

February 6, 2017

Ms. Donna Simon
Manager, Benefits and Labor Accounting
Duke Energy Corporation
550 South Tryon Street
Charlotte, NC 28202

Subject: Actuarial Valuation Report for December 31, 2016 Disclosure and Fiscal 2017 Net Periodic Benefit Cost for Duke Energy Pension Plans and Retiree Welfare Plans

Dear Donna:

Duke Energy engaged Towers Watson Delaware Inc. (Willis Towers Watson) to value the Company's pension and other postretirement benefit plans. This report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2016 for the below listed plans.

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50, including the net balance sheet position, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the asset disclosures specified in ASC 715-20-50-1(d).

In addition, this report presents the Net Periodic Benefit Cost/(Income), in accordance with ASC 715, for the fiscal year beginning January 1, 2017. Both year-end financial reporting and benefit cost results are based on a valuation of the following plans as of December 31, 2016:

Qualified Pension Plans

- Duke Energy Retirement Cash Balance Plan (merged with PEPP eff. 12/31/2015)
- Cinergy Corp. Union Employees' Retirement Income Plan
- Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation
- Retirement Plan of Piedmont Natural Gas, Inc.

Non-Qualified Pension Plans

- Duke Energy Executive Cash Balance Plan
- Progress Energy Supplemental Senior Executive Retirement Plan (Inactives only)
- Florida Progress Corporation Nonqualified Retirement Plans (reflects the consolidation of the Florida Progress Supplemental Executive Retirement Plan and the Nondiscrimination Plan)
- Piedmont Natural Gas Company Nonqualified Retirement Plans

OPEB Plans

- Duke Energy Retiree Health and Welfare Benefits (Medical and Life Insurance) for Future Retirees and Retirees in Legacy Duke Energy and Cinergy Locations
- Duke Energy Retiree Health and Welfare Benefits (Medical and Life Insurance) for Future Retirees and Retirees in Legacy Progress Energy Locations

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- Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan

As discussed above, the enclosed information was prepared in accordance with FASB ASC 715-20-50 and 715-60-50 and certain information must be provided by Duke Energy that we do not prepare or that requires your further consideration:

- Categorization of assets, actual asset allocation at the end of 2016 and 2015, and the target asset allocation for 2017.
- A description of Duke Energy’s investment policy for the assets held by the pension and postretirement benefit plans.
- A description of the basis used to determine the expected long-term rate of return on plan assets.

In consultation with Duke Energy, the expected contributions to the Duke and Piedmont Natural Gas qualified pension plans were based on Duke Energy’s funding policy to fund US GAAP annual service cost during fiscal 2017. The expected contributions to the Legacy Duke and Progress other postretirement benefits plans have been set to the expected benefit disbursements for unfunded plans and expected benefit disbursements net of available assets for funded plans. The expected contributions to the Piedmont Natural Gas Postretirement Benefits Plan have been set equal to the expected contributions from Mercer’s October 31, 2016 valuation report dated November 18, 2016. The expected contributions for the unfunded nonqualified pension plans have been set to the expected benefit disbursements for the given year.

Note that any significant change in the amounts contributed or expected to be contributed in 2017 will require disclosure in the interim financial statements.

Summary of Results

Fiscal 2017 Net Periodic Benefit Cost

The table below provides a summary of the 2017 net periodic benefit cost for the Duke Energy benefit plans compared to fiscal 2016 and compared to the fiscal 2017 budget estimates provided in August 2016.

	2016 Net Periodic Benefit Cost	2017 Net Periodic Benefit Cost (Budget)	2017 Net Periodic Benefit Cost (Actual)
Qualified Pension Plans	\$95,047,967	\$91,423,949	\$69,262,618
Non-Qualified Pension Plans	\$23,374,098	\$21,143,375	\$20,469,687
OPEB Plans	(\$101,520,708)	(\$69,523,710)	(\$75,092,771)
SUBTOTAL DUKE	\$16,901,359	\$43,043,614	\$14,639,534
PNG Plans	\$2,197,161 ¹	\$13,182,966 ²	\$11,348,544
SUBTOTAL (DUKE+PNG)	\$19,098,520	\$56,226,580	\$25,988,078
Curtailment/settlement ³	\$2,597,592	(\$27,040,934)	TBD
TOTAL	\$21,696,112	\$29,185,646	TBD

¹ For period of 11/1/2016 to 12/31/2016

² Assumed to equal annualized 2016 Net Periodic Benefit Cost for period of 11/1/2016 to 12/31/2016

³ One-time settlement charge for Retirement Plan of Piedmont Natural Gas (2016) and one-time anticipated curtailment credit for change in eligibility for the Legacy Duke and Progress Medical Plans (2017); final curtailment will be determined and booked in Q4 2017, assuming the plan change is announced at that time.

Comments on Fiscal 2017 Net Periodic Benefit Cost

As previously reported, the total budgeted benefit cost for the legacy Duke plans (excluding Piedmont) for fiscal 2017 was projected to increase by \$26 million compared to fiscal 2016. This increase excludes the effect of an anticipated one-time 2017 curtailment credit in the event of an OPEB plan change later in the year. This increase was the net effect the following items:

- Expected change for growth of benefit accruals, interest and amortization.
- Change in the discount rate from 4.40% to 3.60%.
- Expected favorable investment performance anticipated for full year 2016.
- Pension, retiree medical and retiree life plan changes associated with USW Locals 12049 and 5541-06 moving to the enterprise platform.
- Elimination of continued final average pay accruals for Cinergy Enhanced Choice participants effective January 1, 2017.
- Cash contributions to the pension plans of \$145 million during 2016.
- Reflection of severance population who were assumed to result in immediate termination or retirement.
- Updated overtime assumption for non-exempt employees based on the recent overtime assumption study.

The actual total net periodic benefit cost for 2017 shown above for the legacy Duke plans (excluding Piedmont, and excluding the anticipated one-time curtailment that will be recorded in Q4 2017 if the OPEB plan change is announced at the end of 2017) is \$2 million less than compared to 2016 (or \$28 million lower than budget). The primary drivers behind this change compared to the budgeted costs include:

- A decrease in cost of \$36 million due to a change in the discount rate from 3.60% (budgeted) to 4.10% (actual).
- An increase in cost of \$14 million due to actual investment performance during 2016 that was less favorable than anticipated.
- A decrease in cost of \$3 million due to actual claims paid for retiree medical benefits that were lower than expected and lower than expected company reimbursement of claims from 401(h) account assets.
- A decrease in cost of \$3 million due to other sources of gain/loss.

The pre-purchase accounting amortization adjustment for the legacy Cinergy plans is \$14.8 million for fiscal 2017 and is determined based on a special schedule we prepared for this purpose dated December 16, 2015.

Comments on Actuarial (Gains)/Losses Experienced During 2016

The following key items account for the actuarial gain/loss activity impacting funded status for US GAAP financial reporting (changes in Accumulated Other Comprehensive Income pre-tax) due to demographic experience, including key assumption changes, and investment returns different from assumed during 2016.

(Gain)/Loss Item – in \$Millions	All Pension Plans	All OPEB
Liability Experience		
Change in assumptions from December 31, 2015 to December 31, 2016:		
▪ Economic assumption changes	\$252	\$18
▪ Demographic assumption changes	14	(4)
▪ Updated health care cost trend rates, per capita claims costs and claim experience	n/a	(5)
▪ All other plan participation experience	45	24
Asset Experience		
Investment performance higher than expected. The actual rate of return was a gain of approximately 7.25% for the Retirement Master Trust; while the expected rate of return was 6.50%.	(71)	(2)

MD&A Sensitivities

The following tables provide you with requested sensitivity information on critical accounting assumptions for the pension and other postretirement welfare plans.

Table 1: 25 basis point changes in the discount rate and expected return on assets:

(in \$Millions)	Pension Plans (Qualified + Nonqualified)		Other Postretirement Plans	
	+0.25%	-0.25%	+0.25%	-0.25%
Effect on 2016 pre-tax net periodic cost ¹				
▪ Expected long-term rate of return	(\$20)	\$20	(\$1)	\$1
▪ Discount rate	(\$17)	\$17	(\$1)	\$1
Effect on benefit obligation at 12/31/2016				
▪ Discount rate	(\$202)	\$207	(\$17)	\$17

Table 2: 100 basis point change in health care trend rate for the postemployment welfare plans:

(in \$Millions)	Other Postretirement Plans	
	+1.00%	-1.00%
Effect on 2016 pre-tax net periodic cost ¹	\$5	(\$5)
Effect on benefit obligation at 12/31/2016	\$29	(\$25)

¹ Illustrated effects for the Piedmont Natural Gas pension and retiree medical plans reflect only three months of net periodic benefit cost for the period from the merger date through December 31, 2016.

Actuarial Certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets and sponsor accounting policies and methods provided by Duke Energy and other persons or organizations designated by Duke Energy. We have relied on all the data and information provided as being complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by Duke Energy, may produce materially different results that could require that a revised report be issued.

Measurement of Benefit Obligations, Plan Assets and Balance Sheet Adjustments

The benefit obligations measured as of December 31, 2016 were projected forward from January 1, 2016 to the end of the year, adjusting for benefit payments, expected growth in the benefit obligations, changes in assumptions and plan provisions, and any known demographic experience that occurred during the year.

The effects of changes in plan provisions (see section below entitled "Significant Events and Plan Changes During the Year" for additional details), are measured as of December 31, 2016 and were determined on a payroll company basis.

Asset values, net investment returns, and benefits paid during 2016 used in our financial exhibits for funded plans were based on the Wells Fargo Trust reports provided on January 14, 2017 and January 17, 2017 and the Northern Trust reports provided to us by Duke Energy dated January 17, 2017. Duke Energy provided actual 2016 benefit payment information for the RCBP and CGEU pension plans, by payroll company, on January 10, 2017. Information about VEBA trust assets was furnished to us by Duke Energy on January 18, 2017. Benefit payments made from corporate assets were furnished to us by Duke Energy on January 12, 2017.

Assets, obligations, and AOCI amounts for the Piedmont Natural Gas plans are shown on the "Business Combinations and Divestitures" line of the balance sheet reconciliation sections to reflect opening balances effective as of the October 31, 2016.

Please note that for the Legacy Duke and Cinergy Retiree Medical and Legacy Cinergy Retiree Life Plans, a portion of the actual employer claims and retiree contributions provided for Duke Energy Commercial Enterprises ("DECE") were reported under Ohio. As a result, we reallocated the actual employer claims and retiree contributions provided by Duke Energy for Ohio and Duke Energy Commercial Enterprises in proportion to the expected claims to be paid for these two payroll companies.

Participant Data

Participant data was collected as of January 1, 2016 and provided by Duke Energy's administrator. This data was used to measure plan obligations as of January 1, 2016. Participant data for the Piedmont Natural Gas plans was collected as of January 1, 2016 and provided by the prior actuary. Data was

adjusted to remove participants who received a lump sum from the Piedmont Natural Gas Retirement Plan prior to October 31, 2016.

Participant Transfers

Updated payroll company codes were collected for active employees in November 2016 and reflected in the payroll-level obligations of the plans. Additionally, the company identified key groups of transferred employees for which assets (if applicable) and pro-rata unrecognized amounts should be explicitly transferred in the reporting for the pension and OPEB plans. The effect of this transaction is captured in our exhibits as "Payroll Company Transfers."

Allocation Methodology

We employed an allocation approach similarly used in prior years. Details regarding this approach are provided in Appendix D of this report.

Assumptions and Methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension and other postretirement benefit cost and other financial reporting results have been selected by Duke Energy. Willis Towers Watson has concurred with these assumptions and methods, with the exception of the expected return on asset assumption which was separately prepared by Duke Energy using additional sources of data outside of the scope of our review. ASC 715-30-35 requires that each significant assumption "individually represent the best estimate of a particular future event".

The changes in key assumptions since the prior fiscal year are as follows:

- The discount rate decreased from 4.40% at December 31, 2015 to 4.10% at December 31, 2016 for the Legacy Duke and Progress plans, and increased from 3.80% at October 31, 2016 to 4.10% at December 31, 2016 for the Piedmont Natural Gas plans.
- The interest rate basis for lump sum conversions was updated to reflect current market conditions.
- The mortality improvement assumption for the Piedmont Natural Gas plans was changed from the MP-2016 male and female improvement scales to the BB-2D male and female improvement scales to align with Duke Energy's expectation of future mortality improvements.
- The overtime assumption for eligible participants in the pension plan was increased to 12%, 24% and 28% of base pay for those with low, medium, and high base pay ranges, which reflects the findings of a recent experience study.
- The participation assumption for current Medicare-eligible retirees eligible for a subsidy for dental coverage was reduced from 100% to 50% to better reflect plan experience and expectations for the future.
- Per capita claims cost assumptions were updated to reflect updated enrollment experience and new plan options. Based on this analysis, per capita claims costs for Duke Energy pre-65 plan options increased by slightly less than expected.
- Actual 2017 UHC Medicare exchange premiums for post-65 plan options saw lower than expected increases in premiums for Medicare Supplement plans offset by higher than expected increases in prescription drug plan premiums. The result was that the total premium increased by slightly less than trend expectations.

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

Please refer to Appendix A for a complete description of the assumptions and methods used in the determination of plan obligations and costs. In addition, we have included an Appendix E to this report which outlines the rationale behind these assumptions in accordance with our understanding of Actuarial Standards of Practice Nos. 4, 6, 27 and 35. These assumptions are based in part on Willis Towers Watson's recommendation and/or analysis. All assumptions were selected based on information known at the measurement date and on the premises that the plan will continue and that no events will occur in 2017 that would cause a remeasurement that may cause Duke Energy to select different assumptions.

Significant Events and Plan Changes During the Year

Details of the provisions for each pension and postretirement welfare plan can be found in the appendices to the report. The following represent significant events and/or plan changes during the year that we reflected in our measurement of the year-end obligations:

- Pension Plans:
 - For USW Local 5541-06 and USW Local 12049 participants in the CGEU pension plan, continued cash balance pay credits are eliminated during periods of disablement. This change only applies to future disabled participants starting July 1, 2017.
 - For USW Local 5541-06 and USW Local 12049 participants in the CGEU pension plan, pay credits accrued on or after January 1, 2017 will be subject to an annualized fixed interest crediting rate of 4.00%.
 - For USW Local 5541-06 and USW Local 12049 participants in the CGEU pension plan, participation in the plan is closed to new entrants beginning January 1, 2017.
 - The RCBP plan provided a temporary Lump Sum Window offering in the Fall of 2016. As part of this offering, certain former employees could voluntarily elect to receive their pension benefit in the form of a lump sum payment. Lump sum payments were paid in December 2016.
 - Effective January 1, 2017, non-union Traditional Choice participants in the RCBP plan had their final average pay frozen as of December 31, 2016.
 - Lump sums paid from the Piedmont Natural Gas Retirement plan during November and December 2016 exceeded the sum of the plan's service cost plus interest cost for the two month reporting period of November 1, 2016 through December 31, 2016, therefore triggering settlement accounting in that plan. The impact of this was a one-time credit/income to fourth quarter 2016 cost of approximately (\$2.5 million).
- Retiree Welfare Plans:
 - USW Local 5541-06 and USW Local 12049 participants who are subsidy-eligible and retire after November 1, 2016 will be transitioned to the Class D7/D8 Subsidy HRA plan for pre-65 retiree medical benefits and Post-65 subsidy amounts will be eliminated.
 - USW Local 5541-06 and USW Local 12049 participants who are currently eligible through the Cinergy HRA plan had a choice of the Subsidy HRA benefit under Class D7/D8 or their Cinergy HRA balance under Class D9 frozen as of October 31, 2016 with interest given until retirement.

Notwithstanding than the above, we are not aware of any other significant events that would warrant special accounting (i.e. curtailment accounting or special termination accounting) or plan changes during 2016.

Limitations and Nature of Actuarial Calculations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

- This report is not intended to constitute a certification of the Adjusted Funding Target Attainment Percentage (AFTAP) under IRC §436 for any plan year
- This report does not determine funding requirements under IRC §430.
- This report does not provide information for plan reporting under ASC 960.
- This report does not determine liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).
- The comparisons of accounting obligations to assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions, nor the tax deductibility of such contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly as they come due.

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

Limitations on Use

The information contained in this report was prepared for the internal use of Duke Energy and its auditors in connection with our actuarial valuation of the pension and postretirement welfare plans as described above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. Duke Energy may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require Duke Energy to provide them this report, in which case Duke Energy will use best efforts to notify Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional Qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standard for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension and other postretirement benefit plans. Our objectivity is not impaired by any relationship between Duke Energy and our employer, Towers Watson Delaware Inc.

The Pricing Specialist below is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan and actual plan operation, preparing demographic data, performing the valuation, implementing the correct accounting or funding calculations, etc.)

We will be pleased to discuss our findings at your convenience. Please do not hesitate to contact us if you have any questions.

Sincerely,



Michael Thomas, FSA, EA, CFA
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Valuation Actuary
For pension and post-retirement benefit plans



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cc: David Dye – Duke Energy
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Mike Archer, FSA – Willis Towers Watson

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Plans Combined

	Qualified Pension	Nonqualified Pension	Postretirement			Grand Total
			Medical*	Life	Total	
Change in Benefit Obligation						
Benefit Obligation, Beginning of Year	7,727,441,845	341,009,187	596,685,388	230,856,507	827,541,895	8,895,992,927
Business Combinations and Divestitures	351,740,623	4,596,230	39,260,820	0	39,260,820	395,597,673
Plan-to-Plan Transfers	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0
Service Cost	147,436,705	2,206,112	3,350,102	0	3,350,102	152,992,918
Interest Cost	334,840,369	14,524,154	25,302,411	9,838,519	35,140,930	384,505,453
Gross Benefits Paid	(679,471,985)	(32,471,593)	(76,008,865)	(11,799,875)	(87,808,740)	(799,752,318)
less: federal subsidy on benefits paid	0	0	383,579	0	383,579	383,579
Plan Participants' Contributions	0	0	19,117,153	34,000	19,151,153	19,151,153
Actuarial Loss/(Gain)	306,503,331	4,400,638	28,169,196	4,593,752	32,762,947	343,666,917
ERRP Receipts (applied against Claims Paid)	0	0	0	0	0	0
Plan Amendments	(51,521,195)	(2,307,035)	(1,533,403)	0	(1,533,403)	(55,361,633)
Impact of Settlements and Curtailments	(6,091,021)	0	0	0	0	(6,091,021)
Benefit Obligation, End of Year	8,130,878,672	331,957,693	634,726,380	233,522,903	868,249,283	9,331,085,648
Accumulated Benefit Obligation, End of Year	8,005,997,859	331,957,693	0	0	0	8,337,955,553
Weighted Average Assumptions						
<i>Used in Determining Benefit Obligations</i>						
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	N/A	N/A	N/A	4.25%/4.00%
Rate of Compensation Increase	Varies	Varies	N/A	N/A	N/A	Varies
Health Care Cost Trend Rate						
Initial rate	N/A	N/A	7.00%	N/A	7.00%	7.00%
Ultimate rate	N/A	N/A	4.75%	N/A	4.75%	4.75%
Years to ultimate	N/A	N/A	6	N/A	6	6
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Effect of one-percentage-point change in assumed health care cost trend rate on postretirement benefit obligation						
-- Increase	N/A	N/A	28,750,769	N/A	28,750,769	28,750,769
-- Decrease	N/A	N/A	(25,299,079)	N/A	(25,299,079)	(25,299,079)
Change in Plan Assets						
Market Value of Assets, Beginning of Year	8,136,426,139	0	166,350,481	41,188,790	207,539,271	8,343,965,410
Business Combinations and Divestitures	342,907,583	0	28,785,215	0	28,785,215	371,692,798
Plan-to-Plan Transfers	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0
Actual Return on Assets (Net of Expenses)	582,187,310	0	12,636,787	1,586,100	14,222,887	596,410,197
Plan Participants' Contributions	0	0	19,117,153	34,000	19,151,153	19,151,153
Employer Contributions	155,000,000	32,471,593	56,066,802	5,922,000	61,988,802	249,460,395
Benefits Paid	(679,471,985)	(32,471,593)	(76,008,865)	(11,799,875)	(87,808,740)	(799,752,318)
Impact of Settlements and Curtailments	(6,091,021)	0	0	0	0	(6,091,021)
Market Value of Assets, End of Year	8,530,958,026	0	206,947,574	36,931,015	243,878,589	8,774,836,615
Funded Status, End of Year	400,079,354	(331,957,693)	(427,778,806)	(196,591,888)	(624,370,694)	(556,249,033)
Amounts Recognized in the Statement of Financial Position						
Noncurrent Assets	517,660,109	0	0	0	0	517,660,109
Current Liabilities	0	(28,404,562)	(29,448,858)	(8,417,059)	(37,865,917)	(66,270,479)
Noncurrent Liabilities	(117,580,755)	(303,553,131)	(398,329,948)	(188,174,829)	(586,504,777)	(1,007,638,663)
Net Benefit Asset/(Liability) at End of Year	400,079,354	(331,957,693)	(427,778,806)	(196,591,888)	(624,370,694)	(556,249,033)
Amounts Recognized in Accumulated Other Comprehensive Income						
Net Transition Obligation/(Asset)	0	0	0	0	0	0
Prior Service Cost/(Credit)	(150,841,122)	(8,987,642)	(160,009,749)	(62,899,123)	(222,908,872)	(382,737,636)
Net Actuarial Loss/(Gain)	2,366,854,949	90,828,856	1,711,246	87,333,688	89,044,934	2,546,728,739
Total	2,216,013,827	81,841,214	(158,298,503)	24,434,565	(133,863,938)	2,163,991,103
EXPECTED CASH FLOWS						
Expected Employer Benefit Payments (Net of Part D Subsidy)						
2017	584,885,258	28,981,008	70,269,116	14,748,140	85,017,256	698,883,521
2018	595,042,986	24,862,866	66,640,000	14,815,647	81,455,648	701,361,499
2019	612,874,257	24,602,402	62,879,864	14,861,303	77,741,167	715,217,827
2020	632,122,454	23,822,325	59,793,069	14,871,007	74,664,076	730,608,855
2021	637,108,450	23,991,193	57,147,363	14,864,527	72,011,890	733,111,533
2022-2026	3,099,167,833	111,219,859	235,918,210	73,778,129	309,696,339	3,520,084,031
Expected Company Contributions	160,000,000	28,981,008	32,282,495	8,587,876	40,870,371	229,851,378

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Plans Combined

	Qualified Pension	Nonqualified Pension	Postretirement		Total	Grand Total
			Medical*	Life		
Expected Subsidies from Medicare Part D						
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022-2026	N/A	N/A	N/A	N/A	N/A	N/A
Components of Net Periodic Benefit Cost						
Service Cost	147,436,705	2,206,112	3,350,102	0	3,350,102	152,992,918
Expected Administrative Expenses	8,103,456	0	0	0	0	8,103,456
Interest Cost	334,840,369	14,524,154	25,302,411	9,838,519	35,140,930	384,505,453
Expected Return on Plan Assets	(518,984,774)	0	(10,373,185)	(2,022,245)	(12,395,430)	(531,380,204)
Amortization of Net Transition Obligation/(Asset)	0	0	0	0	0	0
Amortization of Prior Service Cost/(Credit)	(16,705,640)	(1,089,921)	(135,945,480)	(5,667,186)	(141,612,666)	(159,408,227)
Amortization of Net Actuarial Loss/(Gain)	134,242,815	7,776,393	1,725,596	4,344,370	6,069,966	148,089,174
Settlement and Special Termination Benefit Charge/(Credit)	<u>2,597,592</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,597,592</u>
Net Periodic Benefit Cost	91,530,523	23,416,738	(115,940,557)	6,493,458	(109,447,099)	5,500,162
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income						
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	153,054,751	1,526,461	9,099,918	0	9,099,918	163,681,130
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(10,650,369)	0	(1,545,781)	0	(1,545,781)	(12,196,150)
Settlement Adjustments	(2,597,592)	0	0	0	0	(2,597,592)
Net Actuarial Loss/(Gain)	235,197,339	4,400,638	25,905,594	5,029,897	30,935,491	270,533,468
Amortization of Net Actuarial (Loss)/Gain	(134,242,815)	(7,776,393)	(1,725,596)	(4,344,370)	(6,069,966)	(148,089,174)
Prior Service Cost/(Credit)	(51,521,195)	(2,307,035)	(1,533,403)	0	(1,533,403)	(55,361,633)
Amortization of Prior Service (Cost)/Credit	16,705,640	1,089,921	135,945,480	5,667,186	141,612,666	159,408,227
Amortization of Net Transition (Obligation)/Asset	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Recognized in Other Comprehensive Income	205,945,758	(3,066,408)	166,146,212	6,352,713	172,498,925	375,378,275
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	297,476,282	20,350,330	50,205,655	12,846,171	63,051,826	380,878,437
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017						
Net Transition Obligation/(Asset)	0	0	0	0	0	0
Prior Service Cost/(Credit)	(24,142,316)	(1,826,904)	(109,455,472)	(5,667,186)	(115,122,658)	(141,091,878)
Net Actuarial Loss/(Gain)	<u>147,489,697</u>	<u>7,420,348</u>	<u>5,452,836</u>	<u>4,536,216</u>	<u>9,989,052</u>	<u>164,899,098</u>
Total	123,347,381	5,593,444	(104,002,636)	(1,130,970)	(105,133,606)	23,807,220
Weighted Average Assumptions						
<i>Used in Determining Cost</i>						
Discount Rate	4.40%/3.80%	4.40%/3.80%	4.40%/3.80%	4.40%/3.80%	4.40%/3.80%	4.40%/3.80%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	N/A	N/A	N/A	4.25%/4.00%
Expected Return on Plan Assets (EROA Adjusted for UBIT)	6.50%/6.75%	N/A	6.50%/6.75%	5.00%	6.50%/6.75%	6.50%/6.75%
Rate of Future Compensation Increases	Varies	Varies	N/A	N/A	N/A	Varies
Medical Trend Rate						
Initial rate	N/A	N/A	7.50%	N/A	7.50%	7.50%
Ultimate rate	N/A	N/A	4.75%	N/A	4.75%	4.75%
Years to ultimate	N/A	N/A	7	N/A	7	7
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015
Effect of one-percentage-point change in assumed health care cost trend rate on aggregate service and interest cost						
-- Increase	N/A	N/A	1,305,914	N/A	1,305,914	1,305,914
-- Decrease	N/A	N/A	(1,148,969)	N/A	(1,148,969)	(1,148,969)

* All results for the Piedmont Natural Gas Postretirement Benefits Plan have been included in the Medical column.

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Qualified Plans

Payroll Company	Duke Energy Business		Duke Energy Commercial		Duke Energy Ohio	Duke Energy Indiana	Duke Energy Kentucky	Duke Energy International	Duke Energy Discontinued Oper.	Duke Energy Progress	Duke Energy Florida	Florida Progress Corp	Progress Fuels Corporation	Piedmont Natural Gas Company	All Plans Total
	Duke Energy Carolinas	Services	Enterprises, Inc.	Ohio	Indiana	Kentucky	International	Discontinued Oper.	Progress	Florida	Florida Progress Corp	Progress Fuels Corporation	Piedmont Natural Gas Company		
	100	110	501	503	522	536	800	DSC	801	802	Florida Progress Corp	Progress Fuels Corporation	PNG		
Change in Benefit Obligation															
Benefit Obligation, Beginning of Year	1,995,365,727	1,850,698,118	158,204,336	352,091,251	649,117,811	100,828,713	5,599,263	165,030,653	1,142,555,084	1,276,457,708	15,591,551	15,901,630	0	7,727,441,845	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	351,740,623	
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payroll Company Transfers	14,234,198	(8,189,299)	0	(5,485,773)	0	2,003,124	0	0	(2,734,992)	172,742	0	0	0	0	
Service Cost	47,597,447	40,974,059	1,558,819	2,529,685	8,646,310	1,459,473	225,282	0	23,640,842	18,790,459	0	0	2,014,529	147,436,705	
Interest Cost	65,771,506	79,871,458	6,725,772	14,963,982	27,998,491	4,367,636	242,670	6,773,069	49,322,548	55,455,387	672,968	672,968	2,102,274	334,840,369	
Gross Benefits Paid	(234,283,185)	(131,452,653)	(13,635,774)	(27,181,779)	(54,380,049)	(8,345,287)	(846,013)	(13,736,513)	(106,755,375)	(84,253,007)	(2,369,189)	(1,395,694)	(837,467)	(679,471,985)	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Actuarial Loss/(Gain)	46,170,614	99,031,788	(1,833,409)	6,828,148	40,824,661	6,203,176	323,835	2,885,762	51,690,536	56,494,139	639,437	1,880,717	(4,636,073)	306,503,331	
Plan Amendments	(2,686,893)	(30,159,806)	(941,473)	(2,411,608)	(14,451,838)	(449,945)	0	0	(124,842)	(294,790)	0	0	0	(51,521,195)	
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0	(6,091,021)	
Benefit Obligation, End of Year	1,952,169,414	1,900,773,665	150,078,271	341,333,907	657,655,387	106,066,890	5,545,036	160,952,910	1,157,593,601	1,322,822,338	14,534,767	17,059,621	344,292,865	8,130,878,672	
Accumulated Benefit Obligation, End of Year	1,952,125,486	1,883,649,546	150,078,276	334,062,619	648,802,168	102,223,385	5,545,036	160,952,910	1,157,593,601	1,289,894,353	14,534,767	17,059,621	289,476,091	8,005,997,859	
Weighted Average Assumptions															
<i>Used in Determining Benefit Obligations</i>															
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%
Rate of Compensation Increase	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets															
Market Value of Assets, Beginning of Year	2,243,575,107	1,799,371,216	187,654,917	336,205,966	655,071,775	96,373,183	8,193,843	170,119,215	1,283,062,431	1,321,454,758	18,698,485	16,645,243	0	8,136,426,139	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	342,907,583	
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payroll Company Transfers	14,234,198	(8,189,300)	0	(5,485,772)	0	2,003,124	0	0	(2,734,992)	172,742	0	0	0	0	
Actual Return on Assets (Net of Expenses)	158,928,537	129,474,340	13,424,294	23,901,094	46,914,041	6,777,298	580,793	12,205,578	91,920,523	94,743,418	1,309,840	1,190,894	816,160	582,187,310	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Employer Contributions	43,144,328	40,593,519	2,888,682	3,096,542	9,271,841	1,443,420	212,012	875,872	23,739,545	19,699,289	18,510	16,440	10,000,000	155,000,000	
Benefits Paid	(234,283,185)	(131,452,653)	(13,635,774)	(27,181,779)	(54,380,049)	(8,345,287)	(846,013)	(13,736,513)	(106,755,375)	(84,253,007)	(2,369,189)	(1,395,694)	(837,467)	(679,471,985)	
Market Value of Assets, End of Year	2,225,599,985	1,829,797,122	190,332,119	330,536,051	656,877,608	98,251,738	8,140,636	169,464,152	1,289,232,132	1,351,817,200	17,857,646	16,456,983	346,735,235	8,530,958,026	
Funded Status, End of Year	273,429,971	(70,976,543)	40,253,848	(10,797,856)	(777,779)	(7,815,152)	2,595,599	8,511,242	131,638,531	28,994,862	3,122,879	(602,638)	2,502,390	400,079,354	
Amounts Recognized in the Statement of Financial Position															
Noncurrent Assets	273,247,225	(42,311,880)	37,001,417	4,579,178	72,945	1,715,646	2,595,599	13,323,330	131,657,257	90,756,762	3,122,879	(602,638)	2,502,390	517,660,109	
Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Noncurrent Liabilities	182,746	(28,664,653)	3,252,431	(15,377,034)	(850,724)	(9,530,797)	(850,724)	(4,812,688)	(18,728)	(61,261,900)	0	0	0	(117,580,755)	
Net Benefit Asset/(Liability) at End of Year	273,429,971	(70,976,543)	40,253,848	(10,797,856)	(777,779)	(7,815,152)	2,595,599	8,511,242	131,638,531	28,994,862	3,122,879	(602,638)	2,502,390	400,079,354	
Amounts Recognized in Accumulated Other Comprehensive Income															
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Service Costs/(Credit)	(44,925,848)	(55,964,848)	(3,198,298)	(2,689,063)	(17,687,146)	(791,362)	(262,822)	224,675	(9,174,055)	(6,088,248)	0	0	0	(150,841,122)	
Net Actuarial Loss/(Gain)	521,216,447	553,558,795	37,825,878	59,169,339	140,532,005	24,873,484	540,663	57,067,273	387,789,839	432,546,557	2,684,582	2,120,175	146,828,012	2,366,854,949	
Total	476,290,599	497,593,947	34,727,580	56,480,276	122,844,859	24,082,122	277,741	57,291,948	378,615,784	426,460,309	2,684,582	2,120,175	136,543,905	2,216,013,827	
EXPECTED CASH FLOWS															
Expected Employer Benefit Payments (Net of Part D Subsidy)															
2017	162,498,179	137,174,844	11,480,623	28,067,202	48,589,549	6,448,089	134,313	8,004,526	83,626,462	73,504,278	890,412	900,767	23,566,014	584,885,258	
2018	171,429,752	139,317,418	11,196,016	26,524,635	48,851,301	6,775,831	126,099	9,678,176	82,815,710	74,640,272	899,562	900,573	21,887,641	595,042,986	
2019	176,965,161	147,176,146	11,559,701	26,320,532	47,845,427	7,014,847	394,087	10,108,387	86,186,218	75,979,450	909,292	919,080	21,495,929	612,874,257	
2020	185,756,956	148,315,038	10,693,854	26,017,240	46,948,228	7,707,243	520,233	10,448,854	89,912,009	79,353,496	907,735	919,080	20,887,988	632,122,454	
2021	181,193,382	151,711,465	11,521,673	26,112,510	47,657,623	8,937,330	223,943	11,836,419	92,256,391	80,602,531	1,062,968	1,349,031	22,643,194	637,108,450	
2022-2026	867,390,992	728,311,514	49,658,531	121,534,838	218,700,569	39,262,177	3,147,135	66,766,673	455,033,896	425,305,127	4,400,251	5,066,509	114,589,621	3,099,167,833	
Expected Company Contributions	44,653,757	44,486,039	1,271,471	2,686,912	6,635,573	1,375,314	236,818	526,828	25,011,288	20,008,148	15,390	92,462	11,000,000	160,000,000	

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Qualified Plans

Payroll Company	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 522	Duke Energy Kentucky 536	Duke Energy International 800	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Piedmont Natural Gas Company PNG	All Plans Total
Components of Net Periodic Benefit Cost														
Service Cost	47,597,447	40,974,059	1,558,819	2,529,665	8,646,310	1,459,473	225,282	0	23,640,642	18,790,459	0	0	2,014,529	147,436,705
Expected Administrative Expenses	2,229,448	1,776,489	182,272	322,582	650,947	91,212	8,142	168,894	1,274,991	1,273,982	17,561	17,561	89,376	8,103,456
Interest Cost	85,771,506	79,871,458	6,725,772	14,963,982	27,898,491	4,367,636	242,670	6,773,009	49,322,548	55,455,087	672,968	672,968	2,102,274	334,840,369
Expected Return on Plan Assets	(141,602,063)	(113,687,924)	(11,916,945)	(21,223,958)	(41,572,313)	(6,156,120)	(519,174)	(10,478,814)	(82,193,388)	(83,596,344)	(1,118,886)	(1,118,886)	(3,799,959)	(518,984,774)
Amortization of Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost/(Credit)	(7,697,499)	(4,984,481)	(423,271)	149,068	(458,694)	4,098	(49,082)	187,331	(1,940,829)	(1,126,019)	0	0	(366,262)	(16,705,640)
Amortization of Net Actuarial Loss/(Gain)	32,393,182	31,306,879	2,398,798	3,225,844	6,848,023	1,082,724	12,770	3,749,929	22,634,081	28,521,157	90,966	90,966	1,887,497	134,242,815
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0	0	0	0	0	0	0	0	0	2,597,592	2,597,592
Net Periodic Benefit Cost	18,692,021	35,256,480	(1,474,555)	(32,797)	2,012,764	849,023	(79,392)	400,349	12,738,045	19,318,322	(337,392)	(337,392)	4,525,047	91,530,523
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income														
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	5,592,871	(3,557,457)	0	(772,748)	0	331,567	0	0	(1,206,504)	(287,729)	0	0	153,054,751	153,054,751
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(774,093)	790,227	0	224,095	0	(56,159)	0	0	(53,553)	(131,217)	0	0	(10,650,369)	(10,650,369)
Settlement Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	(2,597,592)	(2,597,592)
Net Actuarial Loss/(Gain)	26,814,292	81,468,883	(3,523,030)	3,828,430	34,831,986	5,490,786	254,074	990,104	40,688,410	44,073,083	430,922	1,791,048	(1,741,650)	235,197,339
Amortization of Net Actuarial (Loss)/Gain	(52,393,182)	(31,306,879)	(2,398,798)	(3,225,844)	(6,848,023)	(1,082,724)	(12,770)	(3,749,929)	(22,634,081)	(28,521,157)	(90,966)	(90,966)	(1,887,497)	(134,242,815)
Prior Service Cost/(Credit)	(2,686,893)	(30,159,806)	(941,473)	(2,411,608)	(14,451,838)	(449,945)	0	(124,842)	(294,790)	(294,790)	0	0	0	(51,521,195)
Amortization of Prior Service (Cost)/Credit	7,697,499	4,984,481	423,271	(149,068)	458,694	(4,098)	49,082	(187,331)	1,940,829	1,126,019	0	0	366,262	16,705,640
Amortization of Net Transition (Obligation)/Asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recognized in Other Comprehensive Income	4,050,494	22,220,149	(6,440,030)	(2,506,743)	13,990,819	4,229,427	290,386	(2,947,156)	18,510,259	15,964,209	339,957	1,700,083	136,543,905	205,945,758
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	22,742,515	57,476,629	(7,914,585)	(2,539,539)	16,003,584	5,078,450	210,994	(2,546,807)	31,248,303	35,282,531	2,565	1,362,691	141,068,952	297,476,282
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017														
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(8,083,797)	(9,077,931)	(523,475)	(171,945)	(1,996,849)	(61,599)	(49,082)	147,928	(1,859,649)	(1,168,348)	0	0	(2,197,570)	(24,142,316)
Net Actuarial Loss/(Gain)	30,909,025	33,173,914	2,100,583	3,265,385	9,277,093	1,407,306	9,277,093	3,443,448	23,357,655	28,544,296	170,495	134,650	12,679,538	147,489,697
Total	22,825,228	25,095,983	1,577,108	3,093,441	6,280,244	1,345,707	(22,774)	3,591,376	21,398,007	27,375,948	170,495	134,650	10,481,968	123,347,381
Weighted Average Assumptions														
<i>Used in Determining Cost</i>														
Discount Rate	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	3.80%	4.40%/3.80%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	N/A	4.25%/4.00%
Expected Return on Plan Assets	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75%	6.50%/6.75%
Rate of Future Compensation Increases	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	10/31/2016	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Nonqualified Plans

Payroll Company	Duke Energy Business										Florida Progress		Piedmont Natural Gas Company	All Plans Total
	Duke Energy Carolinas 100	Services 110	Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Corporation and Progress Fuels Corporation			
Change in Benefit Obligation														
Benefit Obligation, Beginning of Year	15,968,469	181,067,254	4,799,786	3,856,351	4,937,263	140,734	504,937	17,432,471	33,114,486	46,018,394	33,169,041	0	341,009,187	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0	0	4,596,230	
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payroll Company Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Cost	482,180	1,382,838	77,155	0	1,531	0	24,455	0	196,475	41,478	0	0	2,206,112	
Interest Cost	663,907	7,697,928	212,319	162,708	207,233	5,962	21,408	750,566	1,409,155	1,954,856	1,410,576	27,536	14,524,154	
Gross Benefits Paid	(1,827,012)	(18,855,409)	(298,537)	(323,998)	(387,951)	(10,571)	(79,351)	(2,303,745)	(2,648,619)	(3,331,403)	(2,321,039)	(83,958)	(32,471,593)	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Actuarial Loss/(Gain)	(774,023)	2,726,705	(893,047)	34,424	(1,503,821)	4,310	49,775	235,502	1,407,932	1,811,517	1,372,676	(71,311)	4,400,638	
Plan Amendments	8,715	(262,658)	0	0	(70,594)	0	0	0	0	0	0	0	(2,307,035)	
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0	
Benefit Obligation, End of Year	14,522,236	172,036,817	3,635,019	3,729,485	3,183,661	140,435	521,224	16,114,794	33,479,429	46,494,842	33,631,254	4,468,497	331,957,693	
Accumulated Benefit Obligation, End of Year	14,522,236	172,036,817	3,635,019	3,729,485	3,183,661	140,435	521,224	16,114,794	33,479,429	46,494,842	33,631,254	4,468,497	331,957,693	
Weighted Average Assumptions														
<i>Used in Determining Benefit Obligations</i>														
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	
Change in Plan Assets														
Market Value of Assets, Beginning of Year	0	0	0	0	0	0	0	0	0	0	0	0	0	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Payroll Company Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Actual Return on Assets (Net of Expenses)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Employer Contributions	1,827,012	18,855,409	298,537	323,998	387,951	10,571	79,351	2,303,745	2,648,619	3,331,403	2,321,039	83,958	32,471,593	
Benefits Paid	(1,827,012)	(18,855,409)	(298,537)	(323,998)	(387,951)	(10,571)	(79,351)	(2,303,745)	(2,648,619)	(3,331,403)	(2,321,039)	(83,958)	(32,471,593)	
Market Value of Assets, End of Year	0	0	0	0	0	0	0	0	0	0	0	0	0	
Funded Status, End of Year	(14,522,236)	(172,036,817)	(3,635,019)	(3,729,485)	(3,183,661)	(140,435)	(521,224)	(16,114,794)	(33,479,429)	(46,494,842)	(33,631,254)	(4,468,497)	(331,957,693)	
Amounts Recognized in the Statement of Financial Position														
Noncurrent Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	
Current Liabilities	(2,047,185)	(15,510,893)	(218,229)	(307,422)	(325,834)	(10,354)	(113,046)	(1,378,000)	(2,569,940)	(3,245,125)	(2,195,267)	(483,168)	(28,404,562)	
Noncurrent Liabilities	(12,475,051)	(156,525,924)	(3,416,791)	(3,422,063)	(2,857,827)	(130,081)	(408,178)	(14,736,794)	(30,909,489)	(43,249,717)	(31,435,887)	(3,985,329)	(303,553,131)	
Net Benefit Asset/(Liability) at End of Year	(14,522,236)	(172,036,817)	(3,635,019)	(3,729,485)	(3,183,661)	(140,435)	(521,224)	(16,114,794)	(33,479,429)	(46,494,842)	(33,631,254)	(4,468,497)	(331,957,693)	
Amounts Recognized in Accumulated Other Comprehensive Income														
Net Transition Obligations/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Service Cost/(Credit)	(241,245)	(6,407,532)	(517,333)	(2,572)	(88,002)	0	(79,729)	(66,199)	(458,931)	(1,126,099)	0	0	(8,987,642)	
Net Actuarial Loss/(Gain)	5,380,435	57,297,805	100,690	629,741	(967,483)	51,060	(482,478)	3,085,144	7,338,723	12,386,364	4,568,809	1,440,046	90,828,856	
Total	5,139,190	50,890,273	(416,643)	627,169	(1,055,485)	51,060	(562,207)	3,018,945	6,879,792	11,260,265	4,568,809	1,440,046	81,841,214	
EXPECTED CASH FLOWS														
Expected Employer Benefit Payments (Net of Part D Subsidy)														
2017	2,088,731	15,825,673	222,657	313,661	332,446	10,564	115,340	1,405,965	2,622,095	3,310,982	2,239,920	492,974	28,981,008	
2018	1,795,780	12,320,364	215,508	306,012	319,645	10,551	71,708	1,313,214	2,549,870	3,284,450	2,201,530	474,834	24,862,866	
2019	1,629,328	12,316,845	225,949	302,824	308,841	10,528	91,053	1,394,197	2,458,229	3,252,664	2,170,057	455,087	24,602,402	
2020	1,537,051	11,869,143	259,750	299,020	312,745	10,495	102,154	1,241,676	2,397,066	3,220,292	2,139,583	433,350	23,822,325	
2021	1,286,722	12,190,789	354,320	294,516	294,102	10,448	66,948	1,452,857	2,344,704	3,180,067	2,104,132	411,588	23,991,193	
2022-2026	5,350,620	58,370,867	1,348,452	1,374,879	1,229,914	50,850	143,847	5,637,689	10,511,240	15,497,241	10,020,101	1,684,159	111,219,859	
Expected Company Contributions	2,088,731	15,825,673	222,657	313,661	332,446	10,564	115,340	1,405,965	2,622,095	3,310,982	2,239,920	492,974	28,981,008	

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Nonqualified Plans

Payroll Company	Duke Energy						Florida Progress				Piedmont Natural Gas Company PNG	All Plans Total	
	Duke Energy Carolinas 100	Duke Energy Business Services 110	Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802			Corporation and Progress Fuels Corporation
Components of Net Periodic Benefit Cost													
Service Cost	482,180	1,382,838	77,155	0	1,531	0	24,455	0	196,475	41,478	0	0	2,206,112
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	663,907	7,697,928	212,319	162,708	207,233	5,962	21,408	750,566	1,409,155	1,954,856	1,410,576	27,536	14,524,154
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost/(Credit)	(20,566)	(667,528)	(45,574)	2,589	7,468	0	(15,648)	(13,547)	(97,515)	(239,600)	0	0	(1,089,921)
Amortization of Net Actuarial Loss/(Gain)	619,644	5,274,444	100,051	59,938	54,000	4,707	(53,588)	286,908	511,493	709,400	194,292	15,104	7,776,393
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost	1,745,165	13,687,682	343,951	225,235	270,232	10,669	(23,373)	1,023,927	2,019,608	2,466,134	1,604,868	42,640	23,416,738
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income													
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	0	0	0	0	0	0	0	0	0	0	0	1,526,461	1,526,461
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0
Settlement Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Actuarial Loss/(Gain)	(774,023)	2,726,705	(893,047)	34,424	(1,503,821)	4,310	49,775	235,502	1,407,932	1,811,517	1,372,676	(71,311)	4,400,638
Amortization of Net Actuarial (Loss)/Gain	(619,644)	(5,274,444)	(100,051)	(59,938)	(54,000)	(4,707)	53,588	(286,908)	(511,493)	(709,400)	(194,292)	(15,104)	(7,776,393)
Prior Service Cost/(Credit)	8,715	(1,982,498)	(262,658)	0	(70,594)	0	0	0	0	0	0	0	(2,307,035)
Amortization of Prior Service (Cost)/Credit	20,566	667,528	45,574	(2,589)	(7,468)	0	15,648	13,547	97,515	239,600	0	0	1,089,921
Amortization of Net Transition (Obligation)/Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recognized in Other Comprehensive Income	(1,364,386)	(3,862,709)	(1,210,181)	(28,103)	(1,635,884)	(397)	119,011	(37,859)	993,954	1,341,717	1,178,384	1,440,046	(3,066,408)
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	380,779	9,824,973	(866,230)	197,132	(1,365,652)	10,272	95,638	986,068	3,013,562	3,807,851	2,783,252	1,482,686	20,350,330
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017													
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(48,178)	(1,311,307)	(83,735)	(722)	(16,387)	0	(15,648)	(13,782)	(97,545)	(239,600)	0	0	(1,826,904)
Net Actuarial Loss/(Gain)	472,704	4,938,970	8,846	55,327	(84,999)	4,486	(42,389)	271,048	620,444	802,952	273,005	99,953	7,420,348
Total	424,526	3,627,663	(74,889)	54,605	(101,386)	4,486	(58,037)	257,267	522,899	563,352	273,005	99,953	5,593,444
Weighted Average Assumptions													
<i>Used in Determining Cost</i>													
Discount Rate	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	3.80%	4.40%/3.80%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Return on Plan Assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rate of Future Compensation Increases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	10/31/2016	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - All Legacy Welfare Plans

Payroll Company	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 522	Duke Energy Kentucky 536	Duke Energy International 800	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Piedmont Natural Gas Company PNG	All Plans Total
Expected Subsidies from Medicare Part D														
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022-2026	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Components of Net Periodic Benefit Cost														
Service Cost	888,172	964,163	30,924	198,057	336,947	90,694	2,032	0	215,881	416,423	0	0	206,809	3,350,102
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	8,474,459	5,594,938	523,867	1,161,152	3,664,638	288,240	10,253	262,412	7,926,366	6,917,349	33,601	40,949	242,706	35,140,930
Expected Return on Plan Assets	(8,044,801)	(2,057,936)	(172,472)	(397,298)	(990,223)	(60,454)	(8,496)	(356,018)	(2,981)	(20,596)	198	290	(284,643)	(12,395,430)
Amortization of Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost/(Credit)	(14,438,234)	(22,699,472)	(230,657)	(249,284)	(836,650)	(129,837)	(1,943)	(368,258)	(67,589,483)	(34,610,830)	(89,816)	(312,916)	(55,286)	(141,612,666)
Amortization of Net Actuarial Loss/(Gain)	(3,230,092)	(1,510,715)	(1,155,087)	(1,646,150)	(7,633,040)	(420,470)	(3,237)	(223,431)	12,613,810	9,194,866	(5,071)	(28,897)	117,480	6,069,966
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost	(16,350,496)	(19,709,022)	(1,003,425)	(933,523)	(5,458,328)	(231,827)	(1,391)	(685,295)	(46,836,407)	(18,102,788)	(61,088)	(300,574)	227,066	(109,447,099)
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income														
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	276,815	(777,721)	0	1,651,893	0	(591,640)	0	0	(177,195)	(382,152)	0	0	9,099,918	9,099,918
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(1,332,796)	(1,222,837)	0	177,458	0	(62,325)	0	0	618,814	1,821,686	0	0	(1,545,781)	(1,545,781)
Settlement Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Actuarial Loss/(Gain)	4,678,675	7,934,488	1,011,657	83,512	2,170,183	(131,570)	21,860	67,598	7,331,267	8,797,239	(53,020)	(5,129)	(971,269)	30,935,491
Amortization of Net Actuarial (Loss)/Gain	3,230,092	1,510,715	1,155,087	1,646,150	7,633,040	420,470	3,237	223,431	(12,613,810)	(9,194,866)	5,071	28,897	(117,480)	(6,069,966)
Prior Service Cost/(Credit)	0	(513,369)	0	(643,093)	0	(378,941)	0	0	0	0	0	0	0	(1,533,403)
Amortization of Prior Service (Cost)/Credit	14,438,234	22,699,472	230,657	249,284	836,650	129,837	1,943	368,258	67,589,483	34,610,830	89,816	312,916	55,286	141,612,666
Amortization of Net Transition (Obligation)/Asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recognized in Other Comprehensive Income	21,291,019	29,630,748	2,397,401	3,165,204	10,639,872	(612,168)	27,040	659,287	62,748,559	35,652,737	41,867	336,684	6,520,673	172,498,925
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	4,940,523	9,921,726	1,393,976	2,231,681	5,181,545	(843,996)	25,649	(26,008)	15,912,152	17,549,949	(19,221)	36,110	6,747,739	63,051,826
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income into Net Periodic Benefit Cost in 2017														
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(9,525,381)	(18,207,598)	(230,497)	(298,633)	(836,650)	(184,230)	3,583	(146,528)	(54,745,339)	(30,290,638)	(73,380)	(255,653)	(331,713)	(115,122,658)
Net Actuarial Loss/(Gain)	(2,089,559)	(604,214)	(884,302)	(1,206,778)	(6,317,908)	(424,398)	(550)	(182,853)	12,122,319	9,019,114	(9,961)	(23,827)	591,969	9,989,052
Total	(11,614,940)	(18,811,812)	(1,114,799)	(1,505,411)	(7,154,558)	(608,628)	3,033	(329,381)	(42,623,020)	(21,271,524)	(83,341)	(279,480)	260,256	(105,133,606)
Weighted Average Assumptions														
<i>Used in Determining Cost</i>														
Discount Rate	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	3.80%	4.40%/3.80%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Return on Plan Assets	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75%	6.50%/6.75%
Rate of Future Compensation Increases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Trend Rate														
Initial rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Ultimate rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Years to ultimate	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	10/31/2016	12/31/2015
Effect of one-percentage-point change in assumed health care cost trend rate on aggregate service and interest cost														
-- Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,305,914
-- Decrease	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1,148,969)

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Duke Energy Retirement Cash Balance Plan

Duke Energy Retirement Cash Balance Plan

Payroll Company	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 528	Duke Energy Kentucky 538	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corporation	Progress Fuels Corporation	Plan Total
Components of Net Periodic Benefit Cost													
Service Cost	47,588,654	36,912,747	1,466,966	272,279	8,624,759	48,767	225,282	0	23,638,004	6,496,634	0	0	125,274,092
Expected Administrative Expenses	2,229,221	1,581,016	111,207	127,987	650,884	14,195	8,142	166,267	1,274,991	742,613	17,561	17,561	6,941,644
Interest Cost	85,767,995	70,420,539	3,686,765	5,580,995	27,871,288	553,816	242,670	6,443,544	49,321,676	28,545,444	672,968	672,968	279,780,668
Expected Return on Plan Assets	(141,586,170)	(100,429,895)	(7,090,121)	(8,063,774)	(41,568,249)	(898,822)	(519,174)	(10,312,999)	(82,193,397)	(47,022,806)	(1,118,886)	(1,118,886)	(441,923,179)
Amortization of Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Prior Service Cost/(Credit)	(7,697,458)	(4,728,760)	(391,215)	211,996	(458,693)	43,642	(49,082)	156,256	(1,940,829)	(842,038)	0	0	(15,696,181)
Amortization of Net Actuarial Loss/(Gain)	32,400,667	29,291,047	326,500	877,324	6,817,114	83,875	12,770	3,478,710	22,633,091	16,803,490	90,966	90,966	111,906,520
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost	18,702,909	33,046,694	(1,889,898)	(993,193)	1,937,103	(154,526)	(79,392)	(68,222)	12,733,536	3,723,337	(337,392)	(337,392)	66,283,564
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income													
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	5,577,311	(4,224,546)	0	236,386	0	5,082	0	0	(1,306,504)	(287,729)	0	0	0
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(773,078)	815,275	0	175,534	0	(32,961)	0	0	(53,553)	(131,217)	0	0	0
Goodwill Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Actuarial Loss/(Gain)	26,618,435	59,690,282	(6,092,777)	(3,937,185)	34,501,703	164,040	254,074	892,246	40,687,408	9,845,314	430,922	1,791,048	164,845,510
Amortization of Net Actuarial (Loss)/Gain	(32,400,667)	(29,291,047)	(326,500)	(877,324)	(6,817,114)	(83,876)	(12,770)	(3,478,710)	(22,633,091)	(16,803,490)	(90,966)	(90,966)	(111,906,520)
Prior Service Cost/(Credit)	(2,686,893)	(29,926,810)	(941,473)	(2,103,451)	(14,451,838)	(419,881)	0	0	(124,842)	(294,790)	0	0	(50,949,977)
Amortization of Prior Service (Cost)/Credit	7,697,458	4,728,760	391,215	(211,996)	458,693	(43,642)	49,082	(156,256)	1,940,829	842,038	0	0	15,696,181
Amortization of Net Transition (Obligation)/Asset	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recognized in Other Comprehensive Income	4,032,566	1,791,915	(6,969,535)	(6,718,036)	13,691,445	(411,238)	290,386	(2,742,720)	18,510,247	(5,829,874)	339,957	1,700,083	17,685,195
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	22,735,475	34,838,609	(8,859,433)	(7,711,230)	15,628,548	(565,764)	210,994	(2,810,942)	31,243,783	(2,106,537)	2,565	1,362,691	83,968,759
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017													
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(8,083,620)	(7,795,800)	(491,419)	(82,489)	(1,996,849)	(16,301)	(49,082)	116,853	(1,959,648)	(884,367)	0	0	(21,242,722)
Net Actuarial Loss/(Gain)	30,915,878	30,290,259	(114,590)	701,810	8,262,225	112,683	26,398	3,167,095	23,357,865	14,855,311	170,495	134,650	111,790,197
Total	22,832,256	22,404,459	(606,009)	619,321	6,265,376	96,382	(22,774)	3,283,948	21,398,217	13,971,144	170,495	134,650	90,547,475
Weighted Average Assumptions													
<i>Used in Determining Cost</i>													
Discount Rate	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%
Expected Return on Plan Assets	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Rate of Future Compensation Increases	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%	11.50% to 3.50%
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Cinergy Corp. Union Employees' Retirement Income Plan

Cinergy Corp. Union Employees' Retirement Income Plan

Payroll Company	Duke Energy Business										Plan Total
	Duke Energy Carolinas 100	Services 110	Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802		
Change in Benefit Obligation											
Benefit Obligation, Beginning of Year	71,775	218,478,066	71,645,891	219,161,719	602,241	87,664,983	7,781,632	17,309	402,485	605,826,101	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	
Plan-to-Plan Transfers	0	(6,150,391)	0	(2,628,941)	(604,940)	(476,452)	0	(21,130)	0	(9,881,854)	
Payroll Company Transfers	71,309	3,228,568	0	(5,070,652)	0	1,770,775	0	0	0	0	
Service Cost	8,793	4,061,312	91,853	2,257,407	21,551	1,410,705	0	2,638	10,884	7,865,143	
Interest Cost	3,511	9,450,919	3,039,007	9,382,987	27,203	3,813,820	329,465	872	18,038	26,065,822	
Gross Benefits Paid	0	(9,747,522)	(5,805,422)	(14,403,130)	(8,540)	(7,382,401)	(495,848)	0	0	(37,842,863)	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	
Actuarial Loss/(Gain)	(1,112)	23,801,151	3,164,593	9,552,075	309,613	5,891,801	127,331	311	(373,396)	42,472,367	
Plan Amendments	0	(232,997)	0	(308,157)	0	(30,064)	0	0	0	(571,218)	
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	
Benefit Obligation, End of Year	154,276	242,889,106	72,135,922	217,943,309	347,128	92,663,167	7,742,580	0	58,011	633,933,499	
Accumulated Benefit Obligation, End of Year	110,341	226,728,712	72,135,922	210,672,016	314,597	88,819,661	7,742,580	0	9,416	606,533,245	
Weighted Average Assumptions											
<i>Used in Determining Benefit Obligations</i>											
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	4.25%/4.00%	
Rate of Compensation Increase	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	9.50% to 3.50%	
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	
Change in Plan Assets											
Market Value of Assets, Beginning of Year	241,541	208,345,621	75,744,263	207,409,049	67,012	82,088,256	2,800,038	0	0	576,695,780	
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	
Plan-to-Plan Transfers	0	(6,150,391)	0	(2,628,941)	(604,940)	(476,452)	0	(21,130)	0	(9,881,854)	
Payroll Company Transfers	71,309	3,228,568	0	(5,070,652)	0	1,770,775	0	0	0	0	
Actual Return on Assets (Net of Expenses)	18,697	15,085,105	5,350,605	14,752,049	(16,669)	5,745,336	192,661	(699)	1,609	41,128,694	
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	
Employer Contributions	5,476	3,463,062	98,907	2,507,899	59,541	1,386,856	433,641	3,103	41,515	8,000,000	
Benefits Paid	0	(9,747,522)	(5,805,422)	(14,403,130)	(8,540)	(7,382,401)	(495,848)	0	0	(37,842,863)	
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	
Market Value of Assets, End of Year	337,023	214,224,443	75,388,353	202,566,274	(503,596)	83,132,370	2,930,492	(18,726)	43,124	578,099,757	
Funded Status, End of Year	182,746	(28,664,663)	3,252,431	(15,377,034)	(850,724)	(9,530,797)	(4,812,088)	(18,726)	(14,887)	(55,833,742)	
Amounts Recognized in the Statement of Financial Position											
Noncurrent Assets	0	0	0	0	0	0	0	0	0	0	
Current Liabilities	0	0	0	0	0	0	0	0	0	0	
Noncurrent Liabilities	182,746	(28,664,663)	3,252,431	(15,377,034)	(850,724)	(9,530,797)	(4,812,088)	(18,726)	(14,887)	(55,833,742)	
Net Benefit Asset/(Liability) at End of Year	182,746	(28,664,663)	3,252,431	(15,377,034)	(850,724)	(9,530,797)	(4,812,088)	(18,726)	(14,887)	(55,833,742)	
Amounts Recognized in Accumulated Other Comprehensive Income											
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	
Prior Service Cost/(Credit)	(1,167)	(2,112,321)	(179,158)	(747,200)	(3)	(348,832)	114,051	0	0	(3,274,630)	
Net Actuarial Loss/(Gain)	(108,171)	52,962,616	37,946,628	46,133,089	236,089	22,864,439	4,614,717	(3,810)	4,246	164,649,843	
Total	(109,338)	50,850,295	37,767,470	45,385,889	236,086	22,515,607	4,728,768	(3,810)	4,246	161,375,213	
EXPECTED CASH FLOWS											
Expected Employer Benefit Payments (Net of Part D Subsidy)											
2017	1,713	15,117,131	5,453,930	15,844,511	16,117	5,150,173	520,584	0	143	42,104,302	
2018	1,735	15,037,499	5,299,600	14,991,162	19,188	5,562,872	544,320	0	544	41,456,920	
2019	2,282	16,168,415	5,195,489	15,167,871	36,552	5,856,231	590,848	0	2,039	43,019,727	
2020	2,019	17,249,319	5,045,174	15,484,645	54,466	6,632,785	436,713	0	1,329	44,906,450	
2021	2,338	17,375,314	4,845,429	15,894,991	25,322	7,704,677	546,514	0	1,551	46,396,126	
2022-2026	16,578	87,345,426	22,641,109	76,641,128	108,459	34,647,789	2,393,891	0	13,847	223,808,227	
Expected Company Contributions	6,454	3,966,148	33,739	2,286,002	60,938	1,306,532	334,237	1,287	4,663	8,000,000	

