


North Carolina Coal Institute: Myrtle Beach, SC
July 18, 2016

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Safe Harbor Statement

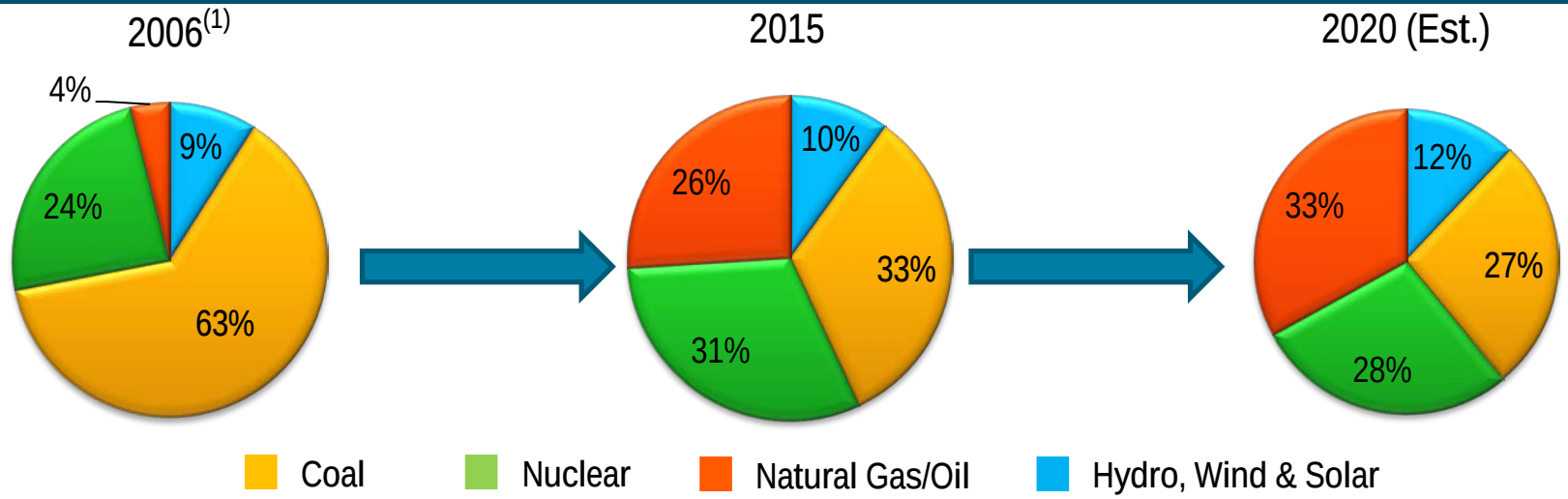
This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions.

These forward-looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook," and similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: state, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements or 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 the costs and liabilities relating to the Dan River ash basin release and compliance with current regulations and any future regulatory changes related to the management of coal ash; the ability to recover eligible costs, including those associated with future significant weather events, and earn an adequate return on investment through the regulatory process; the costs of decommissioning Crystal River Unit 3 could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; credit ratings of the company or its subsidiaries may be different from what is expected; 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 customer usage patterns, including energy efficiency efforts and use of alternative energy sources including self-generation and distributed generation technologies; additional competition in electric markets and continued industry consolidation; political and regulatory uncertainty in other countries in which Duke Energy conducts business; the influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts and tornadoes; the ability to successfully operate electric generating facilities and deliver electricity to customers; the impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches and other catastrophic events; the inherent risks associated with the operation and potential construction of nuclear facilities, including environmental, health, safety, regulatory and financial risks; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange 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 and general economic conditions; 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 Duke Energy and its subsidiaries' capital investment projects in existing and new generation facilities, 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 potential goodwill impairments; the ability to reinvest prospective undistributed earnings of foreign subsidiaries or repatriate such earnings on a tax-efficient basis; the expected timing and likelihood of completion of the proposed transaction with Piedmont, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could reduce anticipated benefits or cause the parties to abandon the transaction, the diversion of management's time and attention from Duke Energy's ongoing business during this time period, the ability to maintain relationships with customers, employees or suppliers as well as the ability to successfully integrate the businesses and realize benefits and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect; and the ability to successfully complete future merger, acquisition or divestiture plans.

Additional risks and uncertainties are identified and discussed in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.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 Duke Energy has described. Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Moving toward a lower carbon footprint and increased fuel diversity

Total Company Fuel Diversity Estimates (MWh output)



Reduction of U.S. Generation Emissions From 2005 - 2015(2)

CO_2 ↓ 28% SO_2 ↓ 90% NO_X ↓ 68%

Reductions in emissions due to the following actions:

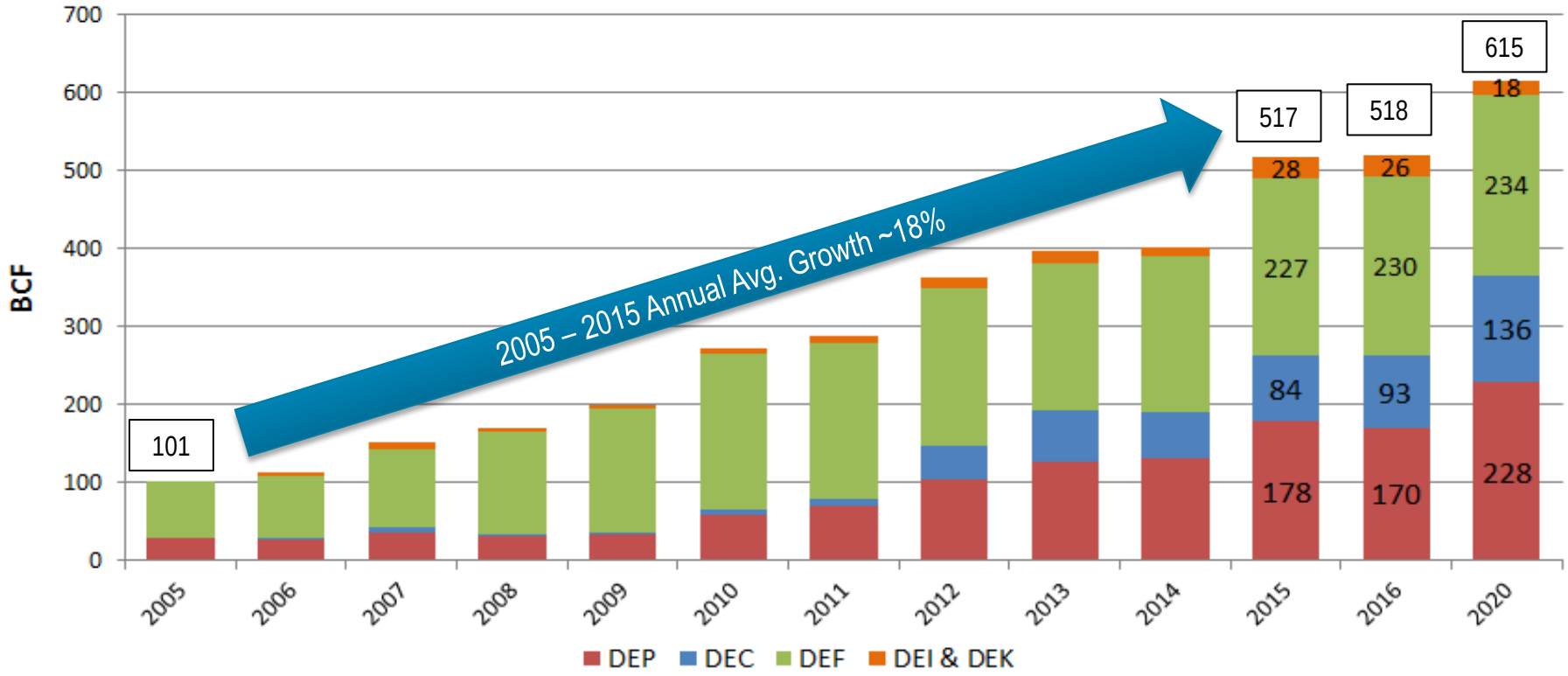
- Additions of pollution control systems
- Decreased coal generation
- Retirement of higher-emitting plants
- Increased natural gas generation

