

Large Filing Separator Sheet

Case Number: 17-32-EL-AIR
17-33-EL-ATA
17-34-EL-AAM

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Section 2 OF 22

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Duke Energy Ohio, Inc., for an)	Case No. 17-32-EL-AIR
Increase in Electric Distribution Rates.)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Tariff)	Case No. 17-33-EL-ATA
Approval.)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc., for Approval)	Case No. 17-34-EL-AAM
to Change Accounting Methods.)	

VOLUME 2

SCHEDULES (S-4.1) – (S-4.2)
PART 1 OF 2

March 2, 2017

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DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
CORPORATE SUMMARY

A summary description of Duke Energy's businesses as described on the company's website, www.duke-energy.com, is seen in Exhibit CSUM-1. Departments that do not charge Duke Energy Ohio, Inc., (Duke Energy Ohio) will not be discussed in detail in Schedule S-4.2.

I. Policy and Goal Setting

Policies for the Company are set by the executive management team. Policies are tailored to help the Company achieve its objectives. Each officer is responsible for the preparation and review of policies and directives related to his/her area of responsibility. In addition, standing corporate committees and boards, which are charged with a defined area of responsibility, may also initiate the development of policies or directives. Each proposed policy and directive is subject to review and approval by senior management. The product of some of these policy decisions, by which company employees are expected to conduct business, are embodied in the Code of Business Ethics, which is attached as Exhibit CSUM-2. These guidelines are available to all employees in electronic format on the corporate intranet.

Charters for Board Committees are attached as follows: Audit Committee Charter Exhibit CSUM-3, Corporate Governance Committee Charter Exhibit CSUM-4, Compensation Committee Charter Exhibit CSUM-5, Finance & Risk Management Charter Exhibit CSUM-6 and Nuclear Oversight Committee Exhibit CSUM-7.

The responsibility of executive management is to develop goals that will challenge Company employees to meet and exceed the day-to-day objectives associated with the Company's business purpose. The Corporate and Departmental incentive goals are built on the Duke Energy Road Ahead: Shaping the Future (CSUM-8) and EPS earnings goals.

The Road Ahead begins with our purpose – why we're in business. It is to "power the lives of our customers and the vitality of our communities." Our four priorities are customers, employees, operational excellence, and growth. Next, The Road Ahead defines our three core values of "safety, integrity and service." Safety refers to the health and safety of everyone who works here, as well as our communities and the environment. Integrity is acting honestly and ethically, holding ourselves accountable and earning trust. Service these days means being

agile and innovative in taking care of our customers and helping our communities prosper.

Our vision is to “lead the way to cleaner, smarter energy solutions that customers value.” It is bold, ambitious, and focused on customers, as you would expect of an industry leader. Duke Energy’s strategy for leading the way in this new environment includes 18 initiatives in four major areas: the customer experience, the power grid, the generation portfolio, and the engagement needed to make it all happen.

- We will **transform the customer experience**. This includes initiatives to anticipate and exceed the new expectations of our customers. It means, for example, proactive usage alerts and outage notifications, as well as more billing options. It will require a single, modern, customer information system.
- We will **modernize the power grid**. We are investing in a more advanced, two-way grid to make outages increasingly rare and service restoration faster. Over time, we will equip the grid with technology to manage a greater variety of energy resources—large central power stations and a growing number of small distributed resources such as rooftop solar and battery storage.
- We will **generate cleaner energy**. We will continue to make our generation portfolio less carbon-intensive—shifting the mix to more natural gas and renewable energy, complementing our carbon-free nuclear fleet. We will also need greater flexibility in our generation system as more solar energy comes on line.
- We will **engage employees and stakeholders**. Internally, we must mobilize the ideas and talents of all employees and work well across organizational boundaries. Operational excellence will be critical. Externally, we will work with regulators, policymakers, and others to update the regulatory rules in our states in a way that benefits all customers.

II. Strategic Planning

On an annual basis, the company completes a five-year business plan and forecast. The plan includes a qualitative and quantitative assessment of the key business trends within each business unit, Corporate Center, and the company’s Administrative operations. The Strategy & Planning and Finance Departments facilitate the planning process, which lasts about five months. The planning process involves the active participation of the Chief Financial Officer and Business Unit leadership.

The business planning process provides an opportunity to highlight operational issues, opportunities, risks, and resource requirements. In addition, it evaluates

the external market and/or regulatory drivers that influence our business and incorporates those events into the planning horizon.

III. Organizational Structure

To gain a complete understanding of Duke Energy's organization, the legal structure will be presented first, with an explanation of the management structure following. Duke Energy's corporate legal structure is attached as Exhibit CSUM-9.

Legal Structure

- Duke Energy is a registered holding company under the Public Utility Holding Company Act of 1935, as amended, and is a Delaware corporation organized in 2005.
- Duke Energy Ohio and its subsidiaries are engaged in the production, transmission, distribution and sale of electricity and the sale and transportation of natural gas in the southwestern portion of Ohio and northern Kentucky.
- Duke Energy Business Services LLC, the service company for Duke Energy, provides a variety of administrative, management and support services to Duke Energy's utility and non-utility subsidiaries.

Management Structure

Duke Energy Carolinas is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Carolinas' service area covers approximately 24,000 square miles and supplies electric service to 2.5 million residential, commercial and industrial customers. Owned summer generation capacity: 19,600 MW*.

Duke Energy Progress is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina and South Carolina. Duke Energy Progress' service area covers approximately 32,000 square miles and supplies electric service to 1.5 million residential, commercial and industrial customers. Owned summer generation capacity: 12,900 MW*

Duke Energy Indiana is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Indiana. Duke Energy Indiana's service area covers approximately 23,000 square miles and supplies electric service to 810,000 residential, commercial and industrial customers. Owned summer generation capacity: 7,500 MW*

Duke Energy Ohio/Kentucky are regulated public utilities primarily engaged in the transmission and distribution of electricity in portions of Ohio and Kentucky,

the generation and sale of electricity in portions of Kentucky, and the transportation and sale of natural gas in portions of Ohio and Kentucky.

Duke Energy Ohio's service area covers approximately 3,000 square miles and supplies electric service to 840,000 residential, commercial and industrial customers and provides transmission and distribution services to approximately 525,000 customers.

Duke Energy Florida is a regulated public utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of Florida. Duke Energy Florida's service area covers approximately 13,000 square miles and supplies electric service to 1.7 million residential, commercial and industrial customers. Owned summer generation capacity: 9,100 MW*

Commercial Portfolio primarily builds, develops and operates wind farms and solar renewable generation and energy transmission projects throughout the continental U.S. The portfolio includes nonregulated renewable energy, electric transmission, natural gas infrastructure and energy storage businesses.

Commercial Portfolio's renewable energy includes utility-scale wind and solar generation assets that total more than 2400 megawatts across 12 states from more than 22 wind farms and 38 commercial solar farms. Revenues are primarily generated by selling the power produced from renewable generation through long-term contracts to utilities, electric cooperatives, municipalities, and commercial and industrial customers.

Piedmont Natural Gas is a trusted gas provider for residential and business customers in North Carolina, South Carolina, and Tennessee managing about 26,000 miles of natural gas pipeline for 1 million customers.

An organizational chart of Duke Energy's Executive Leadership is shown in Exhibit CSUM-10.

More detailed organization charts of the Company's various departments are provided in Schedule S-4.2.

IV. Responsibilities

Duke Energy remains committed to its key responsibility of providing reliable, low cost service to its customers. As a part of this responsibility, the Company aims to invest in energy infrastructure that meets rising customer demand for reliable energy in an energy efficient and environmentally sound manner and to balance customers' need for rate stability with the investors' expectations for earning a fair return on investments to improve infrastructure. Duke Energy also bears the responsibility to balance the needs of its environmental stakeholders by reducing emissions. Duke Energy is taking an active role in energy efficiency and

believes that the most environmentally sound, inexpensive, and reliable kilowatt-hour is the one that we don't have to produce.