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

Payroll Company	Duke Energy Florida / Plan Total 802
Change in Benefit Obligation	
Benefit Obligation, Beginning of Year	610,152,237
Business Combinations and Divestitures	0
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Service Cost	12,282,941
Interest Cost	26,891,605
Gross Benefits Paid	(23,660,529)
Plan Participants' Contributions	0
Actuarial Loss/(Gain)	39,703,089
Plan Amendments	0
Impact of Settlements and Curtailments	0
Benefit Obligation, End of Year	<u>665,369,343</u>
Accumulated Benefit Obligation, End of Year	632,489,951
Weighted Average Assumptions	
<i>Used in Determining Benefit Obligations</i>	
Discount Rate	4.10%
Interest Crediting Rate	4.00%
Rate of Compensation Increase	11.50% to 3.50%
Measurement Date(s)	12/31/2016
Change in Plan Assets	
Market Value of Assets, Beginning of Year	574,140,375
Business Combinations and Divestitures	0
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Actual Return on Assets (Net of Expenses)	41,142,484
Plan Participants' Contributions	0
Employer Contributions	12,000,000
Benefits Paid	(23,660,529)
Impact of Settlements and Curtailments	0
Market Value of Assets, End of Year	<u>603,622,330</u>
Funded Status, End of Year	(61,747,013)
Amounts Recognized in the Statement of Financial Position	
Noncurrent Assets	0
Current Liabilities	0
Noncurrent Liabilities	<u>(61,747,013)</u>
Net Benefit Asset/(Liability) at End of Year	(61,747,013)
Amounts Recognized in Accumulated Other Comprehensive Income	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(1,632,949)
Net Actuarial Loss/(Gain)	<u>198,632,244</u>
Total	196,999,295
EXPECTED CASH FLOWS	
Expected Employer Benefit Payments (Net of Part D Subsidy)	
2017	27,179,023
2018	28,710,354
2019	30,390,249
2020	32,146,714
2021	33,906,790
2022-2026	194,108,412
Expected Company Contributions	13,000,000

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

Payroll Company	Duke Energy Florida / Plan Total <u>802</u>
Components of Net Periodic Benefit Cost	
Service Cost	12,282,941
Expected Administrative Expenses	531,369
Interest Cost	26,891,605
Expected Return on Plan Assets	(36,573,759)
Amortization of Net Transition Obligation/(Asset)	0
Amortization of Prior Service Cost/(Credit)	(283,981)
Amortization of Net Actuarial Loss/(Gain)	12,694,654
Settlement and Special Termination Benefit Charge/(Credit)	<u>0</u>
Net Periodic Benefit Cost	15,542,829
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income	
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	0
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0
Goodwill Adjustments	0
Net Actuarial Loss/(Gain)	34,602,995
Amortization of Net Actuarial (Loss)/Gain	(12,694,654)
Prior Service Cost/(Credit)	0
Amortization of Prior Service (Cost)/Credit	283,981
Amortization of Net Transition (Obligation)/Asset	<u>0</u>
Total Recognized in Other Comprehensive Income	22,192,322
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	37,735,151
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(283,981)
Net Actuarial Loss/(Gain)	<u>13,688,576</u>
Total	13,404,595
Weighted Average Assumptions	
<i>Used in Determining Cost</i>	
Discount Rate	4.40%
Interest Crediting Rate	4.00%
Expected Return on Plan Assets	6.50%
Rate of Future Compensation Increases	11.50% to 3.50%
Measurement Date(s)	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Retirement Plan of Piedmont Natural Gas

Retirement Plan of Piedmont Natural Gas

Payroll Company	Piedmont Natural Gas Company / Plan Total
	<u>PNG</u>
Change in Benefit Obligation	
Benefit Obligation, Beginning of Year	0
Business Combinations and Divestitures	351,740,623
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Service Cost	2,014,529
Interest Cost	2,102,274
Gross Benefits Paid	(837,467)
Plan Participants' Contributions	0
Actuarial Loss/(Gain)	(4,636,073)
Plan Amendments	0
Impact of Settlements and Curtailments	<u>(6,091,021)</u>
Benefit Obligation, End of Year	344,292,865
Accumulated Benefit Obligation, End of Year	289,476,091
Weighted Average Assumptions	
<i>Used in Determining Benefit Obligations</i>	
Discount Rate	4.10%
Interest Crediting Rate	N/A
Rate of Compensation Increase	7.00% to 3.00%
Measurement Date(s)	12/31/2016
Change in Plan Assets	
Market Value of Assets, Beginning of Year	0
Business Combinations and Divestitures	342,907,583
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Actual Return on Assets (Net of Expenses)	816,160
Plan Participants' Contributions	0
Employer Contributions	10,000,000
Benefits Paid	(837,467)
Impact of Settlements and Curtailments	<u>(6,091,021)</u>
Market Value of Assets, End of Year	346,795,255
Funded Status, End of Year	2,502,390
Amounts Recognized in the Statement of Financial Position	
Noncurrent Assets	2,502,390
Current Liabilities	0
Noncurrent Liabilities	<u>0</u>
Net Benefit Asset/(Liability) at End of Year	2,502,390
Amounts Recognized in Accumulated Other Comprehensive Income	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(10,284,107)
Net Actuarial Loss/(Gain)	<u>146,828,012</u>
Total	136,543,905
EXPECTED CASH FLOWS	
Expected Employer Benefit Payments (Net of Part D Subsidy)	
2017	23,566,014
2018	21,887,641
2019	21,495,929
2020	20,887,988
2021	22,643,194
2022-2026	114,589,621
Expected Company Contributions	11,000,000

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Retirement Plan of Piedmont Natural Gas

Retirement Plan of Piedmont Natural Gas

Payroll Company	Piedmont Natural Gas Company / Plan Total
	<u>PNG</u>
Components of Net Periodic Benefit Cost	
Service Cost	2,014,529
Expected Administrative Expenses	89,376
Interest Cost	2,102,274
Expected Return on Plan Assets	(3,799,959)
Amortization of Net Transition Obligation/(Asset)	0
Amortization of Prior Service Cost/(Credit)	(366,262)
Amortization of Net Actuarial Loss/(Gain)	1,887,497
Settlement and Special Termination Benefit Charge/(Credit)	<u>2,597,592</u>
Net Periodic Benefit Cost	4,525,047
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income	
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	153,054,751
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(10,650,369)
Goodwill Adjustments	0
Net Actuarial Loss/(Gain)	(1,741,650)
Amortization of Net Actuarial (Loss)/Gain	(4,485,089)
Prior Service Cost/(Credit)	0
Amortization of Prior Service (Cost)/Credit	366,262
Amortization of Net Transition (Obligation)/Asset	<u>0</u>
Total Recognized in Other Comprehensive Income	136,543,905
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	141,068,952
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(2,197,570)
Net Actuarial Loss/(Gain)	<u>12,679,538</u>
Total	10,481,968
Weighted Average Assumptions	
<i>Used in Determining Cost</i>	
Discount Rate	3.80%
Interest Crediting Rate	N/A
Expected Return on Plan Assets	6.75%
Rate of Future Compensation Increases	7.00% to 3.00%
Measurement Date(s)	10/31/2016

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Duke Energy Executive Cash Balance Plan

Duke Energy Executive Cash Balance Plan

Payroll Company	Duke Energy Executive Cash Balance Plan										Plan Total
	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	
Change in Benefit Obligation											
Benefit Obligation, Beginning of Year	15,968,460	147,653,430	4,799,786	3,856,351	4,937,263	140,734	504,937	17,432,471	7,394,228	4,386,083	207,073,763
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0	0	0	0
Service Cost	482,180	1,382,838	77,155	0	1,531	0	24,455	0	196,475	41,478	2,206,112
Interest Cost	653,907	6,287,653	212,319	162,708	207,233	5,962	21,408	750,556	327,427	191,077	8,830,260
Gross Benefits Paid	(1,827,012)	(16,093,084)	(298,537)	(323,998)	(387,951)	(10,571)	(79,351)	(2,303,745)	(269,711)	(167,733)	(21,761,693)
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0
Actuarial Loss/(Gain)	(774,023)	1,502,311	(893,047)	34,424	(1,503,821)	4,310	49,775	235,502	288,117	201,231	(855,221)
Plan Amendments	8,715	(1,982,498)	(262,658)	0	(70,594)	0	0	0	0	0	(2,307,035)
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	0
Benefit Obligation, End of Year	14,522,236	138,750,650	3,635,019	3,729,485	3,183,661	140,435	521,224	16,114,794	7,936,536	4,652,146	193,186,186
Accumulated Benefit Obligation, End of Year	14,522,236	138,750,650	3,635,019	3,729,485	3,183,661	140,435	521,224	16,114,794	7,936,536	4,652,146	193,186,186
Weighted Average Assumptions											
<i>Used in Determining Benefit Obligations</i>											
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets											
Market Value of Assets, Beginning of Year	0	0	0	0	0	0	0	0	0	0	0
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0	0	0	0
Actual Return on Assets (Net of Expenses)	0	0	0	0	0	0	0	0	0	0	0
Plan Participants' Contributions	0	0	0	0	0	0	0	0	0	0	0
Employer Contributions	1,827,012	16,093,084	298,537	323,998	387,951	10,571	79,351	2,303,745	269,711	167,733	21,761,693
Benefits Paid	(1,827,012)	(16,093,084)	(298,537)	(323,998)	(387,951)	(10,571)	(79,351)	(2,303,745)	(269,711)	(167,733)	(21,761,693)
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0	0	0
Market Value of Assets, End of Year	0	0	0	0	0	0	0	0	0	0	0
Funded Status, End of Year	(14,522,236)	(138,750,650)	(3,635,019)	(3,729,485)	(3,183,661)	(140,435)	(521,224)	(16,114,794)	(7,936,536)	(4,652,146)	(193,186,186)
Amounts Recognized in the Statement of Financial Position											
Noncurrent Assets	0	0	0	0	0	0	0	0	0	0	0
Current Liabilities	(2,047,185)	(12,765,970)	(218,228)	(307,422)	(325,834)	(10,354)	(113,046)	(1,378,000)	(328,007)	(172,075)	(17,666,121)
Noncurrent Liabilities	(12,475,051)	(125,984,680)	(3,416,791)	(3,422,063)	(2,857,827)	(130,081)	(408,178)	(14,736,794)	(7,608,529)	(4,480,071)	(175,520,065)
Net Benefit Asset/(Liability) at End of Year	(14,522,236)	(138,750,650)	(3,635,019)	(3,729,485)	(3,183,661)	(140,435)	(521,224)	(16,114,794)	(7,936,536)	(4,652,146)	(193,186,186)
Amounts Recognized in Accumulated Other Comprehensive Income											
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(241,245)	(6,407,532)	(517,333)	(2,572)	(88,002)	0	(79,729)	(66,199)	(458,391)	(1,126,999)	(8,387,842)
Net Actuarial Loss/(Gain)	5,380,435	43,549,115	100,690	629,741	(967,483)	51,060	(482,478)	3,085,144	(260,545)	1,906,136	52,391,815
Total	5,139,190	37,141,583	(416,643)	627,169	(1,055,485)	51,060	(562,207)	3,018,945	(719,476)	780,037	44,004,173
EXPECTED CASH FLOWS											
Expected Employer Benefit Payments (Net of Part D Subsidy)											
2017	2,088,731	13,025,044	222,657	313,661	332,446	10,564	115,340	1,405,965	334,664	175,567	18,024,639
2018	1,795,780	9,510,394	215,508	306,012	319,645	10,551	71,108	1,313,214	323,981	178,496	14,044,689
2019	1,628,328	9,553,622	225,949	302,824	306,941	10,528	91,053	1,384,197	298,018	179,623	13,380,983
2020	1,537,051	9,157,943	259,750	299,020	312,745	10,495	102,154	1,241,676	306,523	181,338	13,408,695
2021	1,286,722	9,536,814	354,320	294,516	294,102	10,448	66,948	1,452,857	327,642	179,541	13,803,910
2022-2026	5,350,620	46,184,743	1,348,452	1,374,879	1,229,914	50,850	143,847	5,637,689	1,579,509	1,254,322	64,154,825
Expected Company Contributions	2,088,731	13,025,044	222,657	313,661	332,446	10,564	115,340	1,405,965	334,664	175,567	18,024,639

Section 1:

Year End 2016 Footnote Disclosures

Duke Energy - Progress Energy Supplemental Senior Executive Retirement Plan

Progress Energy Supplemental Senior Executive Retirement Plan

Payroll Company	Duke Energy Business	Duke Energy Progress	Duke Energy Florida	Plan Total
	Services 110	801	802	
Change in Benefit Obligation				
Benefit Obligation, Beginning of Year	31,098,653	25,720,258	6,073,110	62,892,020
Business Combinations and Divestitures	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0
Payroll Company Transfers	0	0	0	0
Service Cost	0	0	0	0
Interest Cost	1,309,308	1,081,728	256,871	2,647,907
Gross Benefits Paid	(2,762,325)	(2,378,908)	(480,473)	(5,621,706)
Plan Participants' Contributions	0	0	0	0
Plan-to-Plan Transfers	1,149,451	1,119,815	210,078	2,479,344
Payroll Company Transfers	0	0	0	0
Impact of Settlements and Curtailments	0	0	0	0
Benefit Obligation, End of Year	30,795,086	25,542,893	6,059,586	62,397,565
Accumulated Benefit Obligation, End of Year	30,795,086	25,542,893	6,059,586	62,397,565
Weighted Average Assumptions				
<i>Used in Determining Benefit Obligations</i>				
Discount Rate	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets				
Market Value of Assets, Beginning of Year	0	0	0	0
Business Combinations and Divestitures	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0
Payroll Company Transfers	0	0	0	0
Actual Return on Assets (Net of Expenses)	0	0	0	0
Plan Participants' Contributions	0	0	0	0
Employer Contributions	2,762,325	2,378,908	480,473	5,621,706
Benefits Paid	(2,762,325)	(2,378,908)	(480,473)	(5,621,706)
Impact of Settlements and Curtailments	0	0	0	0
Market Value of Assets, End of Year	0	0	0	0
Funded Status, End of Year	(30,795,086)	(25,542,893)	(6,059,586)	(62,397,565)
Amounts Recognized in the Statement of Financial Position				
Noncurrent Assets	0	0	0	0
Current Liabilities	(2,653,567)	(2,241,933)	(465,412)	(5,360,912)
Noncurrent Liabilities	(28,141,519)	(23,300,960)	(5,594,174)	(57,036,653)
Net Benefit Asset/(Liability) at End of Year	(30,795,086)	(25,542,893)	(6,059,586)	(62,397,565)
Amounts Recognized in Accumulated Other Comprehensive Income				
Net Transition Obligation/(Asset)	0	0	0	0
Prior Service Cost/(Credit)	0	0	0	0
Net Actuarial Loss/(Gain)	11,700,195	7,599,268	371,374	19,670,837
Total	11,700,195	7,599,268	371,374	19,670,837
EXPECTED CASH FLOWS				
Expected Employer Benefit Payments (Net of Part D Subsidy)				
2017	2,707,419	2,287,431	474,857	5,469,707
2018	2,665,314	2,225,889	470,484	5,361,687
2019	2,618,850	2,160,211	465,591	5,244,652
2020	2,567,539	2,090,543	460,115	5,118,197
2021	2,510,859	2,017,062	453,982	4,981,903
2022-2026	11,480,289	8,931,731	2,148,865	22,560,885
Expected Company Contributions	2,707,419	2,287,431	474,857	5,469,707

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Progress Energy Supplemental Senior Executive Retirement Plan

Progress Energy Supplemental Senior Executive Retirement Plan

Payroll Company	Duke Energy Business Services <u>110</u>	Duke Energy Progress <u>801</u>	Duke Energy Florida <u>802</u>	Plan Total
Components of Net Periodic Benefit Cost				
Service Cost	0	0	0	0
Expected Administrative Expenses	0	0	0	0
Interest Cost	1,309,308	1,081,728	256,871	2,647,907
Expected Return on Plan Assets	0	0	0	0
Amortization of Net Transition Obligation/(Asset)	0	0	0	0
Amortization of Prior Service Cost/(Credit)	0	0	0	0
Amortization of Net Actuarial Loss/(Gain)	922,835	566,734	14,108	1,503,677
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0
Net Periodic Benefit Cost	<u>2,232,143</u>	<u>1,648,462</u>	<u>270,979</u>	<u>4,151,584</u>
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income				
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	0	0	0	0
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0	0	0	0
Goodwill Adjustments	0	0	0	0
Net Actuarial Loss/(Gain)	1,149,451	1,119,815	210,078	2,479,344
Amortization of Net Actuarial (Loss)/Gain	(922,835)	(566,734)	(14,108)	(1,503,677)
Prior Service Cost/(Credit)	0	0	0	0
Amortization of Prior Service (Cost)/Credit	0	0	0	0
Amortization of Net Transition (Obligation)/Asset	0	0	0	0
Total Recognized in Other Comprehensive Income	<u>226,616</u>	<u>553,081</u>	<u>195,970</u>	<u>975,667</u>
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	2,458,759	2,201,543	466,949	5,127,251
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017				
Net Transition Obligation/(Asset)	0	0	0	0
Prior Service Cost/(Credit)	0	0	0	0
Net Actuarial Loss/(Gain)	<u>990,507</u>	<u>643,334</u>	<u>31,440</u>	<u>1,665,281</u>
Total	<u>990,507</u>	<u>643,334</u>	<u>31,440</u>	<u>1,665,281</u>
Weighted Average Assumptions				
<i>Used in Determining Cost</i>				
Discount Rate	4.40%	4.40%	4.40%	4.40%
Interest Crediting Rate	N/A	N/A	N/A	N/A
Expected Return on Plan Assets	N/A	N/A	N/A	N/A
Rate of Future Compensation Increases	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

Payroll Company	Duke Energy Business	Duke Energy Florida	Florida Progress Corporation and Progress Fuels Corporation	Plan Total
	Services <u>110</u>	<u>802</u>		
Change in Benefit Obligation				
Benefit Obligation, Beginning of Year	2,315,171	35,559,191	33,169,041	71,043,404
Business Combinations and Divestitures	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0
Payroll Company Transfers	0	0	0	0
Service Cost	0	0	0	0
Interest Cost	100,967	1,506,908	1,410,576	3,018,451
Gross Benefits Paid	0	(2,683,197)	(2,321,039)	(5,004,236)
Plan Participants' Contributions	0	0	0	0
Actuarial Loss/(Gain)	74,942	1,400,207	1,372,676	2,847,826
Plan Amendments	0	0	0	0
Impact of Settlements and Curtailments	0	0	0	0
Benefit Obligation, End of Year	2,491,081	35,783,110	33,631,254	71,905,445
Accumulated Benefit Obligation, End of Year	2,491,081	35,783,110	33,631,254	71,905,445
Weighted Average Assumptions				
<i>Used in Determining Benefit Obligations</i>				
Discount Rate	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets				
Market Value of Assets, Beginning of Year	0	0	0	0
Business Combinations and Divestitures	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0
Payroll Company Transfers	0	0	0	0
Actual Return on Assets (Net of Expenses)	0	0	0	0
Plan Participants' Contributions	0	0	0	0
Employer Contributions	0	2,683,197	2,321,039	5,004,236
Benefits Paid	0	(2,683,197)	(2,321,039)	(5,004,236)
Impact of Settlements and Curtailments	0	0	0	0
Market Value of Assets, End of Year	0	0	0	0
Funded Status, End of Year	(2,491,081)	(35,783,110)	(33,631,254)	(71,905,445)
Amounts Recognized in the Statement of Financial Position				
Noncurrent Assets	0	0	0	0
Current Liabilities	(91,356)	(2,607,638)	(2,195,367)	(4,894,361)
Noncurrent Liabilities	(2,399,725)	(33,175,472)	(31,435,887)	(67,011,084)
Net Benefit Asset/(Liability) at End of Year	(2,491,081)	(35,783,110)	(33,631,254)	(71,905,445)
Amounts Recognized in Accumulated Other Comprehensive Income				
Net Transition Obligation/(Asset)	0	0	0	0
Prior Service Cost/(Credit)	0	0	0	0
Net Actuarial Loss/(Gain)	2,048,495	10,108,854	4,568,809	16,726,158
Total	2,048,495	10,108,854	4,568,809	16,726,158
EXPECTED CASH FLOWS				
Expected Employer Benefit Payments (Net of Part D Subsidy)				
2017	93,210	2,660,558	2,239,920	4,993,688
2018	144,656	2,635,470	2,201,530	4,981,656
2019	144,173	2,607,450	2,170,057	4,921,680
2020	143,661	2,578,839	2,139,583	4,862,083
2021	143,116	2,546,544	2,104,132	4,793,792
2022-2026	705,835	12,094,054	10,020,101	22,819,990
Expected Company Contributions	93,210	2,660,558	2,239,920	4,993,688

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

Payroll Company	Duke Energy Business	Duke Energy Florida	Florida Progress Corporation and Progress Fuels Corporation	Plan Total
	Services <u>110</u>	<u>802</u>		
Components of Net Periodic Benefit Cost				
Service Cost	0	0	0	0
Expected Administrative Expenses	0	0	0	0
Interest Cost	100,967	1,506,908	1,410,576	3,018,451
Expected Return on Plan Assets	0	0	0	0
Amortization of Net Transition Obligation/(Asset)	0	0	0	0
Amortization of Prior Service Cost/(Credit)	0	0	0	0
Amortization of Net Actuarial Loss/(Gain)	118,247	523,639	194,292	836,178
Settlement and Special Termination Benefit Charge/(Credit)	0	0	0	0
Net Periodic Benefit Cost	<u>219,214</u>	<u>2,030,547</u>	<u>1,604,868</u>	<u>3,854,629</u>
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income				
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	0	0	0	0
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0	0	0	0
Goodwill Adjustments	0	0	0	0
Net Actuarial Loss/(Gain)	74,942	1,400,207	1,372,676	2,847,826
Amortization of Net Actuarial (Loss)/Gain	(118,247)	(523,639)	(194,292)	(836,178)
Prior Service Cost/(Credit)	0	0	0	0
Amortization of Prior Service (Cost)/Credit	0	0	0	0
Amortization of Net Transition (Obligation)/Asset	0	0	0	0
Total Recognized in Other Comprehensive Income	<u>(43,305)</u>	<u>876,568</u>	<u>1,178,384</u>	<u>2,011,648</u>
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	175,909	2,907,115	2,783,252	5,866,277
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017				
Net Transition Obligation/(Asset)	0	0	0	0
Prior Service Cost/(Credit)	0	0	0	0
Net Actuarial Loss/(Gain)	<u>122,406</u>	<u>604,046</u>	<u>273,005</u>	<u>999,457</u>
Total	<u>122,406</u>	<u>604,046</u>	<u>273,005</u>	<u>999,457</u>
Weighted Average Assumptions				
<i>Used in Determining Cost</i>				
Discount Rate	4.40%	4.40%	4.40%	4.40%
Interest Crediting Rate	N/A	N/A	N/A	N/A
Expected Return on Plan Assets	N/A	N/A	N/A	N/A
Rate of Future Compensation Increases	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2015	12/31/2015	12/31/2015	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Piedmont Natural Gas Company Nonqualified Retirement Plans

Piedmont Natural Gas Company Nonqualified Retirement Plans

Payroll Company	Piedmont Natural Gas Company / Plan Total <u>PNG</u>
Change in Benefit Obligation	
Benefit Obligation, Beginning of Year	0
Business Combinations and Divestitures	4,596,230
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Service Cost	0
Interest Cost	27,536
Gross Benefits Paid	(83,958)
Plan Participants' Contributions	0
Actuarial Loss/(Gain)	(71,311)
Plan Amendments	0
Impact of Settlements and Curtailments	0
Benefit Obligation, End of Year	<u>4,468,497</u>
Accumulated Benefit Obligation, End of Year	4,468,467
Weighted Average Assumptions	
<i>Used in Determining Benefit Obligations</i>	
Discount Rate	4.10%
Interest Crediting Rate	N/A
Rate of Compensation Increase	N/A
Measurement Date(s)	12/31/2016
Change in Plan Assets	
Market Value of Assets, Beginning of Year	0
Business Combinations and Divestitures	0
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Actual Return on Assets (Net of Expenses)	0
Plan Participants' Contributions	0
Employer Contributions	83,958
Benefits Paid	(83,958)
Impact of Settlements and Curtailments	0
Market Value of Assets, End of Year	<u>0</u>
Funded Status, End of Year	(4,468,497)
Amounts Recognized in the Statement of Financial Position	
Noncurrent Assets	0
Current Liabilities	(483,168)
Noncurrent Liabilities	<u>(3,985,329)</u>
Net Benefit Asset/(Liability) at End of Year	(4,468,497)
Amounts Recognized in Accumulated Other Comprehensive Income	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	0
Net Actuarial Loss/(Gain)	<u>1,440,046</u>
Total	1,440,046
EXPECTED CASH FLOWS	
Expected Employer Benefit Payments (Net of Part D Subsidy)	
2017	492,974
2018	474,834
2019	455,087
2020	433,350
2021	411,588
2022-2026	1,684,159
Expected Company Contributions	492,974

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Piedmont Natural Gas Company Nonqualified Retirement Plans

Piedmont Natural Gas Company Nonqualified Retirement Plans

Payroll Company	Piedmont Natural Gas Company / Plan Total <u>PNG</u>
Components of Net Periodic Benefit Cost	
Service Cost	0
Expected Administrative Expenses	0
Interest Cost	27,536
Expected Return on Plan Assets	0
Amortization of Net Transition Obligation/(Asset)	0
Amortization of Prior Service Cost/(Credit)	0
Amortization of Net Actuarial Loss/(Gain)	15,104
Settlement and Special Termination Benefit Charge/(Credit)	<u>0</u>
Net Periodic Benefit Cost	42,640
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income	
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	1,526,461
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0
Goodwill Adjustments	0
Net Actuarial Loss/(Gain)	(71,311)
Amortization of Net Actuarial (Loss)/Gain	(15,104)
Prior Service Cost/(Credit)	0
Amortization of Prior Service (Cost)/Credit	0
Amortization of Net Transition (Obligation)/Asset	<u>0</u>
Total Recognized in Other Comprehensive Income	1,440,046
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	1,482,686
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	0
Net Actuarial Loss/(Gain)	<u>99,953</u>
Total	99,953
Weighted Average Assumptions	
<i>Used in Determining Cost</i>	
Discount Rate	3.80%
Interest Crediting Rate	N/A
Expected Return on Plan Assets	N/A
Rate of Future Compensation Increases	N/A
Measurement Date(s)	10/31/2016

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Progress Energy and Florida Progress OPEB (Medical & Dental)

Progress Energy and Florida Progress OPEB (Medical & Dental)

Payroll Company	Duke Energy Carolinas	Duke Energy Services	Duke Energy Indiana	Duke Energy Discontinued Oper.	Duke Energy Progress	Duke Energy Florida	Florida Progress Corporation	Progress Fuels Corporation	Plan Total
	<u>100</u>	<u>110</u>	<u>529</u>	<u>DSC</u>	<u>801</u>	<u>802</u>			
Change in Benefit Obligation									
Benefit Obligation, Beginning of Year	2,141,476	28,439,074	0	51,159	136,513,120	133,023,222	669,311	705,575	301,542,937
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0
Payroll Company Transfers	365,934	275,113	0	0	(171,672)	(469,375)	0	0	0
Service Cost	17,142	78,963	0	0	208,346	407,575	0	0	710,426
Interest Cost	92,224	1,199,851	0	2,161	5,734,626	5,585,436	28,158	29,374	12,671,830
Gross Benefits Paid	0	0	0	63,265	(15,638,142)	(16,356,286)	0	0	(31,931,163)
less: federal subsidy on benefits paid	0	0	0	0	265,849	109,473	0	0	375,322
Plan Participants' Contributions	0	0	0	30,725	3,987,052	3,054,229	0	0	7,072,006
Actuarial Loss/(Gain)	3,392	(1,318,601)	4,019	(97,800)	8,331,015	6,512,095	(39,477)	17,334	13,411,977
ERRRP Receipts (applied against Claims Paid)	0	0	0	0	0	0	0	0	0
Plan Amendments	0	0	0	0	0	0	0	0	0
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0
Benefit Obligation, End of Year	2,620,168	28,674,399	4,019	49,510	139,228,194	131,866,770	657,992	752,283	303,853,335
Accumulated Benefit Obligation, End of Year	0	0	0	0	0	0	0	0	0
Weighted Average Assumptions									
<i>Used in Determining Benefit Obligations</i>									
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health Care Cost Trend Rate									
Initial rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Ultimate rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
Years to ultimate	6	6	6	6	6	6	6	6	6
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Effect of one-percentage-point change in assumed health care cost trend rate on postretirement benefit obligation									
-- Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,036,187
-- Decrease	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(16,543,768)
Change in Plan Assets									
Market Value of Assets, Beginning of Year	(16,412)	(82,132)	0	(91,523)	(672,781)	708,733	(6,595)	(9,656)	(170,365)
Business Combinations and Divestitures	0	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0	0
Payroll Company Transfers	444	3,017	0	0	342	(3,804)	0	0	0
Actual Return on Assets (Net of Expenses)	(148)	(739)	0	(1,374)	134,441	152,903	(59)	(87)	284,937
Plan Participants' Contributions	0	0	0	30,725	3,987,052	3,054,229	0	0	7,072,006
Employer Contributions	0	0	0	(90,035)	11,623,507	13,181,680	0	0	24,715,152
Benefits Paid	0	0	0	63,265	(15,638,142)	(16,356,286)	0	0	(31,931,163)
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0	0
Market Value of Assets, End of Year	(16,116)	(79,854)	0	(88,941)	(565,580)	737,455	(6,654)	(9,743)	(29,432)
Funded Status, End of Year	(2,636,284)	(28,754,253)	(4,019)	(138,451)	(139,793,774)	(131,129,314)	(664,646)	(762,026)	(303,882,767)
Amounts Recognized in the Statement of Financial Position									
Noncurrent Assets	0	0	0	0	0	0	0	0	0
Current Liabilities	(224,358)	(2,737,619)	0	(3,923)	(13,248,817)	(13,094,657)	(59,032)	(80,452)	(29,448,858)
Noncurrent Liabilities	(2,411,925)	(26,016,634)	(4,019)	(134,528)	(126,544,957)	(118,034,658)	(605,614)	(681,574)	(274,433,909)
Net Benefit Asset/(Liability) at End of Year	(2,636,284)	(28,754,253)	(4,019)	(138,451)	(139,793,774)	(131,129,314)	(664,646)	(762,026)	(303,882,767)
Amounts Recognized in Accumulated Other Comprehensive Income									
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(5,583,137)	(17,303,653)	0	(10,480)	(53,747,380)	(56,784,788)	(73,380)	(255,653)	(133,758,471)
Net Actuarial Loss/(Gain)	1,045,317	7,045,687	4,019	367,484	92,291,820	66,068,549	(72,873)	(189,614)	166,560,389
Total	(4,537,820)	(10,257,966)	4,019	357,004	38,544,440	9,283,761	(146,253)	(445,267)	32,801,918
EXPECTED CASH FLOWS									
Expected Employer Benefit Payments (Net of Part D Subsidy)									
2017	228,912	2,793,176	0	4,002	13,517,690	13,360,401	60,230	82,085	30,046,495
2018	273,898	2,812,374	0	3,940	13,034,239	12,894,863	59,656	73,987	29,152,954
2019	313,896	2,770,387	0	3,874	12,607,250	12,504,213	58,965	68,451	28,327,036
2020	340,892	2,670,295	0	3,803	12,212,379	11,979,621	57,876	62,988	27,327,855
2021	346,297	2,580,295	0	3,729	11,851,292	11,540,105	56,441	60,836	26,438,995
2022-2026	1,330,501	10,152,049	128	17,344	50,260,808	48,637,838	248,354	266,147	110,913,168
Expected Company Contributions	228,912	2,793,176	0	4,002	13,517,690	13,360,401	60,230	82,085	30,046,495

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Legacy Cinergy Plans - Retiree Life

Legacy Cinergy Plans - Retiree Life

Payroll Company	Duke Energy Carolinas	Duke Energy Business	Duke Energy	Duke Energy Ohio	Duke Energy Indiana	Duke Energy Kentucky	Duke Energy	Plan Total
	100	Services	Commercial	503	529	536	Discontinued Oper.	
		110	Enterprises, Inc.				DSC	
			501					
Change in Benefit Obligation								
Benefit Obligation, Beginning of Year	73,627	8,783,369	7,366,193	18,780,887	4,679,677	2,138,241	94,794	41,916,788
Business Combinations and Divestitures	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0
Service Cost	0	0	0	0	0	0	0	0
Interest Cost	3,181	379,340	309,879	789,840	197,644	90,322	4,092	1,774,298
Gross Benefits Paid	0	(200,619)	(437,723)	(1,123,080)	(226,126)	(128,286)	(3,031)	(2,118,865)
Plan Participants' Contributions	0	0	0	0	0	0	0	0
Actuarial Loss/(Gain)	1,779	291,394	(72,749)	(373,399)	(36,770)	(6,986)	5,015	(191,716)
ERRP Receipts (applied against Claims Paid)	0	0	0	0	0	0	0	0
Plan Amendments	0	0	0	0	0	0	0	0
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0
Benefit Obligation, End of Year	78,587	9,253,484	7,165,600	18,074,248	4,614,425	2,093,291	100,870	41,380,505
Accumulated Benefit Obligation, End of Year	0	0	0	0	0	0	0	0
Weighted Average Assumptions								
<i>Used in Determining Benefit Obligations</i>								
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets								
Market Value of Assets, Beginning of Year	0	0	0	0	0	0	0	0
Business Combinations and Divestitures	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0
Actual Return on Assets (Net of Expenses)	0	0	0	0	0	0	0	0
Plan Participants' Contributions	0	0	0	0	0	0	0	0
Employer Contributions	0	200,619	437,723	1,123,080	226,126	128,286	3,031	2,118,865
Benefits Paid	0	(200,619)	(437,723)	(1,123,080)	(226,126)	(128,286)	(3,031)	(2,118,865)
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0
Market Value of Assets, End of Year	0	0	0	0	0	0	0	0
Funded Status, End of Year	(78,587)	(9,253,484)	(7,165,600)	(18,074,248)	(4,614,425)	(2,093,291)	(100,870)	(41,380,505)
Amounts Recognized in the Statement of Financial Position								
Noncurrent Assets	0	0	0	0	0	0	0	0
Current Liabilities	(2,818)	(342,257)	(631,104)	(1,594,494)	(372,146)	(165,198)	(3,811)	(3,111,830)
Noncurrent Liabilities	(75,769)	(8,911,227)	(6,534,496)	(16,479,754)	(4,242,279)	(1,928,093)	(97,059)	(38,268,675)
Net Benefit Asset/(Liability) at End of Year	(78,587)	(9,253,484)	(7,165,600)	(18,074,248)	(4,614,425)	(2,093,291)	(100,870)	(41,380,505)
Amounts Recognized in Accumulated Other Comprehensive Income								
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	0	0	0	0	0	0	0	0
Net Actuarial Loss/(Gain)	49,450	1,535,810	1,716,708	5,131,594	2,727,487	518,681	44,679	11,724,409
Total	49,450	1,535,810	1,716,708	5,131,594	2,727,487	518,681	44,679	11,724,409
EXPECTED CASH FLOWS								
Expected Employer Benefit Payments (Net of Part D Subsidy)								
2017	2,875	349,203	643,912	1,626,853	379,699	168,550	3,889	3,174,982
2018	3,034	368,797	630,257	1,610,714	378,898	166,141	4,096	3,161,937
2019	3,225	388,860	614,811	1,587,089	377,129	163,173	4,316	3,138,604
2020	3,418	409,536	597,666	1,556,008	374,218	159,817	4,549	3,105,213
2021	3,615	430,646	578,970	1,517,740	370,051	156,126	4,793	3,061,942
2022-2026	21,107	2,478,521	2,570,701	6,805,076	1,739,000	718,817	27,887	14,361,107
Expected Company Contributions	2,875	349,203	643,912	1,626,853	379,699	168,550	3,889	3,174,982

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Progress Energy and Florida Progress Non-Union OPEB (Life)

Progress Energy and Florida Progress Non-Union OPEB (Life)

Payroll Company	Duke Energy Carolinas	Duke Energy Business Services	Duke Energy Discontinued Oper.	Duke Energy Progress	Duke Energy Florida	Florida Progress Corp	Progress Fuels Corporation	Plan Total
	<u>100</u>	<u>110</u>	<u>DSC</u>	<u>801</u>	<u>802</u>			
Change in Benefit Obligation								
Benefit Obligation, Beginning of Year	0	5,399,460	9,655	50,898,700	12,776,693	127,971	270,763	69,483,242
Business Combinations and Divestitures	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0
Service Cost	0	0	0	0	0	0	0	0
Interest Cost	0	233,619	418	2,169,266	545,331	5,443	11,575	2,965,652
Gross Benefits Paid	0	0	(37,871)	(1,239,191)	(1,035,160)	0	0	(2,312,222)
Plan Participants' Contributions	0	0	0	0	0	0	0	0
Actuarial Loss/(Gain)	0	60,239	38,126	(870,413)	777,105	(13,404)	(22,260)	(30,607)
ERRP Receipts (applied against Claims Paid)	0	0	0	0	0	0	0	0
Plan Amendments	0	0	0	0	0	0	0	0
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0
Benefit Obligation, End of Year	0	5,693,318	10,328	50,958,362	13,063,969	120,010	260,078	70,106,065
Accumulated Benefit Obligation, End of Year	0	0	0	0	0	0	0	0
Weighted Average Assumptions								
<i>Used in Determining Benefit Obligations</i>								
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rate of Compensation Increase	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Measurement Date(s)	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016	12/31/2016
Change in Plan Assets								
Market Value of Assets, Beginning of Year	0	0	0	0	0	0	0	0
Business Combinations and Divestitures	0	0	0	0	0	0	0	0
Plan-to-Plan Transfers	0	0	0	0	0	0	0	0
Payroll Company Transfers	0	0	0	0	0	0	0	0
Actual Return on Assets (Net of Expenses)	0	0	0	0	0	0	0	0
Plan Participants' Contributions	0	0	0	0	0	0	0	0
Employer Contributions	0	0	37,871	1,239,191	1,035,160	0	0	2,312,222
Benefits Paid	0	0	(37,871)	(1,239,191)	(1,035,160)	0	0	(2,312,222)
Impact of Settlements and Curtailments	0	0	0	0	0	0	0	0
Market Value of Assets, End of Year	0	0	0	0	0	0	0	0
Funded Status, End of Year	0	(5,693,318)	(10,328)	(50,958,362)	(13,063,969)	(120,010)	(260,078)	(70,106,065)
Amounts Recognized in the Statement of Financial Position								
Noncurrent Assets	0	0	0	0	0	0	0	0
Current Liabilities	0	(189,798)	(328)	(3,227,732)	(766,229)	(7,900)	(14,665)	(4,206,652)
Noncurrent Liabilities	0	(5,503,520)	(10,000)	(47,730,630)	(12,297,740)	(112,110)	(245,413)	(65,899,413)
Net Benefit Asset/(Liability) at End of Year	0	(5,693,318)	(10,328)	(50,958,362)	(13,063,969)	(120,010)	(260,078)	(70,106,065)
Amounts Recognized in Accumulated Other Comprehensive Income								
Net Transition Obligation/(Asset)	0	0	0	0	0	0	0	0
Prior Service Cost/(Credit)	(58,498)	(3,449,518)	0	(11,338,712)	(3,862,688)	0	0	(18,709,416)
Net Actuarial Loss/(Gain)	(14,362)	2,305,931	100,962	10,501,876	349,407	(20,679)	13,562	13,236,697
Total	(72,860)	(1,143,587)	100,962	(836,836)	(3,513,281)	(20,679)	13,562	(5,472,719)
EXPECTED CASH FLOWS								
Expected Employer Benefit Payments (Net of Part D Subsidy)								
2017	0	193,650	335	3,293,236	781,779	8,060	14,962	4,292,022
2018	0	204,792	353	3,325,509	785,623	8,147	15,246	4,339,669
2019	0	216,637	373	3,346,915	792,814	8,187	15,408	4,380,333
2020	0	229,148	395	3,357,894	792,881	8,180	15,436	4,403,934
2021	0	242,271	418	3,358,933	796,808	8,131	15,452	4,422,014
2022-2026	0	1,422,827	2,489	16,517,411	3,978,695	38,900	74,771	22,035,094
Expected Company Contributions	0	193,650	335	3,293,236	781,779	8,060	14,962	4,292,022

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - The Union Employees of Florida Progress OPEB (Life)

The Union Employees of Florida Progress OPEB (Life)

Payroll Company	Duke Energy Florida / Plan Total
	<u>802</u>
Change in Benefit Obligation	
Benefit Obligation, Beginning of Year	18,155,935
Business Combinations and Divestitures	0
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Service Cost	0
Interest Cost	774,601
Gross Benefits Paid	(1,490,913)
Plan Participants' Contributions	0
Actuarial Loss/(Gain)	1,536,642
ERRP Receipts (applied against Claims Paid)	0
Plan Amendments	0
Impact of Settlements and Curtailments	0
Benefit Obligation, End of Year	<u>18,976,265</u>
Accumulated Benefit Obligation, End of Year	0
Weighted Average Assumptions	
<i>Used in Determining Benefit Obligations</i>	
Discount Rate	4.10%
Interest Crediting Rate	N/A
Rate of Compensation Increase	N/A
Measurement Date(s)	12/31/2016
Change in Plan Assets	
Market Value of Assets, Beginning of Year	0
Business Combinations and Divestitures	0
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Actual Return on Assets (Net of Expenses)	0
Plan Participants' Contributions	0
Employer Contributions	1,490,913
Benefits Paid	(1,490,913)
Impact of Settlements and Curtailments	0
Market Value of Assets, End of Year	<u>0</u>
Funded Status, End of Year	(18,976,265)
Amounts Recognized in the Statement of Financial Position	
Noncurrent Assets	0
Current Liabilities	(1,098,578)
Noncurrent Liabilities	<u>(17,877,687)</u>
Net Benefit Asset/(Liability) at End of Year	(18,976,265)
Amounts Recognized in Accumulated Other Comprehensive Income	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(5,992,671)
Net Actuarial Loss/(Gain)	<u>9,717,642</u>
Total	3,724,971
EXPECTED CASH FLOWS	
Expected Employer Benefit Payments (Net of Part D Subsidy)	
2017	1,120,872
2018	1,105,635
2019	1,090,812
2020	1,069,823
2021	1,051,114
2022-2026	5,199,203
Expected Company Contributions	1,120,872

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - The Union Employees of Florida Progress OPEB (Life)

The Union Employees of Florida Progress OPEB (Life)

Payroll Company	Duke Energy Florida / Plan Total <u>802</u>
Components of Net Periodic Benefit Cost	
Service Cost	0
Expected Administrative Expenses	0
Interest Cost	774,601
Expected Return on Plan Assets	0
Amortization of Net Transition Obligation/(Asset)	0
Amortization of Prior Service Cost/(Credit)	(770,534)
Amortization of Net Actuarial Loss/(Gain)	427,913
Settlement and Special Termination Benefit Charge/(Credit)	<u>0</u>
Net Periodic Benefit Cost	431,980
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income	
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	0
Business Combinations/Divestitures - Prior Service Cost/(Credit)	0
Goodwill Adjustments	0
Net Actuarial Loss/(Gain)	1,536,642
Amortization of Net Actuarial (Loss)/Gain	(427,913)
Prior Service Cost/(Credit)	0
Amortization of Prior Service (Cost)/Credit	770,534
Amortization of Net Transition (Obligation)/Asset	<u>0</u>
Total Recognized in Other Comprehensive Income	1,879,263
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	2,311,243
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(770,534)
Net Actuarial Loss/(Gain)	<u>505,965</u>
Total	(264,569)
Weighted Average Assumptions	
<i>Used in Determining Cost</i>	
Discount Rate	4.40%
Interest Crediting Rate	N/A
Expected Return on Plan Assets	N/A
Rate of Future Compensation Increases	N/A
Measurement Date(s)	12/31/2015

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Piedmont Postretirement Benefits Plan

Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan

Payroll Company	Piedmont Natural Gas Company / Plan Total <u>PNG</u>
Change in Benefit Obligation	
Benefit Obligation, Beginning of Year	0
Business Combinations and Divestitures	39,260,820
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Service Cost	206,809
Interest Cost	242,706
Gross Benefits Paid	(207,842)
less: federal subsidy on benefits paid	0
Plan Participants' Contributions	5,736
Actuarial Loss/(Gain)	(755,470)
ERRP Receipts (applied against Claims Paid)	0
Plan Amendments	0
Impact of Settlements and Curtailments	0
Benefit Obligation, End of Year	<u>38,752,758</u>
Accumulated Benefit Obligation, End of Year	0
Weighted Average Assumptions	
<i>Used in Determining Benefit Obligations</i>	
Discount Rate	4.10%
Interest Crediting Rate	N/A
Rate of Compensation Increase	N/A
Measurement Date(s)	12/31/2016
Change in Plan Assets	
Market Value of Assets, Beginning of Year	0
Business Combinations and Divestitures	28,785,215
Plan-to-Plan Transfers	0
Payroll Company Transfers	0
Actual Return on Assets (Net of Expenses)	500,442
Plan Participants' Contributions	5,736
Employer Contributions	(43,308)
Benefits Paid	(207,842)
Impact of Settlements and Curtailments	0
Market Value of Assets, End of Year	<u>29,040,243</u>
Funded Status, End of Year	(9,712,515)
Amounts Recognized in the Statement of Financial Position	
Noncurrent Assets	0
Current Liabilities	0
Noncurrent Liabilities	<u>(9,712,515)</u>
Net Benefit Asset/(Liability) at End of Year	(9,712,515)
Amounts Recognized in Accumulated Other Comprehensive Income	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(1,490,495)
Net Actuarial Loss/(Gain)	<u>8,011,168</u>
Total	6,520,673
EXPECTED CASH FLOWS	
Expected Employer Benefit Payments (Net of Part D Subsidy)	
2017	1,865,545
2018	2,108,835
2019	2,266,032
2020	2,369,462
2021	2,450,001
2022-2026	13,059,183
Expected Company Contributions	2,236,000

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Piedmont Postretirement Benefits Plan

Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan

Payroll Company	Piedmont Natural Gas Company / Plan Total
Expected Subsidies from Medicare Part D	
2017	N/A
2018	N/A
2019	N/A
2020	N/A
2021	N/A
2022-2026	N/A
Components of Net Periodic Benefit Cost	
Service Cost	206,809
Expected Administrative Expenses	0
Interest Cost	242,706
Expected Return on Plan Assets	(284,643)
Amortization of Net Transition Obligation/(Asset)	0
Amortization of Prior Service Cost/(Credit)	(55,286)
Amortization of Net Actuarial Loss/(Gain)	117,480
Settlement and Special Termination Benefit Charge/(Credit)	0
Net Periodic Benefit Cost	<u>227,066</u>
Other Changes in Plan Assets and Benefit Obligation Recognized in Other Comprehensive Income	
Business Combinations/Divestitures - Net Actuarial Loss/(Gain)	9,099,918
Business Combinations/Divestitures - Prior Service Cost/(Credit)	(1,545,781)
Goodwill Adjustments	0
Net Actuarial Loss/(Gain)	(971,269)
Amortization of Net Actuarial (Loss)/Gain	(117,480)
Prior Service Cost/(Credit)	0
Amortization of Prior Service (Cost)/Credit	55,286
Amortization of Net Transition (Obligation)/Asset	0
Total Recognized in Other Comprehensive Income	<u>6,520,673</u>
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	6,747,739
Estimate of Amounts that will be Amortized Out of Accumulated Other Comprehensive Income Into Net Periodic Benefit Cost in 2017	
Net Transition Obligation/(Asset)	0
Prior Service Cost/(Credit)	(331,713)
Net Actuarial Loss/(Gain)	<u>591,969</u>
Total	260,256
Weighted Average Assumptions	
<i>Used in Determining Cost</i>	
Discount Rate	3.80%
Interest Crediting Rate	N/A
Expected Return on Plan Assets - 401(h) and Union VEBA	6.75%
Expected Return on Plan Assets - Non-Union VEBA	4.3875%
Rate of Future Compensation Increases	N/A
Measurement Date(s)	10/31/2016

Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Duke Energy Postemployment Welfare Plan

Payroll Company	Duke Energy Carolinas <u>100</u>	Duke Energy Business Services <u>110</u>	Duke Energy Commercial Enterprises, Inc. <u>501</u>	Duke Energy Ohio <u>503</u>	Duke Energy Indiana <u>529</u>	Duke Energy Kentucky <u>536</u>	Duke Energy International <u>600</u>	Duke Energy Discontinued Oper. <u>DSC</u>	Duke Energy Progress <u>801</u>	<u>Plan Total</u>
Current Liabilities	3,078,327	1,084,846	67,541	241,038	539,109	71,780	0	53,883	31,270	5,167,794

**Section 1:
Year End 2016 Footnote Disclosures
Duke Energy - Progress Energy Postemployment Welfare Plans**

Plan Name	Non-Union LTD Health and Life Benefits				Union LTD Income Benefits
	Duke Energy Business Services	Duke Energy Progress	Duke Energy Florida	<u>Plan Total</u>	Duke Energy Florida
	<u>110</u>	<u>801</u>	<u>802</u>		<u>802</u>
Current Liabilities	207,065	1,430,403	135,818	1,773,286	679,686

Section 2: Fiscal 2017 Net Periodic Benefit Cost

Duke Energy – All Legacy Plans Combined

	Qualified		Nonqualified		Postretirement Welfare			Grand Total
	Pension	Pension	Medical*	Life	Total			
Funded Status, 1/1/2017								
Benefit Obligation	\$ (8,130,878,672)	\$ (331,957,693)	\$ (634,726,380)	\$ (233,522,903)	\$ (868,249,283)	\$ (9,331,085,648)		
Fair Value of Assets	8,530,958,026	0	206,947,574	36,931,015	243,878,589	8,774,836,615		
Funded Status	\$ 400,079,354	\$ (331,957,693)	\$ (427,778,806)	\$ (196,591,888)	\$ (624,370,694)	\$ (556,249,033)		
Unrecognized Items:								
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Prior Service (Credit)/Cost	(150,841,122)	(8,987,642)	(160,009,749)	(62,899,123)	(222,908,872)	(382,737,636)		
Unrecognized (Gain)/Loss	2,366,854,949	90,828,856	1,711,246	87,333,688	89,044,934	2,546,728,739		
Total Amount Unrecognized	\$ 2,216,013,827	\$ 81,841,214	\$ (158,298,503)	\$ 24,434,565	\$ (133,863,938)	\$ 2,163,991,103		

Components of Benefit Cost, Fiscal 2017

Service Cost	\$ 158,707,166	\$ 2,043,495	\$ 3,871,825	\$ 0	\$ 3,871,825	\$ 164,622,486
Expected Administrative Expenses	8,370,364	0	0	0	0	8,370,364
Interest Cost	328,003,312	13,105,905	24,756,479	9,275,141	34,031,620	375,140,837
Expected Return on Assets	(544,491,795)	0	(12,377,423)	(1,775,817)	(14,153,240)	(558,645,035)
Amortization of:						
- Transition (Asset)/Obligation	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(24,331,901)	(1,826,904)	(109,455,472)	(5,667,186)	(115,122,658)	(141,281,463)
- Unrecognized (Gain)/Loss	145,528,547	7,420,348	5,452,836	4,536,216	9,989,052	162,937,947
Cost of curtailments	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ 71,785,693	\$ 20,742,844	\$ (87,751,755)	\$ 6,368,354	\$ (81,383,401)	\$ 11,145,137
Purchase Accounting Adjustment	7,316,313	0	7,876,573	(349,945)	7,526,628	14,842,941
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ 79,102,006	\$ 20,742,844	\$ (79,875,182)	\$ 6,018,409	\$ (73,856,773)	\$ 25,988,078

Key Assumptions

Measurement Date	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016
Discount Rate	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Interest Crediting Rate	4.25%/4.00%	4.25%/4.00%	N/A	N/A	N/A	4.25%/4.00%
Long Term Rate of Return on Assets - 401(h) and Union VEBA	N/A	N/A	6.50%/6.75%	N/A	6.50%/6.75%	6.50%/6.75%
Long Term Rate of Return on Assets - VEBA I, VEBA II, and Non-Union VEBA	N/A	N/A	5.00%/4.3875%	5.00%	5.00%/4.3875%	5.00%/4.3875%
Long Term Rate of Return on Assets	6.50%/6.75%	N/A	N/A	N/A	N/A	6.50%/6.75%
Salary Scale	11.50% to 3.50%	N/A	N/A	N/A	N/A	11.50% to 3.50%
Health Care Cost Trend Rate	N/A	N/A	7.00%-->4.75%	N/A	7.00%-->4.75%	7.00%-->4.75%
Expected Contributions	\$ 160,000,000	\$ 28,981,008	\$ 32,282,495	\$ 8,587,876	\$ 40,870,371	\$ 229,851,378

Other Information

Expected (Net) Benefit Payments	\$ 584,885,258	\$ 28,981,008	\$ 70,269,116	\$ 14,748,140	\$ 85,017,256	\$ 698,883,521
Market-Related Value of Assets (MRVA)	\$ 8,655,208,855	\$ 0	\$ 211,519,703	\$ 38,558,866	\$ 250,078,569	\$ 8,905,287,424
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ (49,410,953)	\$ 15,149,400	\$ 16,250,881	\$ 7,499,324	\$ 23,750,205	\$ (10,511,348)
Sum of Amortization Payments	\$ 121,196,646	\$ 5,593,444	\$ (104,002,636)	\$ (1,130,970)	\$ (105,133,606)	\$ 21,656,485

* All results for the Piedmont Natural Gas Postretirement Benefits Plan have been included in the Medical column.