(1) 2006 data does not include Progress Energy .
(2) Data based on Duke Energy's ownership share of generating assets as of the end of each calendar year. The data exclude emissions from the commercial Midwest generation assets sold in April 2015, and include emissions from the NCEMPA generation assets (partial ownership interest in several Duke Energy Progress plants) purchased in August 2015.

Duke Energy Regulated Natural Gas Consumption and Growth Trends

Region	Current Gas-fired Generation (MWs)[1]
Carolinas	9,760 MW
Florida	7,193 MW
Midwest	2,579 MW

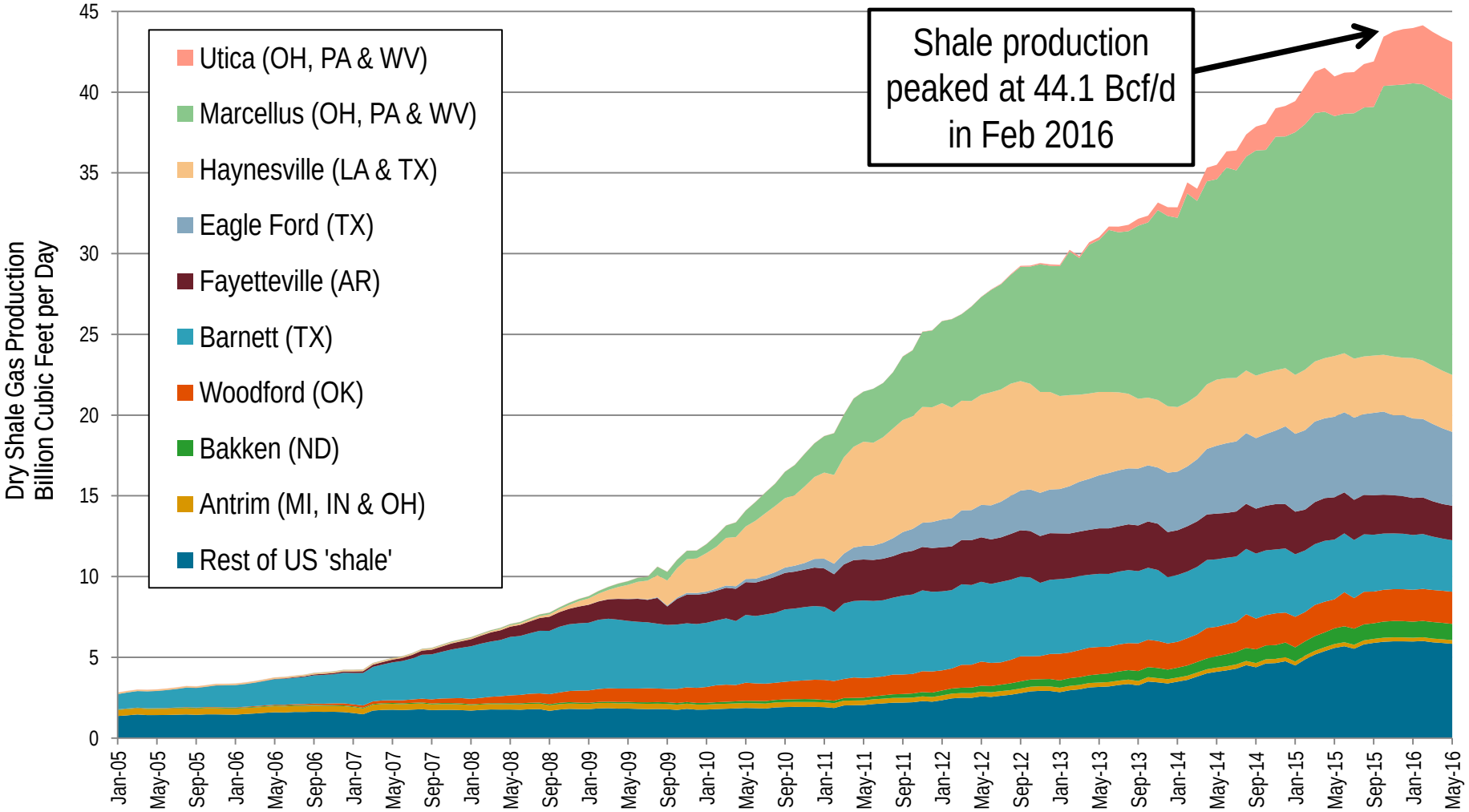
[1] Includes currently owned and tolled generating units. Does not include MW's for new DEP, DEC or DEF CC projects approved in 2014/2015. This will increase owned MW's by ~2,900 of summer rated capacity.



Forecasted gas burns for 2016 and beyond include owned and tolled generating units are estimates that are subject to change over time. Previous years are unaudited actuals of owned and tolled facilities gas usage.

2005 to June 2016 Actuals
DEC/DEP Forecast: 2016 Summer FOF
DEF Forecast: 2016 Summer FOF
DEI/DEK Forecast: 7/5/16 Fuel Burn Report