V. Practices and Procedures

The Board of Directors, the CEO, and her direct reports set strategic goals that reinforce Duke's core values. Employees throughout the company translate these goals into action. Duke Energy encourages the development of policy documents that are pertinent to particular departments. Many of the departmental policy documents are shown as exhibits in the departmental documents provided in schedule S-4.2. These policies and procedures are also published on the company intranet so that they are accessible to all employees, regardless of their location. The company also has internal controls and procedures to ensure the accuracy of its financial data. The principles for Corporate Governance are attached as Exhibit CSUM-11

VI. Decision Making and Control

Duke Energy has a structured yet flexible approach to planning and decision-making. Strategic decisions are mostly made at the senior executive and officer level. Many of the officers and executives attend industry and professional forums that encourage them to engage in planning and visioning exercises. Leadership meetings and conferences are conducted frequently at various levels of management. At the most senior levels, retreats are organized for the Board of Directors. For levels below senior management, group and team meetings are held. These are specifically aimed at the more task-oriented employees. Special conferences and meetings are scheduled to roll out major projects and initiatives.

VII. Internal and External Communication

Duke Energy uses a variety of electronic and print media to communicate to its employees. Duke Energy maintains an enterprise portal, "*The Portal*," that can be accessed at work or at home by employees via a secure connection. Internal and external news items of interest to employees are published in *This Week @ Duke Energy*, a weekly publication made available online and in print format. Duke Energy also utilizes cascading communications designed around the corporate organizational structure. Special video presentations and other items of critical importance to employees and the company are presented and explained through employee meetings and leadership conferences. Information regarding personal benefits and other issues important to employees' families is typically delivered through printed correspondence sent directly to employees' homes.

External communication is conducted through a variety of media as well. Shareholder meetings, financial and sustainability annual reports, news releases, and other special presentations provide updates on the status of the Company. Residential consumers and small businesses receive information via bill inserts. In

cases involving larger commercial and industrial customers, customer service representatives may choose to communicate through e-mail, customized online newsletters, or face-to-face meetings. Access to Duke Energy for all customer classes is available via the company's dedicated call centers and the corporate and subsidiary web sites.

VIII. Goal Attainment and Quantification

Duke Energy's success can be measured not only by its earnings, but also by other measures that are specific to its business segments. Duke Energy's management team has compiled metrics to assess the performance of each group.

Employees' incentive targets are based on both the corporate EPS targets and departmental goals.

The Businesses We're In

Duke Energy is a leading energy company focused on electric power and gas distribution operations, and other energy services in the Americas – including a growing portfolio of renewable energy assets.

Regulated Utilities

Duke Energy's Regulated Utilities operations provide safe, reliable and competitively priced electricity to customers in North Carolina, South Carolina, Florida, Indiana, Kentucky and Ohio.

Duke Energy Renewables

Duke Energy Renewables is a leader in developing innovative wind and solar energy solutions for customers throughout the U.S. Our wind and solar farms, located in 13 states, produce more than 2,800 megawatts of emission-free electricity.

International Energy

Duke Energy's International operations are located in Saudi Arabia. Duke Energy sold its operations in the Central and South American countries of Argentina, Brazil, Chile, Ecuador, El Salvador, Guatemala and Peru.

Duke Energy Commercial Transmission

Commercial Transmission partners with other proven and experienced companies to build, own and operate transmission lines and gas pipelines across the U.S.

Energy Services

Let us be your energy partner. Meet the complex energy challenges of today's business world with our customized solutions that advance your business goals, improve operational performance and lower risk.

CODE OF BUSINESS ETHICS





A MESSAGE FROM OUR CEO

Our purpose at Duke Energy is to power the lives of our customers and vitality of our communities. How we bring that purpose to life matters. We need to accomplish it the right way, under the highest ethical standards using the Code of Business Ethics (CoBE) as a guide.

The CoBE is underpinned by our core values of safety, integrity and service and establishes our ethical obligation. We're committed to earning the trust and confidence of those we interact with every day. To do this, we must be truthful, transparent and genuine in our interactions with each other, our business partners, the communities we serve and the governmental agencies that oversee our business.

When each of us performs our work with the highest personal and professional integrity, we foster an organizational culture of ethical and operational excellence. We must not allow pressure for results to undermine our ethical commitments.

I ask you to speak up if you have a question or observe misconduct. In return, you can expect to be protected from any form of intimidation or retaliation.

Together as a team, we must hold ourselves to the highest standards of honesty and integrity, fulfilling our vision of leading the way to cleaner, smarter energy solutions that our customers value.

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INTRODUCTION TO THE CODE OF BUSINESS ETHICS

At Duke Energy we're committed to doing the right thing. It's easier to do the right thing when every employee of Duke Energy, its subsidiaries and its affiliates accepts personal responsibility to act ethically and legally when representing the company.

We've set the standard for business conduct in this Code of Business Ethics (CoBE), a document that reflects our core values and sets expectations for our conduct with each other, our customers, investors, public officials, and business partners alike. Since one instance of a person failing to act with integrity can damage the company's hard-earned reputation, every Duke Energy employee must understand and adhere to the expectations in the CoBE. Use this document as a reference guide and contact a member of your management team, your HR business partner, the Ethics Office, or the EthicsLine if you have questions.

Note: This document does not create a contract of employment or alter the at-will nature of any employee's employment in any way.



Our Core Values

Our culture is “the way things get done around here,” and it’s guided by our core values.

SAFETY	Safety refers to the health and safety of everyone who works here, as well as our communities and the environment.
INTEGRITY	Integrity is acting honestly and ethically, holding ourselves accountable and earning trust.
SERVICE	Service means being agile and innovative in taking care of our customers and helping our communities prosper.



Our Ethical Commitments

No matter what job we perform, we're each responsible for creating, promoting and maintaining an organizational culture that encourages ethical conduct and compliance with the law. Each of us must understand and comply with the expectations set in the CoBE.

As a Duke Energy employee ... As a Duke Energy leader ...

I WILL ...

- Learn and understand the laws and regulations applicable to my job
- Be honest, transparent, fair and trustworthy in all work-related activities and relationships
- When unclear about what to do, seek advice from my supervisor or another member of my management team, my HR business partner, a member of the Ethics Office, or the EthicsLine
- Report actual or suspected ethical misconduct
- Cooperate with company investigations by providing complete and truthful information and related documentation
- Complete required training and periodic certification of compliance

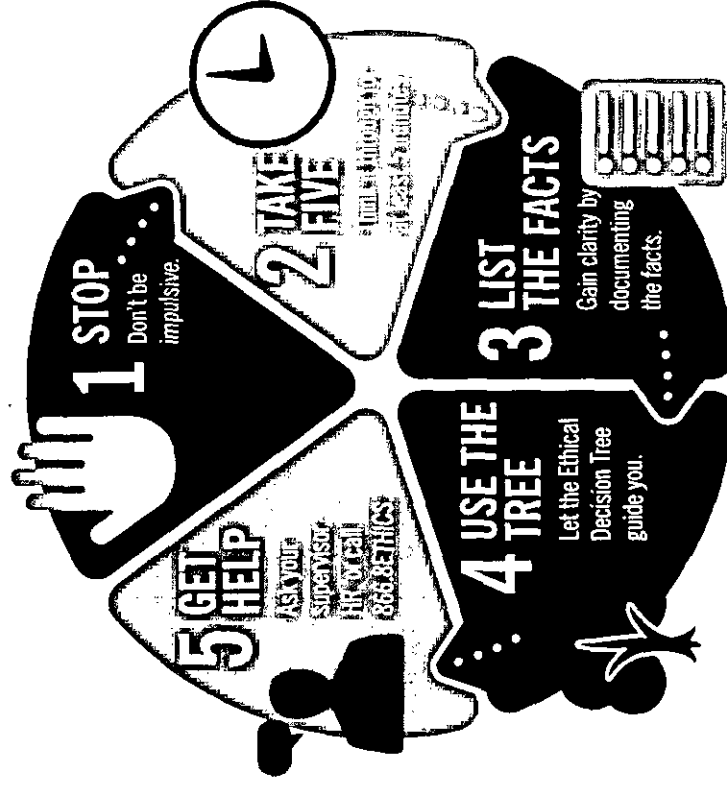
I WILL ...

