2020	NC
	Surry County ⁽¹⁾	23	-	23	2020	NC
	Cabarrus County ⁽¹⁾	23	-	23	2020	NC
	Rosamond	150	-	150	Q2 2019	CA
	Lapetus	100	-	100	Q4 2019	TX
	Mesteno	-	200	200	Q4 2019	TX
Subtotal – Commercial⁽⁴⁾		346	200	546		
GRAND TOTAL - announced		1,048	200	1,248		
Forthcoming Commercial projects		260	530	790	2019/2020	

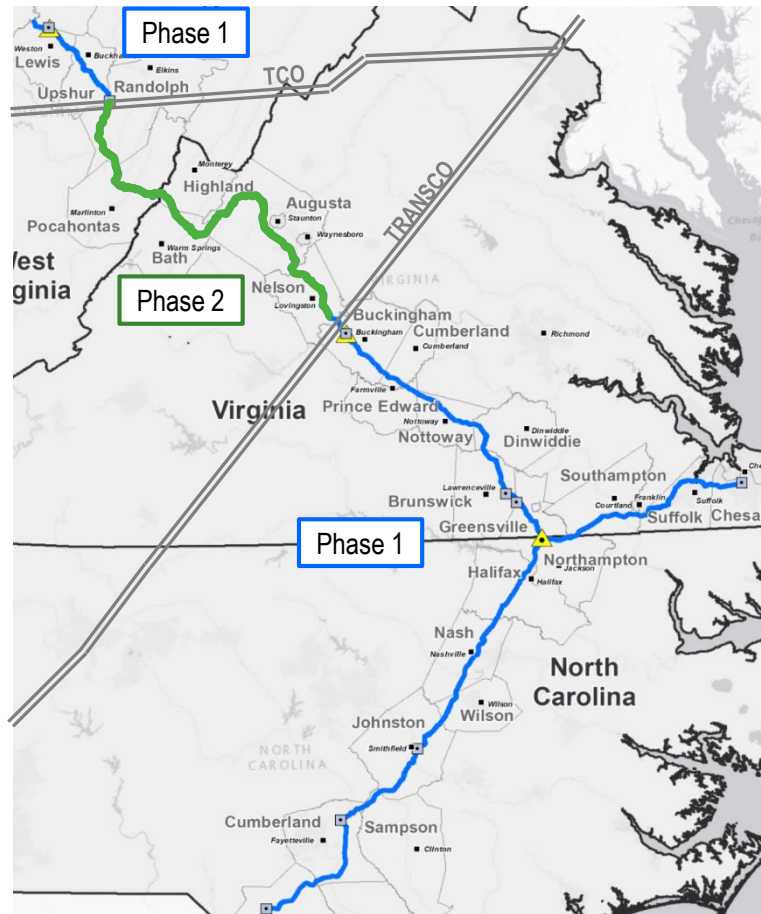
(1) Projects that cleared the first RFP under HB589 (602 MW in total). Dates may vary depending upon local approvals and any construction delays

(2) Duke Energy Progress to acquire this project once built (Build-Own-Transfer)

(3) Projects procured on behalf of customers but not owned by Duke Energy

(4) Approximately 1/3 of capital requirement to be funded with tax equity

PERMIT STATUS



- U.S. Fish & Wildlife Service Biological Opinion and Incidental Take Statement stayed
 - Hearing before 4th Circuit Court of Appeals – May 9
 - Order expected ~90 days
- U.S. Forest Service permit to cross national forests remanded; permission to cross Appalachian Trail vacated
 - Expect to file petition this summer seeking SCOTUS review of the Appalachian Trail decision; optimistic DOJ and Solicitor General will join appeal
 - Evaluating potential administrative and legislative options

IN-SERVICE DATES AND COST ESTIMATE UNCHANGED

- Expect construction to resume this Fall, with the full project in-service in 2021
 - Pursuing phased in-service schedule, with Phase 1 in service by late 2020 and Phase 2 in 2021
 - Advancing discussions with customers
- Estimated cost of \$7.0 to \$7.8 billion⁽¹⁾



COMMITTED TO BRINGING LOW-COST NATURAL GAS TO UNDERSERVED SOUTHEAST

(1) Represents total project cost, of which Duke Energy's share is 47%. Excludes AFUDC

North Carolina coal ash detail

Site	Ranking	Approximate Tons of Ash ⁽¹⁾	State Compliance Date	Actual/ Expected Closure Date ⁽⁵⁾
Riverbend ⁽²⁾	High	-	August 2019	March 2019
Dan River ⁽²⁾	High	1	August 2019	May 2019
Sutton ⁽²⁾	High	1	December 2019	July 2019
Asheville ⁽²⁾⁽³⁾	High	2	August 2022	
Cape Fear ⁽⁴⁾	Intermediate	6	August 2028	
H.F. Lee ⁽⁴⁾	Intermediate	6	August 2028	
Weatherspoon	Intermediate	2	August 2028	
Cliffside ⁽²⁾	Low	10	December 2029	2027 – 2029
Allen	Low	19	December 2029	2038 - 2043
Marshall	Low	32	December 2029	2042 - 2053
Buck ⁽⁴⁾	Low	7	December 2029	
Belews Creek	Low	20	December 2029	2033 - 2037
Roxboro	Low	34	December 2029	2038 - 2043
Mayo	Low	7	December 2029	2027 - 2030
Total tons of Ash		147		