Growth in Shale Gas by Basin



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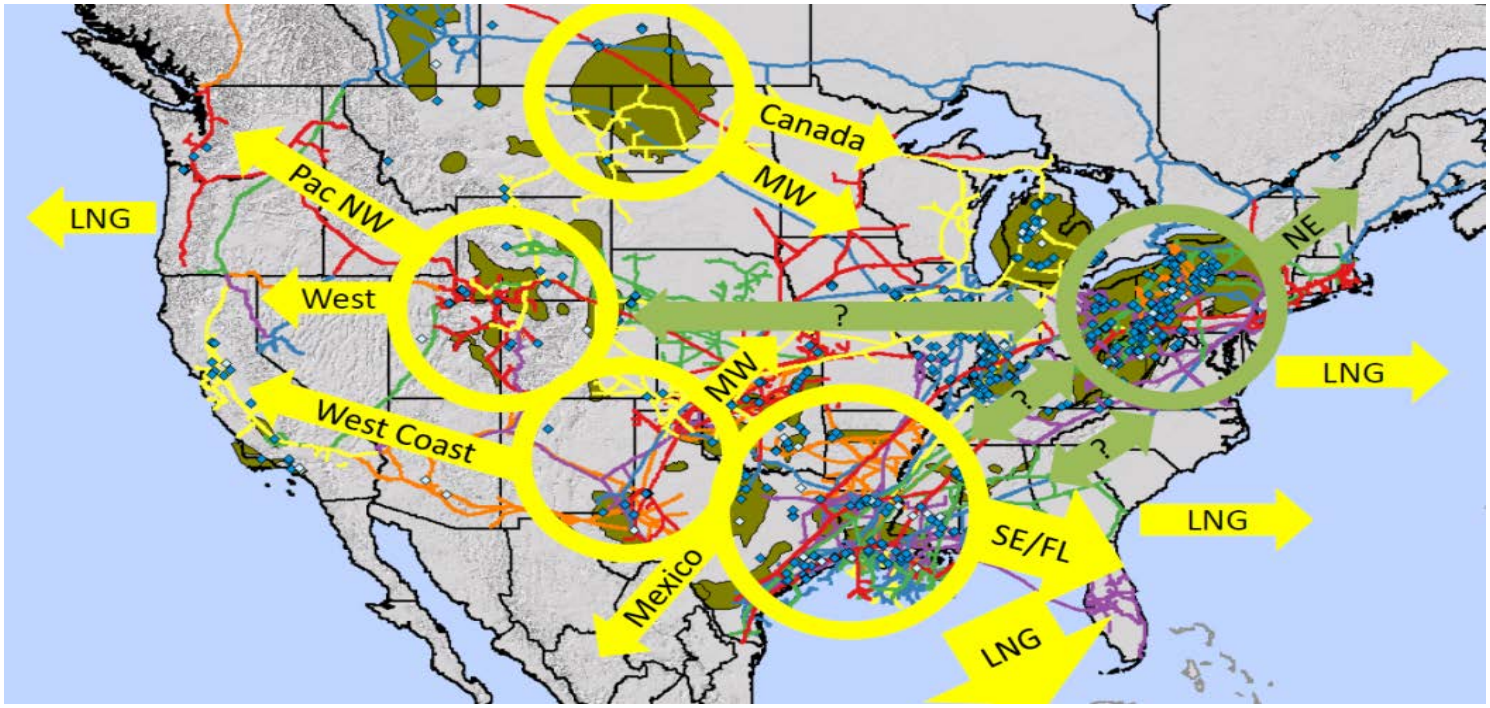
Source: EIA
(through 5/31/16)

Pipeline Flow Trends as a Result of Growth in Shale Gas

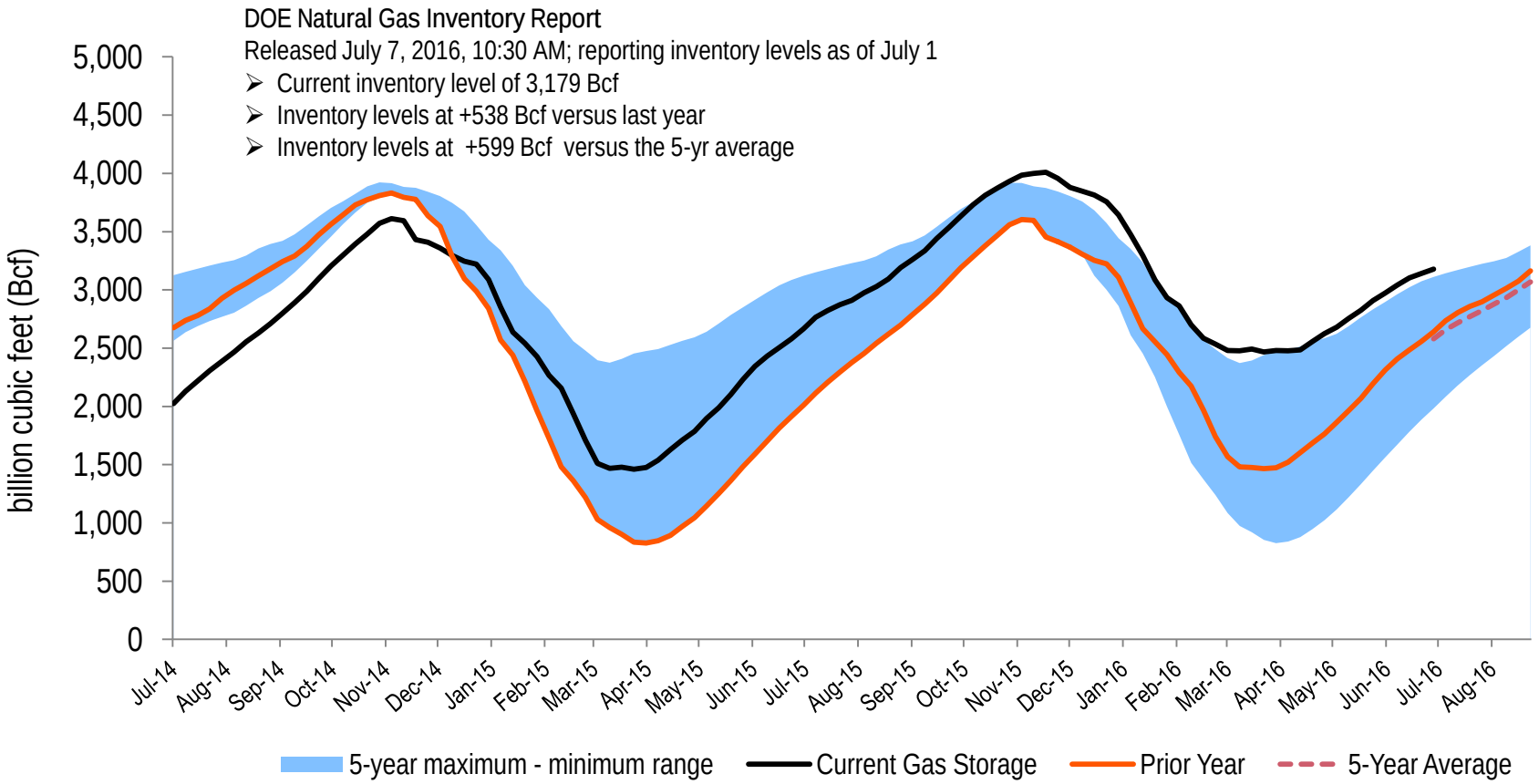


Post-Shale Infrastructure Growth and Pipeline Flows:

- Pipelines flows changing and moving growing Marcellus and Utica gas South, West and North and will displace traditional flows to South the North.
- Infrastructure is catching up with growth in production.
- LNG exports will contribute to balance supply and demand.