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy - All Legacy Qualified Plans

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corporation	Progress Fuels Corporation	Piedmont Natural Gas Company PNG	Plan Total
Funded Status, 1/1/2017														
Benefit Obligation	\$ (1,952,169,414)	\$ (1,900,773,665)	\$ (150,078,271)	\$ (341,333,907)	\$ (657,655,387)	\$ (106,066,890)	\$ (5,545,036)	\$ (160,952,910)	\$ (1,157,593,600)	\$ (1,322,822,338)	\$ (14,534,767)	\$ (17,059,621)	\$ (344,292,865)	\$ (8,130,878,672)
Fair Value of Assets	2,225,599,385	1,829,797,122	190,332,119	330,536,050	656,877,608	98,251,738	8,140,635	169,464,152	1,289,232,132	1,351,817,200	17,657,647	16,456,983	346,795,255	8,530,958,026
Funded Status	\$ 273,429,971	\$ (70,976,543)	\$ 40,253,848	\$ (10,797,857)	\$ (777,779)	\$ (7,815,152)	\$ 2,595,599	\$ 8,511,242	\$ 131,638,532	\$ 28,994,862	\$ 3,122,880	\$ (602,638)	\$ 2,502,390	\$ 400,079,354
Unrecognized Items:														
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(44,925,848)	(55,964,848)	(3,198,298)	(2,689,063)	(17,687,146)	(791,362)	(262,822)	224,675	(9,174,055)	(6,088,248)	0	0	(10,284,107)	(150,841,122)
Unrecognized (Gain)/Loss	521,216,447	553,558,795	37,925,878	59,169,339	140,532,005	24,873,484	540,563	57,067,273	387,789,839	432,548,557	2,684,582	2,120,175	146,828,012	2,366,854,949
Total Amount Unrecognized	\$ 476,290,599	\$ 497,593,947	\$ 34,727,580	\$ 56,480,276	\$ 122,844,859	\$ 24,082,122	\$ 277,741	\$ 57,291,948	\$ 378,615,784	\$ 426,460,309	\$ 2,684,582	\$ 2,120,175	\$ 136,543,905	\$ 2,216,013,827
Components of Benefit Cost, Fiscal 2017														
Service Cost	\$ 48,162,086	\$ 40,376,595	\$ 1,162,780	\$ 2,545,063	\$ 8,704,588	\$ 1,360,040	\$ 249,710	\$ 53,346	\$ 26,110,413	\$ 19,517,792	\$ 0	\$ 0	\$ 10,464,753	\$ 158,707,166
Expected Administrative Expenses	2,137,705	1,749,745	180,072	310,110	630,958	91,345	7,819	162,666	1,238,326	1,280,705	16,960	15,807	548,146	8,370,364
Interest Cost	78,715,841	76,803,324	5,967,894	13,529,440	26,334,679	4,273,646	234,859	6,438,812	46,834,743	53,544,243	577,855	681,164	14,066,812	328,003,312
Expected Return on Assets	(141,642,234)	(116,374,994)	(12,204,800)	(20,954,839)	(41,784,989)	(6,289,866)	(532,805)	(10,925,389)	(82,385,712)	(85,475,920)	(1,118,722)	(1,040,384)	(23,761,141)	(544,491,795)
Amortization of:														
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(8,083,797)	(8,093,633)	(523,475)	(312,715)	(1,996,849)	(94,712)	(49,082)	147,928	(1,959,648)	(1,168,348)	0	0	(2,197,570)	(24,331,901)
- Unrecognized (Gain)/Loss	30,909,025	33,173,914	2,100,583	3,265,386	8,277,093	1,407,306	26,308	3,443,448	23,357,655	28,544,296	170,495	134,650	10,718,388	145,528,547
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 10,198,626	\$ 27,634,951	\$ (3,316,946)	\$ (1,617,555)	\$ 165,480	\$ 747,759	\$ (63,191)	\$ (679,189)	\$ 13,195,777	\$ 16,242,768	\$ (353,412)	\$ (208,763)	\$ 9,839,388	\$ 71,785,693
Purchase Accounting Adjustment	0	0	0	2,802,698	4,008,145	505,470	0	0	0	0	0	0	0	7,316,313
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 10,198,626	\$ 27,634,951	\$ (3,316,946)	\$ 1,185,143	\$ 4,173,625	\$ 1,253,229	\$ (63,191)	\$ (679,189)	\$ 13,195,777	\$ 16,242,768	\$ (353,412)	\$ (208,763)	\$ 9,839,388	\$ 79,102,006
Key Assumptions														
Measurement Date														December 31, 2016
Discount Rate														4.10%
Interest Crediting Rate														4.25%/4.00%
Long Term Rate of Return on Assets														6.50%/6.75%
Salary Scale														11.50% to 3.50%
Expected Contributions	\$ 45,634,291	\$ 43,924,371	\$ 1,189,027	\$ 2,642,870	\$ 8,526,068	\$ 1,395,900	\$ 233,682	\$ 527,789	\$ 24,817,545	\$ 20,000,605	\$ 15,390	\$ 92,462	\$ 11,000,000	\$ 160,000,000
Other Information														
Expected (Net) Benefit Payments	\$ 162,498,179	\$ 137,174,844	\$ 11,480,623	\$ 28,067,202	\$ 48,589,549	\$ 6,448,089	\$ 134,313	\$ 8,004,526	\$ 83,626,462	\$ 73,504,278	\$ 890,412	\$ 900,767	\$ 23,566,014	\$ 584,885,258
Market-Related Value of Assets (MRVA)	\$ 2,260,133,351	\$ 1,858,753,307	\$ 193,504,709	\$ 336,347,429	\$ 667,068,817	\$ 99,985,424	\$ 8,266,952	\$ 172,102,224	\$ 1,309,236,904	\$ 1,351,817,995	\$ 17,657,647	\$ 16,456,983	\$ 363,877,113	\$ 8,655,208,855
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ (12,626,602)	\$ 2,554,670	\$ (4,894,054)	\$ (4,570,226)	\$ (6,114,764)	\$ (564,835)	\$ (40,417)	\$ (4,270,565)	\$ (8,202,230)	\$ (11,133,180)	\$ (523,907)	\$ (343,413)	\$ 1,318,570	\$ (49,410,953)
Sum of Amortization Payments	\$ 22,825,228	\$ 25,080,281	\$ 1,577,108	\$ 2,952,671	\$ 6,280,244	\$ 1,312,594	\$ (22,774)	\$ 3,591,376	\$ 21,398,007	\$ 27,375,948	\$ 170,495	\$ 134,650	\$ 8,520,818	\$ 121,196,646

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy - All Legacy Nonqualified Plans

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp and Progress Fuels Corporation	Piedmont Natural Gas Company PNG	Plan Total
Funded Status, 1/1/2017													
Benefit Obligation	\$ (14,522,236)	\$ (172,036,817)	\$ (3,635,019)	\$ (3,729,485)	\$ (3,183,661)	\$ (140,435)	\$ (521,224)	\$ (16,114,794)	\$ (33,479,429)	\$ (46,494,842)	\$ (33,631,254)	\$ (4,468,497)	\$ (331,957,693)
Fair Value of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Funded Status	\$ (14,522,236)	\$ (172,036,817)	\$ (3,635,019)	\$ (3,729,485)	\$ (3,183,661)	\$ (140,435)	\$ (521,224)	\$ (16,114,794)	\$ (33,479,429)	\$ (46,494,842)	\$ (33,631,254)	\$ (4,468,497)	\$ (331,957,693)
Unrecognized Items:													
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(241,245)	(6,407,532)	(517,333)	(2,572)	(88,002)	0	(79,729)	(66,199)	(458,931)	(1,126,099)	0	0	(8,987,642)
Unrecognized (Gain)/Loss	5,380,435	57,297,805	100,690	629,741	(967,483)	51,060	(482,478)	3,085,144	7,338,723	12,386,364	4,568,809	1,440,046	90,828,856
Total Amount Unrecognized	\$ 5,139,190	\$ 50,890,273	\$ (416,643)	\$ 627,169	\$ (1,055,485)	\$ 51,060	\$ (562,207)	\$ 3,018,945	\$ 6,879,792	\$ 11,260,265	\$ 4,568,809	\$ 1,440,046	\$ 81,841,214
Components of Benefit Cost, Fiscal 2017													
Service Cost	\$ 504,362	\$ 1,175,774	\$ 46,530	\$ 0	\$ 2,424	\$ 0	\$ 30,172	\$ 0	\$ 229,607	\$ 54,626	\$ 0	\$ 0	\$ 2,043,495
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	573,702	6,780,549	146,425	146,543	123,883	5,543	20,266	632,174	1,328,857	1,841,335	1,333,424	173,204	13,105,905
Expected Return on Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of:													
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(48,178)	(1,311,307)	(83,735)	(722)	(16,387)	0	(15,648)	(13,782)	(97,545)	(239,600)	0	0	(1,826,904)
- Unrecognized (Gain)/Loss	472,704	4,938,970	8,846	55,327	(84,999)	4,486	(42,389)	271,049	620,444	802,952	273,005	99,953	7,420,348
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 1,502,590	\$ 11,583,986	\$ 118,066	\$ 201,148	\$ 24,921	\$ 10,029	\$ (7,599)	\$ 889,441	\$ 2,081,363	\$ 2,459,313	\$ 1,606,429	\$ 273,157	\$ 20,742,844
Purchase Accounting Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 1,502,590	\$ 11,583,986	\$ 118,066	\$ 201,148	\$ 24,921	\$ 10,029	\$ (7,599)	\$ 889,441	\$ 2,081,363	\$ 2,459,313	\$ 1,606,429	\$ 273,157	\$ 20,742,844
Key Assumptions													
Measurement Date													December 31, 2016
Discount Rate													4.10%
Interest Crediting Rate													4.25%/4.00%
Long Term Rate of Return on Assets													N/A
Salary Scale													N/A
Expected Contributions	\$ 2,088,731	\$ 15,825,673	\$ 222,657	\$ 313,661	\$ 332,446	\$ 10,564	\$ 115,340	\$ 1,405,965	\$ 2,622,095	\$ 3,310,982	\$ 2,239,920	\$ 492,974	\$ 28,981,008
Other Information													
Expected (Net) Benefit Payments	\$ 2,088,731	\$ 15,825,673	\$ 222,657	\$ 313,661	\$ 332,446	\$ 10,564	\$ 115,340	\$ 1,405,965	\$ 2,622,095	\$ 3,310,982	\$ 2,239,920	\$ 492,974	\$ 28,981,008
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 1,078,064	\$ 7,956,323	\$ 192,955	\$ 146,543	\$ 126,307	\$ 5,543	\$ 50,438	\$ 632,174	\$ 1,558,464	\$ 1,895,961	\$ 1,333,424	\$ 173,204	\$ 15,149,400
Sum of Amortization Payments	\$ 424,526	\$ 3,627,663	\$ (74,889)	\$ 54,605	\$ (101,386)	\$ 4,486	\$ (58,037)	\$ 257,267	\$ 522,899	\$ 563,352	\$ 273,005	\$ 99,953	\$ 5,593,444

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy - All Legacy Postretirement Welfare Plans

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corporation	Progress Fuels Corporation	Piedmont Natural Gas Company PNG	Plan Total
Funded Status, 1/1/2017														
Benefit Obligation	\$ (200,918,098)	\$ (135,579,599)	\$ (13,045,422)	\$ (25,796,440)	\$ (83,772,110)	\$ (6,555,572)	\$ (232,528)	\$ (6,671,069)	\$ (190,787,988)	\$ (164,347,337)	\$ (778,002)	\$ (1,012,361)	\$ (38,752,758)	\$ (868,249,283)
Fair Value of Assets	136,640,194	39,554,421	3,181,186	6,346,769	20,671,255	1,518,075	143,302	6,148,181	(136,703)	788,063	(6,654)	(9,743)	29,040,243	243,878,589
Funded Status	\$ (64,277,904)	\$ (96,025,177)	\$ (9,864,236)	\$ (19,449,671)	\$ (63,100,855)	\$ (5,037,497)	\$ (89,226)	\$ (522,888)	\$ (190,924,691)	\$ (163,559,274)	\$ (784,656)	\$ (1,022,104)	\$ (9,712,515)	\$ (624,370,694)
Unrecognized Items:														
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(42,909,875)	(35,718,020)	(1,490,619)	(1,951,695)	(5,304,117)	(1,195,220)	(17,783)	(726,302)	(65,115,966)	(66,659,747)	(73,380)	(255,653)	(1,490,495)	(222,908,872)
Unrecognized (Gain)/Loss	(3,447,039)	(2,835,346)	(8,812,515)	(10,933,402)	(66,643,356)	(4,354,456)	24,523	(1,148,809)	102,740,469	76,713,301	(93,552)	(176,052)	8,011,168	89,044,934
Total Amount Unrecognized	\$ (46,356,914)	\$ (38,553,366)	\$ (10,303,134)	\$ (12,885,097)	\$ (71,947,473)	\$ (5,549,676)	\$ 6,740	\$ (1,875,111)	\$ 37,624,503	\$ 10,053,554	\$ (166,932)	\$ (431,705)	\$ 6,520,673	\$ (133,863,938)
Components of Benefit Cost, Fiscal 2017														
Service Cost	\$ 808,907	\$ 854,108	\$ 10,759	\$ 154,761	\$ 316,742	\$ 81,843	\$ 2,314	\$ 0	\$ 155,714	\$ 365,125	\$ 0	\$ 0	\$ 1,121,552	\$ 3,871,825
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	7,905,674	5,280,977	489,194	1,006,638	3,238,171	254,419	9,425	250,526	7,486,461	6,443,098	30,512	39,538	1,596,987	34,031,620
Expected Return on Assets	(8,193,620)	(2,123,752)	(160,011)	(385,727)	(1,060,127)	(78,279)	(8,758)	(362,917)	1,503	(39,575)	333	487	(1,742,797)	(14,153,240)
Amortization of:														
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(9,525,381)	(18,207,598)	(230,497)	(298,633)	(836,650)	(184,230)	3,583	(146,528)	(54,745,339)	(30,290,638)	(73,380)	(255,653)	(331,713)	(115,122,658)
- Unrecognized (Gain)/Loss	(2,089,559)	(604,214)	(884,302)	(1,206,778)	(6,317,908)	(424,398)	(550)	(182,853)	12,122,319	9,019,114	(9,961)	(23,827)	591,969	9,989,052
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ (11,093,979)	\$ (14,800,479)	\$ (774,857)	\$ (729,739)	\$ (4,659,772)	\$ (350,845)	\$ 6,014	\$ (441,772)	\$ (34,979,342)	\$ (14,502,876)	\$ (52,496)	\$ (239,455)	\$ 1,235,998	\$ (81,383,401)
Purchase Accounting Adjustment	0	0	0	1,741,012	5,505,662	279,954	0	0	0	0	0	0	0	7,526,628
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ (11,093,979)	\$ (14,800,479)	\$ (774,857)	\$ 1,011,273	\$ 845,890	\$ (70,691)	\$ 6,014	\$ (441,772)	\$ (34,979,342)	\$ (14,502,876)	\$ (52,496)	\$ (239,455)	\$ 1,235,998	\$ (73,856,773)
Key Assumptions														
Measurement Date														December 31, 2016
Discount Rate														4.10%
Interest Crediting Rate														N/A
Long Term Rate of Return on Assets - 401(h) and Union VEBA														6.50%/6.75%
Long Term Rate of Return on Assets - VEBA I, VEBA II, and Non-Union VEBA														5.00%/4.3875%
Salary Scale														N/A
Health Care Cost Trend Rate														7.00%→4.75%
Expected Contributions	\$ 231,787	\$ 3,336,029	\$ 643,912	\$ 1,626,853	\$ 379,699	\$ 168,550	\$ 0	\$ 8,226	\$ 16,810,926	\$ 15,263,052	\$ 68,290	\$ 97,047	\$ 2,236,000	\$ 40,870,371
Other Information														
Expected (Net) Benefit Payments	\$ 17,992,132	\$ 15,413,579	\$ 2,272,073	\$ 2,826,508	\$ 10,321,845	\$ 872,893	\$ 10,034	\$ 1,132,758	\$ 16,863,565	\$ 15,280,986	\$ 68,290	\$ 97,047	\$ 1,865,545	\$ 85,017,256
Market-Related Value of Assets (MRVA)	\$ 140,654,541	\$ 40,724,092	\$ 3,262,927	\$ 6,524,639	\$ 21,202,408	\$ 1,550,914	\$ 147,640	\$ 6,326,412	\$ (126,695)	\$ 787,845	\$ (6,654)	\$ (9,743)	\$ 29,040,243	\$ 250,078,569
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 520,961	\$ 4,011,333	\$ 339,942	\$ 775,672	\$ 2,494,786	\$ 257,983	\$ 2,981	\$ (112,391)	\$ 7,643,678	\$ 6,768,648	\$ 30,845	\$ 40,025	\$ 975,742	\$ 23,750,205
Sum of Amortization Payments	\$ (11,614,940)	\$ (18,811,812)	\$ (1,114,799)	\$ (1,505,411)	\$ (7,154,558)	\$ (608,628)	\$ 3,033	\$ (329,381)	\$ (42,623,020)	\$ (21,271,524)	\$ (83,341)	\$ (279,480)	\$ 260,256	\$ (105,133,606)

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Retirement Cash Balance Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total
Funded Status, 1/1/2017													
Benefit Obligation	\$ (1,952,015,138)	\$ (1,657,884,559)	\$ (77,942,349)	\$ (123,390,598)	\$ (657,308,259)	\$ (13,403,723)	\$ (5,545,036)	\$ (153,210,330)	\$ (1,157,593,600)	\$ (657,394,985)	\$ (14,534,767)	\$ (17,059,621)	\$ (6,487,282,965)
Fair Value of Assets	2,225,262,362	1,615,572,679	114,943,766	127,969,776	657,381,204	15,119,368	8,140,635	166,533,660	1,289,250,858	748,151,746	17,657,647	16,456,983	7,002,440,684
Funded Status	\$ 273,247,224	\$ (42,311,880)	\$ 37,001,417	\$ 4,579,178	\$ 72,945	\$ 1,715,645	\$ 2,595,599	\$ 13,323,330	\$ 131,657,258	\$ 90,756,761	\$ 3,122,880	\$ (602,638)	\$ 515,157,719
Unrecognized Items:													
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(44,924,681)	(53,852,527)	(3,019,140)	(1,941,863)	(17,687,143)	(442,530)	(262,822)	110,624	(9,174,055)	(4,455,299)	0	0	(135,649,436)
Unrecognized (Gain)/Loss	521,324,618	500,596,179	(20,750)	13,036,250	140,295,916	2,009,045	540,563	52,452,556	387,793,649	233,912,067	2,684,582	2,120,175	1,856,744,850
Total Amount Unrecognized	\$ 476,399,937	\$ 446,743,652	\$ (3,039,890)	\$ 11,094,387	\$ 122,608,773	\$ 1,566,515	\$ 277,741	\$ 52,563,180	\$ 378,619,594	\$ 229,456,768	\$ 2,684,582	\$ 2,120,175	\$ 1,721,095,414
Components of Benefit Cost, Fiscal 2017													
Service Cost	\$ 48,144,121	\$ 36,393,400	\$ 1,162,780	\$ 340,933	\$ 8,694,993	\$ 64,914	\$ 249,710	\$ 53,346	\$ 26,110,413	\$ 6,991,204	\$ 0	\$ 0	\$ 128,205,814
Expected Administrative Expenses	2,137,394	1,551,779	110,405	122,917	631,423	14,522	7,819	159,958	1,238,343	718,610	16,960	15,807	6,725,837
Interest Cost	78,706,814	66,989,348	3,121,004	4,824,945	26,300,380	525,674	234,859	6,131,931	46,834,743	25,299,708	577,855	681,164	261,249,625
Expected Return on Assets	(141,620,074)	(102,687,617)	(7,390,961)	(8,052,189)	(41,818,827)	(956,025)	(532,805)	(10,748,137)	(82,386,951)	(47,125,011)	(1,118,722)	(1,040,384)	(445,477,703)
Amortization of:													
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(8,083,620)	(7,811,502)	(491,419)	(223,259)	(1,996,849)	(49,414)	(49,082)	116,853	(1,959,648)	(884,367)	0	0	(21,432,307)
- Unrecognized (Gain)/Loss	30,915,876	30,200,259	(114,590)	701,810	8,262,225	112,693	26,308	3,167,095	23,357,865	14,855,511	170,495	134,650	111,790,197
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 10,202,511	\$ 24,634,667	\$ (3,602,781)	\$ (2,284,843)	\$ 93,345	\$ (287,436)	\$ (63,191)	\$ (1,118,954)	\$ 13,194,765	\$ 855,655	\$ (353,412)	\$ (208,763)	\$ 41,061,563
Purchase Accounting Adjustment	0	0	0	843,095	4,001,760	70,347	0	0	0	0	0	0	4,915,202
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 10,202,511	\$ 24,634,667	\$ (3,602,781)	\$ (1,441,748)	\$ 4,095,105	\$ (217,089)	\$ (63,191)	\$ (1,118,954)	\$ 13,194,765	\$ 855,655	\$ (353,412)	\$ (208,763)	\$ 45,976,765
Key Assumptions													
Measurement Date													December 31, 2016
Discount Rate													4.10%
Interest Crediting Rate													4.25%/4.00%
Long Term Rate of Return on Assets													5.50%
Salary Scale													11.50% to 3.50%
Expected Contributions - December 2017	\$ 45,625,440	\$ 39,916,278	\$ 1,155,288	\$ 420,897	\$ 8,462,789	\$ 72,080	\$ 233,682	\$ 193,552	\$ 24,816,258	\$ 6,995,884	\$ 15,390	\$ 92,462	\$ 128,000,000
Other Information													
Expected (Net) Benefit Payments	\$ 162,496,466	\$ 122,057,713	\$ 6,026,693	\$ 12,222,691	\$ 48,573,432	\$ 1,297,916	\$ 134,313	\$ 7,483,942	\$ 83,626,462	\$ 46,325,112	\$ 890,412	\$ 900,767	\$ 492,035,919
Market-Related Value of Assets (MRVA)	\$ 2,259,791,432	\$ 1,640,641,283	\$ 116,727,332	\$ 129,955,464	\$ 667,581,692	\$ 15,353,973	\$ 8,266,952	\$ 169,117,738	\$ 1,309,255,975	\$ 748,151,746	\$ 17,657,647	\$ 16,456,983	\$ 7,098,958,217
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ (12,629,745)	\$ 2,245,910	\$ (2,996,772)	\$ (2,763,394)	\$ (6,172,031)	\$ (350,715)	\$ (40,417)	\$ (4,402,902)	\$ (8,203,452)	\$ (13,115,489)	\$ (523,907)	\$ (343,413)	\$ (49,296,327)
Sum of Amortization Payments	\$ 22,832,256	\$ 22,386,757	\$ (606,009)	\$ 478,551	\$ 6,265,378	\$ 63,279	\$ (22,774)	\$ 3,283,948	\$ 21,398,217	\$ 13,971,144	\$ 170,495	\$ 134,650	\$ 90,357,890
Amortization Period for Gains/Losses	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396	9.396

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Retirement Cash Balance Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total
Development of Market-Related Value of Assets													
Fiscal 2016											Percent Deferred		Asset (Gain)/Loss
Fiscal 2015											80%		(\$62,567,676)
Fiscal 2014											60%		\$443,137,165
Fiscal 2013											40%		(\$243,657,532)
Deferred Asset (Gain)/Loss (Non-Florida), 1/1/2017											20%		\$ (109,238,064)
Fair Value of Assets (FVA) (Non-Florida), 1/1/2017													\$96,517,536
Fair Value of Assets (FVA) (Florida), 1/1/2017													\$ 6,220,174,307
Market-Related Value of Assets (MRVA), 1/1/2017													\$ 782,266,376
													\$ 7,098,958,217
Amortization of Unrecognized (Gain)/Loss													
Unrecognized (Gain)/Loss, 1/1/2017													\$ 1,856,744,850
Deferred Asset Gain/(Loss), 1/1/2017													(96,517,533)
Net (Gain)/Loss for expense													1,760,227,317
Corridor (10% of greater of MRVA and PBO)													<u>709,895,822</u>
(Gain)/Loss Subject to Amortization													\$ 1,050,331,495
Amortization Period													9.396
Annual Amortization													\$ 111,790,196
Prior Service Cost													
PC #1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,328	\$ 0	\$ 0	\$ 0	\$ 116,328
Interest Cred rate from variable to fixed 4%	(31,521,150)	(14,673,465)	(1,849,029)	(178,162)	(129,130)	(23,931)	(215,851)	(8,537)	(417,545)	(88,737)	0	0	(49,105,357)
3+3 Window, EGTRRA Sunset, Three Year Vesting	0	0	0	0	0	0	0	1,423	0	0	0	0	1,420
Minimum Formula, Adoption of Duke Formula, Plan Choice	0	0	0	0	0	0	0	1,684	0	0	0	0	1,684
Plan Change 1/1/2017	(3,347,015)	(29,276,728)	(941,473)	(1,743,565)	(14,451,838)	(413,849)	0	0	(133,959)	(429,386)	0	0	(50,737,812)
Choice Base	(7,299)	(73,670)	(152)	(1,344)	(643,270)	(149)	0	0	(123)	(461)	0	0	(726,468)
Plan Amendment 1/1/2014	(8,179,043)	(4,462,783)	(228,486)	(12,112)	0	(4,574)	(46,971)	(271)	(108,636)	(26,504)	0	0	(13,069,379)
Plan Change 1/1/2015	(912,584)	(56,327)	0	(97)	0	(28)	0	0	(10,656)	(747)	0	0	(980,440)
Interest Cred Rate from 5% to 4%	(507,622)	(2,347,015)	0	(2,923)	0	0	0	0	(3,317,181)	(866,859)	0	0	(7,061,600)
Plan Change 1/1/2014	(403,105)	(2,363,148)	0	(2,908)	0	0	0	0	(5,185,802)	(3,016,588)	0	0	(10,971,551)
Plan Change 1/1/2016	<u>(46,863)</u>	<u>(599,372)</u>	<u>0</u>	<u>(751)</u>	<u>(2,462,905)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(153)</u>	<u>(6,017)</u>	<u>0</u>	<u>0</u>	<u>(3,116,060)</u>
Total unamortized balance	\$ (44,924,681)	\$ (53,852,527)	\$ (3,019,140)	\$ (1,941,863)	\$ (17,687,143)	\$ (442,530)	\$ (262,822)	\$ 110,624	\$ (9,174,055)	\$ (4,455,299)	\$ 0	\$ 0	\$ (135,649,435)
Amortization													
PC #1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,328	\$ 0	\$ 0	\$ 0	\$ 116,328
Interest Cred rate from variable to fixed 4%	(6,013,191)	(2,799,215)	(352,734)	(33,988)	(24,634)	(4,565)	(41,177)	(1,630)	(79,654)	(16,928)	0	0	(9,367,715)
3+3 Window, EGTRRA Sunset, Three Year Vesting	0	0	0	0	0	0	0	517	0	0	0	0	517
Minimum Formula, Adoption of Duke Formula, Plan Choice	0	0	0	0	0	0	0	1,684	0	0	0	0	1,684
Plan Change 1/1/2017	(356,234)	(3,116,017)	(100,204)	(185,573)	(1,538,156)	(44,047)	0	0	(14,258)	(45,701)	0	0	(5,400,190)
Choice Base	(1,376)	(13,874)	(29)	(253)	(121,143)	(28)	0	0	(23)	(87)	0	0	(136,812)
Plan Amendment 1/1/2014	(1,376,480)	(751,056)	(38,453)	(2,038)	0	(770)	(7,905)	(46)	(18,283)	(4,460)	0	0	(2,199,491)
Plan Change 1/1/2015	(125,223)	(7,729)	0	(14)	0	(4)	0	0	(1,463)	(102)	0	0	(134,534)
Interest Cred Rate from 5% to 4%	(125,339)	(579,509)	0	(722)	0	0	0	0	(819,057)	(218,979)	0	0	(1,743,606)
Plan Change 1/1/2014	(79,833)	(467,949)	0	(576)	0	0	0	0	(1,026,891)	(597,345)	0	0	(2,172,585)
Plan Change 1/1/2016	<u>(5,954)</u>	<u>(76,152)</u>	<u>0</u>	<u>(95)</u>	<u>(312,916)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20)</u>	<u>(764)</u>	<u>0</u>	<u>0</u>	<u>(395,901)</u>
Total amortization	\$ (8,083,620)	\$ (7,811,502)	\$ (491,419)	\$ (223,259)	\$ (1,996,849)	\$ (49,414)	\$ (49,082)	\$ 116,853	\$ (1,959,648)	\$ (884,367)	\$ 0	\$ 0	\$ (21,432,305)
Years remaining													
PC #1													0.750
Interest Cred rate from variable to fixed 4%													5.242
3+3 Window, EGTRRA Sunset, Three Year Vesting													2.750
Minimum Formula, Adoption of Duke Formula, Plan Choice													0.730
Plan Change 1/1/2017													9.396
Choice Base													5.310
Plan Amendment 1/1/2014													5.942
Plan Change 1/1/2015													7.288
Interest Cred Rate from 5% to 4%													4.050
Plan Change 1/1/2014													5.050
Plan Change 1/1/2016													7.871

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Cinergy Corp. Union Employees' Retirement Income Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Funded Status, 1/1/2017										
Benefit Obligation	\$ (154,276)	\$ (242,889,106)	\$ (72,135,922)	\$ (217,943,309)	\$ (347,128)	\$ (92,663,167)	\$ (7,742,580)	\$ 0	\$ (58,011)	\$ (633,933,499)
Fair Value of Assets	337,023	214,224,445	75,388,353	202,566,274	(503,596)	83,132,370	2,930,492	(18,726)	43,124	578,099,758
Funded Status	\$ 182,747	\$ (28,664,661)	\$ 3,252,430	\$ (15,377,036)	\$ (850,724)	\$ (9,530,797)	\$ (4,812,088)	\$ (18,726)	\$ (14,887)	\$ (55,833,741)
Unrecognized Items:										
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(1,167)	(2,112,321)	(179,158)	(747,200)	(3)	(348,832)	114,051	0	0	(3,274,630)
Unrecognized (Gain)/Loss	(108,171)	52,962,616	37,946,628	46,133,089	236,089	22,864,439	4,614,717	(3,810)	4,246	164,649,843
Total Amount Unrecognized	\$ (109,338)	\$ 50,850,295	\$ 37,767,470	\$ 45,385,889	\$ 236,086	\$ 22,515,607	\$ 4,728,768	\$ (3,810)	\$ 4,246	\$ 161,375,213
Components of Benefit Cost, Fiscal 2017										
Service Cost	\$ 17,965	\$ 3,983,195	\$ 0	\$ 2,204,130	\$ 9,595	\$ 1,295,126	\$ 0	\$ 0	\$ 7,582	\$ 7,517,593
Expected Administrative Expenses	311	197,966	69,667	187,193	(465)	76,823	2,708	(17)	40	534,226
Interest Cost	7,027	9,814,976	2,846,890	8,704,495	14,299	3,747,772	306,881	0	2,686	25,445,026
Expected Return on Assets	(22,160)	(13,687,377)	(4,813,839)	(12,902,650)	33,838	(5,333,841)	(177,252)	1,239	(2,849)	(36,904,891)
Amortization of:										
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(177)	(282,131)	(32,056)	(89,456)	0	(45,298)	31,075	0	0	(418,043)
- Unrecognized (Gain)/Loss	(6,851)	2,973,655	2,215,173	2,563,576	14,868	1,294,613	276,353	(210)	209	9,331,386
Cost of curtailments	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ (3,885)	\$ 3,000,284	\$ 285,835	\$ 667,288	\$ 72,135	\$ 1,035,195	\$ 439,765	\$ 1,012	\$ 7,668	\$ 5,505,297
Purchase Accounting Adjustment	0	0	0	1,959,603	6,385	435,123	0	0	0	2,401,111
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ (3,885)	\$ 3,000,284	\$ 285,835	\$ 2,626,891	\$ 78,520	\$ 1,470,318	\$ 439,765	\$ 1,012	\$ 7,668	\$ 7,906,408
Key Assumptions										
Measurement Date										December 31, 2016
Discount Rate										4.10%
Interest Crediting Rate										4.25%/4.00%
Long Term Rate of Return on Assets										6.50%
Salary Scale										9.50% to 3.50%
Expected Contributions - December 2017	\$ 8,851	\$ 4,008,094	\$ 33,739	\$ 2,221,973	\$ 63,279	\$ 1,323,820	\$ 334,237	\$ 1,287	\$ 4,721	\$ 8,000,000
Other Information										
Expected (Net) Benefit Payments	\$ 1,713	\$ 15,117,131	\$ 5,453,930	\$ 15,844,511	\$ 16,117	\$ 5,150,173	\$ 520,584	\$ 0	\$ 143	\$ 42,104,302
Market-Related Value of Assets (MRVA)	\$ 341,919	\$ 218,112,024	\$ 76,777,377	\$ 206,391,965	\$ (512,875)	\$ 84,631,451	\$ 2,984,486	\$ (19,071)	\$ 43,919	\$ 588,751,195
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 3,143	\$ 308,760	\$ (1,897,282)	\$ (1,806,832)	\$ 57,267	\$ (214,120)	\$ 132,337	\$ 1,222	\$ 7,459	\$ (3,408,046)
Sum of Amortization Payments	\$ (7,028)	\$ 2,691,524	\$ 2,183,117	\$ 2,474,120	\$ 14,868	\$ 1,249,315	\$ 307,428	\$ (210)	\$ 209	\$ 8,913,343
Amortization Period for Gains/Losses	9.710	9.710	9.710	9.710	9.710	9.710	9.710	9.710	9.710	9.710

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Cinergy Corp. Union Employees' Retirement Income Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Development of Market-Related Value of Assets										
Fiscal 2016									80%	Asset (Gain)/Loss (\$5,581,941)
Fiscal 2015									60%	\$42,971,655
Fiscal 2014									40%	(\$19,940,023)
Fiscal 2013									20%	<u>\$ (13,449,964)</u>
Deferred Asset (Gain)/Loss, 1/1/2017										\$10,651,437
Fair Value of Assets (FVA), 1/1/2017										<u>\$ 578,099,756</u>
Market-Related Value of Assets (MRVA), 1/1/2017										\$588,751,195
Amortization of Unrecognized (Gain)/Loss										
Unrecognized (Gain)/Loss, 1/1/2017										\$ 164,649,843
Deferred Asset Gain/(Loss), 1/1/2017										(10,651,437)
Net (Gain)/Loss for expense										153,998,404
Corridor (10% of greater of MRVA and PBO)										<u>63,393,350</u>
(Gain)/Loss Subject to Amortization										\$ 90,605,054
Amortization Period										9.710
Annual Amortization										\$ 9,331,386
Prior Service Cost										
3+3 Window, EGTRRA Sunset, Three Year Vesting	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70	\$ 0	\$ 0	\$ 70
Minimum Formula	0	0	0	0	0	0	740	0	0	740
UWUA Plan Change	(106)	(70,350)	(1)	(4,808)	(3)	(3,197)	0	0	0	(78,465)
IBEW 1347 Choice	(120)	(79,614)	(2)	(5,588)	0	(9,005)	0	0	0	(94,329)
Cash Balance Changes for Certain Union Groups	0	0	0	0	0	0	113,241	0	0	113,241
Plan Change 1/1/2015	(426)	(881,058)	(173,426)	(252,234)	0	(183,155)	0	0	0	(1,490,299)
Plan Change 1/1/2016	(402)	(830,020)	(5,729)	(206,298)	0	(111,922)	0	0	0	(1,154,371)
Plan Change 1/1/2017	<u>(113)</u>	<u>(251,279)</u>	<u>0</u>	<u>(278,272)</u>	<u>0</u>	<u>(41,553)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(571,218)</u>
Total unamortized balance	\$ (1,167)	\$ (2,112,321)	\$ (179,158)	\$ (747,200)	\$ (3)	\$ (348,832)	\$ 114,051	\$ 0	\$ 0	\$ (3,274,631)
Amortization										
3+3 Window, EGTRRA Sunset, Three Year Vesting	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42	\$ 0	\$ 0	\$ 42
Minimum Formula	0	0	0	0	0	0	427	0	0	427
UWUA Plan Change	(30)	(19,985)	(1)	(1,366)	0	(909)	0	0	0	(22,291)
IBEW 1347 Choice	(31)	(21,285)	(1)	(1,494)	0	(2,407)	0	0	0	(25,219)
Cash Balance Changes for Certain Union Groups	0	0	0	0	0	0	30,606	0	0	30,606
Plan Change 1/1/2015	(58)	(119,319)	(31,394)	(34,159)	0	(24,804)	0	0	0	(209,735)
Plan Change 1/1/2016	(46)	(95,661)	(660)	(23,776)	0	(12,899)	0	0	0	(133,043)
Plan Change 1/1/2017	<u>(12)</u>	<u>(25,879)</u>	<u>0</u>	<u>(28,659)</u>	<u>0</u>	<u>(4,279)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(58,829)</u>
Total amortization	\$ (177)	\$ (282,131)	\$ (32,056)	\$ (89,456)	\$ 0	\$ (45,298)	\$ 31,075	\$ 0	\$ 0	\$ (418,042)
Years remaining										
3+3 Window, EGTRRA Sunset, Three Year Vesting										1.750
Minimum Formula										1.730
UWUA Plan Change										3.520
IBEW 1347 Choice										3.740
Cash Balance Changes for Certain Union Groups										3.700
Plan Change 1/1/2015										7.384
Plan Change 1/1/2016										8.677
Plan Change 1/1/2017										9.710

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

	Duke Energy Florida / Plan Total 802
Funded Status, 1/1/2017	
Benefit Obligation	\$ (665,369,343)
Fair Value of Assets	<u>603,622,330</u>
Funded Status	\$ (61,747,013)
Unrecognized Items:	
Transition (Asset)/Liability	\$ 0
Prior Service (Credit)/Cost	(1,632,949)
Unrecognized (Gain)/Loss	<u>198,632,244</u>
Total Amount Unrecognized	\$ 196,999,295
Components of Benefit Cost, Fiscal 2017	
Service Cost	\$ 12,519,006
Expected Administrative Expenses	562,055
Interest Cost	27,241,849
Expected Return on Assets	(38,348,060)
Amortization of:	
- Transition (Asset)/Obligation	0
- Prior Service (Credit)/Cost	(283,981)
- Unrecognized (Gain)/Loss	13,688,576
Cost of curtailments	0
Cost of settlements	0
Cost of special/contractual termination benefits	<u>0</u>
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 15,379,445
Purchase Accounting Adjustment	<u>0</u>
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 15,379,445
Key Assumptions	
Measurement Date	December 31, 2016
Discount Rate	4.10%
Interest Crediting Rate	4.00%
Long Term Rate of Return on Assets	6.50%
Salary Scale	11.50% to 3.50%
Expected Contributions - December 2017	\$ 13,000,000
Other Information	
Expected (Net) Benefit Payments	\$ 27,179,023
Market-Related Value of Assets (MRVA)	\$ 603,622,330
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 1,974,850
Sum of Amortization Payments	\$ 13,404,595
Amortization Period for Gains/Losses	9.650

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

	Duke Energy Florida / Plan Total 802
Development of Market-Related Value of Assets	
Deferred Asset (Gain)/Loss, 1/1/2017	Asset (Gain)/Loss \$ <u>0</u>
Fair Value of Assets (FVA), 1/1/2017	603,622,330
Market-Related Value of Assets (MRVA), 1/1/2017	<u>603,622,330</u>
 Amortization of Unrecognized (Gain)/Loss	
Unrecognized (Gain)/Loss, 1/1/2017	\$ 198,632,244
Deferred Asset Gain/(Loss), 1/1/2017	0
Net (Gain)/Loss for expense	198,632,244
Corridor (10% of greater of MRVA and PBO)	<u>66,536,934</u>
(Gain)/Loss Subject to Amortization	\$ 132,095,310
Amortization Period	9.650
Annual Amortization	\$ 13,688,576
 Prior Service Cost	
Interest Cred Rate from 5% to 4%	\$ (429,910)
Plan Change 1/1/2014	<u>(1,203,039)</u>
Total unamortized balance	\$ (1,632,949)
 Amortization	
Interest Cred Rate from 5% to 4%	\$ (85,131)
Plan Change 1/1/2014	<u>(198,850)</u>
Total amortization	\$ (283,981)
 Years remaining	
Interest Cred Rate from 5% to 4%	5.050
Plan Change 1/1/2014	6.050

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Retirement Plan of Piedmont Natural Gas

	Piedmont Natural Gas Company / Plan Total PNG
Funded Status, 1/1/2017	
Benefit Obligation	\$ (344,292,865)
Fair Value of Assets	<u>346,795,255</u>
Funded Status	\$ 2,502,390
Unrecognized Items:	
Transition (Asset)/Liability	\$ 0
Prior Service (Credit)/Cost	(10,284,107)
Unrecognized (Gain)/Loss	<u>146,828,012</u>
Total Amount Unrecognized	\$ 136,543,905
Components of Benefit Cost, Fiscal 2017	
Service Cost	\$ 10,464,753
Expected Administrative Expenses	548,146
Interest Cost	14,066,812
Expected Return on Assets	(23,761,141)
Amortization of:	
- Transition (Asset)/Obligation	0
- Prior Service (Credit)/Cost	(2,197,570)
- Unrecognized (Gain)/Loss	10,718,388
Cost of curtailments	0
Cost of settlements	0
Cost of special/contractual termination benefits	<u>0</u>
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 9,839,388
Purchase Accounting Adjustment	<u>0</u>
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 9,839,388
Key Assumptions	
Measurement Date	December 31, 2016
Discount Rate	4.10%
Interest Crediting Rate	N/A
Long Term Rate of Return on Assets	6.75%
Salary Scale	7.00% to 3.00%
Expected Contributions - December 2017	\$ 11,000,000
Other Information	
Expected (Net) Benefit Payments	\$ 23,566,014
Market-Related Value of Assets (MRVA)	\$ 363,877,113
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 1,318,570
Sum of Amortization Payments	\$ 8,520,818
Amortization Period for Gains/Losses	8.710

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Retirement Plan of Piedmont Natural Gas

	Piedmont Natural Gas Company / Plan Total PNG
Development of Market-Related Value of Assets	
Fiscal 2016, including 11/1/2016 to 12/31/2016 experience	80% \$9,630,988
Fiscal 2015	60% \$22,985,743
Fiscal 2014	40% (\$8,520,056)
Fiscal 2013	20% <u>\$ (5,031,786)</u>
Deferred Asset (Gain)/Loss, 1/1/2017	\$17,081,857
Fair Value of Assets (FVA), 1/1/2017	<u>\$ 346,795,255</u>
Market-Related Value of Assets (MRVA), 1/1/2017	\$363,877,113
 Amortization of Unrecognized (Gain)/Loss	
Unrecognized (Gain)/Loss, 1/1/2017	\$ 146,828,012
Deferred Asset Gain/(Loss), 1/1/2017	(17,081,857)
Net (Gain)/Loss for expense	129,746,155
Corridor (10% of greater of MRVA and PBO)	<u>36,387,711</u>
(Gain)/Loss Subject to Amortization	\$ 93,358,444
Amortization Period	8.710
Annual Amortization	\$ 10,718,388
 Prior Service Cost	
Base1	\$ (8,638,332)
Base2	<u>(1,645,775)</u>
Total unamortized balance	\$ (10,284,107)
 Amortization	
Base1	\$ (1,892,986)
Base2	<u>(304,584)</u>
Total amortization	\$ (2,197,570)
 Years remaining	
Base1	4.563
Base2	5.403

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Executive Cash Balance Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Funded Status, 1/1/2017											
Benefit Obligation	\$ (14,522,236)	\$ (138,750,650)	\$ (3,635,019)	\$ (3,729,485)	\$ (3,183,661)	\$ (140,435)	\$ (521,224)	\$ (16,114,794)	\$ (7,936,536)	\$ (4,652,146)	\$ (193,186,186)
Fair Value of Assets	0	0	0	0	0	0	0	0	0	0	0
Funded Status	\$ (14,522,236)	\$ (138,750,650)	\$ (3,635,019)	\$ (3,729,485)	\$ (3,183,661)	\$ (140,435)	\$ (521,224)	\$ (16,114,794)	\$ (7,936,536)	\$ (4,652,146)	\$ (193,186,186)
Unrecognized Items:											
Transition (Asset)/Liability	0	0	0	0	0	0	0	0	0	0	0
Prior Service (Credit)/Cost	(241,245)	(6,407,532)	(517,333)	(2,572)	(88,002)	0	(79,729)	(66,199)	(458,931)	(1,126,099)	(8,987,642)
Unrecognized (Gain)/Loss	5,380,435	43,549,115	100,690	629,741	(967,483)	51,060	(482,478)	3,085,144	(260,545)	1,906,136	52,991,815
Total Amount Unrecognized	\$ 5,139,190	\$ 37,141,583	\$ (416,643)	\$ 627,169	\$ (1,055,485)	\$ 51,060	\$ (562,207)	\$ 3,018,945	\$ (719,476)	\$ 780,037	\$ 44,004,173
Components of Benefit Cost, Fiscal 2017											
Service Cost	\$ 504,362	\$ 1,175,774	\$ 46,530	\$ 0	\$ 2,424	\$ 0	\$ 30,172	\$ 0	\$ 229,607	\$ 54,626	\$ 2,043,495
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	573,702	5,472,652	146,425	146,543	123,883	5,543	20,266	632,174	328,020	189,415	7,638,623
Expected Return on Assets	0	0	0	0	0	0	0	0	0	0	0
Amortization of:											
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(48,178)	(1,311,307)	(83,735)	(722)	(16,387)	0	(15,648)	(13,782)	(97,545)	(239,600)	(1,826,904)
- Unrecognized (Gain)/Loss	472,704	3,826,057	8,846	55,327	(84,999)	4,486	(42,389)	271,049	(22,890)	167,466	4,655,657
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 1,502,590	\$ 9,163,176	\$ 118,066	\$ 201,148	\$ 24,921	\$ 10,029	\$ (7,599)	\$ 889,441	\$ 437,192	\$ 171,907	\$ 12,510,871
Purchase Accounting Adjustment	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 1,502,590	\$ 9,163,176	\$ 118,066	\$ 201,148	\$ 24,921	\$ 10,029	\$ (7,599)	\$ 889,441	\$ 437,192	\$ 171,907	\$ 12,510,871
Key Assumptions											
Measurement Date											December 31, 2016
Discount Rate											4.10%
Interest Crediting Rate											4.25%/4.00%
Long Term Rate of Return on Assets											N/A
Salary Scale											N/A
Expected Contributions	\$ 2,088,731	\$ 13,025,044	\$ 222,657	\$ 313,661	\$ 332,446	\$ 10,564	\$ 115,340	\$ 1,405,965	\$ 334,664	\$ 175,567	\$ 18,024,639
Other Information											
Expected (Net) Benefit Payments	\$ 2,088,731	\$ 13,025,044	\$ 222,657	\$ 313,661	\$ 332,446	\$ 10,564	\$ 115,340	\$ 1,405,965	\$ 334,664	\$ 175,567	\$ 18,024,639
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 1,078,064	\$ 6,648,426	\$ 192,955	\$ 146,543	\$ 126,307	\$ 5,543	\$ 50,438	\$ 632,174	\$ 557,627	\$ 244,041	\$ 9,682,118
Sum of Amortization Payments	\$ 424,526	\$ 2,514,750	\$ (74,889)	\$ 54,605	\$ (101,386)	\$ 4,486	\$ (58,037)	\$ 257,267	\$ (120,435)	\$ (72,134)	\$ 2,828,753
Amortization Period for Gains/Losses	7.233	7.233	7.233	7.233	7.233	7.233	7.233	7.233	7.233	7.233	7.233

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Executive Cash Balance Plan

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Amortization of Unrecognized (Gain)/Loss											
Unrecognized (Gain)/Loss, 1/1/2017											\$ 52,991,815
Deferred Asset Gain/(Loss), 1/1/2017											0
Net (Gain)/Loss for expense											52,991,815
Corridor (10% of greater of MRVA and PBO)											19,318,619
(Gain)/Loss Subject to Amortization											\$ 33,673,196
Amortization Period											7,233
Annual Amortization											\$ 4,655,657
Prior Service Cost											
Restoration - Interest Cred Rate from 5% to 4%	\$ (869)	\$ (7,384)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (614)	\$ (344)	\$ (9,211)
Restoration - Plan Change 1/1/2014	(259)	(13,057)	0	0	0	0	0	0	(3,316)	(476)	(17,108)
ECBP - Plan Change	(242,911)	(48,191)	(36,839)	(1)	(3)	0	(70,005)	(36,397)	(3,263)	0	(437,610)
ECBP - SSERP Bases	0	(4,644,086)	0	0	0	0	0	0	(451,033)	(1,125,279)	(6,220,398)
ECBP - 1/1/2014 Plan Change	0	(2,706)	(13,867)	0	(6)	0	(9,724)	0	(705)	0	(27,008)
CExcess - Excess Plan-EGTRRA/Vesting	(2,201)	(330,061)	0	(2,908)	(18,722)	0	0	(5,500)	0	0	(359,392)
CExcess - Excess Plan-Changes to Duke	0	0	0	337	0	0	0	0	0	0	337
CExcess - Excess Plan-Special Execs	2,525	0	0	0	0	0	0	0	0	0	2,525
CExcess - Plan Change	(4,872)	(8,013)	(184,622)	0	0	0	0	(24,302)	0	0	(221,809)
CExcess - 1/1/2014 Plan Change	(1,373)	0	(23,175)	0	0	0	0	0	0	0	(24,548)
2016 ECBP - Plan Change - Choice Pay Freeze	8,715	(1,354,034)	(258,830)	0	(69,271)	0	0	0	0	0	(1,673,420)
Total unamortized balance	\$ (241,245)	\$ (6,407,532)	\$ (517,333)	\$ (2,572)	\$ (88,002)	\$ 0	\$ (79,729)	\$ (66,199)	\$ (458,931)	\$ (1,126,099)	\$ (8,987,642)
Amortization											
Restoration - Interest Cred Rate from 5% to 4%	\$ (214)	\$ (1,820)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (151)	\$ (84)	\$ (2,269)
Restoration - Plan Change 1/1/2014	(52)	(2,585)	0	0	0	0	0	0	(657)	(94)	(3,388)
ECBP - Plan Change	(48,398)	(9,602)	(7,340)	(1)	(1)	0	(13,948)	(7,251)	(650)	0	(87,191)
ECBP - SSERP Bases	0	(988,102)	0	0	0	0	0	0	(95,964)	(239,422)	(1,323,488)
ECBP - 1/1/2014 Plan Change	0	(474)	(2,424)	0	(1)	0	(1,700)	0	(123)	0	(4,722)
CExcess - Excess Plan-EGTRRA/Vesting	(800)	(120,021)	0	(1,058)	(6,808)	0	0	(1,999)	0	0	(130,686)
CExcess - Excess Plan-Changes to Duke	0	0	0	337	0	0	0	0	0	0	337
CExcess - Excess Plan-Special Execs	1,213	0	0	0	0	0	0	0	0	0	1,213
CExcess - Plan Change	(909)	(1,494)	(34,425)	0	0	0	0	(4,532)	0	0	(41,360)
CExcess - 1/1/2014 Plan Change	(223)	0	(3,760)	0	0	0	0	0	0	0	(3,983)
2016 ECBP - Plan Change - Choice Pay Freeze	1,205	(187,209)	(35,786)	0	(9,577)	0	0	0	0	0	(231,367)
Total amortization	\$ (48,178)	\$ (1,311,307)	\$ (83,735)	\$ (722)	\$ (16,387)	\$ 0	\$ (15,648)	\$ (13,782)	\$ (97,545)	\$ (239,600)	\$ (1,826,904)
Years remaining											
Restoration - Interest Cred Rate from 5% to 4%											4.060
Restoration - Plan Change 1/1/2014											5.050
ECBP - Plan Change											5.019
ECBP - SSERP Bases											5.200
ECBP - 1/1/2014 Plan Change											5.719
CExcess - Excess Plan-EGTRRA/Vesting											2.750
CExcess - Excess Plan-Changes to Duke											0.730
CExcess - Excess Plan-Special Execs											2.080
CExcess - Plan Change											5.363
CExcess - 1/1/2014 Plan Change											6.163
2016 ECBP - Plan Change - Choice Pay Freeze											7.233

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy Supplemental Senior Executive Retirement Plan

	Duke Energy Business Services 110	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Funded Status, 1/1/2017				
Benefit Obligation	\$ (30,795,086)	\$ (25,542,893)	\$ (6,059,586)	\$ (62,397,565)
Fair Value of Assets	0	0	0	0
Funded Status	\$ (30,795,086)	\$ (25,542,893)	\$ (6,059,586)	\$ (62,397,565)
Unrecognized Items:				
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	0	0	0	0
Unrecognized (Gain)/Loss	11,700,195	7,599,268	371,374	19,670,837
Total Amount Unrecognized	\$ 11,700,195	\$ 7,599,268	\$ 371,374	\$ 19,670,837
Components of Benefit Cost, Fiscal 2017				
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0
Expected Administrative Expenses	0	0	0	0
Interest Cost	1,207,654	1,000,837	238,806	2,447,297
Expected Return on Assets	0	0	0	0
Amortization of:				
- Transition (Asset)/Obligation	0	0	0	0
- Prior Service (Credit)/Cost	0	0	0	0
- Unrecognized (Gain)/Loss	990,507	643,334	31,440	1,665,281
Cost of curtailments	0	0	0	0
Cost of settlements	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 2,198,161	\$ 1,644,171	\$ 270,246	\$ 4,112,578
Purchase Accounting Adjustment	0	0	0	0
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 2,198,161	\$ 1,644,171	\$ 270,246	\$ 4,112,578
Key Assumptions				
Measurement Date				December 31, 2016
Discount Rate				4.10%
Interest Crediting Rate				N/A
Long Term Rate of Return on Assets				N/A
Salary Scale				N/A
Expected Contributions	\$ 2,707,419	\$ 2,287,431	\$ 474,857	\$ 5,469,707
Other Information				
Expected (Net) Benefit Payments	\$ 2,707,419	\$ 2,287,431	\$ 474,857	\$ 5,469,707
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 1,207,654	\$ 1,000,837	\$ 238,806	\$ 2,447,297
Sum of Amortization Payments	\$ 990,507	\$ 643,334	\$ 31,440	\$ 1,665,281
Amortization Period for Gains/Losses	11.812	11.812	11.812	11.812

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy Supplemental Senior Executive Retirement Plan

	Duke Energy Business Services 110	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Amortization of Unrecognized (Gain)/Loss				
Unrecognized (Gain)/Loss, 1/1/2017				\$ 19,670,837
Deferred Asset Gain/(Loss), 1/1/2017				0
Net (Gain)/Loss for expense				19,670,837
No Corridor				<u>0</u>
(Gain)/Loss Subject to Amortization				\$ 19,670,837
Amortization Period				11.812
Annual Amortization				\$ 1,665,281

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

	Duke Energy Business Services 110	Duke Energy Florida 802	Florida Progress Corp and Progress Fuels Corporation	Plan Total
Funded Status, 1/1/2017				
Benefit Obligation	\$ (2,491,081)	\$ (35,783,110)	\$ (33,631,254)	\$ (71,905,445)
Fair Value of Assets	0	0	0	0
Funded Status	\$ (2,491,081)	\$ (35,783,110)	\$ (33,631,254)	\$ (71,905,445)
Unrecognized Items:				
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	0	0	0	0
Unrecognized (Gain)/Loss	2,048,495	10,108,854	4,568,809	16,726,158
Total Amount Unrecognized	\$ 2,048,495	\$ 10,108,854	\$ 4,568,809	\$ 16,726,158
Components of Benefit Cost, Fiscal 2017				
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0
Expected Administrative Expenses	0	0	0	0
Interest Cost	100,243	1,413,114	1,333,424	2,846,781
Expected Return on Assets	0	0	0	0
Amortization of:				
- Transition (Asset)/Obligation	0	0	0	0
- Prior Service (Credit)/Cost	0	0	0	0
- Unrecognized (Gain)/Loss	122,406	604,046	273,005	999,457
Cost of curtailments	0	0	0	0
Cost of settlements	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 222,649	\$ 2,017,160	\$ 1,606,429	\$ 3,846,238
Purchase Accounting Adjustment	0	0	0	0
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 222,649	\$ 2,017,160	\$ 1,606,429	\$ 3,846,238
Key Assumptions				
Measurement Date				December 31, 2016
Discount Rate				4.10%
Interest Crediting Rate				N/A
Long Term Rate of Return on Assets				N/A
Salary Scale				N/A
Expected Contributions	\$ 93,210	\$ 2,660,558	\$ 2,239,920	\$ 4,993,688
Other Information				
Expected (Net) Benefit Payments	\$ 93,210	\$ 2,660,558	\$ 2,239,920	\$ 4,993,688
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 100,243	\$ 1,413,114	\$ 1,333,424	\$ 2,846,781
Sum of Amortization Payments	\$ 122,406	\$ 604,046	\$ 273,005	\$ 999,457
Amortization Period for Gains/Losses	16.735	16.735	16.735	16.735

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Florida Progress Corporation Supplemental Executive Retirement Plan & Nondiscrimination Plan

	Duke Energy Business Services 110	Duke Energy Florida 802	Florida Progress Corp and Progress Fuels Corporation	Plan Total
Amortization of Unrecognized (Gain)/Loss				
Unrecognized (Gain)/Loss, 1/1/2017				\$ 16,726,158
Deferred Asset Gain/(Loss), 1/1/2017				0
Net (Gain)/Loss for expense				16,726,158
No Corridor				<u>0</u>
(Gain)/Loss Subject to Amortization				\$ 16,726,158
Amortization Period				16.735
Annual Amortization				\$ 999,457

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Piedmont Natural Gas Company Nonqualified Retirement Plans

	Piedmont Natural Gas Company / Plan Total PNG
Funded Status, 1/1/2017	
Benefit Obligation	\$ (4,468,497)
Fair Value of Assets	0
Funded Status	\$ (4,468,497)
Unrecognized Items:	
Transition (Asset)/Liability	\$ 0
Prior Service (Credit)/Cost	0
Unrecognized (Gain)/Loss	1,440,046
Total Amount Unrecognized	\$ 1,440,046
Components of Benefit Cost, Fiscal 2017	
Service Cost	\$ 0
Expected Administrative Expenses	0
Interest Cost	173,204
Expected Return on Assets	0
Amortization of:	
- Transition (Asset)/Obligation	0
- Prior Service (Credit)/Cost	0
- Unrecognized (Gain)/Loss	99,953
Cost of curtailments	0
Cost of settlements	0
Cost of special/contractual termination benefits	0
Net Periodic Benefit Cost - Before Purchase Accounting Adjustment	\$ 273,157
Purchase Accounting Adjustment	0
Net Periodic Benefit Cost - After Purchase Accounting Adjustment	\$ 273,157
Key Assumptions	
Measurement Date	December 31, 2016
Discount Rate	4.10%
Interest Crediting Rate	N/A
Long Term Rate of Return on Assets	N/A
Salary Scale	N/A
Expected Contributions	\$ 492,974
Other Information	
Expected (Net) Benefit Payments	\$ 492,974
Market-Related Value of Assets (MRVA)	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 173,204
Sum of Amortization Payments	\$ 99,953
Amortization Period for Gains/Losses	9.937

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Piedmont Natural Gas Company Nonqualified Retirement Plans

	Piedmont Natural Gas Company / Plan Total PNG	
Amortization of Unrecognized (Gain)/Loss		
Unrecognized (Gain)/Loss, 1/1/2017	\$	1,440,046
Deferred Asset Gain/(Loss), 1/1/2017		0
Net (Gain)/Loss for expense		1,440,046
Corridor (10% of greater of MRVA and PBO)		<u>446,850</u>
(Gain)/Loss Subject to Amortization	\$	993,197
Amortization Period		9.937
Annual Amortization	\$	99,953

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Legacy Duke and Cinergy Plans - Retiree Medical

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Plan Total
Funded Status, 1/1/2017											
Benefit Obligation	\$ (113,576,068)	\$ (78,343,762)	\$ (5,834,340)	\$ (7,722,192)	\$ (79,138,815)	\$ (4,462,281)	\$ (87,981)	\$ (1,922,357)	\$ (592,158)	\$ (440,333)	\$ (292,120,287)
Fair Value of Assets	109,795,011	30,581,920	3,181,186	6,346,769	20,671,255	1,518,075	107,630	5,259,739	424,570	50,608	177,936,763
Funded Status	\$ (3,781,057)	\$ (47,761,842)	\$ (2,653,154)	\$ (1,375,423)	\$ (58,467,560)	\$ (2,944,206)	\$ 19,649	\$ 3,337,382	\$ (167,588)	\$ (389,725)	\$ (114,183,524)
Unrecognized Items:											
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(8,752,839)	(5,656,670)	(1,269,711)	(1,951,678)	(5,297,035)	(1,195,220)	45,268	(656,713)	(6,585)	(19,600)	(24,760,783)
Unrecognized (Gain)/Loss	(46,613,123)	(22,285,612)	(10,556,045)	(16,064,814)	(69,381,770)	(4,873,137)	(46,080)	(3,561,193)	(56,240)	577,703	(172,860,311)
Total Amount Unrecognized	\$ (55,365,962)	\$ (27,942,282)	\$ (11,825,756)	\$ (18,016,492)	\$ (74,678,805)	\$ (6,068,357)	\$ (812)	\$ (4,217,906)	\$ (62,825)	\$ 558,103	\$ (197,621,094)
Components of Benefit Cost, Fiscal 2017											
Service Cost	\$ 792,731	\$ 800,402	\$ 10,759	\$ 154,761	\$ 316,551	\$ 81,843	\$ 2,314	\$ 0	\$ 10,537	\$ 11,020	\$ 2,180,918
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0
Interest Cost	4,438,982	3,009,826	206,613	298,609	3,055,914	172,015	3,612	60,572	23,642	18,142	11,287,927
Expected Return on Assets	(6,926,370)	(1,667,367)	(160,018)	(385,727)	(1,060,140)	(78,279)	(7,034)	(321,910)	(26,551)	(2,702)	(10,636,098)
Amortization of:											
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(1,745,705)	(764,588)	(211,483)	(298,631)	(836,041)	(184,230)	9,010	(130,960)	(1,330)	(3,258)	(4,167,217)
- Unrecognized (Gain)/Loss	(4,580,808)	(2,136,103)	(985,563)	(1,504,842)	(6,477,249)	(454,526)	(4,525)	(342,456)	(6,120)	53,543	(16,438,649)
Cost of curtailments	0	0	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ (6,021,170)	\$ (757,830)	\$ (1,139,682)	\$ (1,735,830)	\$ (5,000,965)	\$ (463,177)	\$ 3,377	\$ (734,754)	\$ 178	\$ 76,745	\$ (17,773,119)
Purchase Accounting Adjustment	0	0	0	2,047,403	5,560,456	268,714	0	0	0	0	7,876,573
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ (6,021,170)	\$ (757,830)	\$ (1,139,682)	\$ 311,573	\$ 559,491	\$ (194,463)	\$ 3,377	\$ (734,754)	\$ 178	\$ 76,745	\$ (9,896,546)
Key Assumptions											
Measurement Date											December 31, 2016
Discount Rate											4.10%
Interest Crediting Rate											N/A
Long Term Rate of Return on Assets - 401(h) only											6.50%
Long Term Rate of Return on Assets - VEBA only											N/A
Salary Scale											N/A
Health Care Cost Trend Rate											7.00%-->4.75%
Expected Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Information											
Expected (Net) Benefit Payments	\$ 12,325,690	\$ 11,583,913	\$ 1,627,863	\$ 1,199,655	\$ 9,941,622	\$ 704,343	\$ 4,423	\$ 898,994	\$ 52,639	\$ 17,934	\$ 38,357,076
Market-Related Value of Assets (MRVA)	\$ 112,625,361	\$ 31,352,580	\$ 3,262,927	\$ 6,524,639	\$ 21,202,408	\$ 1,550,914	\$ 110,396	\$ 5,394,889	\$ 434,388	\$ 50,390	\$ 182,508,892
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ (1,694,657)	\$ 2,142,861	\$ 57,354	\$ 67,643	\$ 2,312,325	\$ 175,579	\$ (1,108)	\$ (261,338)	\$ 7,628	\$ 26,460	\$ 2,832,747
Sum of Amortization Payments	\$ (6,326,513)	\$ (2,900,691)	\$ (1,197,046)	\$ (1,803,473)	\$ (7,313,290)	\$ (638,756)	\$ 4,485	\$ (473,416)	\$ (7,450)	\$ 50,285	\$ (20,605,866)
Amortization Period for Gains/Losses	9.017	9.017	9.017	9.017	9.017	9.017	9.017	9.017	9.017	9.017	9.017

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Legacy Duke and Cinergy Plans - Retiree Medical