(1) As of March 31, 2019. In millions

(2) The company is currently moving ash from this site to on- and off-site final fully lined storage solutions, so the figures will change periodically given this activity

(3) Basins at Asheville must be closed by Aug. 1, 2022, as a result of the Mountain Energy Act

(4) Ash beneficiation site

(5) Assuming full excavation of low-risk, low-priority sites included in NCDEQ order on April 1, 2019. Compliance dates for Allen, Marshall, Belews Creek, Roxboro and Mayo will need to be adjusted



Upcoming events & other



Upcoming events

Event	Date
2019 AGA Financial Forum	May 20-21, 2019
2Q 2019 earnings call (tentative)	August 6, 2019
3Q 2019 earnings call (tentative)	November 8, 2019

MIKE CALLAHAN, VICE PRESIDENT INVESTOR RELATIONS

- Michael.Callahan@duke-energy.com
- (704) 382-0459

MIKE SWITZER, DIRECTOR INVESTOR RELATIONS

- Mike.Switzer@duke-energy.com
- (704) 382-6473

ABBY MOTSINGER, MANAGER INVESTOR RELATIONS

- Abby.Motsinger@duke-energy.com
- (704) 382-7624

Safe harbor statement

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; The costs of decommissioning Crystal River Unit 3 and other nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; Costs and effects of legal and administrative proceedings, settlements, investigations and claims; Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; Advancements in technology; Additional competition in electric and natural gas markets and continued industry consolidation; The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; The ability to obtain the necessary permits and approvals and to complete necessary or desirable pipeline expansion or infrastructure projects in our natural gas business; Operational interruptions to our natural gas distribution and transmission activities; The availability of adequate interstate pipeline transportation capacity and natural gas supply; The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers; The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions; Credit ratings of the Duke Energy Registrants may be different from what is expected; Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds; Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; The ability to control operation and maintenance costs; The level of creditworthiness of counterparties to transactions; Employee workforce factors, including the potential inability to attract and retain key personnel; The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; The effect of accounting pronouncements issued periodically by accounting standard-setting bodies; The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings; The impacts from potential impairments of goodwill or equity method investment carrying values; and The ability to implement our business strategy, including enhancing existing technology systems.

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



*BUILDING A **SMARTER** ENERGY FUTURE®*

For additional information on Duke Energy,
please visit: duke-energy.com/investors

Duke Energy Corporation
Non-GAAP Reconciliations
First Quarter Earnings Review & Business Update
May 9, 2019

Adjusted Diluted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) First Quarter Earnings Review and Business Update on May 9, 2019, include a discussion of adjusted diluted EPS for the quarters ended March 31, 2019 and 2018.

The non-GAAP financial measure, adjusted diluted EPS, represents diluted EPS from continuing operations attributable to Duke Energy Corporation common stockholders, adjusted for the per share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted diluted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors (Board of Directors), employees, stockholders, analysts and investors. 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 attributable to Duke Energy Corporation common stockholders. For the quarter ended March 31, 2019 adjusted diluted EPS equals reported diluted EPS attributable to Duke Energy Corporation common shareholders. Accordingly, there is no reconciliation of adjusted diluted EPS for the quarter ended March 31, 2019, to the most directly comparable GAAP measure. A reconciliation of adjusted diluted EPS for the quarter ended March 31, 2018, to the most directly comparable GAAP measure is included herein.

Special items for the quarter ended March 31, 2018 include the following items, which management believes do not reflect ongoing costs:

- Costs to Achieve Piedmont Merger represents charges that result from the Piedmont acquisition.
- Regulatory Settlements represents charges related to rate case orders, settlements or other actions of regulators.
- Sale of Retired Plant represents the loss associated with selling Beckjord, a nonregulated generating facility in Ohio.
- Impairment of Equity Method Investment represents an OTTI of an investment in Constitution.
- Impacts of the Tax Act represents an AMT valuation allowance recognized related to the Tax Act.

Adjusted Diluted EPS Guidance

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2019, include a reference to adjusted diluted EPS guidance range of \$4.80 - \$5.20 per share. The materials also reference the long-term range of annual growth of 4% - 6% through 2023 off the midpoint of 2019 adjusted EPS guidance range of \$5.00. 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 (as discussed above under Adjusted Diluted EPS). Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Adjusted Segment Income and Adjusted Other Net Loss

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2019, include a discussion of adjusted segment income and adjusted other net loss for the quarter ended March 31, 2018 and a discussion of 2019 forecasted adjusted segment income and forecasted adjusted other net loss.