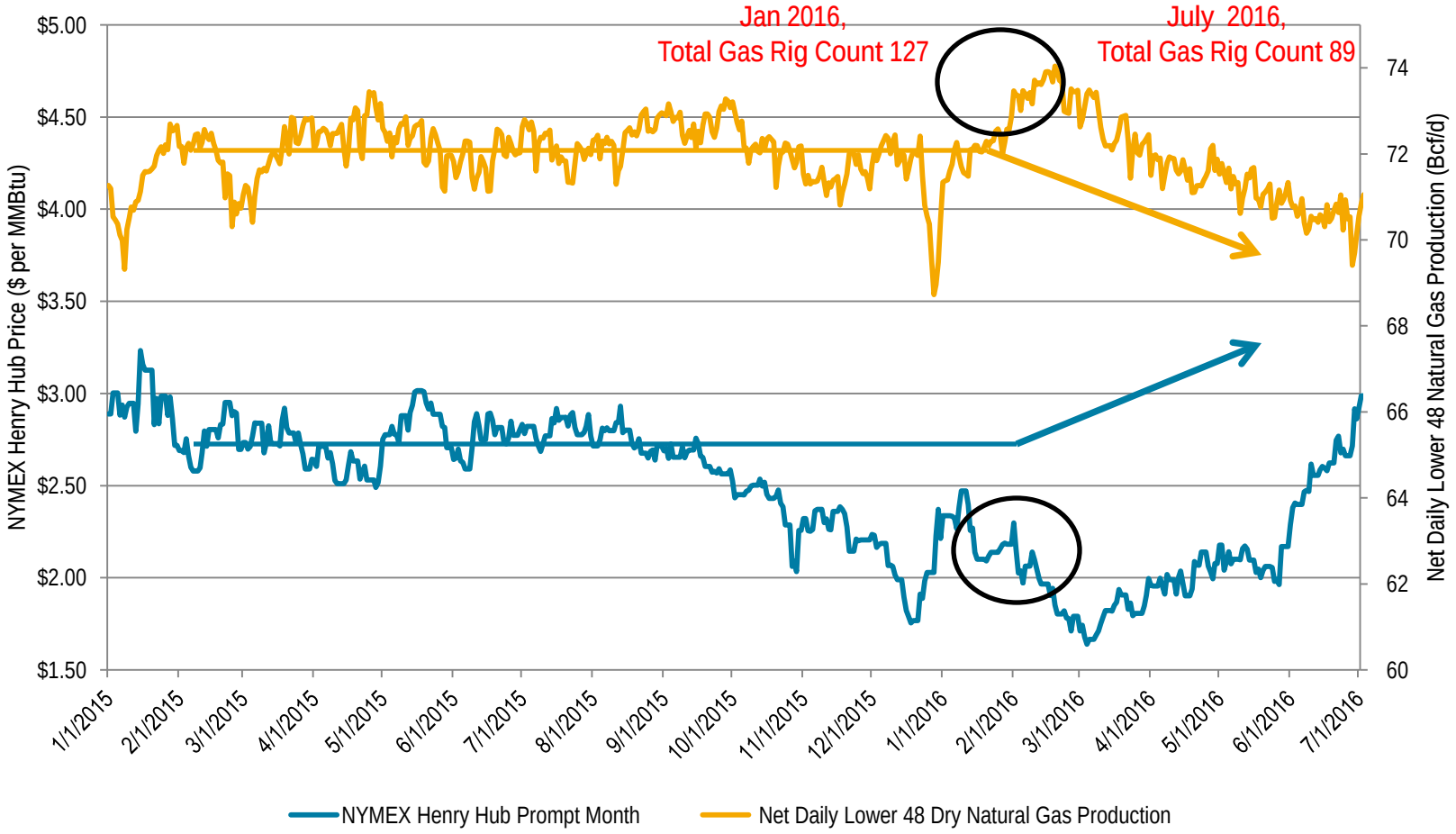
Image Source: America Natural Gas Alliance (now part of the American Petroleum Institute)

Natural Gas Storage Status (Week ending 07/1/16)



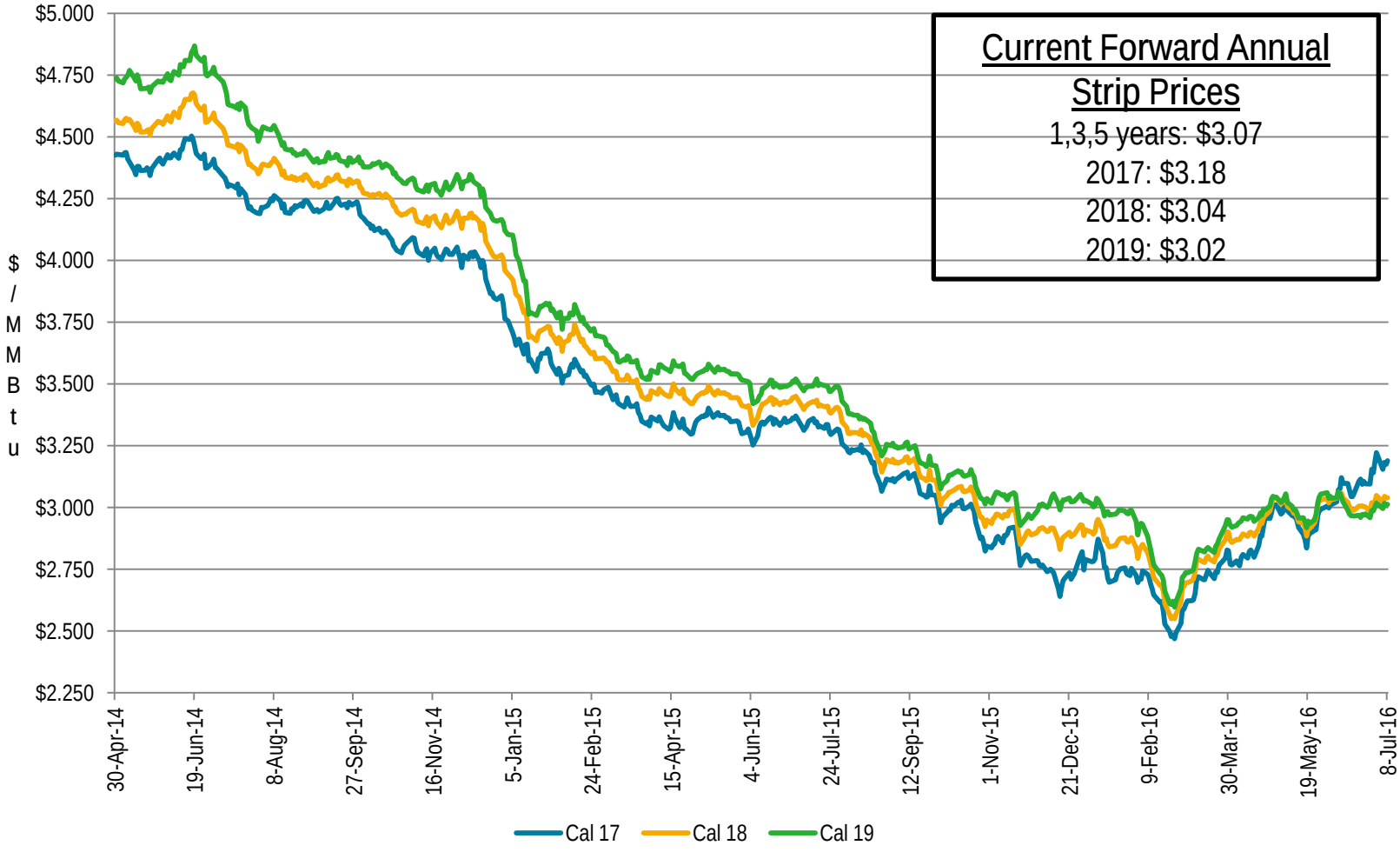
Current gas storage is approximately 20.4% higher versus this time last year and approximately 23.2% higher compared to 5-year average.