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801 Percent Deferred	Duke Energy Florida 802	Plan Total
Development of Market-Related Value of Assets											Asset (Gain)/Loss
Fiscal 2016									80%		(\$1,322,598)
Fiscal 2015									60%		\$14,143,330
Fiscal 2014									40%		(\$5,618,588)
Fiscal 2013									20%		(\$3,041,769)
Deferred Asset (Gain)/Loss, 1/1/2017											\$ 4,572,129
Fair Value of Assets (FVA), 1/1/2017											177,936,763
Market-Related Value of Assets (MRVA), 1/1/2017											182,508,892
Amortization of Unrecognized (Gain)/Loss											
Unrecognized (Gain)/Loss, 1/1/2017											\$ (172,860,311)
Deferred Asset Gain/(Loss), 1/1/2017											(4,572,129)
Net (Gain)/Loss for expense											(177,432,440)
Corridor (10% of greater of MRVA and PBO)											(29,212,029)
(Gain)/Loss Subject to Amortization											\$ (148,220,411)
Amortization Period											9.017
Annual Amortization											\$ (16,438,649)
Prior Service Cost											
Legacy Duke plan change before 2008	\$ (9,098,109)	\$ 3,647,370	\$ 239,011	\$ 44,149	\$ 888	\$ 20,977	\$ 45,268	\$ (664,257)	\$ (7,962)	\$ (2,043)	\$ (5,774,708)
Legacy Cinergy plan changes 1/1/2014	(308,296)	(4,491,726)	(484,213)	(184,545)	(2,229,149)	(24,905)	0	7,544	(1,350)	(12,051)	(7,728,691)
Plan changes 1/1/2015 for Local 962, 962T, and 1347	731,037	(1,101,892)	(1,024,509)	(588,659)	0	(443,854)	0	0	2,727	(910)	(2,426,061)
Plan changes 1/1/2016 for Local 1393 and UWUA	(77,470)	(3,197,054)	0	(579,530)	(3,068,774)	(370,497)	0	0	0	(4,596)	(7,297,920)
Plan changes 1/1/2017 for Local 5541-06 and 12049	0	(513,369)	0	(643,093)	0	(376,941)	0	0	0	0	(1,533,403)
Total unamortized balance	\$ (8,752,839)	\$ (5,656,670)	\$ (1,269,711)	\$ (1,951,678)	\$ (5,297,035)	\$ (1,195,220)	\$ 45,268	\$ (656,713)	\$ (6,585)	\$ (19,600)	\$ (24,760,783)
Amortization											
Legacy Duke plan change before 2008	\$ (1,810,740)	\$ 725,914	\$ 47,569	\$ 8,787	\$ 177	\$ 4,175	\$ 9,010	\$ (132,205)	\$ (1,584)	\$ (407)	\$ (1,149,305)
Legacy Cinergy plan changes 1/1/2014	(50,926)	(741,958)	(79,983)	(30,485)	(368,217)	(4,113)	0	1,245	(223)	(1,991)	(1,276,651)
Plan changes 1/1/2015 for Local 962, 962T, and 1347	127,776	(192,595)	(179,069)	(102,889)	0	(77,579)	0	0	477	(159)	(424,038)
Plan changes 1/1/2016 for Local 1393 and UWUA	(11,814)	(487,564)	0	(88,380)	(468,001)	(56,502)	0	0	0	(701)	(1,112,963)
Plan changes 1/1/2017 for Local 5541-06 and 12049	0	(68,384)	0	(85,664)	0	(50,211)	0	0	0	0	(204,260)
Total amortization	\$ (1,745,705)	\$ (764,588)	\$ (211,483)	\$ (298,631)	\$ (836,041)	\$ (184,230)	\$ 9,010	\$ (130,960)	\$ (1,330)	\$ (3,258)	\$ (4,167,217)
Years remaining											
Legacy Duke plan change before 2008											5.025
Legacy Cinergy plan changes 1/1/2014											6.054
Plan changes 1/1/2015 for Local 962, 962T, and 1347											5.721
Plan changes 1/1/2016 for Local 1393 and UWUA											6.557
Plan changes 1/1/2017 for Local 5541-06 and 12049											7.507

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy and Florida Progress OPEB (Medical & Dental)

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Indiana 529	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total
Funded Status, 1/1/2017									
Benefit Obligation	\$ (2,620,168)	\$ (28,674,399)	\$ (4,019)	\$ (49,510)	\$ (139,228,194)	\$ (131,866,770)	\$ (657,992)	\$ (752,283)	\$ (303,853,335)
Fair Value of Assets	(16,116)	(79,854)	0	(88,941)	(565,580)	737,455	(6,654)	(9,743)	(29,432)
Funded Status	\$ (2,636,284)	\$ (28,754,253)	\$ (4,019)	\$ (138,451)	\$ (139,793,774)	\$ (131,129,314)	\$ (664,646)	\$ (762,026)	\$ (303,882,767)
Unrecognized Items:									
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(5,583,137)	(17,303,653)	0	(10,480)	(53,747,380)	(56,784,788)	(73,380)	(255,653)	(133,758,471)
Unrecognized (Gain)/Loss	1,045,317	7,045,687	4,019	367,484	92,291,820	66,068,549	(72,873)	(189,614)	166,560,389
Total Amount Unrecognized	\$ (4,537,820)	\$ (10,257,966)	\$ 4,019	\$ 357,004	\$ 38,544,440	\$ 9,283,761	\$ (146,253)	\$ (445,267)	\$ 32,801,918
Components of Benefit Cost, Fiscal 2017									
Service Cost	\$ 16,176	\$ 53,706	\$ 191	\$ 0	\$ 145,177	\$ 354,105	\$ 0	\$ 0	\$ 569,355
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0
Interest Cost	103,445	1,121,167	173	1,949	5,439,979	5,149,919	25,755	29,178	11,871,565
Expected Return on Assets	806	3,993	0	4,447	28,279	(36,873)	333	487	1,472
Amortization of:									
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(5,347,780)	(16,343,854)	0	(10,480)	(53,747,380)	(29,178,015)	(73,380)	(255,653)	(104,956,542)
- Unrecognized (Gain)/Loss	133,674	900,993	514	46,993	11,802,153	8,448,756	(9,319)	(24,248)	21,299,516
Cost of curtailments	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ (5,093,679)	\$ (14,263,995)	\$ 878	\$ 42,909	\$ (36,331,792)	\$ (15,262,108)	\$ (56,611)	\$ (250,236)	\$ (71,214,634)
Purchase Accounting Adjustment	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ (5,093,679)	\$ (14,263,995)	\$ 878	\$ 42,909	\$ (36,331,792)	\$ (15,262,108)	\$ (56,611)	\$ (250,236)	\$ (71,214,634)
Key Assumptions									
Measurement Date									December 31, 2016
Discount Rate									4.10%
Interest Crediting Rate									N/A
Long Term Rate of Return on Assets - VEBA only									5.00%
Salary Scale									N/A
Health Care Cost Trend Rate									7.00%-->4.75%
Expected Contributions	\$ 228,912	\$ 2,793,176	\$ 0	\$ 4,002	\$ 13,517,690	\$ 13,360,401	\$ 60,230	\$ 82,085	\$ 30,046,495
Other Information									
Expected (Net) Benefit Payments	\$ 228,912	\$ 2,793,176	\$ 0	\$ 4,002	\$ 13,517,690	\$ 13,360,401	\$ 60,230	\$ 82,085	\$ 30,046,495
Market-Related Value of Assets (MRVA)	\$ (16,116)	\$ (79,854)	\$ 0	\$ (88,941)	\$ (565,580)	\$ 737,455	\$ (6,654)	\$ (9,743)	\$ (29,432)
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 120,427	\$ 1,178,866	\$ 364	\$ 6,396	\$ 5,613,435	\$ 5,467,151	\$ 26,088	\$ 29,665	\$ 12,442,392
Sum of Amortization Payments	\$ (5,214,106)	\$ (15,442,861)	\$ 514	\$ 36,513	\$ (41,945,227)	\$ (20,729,259)	\$ (82,689)	\$ (279,901)	\$ (83,657,026)
Amortization Period for Gains/Losses	6.393	6.393	6.393	6.393	6.393	6.393	6.393	6.393	6.393

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy and Florida Progress OPEB (Medical & Dental)

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Indiana 529	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total Asset (Gain)/Loss
Development of Market-Related Value of Assets									
Deferred Asset (Gain)/Loss, 1/1/2017									\$ 0
Fair Value of Assets (FVA), 1/1/2017									(29,432)
Market-Related Value of Assets (MRVA), 1/1/2017									(29,432)
Amortization of Unrecognized (Gain)/Loss									
Unrecognized (Gain)/Loss, 1/1/2017									\$ 166,560,389
Deferred Asset Gain/(Loss), 1/1/2017									0
Net (Gain)/Loss for expense									166,560,389
Corridor (10% of greater of MRVA and PBO)									30,385,334
(Gain)/Loss Subject to Amortization									\$ 136,175,055
Amortization Period									6.393
Annual Amortization									\$ 21,299,516
Prior Service Cost									
Plan changes measured 9/30/2013	\$ (5,235,567)	\$ (15,886,240)	\$ 0	\$ (10,480)	\$ (53,747,380)	\$ (16,015,637)	\$ (73,380)	\$ (255,653)	\$ (91,224,336)
Union plan changes 1/1/2015	(347,570)	(1,417,413)	0	0	0	(40,769,152)	0	0	(42,534,135)
Total unamortized balance	\$ (5,583,137)	\$ (17,303,653)	\$ 0	\$ (10,480)	\$ (53,747,380)	\$ (56,784,788)	\$ (73,380)	\$ (255,653)	\$ (133,758,471)
Amortization									
Plan changes measured 9/30/2013	\$ (5,235,567)	\$ (15,886,240)	\$ 0	\$ (10,480)	\$ (53,747,380)	\$ (16,015,637)	\$ (73,380)	\$ (255,653)	\$ (91,224,336)
Union plan changes 1/1/2015	(112,214)	(457,614)	0	0	0	(13,162,378)	0	0	(13,732,206)
Total amortization	\$ (5,347,780)	\$ (16,343,854)	\$ 0	\$ (10,480)	\$ (53,747,380)	\$ (29,178,015)	\$ (73,380)	\$ (255,653)	\$ (104,956,542)
Years remaining									
Plan changes measured 9/30/2013									1.000
Union plan changes 1/1/2015									3.097

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Postretirement Life

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Plan Total
Funded Status, 1/1/2017									
Benefit Obligation	\$ (84,643,275)	\$ (13,614,635)	\$ (45,482)	\$ 0	\$ (14,851)	\$ (144,547)	\$ (4,588,004)	\$ (9,274)	\$ (103,060,068)
Fair Value of Assets	26,861,299	9,052,355	0	0	0	35,672	977,383	4,306	36,931,015
Funded Status	\$ (57,781,976)	\$ (4,562,280)	\$ (45,482)	\$ 0	\$ (14,851)	\$ (108,875)	\$ (3,610,621)	\$ (4,968)	\$ (66,129,053)
Unrecognized Items:									
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(28,515,401)	(9,308,179)	(220,908)	(17)	(7,082)	(63,051)	(59,109)	(23,289)	(38,197,036)
Unrecognized (Gain)/Loss	42,085,679	8,562,838	26,822	(182)	6,908	70,603	1,899,259	3,013	52,654,940
Total Amount Unrecognized	\$ 13,570,278	\$ (745,341)	\$ (194,086)	\$ (199)	\$ (174)	\$ 7,552	\$ 1,840,150	\$ (20,276)	\$ 14,457,904
Components of Benefit Cost, Fiscal 2017									
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expected Administrative Expenses	0	0	0	0	0	0	0	0	0
Interest Cost	3,360,083	548,182	1,859	0	598	5,813	183,531	380	4,100,446
Expected Return on Assets	(1,268,056)	(460,378)	7	0	13	(1,724)	(45,454)	(225)	(1,775,817)
Amortization of:									
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(2,426,764)	(796,566)	(19,014)	(2)	(609)	(5,427)	(5,088)	(2,005)	(3,255,475)
- Unrecognized (Gain)/Loss	2,355,149	470,079	1,544	(10)	398	3,975	106,880	163	2,938,178
Cost of curtailments	0	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ 2,020,412	\$ (238,683)	\$ (15,604)	\$ (12)	\$ 400	\$ 2,637	\$ 239,869	\$ (1,687)	\$ 2,007,332
Purchase Accounting Adjustment	0	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ 2,020,412	\$ (238,683)	\$ (15,604)	\$ (12)	\$ 400	\$ 2,637	\$ 239,869	\$ (1,687)	\$ 2,007,332
Key Assumptions									
Measurement Date									December 31, 2016
Discount Rate									4.10%
Interest Crediting Rate									N/A
Long Term Rate of Return on Assets - VEBA only									5.00%
Salary Scale									N/A
Expected Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Information									
Expected (Net) Benefit Payments	\$ 5,434,655	\$ 493,637	\$ 298	\$ 0	\$ 525	\$ 5,611	\$ 225,538	\$ 0	\$ 6,160,264
Market-Related Value of Assets (MRVA)	\$ 28,045,296	\$ 9,451,366	\$ 0	\$ 0	\$ 0	\$ 37,244	\$ 1,020,464	\$ 4,496	\$ 38,558,866
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 2,092,027	\$ 87,804	\$ 1,866	\$ 0	\$ 611	\$ 4,089	\$ 138,077	\$ 155	\$ 2,324,629
Sum of Amortization Payments	\$ (71,615)	\$ (326,487)	\$ (17,470)	\$ (12)	\$ (211)	\$ (1,452)	\$ 101,792	\$ (1,842)	\$ (317,297)
Amortization Period for Gains/Losses	13.859	13.859	13.859	13.859	13.859	13.859	13.859	13.859	13.859

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Duke Energy Postretirement Life

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy International 600	Duke Energy Discontinued Operations DSC	Duke Energy Progress 801	Plan Total
Development of Market-Related Value of Assets							Percent Deferred		Asset (Gain)/Loss
Fiscal 2016							80%		\$322,133
Fiscal 2015							60%		\$1,898,999
Fiscal 2014							40%		\$203,308
Fiscal 2013							20%		\$747,118
Deferred Asset (Gain)/Loss, 1/1/2017									\$ 1,627,851
Fair Value of Assets (FVA), 1/1/2017									36,931,015
Market-Related Value of Assets (MRVA), 1/1/2017									38,558,866
Amortization of Unrecognized (Gain)/Loss									
Unrecognized (Gain)/Loss, 1/1/2017									\$ 52,654,940
Deferred Asset Gain/(Loss), 1/1/2017									(1,627,851)
Net (Gain)/Loss for expense									51,027,089
Corridor (10% of greater of MRVA and PBO)									10,306,007
(Gain)/Loss Subject to Amortization									\$ 40,721,082
Amortization Period									13.859
Annual Amortization									\$ 2,938,178
Prior Service Cost									
Elimination of life coverage for future retirees	\$ (24,138,288)	\$ (8,580,706)	\$ (220,908)	\$ (17)	\$ (7,082)	\$ (63,051)	\$ (59,109)	\$ (23,289)	\$ (33,092,450)
Elimination of life coverage for future Local 7202 retirees	(122,288)	(11,858)	0	0	0	0	0	0	(134,146)
Elimination of life coverage for future Local 962 and 962T retirees	(4,254,825)	(715,615)	0	0	0	0	0	0	(4,970,440)
Total unamortized balance	\$ (28,515,401)	\$ (9,308,179)	\$ (220,908)	\$ (17)	\$ (7,082)	\$ (63,051)	\$ (59,109)	\$ (23,289)	\$ (38,197,036)
Amortization									
Elimination of life coverage for future retirees	\$ (2,077,661)	\$ (738,570)	\$ (19,014)	\$ (2)	\$ (609)	\$ (5,427)	\$ (5,088)	\$ (2,005)	\$ (2,848,376)
Elimination of life coverage for future Local 7202 retirees	(10,092)	(978)	0	0	0	0	0	0	(11,070)
Elimination of life coverage for future Local 962 and 962T retirees	(339,011)	(57,018)	0	0	0	0	0	0	(396,029)
Total amortization	\$ (2,426,764)	\$ (796,566)	\$ (19,014)	\$ (2)	\$ (609)	\$ (5,427)	\$ (5,088)	\$ (2,005)	\$ (3,255,475)
Years remaining									
Elimination of life coverage for future retirees									11,618
Elimination of life coverage for future Local 7202 retirees									12,118
Elimination of life coverage for future Local 962 and 962T retirees									12,551

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Legacy Cinergy Plans - Retiree Life

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy Discontinued Operations DSC	Plan Total
Funded Status, 1/1/2017								
Benefit Obligation	\$ (78,587)	\$ (9,253,484)	\$ (7,165,600)	\$ (18,074,248)	\$ (4,614,425)	\$ (2,093,291)	\$ (100,870)	\$ (41,380,505)
Fair Value of Assets	0	0	0	0	0	0	0	0
Funded Status	\$ (78,587)	\$ (9,253,484)	\$ (7,165,600)	\$ (18,074,248)	\$ (4,614,425)	\$ (2,093,291)	\$ (100,870)	\$ (41,380,505)
Unrecognized Items:								
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	0	0	0	0	0	0	0	0
Unrecognized (Gain)/Loss	49,450	1,535,810	1,716,708	5,131,594	2,727,487	518,681	44,679	11,724,409
Total Amount Unrecognized	\$ 49,450	\$ 1,535,810	\$ 1,716,708	\$ 5,131,594	\$ 2,727,487	\$ 518,681	\$ 44,679	\$ 11,724,409
Components of Benefit Cost, Fiscal 2017								
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expected Administrative Expenses	0	0	0	0	0	0	0	0
Interest Cost	3,164	372,306	280,722	708,029	181,486	82,404	4,057	1,632,168
Expected Return on Assets	0	0	0	0	0	0	0	0
Amortization of:								
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	0	0	0	0	0	0	0	0
- Unrecognized (Gain)/Loss	2,872	89,209	99,717	298,074	158,429	30,128	2,595	681,024
Cost of curtailments	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ 6,036	\$ 461,515	\$ 380,439	\$ 1,006,103	\$ 339,915	\$ 112,532	\$ 6,652	\$ 2,313,192
Purchase Accounting Adjustment	0	0	0	(306,391)	(54,794)	11,240	0	(349,945)
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ 6,036	\$ 461,515	\$ 380,439	\$ 699,712	\$ 285,121	\$ 123,772	\$ 6,652	\$ 1,963,247
Key Assumptions								
Measurement Date								December 31, 2016
Discount Rate								4.10%
Interest Crediting Rate								N/A
Long Term Rate of Return on Assets								N/A
Salary Scale								N/A
Expected Contributions	\$ 2,875	\$ 349,203	\$ 643,912	\$ 1,626,853	\$ 379,699	\$ 168,550	\$ 3,889	\$ 3,174,982
Other Information								
Expected (Net) Benefit Payments	\$ 2,875	\$ 349,203	\$ 643,912	\$ 1,626,853	\$ 379,699	\$ 168,550	\$ 3,889	\$ 3,174,982
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 3,164	\$ 372,306	\$ 280,722	\$ 708,029	\$ 181,486	\$ 82,404	\$ 4,057	\$ 1,632,168
Sum of Amortization Payments	\$ 2,872	\$ 89,209	\$ 99,717	\$ 298,074	\$ 158,429	\$ 30,128	\$ 2,595	\$ 681,024
Amortization Period for Gains/Losses	11.140	11.140	11.140	11.140	11.140	11.140	11.140	11.140

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Legacy Cinergy Plans - Retiree Life

	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy Discontinued Operations DSC	Plan Total
Amortization of Unrecognized (Gain)/Loss								
Unrecognized (Gain)/Loss, 1/1/2017								\$ 11,724,409
Deferred Asset Gain/(Loss), 1/1/2017								0
Net (Gain)/Loss for expense								11,724,409
Corridor (10% of greater of MRVA and PBO)								<u>4,138,051</u>
(Gain)/Loss Subject to Amortization								\$ 7,586,358
Amortization Period								11.140
Annual Amortization								\$ 681,024

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy and Florida Progress Non-Union OPEB (Life)

	Duke Energy Carolinas 100	Duke Energy Progress 801	Duke Energy Business Services 110	Duke Energy Discontinued Operations DSC	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total
Funded Status, 1/1/2017								
Benefit Obligation	\$ 0	\$ (50,958,362)	\$ (5,693,318)	\$ (10,328)	\$ (13,063,969)	\$ (120,010)	\$ (260,078)	\$ (70,106,065)
Fair Value of Assets	0	0	0	0	0	0	0	0
Funded Status	\$ 0	\$ (50,958,362)	\$ (5,693,318)	\$ (10,328)	\$ (13,063,969)	\$ (120,010)	\$ (260,078)	\$ (70,106,065)
Unrecognized Items:								
Transition (Asset)/Liability	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service (Credit)/Cost	(58,498)	(11,338,712)	(3,449,518)	0	(3,862,688)	0	0	(18,709,416)
Unrecognized (Gain)/Loss	(14,362)	10,501,876	2,305,931	100,962	349,407	(20,679)	13,562	13,236,697
Total Amount Unrecognized	\$ (72,860)	\$ (836,836)	\$ (1,143,587)	\$ 100,962	\$ (3,513,281)	\$ (20,679)	\$ 13,562	\$ (5,472,719)
Components of Benefit Cost, Fiscal 2017								
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expected Administrative Expenses	0	0	0	0	0	0	0	0
Interest Cost	0	2,022,460	229,496	417	519,757	4,757	10,360	2,787,247
Expected Return on Assets	0	0	0	0	0	0	0	0
Amortization of:								
- Transition (Asset)/Obligation	0	0	0	0	0	0	0	0
- Prior Service (Credit)/Cost	(5,132)	(994,624)	(302,590)	0	(338,831)	0	0	(1,641,177)
- Unrecognized (Gain)/Loss	(446)	326,123	71,608	3,135	10,850	(642)	421	411,049
Cost of curtailments	0	0	0	0	0	0	0	0
Cost of settlements	0	0	0	0	0	0	0	0
Cost of special/contractual termination benefits	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ (5,578)	\$ 1,353,959	\$ (1,486)	\$ 3,552	\$ 191,776	\$ 4,115	\$ 10,781	\$ 1,557,119
Purchase Accounting Adjustment	0	0	0	0	0	0	0	0
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ (5,578)	\$ 1,353,959	\$ (1,486)	\$ 3,552	\$ 191,776	\$ 4,115	\$ 10,781	\$ 1,557,119
Key Assumptions								
Measurement Date								December 31, 2016
Discount Rate								4.10%
Interest Crediting Rate								N/A
Long Term Rate of Return on Assets								N/A
Salary Scale								N/A
Expected Contributions	\$ 0	\$ 3,293,236	\$ 193,650	\$ 335	\$ 781,779	\$ 8,060	\$ 14,962	\$ 4,292,022
Other Information								
Expected (Net) Benefit Payments	\$ 0	\$ 3,293,236	\$ 193,650	\$ 335	\$ 781,779	\$ 8,060	\$ 14,962	\$ 4,292,022
Market-Related Value of Assets (MRVA)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 0	\$ 2,022,460	\$ 229,496	\$ 417	\$ 519,757	\$ 4,757	\$ 10,360	\$ 2,787,247
Sum of Amortization Payments	\$ (5,578)	\$ (668,501)	\$ (230,982)	\$ 3,135	\$ (327,981)	\$ (642)	\$ 421	\$ (1,230,128)
Amortization Period for Gains/Losses	15.147	15.147	15.147	15.147	15.147	15.147	15.147	15.147

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Progress Energy and Florida Progress Non-Union OPEB (Life)

	Duke Energy Carolinas 100	Duke Energy Progress 801	Duke Energy Business Services 110	Duke Energy Discontinued Operations DSC	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Plan Total
Amortization of Unrecognized (Gain)/Loss								
Unrecognized (Gain)/Loss, 1/1/2017								\$ 13,236,697
Deferred Asset Gain/(Loss), 1/1/2017								0
Net (Gain)/Loss for expense								13,236,697
Corridor (10% of greater of MRVA and PBO)								<u>7,010,607</u>
(Gain)/Loss Subject to Amortization								\$ 6,226,090
Amortization Period								15.147
Annual Amortization								\$ 411,049
Prior Service Cost								
Elimination of life coverage for future retirees	\$ (58,498)	\$ (11,338,712)	\$ (3,449,518)	\$ 0	\$ (3,862,688)	\$ 0	\$ 0	\$ (18,709,416)
Total unamortized balance	\$ (58,498)	\$ (11,338,712)	\$ (3,449,518)	\$ 0	\$ (3,862,688)	\$ 0	\$ 0	\$ (18,709,416)
Amortization								
Elimination of life coverage for future retirees	\$ (5,132)	\$ (994,624)	\$ (302,590)	\$ 0	\$ (338,831)	\$ 0	\$ 0	\$ (1,641,177)
Total amortization	\$ (5,132)	\$ (994,624)	\$ (302,590)	\$ 0	\$ (338,831)	\$ 0	\$ 0	\$ (1,641,177)
Years remaining								
Elimination of life coverage for future retirees								11.400

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

The Union Employees of Florida Progress OPEB (Life)

	Duke Energy Florida / Plan Total 802
Funded Status, 1/1/2017	
Benefit Obligation	\$ (18,976,265)
Fair Value of Assets	0
Funded Status	\$ (18,976,265)
Unrecognized Items:	
Transition (Asset)/Liability	\$ 0
Prior Service (Credit)/Cost	(5,992,671)
Unrecognized (Gain)/Loss	9,717,642
Total Amount Unrecognized	\$ 3,724,971
Components of Benefit Cost, Fiscal 2017	
Service Cost	\$ 0
Expected Administrative Expenses	0
Interest Cost	755,280
Expected Return on Assets	0
Amortization of:	
- Transition (Asset)/Obligation	0
- Prior Service (Credit)/Cost	(770,534)
- Unrecognized (Gain)/Loss	505,965
Cost of curtailments	0
Cost of settlements	0
Cost of special/contractual termination benefits	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ 490,711
Purchase Accounting Adjustment	0
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ 490,711
Key Assumptions	
Measurement Date	December 31, 2016
Discount Rate	4.10%
Interest Crediting Rate	N/A
Long Term Rate of Return on Assets	N/A
Salary Scale	N/A
Expected Contributions	\$ 1,120,872
Other Information	
Expected (Net) Benefit Payments	\$ 1,120,872
Market-Related Value of Assets (MRVA)	\$ 0
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 755,280
Sum of Amortization Payments	\$ (264,569)
Amortization Period for Gains/Losses	15.456

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

The Union Employees of Florida Progress OPEB (Life)

		Duke Energy Florida / Plan Total 802
Amortization of Unrecognized (Gain)/Loss		
Unrecognized (Gain)/Loss, 1/1/2017	\$	9,717,642
Deferred Asset Gain/(Loss), 1/1/2017		0
Net (Gain)/Loss for expense		9,717,642
Corridor (10% of greater of MRVA and PBO)		<u>1,897,627</u>
(Gain)/Loss Subject to Amortization	\$	7,820,015
Amortization Period		15.456
Annual Amortization	\$	505,965
Prior Service Cost		
Outstanding Base #1	\$	(483,314)
Elimination of life coverage for future retirees		<u>(5,509,357)</u>
Total unamortized balance	\$	(5,992,671)
Amortization		
Outstanding Base #1	\$	(358,012)
Elimination of life coverage for future retirees		<u>(412,522)</u>
Total amortization	\$	(770,534)
Years remaining		
Outstanding Base #1		1.350
Elimination of life coverage for future retirees		13.355

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Piedmont Postretirement Benefits

	Piedmont Natural Gas Company / Plan Total PNG
Funded Status, 1/1/2017	
Benefit Obligation	\$ (38,752,758)
Fair Value of Assets	29,040,243
Funded Status	\$ (9,712,515)
Unrecognized Items:	
Transition (Asset)/Liability	\$ 0
Prior Service (Credit)/Cost	(1,490,495)
Unrecognized (Gain)/Loss	8,011,168
Total Amount Unrecognized	\$ 6,520,673
Components of Benefit Cost, Fiscal 2017	
Service Cost	\$ 1,121,552
Expected Administrative Expenses	0
Interest Cost	1,596,987
Expected Return on Assets	(1,742,797)
Amortization of:	
- Transition (Asset)/Obligation	0
- Prior Service (Credit)/Cost	(331,713)
- Unrecognized (Gain)/Loss	591,969
Cost of curtailments	0
Cost of settlements	0
Cost of special/contractual termination benefits	0
Net Periodic Benefit Cost - Excluding Purchase Accounting Adjustment	\$ 1,235,998
Purchase Accounting Adjustment	0
Net Periodic Benefit Cost - Including Purchase Accounting Adjustment	\$ 1,235,998
Key Assumptions	
Measurement Date	December 31, 2016
Discount Rate	4.10%
Interest Crediting Rate	N/A
Long Term Rate of Return on Assets - 401(h) and Union VEBA only	6.75%
Long Term Rate of Return on Assets - Non-Union VEBA only	4.3875%
Salary Scale	N/A
Expected Contributions	\$ 2,236,000
Other Information	
Expected (Net) Benefit Payments	\$ 1,865,545
Market-Related Value of Assets (MRVA)	\$ 29,040,243
Sum of Service Cost, Admin Expenses, Interest Cost and EROA	\$ 975,742
Sum of Amortization Payments	\$ 260,256
Amortization Period for Gains/Losses	6.987

**Section 2:
Fiscal 2017 Net Periodic Benefit Cost**

Piedmont Postretirement Benefits

	Piedmont Natural Gas Company / Plan Total PNG
Development of Market-Related Value of Assets	
Deferred Asset (Gain)/Loss, 1/1/2017	Asset (Gain)/Loss \$ 0
Fair Value of Assets (FVA), 1/1/2017	29,040,243
Market-Related Value of Assets (MRVA), 1/1/2017	29,040,243
 Amortization of Unrecognized (Gain)/Loss	
Unrecognized (Gain)/Loss, 1/1/2017	\$ 8,011,168
Deferred Asset Gain/(Loss), 1/1/2017	0
Net (Gain)/Loss for expense	8,011,168
Corridor (10% of greater of MRVA and PBO)	<u>3,875,276</u>
(Gain)/Loss Subject to Amortization	\$ 4,135,892
Amortization Period	6.987
Annual Amortization	\$ 591,969
 Prior Service Cost	
Plan Change #1	\$ (1,490,495)
Total unamortized balance	\$ (1,490,495)
 Amortization	
Plan Change #1	\$ (331,713)
Total amortization	\$ (331,713)
 Years remaining	
Plan Change #1	4.493

Appendix A:

Statement of Actuarial Assumptions and Methods

Exhibit A-1	Duke Energy Retirement Cash Balance Plan
Exhibit A-2	Cinergy Corp. Union Employees' Retirement Income Plan
Exhibit A-3	Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation
Exhibit A-4	Retirement Plan of Piedmont Natural Gas Company, Inc.
Exhibit A-5	Duke Energy Corporation Executive Cash Balance Plan
Exhibit A-6	Progress Energy Supplemental Senior Executive Retirement Plan
Exhibit A-7	Florida Progress Corporation Supplemental Executive Retirement Plan and Nondiscrimination Plan
Exhibit A-8	Piedmont Natural Gas Company Nonqualified Retirement Plans
Exhibit A-9	Duke Energy Retiree Health and Welfare Benefit Plans Applicable to Future Retirees and Retirees at Legacy Duke Energy and Cinergy Locations
Exhibit A-10	Duke Energy Retiree Health and Welfare Benefit Plans Applicable to Future Retirees and Retirees of Legacy Progress Energy Locations
Exhibit A-11	Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan

Exhibit A-1
Duke Energy Retirement Cash Balance Plan

Economic Assumptions

Discount rate	4.10%
Expected Return on assets for 2016	6.50%
Expected Return on assets for 2017	6.50%
Annual rates of increase	
Compensation:	

For 2016, based on estimated 2016 earnings; after 2016, based on the table below:

Salary Increase Rates for after 2016

Age	Rate	Age	Rate
15	11.50%	40	5.50%
16	11.50%	41	5.40%
17	11.50%	42	5.30%
18	11.50%	43	5.20%
19	11.50%	44	5.10%
20	11.50%	45	5.00%
21	11.50%	46	4.90%
22	11.50%	47	4.80%
23	11.50%	48	4.70%
24	11.50%	49	4.60%
25	11.50%	50	4.50%
26	11.10%	51	4.40%
27	10.70%	52	4.30%
28	10.30%	53	4.20%
29	9.90%	54	4.10%
30	9.50%	55	4.00%
31	9.10%	56	3.80%
32	8.70%	57	3.60%
33	8.30%	58	3.50%
34	7.90%	59	3.50%
35	7.50%	60+	3.50%
36	7.10%		
37	6.70%		
38	6.30%		
39	5.90%		

Annual rates of increase

Compensation:
*(Former participants in the Cinergy Corp.
Non-Union Employees' Pension Plan)*

Salary Increase Rates for after 2016			
Age	Rate	Age	Rate
15	9.50%	40	5.50%
16	9.50%	41	5.50%
17	9.50%	42	5.50%
18	9.50%	43	5.50%
19	9.50%	44	5.50%
20	9.50%	45	4.50%
21	9.50%	46	4.50%
22	9.50%	47	4.50%
23	9.50%	48	4.50%
24	9.50%	49	4.50%
25	9.50%	50	4.50%
26	9.50%	51	4.50%
27	9.50%	52	4.50%
28	9.50%	53	4.50%
29	9.50%	54	4.50%
30	8.50%	55+	3.50%
31	8.50%		
32	8.50%		
33	8.50%		
34	8.50%		
35	6.50%		
36	6.50%		
37	6.50%		
38	6.50%		
39	6.50%		

Annual rates of increase

Compensation:
*(Former participants in the Cinergy Corp.
Union Employees' Pension Plan)*

Salary Increase Rates for after 2016			
Age	Rate	Age	Rate
15	9.50%	35	4.00%
16	9.50%	36	4.00%
17	9.50%	37	4.00%
18	9.50%	38	4.00%
19	9.50%	39	4.00%
20	9.50%	40	3.50%
21	9.50%	41	3.50%

22	9.50%	42	3.50%
23	9.50%	43	3.50%
24	9.50%	44	3.50%
25	8.50%	45+	3.50%
26	8.50%		
27	8.50%		
28	8.50%		
29	8.50%		
30	5.50%		
31	5.50%		
32	5.50%		
33	5.50%		
34	5.50%		

Future Social Security wage bases 3.25%

Cash Balance Interest Crediting Rate (for balances subject to variable interest crediting rate) 4.25%

Assumed IRC §417(e) Conversion Basis
Based on a yield curve comprised of a universe of bonds similar to what the IRS uses for §417(e) rates as of the valuation snapshot date. The yield curve is based on the November Willis Towers Watson RATE:Link 40th – 90th percentile of bonds by yield, plus 25 basis points.

Benefit and Compensation Limits
The IRC section 415 benefit limit and the section 401(a)(17) compensation limit have been projected at 2.25% per year.

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
Healthy and Disabled	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 13%.
<i>Former participants in the Progress Energy Pension Plan</i>	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 9%
Termination	For all other participants, rates vary by age and service.

Representative Termination Rates

Percentage leaving during the year

Age	Years of Service					
	0	1	2	3	4	5+
15	25%	25%	18%	18%	16%	10%
16	25%	25%	18%	18%	16%	10%
17	25%	25%	18%	18%	16%	10%
18	25%	25%	18%	18%	16%	10%
19	25%	25%	18%	18%	16%	10%
20	25%	25%	18%	18%	16%	10%
21	25%	25%	18%	18%	16%	10%
22	25%	25%	18%	18%	16%	10%
23	25%	25%	18%	18%	16%	10%
24	25%	25%	18%	18%	16%	10%
25	25%	15%	12%	12%	12%	10%
26	25%	15%	12%	12%	12%	10%
27	25%	15%	12%	12%	12%	10%
28	25%	15%	12%	12%	12%	10%
29	25%	15%	12%	12%	12%	10%
30	20%	15%	12%	12%	12%	7.50%
31	20%	15%	12%	12%	12%	7.50%
32	20%	15%	12%	12%	12%	7.50%
33	20%	15%	12%	12%	12%	7.50%
34	20%	15%	12%	12%	12%	7.50%
35	20%	15%	15%	15%	10%	5%
36	20%	15%	15%	15%	10%	5%
37	20%	15%	15%	15%	10%	5%
38	20%	15%	15%	15%	10%	5%
39	20%	15%	15%	15%	10%	5%
40	20%	15%	15%	15%	10%	3%

41	20%	15%	15%	15%	10%	3%
42	20%	15%	15%	15%	10%	3%
43	20%	15%	15%	15%	10%	3%
44	20%	15%	15%	15%	10%	3%
45	15%	15%	15%	15%	10%	2.50%
46	15%	15%	15%	15%	10%	2.50%
47	15%	15%	15%	15%	10%	2.50%
48	15%	15%	15%	15%	10%	2.50%
49	15%	15%	15%	15%	10%	2.50%
50	15%	15%	10%	10%	10%	2%
51	15%	15%	10%	10%	10%	2%
52	15%	15%	10%	10%	10%	2%
53	15%	15%	10%	10%	10%	2%
54	15%	15%	10%	10%	10%	2%
55+	0%	0%	0%	0%	0%	0%

Termination
Former participants in the
Cinergy Corp. Non-Union
Employees' Pension Plan

Percentage leaving during the year

Age	Years of Service					
	0	1	2	3	4	5+
15	33%	20%	19%	17%	16%	15%
16	33%	20%	19%	17%	16%	15%
17	33%	20%	19%	17%	16%	15%
18	33%	20%	19%	17%	16%	15%
19	33%	20%	19%	17%	16%	15%
20	33%	20%	19%	17%	16%	15%
21	33%	20%	19%	17%	16%	15%
22	33%	20%	19%	17%	16%	15%
23	33%	20%	19%	17%	16%	15%
24	33%	20%	19%	17%	16%	15%
25	25%	19%	18%	15%	14%	10%
26	25%	19%	18%	15%	14%	10%
27	25%	19%	18%	15%	14%	10%
28	25%	19%	18%	15%	14%	10%
29	25%	19%	18%	15%	14%	10%
30	22%	18%	17%	14%	12%	5.50%
31	22%	18%	17%	14%	12%	5.50%
32	22%	18%	17%	14%	12%	5.50%
33	22%	18%	17%	14%	12%	5.50%
34	22%	18%	17%	14%	12%	5.50%
35	20%	17%	16%	13%	11%	3.50%
36	20%	17%	16%	13%	11%	3.50%
37	20%	17%	16%	13%	11%	3.50%
38	20%	17%	16%	13%	11%	3.50%

39	20%	17%	16%	13%	11%	3.50%
40	17%	16%	15%	12%	10%	2.50%
41	17%	16%	15%	12%	10%	2.50%
42	17%	16%	15%	12%	10%	2.50%
43	17%	16%	15%	12%	10%	2.50%
44	17%	16%	15%	12%	10%	2.50%
45	16%	15%	14%	11%	8%	2%
46	16%	15%	14%	11%	8%	2%
47	16%	15%	14%	11%	8%	2%
48	16%	15%	14%	11%	8%	2%
49	16%	15%	14%	11%	8%	2%
50	15%	14%	13%	10%	7%	2%
51	15%	14%	13%	10%	7%	2%
52	15%	14%	13%	10%	7%	2%
53	15%	14%	13%	10%	7%	2%
54	15%	14%	13%	10%	7%	2%
55+	0%	0%	0%	0%	0%	0%

Termination
Former participants in the
Cinergy Corp. Union
Employees' Pension Plan

Percentage leaving during the year

Age	Rate	Age	Rate
15	15.00%	40	2.00%
16	15.00%	41	2.00%
17	15.00%	42	2.00%
18	15.00%	43	2.00%
19	15.00%	44	2.00%
20	15.00%	45	2.00%
21	15.00%	46	2.00%
22	15.00%	47	2.00%
23	15.00%	48	2.00%
24	15.00%	49	2.00%
25	10.00%	50	2.00%
26	10.00%	51	2.00%
27	10.00%	52	2.00%
28	10.00%	53	2.00%
29	10.00%	54	2.00%
30	5.50%	55	0.00%
31	5.50%		
32	5.50%		
33	5.50%		
34	5.50%		
35	3.50%		
36	3.50%		
37	3.50%		
38	3.50%		
39	3.50%		

Termination

Percentage leaving during the year

Former participants in the
Progress Energy Pension Plan

Age	Rate
20	8.00%
25	7.40%
30	6.40%
35	5.40%
40	4.55%
45	3.95%
50	3.90%
60	10.40%
65	12.00%
70	12.00%

Disability

The rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year

Age	Rate	Age	Rate
15	0.08%	40	0.17%
16	0.08%	41	0.19%
17	0.08%	42	0.20%
18	0.08%	43	0.22%
19	0.08%	44	0.23%
20	0.08%	45	0.25%
21	0.08%	46	0.28%
22	0.08%	47	0.32%
23	0.08%	48	0.35%
24	0.08%	49	0.39%
25	0.08%	50	0.42%
26	0.08%	51	0.49%
27	0.08%	52	0.56%
28	0.08%	53	0.62%
29	0.08%	54	0.69%
30	0.10%	55	0.76%
31	0.11%	56	0.91%
32	0.11%	57	1.06%
33	0.12%	58	1.20%
34	0.12%	59	1.35%
35	0.13%	60+	1.50%
36	0.14%		
37	0.15%		
38	0.15%		
39	0.16%		

Disability

Former participants in the
Progress Energy Pension Plan

Representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year

Age	Rate
20	0.07%
25	0.08%
30	0.10%
35	0.13%
40	0.22%
45	0.34%
50	0.60%
55	1.16%
60	2.26%

Retirement

Rates varying by age

The rates at which participants retire by age are shown below.

Percentage retiring during the year – Active & Deferred

Age	Active Rate	Deferred Rate
55	5%	40%
56	5%	15%
57	5%	15%
58	5%	15%
59	8%	15%
60	8%	20%
61	15%	20%
62	20%	20%
63	15%	20%
64	20%	20%
65	30%	50%
66	20%	25%
67	25%	25%
68	25%	25%
69	25%	25%
70+	100%	100%

Retirement
*Former participants in the
Cinergy Corp. Non-Union
Employees' Pension Plan*

Rates varying by age for terminated vested participants and active Cash Balance participants. Rates varying by age and service for active Traditional and Traditional Choice participants.

Retirement Rates – Active Cash Balance Participants

Age	Rate	Age	Rate
50	4%	65	30%
51	4%	66	20%
52	4%	67	25%
53	4%	68	25%
54	4%	69	25%
55	5%	70+	100%
56	5%		
57	5%		
58	5%		
59	8%		
60	8%		
61	15%		
62	20%		
63	15%		
64	20%		

**Retirement Rates – Traditional and Traditional Choice Participants
(Years of Service between 0 and 25)**

Years of Service

Age	0-19	20	21	22-23	24	25
50	4%	4%	4%	4%	4%	4%
51	4%	4%	4%	4%	4%	4%
52	4%	4%	4%	4%	4%	4%
53	4%	4%	4%	4%	4%	4%
54	4%	4%	4%	4%	4%	4%
55	5%	5%	5%	5%	5%	5%
56	5%	5%	5%	5%	5%	5%
57	5%	5%	5%	5%	5%	5%
58	7%	7%	7%	7%	7%	7%
59	10%	10%	10%	10%	10%	10%
60	10%	10%	10%	10%	10%	25%
61	15%	15%	15%	15%	25%	25%
62	30%	30%	30%	30%	30%	30%
63	20%	20%	20%	20%	20%	20%
64	25%	25%	25%	25%	25%	25%
65	55%	55%	55%	55%	55%	55%
66	25%	25%	25%	25%	25%	25%

67	55%	55%	55%	55%	55%	55%
68	75%	75%	75%	75%	75%	75%
69	75%	75%	75%	75%	75%	75%
70+	100%	100%	100%	100%	100%	100%

**Retirement Rates – Traditional and Traditional Choice Participants
(Years of Service between 26 and 30+)**

Age	Years of Service				
	26	27	28	29	30+
50	4%	4%	4%	4%	4%
51	4%	4%	4%	4%	4%
52	4%	4%	4%	4%	4%
53	4%	4%	4%	4%	4%
54	4%	4%	4%	4%	4%
55	5%	5%	5%	5%	25%
56	5%	5%	5%	25%	25%
57	5%	5%	25%	25%	25%
58	7%	25%	25%	25%	25%
59	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%
61	30%	30%	30%	30%	25%
62	30%	30%	30%	30%	30%
63	20%	20%	20%	20%	20%
64	25%	25%	25%	25%	25%
65	55%	55%	55%	55%	55%
66	25%	25%	25%	25%	25%
67	55%	55%	55%	55%	55%
68	75%	75%	75%	75%	75%
69	75%	75%	75%	75%	75%
70+	100%	100%	100%	100%	100%

Retirement
*Former participants in the
Cinergy Corp. Union
Employees' Pension Plan*

Rates varying by age for terminated vested participants and active Cash Balance participants. Rates varying by age and service for active Traditional participants and active Traditional Choice participants.

Retirement Rates – Active Cash Balance Participants

Age	Rate	Age	Rate
50	1%	60	10%
51	1%	61	5%
52	1%	62	20%
53	1%	63	15%
54	1%	64	15%
55	2%	65	75%
56	2%	66	20%
57	5%	67+	100%
58	5%		
59	5%		

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 0 and 27)

Age	Years of Service					
	0-22	23	24	25	26	27
50	1%	1%	1%	2%	2%	2%
51	1%	1%	1%	2%	2%	2%
52	1%	1%	1%	2%	2%	2%
53	1%	1%	1%	2%	2%	2%
54	1%	1%	1%	2%	2%	2%
55	2%	2%	2%	5%	5%	5%
56	2%	2%	2%	5%	5%	5%
57	5%	5%	5%	5%	5%	5%
58	5%	5%	5%	5%	5%	15%
59	5%	5%	5%	5%	15%	15%
60	10%	10%	10%	15%	15%	15%
61	5%	5%	15%	15%	15%	15%
62	20%	35%	35%	35%	35%	35%
63	15%	15%	15%	15%	15%	15%
64	15%	15%	15%	15%	15%	15%
65	75%	75%	75%	75%	75%	75%
66	20%	20%	20%	20%	20%	20%
67+	100%	100%	100%	100%	100%	100%

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 28 and 30+)

Age	Years of Service		
	28	29	30+
50	2%	2%	2%
51	2%	2%	2%
52	2%	2%	2%
53	2%	2%	2%
54	2%	2%	2%
55	5%	5%	15%
56	5%	10%	10%
57	15%	15%	15%
58	15%	15%	15%
59	15%	15%	15%
60	15%	15%	15%
61	15%	15%	15%
62	35%	35%	35%
63	15%	15%	15%
64	15%	15%	15%
65	75%	75%	75%
66	20%	20%	20%
67+	100%	100%	100%

Retirement

Former participants in the Progress Energy Pension Plan

Percentage retiring during the year – Active & Deferred

Age	Rate
55	10%
56	10%
57	10%
58	10%
59	10%
60	15%
61	15%
62	25%
63	15%
64	25%
65	35%
66	35%
67	35%
68	35%
69	35%
70+	100%

Estimated Average Remaining Service 9.396 years as of January 1, 2017

Benefit commencement date

Preretirement death benefit Date of death.

Deferred vested benefit 50% of cash balance participants are assumed to commence upon termination of employment and 50% are assumed to defer their commencement until age 65. Annuity participants are assumed to commence at age 57.

Disability benefit Normal Retirement Date.

Retirement benefit 50% of cash balance participants are assumed to commence upon termination of employment and 50% are assumed to defer their commencement until age 65.

Form of payment

Cash Balance Participants:

- 100% elect the Lump Sum.

Traditional Plan Participants:

- 65% of married participants elect the 100% Contingent Annuity.
- 35% of married participants elect the Single Life Annuity.
- 100% of single participants elect the Single Life Annuity.

Traditional Choice Participants:

- 100% elect the Lump Sum.

Certain deferred vested participants do not have a lump sum option available. These participants are assumed to elect at 50% joint and survivor annuity at retirement (beneficiaries are assumed to elect a single life annuity).

Form of payment:

Former Participants in the Progress Energy Pension Plan

Retirement		
Single Rate	Married Rate	Form of Payment
70%	70%	Lump Sum
30%	0%	Single Life Annuity
0%	30%	50% Joint and Survivor Annuity

Vested Termination		
Single Rate	Married Rate	Form of Payment
75%	75%	Lump Sum
25%	0%	Single Life Annuity
0%	25%	50% Joint and Survivor Annuity

Disability		
<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
70%	70%	Lump Sum
30%	0%	Single Life Annuity
0%	30%	50% Joint and Survivor Annuity

Death		
<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
100%	100%	Lump Sum

Percent Married

It is assumed that 85% of males and 85% of females have an eligible spouse (80% for legacy Progress Energy participants).

Spouse age

Males are three years older than their spouses (two years older for legacy Progress Energy participants).

Covered pay

Before 2016

Actual historical pensionable earnings.

2016

2016 pay estimated as the sum of:

- Actual earnings through March 31, 2016 (includes bonus and incentive payments made in the first quarter).
- Expected base pay for the remaining nine months of the year (estimated by using the base pay rate in effect on April 1, 2016).
- Assumed overtime for the remaining nine months of the year.

2017+

Estimated 2016 pay (for projection purposes) is projected forward using the salary scale, where 2016 pay is estimated as the sum of:

- Expected base pay (estimated by using the pay rate in effect on April 1, 2016).
- Assumed overtime.
- Assumed target bonus.

Overtime Assumption
Applies to non-exempt employees only

The overtime assumption is expressed as a percentage of base pay and varies by pay level:

- 12% for those with low base pay (under \$50,000)
- 24% for those with medium base pay
- 28% for those with high base pay (over \$67,500)

Vacation Bank
(for former participants in the Cinergy Corp. Non-Union

Final pay is assumed to increase for vacation buy-back based on actual vacation banks accrued to date.

*Employees' Pension Plan and
Cinergy Corp. Union Employees
Pension Plan)*

Administrative Expenses for 2017 (Load to Service Cost)	\$6,725,938
Expected Contributions for 2017	\$128,000,000

Methods

Census Date	January 1, 2016
Measurement Date	December 31, 2016
Data Adjustments	For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.
Cost Method	Traditional unit credit for fixed interest crediting rate cash balance benefits and projected unit credit for all other benefits.
Market-Related Value of Assets	Fair value of assets for Florida Power, Florida Progress and Electric Fuels. For all other companies, the difference between the actual return on fair value of assets and the assumed return (calculated at the long-term rate of return on assets) is amortized over five years (on straight-line basis).
Amortization of unamortized amounts:	
<ul style="list-style-type: none"> ▪ Past Service Cost (credit) 	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
<ul style="list-style-type: none"> ▪ Net Loss (gain) 	Net loss (gain) in excess of 10% of the greater of PBO or the market-related value of asset is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued except prior plan benefits and grandfathered benefits for active employees. Based on discussions with Duke Energy Corporation, such benefits are considered to have a de minimis likelihood of being paid and thus are not required to be valued, and will not be valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in assumptions and methods since prior valuation

The discount rate decreased from 4.40% to 4.10%.

The interest basis for lump sum payments was updated to reflect market conditions at the measurement date.

The assumptions for estimated administrative expense decreased from \$6,941,643 to \$6,725,938.

The benefit commencement age for deferred vested participants was changed from a table of rates to age 57.

The overtime assumption was updated to reflect experience study results conducted in 2016.

Exhibit A-2
Cinergy Corp. Union Employees' Retirement Income Plan

Economic Assumptions

Discount rate	4.10%
Expected Return on assets for 2016	6.50%
Expected Return on assets for 2017	6.50%
Annual rates of Increase	
Compensation:	

For 2016, based on estimated 2016 earnings; after 2016, based on the table below:

Salary Increase Rates for after 2016

Age	Rate	Age	Rate
15	9.50%	35	4.00%
16	9.50%	36	4.00%
17	9.50%	37	4.00%
18	9.50%	38	4.00%
19	9.50%	39	4.00%
20	9.50%	40	3.50%
21	9.50%	41	3.50%
22	9.50%	42	3.50%
23	9.50%	43	3.50%
24	9.50%	44	3.50%
25	8.50%	45+	3.50%
26	8.50%		
27	8.50%		
28	8.50%		
29	8.50%		
30	5.50%		
31	5.50%		
32	5.50%		
33	5.50%		
34	5.50%		

Future Social Security wage bases	3.25%
Cash Balance Interest Crediting Rate (for balances subject to variable interest crediting rate)	4.25%

Assumed IRC §417(e) Conversion Basis

Based on a yield curve comprised of a universe of bonds similar to what the IRS uses for §417(e) rates as of the valuation snapshot date. The yield curve is based on the November Willis Towers Watson RATE:Link 40th – 90th percentile of bonds by yield, plus 25 basis points.

Benefit and Compensation limits

The IRC Section 415 benefit limit and the Section 401(a)(17) Compensation limit have been projected at 2.25% per year.

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
Healthy and Disabled	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 13%
Termination	For all other participants, rates vary by age and service.

Percentage leaving during the year

Age	Years of Service		Age	Years of Service	
	0-1	2+		0-1	2+
15	20.00%	15.00%	36	17.00%	3.50%
16	20.00%	15.00%	37	17.00%	3.50%
17	20.00%	15.00%	38	17.00%	3.50%
18	20.00%	15.00%	39	17.00%	3.50%
19	20.00%	15.00%	40	16.00%	2.50%
20	20.00%	15.00%	41	16.00%	2.50%
21	20.00%	15.00%	42	16.00%	2.50%
22	20.00%	15.00%	43	16.00%	2.50%
23	20.00%	15.00%	44	16.00%	2.50%
24	20.00%	15.00%	45	15.00%	2.00%
25	19.00%	10.00%	46	15.00%	2.00%
26	19.00%	10.00%	47	15.00%	2.00%
27	19.00%	10.00%	48	15.00%	2.00%
28	19.00%	10.00%	49	15.00%	2.00%
29	19.00%	10.00%	50	14.00%	2.00%
30	18.00%	5.50%	51	14.00%	2.00%
31	18.00%	5.50%	52	14.00%	2.00%
32	18.00%	5.50%	53	14.00%	2.00%
33	18.00%	5.50%	54	14.00%	2.00%
34	18.00%	5.50%	55+	0.00%	0.00%
35	17.00%	3.50%			

Disability	The rates at which participants become disabled by age are shown below:
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Percentage becoming disabled during the year

Age	Rate	Age	Rate
15	0.08%	40	0.17%
16	0.08%	41	0.19%
17	0.08%	42	0.20%
18	0.08%	43	0.22%
19	0.08%	44	0.23%
20	0.08%	45	0.25%
21	0.08%	46	0.28%
22	0.08%	47	0.32%

23	0.08%	48	0.35%
24	0.08%	49	0.39%
25	0.08%	50	0.42%
26	0.08%	51	0.49%
27	0.08%	52	0.56%
28	0.08%	53	0.62%
29	0.08%	54	0.69%
30	0.10%	55	0.76%
31	0.11%	56	0.91%
32	0.11%	57	1.06%
33	0.12%	58	1.20%
34	0.12%	59	1.35%
35	0.13%	60+	1.50%
36	0.14%		
37	0.15%		
38	0.15%		
39	0.16%		

Retirement

Rates varying by age for terminated vested participants and active Cash Balance participants. Rates varying by age and service for active Traditional participants and active Traditional Choice participants.

The rates at which participants retire by age (and service, if applicable) are shown below.

Retirement Rates – Active Cash Balance Participants

Age	Rate	Age	Rate
50	4%	60	25%
51	4%	61	10%
52	4%	62	30%
53	4%	63	15%
54	4%	64	15%
55	20%	65	75%
56	10%	66	20%
57	10%	67+	100%
58	10%		
59	10%		

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 0 and 27)

Age	Years of Service					
	0-22	23	24	25	26	27
50	1%	1%	1%	2%	2%	2%
51	1%	1%	1%	2%	2%	2%
52	1%	1%	1%	2%	2%	2%
53	1%	1%	1%	2%	2%	2%
54	1%	1%	1%	2%	2%	2%
55	2%	2%	2%	5%	5%	5%
56	2%	2%	2%	5%	5%	5%

57	5%	5%	5%	5%	5%	5%
58	5%	5%	5%	5%	5%	15%
59	5%	5%	5%	5%	15%	15%
60	10%	10%	10%	15%	15%	15%
61	5%	5%	15%	15%	15%	15%
62	20%	35%	35%	35%	35%	35%
63	15%	15%	15%	15%	15%	15%
64	15%	15%	15%	15%	15%	15%
65	75%	75%	75%	75%	75%	75%
66	20%	20%	20%	20%	20%	20%
67+	100%	100%	100%	100%	100%	100%

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 28 and 30+)

Age	Years of Service		
	28	29	30+
50	2%	2%	2%
51	2%	2%	2%
52	2%	2%	2%
53	2%	2%	2%
54	2%	2%	2%
55	5%	5%	30%
56	5%	10%	25%
57	15%	15%	25%
58	15%	15%	30%
59	15%	15%	15%
60	15%	15%	20%
61	15%	15%	20%
62	35%	35%	20%
63	15%	15%	15%
64	15%	15%	15%
65	75%	75%	75%
66	20%	20%	20%
67+	100%	100%	100%

Retirement Rates – Terminated Vested Participants

Age	Rate	Age	Rate
50	2%	60	20%
51	2%	61	15%
52	2%	62	30%
53	2%	63	15%
54	2%	64	15%
55	20%	65+	100%
56	7%		
57	7%		
58	7%		
59	7%		

Retirement Assumption for Future Terminated Vested Participants

- Future Terminated Vested Participants who elect an annuity are assumed to commence their benefit at age 57.
- Future Terminated Vested Participants who elect a lump sum are assumed to commence their benefit immediately.

Benefit commencement date

Preretirement death benefit Date of Death.

Deferred vested benefit 50% of cash balance participants are assumed to commence upon termination of employment and 50% are assumed to defer their commencement until age 65. Annuity participants are assumed to commence at age 57.

Disability benefit Normal Retirement Date.

Retirement benefit Upon termination of employment.

Estimated Average Remaining Service 9.710 years as of January 1, 2017

Form of payment

Cash Balance Participants:

- 100% elect the Lump Sum.

Traditional Plan Participants:

- 65% of married participants elect the 100% Contingent Annuity.
- 35% of married participants elect the Single Life Annuity.
- 100% of single participants elect the Single Life Annuity.

Traditional Choice Participants:

- 100% elect the Lump Sum.

Percent married

It is assumed that 85% of males and 85% of females have an eligible spouse.

Spouse age

Males are three years older than their spouses.

Covered pay

Before 2016

Actual historical pensionable earnings.

2016

2016 pay estimated as the sum of:

- Actual earnings through March 31, 2016 (includes bonus and incentive payments made in the first quarter).
- Expected base pay for the remaining nine months of the year (estimated by using the base pay rate in effect on April 1, 2016).
- Assumed overtime for the remaining nine months of the year.

2017+

Estimated 2016 pay (for projection purposes) is projected forward using the salary scale, where 2016 pay (for projection purposes) is estimated as the sum of:

- Expected base pay (estimated by using the pay rate in effect on April 1, 2016).
- Assumed overtime.
- Assumed target bonus.

Overtime Assumption

Applies to non-exempt employees only

The overtime assumption is expressed as a percentage of base pay and varies by pay level:

- 12% for those with low base pay (under \$50,000)

- 24% for those with medium base pay
- 28% for those with high base pay (over \$67,500)

Vacation Bank The load to average earnings for vacation bank time is based on actual vacation banks accrued to date.

Administrative Expenses for 2017 \$534,226

Expected contributions for 2017 \$8,000,000

Methods

Census Date	January 1, 2016
Measurement Date	December 31, 2016
Data Adjustments	For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.
Cost Method	Traditional unit credit for fixed interest crediting rate cash balance benefits and projected unit credit for all other benefits.
Market-related value of assets	The difference between the actual return on fair value of assets and the assumed return (calculated at the long-term rate of return on assets) is amortized over five years (on straight-line basis).
Amortization of unamortized amounts:	
▶ Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
▶ Net loss (gain)	Net loss (gain) in excess of 10% of the greater of PBO or the market-related value of assets is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan participants.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued except prior plan benefits and grandfathered benefits for active employees. Based on discussions with Duke Energy Corporation, such benefits are considered to have a de minimis likelihood of being paid and thus are not valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in assumptions and methods since prior valuation	The discount rate decreased from 4.40% to 4.10%. The interest basis for lump sum payments was updated to reflect market conditions at the measurement date. The benefit commencement age for deferred vested participants was changed from a table of rates to age 57. The assumptions for estimated expense decreased from \$541,066 to \$534,226. The overtime assumption was updated to reflect experience study results conducted in 2016.

Exhibit A-3
Retirement Plan for Bargaining Unit Employees
of Florida Progress Corporation

Economic Assumptions

Discount rate	4.10%
Expected Return on assets for 2016	6.50%
Expected Return on assets for 2017	6.50%
Annual rates of increase	
Compensation:	

Salary Increase Rates

Age	Rate
20	8.50%
25	7.90%
30	6.90%
35	5.30%
40	3.96%
45	3.30%
50	2.83%
55+	2.65%

Future Social Security wage bases	3.25%
Long-Term 30-Year Treasury Rate Conversion Basis	3.75%
Benefits and Compensation Limits	

The IRC Section 415 benefit limit and the Section 401(a)(17) Compensation limit have been projected at 2.25% per year.