- Be an example for employees by modeling ideal ethical business conduct
- Provide employees with the tools they need to understand and support our core values
- Create an environment where employees feel comfortable discussing ethical issues
- Create and maintain a diverse and inclusive workplace free of harassment
- Promptly respond to requests for guidance and reports of misconduct, engaging investigators and other resources as needed
- Support active investigations by providing timely information and encouraging staff to actively participate
- Administer proper incentives to ensure ongoing compliance and appropriate disciplinary measures if misconduct is substantiated

Making the Right Decision

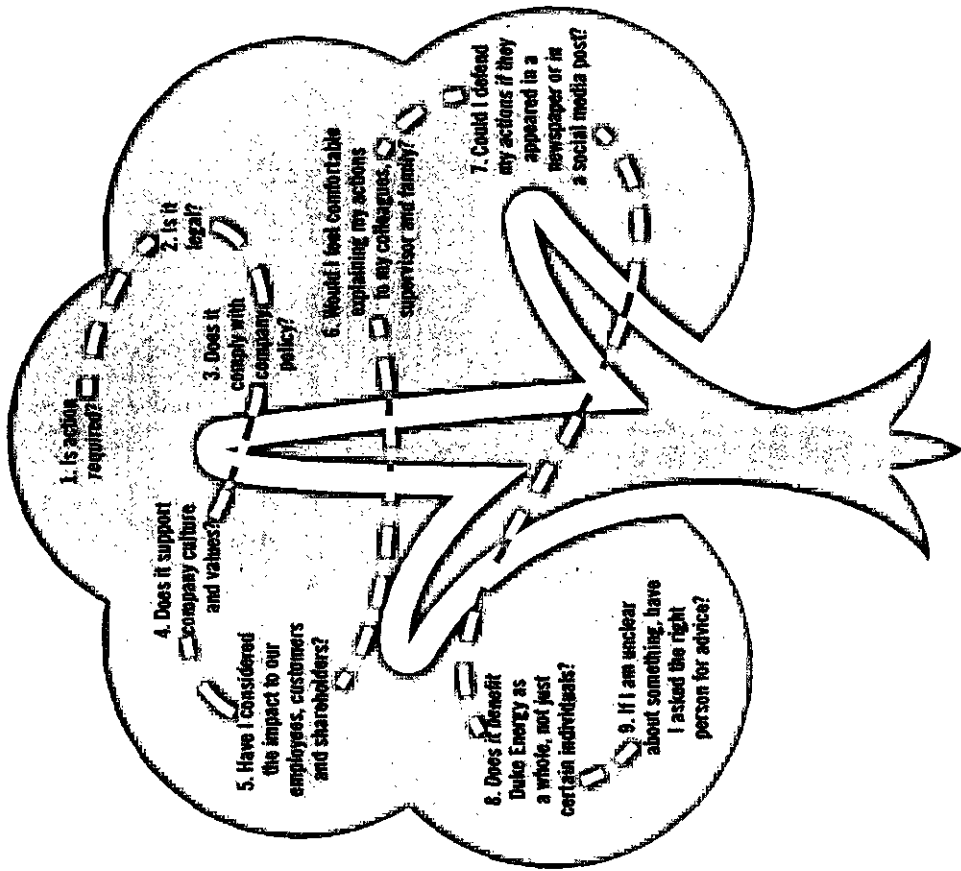
Even though we generally know the difference between right and wrong, sometimes the issues we face may not be black and white. We may encounter situations with conflicting priorities, such as choosing between a personal gain versus the right decision for the company. Making the right choice can sometimes be difficult, and it takes courage to act on our values, especially when the right choice isn't obvious.

Regardless of the situation, we are all expected to use sound judgment when making a decision on behalf of the company. Consider using this five-step process when facing a challenging decision.





In addition, it is impossible for the CoBE to cover every possible scenario. You may potentially encounter a situation not covered by the CoBE, a regulation or law, or company policy. Employees must accept personal responsibility for exercising appropriate behavior and maintaining high ethical standards. When in doubt, refer to the Ethical Decision Tree for guidance.



Start at number one and proceed through the questions. If you cannot comfortably answer yes to every question, do not proceed. Instead, seek guidance from your supervisor or another member of your management team, your HR business partner, a member of the Ethics Office, or the EthicsLine.

Seeking a Waiver

Waivers of this Code of Business Ethics will only be granted for exceptional circumstances. Any request for a waiver must be submitted to the Chief Ethics and Compliance Officer, who will gain approval from the Audit Committee of the Board of Directors for any request by the Chairman, the Chief Executive Officer, any officer reporting directly to the Chief Executive Officer, the Controller or the Chief Ethics and Compliance Officer. Any waiver granted to one of these individuals will be disclosed in accordance with Securities Exchange Commission and New York Stock Exchange rules.

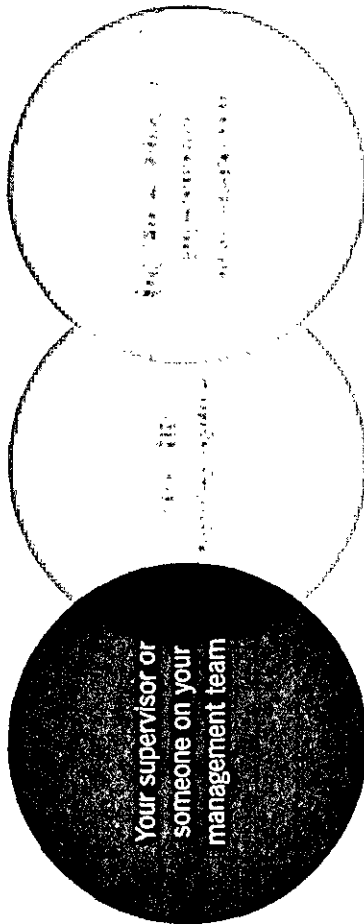
Discipline for Non-Compliance

Employees and managers who do not comply with the requirements expressed in the CoBE will face discipline, up to and including termination of employment.



Requesting Guidance and Reporting Concerns

As a Duke Energy employee, you're responsible for reporting actual or suspected violations of the CoBE and for seeking clarification and guidance on ethics, compliance and legal issues. To report an actual or suspected CoBE violation, or to seek guidance, you can contact:



If you are not comfortable with any of the options above, you can also report a concern:

- Online at <https://ethicsline.duke-energy.com>
- By calling the EthicsLine at **866.8ETHICS** (866.838.4427) in the U.S.
- By mailing a letter to the Ethics Office, P.O. Box 1333, Charlotte, NC 28201

The EthicsLine is a dedicated service maintained by a third-party vendor and is available 24 hours a day, seven days a week. Employees who contact the EthicsLine will be assigned a unique report and personal identification number (PIN) they may use to check on the status of reports and inquiries.

You can choose to remain anonymous when using the EthicsLine, but it is vitally important for you to keep your report number and PIN in a safe place so you can follow up on your concern or question. We may have follow-up questions about your concern, and you can assist with the investigation by calling or logging back in to the web submission tool to provide additional details. Without all of the facts, it may be difficult for us to get to the bottom of your concern or question.



Investigation Process

CONCERN DOCUMENTED

- Regardless of the way the concern is reported, it will be documented in our case management system.
- The concern will be kept confidential to the extent possible.

UNSUBSTANTIATED BY AN INTERNAL PARTY

- Each case is investigated by an independent, neutral and trained subject matter expert.
- Under no circumstances will an investigation be conducted by, or under the supervision of, an individual accused of the activity under investigation, or who has had any involvement in the matter.

UNSUBSTANTIATED CONCERN

- Once the investigation is complete, the report is reviewed to ensure that all of the issues were thoroughly investigated.

ISSUES ADDRESSED

- All substantiated concerns will be addressed through corrective action. Disciplinary action will be taken against an employee if necessary, though in many instances improved procedures can sufficiently resolve a problem.

CASE CLOSED

- The case is closed in the case management system and a summary is communicated to the reporter. If reported anonymously through the EthicsLine, the reporter can use their report number and PIN to call or log back in to the web submission tool to obtain the summary.
- Details related to personnel actions are not shared in accordance with applicable employment laws.

TRENDING & ANALYSIS OF SIMILAR CONCERNS

- Ethics activity is accumulated and evaluated on a regular basis to identify trends that need to be addressed. A summary report is provided to the Audit Committee of the Board of Directors.

In addition, material allegations regarding questionable accounting, internal financial controls (including internal accounting controls) and auditing matters, as well as material allegations involving senior management that could cause

Duke Energy significant reputational damage, will receive a special review and be promptly brought to the attention of the Audit Committee of the Board of Directors.