Historical US Dry Gas Production and Price Relationship



Source: NYMEX / Platts

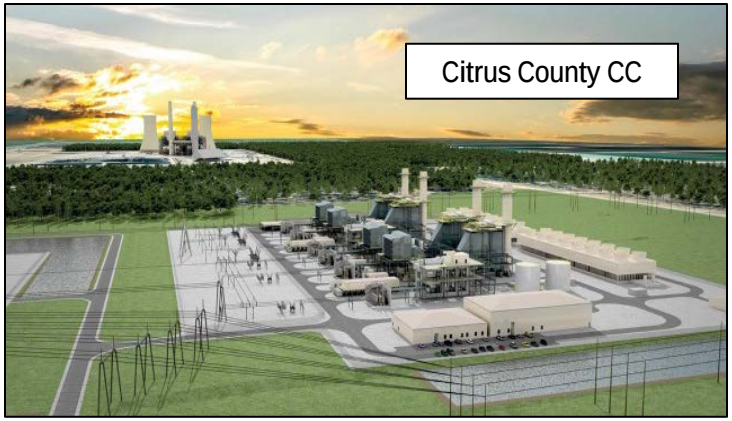
Natural Gas NYMEX Forward Strip (As July 8, 2016 close)

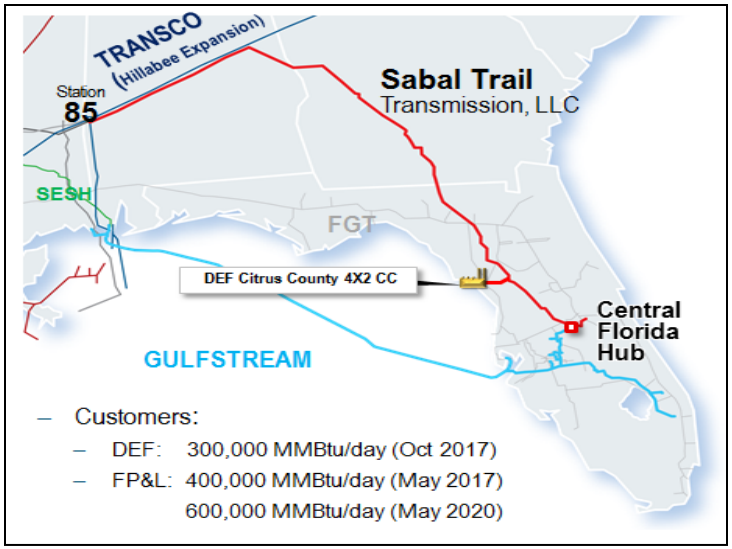


Project Development - Regulated Generation and Transportation

- Regulated Combined Cycle Generation(1)
  - W.S. Lee (online 2017)
    - DEC 2X1 ~750 MW CC
  - Citrus County (online 2018)
    - DEF 4X2 ~1,640 MW CC
  - Asheville (online 2019)
    - DEP Two 1x1 ~550 MW CC

- Natural Gas Pipeline Infrastructure
  - Atlantic Coast Pipeline
    - 725,000/day firm transportation
  - Sabal Trail Transmission
    - 300,000/day firm transportation

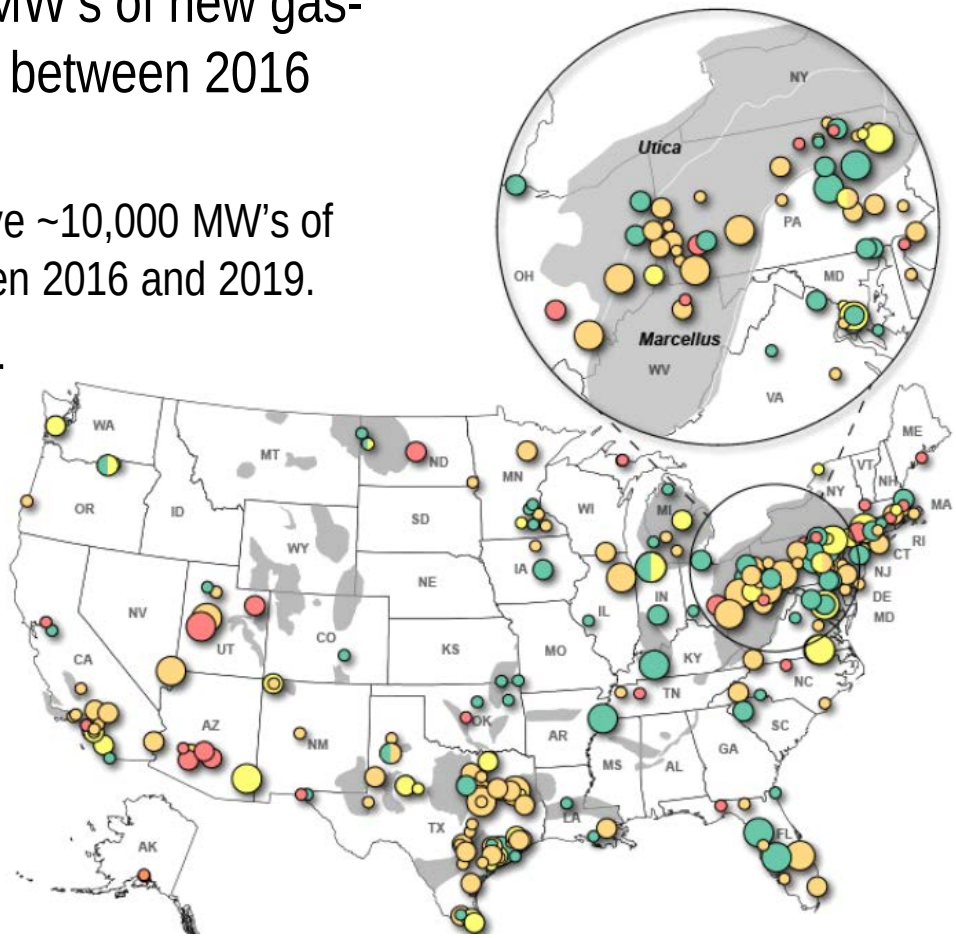




(1) Regulated Generation MWs for each project are approximate estimates.