Demographic Assumptions

Mortality	
Healthy	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 9%
Disabled	RP-2014 disabled no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D

Termination

Representative rates based on table below:

Percentage leaving during the year					
Age	Final Pay	Cash Balance			
		0-2	2-3	3-4	4+
20	8.00%	16.00%	12.00%	10.00%	8.00%
25	7.40%	14.80%	11.10%	9.25%	7.40%
30	6.85%	12.80%	9.60%	8.00%	6.40%
35	6.60%	13.50%	10.80%	8.10%	5.40%
40	6.20%	11.38%	9.10%	6.83%	4.55%
45	5.40%	9.88%	7.90%	5.93%	3.95%
50	4.55%	9.75%	7.80%	5.85%	3.90%
55	4.10%	16.00%	12.80%	9.60%	6.40%
60	4.00%	26.00%	20.80%	15.60%	10.40%
65		30.00%	24.00%	18.00%	12.00%

Disability

Representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year		
Age	Final Pay	Cash Balance
20	0.07%	0.07%
25	0.08%	0.08%
30	0.10%	0.10%
35	0.13%	0.13%
40	0.17%	0.22%
45	0.25%	0.34%
50	0.45%	0.60%
55	1.00%	1.16%
60	1.40%	2.26%

Retirement

Rates varying by age for terminated vested participants, active Cash Balance participants, and Final Pay Participants based on service:

Retirement Rates			
Age	Final Pay <35 years of Service	Final Pay >35 years of Service	Cash Balance
55	10%	10%	15%
56	4%	10%	10%
57	5%	30%	10%
58	5%	20%	10%
59	10%	10%	15%
60	15%	10%	20%
61	15%	40%	20%
62	30%	30%	30%

63	30%	15%	15%
64	20%	30%	35%
65	20%	80%	30%
66	40%	80%	30%
67	40%	80%	30%
68	40%	80%	30%
69	40%	80%	30%
70	100%	100%	100%

Estimated Average Remaining Service 9.650 as of January 1, 2017

Commencement Age 70% of Cash Balance participants are assumed to commence as a lump sum immediately upon termination, while 30% are assumed to defer to age 65.

If eligible to commence Final Pay benefit prior to age 65 and currently under age 62, 35% are assumed to commence at age 55, 50% are assumed at age 60 and 15% assumed to commence at age 62. All other vested terminated participants are assumed to commence at age 65.

All participants who terminated within four months prior to the valuation date are assumed to immediately elect a lump sum.

Form of Payment

- For Final Average participants

Retirement

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
60%	60%	Single Life Annuity
40%	40%	50% Joint and Survivor Annuity with Pop up

Vested Termination

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
50%	50%	Single Life Annuity
50%	50%	50% Joint and Survivor Annuity with Pop up

Disability

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
50%	50%	Single Life Annuity
50%	50%	50% Joint and Survivor Annuity with Pop up

Death

<u>< 10 years of Service</u>	<u>< 10 years of Service</u>	<u>Form of Payment</u>
100%	0%	50% Joint and Survivor Annuity
0%	100%	50% Joint and Survivor Annuity

- For Cash Balance Participants

Retirement

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
30%	30%	50% Joint and Survivor Annuity
70%	70%	Lump Sum

Vested Termination

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
15%	15%	50% Joint and Survivor Annuity
85%	85%	Lump Sum

Disability

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
50%	50%	50% Joint and Survivor Annuity
50%	50%	Lump Sum

Death

<u>Single Rate</u>	<u>Married Rate</u>	<u>Form of Payment</u>
0%	50%	50% Joint and Survivor Annuity
100%	50%	Lump Sum

Percent married	80% of males and 40% of females are assumed to have an eligible spouse.
Spouse age	Males are two years older than their spouses.
Administrative Expenses for 2017	\$562,055
Expected Contributions for 2017	\$13,000,000

Methods

Census Date	January 1, 2016
Measurement Date	December 31, 2016
Data Adjustments	For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.
Cost Method	Traditional unit credit for Cash Balance benefits and projected unit credit for final average pay-related benefits.
Market-related value of assets	Fair value of assets
Amortization of unamortized amounts:	
▶ Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
▶ Net loss (gain)	Net loss (gain) in excess of 10% of the greater of PBO or the market-related value of assets is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in assumptions and methods since prior valuation	The discount rate decreased from 4.40% to 4.10%. The assumptions for estimated administrative expense increased from \$531,369 to \$562,055 for 2017.

Exhibit A-4
Retirement Plan of Piedmont Natural Gas Company, Inc.

Economic Assumptions

Discount rate	4.10%
Expected Return on assets for 2016 (11/1 – 12/31)	6.75%
Expected Return on assets for 2017	6.75%

Annual rates of increase

Compensation:

Salary Increase Rates

<u>Age</u>	<u>Rate</u>
20	7.0%
25	7.0%
30	6.0%
35	5.0%
40	4.5%
45	4.5%
50	4.5%
55	4.0%
60	3.5%
65+	3.0%

Future Social Security Wage Basis 3.25%

Benefits and Compensation Limits The IRC Section 415 benefit limit and the Section 401(a)(1) compensation limit have been projected at 2.25% year

Assumed IRC §417(e) Conversion Basis Based on a yield curve comprised of a universe of bonds similar to what the IRS uses for §417(e) rates as of the valuation snapshot date. The yield curve is based on the November Willis Towers Watson RATE:Link 40th – 90th percentile of bonds by yield, plus 25 basis points.

Demographic Assumptions

Mortality
 Healthy and Disabled RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D

Termination

For all participants, rates vary by age based on representative rates shown below:

Percentage leaving during the year		
Age	Rate	
	<u>Males</u>	<u>Females</u>
20	7.800%	11.700%
25	5.400%	8.100%
30	3.660%	5.490%
35	2.610%	3.915%
40	2.070%	3.105%
45	1.830%	2.745%
50	1.680%	2.520%
55	1.320%	1.980%
60	1.020%	1.530%
65	0.000%	0.000%

Disability

Representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year		
Age	Rate	
	<u>Females</u>	<u>Males</u>
20	0.029%	0.030%
25	0.038%	0.047%
30	0.048%	0.080%
35	0.069%	0.136%
40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60	1.256%	1.159%
65	0.000%	0.000%

Retirement

The rates at which participants retire by age are shown below.

Percentage retiring during the year – Active & Deferred	
Age	Rate
Under 55	0%
55	5%
56	5%
57	7.5%
58	7.5%
59	7.5%
60	10%
61	10%
62	40%
63	50%

64	50%
65	60%
66	70%
67	70%
68	70%
69	70%
70+	100%

Estimated Average Remaining Service 8.710 as of January 1, 2017

Commencement age for current deferred vested participants Age 60.

Form of payment

Retirement and Future Vested Termination¹

<u>Rate</u>	<u>Form of Payment</u>
85%	Lump Sum
15%	Life Annuity

Current Vested Termination¹

<u>Rate</u>	<u>Form of Payment</u>
70%	Lump Sum
30%	50% Joint and Survivor Annuity

Disability

<u>Rate</u>	<u>Form of Payment</u>
100%	Life Annuity

Death

<u>Rate</u>	<u>Form of Payment</u>
85%	Lump Sum
15%	50% Joint and Survivor Annuity

Percent married 80% of males and 60% of females are assumed to have an eligible spouse.

Spouse age Males are three years older than their spouses.

Administrative Expenses for 2017 \$548,146

Expected contributions for 2017 \$11,000,000

Methods

Census date	January 1, 2016
Measurement date	December 31, 2016
Cost method	Projected Unit Credit

¹ Former Progress Energy cash balance accounts are assumed to be paid as 50% J&S for married participants, since that form of payments is subsidized.

Data Adjustments	For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.
Market-related value of assets	The difference between the actual return on fair value of assets and the assumed return (calculated at the long-term rate of return on assets) is amortized over five years (on straight-line basis).
Amortization of unamortized amounts:	
▪ Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
▪ Net loss (gain)	Net loss (gain) in excess of 10% of the greater of PBO or the market-related value of asset is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. The plan provisions provide for a lump sum conversion with the greater of IRC §417(e) or UP-84 mortality at 6%. Since the IRC §417(e) conversion basis is expected to provide a larger lump sum both now and in the near-future, our valuation assumes the UP-84 mortality basis will never apply. Willis Towers Watson has reviewed the plan provisions with Duke Energy Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in assumptions and methods since prior valuation	<p>The discount rate increased from 3.80% to 4.10%.</p> <p>The future Social Security Wage base increase assumption decreased from 3.50% to 3.25%.</p> <p>The benefits and compensation limits increase assumption decreased from 2.50% to 2.25%.</p> <p>The assumptions for estimated administrative expense decreased from \$590,291 to \$548,146.</p> <p>The interest and mortality basis for lump sum payments was updated to reflect market conditions and current 417(e) regulations at the measurement date.</p> <p>The mortality assumption was updated to the RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D.</p>

Exhibit A-5
Duke Energy Corporation Executive Cash Balance Plan

Economic Assumptions

Discount rate	4.10%
Annual rates of increase	
Compensation:	N/A

Compensation:
(Former participants in the Cinergy Corp. Excess Pension Plan)

For 2016, based on estimated 2016 earnings; after 2016, based on the table below:

Salary Increase Rates for after 2016

Age	Rate	Age	Rate
15	9.50%	40	5.50%
16	9.50%	41	5.50%
17	9.50%	42	5.50%
18	9.50%	43	5.50%
19	9.50%	44	5.50%
20	9.50%	45	4.50%
21	9.50%	46	4.50%
22	9.50%	47	4.50%
23	9.50%	48	4.50%
24	9.50%	49	4.50%
25	9.50%	50	4.50%
26	9.50%	51	4.50%
27	9.50%	52	4.50%
28	9.50%	53	4.50%
29	9.50%	54	4.50%
30	8.50%	55+	3.50%
31	8.50%		
32	8.50%		
33	8.50%		
34	8.50%		
35	6.50%		
36	6.50%		
37	6.50%		
38	6.50%		
39	6.50%		

Compensation:
(Former participants in the Progress Energy Restoration Plan) N/A

Cash Balance Interest Crediting Rate (for balances subject to variable interest crediting rate) 4.25%

Future Social Security wage bases	3.25%
Long-term 30-year Treasury Rate Conversion Basis	3.75%
Benefit and Compensation Limits	The IRC section 415 benefit limit and the section 401(a)(17) compensation limit have been projected at 2.25% per year.

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
Healthy and Disabled	Legacy Duke/Cinergy Participants: RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 13% Legacy Progress Participants: RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 9%
Termination	Former participants in the Progress Energy Supplemental Senior Executive Retirement Plan assume no termination. For legacy ECBP participants, rates vary by age and service.

Percentage leaving during the year

Age	Years of Service					
	0	1	2	3	4	5+
15	25%	25%	18%	18%	16%	10%
16	25%	25%	18%	18%	16%	10%
17	25%	25%	18%	18%	16%	10%
18	25%	25%	18%	18%	16%	10%
19	25%	25%	18%	18%	16%	10%
20	25%	25%	18%	18%	16%	10%
21	25%	25%	18%	18%	16%	10%
22	25%	25%	18%	18%	16%	10%
23	25%	25%	18%	18%	16%	10%
24	25%	25%	18%	18%	16%	10%
25	25%	15%	12%	12%	12%	10%
26	25%	15%	12%	12%	12%	10%
27	25%	15%	12%	12%	12%	10%
28	25%	15%	12%	12%	12%	10%
29	25%	15%	12%	12%	12%	10%
30	20%	15%	12%	12%	12%	7.50%
31	20%	15%	12%	12%	12%	7.50%
32	20%	15%	12%	12%	12%	7.50%

33	20%	15%	12%	12%	12%	7.50%
34	20%	15%	12%	12%	12%	7.50%
35	20%	15%	15%	15%	10%	5%
36	20%	15%	15%	15%	10%	5%
37	20%	15%	15%	15%	10%	5%
38	20%	15%	15%	15%	10%	5%
39	20%	15%	15%	15%	10%	5%
40	20%	15%	15%	15%	10%	3%
41	20%	15%	15%	15%	10%	3%
42	20%	15%	15%	15%	10%	3%
43	20%	15%	15%	15%	10%	3%
44	20%	15%	15%	15%	10%	3%
45	15%	15%	15%	15%	10%	2.50%
46	15%	15%	15%	15%	10%	2.50%
47	15%	15%	15%	15%	10%	2.50%
48	15%	15%	15%	15%	10%	2.50%
49	15%	15%	15%	15%	10%	2.50%
50	15%	15%	10%	10%	10%	2%
51	15%	15%	10%	10%	10%	2%
52	15%	15%	10%	10%	10%	2%
53	15%	15%	10%	10%	10%	2%
54	15%	15%	10%	10%	10%	2%
55+	0%	0%	0%	0%	0%	0%

Termination:
(Former Participants of the Cinergy Corp. Excess Pension Plan)

Percentage leaving during the year

Age	Years of Service					
	0	1	2	3	4	5+
15	33%	20%	19%	17%	16%	15%
16	33%	20%	19%	17%	16%	15%
17	33%	20%	19%	17%	16%	15%
18	33%	20%	19%	17%	16%	15%
19	33%	20%	19%	17%	16%	15%
20	33%	20%	19%	17%	16%	15%
21	33%	20%	19%	17%	16%	15%
22	33%	20%	19%	17%	16%	15%
23	33%	20%	19%	17%	16%	15%
24	33%	20%	19%	17%	16%	15%
25	25%	19%	18%	15%	14%	10%
26	25%	19%	18%	15%	14%	10%
27	25%	19%	18%	15%	14%	10%
28	25%	19%	18%	15%	14%	10%
29	25%	19%	18%	15%	14%	10%
30	22%	18%	17%	14%	12%	5.50%
31	22%	18%	17%	14%	12%	5.50%

32	22%	18%	17%	14%	12%	5.50%
33	22%	18%	17%	14%	12%	5.50%
34	22%	18%	17%	14%	12%	5.50%
35	20%	17%	16%	13%	11%	3.50%
36	20%	17%	16%	13%	11%	3.50%
37	20%	17%	16%	13%	11%	3.50%
38	20%	17%	16%	13%	11%	3.50%
39	20%	17%	16%	13%	11%	3.50%
40	17%	16%	15%	12%	10%	2.50%
41	17%	16%	15%	12%	10%	2.50%
42	17%	16%	15%	12%	10%	2.50%
43	17%	16%	15%	12%	10%	2.50%
44	17%	16%	15%	12%	10%	2.50%
45	16%	15%	14%	11%	8%	2%
46	16%	15%	14%	11%	8%	2%
47	16%	15%	14%	11%	8%	2%
48	16%	15%	14%	11%	8%	2%
49	16%	15%	14%	11%	8%	2%
50	15%	14%	13%	10%	7%	2%
51	15%	14%	13%	10%	7%	2%
52	15%	14%	13%	10%	7%	2%
53	15%	14%	13%	10%	7%	2%
54	15%	14%	13%	10%	7%	2%
55+	0%	0%	0%	0%	0%	0%

Termination:
(Former participants of the Progress
Energy Restoration
Plan)

Percentage terminated during the year
(based on pension benefit formula and service)

Age	Final Pay	Cash Balance			
		Years of Service			
		0-2	2-3	3-4	4+
20	8.00%	16.00%	12.00%	10.00%	8.00%
25	7.40%	14.80%	11.10%	9.25%	7.40%
30	6.85%	12.80%	9.60%	8.00%	6.40%
35	6.60%	13.50%	10.80%	8.10%	5.40%
40	6.20%	11.38%	9.10%	6.83%	4.55%
45	5.40%	9.88%	7.90%	5.93%	3.95%
50	4.55%	9.75%	7.80%	5.85%	3.90%
55	4.10%	16.00%	12.80%	9.60%	6.40%
60	4.00%	26.00%	20.80%	15.60%	10.40%
65		30.00%	24.00%	18.00%	12.00%

Disability

Former participants in the Progress Energy Supplemental Senior Executive Retirement Plan assume no disability. For legacy ECBP and Cinergy Excess participants, the rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year			
Age	Rate	Age	Rate
15	0.08%	40	0.17%
16	0.08%	41	0.19%
17	0.08%	42	0.20%
18	0.08%	43	0.22%
19	0.08%	44	0.23%
20	0.08%	45	0.25%
21	0.08%	46	0.28%
22	0.08%	47	0.32%
23	0.08%	48	0.35%
24	0.08%	49	0.39%
25	0.08%	50	0.42%
26	0.08%	51	0.49%
27	0.08%	52	0.56%
28	0.08%	53	0.62%
29	0.08%	54	0.69%
30	0.10%	55	0.76%
31	0.11%	56	0.91%
32	0.11%	57	1.06%
33	0.12%	58	1.20%
34	0.12%	59	1.35%
35	0.13%	60+	1.50%
36	0.14%		
37	0.15%		
38	0.15%		
39	0.16%		

Disability:
(Former participants of the
Progress Energy Restoration
Plan)

The rates at which participants become disabled by age are shown below:

**Percentage becoming disabled during the year
(based on pension benefit formula)**

<u>Age</u>	<u>Final Pay</u>	<u>Cash Balance</u>
20	0.07%	0.07%
25	0.08%	0.08%
30	0.10%	0.10%
35	0.13%	0.13%
40	0.17%	0.22%
45	0.25%	0.34%
50	0.45%	0.60%
55	1.00%	1.16%
60	1.40%	2.26%

Retirement

Former participants in the Progress Energy Supplemental Senior Executive Retirement Plan assume retirement at age 62 or current age, if older. For legacy ECBP participants, rates varying by age are shown below:

Percentage retiring during the year – Active & Deferred

<u>Age</u>	<u>Active Rate</u>	<u>Deferred Rate</u>
55	5%	40%
56	5%	15%
57	5%	15%
58	5%	15%
59	8%	15%
60	8%	20%
61	15%	20%
62	20%	20%
63	15%	20%
64	20%	20%
65	30%	50%
66	20%	25%
67	25%	25%
68	25%	25%
69	25%	25%
70+	100%	100%

Retirement:
(Former participants of the Cinergy Corp. Excess Pension Plan)

Rates varying by age for terminated vested participants and active Cash Balance participants. Rates varying by age and service for active Traditional and Traditional Choice participants.

The rates at which participants retire by age (and service, if applicable) are shown below.

Retirement Rates – Active Cash Balance Participants			
Age	Rate	Age	Rate
50	4%	63	15%
51	4%	64	20%
52	4%	65	30%
53	4%	66	20%
54	4%	67	25%
55	5%	68	25%
56	5%	69	25%
57	5%	70+	100%
58	5%		
59	8%		
60	8%		
61	15%		
62	20%		

Retirement Rates – Traditional and Traditional Choice (Years of Service between 0 and 25)						
Age	Years of Service					
	0-19	20	21	22-23	24	25
50	4%	4%	4%	4%	4%	4%
51	4%	4%	4%	4%	4%	4%
52	4%	4%	4%	4%	4%	4%
53	4%	4%	4%	4%	4%	4%
54	4%	4%	4%	4%	4%	4%
55	5%	5%	5%	5%	5%	5%
56	5%	5%	5%	5%	5%	5%
57	5%	5%	5%	5%	5%	5%
58	7%	7%	7%	7%	7%	7%
59	10%	10%	10%	10%	10%	10%
60	10%	10%	10%	10%	10%	25%
61	15%	15%	15%	15%	25%	25%
62	30%	30%	30%	30%	30%	30%
63	20%	20%	20%	20%	20%	20%
64	25%	25%	25%	25%	25%	25%
65	55%	55%	55%	55%	55%	55%
66	25%	25%	25%	25%	25%	25%
67	55%	55%	55%	55%	55%	55%
68	75%	75%	75%	75%	75%	75%
69	75%	75%	75%	75%	75%	75%
70+	100%	100%	100%	100%	100%	100%

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 26 and 30+)

Age	Years of Service				
	26	27	28	29	30+
50	4%	4%	4%	4%	4%
51	4%	4%	4%	4%	4%
52	4%	4%	4%	4%	4%
53	4%	4%	4%	4%	4%
54	4%	4%	4%	4%	4%
55	5%	5%	5%	5%	25%
56	5%	5%	5%	25%	25%
57	5%	5%	25%	25%	25%
58	7%	25%	25%	25%	25%
59	25%	25%	25%	25%	25%
60	25%	25%	25%	25%	25%
61	30%	30%	30%	30%	25%
62	30%	30%	30%	30%	30%
63	20%	20%	20%	20%	20%
64	25%	25%	25%	25%	25%
65	55%	55%	55%	55%	55%
66	25%	25%	25%	25%	25%
67	55%	55%	55%	55%	55%
68	75%	75%	75%	75%	75%
60	75%	75%	75%	75%	75%
70+	100%	100%	100%	100%	100%

Retirement Rates – Terminated Vested Participants

Age	Rate	Age	Rate
50	2%	60	20%
51	2%	61	15%
52	2%	62	30%
53	2%	63	15%
54	2%	64	15%
55	20%	65+	100%
56	7%		
57	7%		
58	7%		
59	7%		

Retirement Assumption for Future Terminated Vested Participants

Future Terminated Vested Participants who elect an annuity are assumed to commence their benefit at age 57.

Retirement:
(Former participants of the Progress Energy Restoration Plan)

The rates at which participants retire by age are shown below:

Percentage retiring during the year – Active & Deferred

<u>Age</u>	<u>Rate</u>
55	10%
56	10%
57	10%
58	10%
59	10%
60	15%
61	15%
62	25%
63	15%
64	25%
65	35%
66	35%
67	35%
68	35%
69	35%
70+	100%

Estimated Average Remaining Service	7.233 years as of January 1, 2017
Form of payment	<p>Former participants in the Progress Energy Supplemental Senior Executive Retirement Plan, 50% Joint and Survivor Annuity, if married, 10-year Certain and Life if single.</p> <p>For legacy ECBP and Progress Restoration participants, 100% of participants are assumed to elect a lump sum payment upon termination or retirement.</p> <p>For legacy Cinergy Corp. Excess Pension Plan participants: Cash Balance Participants: 100% elect the Lump Sum. Traditional Plan Participants:</p> <ul style="list-style-type: none"> ▪ 65% of married participants elect the 100% Contingent Annuity. ▪ 35% of married participants elect the Single Life Annuity. ▪ 100% of single participants elect the Single Life Annuity. <p>Traditional Choice Participants: 100% elect the Lump Sum.</p>
Percent married	<p>For legacy ECBP and Cinergy Excess participants, it is assumed that 85% of males and 85% of females have an eligible spouse.</p> <p>For former participants in the Progress Energy Supplemental Senior Executive Retirement Plan, actual marital information is used.</p> <p>For former Progress Restoration participants, it is assumed that 80% of participants have an eligible spouse.</p>
Spouse age	<p>For legacy ECBP and Cinergy Excess participants, males are three years older than their spouses.</p> <p>For former participants in the Progress Energy Supplemental Senior Executive Retirement Plan, actual spousal information is used.</p> <p>For former Progress Restoration participants, males are two years older than their spouses.</p>
Covered pay	
Before 2016	Actual historical pensionable earnings.
2016	<ul style="list-style-type: none"> ▪ 2016 pay estimated as the sum of: ▪ Actual earnings through March 31, 2016 (includes bonus and incentive payments made in the first quarter). ▪ Expected base pay for the remaining nine months of the year (estimated by using the base pay rate in effect on April 1, 2016). ▪ Assumed overtime for the remaining nine months of the year.
2017+	<p>Estimated 2016 pay (for projection purposes) is projected forward using the salary scale, where 2016 pay (for projection purposes) is estimated as the sum of:</p> <ul style="list-style-type: none"> ▪ Expected base pay (estimated by using the pay rate in effect on April 1, 2016).

<p>Overtime Assumption <i>Applies to non-exempt employees only</i></p>	<ul style="list-style-type: none"> ▪ Assumed overtime. ▪ Assumed target bonus. <p>The overtime assumption is expressed as a percentage of base pay and varies by pay level:</p> <ul style="list-style-type: none"> ▪ 12% for those with low base pay (under \$50,000) ▪ 24% for those with medium base pay ▪ 28% for those with high base pay (over \$67,500)
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<p>Vacation Bank <i>(Former participants in the Cinergy Corp Excess Pension Plan)</i></p>	<p>The load to average earnings for vacation bank time is based on actual vacation banks accrued to date.</p>
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Methods

<p>Census Date</p>	<p>January 1, 2016</p>
<p>Measurement Date</p>	<p>December 31, 2016</p>

<p>Data Adjustments</p>	<p>For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.</p>
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<p>Cost Method</p>	<p>Traditional unit credit for fixed interest crediting rate cash balance benefits and projected unit credit for all other benefits.</p>
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<p>Amortization of unamortized amounts:</p>	
<p style="padding-left: 20px;">Past service cost (credit)</p>	<p>Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.</p>
<p style="padding-left: 20px;">Net loss (gain)</p>	<p>Net loss (gain) in excess of 10% of PBO is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.</p>

<p>Significant Liabilities Other Than for Benefits</p>	<p>We are not aware of any significant liabilities other than for benefits.</p>
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<p>Change in assumptions and methods since prior valuation</p>	<p>The discount rate decreased from 4.40% to 4.10%.</p> <p>The overtime assumption was updated to reflect experience study results conducted in 2016.</p>
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Exhibit A-6
Progress Energy Supplemental Senior Executive Retirement Plan

Economic Assumptions

Discount rate	4.10%
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Demographic Assumptions

Pre-Commencement Mortality	None
Post-Commencement Mortality	
Healthy and Disabled	RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 9%
Estimated Average Lifetime Remaining	11.812 years as of January 1, 2017

Methods

Census Date	January 1, 2016
Measurement Date	December 31, 2016
Service cost and projected benefit obligation	Projected unit credit
Amortization of unamortized amounts:	
Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining lifetime of participants expected to benefit under the plan.
Net loss (gain)	Net loss (gain) is amortized on a straight-line basis (with no corridor) over the average expected remaining service of active participants expected to benefit under the plan.
Significant Liabilities Other Than for Benefits	We are not aware of any significant liabilities other than for benefits.
Change in assumptions and methods since prior valuation	The discount rate decreased from 4.40% to 4.10%.

Exhibit A-7
Florida Progress Corporation
Supplemental Executive Retirement Plan and
Nondiscrimination Plan

Economic Assumptions

Discount rate	4.10%
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Demographic Assumptions

Mortality

Healthy and Disabled	RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D
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Estimated Average Remaining Lifetime:	16.735 years as of January 1, 2017
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Methods

Census Date	January 1, 2016
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Measurement Date	December 31, 2016
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Service cost and projected benefit obligation	Projected unit credit
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Amortization of unamortized amounts:

Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
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Net loss (gain)	Net loss (gain) is amortized on a straight-line basis (with no corridor) over the average expected remaining lifetime of participants expected to benefit under the plan.
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Significant Liabilities Other Than for Benefits	We are not aware of any significant liabilities other than for benefits.
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Change in assumptions and methods since prior valuation	The discount rate decreased from 4.40% to 4.10%.
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Exhibit A-8
Piedmont Natural Gas Company Nonqualified Retirement Plan

Economic Assumptions

Discount rate	4.10%
Cost of Living Adjustment	3.0% per year (applies to one beneficiary)

Demographic Assumptions

Mortality

Healthy and Disabled	RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D
Estimated Average Remaining Lifetime:	9.937 years as of January 1, 2017

Methods

Census Date	January 1, 2016
Measurement Date	December 31, 2016
Service cost and projected benefit obligation	Projected unit credit
Amortization of unamortized amounts:	
▶ Past service cost (credit)	Increase or decrease in PBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.
▶ Net loss (gain)	Net loss (gain) in excess of 10% of PBO is amortized on a straight-line basis over the average expected remaining lifetime of participants expected to benefit under the plan.
Significant Liabilities Other Than for Benefits	We are not aware of any significant liabilities other than for benefits.
Change in assumptions and methods since prior valuation	The discount rate increased from 3.80% to 4.10%. The mortality table was updated to RP-2014 healthy white collar table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D.

Exhibit A-9
Duke Energy Retiree Health and Welfare Benefit Plans
Applicable to Future Retirees and Retirees at
Legacy Duke and Cinergy Locations

Economic Assumptions

Discount rate	4.10%
Expected return on assets for 2016	
▪ Medical 401(h) Assets	6.50%
▪ Life VEBA	5.00%
Expected return on assets for 2017	
▪ Medical 401(h) Assets	6.50%
▪ Life VEBA (pre-tax)	5.00%

Annual rates of compensation increase

Representative rates

Age	Annual Increase
25	11.50%
30	9.50%
35	7.50%
40	5.50%
45	5.00%
50	4.50%
55	4.00%
60	3.50%

Participation Assumptions

Participation:	<i>Current Retirees</i>	Percentages of eligible individuals electing coverage			
		<i>Future Retirees Union</i>		<i>Future Retirees* (Retiring after 1/1/2015)</i>	
		<i>Participant</i>	<i>Spouse</i>	<i>Participant</i>	<i>Spouse</i>
Medical	▶ Based on valuation census data	▶ 80%	▶ 80%	▶ 100%	▶ 100%
Dental	▶ 50% for post-65 retirees	▶ 80%	▶ 80%	▶ 100%	▶ 100%
Life insurance	▶ Based on valuation census data	▶ 100%	▶ N/A	▶ 100%	▶ N/A

*Includes all non-union, IBEW 1347, USW 7202, IBEW 962, IBEW 962T, UWUA (effective 10/1/2015), USW 12049 (effective 11/1/2016), USW 5541-01 (effective 11/1/2016), and IBEW 1393 (effective 1/1/2019) employees.

	<i>Current Retirees</i>	<i>Future Retirees</i>
Percent married	Based on valuation census data	80% of males and females
Spouse age	Based on valuation census data	Wife three years younger than husband
Persistency	Pre-65 current retirees are assumed to have a 5% annual lapse for non-union retirees for the next 4 years. No lapse assumption for post-65 retirees.	

Demographic Assumptions

Healthy Mortality	RPH-2014 healthy with no collar adjustment, table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 15%.
Disabled Mortality	RPH-2014 disabled table projected with Scale BB-2D.
Disability	The rates at which participants are assumed to become disabled by age are shown below:

Classes 10, 15, 20, 25, 55			
Age	Rate	Age	Rate
15	0.08%	38	0.15%
16	0.08%	39	0.16%
17	0.08%	40	0.17%
18	0.08%	41	0.19%
19	0.08%	42	0.20%
20	0.08%	43	0.22%
21	0.08%	44	0.23%
22	0.08%	45	0.25%
23	0.08%	46	0.28%
24	0.08%	47	0.32%
25	0.08%	48	0.35%
26	0.08%	49	0.39%
27	0.08%	50	0.42%
28	0.08%	51	0.49%
29	0.08%	52	0.56%
30	0.10%	53	0.62%
31	0.11%	54	0.69%
32	0.11%	55	0.76%
33	0.12%	56	0.91%
34	0.12%	57	1.06%
35	0.13%	58	1.20%
36	0.14%	59	1.35%
37	0.15%	60+	1.50%

Termination (not due to retirement)	The rates at which participants are assumed to terminate employment by age and service are shown below:
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Duke Energy Retirement Cash Balance Plan (RCBP)						
Attained Age	Attained Service					
	0	1	2	3	4	5+
≤24	25.0%	25.0%	18.0%	18.0%	16.0%	10.0%
25-29	25.0%	15.0%	12.0%	12.0%	12.0%	10.0%
30-34	20.0%	15.0%	12.0%	12.0%	12.0%	7.5%
35-39	20.0%	15.0%	15.0%	15.0%	10.0%	5.0%
40-44	20.0%	15.0%	15.0%	15.0%	10.0%	3.0%
45-49	15.0%	15.0%	15.0%	15.0%	10.0%	2.5%
50-54	15.0%	15.0%	10.0%	10.0%	10.0%	2.0%
≥ 55	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Non-Union Employees' Pension Plan (NONU)

Attained Age	Attained Service					
	0	1	2	3	4	5+
≤24	33.0%	20.0%	19.0%	17.0%	16.0%	15.0%
25-29	25.0%	19.0%	18.0%	15.0%	14.0%	10.0%
30-34	22.0%	18.0%	17.0%	14.0%	12.0%	5.5%
35-39	20.0%	17.0%	10.0%	13.0%	11.0%	3.5%
40-44	17.0%	16.0%	15.0%	12.0%	10.0%	2.5%
45-49	16.0%	15.0%	14.0%	11.0%	.8.0%	2.0%
50-54	15.0%	14.0%	13.0%	10.0%	7.0%	2.0%
≥ 55	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Union Employees' Retirement Income Plan (CGEU)

Attained Age	Attained Service		
	0	1	2+
≤24	20.0%	20.0%	15.0%
25-29	19.0%	19.0%	10.0%
30-34	18.0%	18.0%	5.5%
35-39	17.0%	17.0%	3.5%
40-44	16.0%	16.0%	2.5%
45-49	15.0%	15.0%	2.0%
50-54	14.0%	14.0%	2.0%
≥ 55	0.0%	0.0%	0.0%

Cinergy Corp. Union Employees Pension Plan (PSIU)

Attained Age

≤24	15.0%
25-29	10.0%
30-34	5.5%
35-39	3.5%
40-54	2.0%
≥ 55	0.0%

Retirement

The rates at which participants are assumed to retire by age are shown below:

Duke Energy Retirement Cash Balance Plan (RCBP)

Age	Rate
50	4.0%
51	4.0%
52	4.0%
53	4.0%
54	4.0%
55	5.0%
56	5.0%
57	5.0%
58	5.0%

Duke Energy Retiree Health and Welfare Benefit Plans Applicable
to Future Retirees and Retirees at Legacy Duke Energy and Cinergy Locations

59	8.0%
60	8.0%
61	15.0%
62	20.0%
63	15.0%
64	20.0%
65	30.0%
66	20.0%
67	25.0%
68	25.0%
69	25.0%
70	100.0%

Non-Union Employees' Pension Plan (NONU) – Active Cash Balance Participants

Age	Rate	Age	Rate
50	4.0%	64	20.0%
51	4.0%	65	30.0%
52	4.0%	66	20.0%
53	4.0%	67	25.0%
54	4.0%	68	25.0%
55	5.0%	69	25.0%
56	5.0%	70+	100.0%
57	5.0%		
58	5.0%		
59	8.0%		
60	8.0%		
61	15.0%		
62	20.0%		
63	15.0%		

Non-Union Employees' Pension Plan (NONU) – Traditional Participants (Years of Service between 0 and 25)

Age	Years of Service					
	0-19	20	21	22-23	24	25
50	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
51	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
52	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
53	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
54	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
55	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
56	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
57	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
58	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
59	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
60	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
61	15.0%	15.0%	15.0%	15.0%	25.0%	25.0%
62	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
63	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
64	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

65	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
66	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
67	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
68	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
69	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
70+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Non-Union Employees' Pension Plan (NONU) – Traditional Participants
and Traditional Choice Participants (Years of Service between 26 and
30+)**

Age	Years of Service				
	26	27	28	29	30+
50	4.0%	4.0%	4.0%	4.0%	4.0%
51	4.0%	4.0%	4.0%	4.0%	4.0%
52	4.0%	4.0%	4.0%	4.0%	4.0%
53	4.0%	4.0%	4.0%	4.0%	4.0%
54	4.0%	4.0%	4.0%	4.0%	4.0%
55	5.0%	5.0%	5.0%	5.0%	25.0%
56	5.0%	5.0%	5.0%	5.0%	25.0%
57	5.0%	5.0%	5.0%	5.0%	25.0%
58	7.0%	7.0%	7.0%	7.0%	25.0%
59	25.0%	25.0%	25.0%	25.0%	25.0%
60	25.0%	25.0%	25.0%	25.0%	25.0%
61	30.0%	30.0%	30.0%	30.0%	25.0%
62	30.0%	30.0%	30.0%	30.0%	30.0%
63	30.0%	30.0%	30.0%	30.0%	30.0%
64	25.0%	25.0%	25.0%	25.0%	25.0%
65	55.0%	55.0%	55.0%	55.0%	55.0%
66	25.0%	25.0%	25.0%	25.0%	25.0%
67	55.0%	55.0%	55.0%	55.0%	55.0%
68	75.0%	75.0%	75.0%	75.0%	75.0%
69	75.0%	75.0%	75.0%	75.0%	75.0%
70+	100.0%	100.0%	100.0%	100.0%	100.0%

**Union Employees' Retirement Income Plan (CGEU) – Active Cash
Balance Participants**

Age	Rate	Age	Rate
50	4.0%	59	10.0%
51	4.0%	60	25.0%
52	4.0%	61	10.0%
53	4.0%	62	30.0%
54	4.0%	63	15.0%
55	20.0%	64	15.0%
56	10.0%	65	75.0%
57	10.0%	66	20.0%
58	10.0%	67+	100.0%

**Union Employees' Retirement Income Plan (CGEU) – Traditional
Participants and Traditional Choice Participants (Years of Service
between 0 and 27)**

Age	Years of Service					
	0-22	23	24	25	26	27
50	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
51	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
52	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
53	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
54	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
55	2.0%	2.0%	2.0%	5.0%	5.0%	5.0%
56	2.0%	2.0%	2.0%	5.0%	5.0%	5.0%
57	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
58	5.0%	5.0%	5.0%	5.0%	5.0%	15.0%
59	5.0%	5.0%	5.0%	5.0%	15.0%	15.0%
60	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%
61	5.0%	5.0%	15.0%	15.0%	15.0%	15.0%
62	20.0%	35.0%	35.0%	35.0%	35.0%	35.0%
63	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
64	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
65	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
66	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
67+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Union Employees' Retirement Income Plan (CGEU) – Traditional
Participants and Traditional Choice Participants (Years of Service
between 28 and 30+)**

Age	Years of Service		
	28	29	30+
50	2.0%	2.0%	2.0%
51	2.0%	2.0%	2.0%
52	2.0%	2.0%	2.0%
53	2.0%	2.0%	2.0%
54	2.0%	2.0%	2.0%
55	5.0%	5.0%	30.0%
56	5.0%	10.0%	25.0%
57	15.0%	15.0%	25.0%
58	15.0%	15.0%	30.0%
59	15.0%	15.0%	15.0%
60	15.0%	15.0%	20.0%
61	15.0%	15.0%	20.0%
62	35.0%	35.0%	20.0%
63	15.0%	15.0%	15.0%
64	15.0%	15.0%	15.0%
65	75.0%	75.0%	75.0%
66	20.0%	20.0%	20.0%
67+	100.0%	100.0%	100.0%

**Cinergy Corp. Union Employees' Pension Plan (PSIU) – Active Cash
Balance Participants**

Age	Rate	Age	Rate
50	1.0%	60	10.0%
51	1.0%	61	5.0%
52	1.0%	62	20.0%
53	1.0%	63	15.0%
54	1.0%	64	15.0%
55	2.0%	65	75.0%
56	2.0%	66	20.0%
57	5.0%	67+	100.0%
58	5.0%		
59	5.0%		

**Cinergy Corp. Union Employees' Pension Plan (PSIU) – Traditional Participants and
Traditional Choice Participants
(Years of Service between 0 and 27)**

Age	Years of Service					
	0-22	23	24	25	26	27
50	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
51	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
52	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
53	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
54	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%
55	2.0%	2.0%	2.0%	5.0%	5.0%	5.0%
56	2.0%	2.0%	2.0%	5.0%	5.0%	5.0%
57	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
58	5.0%	5.0%	5.0%	5.0%	5.0%	15.0%
59	5.0%	5.0%	5.0%	5.0%	15.0%	15.0%
60	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%
61	5.0%	5.0%	15.0%	15.0%	15.0%	15.0%
62	20.0%	35.0%	35.0%	35.0%	35.0%	35.0%
63	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
64	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
65	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
66	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
67+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Cinergy Corp. Union Employees' Pension Plan (PSIU) – Traditional
Participants and Traditional Choice Participants
(Years of Service between 28 and 30+)**

Age	Years of Service		
	28	29	30+
50	2.0%	2.0%	2.0%
51	2.0%	2.0%	2.0%
52	2.0%	2.0%	2.0%
53	2.0%	2.0%	2.0%
54	2.0%	2.0%	2.0%
55	5.0%	5.0%	15.0%
56	5.0%	10.0%	10.0%
57	15.0%	15.0%	15.0%
58	15.0%	15.0%	15.0%
59	15.0%	15.0%	15.0%
60	15.0%	15.0%	15.0%
61	15.0%	15.0%	15.0%
62	35.0%	35.0%	35.0%
63	15.0%	15.0%	15.0%
64	15.0%	15.0%	15.0%
65	75.0%	75.0%	75.0%
66	20.0%	20.0%	20.0%
67+	100.0%	100.0%	100.0%

Estimated Average Remaining Service (Medical) 9.017 years as of January 1, 2017

Estimated Average Future Lifetime (Duke Life) 13.859 years as of January 1, 2017

Estimated Average Future Lifetime (Cinergy Life) 11.140 years as of January 1, 2017

Trend Rates

Medical plan trend rate:

- ▶ Medical costs (including prescription drugs) 7.00% in 2017, reducing 0.50% per year until 2020, then reducing 0.25% per year, reaching an ultimate rate of 4.75% in 2023
- ▶ Dental care costs 5.00% starting in 2017
- ▶ Medicare Part B reimbursements Same as medical trend rate

Participant contribution trend rates

- ▶ Medical costs (including prescription drugs) Same as applicable medical plan trend rate
- ▶ Dental Same as dental plan trend rate

Medicare Part B Reimbursement

Medicare Part B reimbursement Paid to class N1, N2, 10, 15 and 20 retirees after age 65. The subsidy provided to class 20 retirees is limited to \$42.60 per month. The subsidy provided to class N1, N2, 10 and 15 retirees is \$104.90 per month (2017 rates)

Per Capita Claims Costs

	Age	Average annual per capita claims cost for 2017*	
		Duke Medical	Cinergy Medical
▶ By age group	< 55	\$ 9,893	\$ 8,593
	55-59	11,018	9,569
	60-64	14,990	13,019
	65-69	N/A	N/A
	70-74	N/A	N/A
	75-79	N/A	N/A
	80-84	N/A	N/A
	85-89	N/A	N/A
	90-94	N/A	N/A
	>= 95	N/A	N/A

*Weighted average of all available retiree medical plans based on current retiree elections

Morbidity adjustments Pre-65 health care costs for disabled lives assumed to be 3 times amount in table above.

Net per capita annual company-paid dental claims Fiscal 2017 per capita costs were assumed to be \$504.

United Healthcare Post-65 Monthly Employer Subsidy for 2017*

Age	Duke Medical*	Cinergy Medical*
65	\$ 136.52	\$ 158.37
70	165.77	192.31
75+	195.04	226.25
	Rx	Rx
All ages	\$ 71.75	\$ 67.20

*Duke Medical amounts are a weighted blend of the 2017 North Carolina Plan F rate (65.0%), South Carolina Plan F Rural 3 rate (28.4%) and South Carolina Plan F Rural 2 rate (6.6%). Cinergy Medical amounts are the 2017 Plan F UHC rates for Indiana. Rx rates represent the 2017 UHC rates for the Rx Preferred Plan (blended 65%/35% for North Carolina and South Carolina for Duke Medical and 100% Indiana for Cinergy Medical).

Additional Assumptions

Administrative expenses	Administrative costs are included in the per capita claims cost for medical (current administrative fees reflected are, per enrollee per month, \$45.97 for pre-65 medical and \$1.75 for Caremark).
Timing of benefit payments	Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.
Expected Net Employer Contributions	All benefits are assumed to be paid from trust assets, with the exception of life insurance benefits for Cinergy retirees.

Methods

Census date	January 1, 2016
Measurement date	December 31, 2016
Data adjustments	For the December 31, 2016 disclosure, the benefit obligations as of January 1, 2016 were projected to December 31, 2016 using a roll-forward methodology. This methodology calculates the expected obligations at December 31, 2016 as if all actuarial assumptions had been realized, and then adjusts these expected obligations for the plan amendments, assumption changes, and known demographic experience, if any, that occurred during the year.
Service cost and accumulated post-retirement benefit obligation	Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.
Market-related value of assets	The difference between the actual return on market assets and the assumed return (calculated at the long-term rate of return on assets) is amortized over five years (on straight-line basis).

Amortization of unamortized amounts:

- Transition obligation (asset) Transition obligation (asset) amortized on a straight line basis.
- Past service cost (credit) Increase or decrease in APBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service until full eligibility date of active participants expected to benefit under the plan. Reduction in APBO first reduced any unrecognized prior service cost, then any unrecognized transition obligation; any remaining amount is amortized on a straight-line basis as described above.
- Net loss (gain) Net loss (gain) in excess of 10% of the greater of APBO or the market-related value of asset is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan for the Medical Plan, and over the remaining life expectancy of inactive participants for the Life Plan.

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in Assumptions and Methods
Since Prior Valuation

The discount rate decreased from 4.40% to 4.10%.

Per capita claims costs assumptions were updated to reflect updated enrollment experience and new plan options.

UHC subsidy amounts were updated based on the 2017 premium rates.

The post-65 dental participation assumption for current retirees was changed from 100% to 50% based on past experience.

Exhibit A-10
Duke Energy Retiree Health and Welfare Benefit Plans
Applicable to Future Retirees and Retirees of
Legacy Progress Energy Locations

Economic Assumptions

Discount rate	4.10 %
Expected return on assets for 2016 VEBA Assets	5.00 %
Expected return on assets for 2017 VEBA Assets	5.00 %

Participation Assumptions

▶ Medical	100% for participant and spouse, if assumed married	
	<i>Participant</i>	<i>Spouse</i>
▶ Dental	50%	50%
▶ Life insurance	100%	N/A
▶ Vision	50%	50%
	<i>Current Retirees</i>	<i>Future Retirees</i>
Percent married	Based on valuation census data	80% of males and females (40% for union employees)
Spouse age	Based on valuation census data	Wife two years younger than husband
Persistency	Pre-65 current retirees are assumed to have a 5% annual lapse for non-union retirees for the next 4 years. No lapse assumption for post-65 retirees.	

Demographic Assumptions

Healthy Mortality	RPH-2014 healthy with no collar adjustment, table for Annuitants and Non-Annuitants projected generationally with Scale BB-2D, increased by 10%.
Disabled Mortality	RPH-2014 disabled table projected with Scale BB-2D.

Disability

The rates at which participants are assumed to become disabled by age and benefit platform are shown below:

Non-Union			
Age	Disability Rate	Age	Disability Rate
20	0.07%	55	1.16%
25	0.08%	56	1.32%
30	0.10%	57	1.48%
35	0.13%	58	1.68%
40	0.22%	59	1.94%
45	0.34%	60	2.26%
50	0.60%	61	2.62%
51	0.70%	62	3.08%
52	0.80%	63	3.60%
53	0.90%	64	4.20%
54	1.00%	65	4.80%

Union		
Age	FAE	Cash Balance
20	0.07%	0.07%
25	0.08%	0.08%
30	0.10%	0.10%
35	0.13%	0.13%
40	0.17%	0.22%
45	0.25%	0.34%
50	0.45%	0.60%
55	1.00%	1.16%
60	1.40%	2.26%

Termination

The rates at which participants are assumed to terminate employment by age and service are shown below:

Non-Union				
Age	Years of Service			
	0-2	2-3	3-4	4+
20	16.0%	12.0%	10.0%	8.0%
25	14.8%	11.1%	9.3%	7.4%
30	12.8%	9.6%	8.0%	6.4%
35	13.5%	10.8%	8.1%	5.4%
40	11.4%	9.1%	6.8%	4.6%
45	9.9%	7.9%	5.9%	4.0%
50	9.8%	7.8%	5.9%	3.9%
55	16.00%	12.80%	9.60%	6.40%
60	26.00%	20.80%	15.60%	10.40%
65	30.00%	24.00%	18.00%	12.00%

Union					
Age	FAE	Cash Balance			
		Years of Service			
		0-2	2-3	3-4	4+
20	8.00%	16.00%	12.00%	10.00%	8.00%
25	7.40%	14.80%	11.10%	9.25%	7.40%
30	6.85%	12.80%	9.60%	8.00%	6.40%
35	6.60%	13.50%	10.80%	8.10%	5.40%
40	6.20%	11.38%	9.10%	6.83%	4.55%
45	5.40%	9.88%	7.90%	5.93%	3.95%
50	4.55%	9.75%	7.80%	5.85%	3.90%
55	4.10%	16.00%	12.80%	9.60%	6.40%
60	4.00%	26.00%	20.80%	15.60%	10.40%
65		30.00%	24.00%	18.00%	12.00%

Retirement

Non-Union

The rates at which participants are assumed to retire by age are shown below:

<u>Age</u>	<u>Rate</u>
55	10%
56	10%
57	10%
58	10%
59	15%
60	15%
61	15%
62	25%
63	15%
64	25%
65	35%
66	35%
67	35%
68	35%
69	35%
70	100%

Age	Union		
	FAE		Cash Balance
	<35 years of service	>=35 years of service	
55	10%	10%	15%
56	4%	10%	10%
57	5%	30%	10%
58	5%	20%	10%
59	10%	10%	15%
60	15%	10%	20%
61	15%	40%	20%
62	30%	30%	30%
63	30%	15%	15%
64	20%	30%	35%
65	20%	80%	30%
66	40%	80%	30%
67	40%	80%	30%
68	40%	80%	30%
69	40%	80%	30%
70+	100%	100%	100%

Estimated Average Remaining Service/Lifetime (Medical)	6.393 years as of January 1, 2017
Estimated Average Future Lifetime (Non-Union Life)	15.147 years as of January 1, 2017
Estimated Average Future Lifetime (Union Life)	15.456 years as of January 1, 2017

Trend Rates

Medical plan trend rate:

- ▶ Medical costs (including prescription drugs) 7.00% in 2017, reducing 0.50% per year until 2020, then reducing 0.25% per year, reaching an ultimate rate of 4.75% in 2023
- ▶ Dental care costs None
- ▶ Vision care costs None

Participant contribution trend rates

- ▶ Medical costs (including prescription drugs) Same as medical plan trend rate
- ▶ Dental Same as dental plan trend rate

Per Capita Claims Costs

Employer provides fixed dollar subsidy. No per capita costs were developed. For valuation purposes, pre-65 non-union retirees are assumed to receive a \$562 per month employer subsidy (\$319 per month for covered spouses). See plan provisions for details. Pre-65 union retirees for Classes BU30 and BU35 employee receive a company subsidy that varies and is capped at \$672 per month.

United Healthcare Post-65 Monthly Employer Subsidy for 2017*

Age		Medical
65	\$	186.10
66		201.54
70		224.59
75		244.59
80+		267.38
		Rx
All ages	\$	72.00

*Medical amounts shown are 2017 Plan F UHC Premiums for Florida cities outside of Miami. Rx rates are the 2017 UHC rates for the Rx Preferred Plan in Florida

Additional Assumptions

Administrative expenses	Administrative costs are included in the per capita claims cost (current administrative fees reflected are, per enrollee per month, \$45.97 for pre-65 medical and \$1.75 for Caremark)
Timing of benefit payments	Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.

Methods

Census date	January 1, 2016
Measurement date	December 31, 2016
Service cost and accumulated post-retirement benefit obligation	Costs are determined using the Projected Unit Credit Cost Method with benefits attributed ratably to service from age 40 (from date of employment for union employees). The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.
Market-related value of assets	N/A

Amortization of unamortized amounts:

- ▶ Transition obligation (asset) Transition obligation (asset) amortized on a straight line basis.
- ▶ Past service cost (credit) Increase or decrease in APBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service until full eligibility date of active participants expected to benefit under the plan. Reduction in APBO first reduced any unrecognized prior service cost, then any unrecognized transition obligation; any remaining amount is amortized on a straight-line basis as described above.
- ▶ Net loss (gain) Net loss (gain) in excess of 10% of the greater of APBO or the market-related value of asset is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan for the Medical Plan, and over the remaining life expectancy of inactive participants for the Life Plans.

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in Assumptions and
Methods Since Prior Valuation

The discount rate decreased from 4.40% to 4.10%.

Per capita claims costs assumptions were updated to reflect updated enrollment experience and new plan options.

UHC subsidy amounts were updated based on the 2017 premium rates.

The post-65 dental participation assumption for current retirees was changed from 100% to 50% based on past experience.

Exhibit A-11
Piedmont Natural Gas Company, Inc.
Postretirement Benefits Plan

Economic Assumptions

Discount rate	4.10 %
Expected return on assets for 2016	
▪ Pre-tax rate for union VEBA and non-union 401(h)	7.25%
▪ Post-tax rate for non-union VEBA	4.7125%
Expected return on assets for 2017	
▪ Pre-tax rate for union VEBA and non-union 401(h)	6.75%
▪ Post-tax rate for non-union VEBA	4.3875%

Participation Assumptions

Participation	95% participation assumed for current actives. For current retirees, 100% persistency is assumed.
Plan forfeiture assumed after 2015	5% of future retirees are assumed to forfeit their account balance
Percent married	Based on valuation census data
Spouse age	Based on valuation census data

Demographic Assumptions

Healthy Mortality	RPH-2014 healthy with no collar adjustment, table for Annuitants and Non-Annuitants, projected back to 2006 using scale MP-2014 and projected forward generationally with Scale BB-2D.
Disabled Mortality	RPH-2014 disabled retiree table, projected back to 2006 using scale MP-2014 and projected forward generationally with Scale BB-2D.
Disability	The rates at which participants are assumed to become disabled by age and gender are shown below:

Attained Age	Disability	
	Male	Female
25	0.00%	0.00%
35	0.04%	0.04%
45	0.13%	0.13%
55	0.61%	0.61%
65	1.38%	1.38%

Termination The rates at which participants are assumed to terminate employment by age and gender are shown below:

Attained Age	Withdrawal	
	Male	Female
25	5.40%	8.10%
35	2.61%	3.92%
45	1.83%	2.75%
55	1.32%	1.98%
65	0.00%	0.00%

Retirement The rates at which participants are assumed to retire by age are shown below:

Age	Rate
55-56	5.0%
57-59	7.5%
60-61	10.0%
62	40.0%
63-64	50.0%
65	60.0%
66-69	70.0%
70	100.0%

Estimated Average Remaining Service 6.987 years as of October 31, 2016

Per Capita Claims Assumptions

- ▶ Claims are assumed to equal the annual HRA contribution
- ▶ No future HRA contribution increases are assumed
- ▶ Health care cost trend rates Not applicable
- ▶ Aging Not applicable
- ▶ Retiree contributions – Post Medicare Not applicable
- ▶ Retiree contribution increases Not applicable

Additional Assumptions

- Administrative expenses The liability for life insurance benefits includes a 5% administrative load.
- Timing of benefit payments Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.

Methods

- Census date October 31, 2016
- Measurement date December 31, 2016

Service cost and accumulated post-retirement benefit obligation	Costs are determined using the Projected Unit Credit Cost Method with benefits attributed ratably to service from age 45 (from age 50 for employees hired or rehired after December 31, 2007). The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.
Market-related value of assets	Fair market value of assets
Amortization of unamortized amounts:	
▶ Transition obligation (asset)	Transition obligation (asset) amortized on a straight line basis.
▶ Past service cost (credit)	Prior service costs are amortized over the average years of remaining future service to full eligibility.
▶ Net loss (gain)	Cumulative gains and losses in excess of 10% of the greater of the APBO or the market-related value of assets are amortized over the average years of remaining future service to expected retirement age.
Benefits Not Valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Duke Energy and, based on that review, is not aware of any significant benefits required to be valued that were not.
Change in Assumptions and Methods Since Prior Valuation	<p>The discount rate increased from 3.80% to 4.10%.</p> <p>Healthy mortality has been updated to RPH-2014 healthy with no collar adjustment, table for Annuitants and Non-Annuitants, projected back to 2006 using scale MP-2014 and projected forward generationally with Scale BB-2D.</p> <p>Disabled mortality has been updated to RPH-2014 disabled retiree table, projected back to 2006 using scale MP-2014 and projected forward generationally with Scale BB-2D.</p>

Appendix B:

Summary of Plan Provisions

Exhibit B-1	Duke Energy Retirement Cash Balance Plan
Exhibit B-2	Cinergy Corp. Union Employees' Retirement Income Plan
Exhibit B-3	Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation
Exhibit B-4	Retirement Plan for Piedmont Natural Gas Company, Inc.
Exhibit B-5	Duke Energy Corporation Executive Cash Balance Plan
Exhibit B-6	Progress Energy Supplemental Senior Executive Retirement Plan
Exhibit B-7	Florida Progress Corporation Supplemental Executive Retirement Plan
Exhibit B-8	Florida Progress Corporation Nondiscrimination Plan
Exhibit B-9	Piedmont Natural Gas Company Nonqualified Retirement Plans
Exhibit B-10	Duke Energy Retiree Health and Welfare Benefit Plans - Plan Provisions Applicable to Future Retirees and Retirees of Legacy Duke Energy and Cinergy Locations
Exhibit B-11	Duke Energy Retiree Health and Welfare Benefit Plans - Plan Provisions Applicable to Future Retirees and Retirees of Legacy Progress Energy Locations
Exhibit B-12	Piedmont Natural Gas Company, Inc. Post Retirement Benefits Plan

Exhibit B-1
Duke Energy Retirement Cash Balance Plan

Plan Provisions

The Duke Energy Retirement Cash Balance Plan was restated effective January 1, 2016, and last amended January 16, 2016 (Amendment 2). Effective December 31, 2012, the Cinergy Corp. Non-Union Employees' Pension Plan and the Cinergy Corp. Union Employees' Pension Plan were merged into the Duke Energy Retirement Cash Balance Plan. Effective December 31, 2015 the Progress Energy Pension plan was merged into the Duke Energy Retirement Cash Balance Plan.

Provisions applicable to participants in the Duke Energy Retirement Cash Balance Plan - Prior to merger of legacy Cinergy Corp. Non-Union Employees' Pension Plan, Cinergy Corp. Union Employees' Pension Plan, and Progress Energy Pension Plan.

Participation

Eligible Employees

Includes:

- Legacy Duke employees who are not covered by a collective bargaining agreement
- IBEW Local 962, IBEW Local 962-T employees and USW Local 7202 (Nantahala) employees
- Legacy Cinergy employees (hired after July 1, 2008) who are not covered by a collective bargaining agreement
- Legacy Progress employees who are not covered by a collective bargaining agreement

Leased employees are not eligible for the plan.

Non-union and USW Local 7202 (Nantahala) employees hired on or after January 1, 2014 are not eligible to participate in the plan.

If a non-union or USW Local 7202 (Nantahala) employee terminates employment and is rehired after December 31, 2013, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive pay credits following rehire.

IBEW Local 962 and IBEW Local 962-T employees hired on or after April 1, 2015 are not eligible to participate in the plan.

If an IBEW Local 962 or IBEW Local 962-T employee terminates employment and is rehired after March 31, 2015, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive pay credits following rehire.

Participation Date

Legacy Duke employees and covered legacy Cinergy employees participate at the later of hire or age 18.

Definitions

Vesting Service	<p>A participant receives vesting service from the later of date of hire and the participant's 18th birthday. Prior to January 1, 1999, vesting service was credited by counting actual hours of employment. Beginning January 1, 1999, vesting service is credited based on elapsed time.</p> <p>If an employee terminates and is rehired within twelve months, the period of severance will be included in his vesting service.</p>
Plan Year	January 1 to December 31.
Compensation	Box 1 W-2 pay plus §401(k), §125 and §132(f) deferrals plus pre-tax deferrals under Duke Energy Corporation Executive Savings Plan less severance pay, certain expenses, bonuses for performance periods exceeding a year, and long term incentives (including stock based awards). Excludes military leave pay from eligible earnings.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	<p>A former Duke participant is eligible for early retirement after attaining age 55 and completing three years of vesting service (five years of service before January 1, 2007) or, for participants employed before January 1, 1997, attaining age 51 and completing 30 years of creditable service.</p> <p>A former Duke participant who terminated before January 1, 1997 is eligible for early retirement after attaining age 55 and completing ten years of creditable service, or attaining age 51 and completing 30 years of creditable service. This eligibility definition also applies to the frozen legacy Duke Power Final Average Pay benefits for participants who terminate on or after January 1, 1997.</p> <p>A former Nantahala salaried employee who became a participant of the Nantahala prior plan on or before 12/31/1998 is eligible for early retirement after completing 30 years of service.</p>
Postponed Retirement	Retirement after normal retirement age.
Vested Retirement	At least three years of vesting service (five years of service before January 1, 2007).
Disability	Participants are immediately vested upon disability.
Preretirement Death Benefit	Participants are immediately vested upon death.

Benefits Paid Upon the Following Events

Normal Retirement

The retirement benefit is based on the opening account balance calculated for Duke as of January 1, 1997 and for PanEnergy/Nantahala, as of January 1, 1999. Thereafter, the account is increased monthly through the addition of contribution credits and an interest adjustment.

The contribution credit percentage is determined by points credited to the participant monthly, as follows:

Contribution Credit Percentage by Points at Beginning of Year	
Points	Contribution Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and creditable service on such date, with the sum truncated to drop less than full points.

The monthly interest adjustment is a percentage increase in the account balance. For balances accrued through December 31, 2012 for non-union employees, through December 31, 2013 for USW Local 7202 (Nantahala) employees, and through March 31, 2015 for IBEW Local 962 and IBEW Local 962-T employees, the rate of monthly increase is the average yield on 30-year Treasury bonds for the end of the third full business week of the month prior to the beginning of the calendar quarter in which the particular month occurs, subject to a minimum of 4% and a maximum of 9%. For non-union pay credits accrued on or after January 1, 2013, USW Local 7202 (Nantahala) pay credits accrued on or after January 1, 2014, and IBEW Local 962 and IBEW Local 962-T pay credits accrued on or after April 1, 2015, the rate of monthly interest credit is fixed based on an annual percentage rate of 4%.