Good Faith Reporting and Our Policy Against Retaliation

Duke Energy prohibits retaliation against employees who in good faith report concerns to management, Human Resources, the Ethics Office, the EthicsLine or regulatory agencies or who participate in the investigation or resolution of a concern. Good faith does not mean you are right about your concern, but it does mean you honestly believe it to be true. Knowingly making a false accusation is in itself a violation of this Code of Business Ethics.

The company will take appropriate corrective action against employees found to have participated in retaliation, up to and including termination of employment. If you believe you have been retaliated against, please contact the Ethics Office immediately so we may begin an investigation.

What is retaliation?

Retaliation is when a supervisor, manager or a peer takes adverse action against an employee because they spoke up about a concern, whether the concern was reported to a manager, Human Resources, the Ethics Office, the EthicsLine or a regulatory agency.



BUILDING TRUST WITH EACH OTHER

As a company, we are committed to creating and maintaining an inclusive work environment where the contributions of every individual are recognized, all people are valued and respected and all have opportunities to reach their full potential. We do not tolerate discrimination, harassment or retaliation in the workplace. Simply put, a positive, inclusive spirit drives everything we do.

Equal Employment Opportunity

Duke Energy is an equal opportunity employer and does not discriminate against any employee or applicant for employment based on:

- Race
- Color
- Sex (including pregnancy and related conditions)
- Sexual orientation
- Gender identity or expression
- Religion
- National origin
- Medical condition
- Ancestry
- Ethnicity
- Citizenship
- Age
- Marital status
- Physical or mental disability
- Genetic information
- Military status
- Protected veteran status

As a company, Duke Energy is committed to recruiting, selecting, training and compensating based on merit, experience and other work-related criteria and will develop a diverse candidate pool when recruiting whenever possible. We will not make or act on presumptions about someone that are based on differences protected by law or company policy. Nor will we use any individual differences protected by law or company policy as a factor in any employment decision, or consider a person's complaint regarding unequal treatment when making an employment-related decision. We comply with all applicable federal, state and local laws, regulations and ordinances prohibiting discrimination in places where Duke Energy operates.



Harassment-Free Workplace

Duke Energy is committed to creating and maintaining a culture where every employee can start each day with a sense of purpose and end each day with a sense of accomplishment. You should always be able to perform your assigned duties and responsibilities without being harassed by any other employee, supervisor, manager, contingent worker, customer, vendor or visitor.

Duke Energy does not tolerate workplace harassment. You must speak up when workplace conduct makes you or others uncomfortable and promptly report perceived harassment to your supervisor or another member of your management team, your HR business partner, a member of the Ethics Office or the EthicsLine.

Any kind of harassing behavior weakens our culture and will not be tolerated, regardless of whether you are working at a Duke Energy facility or on assignment outside the company (e.g., conferences, storm duty, etc.).

What is harassment?

Harassment is defined as any unwelcome conduct or behavior that singles out an employee because of the employee's race, color, sex (including pregnancy and related conditions), sexual orientation, gender identity or expression, religion, national origin, medical condition, ancestry, ethnicity, citizenship, age, marital status, physical or mental disability, genetic information, military status or protected veteran status.



As a Duke Energy employee ...

I WILL ...

- Treat others with respect and dignity any time and any place I represent the company
- Think carefully before making offhand comments or jokes and be sensitive to unintentionally offending others
- Promptly report perceived harassment to my supervisor or another member of my management team, my HR business partner, a member of the Ethics Office, or the EthicsLine

I WILL NOT ...

- Engage in verbal or nonverbal threats, insults, abuse or ridicule (sexual or otherwise) or any other form of bullying or disrespect
- Possess, display or distribute offensive materials in any form such as cartoons, pictures, graffiti, paraphernalia or pornographic materials
- Make offensive remarks or slurs, including inappropriate jokes
- Make or attempt to make intimate, unwelcome or offensive physical contact including blocking normal movements
- Request or demand romantic or sexual favors, explicitly or implicitly, as a condition of employment, promotion, transfer or any other personnel action

Offensive material includes:

- Content that is threatening, unlawful, abusive, harassing, defamatory, libelous, deceptive, fraudulent or invasive of another's privacy, and/or
- Any text, communication, software, image, sound, data or other information that leads to improper conduct (such as involvement with illegal drugs, illegal materials or illegal weapons) or that contains explicit or graphic descriptions or accounts of sexual acts.

Legal Problems Outside of Work

Your conduct away from company property and outside of business hours could negatively affect the company and reflect poorly on your trustworthiness. Off-duty illegal activity may jeopardize workplace safety, the company's reputation or our ability to effectively serve our customers.

The company will assess the effect of any off-duty illegal activity on a case-by-case basis and take appropriate action.

Health and Safety

At Duke Energy, we put safety first in all we do. Our goal is a zero injury and illness safety culture where Duke Energy employees and contingent workers demonstrate personal commitment to continuous safety improvement and to the safety of the communities we serve. Protecting our people enhances the quality of life for our workforce and contributes to our long-term business success.



Each of us must be committed to eliminating occupational health and safety hazards. Only through each employee's participation, ownership and engagement can the company achieve an injury- and illness-free workplace.

We believe in setting clear expectations, providing support and training, and holding employees accountable for understanding and incorporating health and safety responsibilities into daily work activities. We want you to return home safely each day.

As a Duke Energy employee ...

I WILL ...

- Know, understand and comply with applicable health and safety rules and regulations, including the use of personal protective equipment
- Actively identify hazards, prevent and correct unsafe conditions, and demonstrate safe behaviors at every level
- Seek advice when I am unsure of how to perform a task safely
- Promptly report all health and safety incidents, including near misses, in accordance with department expectations

I WILL NOT ...

- Take short cuts that could endanger myself or the well-being of others
- Fail to promptly report or misrepresent the occurrence or severity of a safety incident

Violence-Free Workplace

Duke Energy is committed to providing a safe and secure workplace with a zero tolerance for incidents of workplace violence committed by or against employees, contingent workers, vendors, customers or visitors. Prohibited conduct includes, but is not limited to, threats, physical abuse, stalking, vandalism, arson, or sabotage. Employees must practice safe and respectful behavior on company property and any time they are conducting company business, regardless of the location.

Weapons

Our commitment to a violence-free workplace also includes zero tolerance for the possession of weapons on company property. Employees are prohibited from possessing weapons (including components that could be assembled to become a weapon) in company facilities, in company vehicles, or while conducting company business unless specifically authorized by Enterprise Protective Services.

Employees who violate this requirement will be subject to immediate termination, without progressive corrective action, regardless of the employee's intent.



Terms to know:

Weapon – any object that is or could be used:

- In a threatening manner, or
- With the intent to inflict bodily harm, or
- To cause deliberate damage to and/or destruction of company property.

Examples of weapons include, but are not limited to:

- Firearms: weapons capable of firing a missile (e.g., gun, pistol or rifle) or using an explosive charge as a propellant
- Explosives and incendiaries: devices, substances or chemicals capable of causing destruction by the act or instance of exploding or burning

Possession – refers to handling a weapon in any manner while on company facilities, in company vehicles, or while conducting company business, unless specifically authorized. For example, “possession” would include removing a lawfully stored weapon from an employee’s personal vehicle, or having the item on your person or in your belongings.

Securing Our People, Property and Assets

As a company, we have implemented strict practices to control access to our premises to protect individuals and company assets. These practices are designed to ensure access is based on actual business needs and to minimize any adverse safety or security impact. Our security standards set minimum requirements for preventing, responding to, and recovering from physical incidents.

We must also be on the lookout for unusual or suspicious behavior, which could indicate a threat of theft, terrorism, commercial espionage or sabotage, or violence. If you witness behavior by a stressed co-worker or someone else you work with that seems erratic or unsafe, you should report it. It is extremely important to understand that these behaviors do not necessarily mean a person will become violent, but they may indicate the person is experiencing high levels of stress or seeks to harm the company.

Always take particular note and seek assistance from Enterprise Protective Services or your HR business partner if:

- You observe a significant change in the behavior patterns of a co-worker or business partner
- The frequency and intensity of the behaviors are disruptive to the work environment
- The person is exhibiting several unusual behaviors

Behaviors that indicate a co-worker may not be effectively managing stress include:

- Excessive absenteeism or lateness
- Disregard for the health and safety of others
- Increased mistakes or errors or unsatisfactory work quality
- Refusal to acknowledge job performance problems
- Faulty decision-making
- Testing the limits to see what they can get away with
- Overreacting to criticism
- Intimidating behavior



As a Duke Energy Employee ...