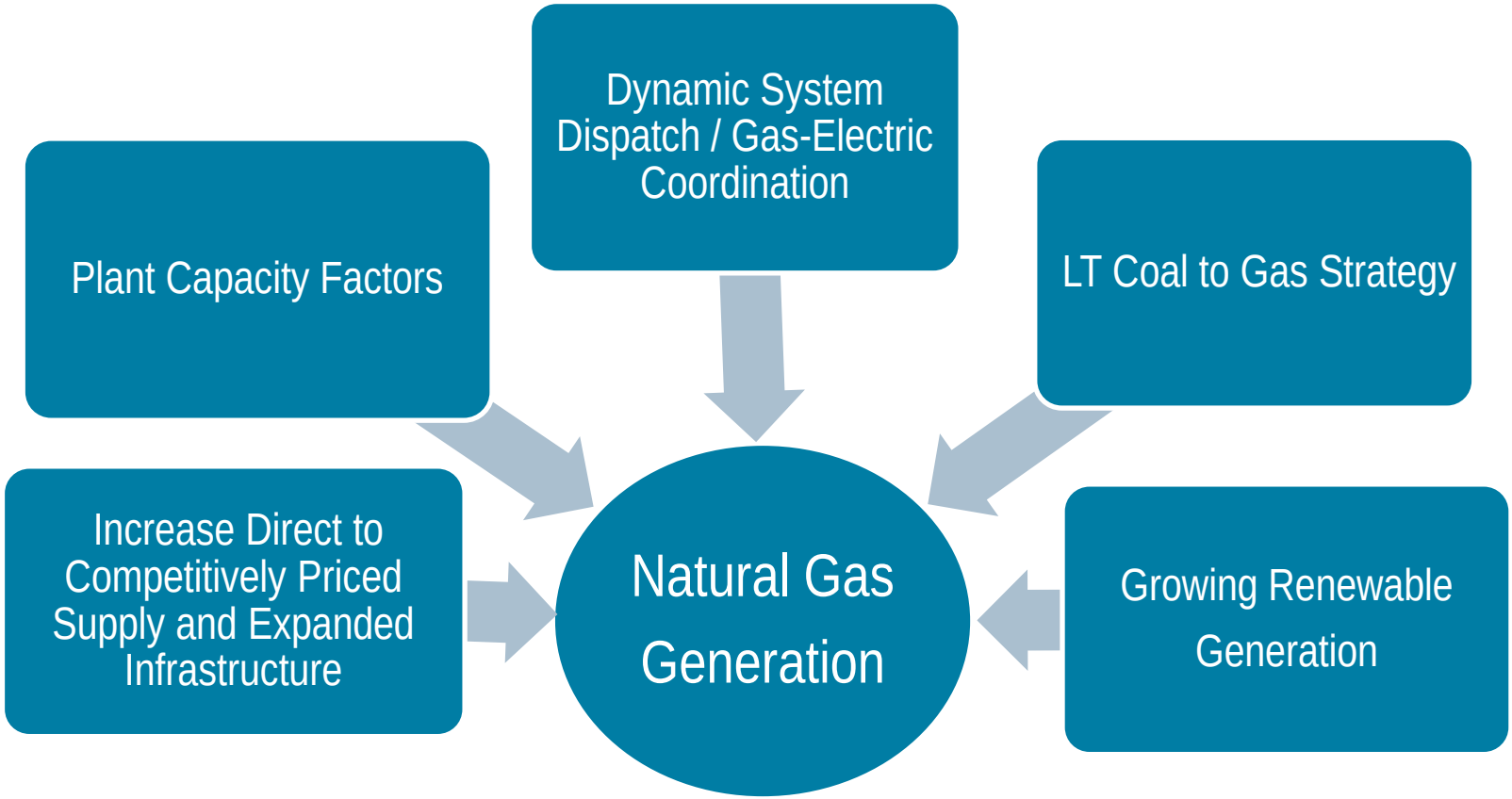
Project Development – Announced U.S. Gas Generation

- Per SNL summary, there is ~105,000 MW's of new gas-fired capacity projected to come online between 2016 and 2025.
  - NextEra, Duke, and Dominion combined have ~10,000 MW's of gas generation slated to come online between 2016 and 2019.
- New gas generation concentrated near shale regions (PJM / ERCOT).



Source: SNL Energy, an offering of S&P Global Market Intelligence
As of April 25, 2016

Planning Considerations Given Growth in Gas Generation



Atlantic Coast Pipeline – Increasing Supply Access and Infrastructure Diversity

Project Scope:

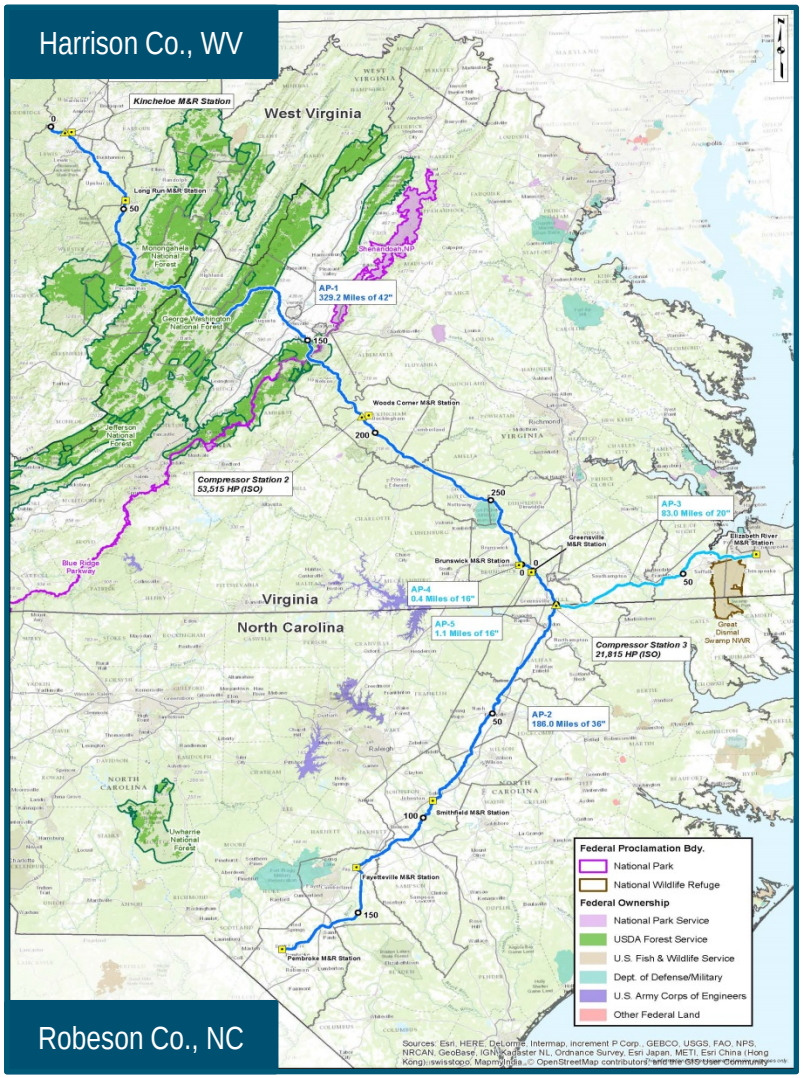
- ~600 mile FERC regulated pipeline extending from Marcellus and Utica shale to VA and NC.
- Initial pipeline capacity of 1.5 Bcf/day with potential future expansion to 2 Bcf/day.
- Capital Expenditures: ~$5.1Billion.