Benefit is based on the greater of the account balance accrued to date and prior plan benefit.

Postponed Retirement

Benefit is based on the greater of the account balance accrued to date and prior plan benefit.

Vested Retirement

Benefit is based on the greater of the account balance accrued to date and prior plan benefit with at least 3 years of vesting service.

Disablement

Upon disability, a participant will continue to earn pay credits based on pre-disability income. These credits will continue until the earlier of age 65, early retirement, or ineligibility.

For non-union and USW Local 7202 (Nantahala) participants as of January 1, 2014, disability occurring on or after July 1, 2014, pay credits will cease upon disability.

For IBEW Local 962 and IBEW Local 962-T participants as of April 1, 2015, disability occurring on or after October 1, 2015, pay credits will cease upon disability.

Preretirement Death

The surviving spouse may elect to take the benefit immediately in the form of a lump sum, take the benefit immediately as a single life annuity or defer the benefit to a later date, but no later than April 1 following the year in which the participant would have attained age 70-1/2.

The beneficiary of a single participant who dies must receive the benefit immediately as a lump sum. The benefit is based on the account balance at date of death.

Other Plan Provisions

Forms of Payment

Single Life Annuity (normal form for single participants).

100% Joint and Survivor Annuity (normal form for married participants).

50% Joint and Survivor Annuity.

Lump Sum Payment.

Prior plan options grandfathered for participants prior to January 1, 1999.

Actuarial Equivalence

Conversion of Cash Balance Account to Single Life Annuity

Mortality and interest prescribed under §417(e). Look back month is August prior to the beginning of the plan year.

Conversion of Cash Balance Single Life Annuity to Optional Forms other than Lump Sum

Mortality and interest prescribed under §417(e). Look back month is August prior to the beginning of the plan year.

Pension Increases

None.

Plan Participants' Contributions

None required or allowed.

Minimum Benefit

A participant, who was actively employed immediately before the effective date of the cash balance plan, receives the greater of the cash balance account or the actuarial value of the prior plan protected benefit.

Maximum On Benefits and Pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Provisions applicable to Former Participants in the Cinergy Corp. Non-Union Employees' Pension Plan

Participation

Eligible Employees	<p>Legacy Cinergy employees hired before July 1, 2008 (other than leased employees and legacy Duke employees) not covered by a collective bargaining agreement. For former Trigen-Cinergy Solutions of Rochester LLC Pension Plan ("TCSR plan") participants, the date is December 31, 2008. Effective July 1, 2008 no new hires will enter this section. For former TCSR participants, the date is December 31, 2008.</p> <p>Effective December 31, 2009, the TCSR plan was merged into this plan.</p> <p>If an employee terminates employment and is rehired after December 31, 2013, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive pay credits following rehire.</p>
Participation Date	Later of Employment Commencement Date, or age 18. For former TCSR participants, the later of January 1, 2000, Employment Commencement Date, or age 18.

Definitions

Service	Employees (other than intermittent or temporary employees) generally earn one month of Service for each calendar month in which he/she is credited with at least one hour of service. Service for this purpose is determined from original date of hire. Other rules may apply prior to January 1, 1998.
Earnings	Generally equal to total salary or wages, including overtime and bonuses, before any reductions under §401(k), §125 and §132(f), but exclusive of any Company contributions to employee benefit plans and additional remuneration or expense reimbursement. Compensation considered for benefit purposes is limited based upon the provision of the IRC Section 401(a)(17).
Highest Average Earnings	Highest Average Annual Earnings for any three consecutive calendar years during the last 10 years of Participation, increased by average annual Accrued Vacation Pay, if applicable.
Covered Compensation	35-year average of Social Security Wage Bases based on Year-of-Birth Table.
Participation	Employees (other than intermittent or temporary employees) generally earn one month of Participation for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Age 50 and three years of service. (Five years of service prior to January 1, 2007).
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	Three years of service. (Five years of service prior to January 1, 2007.)
Disability	Participants are immediately vested upon disability. (Five years of service were required prior to January 1, 2007.)
Preretirement Death Benefit	
Traditional Program	Married participants. (Five years of service prior to January 1, 2007.)
Cash Balance Program	All participants are immediately vested upon death, and the benefit will be paid to the spouse, beneficiary, or estate.

Benefits Paid Upon the Following Events

Normal Retirement	<p>Participant's retirement formula is either based on a final average pay formula ("Traditional Program"), a cash balance plan account ("Cash Balance Program"), or a combination of both.</p> <p>Former TCSR plan participants were moved to the Duke cash balance formula effective January 1, 2010. These participants will have their December 31, 2009 final average pay benefit indexed with pay and will be able to elect to receive their final average pay benefit as a lump sum. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.</p> <p>Effective January 1, 2017, Traditional Choice participants will have their final average pay frozen as of December 31, 2016.</p> <p>In 2007, Traditional Plan participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit effective April 1, 2007. Participants who chose to enter the Duke Cash Balance Program were deemed Traditional Choice participants. Effective January 1, 2011, all remaining Traditional Plan participants were automatically moved to the Duke Cash Balance Program for future accruals with a hard freeze on their Traditional Program benefit.</p> <p>Effective January 1, 2007, the plan was amended to adopt the Duke Energy Corporation cash balance formula for new hires and for active Cinergy employees previously in the Balanced and Investor Programs. Certain prior accrued benefits are guaranteed as minimum benefits.</p> <p>Employees commencing participation after January 1, 2003 and before January 1, 2007 were given the choice between the</p>
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Balanced and Investor Programs. On January 1, 2003 the plan was amended to allow all existing participants a one-time choice between the Traditional Program, the Balanced Program, and the Investor Program.

Duke Energy Corporation
Cash Balance Formula

A cash balance benefit with monthly pay credits based on the following schedule:

Pay Credit by Points for Duke Energy Corporation Cash Balance Formula	
Points	Contribution Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and creditable service on such date, with the sum truncated to drop less than full points.

The monthly interest adjustment is a percentage increase in the account balance. For balances accrued through December 31, 2012, the rate of monthly increase is the average yield on 30-year Treasury bonds for the end of the third full business week of the month prior to the beginning of the calendar quarter in which the particular month occurs, subject to a minimum of 4% and a maximum of 9%. For pay credits accrued on or after January 1, 2013, the rate of monthly interest credit is fixed based on an annual percentage rate of 4%.

Traditional Program

Effective January 1, 2007 (December 19, 2007 for former TCSR participants), the plan was amended to adopt a minimum benefit formula on benefit accruals beginning January 1, 2005. The benefit is the greater of Formula A or Formula B.

Formula A: 1.10% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years); plus 1.55% of FAP multiplied by service over 35 years.

Formula B: Lesser of 1.12% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years) or 1.163% of FAP multiplied by service (maximum 35 years); plus 1.492% of FAP multiplied by service over 35 years.

Early Retirement

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Years of Participation and Highest 3-Year Average Earnings at the date of termination. If payments begin before age 62, the payments are reduced by 6.67% per year for the first five years,

3.33% per year for the next four years, and by varying percentages thereafter.

No reductions apply if a participant attains age 55 and, as of his termination date, the sum of his age (in whole years) and service (in whole years) equals or exceeds 85.

Cash Balance Program	Participants are always entitled to their entire vested cash balance at termination or retirement.
Postponed Retirement	Monthly pension benefit determined as of actual retirement date.
Vested Termination	
Traditional Program	<p>A monthly benefit equal to the Normal Retirement benefit based on Highest Average Earnings and years of Participation at the date of termination. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Vested Termination benefits that begin before Normal Retirement will be reduced 5% per year from age 65.</p> <p>Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.</p>
Cash Balance Program	Participants are always entitled to their entire vested cash balance at termination or retirement.
Disability	
Traditional Program	<p>Normal Retirement benefit based on Highest Average Earnings at the date of disability and years of Participation at the date of retirement. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Disability benefits that begin before Normal Retirement will be reduced using the same reductions used for Early Retirement.</p> <p>Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company. Traditional only participants and Traditional A+B participants with a hard freeze on their Traditional Program benefit do not have the option of a lump sum on their Traditional benefit.</p>
Cash Balance Program	<p>Upon disability, a participant will continue to earn pay credits based on pre-disability income. These credits will continue until the earlier of age 65, early retirement or ineligibility.</p> <p>For non-union employees, disability occurring on or after July 1, 2014, pay credits will cease upon disability.</p>
Preretirement Death	
Traditional Program	<p>Under age 50: 100% of Normal Retirement benefit as of the participant's date of death, reduced actuarially for 100% Contingent Annuitant option, and reduced for payment at the participant's earliest retirement eligibility. This benefit can be paid immediately as a lump sum for Traditional Choice participants.</p> <p>Age 50 and older: 100% of Normal Retirement benefit as of the participant's date of death, payable immediately, reduced as applicable for early payment.</p>

Cash Balance Program The participant’s beneficiary is entitled to the entire vested cash balance upon the participant’s death.

Other Plan Provisions

Normal Form of Annuity

Without Spouse	Life Annuity.
Cash Balance Participants with Spouse	100% Joint and Survivor Annuity.
Traditional Participants with Spouse	Contingent Annuitant option actuarially equivalent to the retirement benefit payable for employee’s lifetime. Participant receives reduced lifetime benefit and, in event of participant’s death, 100% of reduced benefit continued to surviving spouse. If spouse dies before participant, benefit increases to life annuity value. This “pop-up” is free.

Optional Forms of Annuity

Employees hired after December 31, 2006: Life Annuity; Lump Sum; Contingent Annuitant (50% or 100%).

Traditional Program Participants and Cash Balance participants who were participants as of December 31, 2006: Life Annuity; Contingent Annuitant with “pop-up” (50%, 66 2/3% or 100%); 10-year Certain and Life; Life Annuity Level Income Option; 100% Contingent Annuitant Level Income Option with pop-up; Lump Sum (Cash Balance Program and Traditional Choice Program).

Cash Balance Actuarial Equivalence *Used to convert Cash Balance Account to a Single Life Annuity.*

Mortality	Applicable mortality under IRC Section 417(e).
Interest	Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.

Actuarial Equivalence *Used to convert Single Life Annuity to other optional forms*

Mortality	Applicable mortality under IRC Section 417(e).
Interest	Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.

Pension Increases None.

Plan Participants’ Contributions None required or allowed.

Maximum on Benefits and Pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Provisions applicable to Former Participants in the Cinergy Corp. Union Employees' Pension Plan

Participation

Eligible Employees	<p>Legacy Cinergy employees (other than leased employees) covered by the IBEW Local 1393 collective bargaining agreement.</p> <p>Employees hired on or after January 1, 2016 are not eligible to participate in the plan.</p> <p>If an employee terminates employment and is rehired after December 31, 2015, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive pay credits following rehire.</p>
Participation Date	Later of Employment Commencement Date, or age 18.

Definitions

Service	Employees (other than intermittent or temporary employees) generally earn one month of Service for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Earnings	Generally equal to total salary or wages, including overtime and bonuses, before any reductions under §401(k), §125 and §132(f), but exclusive of any Company contributions to employee benefit plans and additional remuneration or expense reimbursement. Compensation considered for benefit purposes is limited based upon the provision of the IRC Section 401(a)(17).
Highest Average Earnings	Highest Average Annual Earnings for any three consecutive calendar years during the last 10 years of Participation, increased by average annual Accrued Vacation Pay, if applicable.
Covered Compensation	35-year average of Social Security Wage Bases based on Year-of-Birth Table.
Participation	Employees (other than intermittent or temporary employees) generally earn one month of Participation for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Age 50 and three years of service. (Five years of service prior to January 1, 2007).
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	Three years of service. (Five years of service prior to January 1, 2007.)

Disability	Participants are immediately vested upon disability. (Five years of service were required prior to January 1, 2007.)
Preretirement Death Benefit	
Traditional Program	Married participants. (Five years of service prior to January 1, 2007.)
Cash Balance Program	All participants are immediately vested upon death and the benefit will be paid to the spouse, beneficiary, or estate.

Benefits Paid Upon the Following Events

Normal Retirement	<p>Participant’s retirement formula is either based on a final average pay formula (“Traditional Program”), a cash balance plan account (“Cash Balance Program”), or a combination of both (“Traditional Choice” or “Traditional Frozen”).</p> <p>On January 1, 2011, active IBEW 1393 participants in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit, effective January 1, 2011. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.</p> <p>Effective January 1, 2015, participants who elected to stay in the Traditional Program in 2011 whose age plus service is less than 75 will automatically be moved into the Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report.</p>
Duke Cash Balance Formula	A cash balance benefit with monthly pay credits based on the following schedule:

Pay Credit by Points for Duke Energy Corporation Cash Balance Formula

Points	Contribution Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and creditable service on such date, with the sum truncated to drop less than full points.

The monthly interest adjustment is a percentage increase in the account balance. For balances accrued through December 31, 2015, the rate of monthly increase is the average yield on 30-year Treasury bonds for the end of the third full business week of the month prior to the beginning of the calendar quarter in which the particular month occurs, subject to a minimum of 4% and a maximum of 9%.

For pay credits accrued on or after January 1, 2016 the rate of monthly interest credit is fixed based on an annual percentage rate of 4%.

Traditional Program

Effective January 1, 2007, the plan was amended to adopt a minimum benefit formula on benefit accruals beginning January 1, 2005. The benefit is the greater of Formula A or Formula B.

Formula A: 1.10% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years); plus 1.55% of FAP multiplied by service over 35 years.

Formula B: Lesser of 1.12% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years) or 1.163% of FAP multiplied by service (maximum 35 years); plus 1.492% of FAP multiplied by service over 35 years.

Early Retirement

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Years of Participation and Highest 3-Year Average Earnings at the date of termination. If payments begin before age 62, the payments are reduced by 6.67% per year for the first five years, 3.33% per year for the next four years, and by varying percentages thereafter.

No reductions apply if a participant attains age 55 and, as of his termination date, the sum of his age (in whole years) and service (in whole years) equals or exceeds 85

Cash Balance Program	Participants are always entitled to their entire vested cash balance at termination or retirement.
Postponed Retirement	Monthly pension benefit determined as of actual retirement date.
Vested Termination	
Traditional Program	A monthly benefit equal to the Normal Retirement benefit based on Highest Average Earnings and years of Participation at the date of termination. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Vested Termination benefits that begin before Normal Retirement will be reduced 5% per year from age 65. Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.
Cash Balance Program	Participants are always entitled to their entire vested cash balance at termination or retirement.
Disability	
Traditional Program	Normal Retirement benefit based on Highest Average Earnings at the date of disability and years of Participation at the date of retirement. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Disability benefits that begin before Normal Retirement will be reduced using the same reductions used for Early Retirement.
Cash Balance Program	Upon disability, a participant will continue to earn pay credits based on pre-disability income. These credits will continue until the earlier of age 65, early retirement, or ineligibility. For disabilities occurring on or after July 1, 2016 pay credits will cease upon disability. Participants are always entitled to their entire vested cash balance upon disability.
Preretirement Death	
Traditional Program	Under age 50: 100% of Normal Retirement benefit as of the participant's date of death, reduced actuarially for 100% Contingent Annuitant option, and reduced for payment at the participant's earliest retirement eligibility. Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company. Age 50 and older: 100% of Normal Retirement benefit as of the participant's date of death, payable immediately, reduced as applicable for early payment.
Cash Balance Program	The participant's beneficiary is entitled to the entire vested cash balance upon the participant's death.

Other Plan Provisions

Normal Form of Annuity	
Without Spouse	Life Annuity.

Cash Balance Participants with Spouse	100% Contingent Annuitant option.
Traditional Participants with Spouse	100% Contingent Annuitant option actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 100% of reduced benefit continued to surviving spouse. If spouse dies before participant, benefit increases to life annuity value. This "pop-up" is free.
Optional Forms of Annuity	Employees hired after January 1, 2011: Life Annuity; Lump Sum; Contingent Annuitant (50% or 100%). Employees hired before January 1, 2011: Life Annuity; Contingent Annuitant with "pop-up" (50%, 66 2/3% or 100%); 10-year Certain and Life; Life Annuity Level Income Option; 100% Contingent Annuitant Level Income Option with pop-up. A Lump Sum option is available on the Cash Balance program benefits for all participants. A Lump Sum option is available on the Traditional Program benefit for Traditional Choice participants. Traditional Frozen participants are not eligible for a Lump Sum on their Traditional Program benefit.
Cash Balance Actuarial Equivalence	<i>Used to convert Cash Balance Account to a Single Life Annuity.</i>
Mortality	Applicable mortality under IRC Section 417(e).
Interest	Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.
Actuarial Equivalence	<i>Used to convert Single Life Annuity to other optional forms</i>
Mortality	Applicable mortality under IRC Section 417(e).
Interest	Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.
Pension Increases	None.
Plan Participants' Contributions	None required or allowed.
Maximum on Benefits and Pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Provisions applicable to Former Participants in the Progress Energy Pension Plan

Participation

Eligible Employees	<p>Legacy Progress Energy Employees not covered by a collective bargaining agreement. Leased employees are not eligible for the plan.</p> <p>Employees of North Carolina Natural Gas Corporation (“NCNG”) automatically became members as of January 1, 2000.</p> <p>Non-union employees of Florida Progress automatically became members as of January 1, 2002.</p> <p>Employees hired on or after January 1, 2014 are not eligible to participate in this section of the plan.</p> <p>From January 1, 2014 through December 31, 2015, participants in the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation are eligible to transfer into the plan and become a participant.</p>
Participation Date	<p>Employees participate immediately after completing one hour of service (effective January 1, 2014).</p>

Definitions

Vesting Service	<p>A participant receives vesting service from the later of date of hire and the participant’s 18th birthday. Employees of NCNG who were sold to Piedmont Natural Gas Corporation were fully vested as of December 31, 1999.</p> <p>If an employee terminates and is rehired within twelve months, the period of severance will be included in his vesting service.</p>
Benefit Service	<p>A participant receives benefit service from the later of date of hire and the participant’s 18th birthday.</p>
Plan Year	<p>January 1 to December 31</p>
Compensation	<p>Effective January 1, 2014, Box 1 W-2 pay plus §401(k), §125 and §132(f) deferrals plus pre-tax deferrals under Duke Energy Corporation Executive Savings Plan less severance pay, certain expenses, bonuses for performance periods exceeding a year, and long term incentives (including stock based awards). Compensation prior to 2014 is base pay.</p>
Normal Retirement Age	<p>Age 65</p>

Eligibility for Benefits

Normal Retirement	<p>Retirement at normal retirement age</p>
Early Retirement	<p>Cash Balance: Age 55 and completing three years of vesting service</p> <p>CP&L Final Average Pay (FAP): Age 55 and completing 15 years of vesting service, or completed 35 years of vesting service regardless of age</p> <p>NCNG FAP: Age 55 and completing 20 years of vesting service</p> <p>Florida Progress FAP: Age 55 and completing 15 years of vesting service</p>
Postponed Retirement	<p>Retirement after normal retirement age</p>
Vested Retirement	<p>Cash Balance: At least three years of vesting service. Eligible for early commencement upon termination.</p>

CP&L FAP: At least five years of vesting service (vesting changed to 5 years 10-1-1987). Eligible for early commencement at 55 with at least 15 years of vesting service.

NCNG FAP: At least five years of vesting service. Eligible for early commencement at age 55 if at least 20 years of vesting service.

Florida Progress FAP: At least five years of vesting service. Eligible for early commencement at age 55.

Disability

Participants are vested immediately upon eligibility for Social Security Disability, Duke Energy Disability Plan benefits, or benefits of another Long-Term Disability plan maintained by Duke Energy.

Preretirement Death Benefit

Participants are vested immediately upon death.

Benefits Paid Upon the Following Events

Normal Retirement

For CP&L employees, the retirement benefit is the greater of (A) the cash balance based on the opening account balance calculated for Progress Energy as of January 1, 1999, and (B) the frozen final average pay formula pension.

For Florida Progress and NCNG employees, the retirement benefit is equal to the sum of (A) the cash balance account and (B) a frozen final average pay formula pension prior to the cash balance conversion (January 1, 2000 for NCNG and January 1, 2002 for Florida Progress).

Effective January 1, 2014, the cash balance ("A") account consists of two subaccounts:

1. Portion of cash balance attributable to pay credits earned prior to December 31, 2013, which will increase with interest on an annual basis.
2. Second subaccount established January 1, 2014 for future pay and interest credits, which will be applied on a monthly basis according to the Duke Energy Cash Balance formula.

Beginning January 1, 2014, the pay credit percentage is determined by points and is credited to the participant monthly, as follows:

Pay Credit Percentage by Points at the Beginning of the Year

Points	Pay Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and benefit service on such date, with the sum truncated to drop less than full points.

	<p>An opening cash balance based on the pre-1999 plan was provided based on the existing accrued benefit and age at conversion for CP&L employees.</p> <p>The account balance is increased at a fixed rate of 4% per year. For the balance attributable to pay credits occurring before December 31, 2013, the adjustment is done on an annual basis. For the balance attributable to pay credits occurring on or after January 1, 2014, pay credits and interest credits are credited monthly.</p>
Early Retirement	<p>Cash Balance: Cash balance account converted to the actuarially equivalent life annuity (for former CP&L participants, this is subject to a prior plan minimum reduced for early retirement)</p> <p>CP&L FAP:</p> <ul style="list-style-type: none"> ▪ For participants with less than 15 years of service (used only in prior plan minimum), annuity benefit reduced using actuarial equivalence reduction factors ranging from .047 to .90. ▪ For participants between 15 and 20 years of service, annuity benefit reduced by 2.5% per year which precedes the normal retirement date ▪ For participants with at least 20 years of service, annuity benefit is reduced from age 62 using factors ranging from .75 to .90. <p>NCNG FAP: 6-2/3 percent reduction from age 65 for first five years and 3-1/3 percent reduction for next five years from age 60 to 55</p> <p>Florida Progress FAP:</p> <ul style="list-style-type: none"> ▪ For participants between 15 and 20 years of service, annuity benefit reduced 6% per year from age 62 to 57 and 5% per year from age 57 to 55 ▪ For participants between 20 and 35 years of service, annuity benefit reduced 7% per year from age 60 ▪ For participants with at least 35 years of service, no reduction in annuity benefit
Postponed Retirement	<p>For the portion of benefits accrued through December 31, 2013, the benefit is based on greater of actuarially increased normal retirement benefit or late retirement benefit based on service and pay through late retirement date. For the portion of benefits accrued on or after January 1, 2014, the benefit is subject to the suspension of benefits rules and not subject to actuarial increases.</p>
Vested Retirement	<p>Cash Balance: Cash balance account converted to the actuarially equivalent life annuity</p> <p>CP&L FAP:</p> <ul style="list-style-type: none"> ▪ For participants with less than 15 years of service, benefit payable at Normal Retirement ▪ For participants with at least 15 years of service, benefit payable at Early Retirement, subject to vested termination early retirement reduction factors <p>NCNG FAP:</p> <ul style="list-style-type: none"> ▪ For participants with less than 20 years of service, benefit payable at Normal Retirement

- For participants with at least 20 years of service, benefit payable at Early Retirement

Florida Progress FAP:

- For participants between 5 and 15 years of service, benefit payable at Early Retirement, subject to vested termination early retirement reduction factors
- For participants with at least 15 years of service, benefit payable at Early Retirement
- Note: QPSA charges are imposed on the calculation of the above Vested Retirement benefit for the period of coverage that precedes January 1, 2014, subject to the following schedule:

Participant's Age While Coverage is in Effect	Percent Reduced for Each Year of Coverage
Less than 40	0.10%
40-49	0.25%
50-54	0.45%
55-59	0.65%
60-64	0.80%
65 or older	0.00%

Disability

Upon disability prior to July 1, 2014, a participant will continue to earn pay credits based on pre-disability income. These credits will continue until the earlier of the participant's annuity starting date, or ineligibility. For disability occurring on or after July 1, 2014, pay credits will cease upon disability.

Preretirement Death

Cash Balance: The benefit based on the account balance at date of death.

- The surviving spouse may elect to take the benefit immediately in the form of a lump sum or single life annuity, or defer the benefit to a later date.
- The beneficiary of a single participant who dies must receive the benefit as a lump sum as soon as administratively possible.
- CP&L and NCNG FAP: For married participants, 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement. No death benefit is payable to single participants.
- Florida Progress FAP:
 - For married participants between 5 and 10 years of service, 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable at the participant's normal retirement date.
 - For married participants with at least 10 years of service, the greater of A) 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable immediately, or B) a death benefit payable immediately based on the following schedule:

Participant's Age at Death	Death Benefit, as a % of Normal Retirement Benefit*
Less than 35	10%
35 – 39	15%
40-44	20%
45-49	25%

50-54	30%
55-59	35%
60 or older	40%

*Note: any age difference between the spouse and participant that is more than five years will be reduced/increased by 1.50%

Other Plan Provisions

Forms of Payment (Cash Balance Benefits) Single Life Annuity (normal form for single participants)
 50% Joint and Survivor Annuity (normal form for married participants)
 75% and 100% Joint and Survivor Annuity (with pop-up)
 10-Year Certain and Life Annuity (only if eligible for CP&L prior plan FAP)
 Lump Sum Payment
 Partial Lump Sum (25%, 50%, 75%), if age 50 or older, minimum annuity of \$500 per month
 Refund Annuity
 Social Security Level Income Option (only if eligible for CP&L prior plan FAP)
 Other optional forms are available for NCNG and Florida FAP benefits with separate elections.

Actuarial Equivalence *Conversion of Cash Balance Account to Single Life Annuity for balance attributed to pay credits through December 31, 2013*

- Applicable mortality under IRC Section 417(e) in effect on December 31, 2007
- 30-year treasury rate from August of the prior plan year for ages after 65. For ages prior to 65, the rate is increased by 50 basis points.

Conversion of Cash Balance Account to Single Life Annuity attributed to pay credits on or after January 1, 2014

- Mortality and Interest prescribed under 417(e). Look back month is August prior to the beginning of the plan year.

Total single life annuity is converted to optional annuity forms using mortality and interest prescribed under §417(e), with look back month of August prior to the beginning of the plan year. Each optional form of payment is subject to a wear-away of the accrued balance earned prior to December 31, 2013 with prior optional form factors.

Pension Increases None

Plan Participants' Contributions None required or allowed.

Minimum Benefit A participant, if he or she was actively employed immediately before the effective date of the cash balance plan, receives the greater of the cash balance account or the actuarial value of the prior plan protected benefit.

Benefit Limitations

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum.

Changes in Benefits Valued Since Prior Year

The plan provided a temporary Lump Sum Window offering in the Fall of 2016. As part of this offering, certain non-union former employees could voluntarily elect to receive their pension benefit in the form of a lump sum payment. Lump sum benefits were paid in December 2016.

Effective January 1, 2017, non-union Traditional Choice participants will have their final average pay frozen as of December 31, 2016.

Exhibit B-2
Cinergy Corp. Union Employees' Retirement Income Plan

Plan Provisions

Plan was restated effective January 1, 2014, and last amended January 16, 2016 (Amendment 5)

Eligible Employees	<p>Legacy Cinergy employees (other than leased employees) covered by a collective bargaining agreement which provides for participation in the plan.</p> <p>If an IBEW 1347 employee terminates employment and is rehired after December 31, 2014, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>IBEW 1347 employees hired on or after January 1, 2015 are not eligible to participate in the plan.</p> <p>If an UWUA employee terminates employment and is rehired after December 31, 2015, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>UWUA employees hired on or after January 1, 2016 are not eligible to participate in the plan.</p> <p>If an USW Local 5541-06 or USW Local 12049 employee terminates employment and is rehired after December 31, 2016, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>USW Local 5541-06 or USW Local 12049 employees hired on or after January 1, 2017 are not eligible to participate in the plan.</p>
Participation Date	Later of Employment Commencement Date, or age 18.

Definitions

Service	Employees (other than intermittent or temporary employees) generally earn one month of Service for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Earnings	Generally equal to total salary or wages, including overtime and bonuses, before any reductions under §401(k), §125 and §132(f), but exclusive of any Company contributions to employee benefit plans and additional remuneration or expense reimbursement. Compensation considered for benefit purposes is limited based upon the provision of the IRC Section 401(a)(17). Excludes military leave pay from eligible earnings.
Highest Average Earnings	Highest Average Annual Earnings for any three consecutive calendar years during the last 10 years of Participation, increased by average annual Accrued Vacation Pay, if applicable..

Covered Compensation	35-year average of Social Security Wage Bases based on Year-of-Birth Table.
Participation	Employees (other than intermittent or temporary employees) generally earn one month of Participation for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Age 50 and three years of service. (Five years of service prior to January 1, 2007).
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	Three years of service. (Five years of service prior to January 1, 2007.)
Disability	Participants are immediately vested upon disability. (Five years of service were required prior to January 1, 2007.)
Preretirement Death Benefit	
Traditional Program	Married participants. (Five years of service prior to January 1, 2007.)
Cash Balance Program	All participants are immediately vested upon death and the benefit will be paid to the spouse, beneficiary, or estate.

Benefits Paid Upon the Following Events

Normal Retirement	Participant's retirement formula is either based on a final average pay formula ("Traditional Program"), a cash balance plan account ("Cash Balance Program"), or a combination of both ("Traditional Choice" or "Traditional Frozen").
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USW Employees

On January 1, 2008, active participants governed by a collective bargaining agreement with the United Steelworkers of America, Local 12049 and Local 5541-06 (a "USW Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program USW participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit, effective January 1, 2008. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2012, participants who elected to stay in the Traditional Program in 2008 who are not age 50 with 25 years of service were automatically moved into the Duke Energy Cash Balance Program with a hard freeze on their Traditional Benefit.

These participants are included as part of the Traditional Frozen group in the descriptions provided in this report. Participants who meet the age 50 and 25 years of service requirement were allowed another choice to move to the Duke Energy Cash Balance program effective January 1, 2012.

IBEW 352 (inactive group)

Balanced and Investor Cash Balance Program participants governed by a collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 352 (an "IBEW 352 Employee") were moved to the Duke Energy Cash Balance Program on July 1, 2008.

ERA (inactive group)

Balanced and Investor Cash Balance Program participants governed by a collective bargaining agreement with the Employees' Representation Association (an "ERA Employee") were moved to the Duke Energy Cash Balance Program on January 1, 2009.

UWUA

On January 1, 2009, active participants governed by a collective bargaining agreement with the Utility Workers of America, Local 600 (a "UWUA Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program UWUA participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit effective January 1, 2009. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2013, participants who elected to stay in the Traditional Program in 2009 who are not age 50 with 25 years of service will automatically be moved into the Duke Energy Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report. Participants who meet the age 50 and 25 years of service requirement were allowed another choice to move to the Duke Energy Cash Balance program effective January 1, 2013.

IBEW 1347

On January 1, 2010, active participants governed by a collective bargaining agreement with Local Union 1347 of the International Brotherhood of Electrical Workers (an "IBEW 1347 Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program IBEW 1347 participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit effective January 1, 2010. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2014, participants who elected to stay in the Traditional Program in 2010 whose age plus service is less than 75 were automatically moved into the Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report.

Duke Cash
Balance Formula

A cash balance benefit with monthly pay credits based on the following schedule:

Pay Credit by Points for Duke Energy Corporation Cash Balance Formula	
Points	Contribution Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and creditable service on such date, with the sum truncated to drop less than full points.

The monthly interest adjustment is a percentage increase in the account balance. The rate of monthly increase is the average yield on 30-year Treasury bonds for the end of the third full business week of the month prior to the beginning of the calendar quarter in which the particular month occurs. The interest factor will not be greater than an annual percentage rate of 9% and not less than 4%.

For IBEW 1347 pay credits accrued on or after January 1, 2015, the monthly interest credit is fixed based on an annual percentage rate of 4%.

For UWUA pay credits accrued on or after January 1, 2016 the monthly interest credit is fixed based on an annual percentage rate of 4%.

For USW Local 5541-06 or USW Local 12049 pay credits accrued on or after January 1, 2017 the monthly interest credit is fixed based on an annual percentage rate of 4%.

Traditional Program

Effective January 1, 2007, the plan was amended to adopt a minimum benefit formula on benefit accruals beginning January 1, 2005. The benefit is the greater of Formula A or Formula B.

Formula A: 1.10% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years); plus 1.55% of FAP multiplied by service over 35 years.

Formula B: Lesser of 1.12% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years) or

1.163% of FAP multiplied by service (maximum 35 years); plus
1.492% of FAP multiplied by service over 35 years.

Early Retirement

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Years of Participation and Highest 3-Year Average Earnings at the date of termination. If payments begin before age 62, the payments are reduced by 6.67% per year for the first five years, 3.33% per year for the next four years, and by varying percentages thereafter.

No reductions apply if a participant attains age 55 and, as of his termination date, the sum of his age (in whole years) and service (in whole years) equals or exceeds 85

Cash Balance Program

Participants are always entitled to their entire vested cash balance at termination or retirement.

Postponed Retirement

Monthly pension benefit determined as of actual retirement date.

Vested Termination

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Highest Average Earnings and years of Participation at the date of termination. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Vested Termination benefits that begin before Normal Retirement will be reduced 5% per year from age 65.

Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.

Cash Balance Program

Participants are always entitled to their entire vested cash balance at termination or retirement.

Disability

Traditional Program

Normal Retirement benefit based on Highest Average Earnings at the date of disability and years of Participation at the date of retirement. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Disability benefits that begin before Normal Retirement will be reduced using the same reductions used for Early Retirement.

Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.

Cash Balance Program

Participants are always entitled to their entire vested cash balance upon disability.

For IBEW 1347 participants as of January 1, 2015 who become disabled on or after July 1, 2015, pay credits will cease upon disability.

For UWUA participants as of January 1, 2016 who become disabled on or after July 1, 2016, pay credits will cease upon disability.

For USW Local 5541-06 or USW Local 12049 participants who become disabled on or after July 1, 2017, pay credits will cease upon disability.

Preretirement Death

Traditional Program

Under age 50: 100% of Normal Retirement benefit as of the participant's date of death, reduced actuarially for 100% Contingent Annuitant option, and reduced for payment at the participant's earliest retirement eligibility.

Traditional Choice participants can receive this benefit as a lump sum immediately.

Age 50 and older: 100% of Normal Retirement benefit as of the participant's date of death, payable immediately, reduced as applicable for early payment.

Cash Balance Program

The participant's beneficiary is entitled to the entire vested cash balance upon the participant's death.

Other Plan Provisions

Normal Form of Annuity

Without Spouse

Life Annuity.

Cash Balance Participants with Spouse

100% Contingent Annuitant option.

Traditional Participants with Spouse

100% Contingent Annuitant option actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 100% of reduced benefit continued to surviving spouse. If spouse dies before participant, benefit increases to life annuity value. This "pop-up" is free.

Optional Forms of Annuity

Employees hired after the Coverage Effective Date (as defined by the plan that varies for each particular union group): Life Annuity; Lump Sum; Contingent Annuitant (50% or 100%).

Employees hired before the Coverage Effective Date: Life Annuity; Contingent Annuitant with "pop-up" (50%, 66 2/3% or 100%); 10-year Certain and Life; Life Annuity Level Income Option; 100% Contingent Annuitant Level Income Option with pop-up.

A Lump Sum option is available on the Cash Balance program benefits for all participants. A Lump Sum option is available on the Traditional Program benefit for Traditional Choice participants. Traditional Frozen participants are not eligible for a Lump Sum on their Traditional Program benefit.

Actuarial Equivalence

Mortality

Applicable mortality under IRC Section 417(e).

Interest

Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.

Pension Increases

None.

Plan Participants' Contributions

None required or allowed.

Maximum on Benefits and Pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum.

Changes in Benefits Valued Since Prior Year

For USW Local 5541-06 or USW Local 12049 participants as of January 1, 2017 who become disabled on or after July 1, 2017, pay credits will cease upon disability.

If an USW Local 5541-06 or USW Local 12049 employee terminates employment and is rehired after December 31, 2016, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire. USW Local 5541-06 or USW Local 12049 employees hired on or after January 1, 2017 are not eligible to participate in the plan.

For USW Local 5541-06 or USW Local 12049 pay credits accrued on or after January 1, 2017 the monthly interest credit is fixed based on an annual percentage rate of 4%.

Exhibit B-3
Retirement Plan for Bargaining Unit Employees
of Florida Progress Corporation

Plan Provisions

Plan was last restated effective January 1, 2014, and last amended January 16, 2016 (Amendment 4)

Eligible Employees	Employees covered by a Florida Progress collective bargaining agreement, excluding any Leased Employees.
Participation Date	First of the month following hire date.

Definitions

Continuous Service	Employees (other than intermittent or temporary employees) generally earn one year of Service for each calendar year in which he/she is credited with at least 1,000 hours of service. Service for this purpose is determined from original date of hire. Other rules may apply prior to January 1, 1998.
Credited Service	Elapsed time
Earnings	Base pay plus differential before salary reductions under Sections 125, 132(f) and 401(k).
Final Average Earnings (FAE)	Highest Average Annual Earnings for any 48 consecutive months during the last 10 years of Participation, or the highest 4 calendar years of employment, whichever is greater.
Covered Compensation	35-year average of Social Security Wage Bases based on Year-of-Birth Table.
Participation	Employees (other than intermittent or temporary employees) generally earn one month of Participation for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Normal Retirement Age	Age 65

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Age 55 and 15 years of vesting service, for Final Pay employees hired before January 1, 2003. Age 55 and 3 years of vesting service, for Cash Balance employees hired after January 1, 2003.
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	3 years of vesting service for cash balance participants. (5 years of service for cash balance participants who terminated prior to January 1, 2008 or for final average pay participants.)
Disability	Determined by Duke Energy.

Preretirement Death Benefit

Final Pay Formula Married participants are vested immediately upon death.

Cash Balance Formula Participants are vested immediately upon death. The benefit will be paid to the spouse, beneficiary, or estate.

Benefits Paid Upon the Following Events

Normal Retirement

Participant's retirement formula is either based on a final average pay formula ("Final Pay Formula") or a cash balance plan account ("Cash Balance Formula"), depending on date of original hire.

Final Pay Formula participants were hired before January 1, 2003.

Cash Balance Formula participants are hired on or after January 1, 2003.

Cash Balance Formula

A cash balance benefit with monthly pay credits based on the following schedule:

Pay Credit Percentage

<u>Age</u>	<u>Contribution Credit Percentage</u>
<35	3% + 3% of pay over 80% of Social Security Wage Base
35-39	3.5% + 3.5% of pay over 80% of Social Security Wage Base
40-44	4.25% + 4.25% of pay over 80% of Social Security Wage Base
45-49	5% + 5% of pay over 80% of Social Security Wage Base
50-54	6% + 6% of pay over 80% of Social Security Wage Base
>55	7% + 7% of pay over 80% of Social Security Wage Base

Interest adjustment as determined by the Board of Directors is given at the end of each plan year. Beginning January 1, 2011, the interest rate will be no more than a market rate of interest as described in Code Section 411(b)(5)(b)(i)(I). The rate of interest is as follows:

Interest Credit Rate Schedule

<u>Year</u>	<u>Annual Interest Rate</u>
1999	7.5%
2000-2004	6.0%
2005-2007	5.0%
2008-2010	5.5%
2011-2012	5.0%
2013+	4.0%

Final Pay Formula	1.80% of FAE multiplied by credited service (maximum 35 years), to a maximum of 63% of FAE; less 1-1/7% of Social Security benefit multiplied by credited service (maximum 35 years), to a maximum of 40% of the Social Security Benefit														
Early Retirement															
Final Pay Formula	<ul style="list-style-type: none"> ▪ For participants between 15 and 20 years of service, annuity benefit reduced 6% per year from age 62 to 57 and 5% per year from age 57 to 55 ▪ For participants between 20 and 35 years of service, annuity benefit reduced 7% per year from age 60 to 55 ▪ For participants with at least 35 years of service, no reduction in annuity benefit 														
Cash Balance Formula	Cash balance account converted to the actuarially equivalent life annuity														
Postponed Retirement	Benefit is based on greater of actuarially increased normal retirement benefit or late retirement benefit based on service and pay through late retirement date.														
Vested Termination															
Final Pay Formula	<ul style="list-style-type: none"> ▪ For participants with less than 15 years of service, benefit payable at Normal Retirement ▪ For participants with at least 15 years of service, benefit payable at Early Retirement ▪ Note: For participants who terminated before January 1, 2007, QPSA charges are imposed on the calculation of the above Vested Retirement benefit for the period of coverage that precedes January 1, 2014, subject to the following schedule: 														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Participant's Age While Coverage is in Effect</th> <th style="text-align: center;">Percent Reduced for Each Year of Coverage</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Less than 40</td> <td style="text-align: center;">0.10%</td> </tr> <tr> <td style="text-align: center;">40-49</td> <td style="text-align: center;">0.25%</td> </tr> <tr> <td style="text-align: center;">50-54</td> <td style="text-align: center;">0.45%</td> </tr> <tr> <td style="text-align: center;">55-59</td> <td style="text-align: center;">0.65%</td> </tr> <tr> <td style="text-align: center;">60-64</td> <td style="text-align: center;">0.80%</td> </tr> <tr> <td style="text-align: center;">65 or older</td> <td style="text-align: center;">0.00%</td> </tr> </tbody> </table>	Participant's Age While Coverage is in Effect	Percent Reduced for Each Year of Coverage	Less than 40	0.10%	40-49	0.25%	50-54	0.45%	55-59	0.65%	60-64	0.80%	65 or older	0.00%
Participant's Age While Coverage is in Effect	Percent Reduced for Each Year of Coverage														
Less than 40	0.10%														
40-49	0.25%														
50-54	0.45%														
55-59	0.65%														
60-64	0.80%														
65 or older	0.00%														
Cash Balance Formula	Cash balance account converted to the actuarially equivalent life annuity														
Disability															
Final Pay Formula	<ul style="list-style-type: none"> ▪ For early retirement eligible participants, the benefit during period of disability is the greater of A) 40% of High-4 Pay minus 40% of Social Security Disability Benefit, or B) early retirement benefit, not greater than the projected age 65 														

Normal Retirement benefit (based on future service and level pay to age 65)

- For non-early retirement eligible participants, the benefit during period of disability is equal to 40% of High-4 Pay minus 40% of Social Security Disability Benefit, not greater than the projected age 65 Normal Retirement benefit (based on future service and level pay to age 65)
- For participants with at least 10 years of service, benefit during period of disability is payable until Normal Retirement Date; otherwise, the benefit during period of disability is payable as an x-year certain, where "x" equals years of service prior to disability date.
- At Normal Retirement, the benefit is recalculated to compare the benefit payable during disability and compare it to the Normal Retirement benefit (based on future service and level pay to age 65). If the participant has 10 years of service, they will receive the greater of the recalculated benefit or the benefit received during period of disability. If the participant has less than 10 years of service, they will receive their Normal Retirement benefit (based on future service and level pay to age 65).

Cash Balance Formula

- Greater of (A) 40% of High-4 Pay minus 40% of Social Security Disability Benefit, or (B) actuarially equivalent cash balance account as of date of disability, but not to exceed (C) the projected Normal Retirement amount assuming the participant were to continue working at the same level of pay.
- For participants with at least 10 years of service, benefit during period of disability is payable until Normal Retirement Date; otherwise, the benefit during period of disability is payable as an x-year certain, where "x" equals years of service prior to disability date.
- At Normal Retirement, the benefit is recalculated to compare the benefit payable during disability and compare it to the Normal Retirement benefit (based on future service and level pay to age 65). If the participant has 10 years of service, they will receive the greater of the recalculated benefit or the benefit received during period of disability. If the participant has less than 10 years of service, they will receive their Normal Retirement benefit (based on future service and level pay to age 65).

Preretirement Death

Final Pay Formula

- For married participants between 5 and 10 years of service, 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable at the participant's normal retirement date.
- For married participants with at least 10 years of service, the greater of A) 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable immediately, or B) A death benefit payable immediately based on the following schedule:

Participant's Age at Death	Death Benefit, as a % of Normal Retirement Benefit*
Less than 35	10%
35 – 39	15%
40-44	20%
45-49	25%
50-54	30%
55-59	35%
60 or older	40%

*Note: any age difference between the spouse and participant that is more than five years will be reduced/increased by 1.50%

Cash Balance Formula The participant's beneficiary is entitled to the entire vested cash balance upon the participant's death.

Other Plan Provisions

Optional Forms of Annuity

Final Pay Formula Life annuity; 10-year Certain and Life; Contingent Annuitant (25%, 33-1/3%, 50%, 66-2/3%, 75%, or 100%); Social Security Leveling; Lump Sum (if over \$5,000 but less than or equal to \$7,500).

Cash Balance Formula Life annuity; Life annuity with refund; Contingent Annuitant (50%); Contingent Annuitant with refund (50%); Contingent Annuitant with "pop-up" (75% or 100%); Partial Lump Sum (25%, 50%, 75%), if age 50 or older, minimum annuity of \$500 per month; Lump sum

Actuarial Equivalence *Used to convert Single Life Annuity to other optional forms (as outlined in Supplement B of the plan document)*

Mortality 1984 Buck Table, weighted 50% male and 50% female.

Interest 7.5% per year.

Lump Sum and Level Income Applicable interest and mortality under IRC Section 417(e).

Actuarial Equivalence *Used to convert Cash Balance Account Single Life Annuity*

Mortality Applicable mortality under IRC Section 417(e) in effect on December 31, 2007

Interest 30-year treasury rate from August of the prior plan year for ages after 65, and that rate plus 0.5% at ages prior to 65.

Pension Increases None

Plan Participants' Contributions None required or allowed

Maximum on Benefits and Pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum.

Changes in Benefits Valued Since Prior Year

None.

Exhibit B-4
Retirement Plan of Piedmont
Natural Gas Company, Inc.

Plan Provisions

The Retirement Plan of Piedmont Natural Gas Company, Inc. was restated January 1, 2013. Effective September 30, 2003, Piedmont Natural Gas Company acquired North Carolina Natural Gas ("NCNG") Corporation. Employees of North Carolina Natural Gas Corporation became covered under the Retirement Plan of Piedmont Natural Gas Company, Inc. on October 1, 2003. The provisions applicable to the benefits these employees earned under the former NCNG program is detailed in a subsequent section and are in addition to those outlined below for affected participants.

Provisions applicable to participants in the Retirement Plan of Piedmont Natural Gas Company, Inc. prior to merger of NCNG.

Participation

Eligible Employees	Individuals employed by Piedmont Natural Gas Company, Inc. or any adopting member of a related group.
Participation Date	<p>Each employee hired prior to January 1, 2008 shall become a participant on the January 1 or July 1 coinciding with or next following the date on which he either:</p> <ul style="list-style-type: none"> a) attains age 21 and completes 1,000 hours of service during the 12-month period commencing on his employment date (or completes 1,000 hours of service during a calendar year following his employment date), or b) attains age 30 <p>All participants in the Nashville Gas Company Pension Plan became participants on January 1, 1987</p> <p>Acquired Gaffney employees, formerly in the Atmos plan, became participants on January 1, 2001.</p> <p>Acquired Reidsville employees, formerly in the NUI plan, became participants on October 1, 2002.</p> <p>Former NCNG participants of the Progress Energy Retirement Plan became participants on October 1, 2003.</p>

Definitions

Vesting Service	Plan years during which the employee completes 1,000 or more hours of service, including service with certain acquired groups prior to their acquisition by Piedmont, but excluding years prior to attaining age 22 (age 18 beginning 1985) and years prior to the effective date of the plan.
Credited Service	<p>Each full month and any partial calendar month ending on his employment termination date during which he was a participant.</p> <p>Nashville Gas Company Pension participants shall be credited with all benefit accrual service under that plan prior to January 1, 1987.</p> <p>Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.</p>
Plan Year	January 1 to December 31

Compensation	Compensation includes base pay, overtime, shift differential, premium pay, most bonuses and commissions paid by the Company, including pre-tax benefits and /or 401(k) deductions taken from pay, but excludes any reimbursement or expense allowances, fringe benefits, severance payments, moving expenses and sign-on bonuses
Final Average Earnings	Average of compensation for the sixty (60) consecutive months of highest earnings during the last ten years of employment immediately preceding the determination date. Excludes compensation earned as a rehire on or after January 1, 2008 or January 1, 2009 for Nashville union participant.
Covered Compensation	The 35-year average of FICA Wage Bases ending in the year before an employee attains his social security retirement age.
Accrued Benefit	Amount payable to a participant as a single life annuity beginning at Normal Retirement Age.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Attainment of age 65.
Early Retirement	<p>A participant may retire prior to normal retirement, provided he has attained age 55 and has completed 10 years of service.</p> <p>A Nashville participant may retire after age 50 with 15 years of service and receive only the early retirement benefit accrued as of December 31, 1986, under the Nashville Plan, with the Piedmont Plan portion of the early retirement benefit payable after age 55.</p>
Postponed Retirement	Retirement after normal retirement age.
Vested Retirement	The participant terminates employment for reasons other than death or retirement after completing at least 5 years of service.
Disability	A participant who has 5 years of service when his leave of absence begins after December 31, 2007 (December 31, 2008 for Nashville union) that results in a long-term disability.
Preretirement Death Benefit	Death of a participant who has completed 5 years of service.

Benefits Paid Upon the Following Events

Normal Retirement	A lifetime benefit commencing at normal retirement equal to the greater of (a) plus (b) or (c):
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- a) the accrued benefit under the plan in effect December 31, 2007 (December 31, 2008 for Nashville union).
- b) 1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation, times credited service earned after 2007 (2008 for Nashville union) up to 35. (Note the 35 year cap is reduced by the number of years used in the calculation of (a)).
- c) 1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation, times credited service up to 35 years.

Early Retirement

For benefits earned prior to 2008 (2009 for Nashville union) a lifetime benefit commencing at early retirement equal to the actuarial equivalent of the accrued benefit, with the actuarial factors being 0.35% per month by which benefit commencement date precedes normal retirement date. The early retirement reduction factor for the excess portion of the benefit equals 5/9 of 1% for the first 60 months which retirement precedes age 65 and 5/18 of 1% for the next 60 months which retirement precedes age 60.

For benefits earned after 2007 (2008 for Nashville union), a lifetime benefit commencing at early retirement reduced by 0.35% for each month that benefit commencement precedes age 65.

Postponed Retirement

A lifetime benefit calculated in the same manner as the normal retirement benefit using final average earnings and credited service at late retirement.

Vested Retirement

Participant entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The amount of benefit shall be 100% of the accrued benefit provided the participant has completed 5 years of service. The participant who has completed 5 years of service may elect to receive a reduced benefit commencing on the first day of any month following his termination of employment.

Disability

The participant, who has at least 5 years of benefit service and begins a disability leave after December 31, 2007, will continue to accrue pension benefits based on their base rate of pay at the time the disability was approved.

The participant, with at least 10 years of benefit service who became permanently disabled prior to January 1, 2008, stopped accruing additional benefits. The pension could be taken and reduced for early commencement or unreduced if qualified for Social Security disability benefits.

Preretirement Death

- Benefit prior to normal retirement
The death benefit will be equal to what the beneficiary would have received had he elected a 50% J&S annuity prior to death. The death benefit can be paid as a lump sum.
- Benefit after normal retirement
Beneficiary shall be entitled to any remaining benefit due under an elected alternate form of payment other than lump sum.

Other Plan Provisions

Forms of Payment	Single Life Annuity (normal form for single participants). 50% Joint and Survivor Annuity (normal form for married participants). 75% and 100% Joint and Survivor Annuity. 5, 10, and 15-year Certain and Life Annuity. Lump Sum Payment.
Actuarial Equivalence	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> – the greater of the Actuarial Equivalence for optional forms outlined above, or mortality and interest prescribed under IRS Section 417(e). Look back month is November prior to the beginning of the plan year. Early retirement subsidies are generally excluded from the value of the lump sum.
Pension Increases	Retirement benefits are increased or decreased on January 1 each year by an amount equal to the original retirement benefit multiplied by the ratio of the cost-of-living index figure on the preceding November 30 to the cost-of-living index figure at retirement. Changes from one year to the next of less than 1% are ignored and the adjusted benefit will not decrease below the original benefit nor increase above the original benefit increased by compound interest of 3% per year. These cost-of-living increases do not apply to terminated/vested employees or to benefits accrued by non-union employees after December 31, 1992, NC/SC union employees after June 30, 1998, and Nashville union employees after July 31, 1999.
Maximum On Benefits and Pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Provisions applicable to legacy benefits of Former Participants of North Carolina Natural Gas Corporation.**Participation**

Eligible Employees	<p>All participating employees who, as of September 30, 2003, had an accrued benefit under Transferred Pension Plan For Certain NCNG Division Employees (amended and restated June 7, 2005) became participants on February 13, 2004.</p> <p>No other individuals are or may become eligible to participate in the Plan on or after February 13, 2004.</p>
Participation Date	<p>Participation is limited to persons who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan which includes:</p> <ul style="list-style-type: none"> a) "continuing employees" as defined in the Stock Purchase Agreement; b) certain former employees of The Progress Energy Pension Plan who, as of September 30, 2003, were deferred vested participants; and c) certain retired employees as defined in the Stock Purchase Agreement.

Definitions

Vesting Service	<p>Years of vesting service under The Progress Energy Pension Plan as of September 30, 2003; plus</p> <p>one year of service if credited with at least one hour of service during the period beginning October 1, 2003 and ending December 31, 2003; plus</p> <p>one year of service for each calendar year on or after January 1, 2004 during which the participant is credited with at least 1,000 hours.</p>
Credited Service	<p>Plan year after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant.</p> <p>Progress Energy Pension Plan participants shall begin accruing benefit accrual services at October 1, 2003.</p>
Compensation	<p>Compensation as defined in the Transferred Pension Plan For Certain NCNG Division Employees.</p> <p>For LTD employees with Progress Energy: For purposes of calculating pay credits and transition credits, members on approved disability shall be imputed with compensation at the annual rate they were earning immediately prior to their cessation of active service.</p>

Eligibility for Benefits

Normal Retirement	Attainment of age 65.
Early Retirement	A participant may retire prior to normal retirement, provided he has attained age 55 and has been credited with 10 or more years of service.
Postponed Retirement	A participant is employed past his Normal Retirement Date.
Vested Termination	The participant terminates employment for reasons other than death or retirement.
Disability	A participant who, as of September 30, 2003, was eligible to receive disability benefits from a long-term disability program of Progress Energy, Inc. and its predecessors.
Preretirement Death	Upon the death of a married vested participant who has not yet begun receiving benefits, the participant's surviving spouse will receive the survivor portion of a 50% joint & survivor annuity.

Benefits Paid Upon the Following Events

Normal Retirement	<p>All retirement benefits are 100% vested at all times.</p> <p>A lifetime benefit commencing at normal retirement equal to the sum of (a) and (b) below:</p> <ul style="list-style-type: none">a) participant's frozen NCNG accrued benefit as of December 31, 1999, if any, and;b) the participant's frozen Progress Energy accrued benefit equal to the greater of (i) and (ii) below:<ul style="list-style-type: none">i. the participant's frozen cash balance account pension benefit as of September 30, 2003; andii. the participant's frozen Progress Energy final average pay benefit determined as of September 30, 2003.
Early Retirement	<p>Equal to (1) plus the greater of (2) or (3), where:</p> <ul style="list-style-type: none">1) Is the participant's frozen NCNG accrued benefit, reduced by 1/15 for the first 5 years which retirement precedes age 65 and By 1/30 for the next 5 years which retirement precedes age 60.2) is the participant's frozen Progress Energy final average pay benefit, multiplied by a percentage in accordance with the following table of factors:

Age at Commencement of Retirement Benefit	At least 10 years but less than 20 Years of Service	20 or More Years of Service
55	75.0	75.0
56	77.5	77.5
57	80.0	80.0
58	82.5	82.5
59	85.0	85.0
60	87.5	87.5
61	90.0	90.0
62	92.5	100.0
63	95.0	100.0
64	97.5	100.0

3) is the participant's cash balance account pension benefit, multiplied by an adjustment factor in accordance with the plan.

Postponed Retirement

The greater of a lifetime benefit calculated in the same manner as the normal retirement benefit as of the participant's late retirement date and the actuarial equivalent of the benefit earned at Normal Retirement Date based on the 1984 Unisex Pension Mortality table and 6.00% interest.

Vested Termination

All termination benefits are 100% vested at all times. If the participant terminates employment, he shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime or a lump sum at benefit commencement date. The participant may elect to receive a reduced benefit commencing on the first day of any month following the 55th birthday, provided he had 10 years of service at termination of employment.

Disability

For LTD employees with Progress Energy:

Pay credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See tables of pay credits.

Age at Beginning of Year	Basic Annual Credits	Additional Annual Credit*
Less than 34	3.00%	3.00%
35-39	3.50%	3.50%
40-44	4.25%	4.25%
45-49	5.00%	5.00%
50-54	6.00%	6.00%
55 and over	7.00%	7.00%

*Additional Credit for pay in excess of 80% of Social Security Taxable Wage Base

For LTD employees with Progress Energy:

Transition credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See tables of transition credits.

NCNG Transition Credits Made at End of each Plan Year Commencing on or after January 1, 2000

Based on Age of Supplement A Participant on January 1, 2000

Attained age at beginning of year of Credit	Based on Age of Supplement A Participant on January 1, 2000			
	Less than 35	35-44	45-54	55-65
Less than 29	0.5%			
29-33	1.0			
34-38	1.5	2.5%		
39-43	2.0	3.5		
44-48	2.5	4.5	6.0%	
49-53	3.0	5.5	8.0	
54	3.5	6.5	11.0	9.5%
55	3.5	6.5	11.0	10.5
56	3.5	6.5	11.0	11.5
57	3.5	6.5	11.0	12.5
58	3.5	6.5	11.0	13.5
59	4.0	6.5	13.5	14.5
60	4.0	7.5	13.5	15.5
61	4.0	7.5	13.5	16.5
62	4.0	7.5	13.5	17.5
63	4.0	7.5	13.5	18.5
64-65	4.0	7.5	13.5	19.5

Preretirement Death

- Benefit prior to early retirement

For participants dying on or before the earliest retirement age the annuity is calculated as if the participant had separated from service on the day of the death, and had died the day after attaining the earliest retirement age.
- Benefit after early retirement

For participants dying after the earliest retirement age, the annuity is calculated as if the participant had begun receiving the annuity the day before he died.

Other Plan Provisions

Forms of Payment	<p>Single Life Annuity (normal form for single participants).</p> <p>50% Joint and Survivor Annuity (normal form for married participants).</p> <p><u>NCNG and Progress Energy benefit</u>: Optional forms of payment include 50%, 75% and 100% joint and survivor options; 10 year certain and life option; lump-sum (once plan was merged with Piedmont Natural Gas plan);</p> <p><u>Progress Energy benefit only</u>: unreduced 50% joint and survivor annuity, Social Security leveling form; refund annuity and 100% survivor annuity with life reversion option.</p>
Actuarial Equivalence	<p><u>Optional form conversion except lump sums</u></p> <p>Mortality: 1984 Unisex Pension Mortality</p> <p>Interest: 6% per annum</p> <p><u>Lump sums</u> – the greater of the Actuarial Equivalence for optional forms outlined above, above or mortality and interest prescribed under IRS Section 417(e). Look back month is November prior to the beginning of the plan year.</p>
Maximum On Benefits and Pay	<p>All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.</p>

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum.

Changes in Benefits Valued Since Prior Year

None.

Exhibit B-5
Duke Energy Corporation Executive Cash Balance Plan

Plan Provisions

Effective Date	January 1, 1997. The plan was most recently amended and restated as of January 1, 2014.
Eligibility	Beginning January 1, 2009, the plan allows for automatic eligibility for all employees impacted by IRC compensation limits. Effective January 1, 2014, participation in the plan was closed to new hires and rehires.

To comply with Section 409A of the Code, the plan was divided into two parts: ECBP I and ECBP II. ECBP I consists of amounts deferred prior to January 1, 2005. ECBP II consists of amounts deferred on or after January 1, 2005. ECBP II is subject to the rules and requirements of 409A (including form of payment and timing rules). For example, ECBP II accounts are subject to a six-month delay for specified employees.

Effective July 2, 2012, active participants in the Progress Energy Supplemental Senior Executive Retirement Plan will participate in the ECBP Plan. See Exhibit B-6 for relevant plan provisions for these employees.

Effective January 1, 2014, the Plan was amended and restated to reflect the mergers of the Amended and Restated Progress Energy, Inc. Restoration Retirement Plan and Cinergy Corp. Excess Pension Plan with and into the Plan and to close participation in the Plan to new hires and rehires.

Definitions

Vesting Service	A participant receives vesting service from the later of date of hire and the participant's 18th birthday. Prior to January 1, 1999, vesting service was credited by counting actual hours of employment. Beginning January 1, 1999, vesting service is credited based on elapsed time.
Plan Year	January 1 to December 31.
Compensation	Compensation as defined in the Retirement Cash Balance Plan, but without regard to the limitations of Code Section 401(a)(17) and including Employee deferrals of long-term incentive awards under the Duke Energy Corporation Executive Savings Plan.