I WILL ...

- Act in a manner that promotes a safe and respectful workplace for all employees
- Report any conduct, behavior or communication that is violent or may lead to workplace violence
- Comply with all applicable laws and regulations regarding the storage, possession and use of firearms and other weapons in personal vehicles while on company property
- Possess any firearm or other weapon on company property or while engaged in Duke Energy business, unless permitted by applicable law or other company policy
- Harm or threaten others with a firearm or other weapon
- Engage in incidents or threats of workplace violence or intimidation on company property or while conducting company business, regardless of the location

I WILL NOT ...

- Possess any firearm or other weapon on company property or while engaged in Duke Energy business, unless permitted by applicable law or other company policy
- Harm or threaten others with a firearm or other weapon
- Engage in incidents or threats of workplace violence or intimidation on company property or while conducting company business, regardless of the location

As a Duke Energy Employee ...

I WILL ...

- Report to work fit for duty and free of the effects of illegal drugs and alcohol
- Report any actual or suspected on-the-job alcohol or illegal drug use
- Cooperate in all drug screening activities required by law or company policy

I WILL NOT ...

- Possess, use, sell, arrange for the sale of, manufacture, dispense or transfer illegal drugs, illegally obtained prescription drugs or alcohol on or off company property while conducting company business
- Consume alcohol on the job, during working hours (including meal breaks) or when on call
- Appear for or return to work in an impaired state

Alcohol and Drug-Free Workplace

We have an obligation to each other to work safely so we can rely on one another to achieve superior results. All Duke Energy employees are expected to report for work and remain at work in a condition free of the effects of alcohol or drugs and be prepared to work together safely to perform our assigned duties. The use of illegal drugs, alcohol, or prescription medications that impacts job performance, corporate reputation, corporate assets, or the safety of workers or the public will not be tolerated.

Personal Investment Decisions

As a Duke Energy employee, you are subject to rules that prevent you from making certain kinds of financial transactions. You must be careful when buying or selling securities – even the Duke Energy stock in your retirement account – to make sure you do not make trades when you know about significant decisions or financial results that have not been disclosed to the public. Before trading any stock or other security, you should consider whether you have access to material nonpublic information, about Duke Energy or another company we do business with, which would affect a reasonable investor's decision to make a trade.



As a Duke Energy Employee ...

I WILL ...

- Allow approximately two full trading days after any material nonpublic information of which I am aware has been made available to the public before trading Duke Energy securities
- Contact the Legal Department if I have questions relating to insider trading laws

I WILL NOT ...

- Trade Duke Energy or its business partners' securities if I have access to material nonpublic information
- Provide material nonpublic information to anyone inside or outside Duke Energy who is not authorized to have that information

As a Duke Energy Employee ...

I WILL ...

- Understand and promptly disclose situations where I have an actual or potential conflict of interest
- Act in the best interests of Duke Energy any time I am asked to make a decision on behalf of the company
- Seek approval from a member of the Executive Leadership Team and the Ethics Office for certain employment and business transactions

I WILL NOT ...

- Personally profit from an opportunity available to Duke Energy that I discover using company assets, information or my position at the company
- Personally benefit from a supplier selection or other business decision made on behalf of the company
- Participate in the selection process or oversee the work of a business in which I, or someone I have a close personal relationship with, is employed or has an ownership interest

Conflicts of Interest

As Duke Energy employees, we each have a responsibility to be loyal to the company and avoid actual or perceived conflicts of interest. A conflict of interest occurs when you have to choose between what is in your best interests (financial or otherwise) and what is in the best interest of the company.

The best way to reduce or remove a conflict and avoid a misunderstanding is to disclose any situation that has the potential to be misinterpreted by others, including other employees, customers, suppliers, shareholders and public officials. If you have questions about a conflict of interest situation, talk to your supervisor or call the Ethics Office to determine whether you need to disclose the potential conflict or seek approval from a member of the Executive Leadership Team based on the circumstances.



While it's impossible to list every scenario, here are some common situations that could create a perceived or actual conflict:

TYPE OF CONFLICT	WHAT IT IS	WHAT IT WOULD LOOK LIKE
Doing business with family and friends	You, a member of your family or anyone with whom you have a close, personal relationship is employed by or owns more than 5 percent interest in an entity that does business with Duke Energy.	Your brother-in-law is hired as a partner in a law firm that you engage to work on Duke Energy matters.
Competing employment	<ul style="list-style-type: none">■ You, a member of your family or anyone with whom you have a close, personal relationship:<ul style="list-style-type: none">– Is employed by or owns more than 5 percent interest in an entity that competes with Duke Energy.– Takes a position on a board of directors for an organization that does business with Duke Energy.■ You have outside employment similar to your current job responsibilities that may interfere with your ability to meet the requirements of your Duke Energy position.	<ul style="list-style-type: none">■ Your son owns a startup renewable energy firm that competes for contracts to operate wind farms in the Southwest.■ You are asked to take a position on the board of your local electricity co-op.■ You continue to work for your previous employer as a contingent worker doing similar work to your role at Duke Energy.
Outside benefits	You, a member of your family or anyone with whom you have a close, personal relationship receives outside benefits as a result of your position with Duke Energy (such as free or discounted goods or services not available to all employees, access to membership clubs or free use of a vacation property).	<ul style="list-style-type: none">■ A general contractor who you hired to do construction work at your Duke Energy work site offers to redo the master bathroom at your house for free, so long as you pay for materials.
Corporate opportunities	You have access to company information that you use for a personal benefit and/or to compete with the company.	<ul style="list-style-type: none">■ You are aware of the intentions to build a new facility, so you personally purchase the land with the intent to lease it back to the company.
Personal relationships	You supervise the work of an employee or contingent worker with whom you have a close, personal relationship.	<ul style="list-style-type: none">■ Your roommate, a contingent worker who works for a contract company, is assigned to a project under your oversight.



BUILDING TRUST AMONG OUR BUSINESS PARTNERS

Duke Energy builds relationships based on trust and respect with our customers, investors, suppliers, public officials and all of our stakeholders. To earn this trust, we conduct business legally and with integrity.

We do not participate in unfair or corrupt business practices and have zero tolerance for bribery. We succeed in the marketplace by offering competitively priced, quality products and services and comply with antitrust and other laws prohibiting activity that reduces competition and restricts trade.

Who We Work With and Why

Our vendors and suppliers are integral to the success of our company, and we choose our partners carefully. Our decision to select a supplier is based on fair and objective criteria, such as technical, commercial, or other valid business reasons. In addition, we expect our suppliers of goods and services to share and adhere to our core values and apply them to the way they do business in the United States and around the world.

Contingent workers, suppliers and vendors are expected to support ethics and compliance programs within their own organizations and adhere to the Supplier Code of Conduct. This expectation includes a prohibition against any kind of child labor, forced labor, physical punishment or abuse. We respect the rights of all humans, and we expect our partners to do the same.

Through our commitment to supplier diversity, we build relationships with small, local, and diverse businesses capable of providing commodities and services at competitive prices. We are committed to building bridges with these businesses by providing equitable opportunities to compete. We believe these efforts can have lasting positive effects on economic development locally, regionally, and nationally. We aim to establish long-lasting "win-win" relationships that create value for all stakeholders.



Bribery and Corruption

We will not engage in any kind of corrupt activity, nor tolerate such activity committed by a third party on our behalf. This means we will not pay, give or offer to provide anything of value in order to illegally influence future business decisions, obtain illegal advantages over other parties, or reward another party for past illegal actions. We comply with U.S. and international anti-corruption laws, including the Foreign Corrupt Practices Act (FCPA). We do not offer or accept bribes, kickbacks, illegal gratuities or similar payments, and we will never punish an employee for refusing to pay a bribe, even if it results in lost business.

In addition, our prohibition against corrupt payments and activities includes bribes, kickbacks, or facilitation payments offered or made to individuals in the private sector or domestic public officials.

As a Duke Energy Employee ...

I WILL ...

- Seek guidance about the laws that apply when visiting or beginning business in a new country or international territory
- Avoid making a facilitation payment, and seek assistance and approval from the Legal Department if such a payment is absolutely necessary
- Conduct appropriate due diligence when engaging a third party to conduct activity on our behalf
- Promptly report any requests for payments, gifts or other improper exchanges to the Ethics Office

I WILL NOT ...