Project Facilities:

- 42-inch diameter in West Virginia and Virginia.
- 36-inch diameter in North Carolina.
- 20-inch diameter lateral extension from Virginia-North Carolina boarder to Hampton Roads.
- Three gas-fired compressor station locations in Lewis County, WV, Buckingham County, VA and Northampton County, NC.

Project Timeline(1)

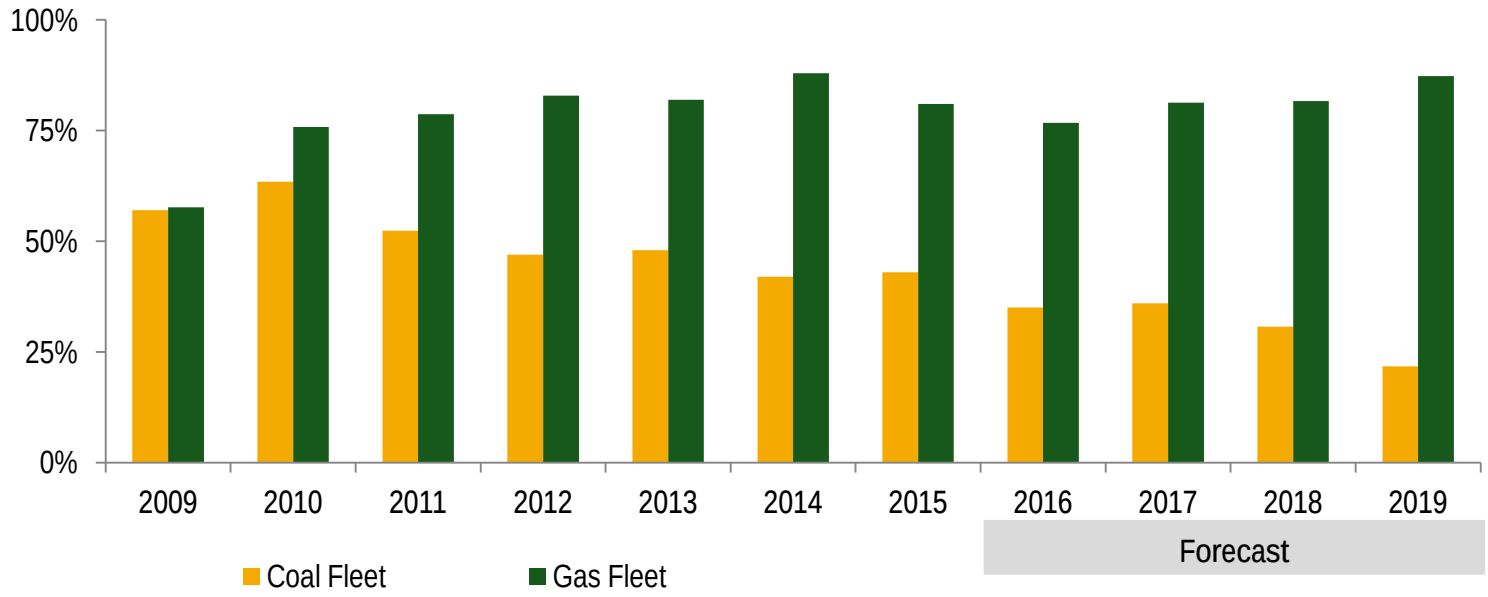
- FERC Application – September 2015.
- Filed Amended FERC Application – March 2016.
- FERC Certificate Issued – early 2017.
- Construction – 2017 – 2018.
- In-Service – Late 2018.



(1) Information is an estimate and subject to change.

Duke Energy: Carolinas Regulated Generation Dispatch Trends
Higher Capacity Factors and Gas Utilization

Carolinas Coal and Gas Fleet Capacity Factors (1)



- Combined cycle (CC) capacity factors projected to operate like base load plants.
- Fleet diversity provides fuel flexibility to optimize in changing market conditions.

(1) Represents pro forma capacity factors for Duke Energy Carolinas and Duke Energy Progress and illustrative of combined fleet and subject to change based on market conditions, forecasts, and other dynamic system considerations.

Fuels and Systems Optimization (FSO)
Physical Gas Desk Daily Interactions – Active Management

Internal

ECC / SOC / Power Plants
- Reliability
- Unit Status / Fuel Availability
- Pipeline Conditions

Power Trading / Dispatch
- Market Pricing
- Power Purchases / Sales
- Joint Dispatch Transfer

Portfolio Management / Unit Commitment
- Weather / Load Forecast
- Unit Commitment Status
- Market Pricing
- Fuel Availability