Eligibility for Benefits

Distribution	Distribution of vested benefits occurs upon separation of service from the company (or after 6 months if a specified employee). ECBP I accounts must be age 55 or older with the completion of at least three years of vesting service (five years of service prior to January 1, 2007). ECBP II accounts must have three years of vesting service (five years of service before January 1, 2007).
Vesting	At least three years of vesting service (five years of service before January 1, 2007).
Disability	Participants are immediately vested upon disability.
Preretirement Death Benefit	Participants are immediately vested upon death.

Benefits Paid Upon the Following Events

Benefit	<p>A cash balance account was established for each eligible employee as of January 1, 1999. After January 1, 1999, employees are credited with contribution and interest credits.</p> <p>Contributions are credited to the account at the same level as in the Retirement Cash Balance Plan based on compensation in excess of the limitations of Code Section 401(a)(17).</p> <p>From time to time, Duke Energy may grant special additional contributions to certain participants.</p> <p>Interest is credited to the account at the same rate as in the Retirement Cash Balance Plan.</p> <p>Benefit is based on the account balance accrued to date.</p>
Vesting	<p>Benefit may be distributed on the first day of any month on or after separation from employment (on or after participant reaches age 55 for ECBP I benefits). If not distributed, participant's Make Whole Account continues to receive interest adjustments, but no contribution-related credits.</p>
Disability	<p>Participants are immediately vested upon disability. If the participant becomes disabled prior to July 1, 2014, the Company will continue to credit the account in the Executive Cash Balance Plan with contributions based on pre-disability income. These credits will continue until the earlier of age 65, early retirement, or ineligibility.</p> <p>For disability on or after July 1, 2014, contribution credits will cease upon disability.</p>
Death	<p>Participants are immediately vested upon death.</p> <p>If the participant dies while still employed, the account value will be paid to the beneficiary according to the payment option elected. A special death benefit exists if the participant was an active participant in the Supplemental Security plan on December 31, 1996, the death benefit attributable to the participant's supplemental account will not be less than two and one-half times the annualized base rate of pay in the year of death.</p> <p>If the participant dies after retirement while receiving payments, any remaining payment will continue to be distributed to the designated beneficiary according to the payment option elected.</p>

Other Plan Provisions

Forms of Payment	<p>ECBP I accounts: Lump Sum, 3-year, 10-year, or 15-year annuity certain. Balances upon initial payment that are less than \$25,000 will automatically be paid as a lump sum.</p>
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ECBP II accounts: Lump Sum, 2-10 year, or 15 year annuity certain. Balances upon initial payment that are less than dollar amount under Section 402(g)(1)(b) of the Code will automatically be paid as a lump sum.

Former Cinergy Excess and SERP conversions for certain executives

On April 1, 2006, a lump sum was credited to the ECBP accounts of three former Cinergy executives (Good, Manly, and Turner) in the connection with the cancellation of their benefits under the Cinergy Corp. Excess pension plan and SERP. These executives only accrue interest on their ECBP accounts until age 62, when pay credits will resume.

A similar ECBP account was established for two former Cinergy executives (Esamann and Reising) in the connection with the cancellation of their benefits under the former Cinergy SERP. These executives will also only accrue interest on their ECBP accounts. However, they will continue to earn pay credits on their legacy Cinergy Excess benefit.

Prior Plans

Some participants have benefits payable under prior plans. Benefits and payment forms for these participants are provided directly by Duke Energy. Liabilities for prior plans are included in the liabilities and expense in this report.

Future Plan Changes

No future plan changes were recognized in determining pension cost.

Changes in Benefits Valued Since Prior Year

Effective January 1, 2017, non-union Traditional Choice participants will have their final average pay frozen as of December 31, 2016 in the RCBP. This change will also affect these restoration-related benefits in this plan.

Provisions applicable to Former Participants in the Cinergy Corp. Excess Pension Plan

Effective January 1, 2009, benefits under the following nonqualified pension plans were consolidated under the Cinergy Corp. Excess Pension Plan:

- Cinergy Corp. Supplemental Executive Retirement Plan
- Cinergy Executive Supplemental Life Insurance (Defined Benefit Deferred Compensation) Program
- Cinergy (CG&E) Unfunded Supplemental Retirement Plan
- Cinergy (CG&E) Frozen SERP

Effective January 1, 2014, benefits under the Cinergy Corp. Excess Pension Plan were merged into the Duke Energy Executive Cash Balance Plan.

Plan Provisions

Benefits Under Cinergy Excess Plan

Effective Date	January 1, 1986. The plan was amended and restated effective December 31, 2008 and subsequently amended effective January 31, 2010 and February 2, 2010.
Eligibility	All employees whose benefits under Cinergy Corp. Non-Union Employees' Pension Plan are limited by the benefit limits of IRC Section 415 or the compensation limits of IRC Section 401(a)(17). Effective July 1, 2008 no new hires will enter this plan.
Retirement Benefits	Benefits are determined as the excess of (A) less (B): a) Benefit calculated under the provisions of the Cinergy Corp. Non-Union Employees' Pension Plan, but without regard to the limits of IRC Section 415 and 401(a)(17). b) Benefit payable from the Cinergy Corp. Non-Union Employees' Pension Plan.
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.
All Other Provisions	Same as the Cinergy Corp. Non-Union Employees' Pension Plan.

Changes in Plan Provisions Since Prior Year

None.

Plan Provisions

Benefits Under Cinergy Supplemental Executive Retirement Plan Individual (SERP)

Mid-Career Benefit

Participation Eligibility	Named participants (Mr. Mohler is the only current participant).
Retirement Benefits	<p>Same as legacy Cinergy Corp. Excess Pension benefit, but based on 35 years of participation. For retirements prior to age 62, the benefit is multiplied by actual years of participation and divided by potential years of participation at age 62.</p> <p>Amount above is offset by amounts payable from RCBP, ECBP, and 50% of age 62 Social Security amount. If Balanced or Investor Programs were elected for Retirement Choice effective January 1, 2003, the offsets from the RCBP will be the respective cash balance plan and target profit sharing accounts converted to an annuity.</p> <p>The benefit is reduced for retirement before age 62 on same basis as RCBP.</p>

Changes in Plan Provisions Since Prior Year

None.

Plan Provisions

Benefits Under Cinergy Executive Supplemental Life Insurance (Defined Benefit Deferred Compensation) Program

Effective Date	Amended and restated effective January 1, 1999. The plan was amended effective December 31, 2008.
Participation Eligibility	Named participants who were designated as general managers or above. Participation is frozen.

Retirement Benefits

Benefit Eligibility	Age 50 with 5 years of service.
Benefit Amount (After December 31, 2008)	Those not in pay status as of January 1, 2009 were given an opening supplemental account balance which accrues interest only.
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.

Plan Provisions

Benefits Under Cinergy (CG&E) Unfunded Supplemental Retirement Plan

Eligibility for Participation	Three named participants from the Cincinnati Gas and Electric Company. All participants are currently in payment status.
Retirement Benefits	Various amounts payable as an annuity to participants. Supplemental benefits payable prior to age 62.

Plan Provisions

Benefits Under Cinergy (CG&E) Frozen SERP

Eligibility for Participation	Named participants from the Cincinnati Gas and Electric Company. All participants are currently in payment status.
Retirement Benefits	Various fixed amounts (frozen at Cinergy merger date) payable for 15 years after retirement at age 60. Amounts are generally a minimum to other supplemental executive retirement benefits (rather than an addition).

Provisions applicable to Former Participants in the Progress Energy Restoration Plan

Effective January 1, 2014, benefits under the Progress Energy Restoration Plan were merged into the Duke Energy Executive Cash Balance Plan.

Plan Provisions

Effective Date	January 1, 1998, amended and restated July 13, 2011 and amended December 31, 2012.
Eligibility	All employees whose benefits under the Progress Energy Pension Plan are limited by the benefit limits of IRC Section 415 or the compensation limits of IRC Section 401(a)(17).
Vesting service	Three years of vesting service.
Retirement Benefits	Benefits are determined as the excess of (A) less (B): <ul style="list-style-type: none"> a) Benefit calculated under the provisions of the Progress Energy Pension Plan but without regard to the limits of IRC Section 415 and 401(a)(17). b) Benefit payable from the Progress Energy Pension Plan.
Benefit Commencement	First of month following date of termination (subject to six-month wait for Key Employees).
Normal Form of Payment	Life Annuity, if single 50% Joint and Survivor, if married
Other Forms of Payment	Lump Sum, if less than \$75,000 and if annuity form is less than \$500 per month
All Other Provisions	Same as the Progress Energy Pension Plan

Changes in Plan Provisions Since Prior Year

None.

Exhibit B-6
Progress Energy Supplemental Senior Executive Retirement Plan

Plan Provisions

Effective Date	Effective January 1, 1984, amended July 2, 2012
Eligibility	Any executive employee who has served on the Senior Management Committee of the Sponsor and who has been a Senior Vice President or above for a minimum of three years and has at least ten years of service. Effective July 2, 2012, no new hires will enter this plan and all active employees were transferred to the Duke Energy Corporation Executive Cash Balance Plan (ECBP).

Definitions

Vesting Service	A participant receives vesting service from date of hire
Plan Year	January 1 to December 31
Salary	Compensation as defined in the Progress Energy Pension Plan but without regard to the limitations of Code Section 401(a)(17) and including Employee deferrals of long-term incentive awards.
Final Average Pay	Average monthly salary and bonus during the 36 completed calendar months of highest compensation during the 120-month period immediately preceding the earliest of Death, Early Retirement, Normal Retirement, and Separation from Service.
Social Security Benefit	Amount payable from the Social Security Administration at age 65 based on the law in effect at the time of termination. Earnings are assumed to remain constant from termination to age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Retirement after age 55 with at least 15 years of service.
Vested (Severance)	At least ten years of vesting service.
Death Benefit	Death from active service with 10 or more years of service.

Benefits Paid

Normal Retirement Benefit	Final Average Salary multiplied by 4.00% (or 2.25% for participants who entered the plan after January 1, 2009) multiplied by years of service, up to a maximum of 62%. Reduced by: Projected Normal Retirement Benefit from the Progress Energy Pension Plan, and Social Security Benefit.
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Early Retirement Benefit	<p>Final Average Salary multiplied by 4.00% (or 2.25% if participant entered the plan after January 1, 2009) multiplied by projected years of service to Normal Retirement, up to a maximum of 62%.</p> <p>Reduced by:</p> <p>Projected Normal Retirement Benefit from the Progress Energy Pension Plan, and</p> <p>Social Security Benefit.</p> <p>The Early Retirement Benefit is reduced from Normal Retirement at a rate of 2.50% per year.</p>
Vested (Severance) Benefit	<p>Final Average Salary multiplied by 4.00% (or 2.25% if participant entered the plan after January 1, 2009) multiplied by years of service at termination, up to a maximum of 62%.</p> <p>Reduced by:</p> <p>Deferred vested benefit from Progress Energy Pension Plan, if eligible or early retirement benefit from Progress Energy Pension Plan, if eligible, and</p> <p>Social Security Benefit.</p>
Preretirement Death Benefit	<p>The Greater of:</p> <p>(A) 40% of Final Average Salary multiplied by 4.00% (or 2.25% if participant entered the plan after January 1, 2009) multiplied by years of service at death, up to a maximum of 62%.</p> <p>Reduced by:</p> <p>Spouse's benefit from Progress Energy Pension Plan.</p> <p>(B) If at least age 55 with 15 years of service 50% of Early Retirement Benefit</p> <p>If the participant dies after retirement while receiving payments, any remaining payment will continue to be distributed to the designated beneficiary according to the payment option elected.</p>
Retirement Provisions effective July 2, 2012	<p>Active employees on or after July 2, 2012 receive the following in lieu of the provisions described above:</p> <p>Benefits payable under Retirement, Early Retirement or Severance are the greater of (I) and (II) below:</p> <ol style="list-style-type: none">I. (A) Benefits described above but with service and Final Average Salary frozen as of July 2, 2012 plus (B) ongoing accruals under the Duke Energy Corporation Executive Cash Balance PlanII. Benefits described above but with frozen Final Average Salary as of July 2, 2012 multiplied by a cost of living adjustment factor from July 2, 2012 to date of termination.

Other Plan Provisions

Forms of Payment	120-Month Certain and Life Annuity, if single (unreduced) 50% Joint and Survivor Annuity, if married (unreduced)
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Future Plan Changes

No future plan changes were recognized in determining pension cost.

Changes in Benefits Valued Since Prior Year

None.

Exhibit B-7
Florida Progress Corporation
Supplemental Executive Retirement Plan

Plan Provisions

Eligibility Employees designated by Progress Energy. No future participants are allowed in the plan. Note that the plan includes only inactive participants and active participants with frozen benefits.

Eligibility for Benefits

Normal Retirement Retirement at age 65.
Early Retirement Age 55.
Vested Retirement At least five years of vesting service (all Grandfathered participants are 100% vested).

Benefits Paid

Normal Retirement Benefit Florida SERP Target benefit reduced by Employee's Retirement Plan of Florida Progress Corporation Normal Retirement Pension Benefit, and Florida Progress Nondiscrimination Plan Normal Retirement Benefit.
 A Social Security offset to the benefit applies, except for Change in Control participants.

Early Retirement Florida SERP Target benefit reduced for each year that retirement precedes Normal Retirement according to the reduction schedule outlined in the plan document, also reduced by Employee's Retirement Plan of Florida Progress Corporation Early Retirement Pension Benefit, and Florida Progress Nondiscrimination Plan Early Retirement Benefit.
 Early retirement reduction factors vary for grandfathered vs. non-grandfathered participants, and are defined in the plan document.
 A Social Security offset to the benefit applies beginning at age 62, except for Change in Control participants.

Vesting At least five years of vesting service (Grandfathered participants are 100% vested).

Other Plan Provisions

Normal Form of Payment 50% Joint and Survivor Annuity (if married)
 Life Annuity (if single)

Optional Forms of Payment (Married) 66 2/3% Joint and Survivor Annuity
 75% Joint and Survivor Annuity
 100% Joint and Survivor Annuity
 Lump Sum

Optional Forms of Payment (Single) 10 Year Certain and Life Annuity
 Lump Sum

Future Plan Changes

No future plan changes were recognized in determining pension cost because there have been no additional accruals since the plan was frozen on 12/30/2000.

Changes in Benefits Valued Since Prior Year

None.

Section B-8
Florida Progress Corporation Nondiscrimination Plan

Plan Provisions

Eligibility	All employees whose benefits under the Employees' Retirement Plan of Florida Progress Corporation are limited by the benefit limits of IRC Section 415 or the compensation limits of IRC Section 401(a)(17). No future participants are allowed in the plan. Note that the plan only includes inactive participants and active participants with frozen benefits.
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.
All Other Provisions	Same as the Employees' Retirement Plan of Florida Progress Corporation.

Changes in Plan Provisions Since Prior Year

None.

Section B-9
Piedmont Natural Gas Company Nonqualified Retirement Plans

Provisions applicable to Participants in the Piedmont Natural Gas Company Supplemental Retirement Plan

All remaining participants in this plan are retired and in payment of their benefits.

Plan Provisions

Eligibility	All named participants in the Piedmont Natural Gas Company Supplemental Retirement Plan.
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.

Changes in Plan Provisions Since Prior Year

None.

Provisions applicable to Participants in the Retirement Plan for Directors of Piedmont Natural Gas Company

All remaining participants in this plan are retired and in payment of their benefits.

Plan Provisions

Eligibility	Non-employee directors of Piedmont Natural Gas Company first elected on or prior to August 20, 2003 who retired from the Board with more than 10 continuous years of service or who are age 72 (if such director has fewer than 10 years).
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.

Changes in Plan Provisions Since Prior Year

None.

Provisions applicable to Participants in the NCNG Supplemental Retirement Plan

All remaining participants in this plan are retired and in payment of their benefits.

Plan Provisions

Eligibility	All named participants of the NCNG Supplemental Retirement Plan.
Benefit Commencement	Benefit commencements must comply with IRC Section 409A rules.

Changes in Plan Provisions Since Prior Year

None.

Exhibit B-10
Duke Energy Retiree Health and Welfare Benefit Plans
Plan Provisions Applicable to Future Retirees and Retirees at
Legacy Duke Energy and Cinergy Locations

Substantive Plan Provisions

Covered Employees	<p>Employees at legacy Duke Energy and Cinergy locations hired prior to January 1, 2009. With the exception of the union groups below, employees hired or rehired on or after January 1, 2009 are no longer eligible for a subsidy (access only)</p> <ul style="list-style-type: none"> ▪ As of January 1, 2010, IBEW 1347 new hires or rehires are no longer eligible. ▪ As of January 1, 2011, IBEW 1393 new hires or rehires are no longer eligible. ▪ As of January 1, 2012, USW 12049 & 5541-06 new hires or rehires are no longer eligible. ▪ As of January 1, 2013, UWUA new hires or rehires are no longer eligible.
Participation Date	Date of becoming a covered employee

Definitions

Eligibility service	Years of service as a covered employee
Benefit service	Years of service as a covered employee
Spouse	A spouse/domestic partner who was married to the participant on the measurement date
Surviving Spouse	A spouse/domestic partner who was married to the participant on the date of his or her death
Dependent	A child or other legal dependent of the retiree. Eligible dependents shall remain eligible dependents under the retiree medical plan and dental plan until they reach age 26.

Medical Benefits

Eligibility	<p>Retirement after age 55 with at least 10 years of service for current employees (with exception of legacy Cinergy employees who were eligible for retirement on or after age 50 and with 5 years of service).</p> <p>Retirement after age 51 with at least 30 years of service for former Duke Power employees who were at least age 46 with at least 25 years of service as of December 31, 1996.</p> <p>Retirement after 30 years of service for former Nantahala employees who were at least age 43 with at least 25 years of service as of December 31, 1998.</p> <p>Duke Power employees disabled prior to January 1, 1999 were immediately eligible.</p> <p>Effective January 1, 2009, new hires may receive access only coverage with retirement after age 50 with at least 5 years of service.</p>
Dependent eligibility	Spouse or Domestic Partner; children up to age 26
Survivor eligibility	Eligibility continues beyond death of retiree. Active participant survivors are eligible to continue active coverage until they remarry, gain access to other coverage, or the survivor reaches age 65. At age 65, the survivor may select from options available through the UHC Connector exchange.

Retiree contributions	Varies by retiree group; see “Retiree Contributions” below.
Under age 65 benefits	<p>Retirees have a choice of options. The following describes select features of available medical plan options:</p> <ul style="list-style-type: none"> ▪ Standard PPO; \$800 individual deductible; 80% coinsurance; \$3,300 individual out-of-pocket limit (including deductible); a \$2,000 Rx individual out-of-pocket limit ▪ Health Savings Plan 1 (HSP1); \$2,500 individual deductible; 80% coinsurance; \$5,000 individual out-of-pocket limit (including deductible). ▪ Catastrophic; \$5,900 individual deductible and out-of-pocket maximum including Rx; 100% coinsurance.
Age 65 and older benefits	Retirees will have a choice of various individual Medicare plans for medical and prescription drug coverage available through the UnitedHealthcare (UHC) Connector Exchange. Spouse and dependents who are pre-65 are eligible for Duke Energy pre-65 medical options and UHC Connector dental and vision.

Prescription Drug Plan (Pre-65 Only)

All Plans (except HSP1)

Prescription	PPO - Capped at \$2,000 individual out-of-pocket maximum CAT - Out-of-pocket maximum now integrated with medical
30-day supply Generics	\$10 copay
30-day supply Brand-Preferred	Plan pays 75% up to \$50 copay max
30-day supply Brand- NonPreferred	Plan pays 50% up to \$100 copay max
90-day supply Generics	\$25 copay
90-day supply Brand-Preferred	Plan pays 75% up to \$125 copay max
90-day supply Brand- NonPreferred	Plan pays 50% up to \$250 copay max

HSP1. Prescriptions are subject to deductible followed by coinsurance with the exception of preventive drugs, which are covered at 100%.

Dental Benefits

Eligibility	Same as medical
Dependent eligibility	Spouse/domestic partner; children up to age 26
Survivor eligibility	Eligibility continues beyond death of retiree or active participant eligible to retire at time of death.
Age 65 and older benefits	Retirees will have a choice of dental coverage available through the UnitedHealthcare (UHC) Connector Exchange.

Retiree contributions	<p>Pre-65 coverage: Full cost less subsidy of \$42.00 per month for retirees, \$27.50 per month for spouse for Classes D1, N1, D2, N2, D3 and N3. For retirees in Classes 10-60, contributions follow the same structure as medical. All other retirees pay full cost for dental coverage.</p> <p>Post-65 coverage: A retiree reimbursement account (RRA) of \$50 per month for retirees, \$25 per month for spouse is available for Classes D1, N1 and 10 and 15. All other retirees pay full cost for dental coverage in the UHC Connector Exchange.</p>
Pre-65 & dependent benefits	\$50 individual deductible; coinsurance – 100% for preventive, 80% for basic, and 50% for major and orthodontia under age 19.
Pre-65 & dependent annual maximum	\$1,500 per person
Pre-65 & dependent ortho lifetime maximum (up to age 19)	\$2,000 per person

Healthcare Reimbursement Accounts (HRA)

Duke Nuclear HRA Benefit	<p>HRA benefit was provided to select group of Duke Energy Nuclear employees in 2007. Eligible employees received a one-time deposit of \$50,000 into reimbursement account for participant's use in paying premiums and out-of-pocket expenses.</p>
Cinergy HRA Benefit	<p>See information below in the "Provisions for Legacy Cinergy Retirees – Covered Employees" section to see dates employees by group had the option to convert to the Cinergy HRA from the Traditional subsidy model and effective dates for new hires thereafter to begin and also end eligibility for Cinergy HRA.</p> <p>Initial balance for those converting to the Cinergy HRA was equal to 1/12 of \$1,000 per month of service at conversion.</p> <p>Account is credited with 1/12 of \$1,000 per month of service. Interest credits based on beginning of year balance at the average of the 30-year treasury rate for the August preceding the beginning of the plan year. Effective January 1, 2015, interest will be credited at a fixed rate of 4.00%.</p> <p>Active balances for non-union and IBEW 1347 employees will no longer receive future pay credits beginning January 1, 2015. Interest will still be applied to the December 31, 2014 balance. Prior to January 1, 2015, employees were given a choice between a modified frozen Cinergy HRA balance with interest or a new Subsidy HRA plan as class D7/D8 retirees based on their age at January 1, 2015. Those electing to remain with Cinergy HRA are Class D9 beginning in 2015.</p> <p>Active balances for UWUA (MW6) employees will no longer receive future pay credits beginning October 1, 2015. Interest will still be applied to the September 30, 2015 balance. Prior to October 1, 2015, employees were given a choice between a modified frozen Cinergy HRA balance with interest or a new Subsidy HRA as class D7/D8 retirees based on their age at October 1, 2015. Those electing to remain with Cinergy HRA are Class D9 beginning in October 2015.</p>

Active balances for USW 12049 (MW7) and USW 5541-06 (MW8) employees will no longer receive future pay credits beginning November 1, 2016. Interest will still be applied to the October 31, 2016 balance. Prior to November 1, 2016, employees were given a choice between a modified frozen Cinergy HRA balance with interest or a new Subsidy HRA as class D7/D8 retirees based on their age at November 1, 2016. Those electing to remain with Cinergy HRA are Class D9 beginning in November 2016.

Active balances for IBEW 1393 (MW1) employees will no longer receive future pay credits beginning January 1, 2019. Interest will still be applied to the December 31, 2018 balance. Prior to January 1, 2019, employees will be given a choice between a modified frozen Cinergy HRA balance with interest or a new Subsidy HRA plan for class D7/D8 retirees based on their age at January 1, 2019. Those electing to remain with Cinergy HRA are Class D9 beginning in 2019.

VSP HRA Benefit

Non-union employees who accepted the Voluntary Severance Program (VSP) will receive an HRA if the employee would have met medical eligibility (age 50 with 5 years of service) by March 31, 2013. VSP employees received an initial HRA contribution of \$200/month pro-rated based on separation date and subsequently an annual HRA contribution of \$2,400 beginning 12 months after separation from service through the year the employee reaches Medicare eligibility.

Subsidy HRA Benefit

Effective January 1, 2015 (or upon later date as noted for certain unions), class D7/D8 retirees receive a monthly credit to an HRA account starting at retirement and ending at age 65.	Monthly Subsidy HRA Credit to Age 65	
	<u>D7</u> Age <50 as of:	<u>D8</u> Age ≥50 as of:
Non-union, IBEW 1347	January 1, 2015	January 1, 2015
UWUA	October 1, 2015	October 1, 2015
IBEW 1393	January 1, 2019	January 1, 2019
USW 12049 and 5541-06	November 1, 2016	November 1, 2016
Retiree	\$250	\$350
Spouse	\$125	\$175

Medicare Part B Reimbursement

Eligibility	Grandfathered group of Class N1, N2, 10, 15 and 20 retirees only. Survivors or dependents are not eligible.
Benefits	Reimbursement subsidy paid to Medicare-eligible retirees. Subsidy provided is evaluated each year based on the maximum Medicare Part B premium amount set by the U.S. government. For 2017, the monthly reimbursement is \$104.90. Subsidy provided to Class 20 retirees is limited to \$42.60 per month.

Retiree Contributions for Pre-65 Coverage

The costs of the post-retirement medical plan are shared by the Plan's sponsor and retirees. In addition to deductibles and copayments, participant contributions and the employer subsidy level are as follows:

Retiree Group	Retiree Contributions	Employer Subsidy																
▶ D1: Duke Power retirees prior to January 1, 1992	▶ None for retiree coverage; \$331 per month for pre-65 spouse coverage (2017 rates)	▶ Full cost less contributions for spouse coverage																
▶ N1: Nantahala Power and Light (NP&L) retirees prior to January 1, 1996	▶ None for retiree or spouse coverage	▶ Full cost																
▶ D2, D3, N2, N3: Duke retirees after January 1, 1992 or NP&L retirees after January 1, 1996; actives eligible to retire on or before December 31, 1998 and retired on or before January 1, 2015	▶ Retirees pay cost of their postretirement benefits in excess of the Company's service-based defined dollar benefit	<table border="1"> <thead> <tr> <th colspan="2">Service Based Defined Dollar Benefit (Annual)</th> </tr> <tr> <th colspan="2">Pre-65</th> </tr> </thead> <tbody> <tr> <td>Retiree</td> <td>\$ 135</td> </tr> <tr> <td>Spouse</td> <td>\$ 64</td> </tr> </tbody> </table> <p>Service limited to 40 years.</p>	Service Based Defined Dollar Benefit (Annual)		Pre-65		Retiree	\$ 135	Spouse	\$ 64								
Service Based Defined Dollar Benefit (Annual)																		
Pre-65																		
Retiree	\$ 135																	
Spouse	\$ 64																	
▶ D4, N4: Employees hired on or before December 31, 1998 and eligible to retire on or before December 31, 2003 and retired on or before January 1, 2015	▶ Retirees pay cost of their postretirement benefits in excess of the Company's service-based defined dollar benefit	<table border="1"> <thead> <tr> <th colspan="2">Service Based Defined Dollar Benefit (Annual)</th> </tr> <tr> <th colspan="2">Pre-65*</th> </tr> </thead> <tbody> <tr> <td colspan="2">Retiree</td> </tr> <tr> <td>Service years 1-10</td> <td>\$ 180</td> </tr> <tr> <td>Service years 11-30</td> <td>\$ 90</td> </tr> <tr> <td colspan="2">Spouse</td> </tr> <tr> <td>Service years 1-10</td> <td>\$ 120</td> </tr> <tr> <td>Service years 11-30</td> <td>\$ 60</td> </tr> </tbody> </table> <p>* The total amount of the Company contribution for the pre-65 coverage is reduced by 2% for each year the employee retires before age 65 with a maximum reduction of 10%</p>	Service Based Defined Dollar Benefit (Annual)		Pre-65*		Retiree		Service years 1-10	\$ 180	Service years 11-30	\$ 90	Spouse		Service years 1-10	\$ 120	Service years 11-30	\$ 60
Service Based Defined Dollar Benefit (Annual)																		
Pre-65*																		
Retiree																		
Service years 1-10	\$ 180																	
Service years 11-30	\$ 90																	
Spouse																		
Service years 1-10	\$ 120																	
Service years 11-30	\$ 60																	
▶ D5: Employees hired after January 1, 1999 and before January 1, 2009 and retired on or before January 1, 2015	▶ Retirees pay cost of their postretirement benefits in excess of the Company's service-based defined dollar benefit	▶ Service Based Defined Dollar Benefit amounts same as for D4, N4 above; pre-65 coverage is reduced by 2% for each year the employee retires before age 65, but for D5, there is no limit on this early retirement reduction.																

Retiree Group	Retiree Contributions	Employer Subsidy												
<p>▶ D6: Employees hired on or after January 1, 2009; employees rehired on or after January 1, 2009 who were not eligible to retire at prior termination (delayed effective date for unions below). The effective date for these groups are as follows:</p> <table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Union</th> <th style="text-align: left;">Date</th> </tr> </thead> <tbody> <tr> <td>IBEW 1393</td> <td>1/1/2011</td> </tr> <tr> <td>IBEW 1347</td> <td>1/1/2010</td> </tr> <tr> <td>USW 12049 & 5541-06</td> <td>1/1/2012</td> </tr> <tr> <td>UWUA</td> <td>1/1/2013</td> </tr> <tr> <td>IBEW SCU-8</td> <td>1/1/2015</td> </tr> </tbody> </table> <p>Also includes:</p> <ul style="list-style-type: none"> ▪ All employees hired or rehired on or after 1/1/2014 except for employees represented by IBEW SCU-8 ▪ All active Legacy Progress employees previously classified as NBU60 or BU40 as of 12/31/2014 who retire on or after 1/1/2015 	Union	Date	IBEW 1393	1/1/2011	IBEW 1347	1/1/2010	USW 12049 & 5541-06	1/1/2012	UWUA	1/1/2013	IBEW SCU-8	1/1/2015	<p>▶ Retirees pay 100% of cost of their postretirement benefits</p>	<p>▶ None</p>
Union	Date													
IBEW 1393	1/1/2011													
IBEW 1347	1/1/2010													
USW 12049 & 5541-06	1/1/2012													
UWUA	1/1/2013													
IBEW SCU-8	1/1/2015													
<p>▶ D7/D8: All active employees as of December 31, 2014 who are non-union, IBEW 962, IBEW 962T, IBEW SCU-8, USW 7202, IBEW 1347 retiring after January 1, 2015, UWUA retiring after October 1, 2015, USW 12049, USW 5541-06 retiring after November 1, 2016, or IBEW 1393 retiring after January 1, 2019, formerly in retiree classes D1, D2, D3, D4, D5, 20, 25, 55, 60, NBU 35, NBU 50/55 or BU 30/35</p>	<p>▶ Retirees pay total cost of their postretirement coverage and can file for reimbursement from the Subsidy HRA account</p>	<p>▶ Contributions in Subsidy HRA account</p>												

Retiree Contributions for Post-65 Coverage

The costs of the postretirement medical plan are shared by the Plan's sponsor and retirees. In addition to deductibles and copayments, participant contributions and employer subsidy levels are as follows:

Retiree Group	Retiree Contributions	Employer Subsidy
▶ D1: Duke Power retirees prior to January 1, 1992	▶ Retirees: None for retiree. Full cost less \$147 per month for spouse medical coverage and \$69 per month for spouse Rx coverage (2017 rates)	▶ Full cost less contributions for spouse coverage
▶ N1: Nantahala Power and Light (NP&L) retirees prior to January 1, 1996	▶ None for retiree or spouse coverage	▶ Full cost
▶ D2, D3, N2, N3: Duke retirees after January 1, 1992 or NP&L retirees after January 1, 1996; actives eligible to retire on or before December 31, 1998	▶ Retirees pay 100% of cost of their postretirement benefits	▶ None
▶ D4, N4: Employees hired on or before December 31, 1998 and eligible to retire on or before December 31, 2003	▶ Retirees pay 100% of cost of their postretirement benefits	▶ None
▶ D5: Employees hired after January 1, 1999 and before January 1, 2009	▶ Retirees pay 100% of cost of their postretirement benefits	▶ None

Retiree Group	Retiree Contributions	Employer Subsidy
<p>▶ D6: Employees hired on or after January 1, 2009; employees rehired on or after January 1, 2009 who were not eligible to retire at prior termination (delayed effective date for unions below). The effective date for these groups are as follows:</p>	<p>▶ Retirees pay 100% of cost of their postretirement benefits</p>	<p>▶ None</p>

Union	Date
IBEW 1393	1/1/2011
IBEW 1347	1/1/2010
USW 12049 & 5541-06	1/1/2012
UWUA	1/1/2013
IBEW SCU-8	1/1/2015

Also includes:

- All employees hired or rehired on or after 1/1/2014 except for employees represented by IBEW SCU-8
- All active Legacy Progress employees previously classified as NBU60 or BU40 as of 12/31/2014

<p>▶ D7/D8: All active employees as of December 31, 2014 who are non-union, IBEW 962, IBEW 962T, IBEW SCU-8, USW 7202, IBEW 1347 retiring after January 1, 2015, UWUA retiring after October 1, 2015, USW 12049, USW 5541-06 retiring after November 1, 2016, or IBEW 1393 retiring after January 1, 2019, formerly in retiree classes D1, D2, D3, D4, D5, 20, 25, 55, 60, NBU 35, NBU 50/55 or BU 30/35</p>	<p>▶ Retirees pay 100% of cost of their postretirement benefits</p>	<p>▶ None</p>
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Provisions for Legacy Cinergy Retirees

Covered Retirees

Traditional Coverage: Non-represented, IBEW 1393, IBEW 1347 and UWUA employees hired prior to 1/1/2005 and USW 5541-06 and USW-12049 union employees hired prior to 1/1/2006 who chose to remain under traditional coverage option.

Cinergy HRA Coverage: See chart below

Eligible Group (specify below)	HRA/Subsidy Choice effective 01/01/2005 and all New Hires after 01/01/2005	HRA/Subsidy Choice effective 01/01/2006 and all New Hires after 01/01/2006	New hires or newly eligible for HRA	Dates group eligible for the HRA
IBEW 1393 (MW1) ⁵	✓		N	1/1/2005 – 12/31/2010
IBEW 1347 (MW2) ⁴	✓		N	1/1/2005 – 12/31/2009
UWUA (MW6) ¹	✓		N	1/1/2005 – 12/31/2012
USW 12049 (MW7) ⁷		✓ ²	N	1/1/2006 – 12/31/2011
USW 5541-06 (MW8) ⁷		✓ ²	N	1/1/2006 – 12/31/2011
Non-union FT ³	✓		N	1/1/2005 – 12/31/2008
Non-union PT ⁶	✓		N	1/1/2008 – 12/31/2008

¹ All Part-time UWUA employees are not eligible; As of January 1, 2013, UWUA new hires or rehires are no longer eligible.
² Choice windows in November 2005, with an effective date of January 1, 2006, March 2006 with January 1, 2007 effective date, November 2007 with January 1, 2008 effective date, and November 2011 with January 1, 2012 effective date for participants that did not actively elect choice in prior windows.
³ As of January 1, 2009 new hires or rehires are no longer eligible
⁴ As of January 1, 2010, IBEW 1347 new hires or rehires are no longer eligible
⁵ As of January 1, 2011, IBEW 1393 new hires or rehires are no longer eligible
⁶ All PT Non-union treated as Newly Eligible (i.e., no beginning balance)
⁷ As of January 1, 2012, USW 12049 & 5541-06 new hires or rehires are no longer eligible.

Participation Date

Date of becoming a covered employee.

Description of Legacy Cinergy Retiree Classes

- 10 Pre 3/1/1991 PSI Retiree (Frozen elig./closed part.)
- 15 Post 3/1/1991 PSI Retiree (incl. grandfathered employees over 55 on 1/1/1997 and active on 1/1/1997) (Frozen elig./ part.); non-union retired on or before 1/1/2015
- 20 Grandfathered active PSI employee age 50–54 on 1/1/1997; actively employed on or after 1/1/1997 (Frozen elig./open part.) and before 1/1/2009; non-union retired on or before 1/1/2015
- 25 Grandfathered active PSI employee age 40–49 on 1/1/1997; actively employed on or after 1/1/1997. (Frozen elig./open part.) and before 1/1/2009; non-union retired on or before 1/1/2015
- 30 Pre 10/1/1985 CG&E retiree; or post 10/1/1985 CG&E retiree, but retired before 1997 not under VWRP; or 1996 CG&E VWRP retiree (Frozen elig./closed part.)
- 55 PSI Employees over 50 at retirement with five years of service, were under age 40 as of 1/1/1997, and retired after 1/1/1997. CG&E participants who retired on or after 1/1/1997. All new hires after 1/1/1997 through 12/31/2008 for non-union employees, 12/31/2009 for IBEW 1347, 12/31/2010 for IBEW 1393, 12/31/2011 for USW 5541-06 & 12049, 12/31/2012 for UWUA (Frozen elig./open part.); non-union and IBEW 1347 retired on or before 1/1/2015; UWUA retired on or before 10/1/2015; USW 5541-06 & 12049 retiring on or before 11/1/2016; IBEW 1393 retiring on or before 1/1/2019
- 60 Participants who were working for ProEnergy at the time Duke acquired it (Frozen elig./open part.) and retired on or before 1/1/2015. ProEnergy active participants (at acquisition date) receive additional 15 years of service for contribution subsidy.
- 80 Dependents of LTD participants that have become entitled to Medicare due to disability. Eligible for Medical and Dental at active rates.
- 95 Survivors of actives who are over 65. Includes CGE survivors from before 1997 who receive Medical and Dental benefits at the full unsubsidized rate.
- D9 All non-union and IBEW 1347 employees originally classified as Class 20, Class 25, Class 55 as of 12/31/2014 who elected the modified Cinergy HRA during the applicable HRA choice window who retire after 1/1/2015; All UWUA employees represented by originally classified as Class 55 as of 9/30/2015 who elected the modified Cinergy HRA during the applicable HRA choice window who retire after 10/1/2015; All USW 5541-06 & 12049 employees originally classified as Class 55 as of 10/31/2016 who elected the modified Cinergy HRA during the applicable HRA Choice window who retire after 11/1/2016.

Retiree Contributions (Medical and Dental) for Legacy Cinergy Retirees

The costs of the postretirement medical plan are shared by the Plan's sponsor and retirees.

Retiree Group	Retiree Contributions based on years of service at retirement (employer subsidy is full cost less retiree contribution)					
	Service at Retirement	Class 15	Class 20	Class 25	Class 55	Class 60
▶ Pre-65 Traditional (other than Class 10) non-union or IBEW 1347 employees who retire on or before January 1, 2015; UWUA employees who retire on or before October 1, 2015; USW 12049 or 5541-06 employees who retire on or before November 1, 2016; IBEW 1393 employees who retire on or before January 1, 2019	30	10%	20%	30%	50%	50%
	29	11%	22%	33%	55%	50%
	28	12%	24%	36%	60%	50%
	27	13%	26%	39%	65%	50%
	26	14%	28%	42%	70%	50%
	25	15%	30%	45%	75%	50%
	24	16%	32%	48%	80%	50%
	23	17%	34%	51%	85%	50%
	22	18%	36%	54%	90%	50%
	21	19%	38%	57%	95%	50%
	20	20%	40%	60%	100%	50%
	19	21%	42%	63%	100%	50%
	18	22%	44%	66%	100%	50%
	17	23%	46%	69%	100%	50%
	16	24%	48%	72%	100%	50%
	15	25%	50%	75%	100%	50%
	14	26%	52%	78%	100%	55%
	13	27%	54%	81%	100%	60%
	12	28%	56%	84%	100%	65%
	11	29%	58%	87%	100%	70%
10	30%	60%	90%	100%	75%	
9	30%	60%	90%	100%	80%	
8	30%	60%	90%	100%	85%	
7	30%	60%	90%	100%	90%	
6	30%	60%	90%	100%	95%	
5	30%	60%	90%	100%	100%	

Retiree Group	Retiree Contributions	Employer Subsidy
▶ D9: Those remaining with modified Cinergy HRA	▶ Total cost (note: retiree pays total cost and can file for reimbursement from HRA)	▶ HRA contributions in account
▶ Class 10 retirees	▶ None for retiree coverage; \$14 per month for pre-65 spouse coverage (2017 rates)	▶ Full cost less contributions for spouse coverage
▶ Post-65 Traditional:		
▶ Class 10 and 15 retirees	▶ None for retiree or spouse coverage	▶ Full Cost
▶ All other retirees	▶ Retirees pay 100% of cost of their postretirement benefits through the UHC Connector Exchange	▶ None

Life Insurance Benefits for Legacy Duke Energy Retirees

Eligibility

Retirement after age 55 with at least 10 years of service for employees hired before January 1, 2009 (employees hired on or after January 1, 2009 are not eligible).

Retirement after age 51 with at least 30 years of service for former Duke Power employees who were at least age 46 with at least 25 years of service as of December 31, 1996.

Retirement after 30 years of service for former Nantahala employees who were at least age 43 with at least 25 years of service as of December 31, 1998.

Spouse and child life benefit available to retirees who retired prior to January 1, 2011 with no continuation upon the death of the retiree. Note this is a closed group.

Duke Power employees disabled prior to January 1, 1997 were immediately eligible.

Effective December 31, 2012, retiree life insurance benefits were eliminated for all non-union employees terminating employment on or after January 1, 2014 (excluding rehires who had previously retired and were eligible for retiree life insurance upon prior separation). Elimination of retiree life insurance coverage does not apply to non-union employees who terminate under the Duke Energy Voluntary Severance Plan (VSP) on or after 1/1/2014.

Effective December 31, 2013, retiree life insurance benefits were eliminated for all USW Local 7202 employees terminating employment on or after January 1, 2014.

Effective December 31, 2014, retiree life insurance benefits will be eliminated for all Local IBEW 962 and 962T employees terminating employment on or after January 1, 2015.

Benefits

Retired on or before January 1, 1992: Benefits based on plan in effect at retirement

Retired after January 1, 1992 and eligible to retire as of December 31, 1997:

- DPC Plan: Choice of .5 times base pay, 1 times base pay, 1.5 times base pay, or 2 times base pay at retirement, or \$25,000 (certain retirees in 1997). Those electing a multiple of base pay will have coverage amount reduced by 10% on 1st day of retirement or age 55 if disabled and then by 5% per year until age 80. Retirees electing the \$25,000 coverage amount have no reduction in benefits.
- DPC Reduction Plan: 2 times base pay at retirement, reducing to 75% of coverage amount at age 65; reducing 10 percentage points per year after age 65 until it equals 25% of coverage amount at age 70 or reducing to 75% of coverage amount at age 65, reducing to 66% at age 66 through age 69 and then to 25% of coverage amount at age 70.

All other eligible retirees receive \$25,000 life insurance amount.

Dependent life retirees have option of \$2,500 or \$5,000 life insurance amount.

Retiree contributions	<p>Retired on or before January 1, 1992: annual premium of \$2.40 per \$1,000 of coverage.</p> <p>Retired after January 1, 1992 and eligible to retire as of December 31, 1997: annual premium of \$7.20 per \$1,000 of coverage, reduced by \$0.24 for each year of service over 10 and up to 40.</p> <p>All other groups have no contribution requirements.</p> <p>Dependent life insurance: \$1.40 premium per month.</p>
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Life Insurance Benefits for Legacy Cinergy Retirees

Eligibility	<p>Plan closed to only participants as of January 1, 1997 in retiree class 15, 20 and certain class 55. Retirement eligibility is on or after age 50 with at least 5 years of service.</p> <p>Effective December 31, 2012, retiree life insurance benefits have been eliminated for all non-union employees in class 20 terminating employment on or after January 1, 2014 excluding rehires who had previously retired and were eligible for retiree life insurance upon prior separation. This excludes non-union employees, IBEW 1347, UWUA, USW 12049 and 5541-06 who have paid up life insurance in Class 55 as well as non-union employees who terminate under the Duke Energy Voluntary Severance Plan (VSP) on or after 1/1/2014.</p>
Benefits	Varies based on frozen grandfathered amount between \$5,000 and \$75,000
Retiree contributions	None.

Changes in Benefits Valued Since Prior Year

The following plan design changes were incorporated as of year-end 2016:

- USW 5541-06 & 12049 employees who were subsidy-eligible in Retiree Class 55 and retire after November 1, 2016 are moved to the D7/D8 subsidy class with a pre-65 monthly subsidy HRA credit of \$350 for the retiree (\$250 if under the age of 50 as of November 1, 2016) and \$175 (\$125) for the spouse.
- USW 5541-06 & 12049 employees who were currently subsidy-eligible through the Cinergy HRA plan had a choice of the new Subsidy HRA benefit under class D7/D8 or their Cinergy HRA balance under class D9 frozen as of October 31, 2016 with interest given until retirement.

Exhibit B-11
Duke Energy Retiree Health and Welfare Benefit Plans
Plan Provisions Applicable to Future Retirees and Retirees of
Legacy Progress Energy Locations

Substantive Plan Provisions

Covered Non-Union Employees	Employees at Legacy Progress Energy or Florida Non-Union locations who attained age 40 or had 5 years of service at December 31, 2001 (closed group). Employees hired or rehired on or after January 1, 2002 or not meeting the age/service conditions if hired before January 1, 2002 are covered under the retiree medical plan but pay full cost of coverage after meeting the eligibility requirements.
Covered Union Employees	Florida Progress Bargaining Unit employees (Local IBEW SCU-8) hired or rehired before January 1, 2009. Employees hired or rehired on or after January 1, 2009 are covered under the retiree medical plan, but pay full cost of coverage after meeting the plan's eligibility requirements.
Participation Date	Date of becoming a covered employee

Definitions

Eligibility service	Years of service as a covered employee
Benefit service	Years of service as a covered employee
Spouse	A spouse/domestic partner who was married to the participant
Surviving Spouse	A spouse/domestic partner who was married to the participant on the date of his or her death
Dependent	A child or other legal dependent of the retiree. Eligible dependents shall remain eligible dependents under the retiree medical/dental/vision plans (where eligible) until they reach age 26. Vision subsidy ends effective January 1, 2014 for pre-65 non-union retirees.

Medical Benefits

Eligibility	<p>For non-union closed group, retirement after age 55 with at least 15 years of service, or age 65 with 5 years of service, or 35 years of service. (Not applicable for PEP, PFC or PTC employees hired on or before 12/31/2001).</p> <p>For union closed group, retirement after age 55 with at least 15 years of service, or age 65 with 5 years of service.</p> <p>Retirement after age 55 with at least 10 years of service starting 2015.</p> <p>Non-union disabled employees are eligible for post-65 coverage. Union disabled employees are eligible for pre- and post-65 coverage.</p> <p>Beginning January 1, 2015, age 50 with 5 years of service for access only coverage.</p>
Dependent eligibility	Spouse/domestic partner and children up to age 26
Survivor eligibility	Eligibility continues beyond death of retiree. Active participant survivors are eligible to continue active coverage until they remarry, gain access to other coverage, or the survivor reaches age 65. At age 65, the survivor may select from options available through the UHC Connector exchange.
Retiree contributions	Varies by retiree group; see "Retiree Contributions" below.

Under age 65 benefits Retirees have a choice of options. The following describes select features of available plan options:

- Standard PPO; \$800 individual deductible; 80% coinsurance; \$3,300 individual out-of-pocket limit (including deductible); a \$2,000 Rx individual out-of-pocket limit
- Health Savings Plan 1 (HSP1); \$2,500 individual deductible; 80% coinsurance; \$5,000 individual out-of-pocket limit (including deductible).
- Catastrophic; \$5,900 individual deductible and out-of-pocket maximum including Rx; 100% coinsurance.

Age 65 and older benefits Retirees will have a choice of various individual Medicare plans for medical and prescription drug coverage available through the United Healthcare (UHC) Connector Exchange. Spouse and dependents who are pre-65 are eligible for Duke energy pre-65 medical options and UHC Connector dental and vision (effective 1/1/2015 for union)

Prescription Drug Plan (Pre-65 Only)

All Plans (except HSP1)

Prescription

PPO - Capped at \$2,000 individual out-of-pocket maximum
CAT - Out-of-pocket maximum now integrated with medical

30-day supply Generics	\$10 copay
30-day supply Brand-Preferred	Plan pays 75% up to \$50 copay max
30-day supply Brand- NonPreferred	Plan pays 50% up to \$100 copay max
90-day supply Generics	\$25 copay
90-day supply Brand-Preferred	Plan pays 75% up to \$125 copay max
90-day supply Brand- NonPreferred	Plan pays 50% up to \$250 copay max

HSP1. Prescriptions drugs are subject to deductible followed by coinsurance with the exception of preventive drugs, which are covered at 100%.

Healthcare Reimbursement Accounts (HRA)

VSP HRA Benefit

Non-union employees who accepted the Voluntary Severance Program (VSP) will receive an HRA if the employee would have met medical eligibility (age 50 with 5 years of service) by March 31, 2013. VSP employees received an initial HRA contribution of \$200/month pro-rated based on separation date and subsequently an annual HRA contribution of \$2,400 beginning 12 months after separation from service through the year the employee reaches Medicare eligibility.

Subsidy HRA Benefit	Effective for retirements after January 1, 2015, class D7/D8 retirees receive a monthly credit as follows to an HRA account starting at retirement and ending at age 65.	Monthly Subsidy HRA Credit to Age 65	
		<u>D7</u>	<u>D8</u>
		Age <50 as of January 1, 2015	Age ≥50 as of January 1, 2015
Retiree		\$250	\$350
Spouse		\$125	\$175

Retiree Contributions (Medical)

The costs of the postretirement medical plan are shared by the Plan's sponsor and retirees. In addition to deductibles and copayments, retiree contributions for pre-65 plan coverage are as follows:

Retiree Group	Retiree Contributions	Employer Subsidy
▶ NBU10: Legacy Progress Florida Non-Union retirees prior to January 1, 1993	▶ None	▶ Full cost
▶ NBU20: Legacy Progress Florida Non-Union retirees on or after January 1, 1993 and prior to January 1, 1998	▶ Total premium less Company contributions from matrix	▶ Defined by matrix; not subject to caps
▶ NBU30: Progress Energy retirees on or before January 1, 2002	▶ Flat contributions	▶ Full cost less retiree contributions; not subject to caps
▶ NBU35: Progress Carolinas retirees after January 1, 2002, who were active as of December 31, 2001 with more than 35 years of service as of December 31, 2001, or with 15 years of service after age 40 as of December 31, 2001 and retired on or before January 1, 2015	▶ Flat contributions	▶ Full cost less retiree contributions; not subject to caps
▶ NBU40: Legacy Progress Florida Non-Union retirees on or after January 1, 1998 through January 1, 2002	▶ Total premium less Company contributions from matrix subject to caps	▶ Defined by matrix; subject to caps
▶ NBU50/55: All Non-Union retirees on or after January 1, 2002 and on or before January 1, 2015 who were actives over age 40 or had more than 5 years of service at December 31, 2001 and who had 15 years of service after age 40 and retired on or before January 1, 2015	▶ Flat contributions plus future cost increases in premiums once caps are met	▶ Full cost less retiree contributions; subject to caps

Retiree Group	Retiree Contributions	Employer Subsidy
▶ NBU60: All Non-Union retirees on or after January 1, 2002 who were actives under age 40 with less than 5 years of service at December 31, 2001 and who had less than 15 years of service after age 40; retired on or before January 1, 2015	▶ Retirees pay 100% of cost of providing their postretirement benefits	▶ None
▶ NBU60: All Non-Union employees hired or rehired on or after January 1, 2002 and on or before December 31, 2013; retired on or before January 1, 2015	▶ Retirees pay 100% of cost of providing their postretirement benefits	▶ None
▶ NBUSVD: All legacy CPL surviving dependents and legacy FPC after December 31, 2001	Survivors pay 100% of cost	▶ None
▶ BU10: Retired before January 1, 1993	▶ None	▶ Full cost
▶ BU20: Retired on or after January 1, 1993 and before January 1, 1998	▶ Total premium less Company contributions from matrix	▶ Defined by matrix; not subject to cap
▶ BU30/35: Retired on or after January 1, 1998 and on or before January 1, 2015; hired before January 1, 2009	▶ Total premium less Company contributions from matrix	▶ Defined by matrix; subject to cap
▶ BU40: Hired or rehired on or after January 1, 2009 and retired on or before January 1, 2015	▶ Full cost	▶ None
▶ D7/D8: All active covered employees as of December 31, 2014 who are non-union, IBEW 962, IBEW 962T, IBEW SCU-8, USW 7202, IBEW 1347 retiring after January 1, 2015, UWUA retiring after October 1, 2015, USW 12049, USW 5541-06 retiring after November 1, 2016, or IBEW 1393 retiring after January 1, 2019, formerly in retiree classes D1, D2, D3, D4, D5, N1, N2, N3, N4, 10, 15, 20, 25, 55, 60, NBU 35, NBU 50/55 or BU 30/35	▶ Retirees pay total cost of their post retirement coverage and can file for reimbursement from the HRA	▶ Contributions in Subsidy HRA account described above

Retiree Contributions

Retiree contributions vary among the following groups of retirees:

- ▶ None — Do not pay any retiree premiums.
- ▶ Matrix — Progress Florida retiree cost sharing based on matrix varying with age and service. NBU20/BU20 retirees are not subject to the cap. NBU40/BU30-35 retirees are subject to non-union and union caps.
- ▶ Flat – Retiree contribution is flat amount that varies by plan and coverage tier. NBU30 and NBU35 retirees are not subject to the employer cap. NBU50 and NBU55 retirees are subject to the employer cap. Retirees pay for all future cost increases after the cap takes effect.

Expected Net Employer
 Contributions for Pre-65
 Coverage

For Progress Florida matrix retirees who are not subject to the caps, employer will pay the percentage of the medical premium shown below, based on age and service at retirement. Additional premiums are charged based on the full premium increase after the caps apply.

Retiree Age	Years of Service					
	15	20	25	30	35	40
55	50.0%	59.0%	69.0%	79.0%	100.0%	100.0%
56	52.0%	62.0%	72.0%	82.0%	100.0%	100.0%
57	55.0%	65.0%	75.0%	85.0%	100.0%	100.0%
58	58.0%	68.0%	78.0%	88.0%	100.0%	100.0%
59	61.0%	71.0%	81.0%	91.0%	100.0%	100.0%
60	64.0%	74.0%	84.0%	94.0%	100.0%	100.0%
61	67.0%	77.0%	87.0%	97.0%	100.0%	100.0%
62	70.0%	80.0%	90.0%	100.0%	100.0%	100.0%
63	73.0%	83.0%	93.0%	100.0%	100.0%	100.0%
64	76.0%	86.0%	96.0%	100.0%	100.0%	100.0%
65	79.0%	89.0%	99.0%	100.0%	100.0%	100.0%

For spouse, the percentage of medical premium paid by the employer is equal to 75% of the retiree percentage shown above.

2017 Annual Contributions (Pre-65)

Plan	Class	Retiree	Spouse
Standard PPO	NBU30/NBU35	\$1,733	\$5,524
Standard PPO	NBU50/NBU55	\$3,337	\$6,374
Standard PPO	NBU60/BU40	\$10,080	\$10,080
Catastrophic B	NBU30/NBU35	\$333	\$1,097
Catastrophic B	NBU50/NBU55	\$1,024	\$2,309
Catastrophic B	NBU60	\$5,280	\$5,280
Health Savings Plan (HDHP)	NBU30/NBU35	\$619	\$1,561
Health Savings Plan (HDHP)	NBU50/NBU55	\$1,734	\$3,545
Health Savings Plan (HDHP)	NBU60	\$7,668	\$7,668

Matrix retirees (NBU20 and BU20) will pay cost shown for NBU60 retirees less employer subsidy described above. Furthermore, NBU40 pre-65 retirees are subject to the non-union cap where the employer subsidy is limited to \$8,151 times the applicable matrix percentage. BU30/35 pre-65 retirees are subject to the union cap where the employer subsidy is limited to \$8,063 times the applicable matrix percentage.

Cap amounts

Under age 65 and not eligible for Medicare:

- ▶ Non-union: \$7,000 average net employer cost/participant
- ▶ Union: \$6,500 average net employer cost/participant

After a cap is met, the Company's contribution remains level and future cost increases are passed on to plan participants. The non-union post-65 cap was met in 2014 and the non-union pre-65 cap was met in 2012. The union post-65 cap was met in 2010 and the union pre-65 cap was met in 2011.

Retiree Contributions
for Post-65 Coverage

Starting January 1, 2014 for non-union and January 1, 2015 for union, coverage in individual Medicare plans will be available through the United Healthcare (UHC) Connector Exchange with a defined subsidy direct billed to Duke Energy that varies by retiree class below. Retirees will be direct billed by UHC for any remaining cost of plan coverage elected.

Duke Energy will provide the following subsidy amounts for 2017:

Class	Description	Retiree Subsidy for Medical/Rx	Spouse Subsidy for Medical/Rx	Future Indexing
NBU10	Legacy FPC retired before 1/1/1993	100% of premium cost	100% of premium cost	None
NBU20	Legacy FPC retired on or after 1/1/1993 and before 1/1/1998	100% of premium cost	\$3,060/year	None for retirees, 3% per year for spouses
NBU30/ NBU35	Legacy CPL retired before 1/1/2002 and retired on or before 1/1/2015	\$2,616/year	\$1,584/year	3% per year
NBU40	Legacy FPC retired on or after 1/1/1998 and through 1/1/2002	\$2,472/year	\$1,488/year	None
NBU50/ NBU55	Retired after 1/1/2002 with more than 5 years of service or over age 40 at 12/31/2001 and retired on or before 1/1/2015	\$2,472/year	\$1,488/year	None
NBU60	Non-union hired prior to 1/1/2002 and less than 5 years of service and below age 40 at 12/31/2001, or hired after 1/1/2002 and before 1/1/2014	None	None	None
BU10	Retired before 1/1/1993	100% of premium cost	100% of premium cost	None
BU20	Retired on or after 1/1/1993 and before 1/1/1998	100% of premium cost	\$3,060/year	None for retirees, 3% per year for spouses
BU30/35	Retired on or after 1/1/1998 and hired before 1/1/2009; retired on or before 1/1/2015	\$2,472/year	\$1,488/year	None

BU40	Hired or rehired on or after 1/1/2009 and retired on or before 1/1/2015	None	None	None
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Dental and Vision Benefits

Eligibility	Same as medical.		
Dependent eligibility	Spouse/domestic partner; children up to age 26.		
Survivor eligibility	Eligibility continues beyond death of retiree or active participant. Vision not available to active survivors		
Age 65 and older benefits	Retirees will have a choice of dental and vision coverage available through the UHC Connector Exchange.		
Retiree contributions		Pre-65 (Annual)	Post-65*
NBU30/35 & NBU50/55	Retiree – Dental	\$408	Full cost less employer subsidy
NBU30/35 & NBU50/55	Spouse – Dental	\$408	Full cost less employer subsidy
NBU10/20/40 & all BU	Retiree – Dental	\$504	Full cost
NBU10/20/40 & all BU	Spouse – Dental	\$504	Full cost
NBU30/35 & NBU50/55	Retiree – Vision	\$70	Full cost less employer subsidy
NBU30/35 & NBU50/55	Spouse – Vision	\$70	Full cost less employer subsidy
NBU10/20/40 & all BU	Retiree – Vision	\$70	Full cost
NBU10/20/40 & all BU	Spouse – Vision	\$70	Full cost
	*Post-65 employer subsidy of \$132 annually for Class NBU30/35 and NBU50/55 retirees to cover both dental and vision benefits		
Pre-65 & dependent dental	\$50 individual deductible; coinsurance – 100% for preventive, 80% for basic, and 50% for major and orthodontia under age 19.		
Pre-65 & dependent annual maximum – Dental	\$1,500 per person		
Pre-65 & dependent ortho lifetime maximum (up to age 19)	\$2,000 per person		

Life Insurance Benefits for Non-Union Retirees

Eligibility	Retirement after age 55 with 15 years of service after age 40 or 35 years of service.
Benefits	Progress Florida Non-Union age 55 or older as of January 1, 1998: One times base pay at retirement with a 50% reduction at age 70. Progress Energy retired on or before January 1, 1998: Benefits based on plan in effect at retirement

Progress Energy retired after January 1, 1998 and before January 1, 2002: \$10,000 at no cost to employee, additional amount up to \$3,000 times years of service with employee contribution, up to maximum of \$75,000.

All other retirees receive \$20,000 life insurance amount.