Adjusted segment income and adjusted other net loss are non-GAAP financial measures, as they represent reported segment income and other net loss adjusted for special items (as discussed above under Adjusted Diluted EPS). Management believes the presentation of adjusted segment income and adjusted other net loss provides useful information to investors, as it provides an additional relevant comparison of a segment's or Other's performance across periods. When a per share impact is provided for a segment income driver, the after-tax driver is derived using the pretax amount of the item less income taxes based on the segment statutory tax rate of 24% for Electric Utilities and Infrastructure and Gas Utilities and Infrastructure, segment statutory tax rate of 23% for Other, or an effective tax rate for Commercial Renewables. The after-tax earnings drivers are divided by the Duke Energy weighted average diluted shares outstanding for the period. The most directly comparable GAAP measures for adjusted segment income and adjusted other net loss are reported segment income and other net loss, which represents segment income and other net loss from continuing operations, including any special items. For the quarter ended March 31, 2019 adjusted segment income and adjusted other net loss equal reported segment income and other net loss. Accordingly, there is no reconciliation of adjusted segment income and adjusted other net loss for the quarter ended March 31, 2019, to the most directly comparable GAAP measure. A reconciliation of adjusted segment income and adjusted other net loss for the quarter ended March 31, 2018, to the most directly comparable GAAP measures is included herein. Due to the forward-looking nature of any forecasted adjusted segment income and forecasted other net loss and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures are not available at this time, as the company is unable to forecast all special items, as discussed above under Adjusted Diluted EPS Guidance.

Adjusted Effective Tax Rate (ETR)

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2019 include a discussion of the adjusted ETR for the quarter ended March 31, 2019. The materials also include a discussion of the 2019 forecasted adjusted ETR. Adjusted ETR is a non-GAAP financial measure as the rate is calculated using a pretax earnings and income tax expense, both adjusted for the impact of special items, as discussed above under Adjusted Diluted EPS. The most directly comparable GAAP measure for adjusted ETR is reported effective tax rate. For the quarter ended March 31, 2019 the adjusted effective tax rate equals the effective tax rate. Accordingly, there is no reconciliation of the adjusted effective tax rate for the quarter ended March 31, 2019, to the most directly comparable GAAP measure. Due to the forward-looking nature of the 2019 forecasted adjusted 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, as discussed above under Adjusted Diluted EPS Guidance.

Available Liquidity

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2019 include a discussion of Duke Energy's available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under Duke Energy's available credit facilities, including 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 March 31, 2019 to the most directly comparable GAAP measure is included herein.

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

	Reported Earnings	Special Items					Total Adjustments	Adjusted Earnings		
		Costs to Achieve Piedmont Merger	Regulatory Settlements	Sale of Retired Plant	Impairment of Equity Method Investment	Impacts of the Tax Act				
SEGMENT INCOME										
Electric Utilities and Infrastructure	\$ 750	\$ —	\$ 66	B	\$ —	—	\$ —	\$ 66	\$ 816	
Gas Utilities and Infrastructure	116	—	—		—	42	D	—	42	158
Commercial Renewables	20	—	—		—	—	—	—	—	20
Total Reportable Segment Income	886	—	66		—	42	—	108	994	
Other	(266)	13	A	—	82	C	—	76	171	(95)
Net Income Attributable to Duke Energy Corporation	\$ 620	\$ 13	\$ 66		\$ 82	\$ 42	\$ 76	E	\$ 279	\$ 899
EPS ATTRIBUTABLE TO DUKE ENERGY CORP, DILUTED	\$ 0.88	\$ 0.02	\$ 0.09		\$ 0.12	\$ 0.06	\$ 0.11	\$ 0.40	\$ 1.28	

A - Net of \$4 million tax benefit. \$17 million recorded within Operating Expenses on the Condensed Consolidated Statements of Operations.

B - Net of \$20 million tax benefit. \$45 million recorded within Impairment charges, \$35 million within Operating Expenses and \$6 million recorded within Interest Expense on the Condensed Consolidated Statements of Operations.

C - Net of \$25 million tax benefit. \$107 million recorded within Losses on Sales of Other Assets and Other, net on the Condensed Consolidated Statements of Operations.

D - Net of \$13 million tax benefit. \$55 million recorded within Other Income and Expenses on the Condensed Consolidated Statements of Operations.

E - \$76 million AMT valuation allowance within Income Tax Expense from Continuing Operations on the Condensed Consolidated Statements of Operations.

Weighted Average Shares, Diluted (reported and adjusted) - 701 million

Duke Energy Corporation
Available Liquidity Reconciliation
As of March 31, 2019
(In millions)

Cash and Cash Equivalents	\$ 377	
Less: Certain Amounts Held in Foreign Jurisdictions	(30)	
Less: Unavailable Domestic Cash	<u>(144)</u>	
	203	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>5,209</u>	
Total Available Liquidity (a)	<u><u>\$ 5,412</u></u>	approximately 5.4 billion

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