- Offer, promise or authorize anything of value directly or indirectly to a government or foreign official if there is reason to believe the expenditures will be used illegally
- Do business with others who do not share Duke Energy's commitment to corruption-free business practices
- Overlook or ignore red flags that could indicate corrupt activity taken on our behalf by a third party



Terms to know:

Bribe: Anything of value, including money, gifts, services, or favors, given with the intent to persuade someone to act in your favor.

Kickback: A payment made as a reward for facilitating a business agreement or relationship.

Facilitation payment: A payment made to expedite a legally provided service or request.

International Laws

When doing business outside of the U.S., you must know and follow the laws of the country you are working in as well as any U.S. laws that may apply, some of which are listed below.

LAW OR REGULATION	DESCRIPTION
Anti-corruption laws	Legislation in the U.S. and many countries where Duke Energy operates make it a crime to promise, offer or give anything of value to a government official or a political party or candidate in order to obtain or retain business or gain any improper advantage.
Anti-boycott laws	Anti-boycott laws make it illegal to cooperate in any boycotts between foreign countries if the boycotts are not sanctioned by U.S. law.
Treasury embargo sanctions	The Treasury Department's Office of Foreign Assets Control prohibits U.S. companies and their foreign subsidiaries from doing business with certain countries, agencies and individuals. Regulations vary depending on the country and the type of transaction.
Export control restrictions	To prevent sensitive goods, technology and software from falling into the wrong hands, exports of items sensitive to certain countries and individuals may be restricted or prohibited. These restrictions and prohibitions also may apply to transfers between Duke Energy and its foreign subsidiaries.

Because the legal requirements are varied and complex, employees responsible for work outside the U.S. should seek training and ongoing legal advice regarding payments, record keeping and export control restrictions. Contact the Legal Department with questions regarding these and other local laws, regulations and conventions governing international business relationships.



Business Courtesies

Business courtesies are designed to build good will and sound working relationships among business partners, but should never be used to gain special advantage in a relationship. Although a modest exchange may be acceptable under certain conditions, it's never required for doing business with Duke Energy and you must never give or accept business courtesies of any kind that could be reasonably viewed as inappropriately influencing a business decision or creating a business obligation on the part of the recipient.

What's Acceptable

Small or nominal promotional items, gifts and entertainment given in the regular course of business are acceptable. However, care should be taken to not accept business courtesies on a frequent or continual basis. Never accept cash or cash equivalents (gift cards) or discounts not available to all employees. You should also exercise particular caution when negotiating or considering contracts. It is important not to give the impression of any connection between any business courtesy and a business opportunity.

Exchanges with Public Officials

Special rules apply to business courtesies given to political candidates, government-affiliated employees and public officials. If you work directly with public officials you must take extra care to follow laws and company policies covering the acceptable exchange of business courtesies. You should consult with Governmental Affairs before offering a business courtesy to a political candidate, government-affiliated employee or public official. Please refer to the Building Trust with Governments section for more information about interacting with public officials.

Terms to know:

Business Courtesy: Anything of value for which the recipient does not pay fair market value, including gifts, services, travel, accommodations and entertainment.

Public Officials and Government-Affiliated Employees:

Employees or representatives (elected or appointed) of:

- Foreign, federal, state and local governments (i.e., executive, legislative or judicial branches)
- Government-owned, sponsored or affiliated companies
- Regulatory commissions
- Other entities with oversight over Duke Energy or any of its affiliates



As a Duke Energy Employee ...

I WILL ...

- Offer and accept only business courtesies that are customary, reasonable, legal and of modest value
 - Complete a business courtesy log for all courtesies exceeding US\$100 value received from a business partner (other than meals), and any courtesy exchanged with a foreign official or union representative
 - Obtain documented approval from my supervisor prior to accepting a business courtesy of significant value (greater than US\$300 value)
 - Seek advice if unsure whether a business courtesy involving a supplier or other business partner is acceptable
- Give or accept any gift, entertainment or other business courtesy that may be perceived by others as an attempt to influence a business decision
 - Solicit gifts, favors, travel or entertainment from a supplier or other business partner
 - Allow a supplier or other business partner to pay for my overnight travel without prior documented approval from a member of the Executive Leadership Team
 - Accept cash, or a cash equivalent such as a gift card, from a supplier or other third party
 - Agree to provide payments, contribute to charities, or make political contributions or other payments in return for favorable treatment

Questions to ask yourself:

- Is this exchange infrequent and of modest value?
- Is the exchange customary and a part of normal business practices?
- Would the business courtesy be appropriate to reciprocate in a similar manner at company expense?
- Is the exchange free from any real or perceived special treatment, such as free services or special discounts?
- Will the exchange create a sense of obligation on the giver or recipient?
- Could the courtesy be perceived to inappropriately influence the recipient's business judgment?

Fair Competition

At Duke Energy, we believe in doing business honestly and transparently. We will always participate in the marketplace fairly and lawfully, and we prohibit activities that reduce competition and restrict trade such as agreeing to fix prices, rigging bids, or dividing market territories. We will not engage in any activity that disrespects our competitors, nor will we make inaccurate statements about their products or services or our own.



As a Duke Energy Employee ...

Fair competition laws may apply to your job when you are:

- Dealing with competitors
- Participating in industry associations
- Dealing with customers
- Dealing with suppliers
- Collecting competitive information

If your job puts you in any of these situations, you must know and understand what activities may be deemed a violation of antitrust and other laws protecting competition.

In addition, we only gather competitive intelligence through legal and honest means. If a new employee joins Duke Energy from a competitor, we will not ask them to share confidential or sensitive information they learned at their previous employer. We will not resort to any deceptive or manipulative practices nor use any unacceptable sources, including but not limited to:

- Confidential documents
- Documents that were not shared willingly
- Communications not intended for Duke Energy

I WILL ...

- Seek advice from the Legal Department before sharing confidential proprietary information with a competitor through an industry association or other means
- Comply with company policies and procedures governing the procurement process
- Report any anticompetitive activity to my supervisor or another member of my management team, my HR business partner, a member of the Ethics Office, or the EthicsLine

I WILL NOT ...

- Enter into agreements with competitors on contract, material, or product pricing, territories, market share or intent to bid (or not bid) for particular business
- Enter into exclusivity agreements with suppliers in markets in which Duke Energy has market power
- Provide inconsistent information about a request for proposal to competing bidders or divulge a quote from one supplier to another supplier
- Take advantage of market power to eliminate or threaten a competitor or potential competitor in that market
- Participate in collusion by any trade association or other industry group regarding membership restrictions, sharing information or desired governmental actions to facilitate coordinated behavior to restrain competition



Intellectual Property

Intellectual property is a creation or innovation used in business. Restricting the use of intellectual property helps the company protect its ideas and brand identity. We all have a responsibility to secure our intellectual property and respect the same of others. We must abide by all laws and regulations related to intellectual property, copyrights, patents, trademarks and trade secrets.

INTELLECTUAL PROPERTY	Denotes the legal rights that may be secured in virtually any creation of the human mind or intellect (for example, an idea, invention, machine, device, process, program, software, drawings, blueprints, name, logo or slogan) or that may be legally protectable (such as a patent, copyright, trademark, service mark and/or trade secret).
COPYRIGHTS	Protect original and tangible works of authorship such as books, brochures, reports, proposals, advertisements and other literary works, as well as works of art, drawings, photographs, videos, maps, charts, musical works, audiotapes and software. Copyrights prevent others from copying the particular fixed expression, but they do not protect the underlying idea.
PATENTS	Protect new and non-obvious inventions, such as machines, apparatus, devices, manufacturing components, chemical compositions, business processes and methods and ornamental designs.
TRADEMARKS AND SERVICE MARKS	Words, phrases, symbols and designs that identify and distinguish the sources of goods or services from those of others.
TRADE SECRETS	Any information used by a business such as formulas, processes, devices, and customer lists that have economic value because they are not generally known or easily discovered by observation or examination, and for which reasonable efforts have been made to maintain secrecy.

As a Duke Energy Employee ...

I WILL ...