Effective December 31, 2012, retiree life insurance benefits were eliminated for all non-bargaining unit employees terminating employment on or after January 1, 2014 (excluding rehires who had previously retired and were eligible for retiree life insurance upon prior separation). Elimination of retiree life insurance coverage does not apply to non-union employees who terminate under the Duke Energy Voluntary Severance Plan (VSP) on or after 1/1/2014.

Retiree contributions No contribution requirements.

Life Insurance Benefits for Union Retirees

Eligibility	Retirement after age 55 with at least 15 years of service or age 65 with at least 5 years of service.
Benefits	Age 55 and older as of June, 1, 2006, who were receiving benefits under the FlexPower Program, and who satisfied the Retirement Age and Service Requirements as of that date are eligible for one times annual base pay with 50% reduction at age 70. Employees who satisfy the Retirement Age and Service Requirements on or after June 1, 2006 are eligible for \$20,000 Basic Retiree Life. Effective December 31, 2014, retiree life insurance benefits were eliminated for all employees terminating employment on or after January 1, 2015 (excluding rehires who had previously retired and were eligible for life insurance upon prior separation).
Retiree contributions	None.
Employer contributions	Pays full cost of plan

Changes in Benefits Valued

There were no changes in benefits valued since the prior valuation.

Exhibit B-12
Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan

Substantive Plan Provisions

Retiree Medical Benefits for Retirees and Active Employees Eligible to Retire at November 1, 1993

Piedmont offers retiree medical coverage to eligible employees (and their spouses if part of the Nashville or NCNG groups). Employees are first eligible to retire with medical benefits at age 55 with 10 or more years of vesting service. Surviving spouses of retirees in the Nashville or NCNG groups may continue their subsidized coverage provided they were covered at the time of the retiree's death and any applicable premiums are continued.

Retiree Medical Benefits for Active Employees Not Eligible to Retire at November 1, 1993

Effective November 1, 1993, the eligibility requirements for postretirement medical benefits were changed for those employees not yet eligible to retire. Employees are first eligible to retire with medical benefits after providing 10 years of service following age 45. Surviving spouses of Nashville and NCNG retirees may continue their coverage provided they were covered at the time of the retiree's death and any applicable premiums are continued. Disabled employees are eligible to continue their medical coverage.

Retiree Medical Benefits for Active Employees hired or rehired after December 31, 2007

New Piedmont employees hired or rehired after December 31, 2007 must complete 10 years of service after age 50 before becoming eligible for pre-65 retiree health care and life insurance coverage through Piedmont. These employees will not be eligible for Company-sponsored health care coverage once they reach age 65.

Medical Benefits

Retiree Medical Benefits

Effective January 1, 2016, Piedmont will provide defined dollar benefits through HRA contributions, See table below for annual benefit summary.

Group	Annual HRA Contribution
Pre-Medicare Retirees <i>Hired on or after 1/1/2008 (1/1/2009 for Nashville)</i>	Retiree: \$4,300 Spouse: \$0
Pre-Medicare Retirees Non-Grandfathered <i>Hired prior to 1/1/2008 (1/1/2009 for Nashville)</i>	Retiree: \$4,300 Spouse: \$0
Medicare Retirees Non-Grandfathered <i>Hired prior to 1/1/2008 (1/1/2009 for Nashville)</i>	Retiree: \$1,360 Spouse: \$0
Medicare Retirees Grandfathered <i>Hired prior to 1/1/2008 and were 50 with 10 years of service as of 11/1/1983</i>	Retiree: \$2,200 Spouse: \$0
1990 Nashville Retirees <i>Retired prior to 1/31/1990</i>	Retiree: \$2,320 Spouse: \$2,320
NCNG Grandfathered Retirees <i>Eligible for retiree medical coverage as of 10/1/2003</i>	Retiree: \$1,720 Spouse: \$1,120
NCNG Frozen Retirees <i>Retired from NCNG on or before 12/31/1986</i>	Retiree: \$1,960 Spouse: \$1,960

Medicare LTD Recipients <i>Hired prior to 1/1/2008</i>	Retiree: \$2,800 Spouse: \$0
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Life Insurance Benefits

Retiree Life Benefits

Prior to November 1, 1993, employees age 55 or older who retired with ten years or more of service were eligible to receive postretirement life insurance benefits. Effective November 1, 1993, for those employees not meeting the eligibility requirements previously stated, the eligibility provisions were changed to require ten years of service following the age of 45.

Piedmont provided active employees in North or South Carolina a life insurance benefit equal to one times annual earnings rounded to the next higher \$1,000 and employees may purchase an additional one times salary of supplemental life. Both life insurance amounts are reduced by 20% each year beginning on the first anniversary of retirement until the fifth anniversary when coverage equals 10% of the amount (basic and supplemental) in effect at retirement. Piedmont provided active North or South Carolina employees represented by a collective bargaining unit one times annual earnings and the option to purchase an additional one times salary supplemental life. For bargaining unit retirees on June 29, 1998 and later, the reduction schedule changed and both life and supplemental life are reduced to 75% beginning on the first anniversary of retirement and by 25% each of the following two years.

Active Tennessee employees are provided with a life insurance benefit equal to two times annual salary. Employees who retire have their life insurance benefit reduced to 25% of the amount they had as an active employee. Active employees represented by a collective bargaining unit follow the same reduction schedule but the 25% can not exceed a maximum of \$15,000 of life insurance at retirement. Between November 1, 2003 and June 30, 2005, active Tennessee employees were provided with one times salary reduced by 50% at retirement. Active employees represented by a collective bargaining unit received a one time reduction to \$15,000.

Life insurance benefits for disabled employees continue with no reduction in coverage until age 65. At age 65, coverage is reduced in the same manner as other retirees in their geographic location.

Future Retiree Life Benefits

All employees retiring on July 1, 2005 and later will receive a flat amount of \$15,000 of company-paid basic retiree life insurance on their retirement date. This amount will not reduce over time and will stay in place for the life of the retiree. The only exception to this is a group of NCNG employees who were already eligible to retire under Progress' retirement provisions at the time of the acquisition on October 1, 2003. These employees were grandfathered under the Progress retiree life insurance plan which provided a flat amount of \$20,000 in basic life insurance at retirement. These employees received \$20,000 of basic life when they retired from Piedmont.

Retiree Life Contributions

Retirees do not contribute toward the cost of their basic life insurance. Retirees, prior to 2005, in North and South Carolina are required to pay for elected supplemental life insurance. The retiree contribution for supplemental life insurance is frozen at the benefit level in the first year of retirement.

Changes in Benefits Valued

There were no changes in benefits valued since the prior valuation.

Appendix C

Summary of Participant Data

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Duke Energy Merged Retirement Cash Balance Plan	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corp	Duke Energy Discontinued Ops DSC	Total
Active	8,456	5,900	207	63	1,447	14	20	4,307	1,355	0	0	9	21,778
- Average Age													49.1
- Average Credited Service													19.4
- Average Plan Compensation													\$100,222
Vested Terminations	2,390	1,603	61	49	170	1	31	1,333	864	64	39	1,672	8,277
- Average Age													54.8
- Average Cash Balance Account													\$94,936
- Average Annual Pension (annuity)													\$6,450
Retired	6,007	1,703	239	641	2,270	52	1	3,687	2,899	68	60	342	17,969
- Average Age													73.7
- Average Annual Pension (annuity)													\$13,741
Total	16,853	9,206	507	753	3,887	67	52	9,327	5,118	132	99	2,023	48,024

Counts reflect the transfer of participants between payroll companies as well as participants who have been paid a lump sum in the special bulk lump sum window during 2016.

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Cinergy Corp. Union Employees' Retirement Income Plan	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Progress 801	Duke Energy Florida 802	Duke Energy Discontinued Ops DSC	Total
Active	4	725	1	391	3	184	0	0	2	0	1,310
- Average Age											46.1
- Average Credited Service											18.4
- Average Plan Compensation											\$75,206
Vested Terminations	0	88	65	154	0	23	0	0	0	59	389
- Average Age											51.8
- Average Cash Balance Account											\$28,175
- Average Annual Pension (annuity)											\$6,192
Retired	0	333	360	946	1	186	0	0	0	44	1,870
- Average Age											71.8
- Average Annual Pension (annuity)											\$17,094
Total	4	1,146	426	1,491	4	393	0	0	2	103	3,569

Counts reflect the transfer of participants between payroll companies during 2016.

**Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016**

Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation	Florida Power /Plan Total
Active	2,005
- Average Age	46.2
- Average Credited Service	14.8
- Average Plan Compensation	\$72,579
Vested Terminations	527
- Average Age	51.0
- Average Cash Balance Account	\$10,745
- Average Annual Pension (annuity)	\$7,999
Retired	1,320
- Average Age	66.8
- Average Annual Pension (annuity)	\$17,531
Total	3,852

Counts reflect the transfer of participants between payroll companies during 2016.

Duke Energy Corporation
 Year End 2016 Footnote Disclosure
 Participant Valuation Data as of 1/1/2016

Retirement Plan for Piedmont Natural Gas Company	Piedmont Natural Gas Company PNG /Plan Total
Active	1,238
- Average Age	51.5
- Average Credited Service	19.0
- Average Plan Compensation	\$111,859
Vested Terminations	226
- Average Age	53.7
- Average Annual Pension (annuity)	\$10,214
Retired	397
- Average Age	74.1
- Average Annual Pension (annuity)	\$11,594
Total	1,861

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Duke Energy Merged Executive Cash Balance Plan	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Total
Active	67	117	10	0	2	0	4	0	23	7	230
- Average Age											53.9
- Average Credited Service											22.9
- Average Plan Compensation											\$335,100
Vested Terminations	10	67	6	0	0	0	2	12	1	1	99
- Average Age											56.3
- Average Cash Balance Account											\$110,367
- Average Annual Pension (annuity)											\$74,631
Retired	118	136	4	12	18	1	2	28	2	2	323
- Average Age											69.7
- Average Annual Pension (annuity)											\$56,122
Total	195	320	20	12	20	1	8	40	26	10	652

Counts reflect the transfer of participants between payroll companies during 2016.

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Progress Energy Supplemental Senior Executive Retirement Plan	Duke Energy Business Services	Duke Energy Progress	Duke Energy Florida	Total
	110	801	802	
Active	0	0	0	0
- Average Age				N/A
- Average Credited Service				N/A
- Average Plan Compensation				N/A
Vested Terminations	0	1	0	1
- Average Age				N/A
- Average Annual Pension (annuity)				N/A
Retired	4	20	2	26
- Average Age				78.4
- Average Annual Pension (annuity)				\$215,880
Total	4	21	2	27

Counts reflect the transfer of participants between payroll companies during 2016.

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Florida Progress Corporation Supplemental Executive Retirement Plan	Duke Energy Business Services 110	Duke Energy Florida 802	Florida Progress Corp / Progress Fuels Corp	Total
Active	2	0	0	2
- Average Age				N/A
- Average Credited Service				N/A
- Average Plan Compensation				N/A
Vested Terminations	0	0	0	0
- Average Age				N/A
- Average Annual Pension (annuity)				N/A
Retired	0	26	12	38
- Average Age				71.4
- Average Annual Pension (annuity)				\$112,917
Total	2	26	12	40

Counts reflect the transfer of participants between payroll companies during 2016.

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Florida Progress Corporation Nondiscrimination Plan	Duke Energy Business Services 110	Duke Energy Florida 802	Florida Progress Corp / Progress Fuels Corp	Total
Active	1	0	0	1
- Average Age				N/A
- Average Credited Service				N/A
- Average Plan Compensation				N/A
Vested Terminations	0	1	1	2
- Average Age				N/A
- Average Annual Pension (annuity)				N/A
Retired	0	19	11	30
- Average Age				74.1
- Average Annual Pension (annuity)				\$22,267
Total	1	20	12	33

Counts reflect the transfer of participants between payroll companies during 2016.

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016

Piedmont Natural Gas Company Nonqualified Retirement Plans	Piedmont Natural Gas Company PNG /Plan Total
Active	0
- Average Age	N/A
- Average Credited Service	N/A
- Average Plan Compensation	N/A
Vested Terminations	0
- Average Age	N/A
- Average Annual Pension (annuity)	N/A
Retired	18
- Average Age	81.4
- Average Annual Pension (annuity)	\$26,513
Total	18

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016 for Legacy Duke/Progress Postretirement Benefit Plans and 10/31/2016 for Piedmont Postretirement Benefits Plan

Duke/Cinergy Retiree Medical	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Total
Active	6,035	3,838	73	324	919	170	11	0	62	35	11,467
- Average Age											51.9
- Average Credited Service											25.0
Retiree/Surviving Spouse	2,858	1,128	221	158	1,773	84	1	158	0	0	6,381
- Average Age											73.8
Total	8,893	4,966	294	482	2,692	254	12	158	62	35	17,848

Counts reflect the transfer of participants between payroll companies during 2016
Retiree/Surviving Spouse Counts include dependents of post-65 retirees reported as separate records provided by United Healthcare

Duke Retiree Life	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Total
Active	0	0	0	0	0	0	0	0	0	0	0
- Average Age											
- Average Credited Service											
Retiree	5,379	924	5	0	1	0	8	272	2	0	6,591
- Average Age											71.9
Total	5,379	924	5	0	1	0	8	272	2	0	6,591

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016 for Legacy Duke/Progress Postretirement Benefit Plans and 10/31/2016 for Piedmont Postretirement Benefits Plan

Cinery Life	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Commercial Enterprises, Inc. 501	Duke Energy Ohio 503	Duke Energy Indiana 529	Duke Energy Kentucky 536	Duke Energy International 600	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Total
Active	2	27	2	2	5	3	0	0	0	0	41.0
- Average Age											60.3
- Average Credited Service											35.0
Retiree	3	460	236	593	1,007	100	0	5	0	0	2,404
- Average Age											76.2
Total	5	487	238	595	1,012	103	0	5	0	0	2,445

Counts reflect the transfer of participants between payroll companies during 2016

Progress Medical	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Indiana 529	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Total
Active	176	570	1	0	1,618	1,661	0	0	4,026
- Average Age									54.3
- Average Credited Service									25.7
Retiree/Surviving Spouse	8	653	0	2	4,111	3,178	21	25	7,998
- Average Age									71.1
Total	184	1,223	1	2	5,729	4,839	21	25	12,024

Counts reflect the transfer of participants between payroll companies during 2016

Retiree/Surviving Spouse Counts include dependents of post-65 retirees reported as separate records provided by United Healthcare

Duke Energy Corporation
Year End 2016 Footnote Disclosure
Participant Valuation Data as of 1/1/2016 for Legacy Duke/Progress Postretirement Benefit Plans and 10/31/2016 for Piedmont Postretirement Benefits Plan

Progress Non Union Life	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Discontinued Oper. DSC	Duke Energy Progress 801	Duke Energy Florida 802	Florida Progress Corp	Progress Fuels Corporation	Total
Active	0	0	0	0	0	0	0	0
- Average Age								
- Average Credited Service								
Retiree	0	521	1	2,924	1,256	13	26	4,741
- Average Age								71.1
Total	0	521	1	2,924	1,256	13	26	4,741

Progress Union Life	Duke Energy Carolinas 100	Duke Energy Business Services 110	Duke Energy Discontinued Oper. DSC	Carolina Power and Light 801	Florida Power 802	Florida Progress Corp	Progress Fuels Corporation	Total
Active	0	0	0	0	0	0	0	0
- Average Age								
- Average Credited Service								
Retiree	0	0	0	0	1,136	0	0	1,136
- Average Age								69.6
Total	0	0	0	0	1,136	0	0	1,136

Duke Energy Corporation
 Year End 2016 Footnote Disclosure
 Participant Valuation Data as of 1/1/2016 for Legacy Duke/Progress Postretirement Benefit Plans and 10/31/2016 for Piedmont Postretirement Benefits Plan

Piedmont Postretirement Benefits	Piedmont Natural Gas Company PNG	Total
Active	1,137	1,137
- Average Age		54.7
- Average Credited Service		21.1
Retiree	991	991
- Average Age		72.3
Total	2,128	2,128

Appendix D

Payroll Company Allocation Methodology

Payroll Company Allocation Methodology

Duke Energy allocates the aggregate expense to individual payroll companies.

The following describes the method of allocation.

Projected Benefit Obligation	Calculated by summing the projected benefit obligation of each plan participant assigned to the payroll company.
Plan Assets at Fair Value	Cumulative amount of contributions, benefit payments, administrative expenses, and returns that have been assigned to the payroll company. Return is allocated so that each payroll company has the same return on the beginning of year assets adjusted for cash flow.
Market Related Value of Assets	Allocated to each payroll company in proportion to the payroll company portion of the plan assets at fair value. For RCBP Plan, this allocation is applied only to the payroll companies that do not use fair value as the market related value.
Benefit Payments	Benefit payments are explicitly provided by payroll company by Duke Energy.
Employer Contributions	Plan sponsor contributions are allocated based on the sum of service cost, administrative expense load, and a 7-year amortization of unfunded PBO. The most recently reported information is used for this purpose.
Prior Service Cost	Calculated for each payroll company when an amendment is passed that changes the projected benefit obligation. The amount shown for each payroll company is the remaining amount to be recognized in the future as a component of expense.
Amount Recognized in Retained Earnings	For each payroll company, the accumulation of annual expense allocated to the payroll company in the past is offset by the accumulation of plan contributions allocated to the payroll company. Adjustments are also made for transfers of unrecognized amounts (see below).
Service Cost	Calculated by summing the service cost of each plan participant assigned to the payroll company.
Administrative Expense	Allocated to each payroll company in proportion to the payroll company's portion of the plan assets at fair value.
Interest Cost	Based on the projected benefit obligation for the payroll company and the expected benefit payments of participants assigned to the payroll company.
Expected Return on Assets	Based on the market related value of assets, expected benefit payments, and expected contributions allocated to the payroll company.
Amortization of Prior Service Cost	Amortization amount is calculated for each payroll company at the time a prior service cost base is established.

Amortization of Gains and Losses

The amortization of actuarial gains and losses is determined for the plan in aggregate. If an amount is being amortized, it is allocated to each payroll company on the basis of the payroll company's portion of the unrecognized gains and losses.

Transfers Between Payroll Companies

If a participant transfers between payroll companies, the projected benefit obligation as of the beginning of the year is determined. Assets equal to the projected benefit obligation are then transferred from the prior payroll company¹. The result of this method is that a payroll company does not incur an actuarial gain or loss due to transfers.

Unrecognized items are transferred pro rata according to the portion of the prior payroll company's projected benefit obligation that is transferred.

¹ For OPEB plans, a prorated amount of assets is transferred based on funded status of the payroll company prior to transfer.

Appendix E

Supporting Document for Key Assumptions

Duke Energy Corporation

**Supporting Document
for Key Assumptions**

February 2017

Supporting Documentation for Key Assumptions

This report documents the actuarial assumptions used in the valuations of the Duke Energy retirement programs. Duke Energy is responsible for the selection of actuarial assumptions for U.S. GAAP reporting. This report provides the methodology and rationale used by Willis Towers Watson to support our concurrence with these assumptions, where applicable, with the exception of the expected return assumption which was separately prepared by Duke Energy using additional sources of data outside of the scope of our review.

The actuarial assumptions were used for the following reports:

- Measurement of the 2016 year-end financial statement obligations
- Fiscal 2017 net periodic pension and postretirement benefit costs (in accordance with FASB ASC 715-30, and ASC 715-60 respectively)
- Actuarial Valuation Report for Employer Contributions for plan year beginning January 1, 2017 (in accordance with ERISA and the Internal Revenue Code) for the four qualified pension plans below
- Plan accounting for the qualified pension plans and post-retirement welfare plans (in accordance with FASB ASC 960 and ASC 965 respectively)
- VEBA I and VEBA II funding valuation for the 2016 plan tax year

The actuarial assumptions considered herein apply to the following Duke Energy retirement benefit plans ("Retirement Plans").

Qualified Pension Plans

- Duke Energy Retirement Cash Balance Plan (RCBP), including the Progress Energy Pension Plan (PEPP) which merged into the plan on December 31, 2015
- Cinergy Corp. Union Employees' Retirement Income Plan (CGEU)
- Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (Florida Bargained)
- Retirement Plan of Piedmont Natural Gas Company, Inc. (PNG Qualified)

Non-Qualified Pension Plans

- Duke Energy Corporation Executive Cash Balance Plan (ECBP)
- Progress Energy Supplemental Senior Executive Retirement Plan, Inactives only (SSERP inactives)
- Florida Progress Corporation Nonqualified Retirement Plans, which includes the consolidated reporting of the Florida Progress Corporation Supplemental Executive Retirement Plan (Florida SERP) and the Florida Progress Corporation Nondiscrimination Plan (Florida NDP)
- Piedmont Natural Gas Company Nonqualified Retirement Plans (PNG Nonqualified), which includes the consolidated reporting of the Piedmont Natural Gas Company Supplemental Retirement Plan, the Piedmont Plan for the Directors of Piedmont Natural Gas Company, and the NCNG Supplemental Retirement Plan

OPEB Plans

- Duke Energy Retiree Health and Welfare Benefits (Medical and Life Insurance) for Future Retirees and Retirees in Legacy Duke Energy and Cinergy Locations
- Duke Energy Retiree Health and Welfare Benefits (Medical and Life Insurance) for Future Retirees and Retirees in Legacy Progress Energy Locations
- Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan (PNG OPEB)

The key actuarial assumptions reviewed herein include:

Economic (reviewed annually)

- Discount rate
- Expected long-term rate of return on plan assets
- Administration expenses
- Cash balance interest crediting rate
- Lump sum and annuity conversion
- Price/wage inflation and salary increases
- Health care cost trend rates
- Per capita claims costs
- Retiree contribution rates
- Limits on employer subsidy

Non-Economic (typically reviewed for experience every 3-5 years)

- Mortality assumption
- Retirement assumption
- Other demographic assumptions, including turnover and disability rates
- Timing and optional payment forms
- Medical plan participation
- Effects of healthcare reform
- Marriage assumption
- Overtime assumption

Discount Rate – U.S. GAAP Accounting

U.S. GAAP accounting rules (ASC 715) specify that discount rates used to measure benefit obligations for financial reporting purposes reflect rates at which benefits could be effectively settled. The plan sponsor may also look to rates of return on high quality fixed income investments currently available and expected to be available during the period to maturity of the benefits. Where fixed income maturities do not extend far enough into the future to meet expected benefit payments, the assumed discount rates are extrapolated from the existing yield curve at the measurement date.

Based on this guidance, Duke Energy Corporation has engaged Willis Towers Watson to prepare a cash flow matching analysis to support its discount rate selection, using a bond selection-settlement portfolio approach based on Willis Towers Watson's BOND:Link model.

BOND:Link develops a discount rate by selecting a portfolio of high quality corporate bonds that generates sufficient cash flow to provide for the projected benefit payments of the Retirement Plans. Based on guidance provided by the Securities and Exchange Commission for U.S. GAAP filings and generally accepted practice, the selected bond portfolio is derived from a universe of corporate bonds rated Aa quality.

Duke Energy reviewed the discount rates produced by BOND:Link for each plan group and for aggregate plan cash flows in order to select the final discount rate.

Summary of year-end discount rates

	Actual December 31, 2015 Discount Rate	Actual December 31, 2016 Discount Rate
All Plans Combined	4.40%	4.10%

Attachment 1 to this report documents the methodology for the discount rate modeling. Actual results by plan have been provided in Excel format.

While Duke Energy Corporation is responsible for the selection of the discount rate, we believe the calculations and analysis described in the report are consistent with FASB Accounting Standards Codification 715-30-35-44 and support Duke Energy Corporation’s discount rate selection process for the year-end measurement of the benefit obligations as of December 31, 2016.

Discount Rate – ASC 712 Financial Reporting

The discount rate used for ASC 712 financial reporting follows the same methodology as ASC 715 but uses a risk-free yield curve discount approach. The spot rates as of December 31, 2016 are developed by Willis Towers Watson based on information from US Treasury bonds. The methodology employed is summarized as follows:

- Treasury bond data is gathered from Bloomberg for all coupon bonds that are not inflation-linked.
- The bond universe is then categorized into groups based on adjusted maturities. Yields are determined to reflect the mid-point of quoted bid and asked prices.
- The weighted-average yield and maturity are then developed for each maturity group.
- A yield curve is generated that best fits these targets.
- The yield curve is converted to spot rates for discounting purposes. The spot rate curve is assumed to remain level for maturities beyond 30 years.

Each year’s projected benefit cash flow is discounted to December 31, 2016 at the spot rate specified for that year. The discount rate benchmark is the single rate that, if applied to all years’ cash flows, would result in the same discounted value as the spot rates applied to those same cash flows. This discount rate is only applied to participants who became disabled prior to purchase accounting (April 1, 2006 for Legacy Cinergy employees, July 1, 2012 for Legacy Progress employees). No discounting is applied to other employees. The discount rate benchmark as of December 31, 2016 will be determined using cash flows based on December 31, 2016 census data.

Discount Rate – Qualified Plan Funding

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time. The Duke Energy qualified pension plans use segment rates based on a four-month lookback. The Retirement Plan of Piedmont Natural Gas Company, Inc. uses no lookback for the segment rates.

Discount Rate – ASC 960 Plan Accounting

The discount rate used for ASC 960 plan accounting for the qualified plans is the expected long-term rate of return. For December 31, 2016 measurement of present value of accumulated benefits for the legacy Duke qualified pension plans, a discount rate of 6.50% is used. For December 31, 2016 measurement of present value of accumulated benefits for the PNG qualified pension plan, a discount rate of 6.75% is used.

Discount Rate – ASC 965 Plan Accounting

The discount rate used for ASC 965 plan accounting for the qualified post-retirement welfare plans is the same rate that is determined for U.S. accounting. For December 31, 2016 measurement of present value of accumulated benefits, the discount rate is 4.10%.

Discount Rate – VEBA Funding Limits

The discount rate used for VEBA I and VEBA II funding limit is based on the expected long-term rate of return on the respective assets. For December 31, 2016 measurement of benefits, a discount rate of 5.00% is used for VEBA I (pre-tax) benefits and 4.00% for VEBA II (after tax) benefits.

Expected Long-Term Rate of Return on Plan Assets

Duke Energy selected a 6.50% expected long-term rate of return for legacy Duke Energy and Progress Energy pension plans and 401(h) assets for the 2017 fiscal year. Duke Energy has selected a rate of 6.75% for the Retirement Plan of Piedmont Natural Gas and the Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan for the 2017 fiscal year. This represents no change in the long-term rate of return assumption from fiscal 2016. There was no change in the return seeking and fixed income allocation policy during fiscal 2016.

Willis Towers Watson provided Duke Energy with returns by asset class from our Willis Towers Watson Expected Return Model as of October 1, 2016 to assist Duke Energy with the development of its assumption. The expected long-term return on plan assets was based on Duke Energy's review of the policy target allocation of the asset portfolio among various asset classes and the long-term assumed return for each asset class from the Willis Towers Watson model. Duke Energy also considered an alpha premium in the determination of the expected long-term return on plan assets.

Duke Energy selected a 5.00% pre-tax expected long-term rate of return for VEBA I assets, a 6.75% pre-tax return for the Piedmont Natural Gas Union VEBA and Non-Union 401(h) assets, and a 4.3875% post-tax return for the Piedmont Natural Gas Non-Union VEBA assets for the 2017 fiscal year. The expected long-term return on plan assets was based on a review of the policy target allocation of the asset portfolio among various asset classes and the long-term assumed return on each asset class.

Qualified Plan Administrative Expenses

This is an explicit assumption for trust-related plan expenses not reflected in the expected long-term rate of return on plan assets including administration outsourcing, trustee, consulting, audit, and PBGC premiums. The estimated expense assumption is allocated to each of the four qualified pension plans and is reported with the service cost for pension expense.

Duke Energy has estimated total trust-payable administration expenses of \$8.4 million for 2017 for the qualified pension plans.

Duke Energy's best estimate considers fees that are permissible to be paid by the trust and are actually expected to be paid by the trust considering (i) the level of expenses paid from the trust in recent years, (ii) whether there have been any changes in policies regarding what is paid from the trust and (iii) whether there are expected to be changes in the overall level of expenses (for example, due to an expected change in PBGC premiums).

Willis Towers Watson concurs with the expense assumption methodology in light of the approach used by Duke Energy to select an expected long-term rate of return on plan assets that considers investment management fees and not administrative expenses.

Expected Company Contributions to the Qualified Plans for 2017

Duke Energy is assumed to contribute an amount equal to the plans' service cost on December 31, 2017.

Cash Balance Interest Crediting Rate

The Duke Energy and Progress Energy cash balance plans were amended to adopt a fixed interest crediting rate of 4.00% effective January 1, 2013 for non-union employees. Additional "follow along" provisions have been adopted for certain union groups as well since January 2013. In conjunction with these plan changes, the Traditional Unit Credit valuation method is used to measure obligations for the cash balance formula benefits as required under EITF 03-4 for US GAAP accounting using the fixed 4.00% rate defined by the plans.

All other Duke Energy plan cash balance accounts not subject to the fixed interest crediting rate of 4.00% will remain subject to the 30-year Treasury yield specified by the plan, subject to a 4.00% minimum rate and a 9.00% maximum rate.

Duke Energy has selected an interest crediting rate assumption of 4.25% for the prior Duke Energy formula balances subject to the 30-year Treasury yield return. This assumption is the same as the prior year and was selected after reviewing current yields and historic spreads between corporate bond rates and the 30-year Treasury rate. Because the yield on 30-year Treasury bonds has historically been higher than 4.00%, management has selected a long-term assumption above 4.00% while taking into consideration current conditions and recent changes in yields. Summarized below is the 30-Year Treasury bond yield for the years ending 2009-2016.

Measurement Date	30 Year Treasury Yield
December 31, 2016	3.06%
December 31, 2015	3.01%
December 31, 2014	2.75%
December 31, 2013	3.96%
December 30, 2012	2.95%
December 31, 2011	2.89%
December 31, 2010	4.34%
December 31, 2009	4.63%

Willis Towers Watson concurs that it is reasonable to use a 4.25% interest crediting rate as a long-term assumption considering the current 30-year Treasury yield, given the 4.00% plan minimum rate and that the rate is projected to increase under long-term normative assumptions.

Lump Sum and Annuity Conversion Assumptions

The valuation for the legacy Duke Energy plans and legacy Piedmont Natural Gas plan includes assumptions for converting the traditional formula benefit to a lump sum form of payment at retirement. The basis used for this conversion, as specified by the plan, is the applicable mortality and interest prescribed under IRC Section 417(e) regulations. For US GAAP accounting and ASC 960 plan accounting, Duke Energy has selected a lump sum interest rate basis based on a yield curve comprised of a universe of bonds similar to what the IRS uses for 417(e) segment rates as of the valuation snapshot date. The yield curve is based on the Willis Towers Watson RATE:Link 40th - 90th percentile of bonds by yield plus 25 basis points. Willis Towers Watson agrees with this assumption methodology because the lump sum interest rate assumptions are designed to reflect the yield on high quality corporate debt consistent with the universe of bonds used by the IRS and the selection of the discount rate as of the snapshot date. Note that any future regulatory or law changes impacting minimum lump sums (or accounting guidance impacting discount rates) could cause this estimation approach to be revisited. This assumption was slightly modified from fiscal 2016, where it was based on the Willis Towers Watson RATE:Link 40th - 90th percentile of bonds by yield plus 10 basis points. The reason for modifying the assumption was to better reflect the current spread between the RATE:Link curve and current 417(e) segment rates. For US Qualified Plan Funding, the lump sum interest rates are the same as the discount rate used which are segment rates based on a four-month lookback for the legacy Duke Energy plans and no lookback for the PNG qualified plan.

The valuation of the legacy Progress Energy pension benefits includes assumptions regarding how cash balance accounts are converted to annuity forms of payment upon retirement. The basis for this conversion as specified by the plan includes the 30-year Treasury rate and the applicable mortality under IRC Section 417(e) in effect on December 31, 2007 for the balance attributed to pay credits through December 31, 2013 (RCBP only) and the current applicable mortality and interest prescribed under 417(e) for pay credits earned after December 31, 2013 (RCBP only; same as above). Duke Energy has selected an assumption of 3.75% for the 30-Year Treasury conversion interest rate. This is the same as the prior year, consistent with the Cash Balance Interest Crediting Rate, which is also tied to the 30-year Treasury rate. Willis Towers Watson concurs that it is reasonable to use a 3.75% conversion rate as a long-term assumption considering the 30-year Treasury rate is currently at 3.06% and the rate is projected to increase under long-term normative assumptions.

Salary Increase Rate

Duke Energy has selected long-term salary increase assumptions using age-graded rates for the non-cash balance pension formulas in each plan. The salary increases in each table are based on historical pay experience, as adjusted periodically for experience and/or future expectations. These assumptions are only relevant to limited populations in the valuation (i.e. Cinergy Enhanced Choice, Cinergy Union Traditional, Florida Bargained Traditional participants and legacy Piedmont Natural Gas participants).

The salary increase rates used for the nonqualified pension plans are the same as the respective underlying qualified pension plans.

The assumed salary increase rates for the average age participant in the qualified pension plans are as follows:

- Duke/Cinergy average : 4.4%
- Florida Bargained average: 4.0%
- Piedmont Natural Gas average: 4.5%

Willis Towers Watson concurs that these salary increase rates are reasonable for the measurement of year-end obligations of these limited populations. This assumption should be monitored from year to year to determine if the current assumption produces significant gains or losses, which could warrant a change to the assumption in the future.

Inflation Rate

Duke Energy has selected an inflation rate assumption of 2.25%. This assumption is used to project the IRC Section 415 benefit limits as well as IRC Section 401(a)(17) compensation limits for qualified pension plans. It also is an underlying building block component when examining range results for other economic assumptions. The assumption was 2.25% for fiscal 2016.

The Willis Towers Watson Expected Return Model U.S. Capital Market Assumptions as of October 1, 2016 assumes 2.00% in the short term, rising to a long-term normative assumption of 2.50% per year. The assumption also considers the current break even inflation rate found in TIPS. Willis Towers Watson concurs that the inflation rate assumption at 2.25% is reasonable.

Social Security Taxable Wage Base (SSTWB)

Duke Energy has selected a SSTWB increase rate of 3.25%. Consistent with last year's assumption and methodology, Duke Energy's approach to selecting this assumption is to assume the SSTWB will increase at the same rate as CPI-U plus 100 basis points for wage inflation.

The SSTWB is indexed with national wage increases. It is generally accepted that broad-based wages will increase at a higher rate than inflation, due to increases in productivity. Willis Towers Watson concurs that it is reasonable to increase the inflation assumption by 100 basis points for purposes of determining the assumed increase rate in the SSTWB.

Health Care Cost Trend Rates (US GAAP accounting and ASC 965 only)

Willis Towers Watson annually surveys employers for prospective employer health care trends. In addition, we review the information provided by other national health care trend surveys and input from UnitedHealthcare (UHC) actuaries' expectations of future trends. Based on this information, we expect

employer health care rate increases for retiree plans from 2016 to 2017 will be approximately 7.00%. We consider these assumptions appropriate, as a starting point, for a blend of both medical and prescription drug costs and thus, have one trend assumption for both medical and prescription drug costs covering both pre and post-65 retirees.

For each retiree population, we adjust the health care cost trend assumption to account for their plan design components. For example, the pre-65 plan designs offer higher than average deductibles. Due to leveraging, these higher deductibles drive higher plan cost trends. However, the majority of the plan benefit obligation subject to trend is for post-age 65 retirees enrolled in individual Medicare Supplement and prescription drug plans offered through the UHC Connector exchange. While these plans are expected to continue to experience relatively low cost trends similar to the medical trends experienced in the post-65 individual medical marketplace over the past ten years, the introduction of new drugs during 2015 caused prescription drug prices to increase significantly. As a result, the health care cost trend assumption has been decreased slightly in the near term, producing a health care trend assumption of 7.00% for 2017, grading down 0.50% every year to 5.50% in 2020, then grading down 0.25% every year to 4.75% in 2023.

The health care cost trend rate assumption is graded to an ultimate rate of 4.75% in 2023, in order to reflect the widely held expectation that health care trends will slowly mitigate over time and in recognition that the proportion of the GNP represented by health care must stabilize at some time. Thus, our assumption matches that of our expectation retiree plans from 2016 to 2017. Consequently, after reviewing the initial trend rates, ultimate trend rates, and years from initial to ultimate trend, we concur that this assumption is reasonable.

Finally, it should be noted that, as a result of the recent changes in plan design effective in 2014 for non-union employees and 2016 and 2017 for union employees, the impact this assumption has on company obligations has been minimized. Additionally, it has no impact on company obligations for the Piedmont Post Retirement Plan.

Per Capita Claims Costs

To begin the process for the non-Medicare exchange plans, we used March 2014 through February 2016 paid claims data gathered from Truven Health Analytics database (formerly Thomson Reuters) for all Legacy groups (Duke, Cinergy and Progress). Only pre-65 claims are analyzed similar to last year.

Medical and prescription drug claims and enrollment for all three legacy plans were separated and used to develop projected 2017 percentage rate increases applicable to the 2016 PMPM rates for those plans. We trended forward the experience to 2016 and then adjusted for the small change to the prescription drug value as a result of new prescription drug deal terms. To account for the cost of administration, we added the contractually agreed upon 2017 administration fees for UHC and Caremark to the PMPMs.

As a result of our analysis, pre-65 PMPMs for 2017 are expected to increase as follows:

- Legacy Duke: 0.0%
- Legacy Cinergy: 4.0%
- Legacy Progress: -20.0%

Since no credible claims experience is yet available for retirees after 1/1/2016, they will continue to be rated the same as the Legacy Duke Population (i.e., 0.0% rate increase for 2017).

Increase in Retiree Contribution Rates

Class D1 and N1 retirees receive free coverage for retiree-only coverage. For class D1, dependents and surviving spouses have contributions that increase with the cost of plan coverage. Class D2 through D5 and N2 through N4 retirees receive a defined dollar subsidy (DDB). Retirees with a DDB bear the full effect of plan cost increases with higher contributions. Class 10 retirees pay \$14 per month for pre-65 coverage for their dependent spouses with no future increases. Class 15 through Class 60 non-HRA participants pay a percentage of their plan costs, based on a percentage of cost that each retiree pays that varies by service at retirement. Thus, the contributions for these groups increase as the percentage of total cost increases. HRA retirees (including Class D9) are valued assuming 100% utilization for reimbursement of premium out-of-pocket costs paid from the HRA. Once the HRA is depleted, the retiree can continue to participate in the plan at full cost. Class D6 retirees are not eligible for an employer subsidy. Class D7 and D8 retirees receive a fixed monthly subsidy HRA credit. These retirees will pay the cost of their postretirement benefits in excess of the HRA subsidy amount. For union and non-union pre-65 retirees in Classes NBU40, NBU50/55, and BU30/35 are subject to a cap and therefore bear the full impact of annual plan cost increases. The subsidy for post-65 retirees is limited to premium increases in the UHC exchange each year for NBU10/20 and BU10/20 and fixed at 3% per year for NBU30/35 retirees.

Limits on Employer Subsidy

Employer subsidies are capped for classes D2 through D6 and N2 through N4 for legacy Duke retirees, class 55 / HRA benefits for legacy Cinergy retirees, classes NBU30 through NBU60 and BU30 through BU40 for legacy Progress retirees, and classes D7 and D8 for all future retirees which limit employer subsidies to defined dollar annual amounts or account balances and are described in the "Increase in Retiree Contribution Rates" section.

RDS Estimate for 2017

As Duke Energy does not sponsor a post-65 plan effective 2015, no RDS subsidy assumption is needed.

Mortality Assumption (Current Rates and Projection Basis) – U.S. Accounting, ASC 960 Plan Accounting, ASC 965 Plan Accounting, and VEBA I and II Funding Limits

In selecting a mortality assumption for the year-end 2016 reporting of plan obligations, Duke Energy considered base mortality rates as of the valuation year and expectations regarding future mortality improvements in those base mortality rates. Duke Energy also considered the MP-2016 projection scale recently published by the Society of Actuaries on October 20, 2016 and other recent studies of mortality improvement.

In December 2014, Duke Energy conducted a mortality experience study of its own population in light of the base mortality table rates presented in RP-2014. The plan mortality experience over the period 2010-2013 was compared to the RP-2014 table with projection of the table to the mid-point of the experience period using Scale MP-2014 and mortality was determined to be higher than indicated by the table. Based on the results of that experience study, Duke Energy has decided to continue using the following base mortality table rates, with adjustments indicated, by plan. There was not enough credibility to perform an experience study for the Piedmont Natural Gas retirement plans, so no adjustment factors have been made to the base tables. For the PNG OPEB Plan, the base mortality table rates were changed from the RP-2014 amount weighted rates to the RP-2014 headcount weighted rates to be more consistent with the Duke plans and the nature of the flat benefit amounts provided by the plan.

Plan	Base Mortality Table
RCBP and CGEU	RP-2014 no collar rates, increased by 13%
Former PEPP in in RCBP and Florida Bargained	RP-2014 no collar rates, increased by 9%
PNG Qualified	RP-2014 no collar rates, without adjustment
ECBP	RP-2014 white collar rates, increased by 13% for legacy Duke/Cinergy participants and RP-2014 white collar rates, increased by 9% for legacy Progress participants
SSERP (inactives)	RP-2014 white collar rates, increased by 9%
Florida SERP and Florida NDP	RP-2014 white collar rates, without adjustment
Piedmont Natural Gas Company Nonqualified Retirement Plans	RP-2014 white collar rates, without adjustment
Duke Energy Retiree Medical and Life Insurance Benefits for certain legacy Duke and Cinergy employees	RPH-2014 (headcount weighted tables) no collar rates, increased by 15%
Duke Energy Retiree Medical and Life Insurance Benefits for certain legacy Progress Energy employees	RPH-2014 (headcount weighted tables) no collar rates, increased by 10%
Legacy Duke Energy Postemployment Welfare Benefit Plans	RPH-2014 (headcount weighted tables) no collar rates, increased by 15%

<p>Legacy Progress Energy Non-Union LTD Health and Life Benefits and Florida Power Union LTD Income Benefits</p>	<p>RPH-2014 (headcount weighted tables) no collar rates, increased by 10%</p>
<p>Piedmont Natural Gas Company, Inc. Postretirement Benefits Plan</p>	<p>RPH-2014 (headcount weighted tables) no collar rates, without adjustment</p>

With respect to mortality improvement scale, Duke Energy has selected a generational projection using Scale BB-2D rates, as published by the Society of Actuaries' RPEC in 2013. Duke Energy believes this scale most accurately reflects short-term mortality improvements observed to 2013 and therefore represents a better "fit" to long-term expectations. This assumption is unchanged from the prior year for the Duke Energy plans. For the Piedmont Natural Gas retirement plans, the scale was changed from Scale MP-2016 to Scale BB-2D to consistently reflect Duke's expectations of future mortality improvement. For the Piedmont Natural Gas retirement plans, this scale is applied beginning in 2006 to the rates in RP-2014 and RPH-2014 (i.e. the effect of MP-2014 has been removed from the RP-2014 and RPH-2014 tables from 2006 to 2014).

For the PNG Qualified Plan, disabled mortality is based on the 1985 Pension Disabled Mortality Table.

Willis Towers Watson concurs these assumptions are reasonable and represent best estimates for the measurement of year-end 2016 obligations for these plans considering the composition of the covered groups, plan experience, recent studies of actual to assumed mortality improvement as well as geography.

Mortality Assumption – Qualified Plan Funding

Healthy and Disabled Mortality - Assumptions used for funding purposes are as prescribed by IRC §430(h).

Retirement Rates

In 2014, Duke Energy conducted an experience study of retirement patterns of its population from 2011 through 2013. Based on the results of this study, Duke Energy elected to update the retirement tables for the non-union groups with no changes for the union participant groups. The tables were updated using a 50% weighting on this recent experience.

In 2015, Piedmont Natural Gas conducted an experience study using data from 2010-2015. The retirement tables were developed using the experience study results as well as the expectation of future retirement patterns.

Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term retirement patterns based on past experience and input from the plan sponsor concerning its future expectations. This assumption will be monitored periodically to determine if the current assumption produces significant gains or losses, which could warrant a change to the assumption in the future.

Withdrawal Rates

Duke Energy is not intending to change the withdrawal rate assumptions. The assumed withdrawal rates for the legacy Duke Energy plans are based on an experience study conducted in 2009 reflecting experience for years 2006, 2007, and 2008.

In 2015, Piedmont Natural Gas conducted an experience study using data from 2010-2015. Based on these results and expected withdrawal patterns, termination rates were developed.

Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term withdrawal patterns based on past experience and input from the plan sponsor concerning its future expectations. This assumption will be monitored periodically to determine if the current assumption produces significant gains or losses, which could warrant a change to the assumption in the future.

Disability Termination (Recovery) Rates

Duke Energy revised the disability termination (recovery) rates for the legacy Duke Energy and Progress Energy plans during 2015 to use the 1987 Group Long-Term Disability Valuation Table (GLTD). This represents one of the most recent standard industry tables and is still utilized by a wide variety of employers. Willis Towers Watson concurs that this assumption is reasonable. This assumption will be monitored periodically to determine if it produces significant gains or losses, which could warrant a change to the assumption in the future.

Disability Rates

Duke Energy is not intending changing the disability rates. The assumed disability rates for the legacy Duke Energy and Progress Energy plans were last reviewed in 2010 based on the actual incidence of disability during 2007, 2008 and 2009. The legacy Piedmont Natural Gas pension plans use a disability incidence table based on the Conference of Consulting Actuaries 1985 Pension Disability Study Class 1 since there is not enough historical information for an experience study. Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term patterns based on past experience. This assumption will be monitored periodically to determine if the current assumption produces significant gains or losses, which could warrant a change to the assumption in the future.

Timing and Optional Forms of Payment

In 2014, based on a review of experience, Duke Energy updated its assumption regarding the assumed timing of lump sum payments from the RCBP. Previously, lump sums were assumed to be paid immediately upon an active employee's termination or retirement. Experience suggested that many participants are not taking their lump sum immediately, and instead deferring it to a later age. Therefore, the revised actuarial assumption in the RCBP valuation assumes 50% of lump sums for new terminations are paid immediately and 50% of lump sums for new terminations are deferred until age 65.

In 2015, Piedmont Natural Gas conducted an experience study using experience from 2010-2015. Based on this study, the form and timing of payment were developed. It is assumed that 85% of the active population elects a lump sum at termination or retirement while 15% elects a single life annuity. For current deferred vested participants, 70% are assumed to elect a lump sum and 30% elect a 50% Joint and Survivor annuity. For married participants with a Progress cash balance account, the assumed form is a 50% Joint and Survivor annuity since there is no reduction from the single life annuity.

All other assumptions regarding optional forms of payment are to remain unchanged from the previous year's valuation, based on Duke Energy's review of historical experience, the Piedmont Natural Gas experience study and expectations of future behavior.

Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term patterns based on past experience. This assumption will be monitored periodically to determine if the current assumption produces significant gains or losses, which could warrant a change to the assumption in the future.

Medical Plan Participation

For the pre-65 medical plans, Duke Energy uses an assumed medical participation rate of 100% for future retirees beginning in 2015, as a result of the new HRA plan design. The participation assumption for existing retirees in the Duke-sponsored pre-65 traditional medical plan offerings, reflecting persistency, is 100% of current enrolled pre-65 retirees in 2016 who are eligible to receive a subsidy, grading down to 80% participation over 4 years to account for a steady decline in participation among those plans. The participation assumption remains at 100% for current and future post-65 retirees who are eligible to receive a subsidy to purchase individual Medicare plan coverage through United HealthCare's Connector exchange.

For the subset of Duke Energy post-65 retirees who are eligible for a retirement reimbursement account for dental and vision coverage, the participation assumption is 50%. This is a decrease from the prior assumption of 100% after reviewing actual usage of this benefit over the past several years.

For the Piedmont Natural Gas Postretirement Benefits Plan, an assumed medical participation rate of 95% is used for future retirees. This assumption was selected based on expected enrollment and experience of similar plans.

Willis Towers Watson concurs that these assumptions are reasonable expectations of long term patterns based on past experience. We will continue to review Duke Energy's plan enrollment experience and the impact Health Care Reform's Public Exchanges on the retiree marketplace for pre-65 plan participation in the new Subsidy HRA program.

Effects of Healthcare Reform

The cost of minimum plan benefits such as covering children up to age 26, preventive care benefits, etc. have been accounted for in the per capita claims costs assumption. These adjustments were applied to all legacy populations as appropriate.

Cost increases are divided between Duke Energy and the covered retirees. The majority of pre-65 retirees pay the cost of the plan less a defined dollar benefit based on service at retirement. In this model, the retirees would absorb the increased cost of the plan.

A similar cost-sharing approach applies to legacy pre-65 Progress retirees. For example, the vast majority of pre-65 retirees are subject to an employer cap on future costs, thus increases in the cost of the plan are borne by retirees. There are certain grandfathered, post-65 Union retirees who pay no contributions and any increases in plan costs for these retirees would be borne by Duke Energy.

There are retirees of legacy Cinergy locations who pay a premium based on the percentage of plan cost and their service at retirement for pre-65 coverage. As a result, increases in the cost of the plan due to Health Care Reform will be shared by both the retiree and Duke Energy.

Willis Towers Watson has reviewed the prior determination of potential impact of the excise tax on “Cadillac Plans” and agrees with the estimated impact on the various retiree medical arrangements. Based on discussions with Duke Energy, the company deems the impact of the tax on plan obligations immaterial and will not measure its effects. Further, the company intends to make changes to plans, as necessary, to avoid the tax should it ever be triggered in the future.

Marriage Assumption

Duke Energy is not changing this assumption. Duke Energy has elected to assume that 85% (80% for Progress Energy, 40% for Progress Energy Union females, 80% for Piedmont Natural Gas males and 60% for Piedmont Natural Gas females) of participants are married and that husbands are three years older than their spouses (two years for Progress Energy). Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term patterns based on past experience.

Overtime Assumption

In 2016, Duke Energy conducted an experience study of this assumption for the legacy Duke Energy and Progress Energy plans using experience from 2011-2015. Based on results of this study and expectations of future overtime experience, Duke Energy has elected to increase this assumption to 12%, 24%, or 28% of base pay for those with low, medium, and high base pay, where low base pay is defined as below \$50,000 and high base pay is defined as over \$67,500. This assumption was selected based on input from Duke Energy.

Willis Towers Watson concurs that the current assumptions are reasonable expectations of long term patterns based on Duke Energy’s input. We will monitor overtime experience going forward to determine if future revisions might be appropriate.

Other Significant Events and Experience

In addition to the assumptions used to calculate year-end benefit obligations, certain events during the year will also impact year-end benefit obligations and reporting. The following events are to be reflected in the measurement of year-end benefit obligations.

- For USW Local 5541-06 or USW Local 12049 participants in the CGEU pension plan, continued cash balance pay credits are eliminated during periods of disablement. This change only applies to future disabled participants starting July 1, 2017.
- For USW Local 5541-06 or USW Local 12049 participants in the CGEU pension plan, pay credits accrued on or after January 1, 2017 will be subject to an annualized fixed interest crediting rate of 4.00%.
- For USW Local 5541-06 or USW Local 12049 participants in CGEU pension plan, participation in the plan is closed to new entrants beginning January 1, 2017.
- For non-union Cinergy Enhanced Choice participants in the RCBP pension plan, continued final average pay accruals are frozen effective January 1, 2017.
- Effective November 1, 2016, employees in USW Locals 12049 and 5541-06 who are currently eligible for retiree medical coverage will move to an HRA platform with a monthly subsidy of \$350 (\$175 for spouses) if 50 or older as of November 1, 2016 and \$250 (\$125 for spouses) if not. Current pre-65 retirees will move to the enterprise platform, and current post-65 retirees will move to the UHC Connector model with eliminated subsidies for some groups.
- Participants impacted by severance programs, as provided by Duke Energy, are assumed to immediately terminate/retire.
- Participants who have elected to receive a lump sum from the special lump sum window program in the RCBP in December 2016 have been reflected as exiting the plan. Their lump sum payments are included in the actual benefit payments for 2016.

Transfer Experience

Funded status and unrecognized amount adjustments will be made for the payroll company transfers from normal course of business transfers during 2016 that are deemed to be material by the company. Benefit obligation adjustments will be made for all payroll company transfers during 2016, as provided by Duke Energy.

Health Care Premium Experience and Per Capita Claims Costs

For the groups whose company obligations are dependent on per capita cost experience, claims for their plans increased slightly less than expected.

Attachment 1 – Discount Rate Modeling Analysis for December 31, 2016 Year-End Disclosure

Overview

Willis Towers Watson's BOND:Link assists plan sponsors in the selection of discount rates that reflect the characteristics of their employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high quality corporate bonds sufficient to provide for a plan's projected benefit payments.

The expected cash flow from the selected bond portfolio is not expected to align perfectly with the timing of the projected benefit payments. Thus, BOND:Link provides for assumptions to be made with respect to the return associated with surplus cash flows expected during future periods. These assumptions are based on forward rates developed from standard yield curves developed by Willis Towers Watson. The model is designed so that the cash flow from the selected bonds, together with the anticipated return on accumulated surplus amounts, is exactly sufficient to provide for the plan's cash flow requirements.

A single discount rate is then determined that results in a discounted value of the plan's benefit payments that equates to the market value of the selected bonds – this informs the final discount rate selected by Duke Energy.

The discount rates developed using the BOND:Link model are as follows using the projected benefit payments from valuations conducted using January 1, 2016 census data and assumptions as of a December 31, 2016 measurement date:

- 4.00% for Duke Energy Retirement Cash Balance Plan (RCBP)
- 4.17% for Cinergy Corp. Union Employees' Retirement Income Plan (CGEU)
- 4.30% for Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (Florida Bargained)
- 4.18% for Retirement Plan of Piedmont Natural Gas Company, Inc. (PNG Qualified Plan)
- 4.15% for Duke Energy Corporation Executive Cash Balance Plan (ECBP)
- 4.20% for Florida Progress Corporation Nonqualified Retirement Plans (Florida SERP and Florida NDP)
- 4.02% for Progress Energy Supplemental Senior Executive Retirement Plan (SSERP inactives)
- 3.79% for Piedmont Natural Gas Company Nonqualified Retirement Plans (PNG Nonqualified)
- 3.71% for Duke Energy Retiree Health and Welfare Benefits (Medical Insurance) for Future Retirees and Retirees in Legacy Duke Energy and Cinergy Locations (Duke Medical)
- 4.24% for Duke Energy Retiree Health and Welfare Benefits (Life Insurance) for Future Retirees and Retirees in Legacy Duke Energy Location (Duke Life)
- 4.11% for Legacy Cinergy Retiree Life Benefits (Cinergy Life)
- 3.96% for Progress Energy and Florida Progress Non-Union and Union Medical Benefits (Progress Medical)

- 4.23% for Progress Energy and Florida Progress Non-Union Life Benefits (Progress Nonunion Life)
- 4.29% for Florida Progress Union Life Benefits (Progress Union Life)
- 4.23% for Piedmont Natural Gas Company, Inc. Post Retirement Benefits Plan (PNG OPEB)

Modeling Methodology

Bond Universe

Bonds Included

BOND:Link selects a settlement portfolio from a universe of high quality corporate bonds across the full maturity spectrum. The included bonds are Aa-rated corporate issues denominated in U.S. dollars.

Bonds with the following features are excluded:

- callable (unless the call includes a make whole provision)
- puttable
- convertible
- sinkable
- extendable
- perpetual
- refundable
- structured notes
- trust preferred or other hybrids
- special purpose
- variable coupon
- inflation-linked.

Bonds identified as private placement or Eurodollar are included only if robust pricing information is available, as evidenced by Bloomberg's publication of a Bloomberg Generic (BGN) composite price.

In addition, we have excluded all collateralized bonds from the universe and bonds with less than \$50 million for the amount outstanding.

Grades Considered

A bond is considered to be AA graded if it receives an AA (or equivalent) rating from either or both of the two primary rating agencies - Standard and Poor's and Moody's.

Grades are considered only if provided without significant qualification; we thus exclude ratings designated as estimated, provisional or preliminary.

Pricing

The market for fixed income securities differs substantially from that for stocks, in that trading for any particular fixed income issue is likely to take place only sporadically throughout the trading day. In fact, some issues may not be exchanged at all on a given day. For this reason, quoted bond prices and yields represent estimates based on available market data, and prices quoted at the close of the trading day generally include adjustments to reflect capital market conditions at that particular point in time.

In developing the bond universe, we identify issues and their associated yields based on data from Bloomberg. Bloomberg provides bond prices and yields from a number of external sources as well as their own proprietary pricing models. In developing yields we primarily rely on the yields developed from Bloomberg Generic (BGN) prices. These represent a composite of price quotations from a number of sources. However, there may be insufficient information available for Bloomberg to develop a composite price for a given bond issue on a given trading day. When the primary pricing source is unavailable, we refer to a secondary pricing source.

We have analyzed available pricing data to ensure broad price coverage as well as accurate yield information, e.g., by testing an array of secondary pricing sources to assess their ability to match data from our primary pricing source. Based on this criterion, we have identified Bloomberg Valuation (BVAL) as the best available secondary pricing source. Thus, when a BGN yield is not available for a given issue, we use yield information from BVAL.

Note that BVAL employs a matrix pricing methodology, which facilitates the publication of pricing results even under light trading conditions. Matrix pricing develops an estimate for a given bond based on reference to a broad array of similar bonds, e.g., based on issuer, industry, maturity, features, and grade/sub-grade.

For each pricing source, we use the “mid-yield” developed from the mid-point of quoted bid and asked prices.

Minimum Dollar Amounts

A minimum amount outstanding of \$500 million is applied for bonds with less than 10 years to maturity and \$50 million for bonds with 10 or more years to maturity.

Adjustments to Bonds’ Presumed Payment Timing

In order to align the bonds’ cash flows with those of an employee benefit plan which makes monthly benefit payments (thus, on average in the middle of the year), we assume that all bonds make coupon and principal payments in the middle of the forthcoming year.

Though we allow bonds up to 50 years into the universe, there are normally few if any issues with maturities beyond 30 years. For simplicity, any bonds with maturities beyond 30 years that do appear are treated as though they are 30-year bonds (or more precisely, we presume a final payment at 29.5 years).

To the extent that adjustments are implied with regard to the timing of coupon or principal payments, the model adjusts the presumed market value of each bond consistent with its quoted market yield.

Matching the Plan’s Projected Benefit Payments

Removing Outliers

BOND:Link allows plan sponsors to exclude bonds in the universe with high yields relative to the other bonds in the universe. Defining bonds as outliers causes the eventual settlement portfolio and resulting discount rate to be more conservative, by avoiding the theoretical “purchase” of issues whose pricing or credit rating might be viewed as less reliable.

After removal of all collateralized bonds from the universe, the highest yielding 5% of remaining bonds within each maturity grouping have been excluded as outliers.

Selecting Bonds

After outliers are excluded, each bond's relative attractiveness is determined. The bonds are ranked based on each bond's "accumulated yield premium", as measured in comparison to an underlying/baseline yield curve. More highly ranked bonds are considered for purchase first. Only bonds with maturity dates on or before the date of the latest unmatched benefit payment are eligible for selection in order to avoid terminal surplus.

Limits on Bond Purchases

No one bond is used to settle more than 10% of the value of benefit payments.

Addressing Benefit Payments Beyond 30 Years

There are generally very few bonds that mature beyond 30 years, but defined benefit pension plans often are expected to make benefit payments more than 30 years into the future. This is addressed by BOND:Link discounting the benefit payments beyond 30 years back to year 30 (more precisely, 30+ year benefit amounts are consolidated to one presumed payment at year 29.5) and then selecting a bond portfolio that can settle that artificially large year 30 benefit payment.

For discounting the post-year 30 benefit payments to year 30, Willis Towers Watson used a yield curve developed based on the initial underlying universe of Aa-rated corporate issues with bond yields within the 10th-90th percentiles.

Reinvesting Portfolio Proceeds

If a bond selected for purchase matures on or before the cash is needed for benefit payments, the resulting excess funds are presumed to be reinvested. These accumulated funds are then used as needed to meet successive year benefit payments. The basis for reinvestment earnings is a yield curve developed based on the initial underlying universe of Aa-rated corporate issues with bond yields within the 10th-90th percentiles.

Determining the Discount Rate

BOND:Link matches the present value of the plan's projected benefit payments to the market value of the theoretical settlement bond portfolio. A single equivalent discount rate is determined to align the present value of the required cash flow with the value of the bond portfolio. The resulting discount rate is reflective of both the current interest rate environment and the plan's distinct liability characteristics.

Accompanying this report is an Excel file containing a summary of the actual results for each plan including:

- Satisfaction of benefit payments with cash flows from the selected bond portfolio along with presumed reinvestment earnings, and
- The bond portfolio selected to settle each plan's projected benefit payments.