Physical Natural Gas Desk

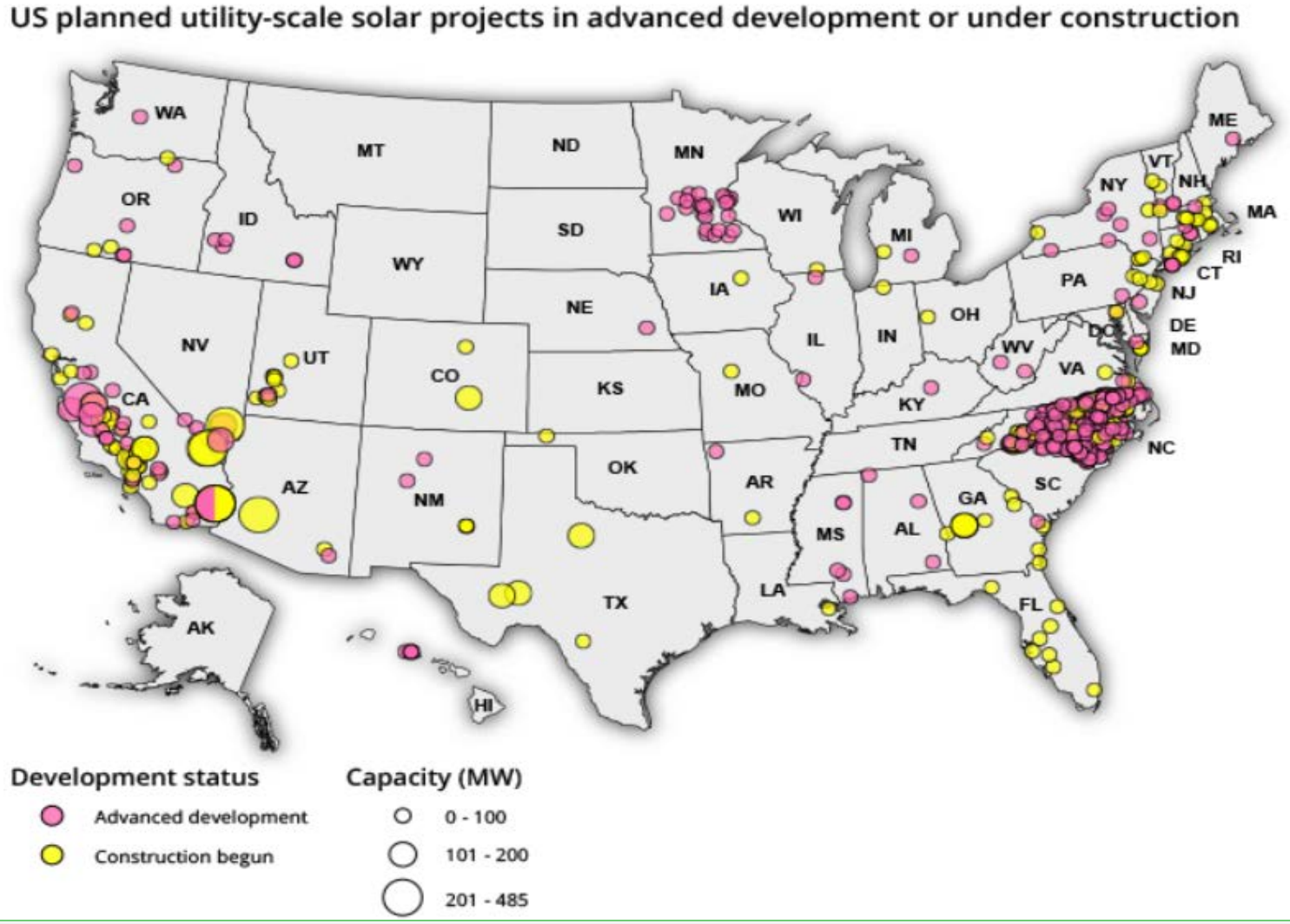
External

Pipelines / LDC
- Nominations
- Operational Conditions
- Fuel Delivery Performance
- Daily / Intraday Procurement

Suppliers / Markets
- Daily / Intraday Procurement
- Nominations
- Performance

FSO actively manages gas generation needs to minimize costs and ensure system reliability

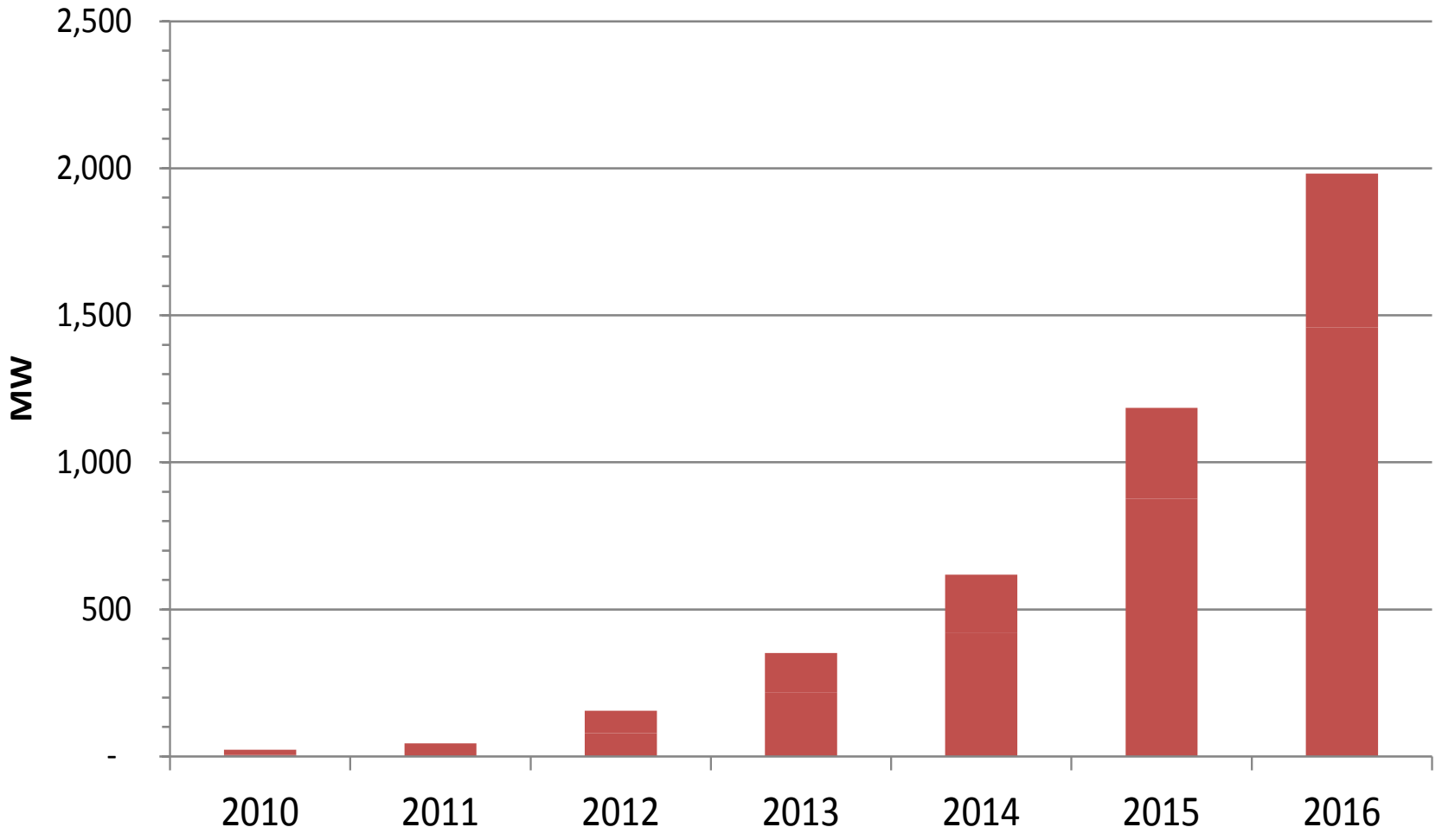
Large Scale Solar Developments



Source: SNL Energy, an offering of S&P Global Market Intelligence
As of Feb 12, 2016

Duke Energy Regulated Carolinas

Cumulative Large Scale Renewable MW Capacity Trends (1)



(1) Large Scale MW Trends on slide are estimates and/or forecast for 2016 and subject to change.

Summary

- Utility industry has been transforming with on-going shift from coal-to-gas generation and growing renewables.
- Integrated system and operations planning approach is critical to support operational requirements given increasing gas generation and renewable generation portfolio.
- Procurement strategies to access growing gas supply, further enhance gas infrastructure, and continue to increase fuel and market flexibility across all fuels is critical.
- Planning and coordination among stakeholders to implement policies in a cost effective manner while maintaining system reliability is critical.