- Report any unauthorized use of a Duke Energy copyright, patent, service mark or trademark to my supervisor or another member of my management team, my HR business partner, a member of the Ethics Office, or the EthicsLine
- Obtain permission to use a third-party's trademark, service mark or other intellectual property
- Follow the terms of any license agreement allowing the use of a third-party's patented invention
- Share with the company any intellectual property I create in the performance of my job to ensure adequate protection

I WILL NOT ...

- Copy or distribute software without first ensuring it is permitted by a licensing agreement
- Make copies of copyrighted materials without permission or a determination that limited copying is legally permitted
- Use Duke Energy's copyrights, patents, service marks or trademarks without authorization



BUILDING TRUST WITH OUR COMMUNITIES

Duke Energy proudly serves our communities by protecting our environment, using company assets prudently, safeguarding sensitive information in our possession, and speaking honestly and transparently about our business. We recognize the impact we have on a local, national and global scale, and we regularly work with various stakeholders to improve the quality of life in the communities we serve.

Preserving Our Environment

We are committed to being a good neighbor, which means we respect and honor our role as a steward of our environment. Sustainability is central to everything we do, and responsible management of our natural resources is critical to a cleaner environment, the quality of life in the communities we serve and Duke Energy's long-term business success. We must all demonstrate a personal commitment to protecting the environment.

We strive to be a leader in the transition to cleaner energy solutions, and we are committed to realizing a more efficient and modernized grid to reduce our carbon emissions and other impacts on the environment. Every day we work hard to comply with state and federal regulations in order to protect people and the environment.

Some of the ways we demonstrate our commitment to the environment include:

- Utilizing energy efficiency programs to provide our customers with targeted insights to help them take actions to reduce their energy consumption
- Continuing to invest in clean energy generation and renewable energy sources
- Sponsoring or supporting numerous employee volunteer projects throughout our footprint
- Providing donations of time, money, and resources to local environment-focused nonprofit organizations



- Soliciting feedback and input from a diverse range of customer, community, environmental and business groups
- Selecting business partners based on their shared respect for and commitment to the environment

As a Duke Energy Employee ...

I WILL ...

- Know, understand and comply with applicable environmental rules and regulations
- Support sustainability efforts at my job site and in my community
- Promptly report all incidents or near misses in accordance with department expectations

I WILL NOT ...

- Take short cuts that could knowingly result in damage to our environment or violate environmental procedures
- Misrepresent the occurrence or severity of an environmental incident
- Allow my required trainings or certifications to lapse

Protecting Company Resources

Providing safe, reliable service to our customers and communities is one of our highest priorities, and the resources needed to accomplish this goal are enormous. We must be prudent when spending company money and protect company assets from loss, damage, unauthorized or improper use and waste.

Company resources should always be used responsibly and for legitimate business purposes. However, it is acceptable to use company telephones, computers and other assets for incidental and infrequent personal use so long as you don't abuse the privilege.



Sensitive Information

The information we gather during business operations is critical to our success and the security of the assets we operate. It is also an essential component of our business value and brand identity. We all have an obligation to guard sensitive information closely and protect it against unintentional disclosure and internal or external threats.

In addition, we are committed to protecting the personal information of our workforce, our customers and our shareholders. We must comply with laws to prevent, detect and respond to the theft or unauthorized use of personal information. Employees with access to sensitive information must protect it from intentional or accidental disclosure. You should carefully restrict physical and electronic access to sensitive information and only share it with others who have an approved business need to know.

Company resources include:

- Tools, equipment and machinery
- Information, including sensitive information
- Facilities
- Vehicles
- Office and field supplies
- Cellphones
- Computers and other technology systems
- Work time
- Other assets owned, leased or maintained by the company to conduct company business

As a Duke Energy Employee ...

I WILL ...

- Work all hours reported on time sheets
- Follow applicable procedures when disposing of surplus or obsolete property
- Report actual or suspected theft, damage or unauthorized use of company property

I WILL NOT ...

- Use company resources for my personal benefit in a manner that creates additional costs for the company, interferes with work duties or violates company policy
- Use company property or information for illegal activities or personal gain
- Facilitate or approve a personal loan to or for any Duke Energy executive, officer or board member

Examples of sensitive information include:

Confidential and Proprietary

- Nonpublic operational or financial results
- Customer information
- Unreleased plans or forecasts
- Supplier negotiations, pricing and specifications
- Information regarding financing negotiations
- Formulas, designs and other inventions covered by a patent, copyright or trademark

Personal

- Social Security numbers
- Driver's license, state ID or passport numbers
- Credit card and bank account numbers and personal identification number (PIN) codes
- Protected health information



As a Duke Energy Employee ...

I WILL ...

- Understand the definition of sensitive information as it applies to my work and take steps to reduce the risk of data loss or exposure and security breaches
- Exercise caution when discussing sensitive information in public areas within and outside the workplace
- Protect network passwords and other security protocols from disclosure
- Promptly report a lost or stolen computer, cellphone or other portable device
- Notify IT of any unusual activity involving information systems and associated resources

I WILL NOT ...

- Disclose sensitive information to co-workers or third parties who are not authorized to receive or have no need to know the information
- Use sensitive information for personal benefit or for the benefit of persons outside of Duke Energy
- Use health information for any purpose other than the administration of health plans or to satisfy regulatory requirements
- Share my network password or other security protocols with others
- Download or install software that has not been approved for company use by IT

The Duke Energy Brand

Our brand and reputation are some of our most valuable assets. The misuse or loss of such assets could have a serious financial impact on the company. We must each take steps to secure the integrity of our brand, and live up to the reputation for excellence it represents.

Communicating with the Public

One way we protect the Duke Energy brand is by releasing company information only through authorized publications and spokespersons.

Unauthorized and inappropriate releases of information to the public can result in violation of full disclosure laws, stakeholder confusion and damage to Duke Energy's competitive position, brand and reputation. We are committed to communicating with the public truthfully, consistently and transparently, and only authorized spokespersons should provide information on behalf of Duke Energy. If you receive a request for comment from the media, contact the Corporate Communications Department.

Social Media

Social media is continually changing the communication landscape and is a great way to learn, find resources, share ideas, gather feedback and test concepts. Employees are encouraged to exchange ideas, viewpoints and best practices via our internal social media platforms. We also support participation in online conversations through external social media tools, so long as it doesn't interfere with your work obligations or violate our internet security policies.

As a rule of thumb, use good judgment and be courteous, professional and respectful of others at all times when using both internal and external social media tools. And as with other forms of communication, make sure you indicate that comments related to the company are your own personal opinion and do not necessarily represent the views of the company, unless you're authorized to speak on the company's behalf.

Discussing or sharing proprietary information, trade secrets or nonpublic information related to the current or future performance of the company on social media is strictly prohibited. Employees should not disclose the personal information of others, including their photograph or likeness, without having first obtained their permission. The posting of false, inaccurate or misleading information regarding Duke Energy and its employees, agents, and contingent workers/contractors is also strictly prohibited.



Tips for using social media

- When talking about Duke Energy, be clear about your association with the company and make sure your statements align with our core values
- Refrain from engaging in negative, disrespectful or harmful conversations
- Remember that social media posts can potentially be seen by the whole world and remain on the internet forever – think before you type
- Do not disclose proprietary, confidential or other types of sensitive information
- If responding to criticism, take the high road and stick to the facts

As a Duke Energy Employee ...

I WILL ...

- Ensure all company documents are created in accordance with existing branding guidelines
- Gain approval before revealing company information to the public to ensure it is not confidential, proprietary, or protected for any other reason
- Communicate honestly and truthfully with the public

I WILL NOT ...

- Represent myself as a spokesperson of the company unless specifically authorized to do so
- Use company letterhead or company email when expressing a personal view in a public forum
- Allow the use of internal or approved external social media sites to interfere with my work duties
- Act in a way that could damage the Duke Energy brand or reputation, both on or off of company time or property
- Use company resources, including internet access, email, instant messaging and cellphones, to access or communicate offensive material

BUILDING TRUST WITH GOVERNMENTS

In addition to those specifically discussed throughout the CoBE, Duke Energy is subject to numerous complex laws, rules and regulations. Violations of these rules – whether intended or not – can damage the company's operations, financial stability and reputation. That's why you must understand and comply with the letter and the spirit of the laws and regulations relevant to the work you do.

We are also committed to cooperating with the government and abiding by all laws that apply to our interactions with public officials. In addition, we must respond appropriately to any government inquiries or investigations.

Laws and Regulations that Apply to the Company

Each of us contributes to the company's status as a conscientious, law-abiding corporate citizen. We rely on each other to ensure we meet the many legal and regulatory requirements imposed by the various regulatory agencies that govern our industry and protect the public interest. Core compliance practices based on a common set of tools and concepts are deployed across the business to prevent, detect and respond to potential violations of laws and regulations that apply to Duke Energy's operations. Individually, we are responsible for understanding the laws and regulations applicable to our jobs and the consequences of our actions. Intentional non-compliance is never an acceptable option.

Key regulatory compliance areas include:

FERC Compliance

The Federal Energy Regulatory Commission (FERC) is responsible for regulating the interstate transmission of electricity, natural gas and oil, as well as wholesale sales of electricity in interstate commerce. Under the Federal

Power Act, the FERC is authorized to issue regulations regarding wholesale sales of electricity and transmission and to enforce those regulations and laws. We maintain a comprehensive FERC compliance program to ensure we meet our obligations, including but not limited to:

- Affiliate Restrictions that govern the relationship between a regulated utility with captive customers and its market-regulated power sales affiliates.
- Standards of Conduct that govern the relationship between regulated transmission providers and their workers performing marketing functions.

NERC Compliance

The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority, subject to oversight by the FERC, whose mission is to assure the reliability of the bulk power system in North America. NERC develops and enforces Reliability Standards, annually assesses seasonal and long-term reliability, monitors the bulk power system through system awareness, and educates, trains, and certifies industry personnel. Our NERC compliance program includes oversight of our obligations related to Critical Infrastructure Protection (CIP) and Operations and Planning (O&P) standards to formalize grid operations and ensure the security of physical and cyber assets essential to the reliable operation of the electric grid.

PHMSA Compliance

The Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA), acting through the Office of Pipeline Safety (OPS), administers the department's national regulatory program to assure the safe transportation of natural gas, petroleum, and other hazardous materials by pipeline and develops regulations and other approaches to risk management to assure safety in design, construction, testing, operation, maintenance, and

emergency response of pipeline facilities. Our natural gas compliance program provides oversight of our obligations related to federal and state regulations to ensure we deliver safe and reliable natural gas to our customers.

Public Utility Commission Compliance

We comply with all state utility commission orders and regulations in the jurisdictions in which we operate to ensure fair consideration in the interest of the public through cost-effective rates, appropriate affiliate relationships, and future planning for safe, cost-effective and reliable service.

Participating in the Political Process

Duke Energy strongly supports individual participation in the political process, including involvement with political parties, candidates and issues. We respect the right of individual employees to disagree with a company political position. If you choose to participate in political activities as an individual, you must use your own time and resources and not the company's.

As a Duke Energy Employee

I WILL ...

- Clearly identify individual, personal political views as such and not those of Duke Energy
- Get approval from Government Affairs before using company funds or resources to contribute directly or indirectly to a public official, or to sponsor an event where a public official is an attendee, invitee, speaker or honoree
- Notify my supervisor and Government Affairs before making plans to campaign or serve in public office
- Excuse myself from decisions involving Duke Energy while serving as a public official

I WILL NOT ...

- Use company funds to provide a contribution, gift, meal, travel, entertainment or event ticket to a public official or his/her staff without approval from Government Affairs
- Contact government personnel to influence legislation, rule-making or policy on behalf of Duke Energy without involving Government Affairs
- Request company reimbursement for time spent supporting political candidates and issues or for personal political contributions
- Apply direct or indirect pressure on a co-worker to make a personal political contribution

Interacting with Public Officials

As a company, Duke Energy regularly interacts with public officials responsible for laws, regulations, rules and policies that affect our company. Public officials are considered any government employees and representatives, including elected or appointed officials in foreign, federal, state and local governments, regulatory commissions and other oversight agencies. We must ensure that our interactions and relationships with public officials are professional and productive and comply with all related laws, orders, regulations and rules.

Doing Business with the Government

When doing business with the government, it is important to remember that what is acceptable for other private sector partners may not be appropriate with government employees. For example, we may be prohibited from providing any type of courtesy, including meals and drinks, to certain government officials. Also, government contracts are subject to extensive regulations, so make sure you are aware of applicable rules prior to engaging in government bids or contracts. As with all other customers, be sure you conduct business with integrity and communicate honestly. You may also refer to the Building Trust with Business Partners section for information about business courtesies.

As a Duke Energy Employee ...

I WILL ...

- Notify Government Affairs prior to interacting with public officials if that is not part of my assigned responsibilities
- Abide by applicable ex parte rules when communicating with public officials
- Communicate with public officials in a courteous, professional and business-like manner
- Follow rules that apply to business courtesies given to public officials

I WILL NOT ...

- Create or contribute to any situation where the responsibilities, judgment or objectivity of a public official becomes compromised
- Discuss potential company employment with a public official without first consulting with Human Resources
- Offer, promise or give anything of value to a public official to assist me or the company in obtaining or retaining business or to obtain any improper advantage

What is an ex parte communication?

An ex parte communication is any oral or written communication that is not on the record, for any pending proceeding, where reasonable notice to all parties was not given. Ex parte communication is generally prohibited; however, communication regarding undisputed administrative or procedural matters and educational or informational communications when there are no other parties to the proceeding other than Duke Energy may be exempt from ex parte rules. When in doubt, contact the Legal Department prior to engaging in the communication.

Accurate Reporting and Records

Every one of us, regardless of our position, has an obligation to make sure that the information we contribute to the company's operational, financial and other business records is complete, factual and timely. Whenever you create a record, make sure you include all required information and that the information is accurate.

We must also retain our business records in accordance with all laws, regulations, and company policies.

What is a record?

A record is any information that has an ongoing value, such as something that documents a business decision or transaction and who participated, provides evidence of regulatory requirements or obligations, supports the ongoing operations of the business, or provides evidence of corporate history. Examples include:

- Timekeeping records
- Expense reports
- Inventory records
- Environmental reports
- Health and safety reports
- Quality assurance certifications

As a Duke Energy Employee ...

I WILL ...

- Adhere to proper practices related to the creation, disclosure, retention and destruction of business records
- Actively manage records and other information compiled in any media type, including paper and electronically stored information
- Follow records retention guidance and direction provided by company attorneys in the event of pending or anticipated litigation or regulatory inquiry

I WILL NOT ...

- Retain records beyond the period defined in the applicable records retention schedule unless directed to do so by a company attorney
- Destroy, alter or falsify records or other materials after being notified by a company attorney that they should be preserved

Fraud Prevention

Employees who intentionally misrepresent or conceal facts regarding our business or who assist others in doing so have engaged in fraud. Fraud compromises the integrity of our financial reporting and the safety of our assets. If you are aware of or suspect fraud, you must report it immediately to your supervisor or another member of your management team, your HR business partner, a member of the Ethics Office, or the EthicsLine.

As a Duke Energy Employee ...

I WILL ...

- Maintain books, accounts and records according to applicable legal and regulatory requirements, including Generally Accepted Accounting Principles (GAAP) requirements for financial records
- Record financial transactions and other business activity accurately and promptly, including time entry reporting
- Provide complete and accurate documentation of reimbursable expenses
- Provide complete and accurate information and related documentation during company investigations
- Report actual or suspected fraud immediately

I WILL NOT ...

- Conceal or otherwise fail to disclose to management material financial or nonfinancial information that could impact the company's external reports and other communications
- Falsify personal credentials, documents or certifications required by company procedures and/or regulatory authorities, including providing my signature as a quality assurance check without completing the inspection process
- Manipulate financial or operational results to meet targets or goals
- Maintain off-the-books accounts for any reason, including to facilitate questionable or illegal payments
- Separate a single transaction into multiple transactions to circumvent delegation of authority

What are some examples of fraud?

Fraudulent financial reporting

- Intentional reporting of false expense or revenue data that improperly states amounts reported on publicly filed financial statements
- Intentional misstatement of price data reported for price index purposes
- Intentional misapplication of accounting principles relating to amounts, classification, accrual, manner of presentation or disclosure

Misappropriation of assets

- Intentionally submitting an inaccurate expense report for personal expenses
- Excessive personal use of company supplies or assets
- Improper time reporting with intent to defraud

Corruption and other fraud-related misconduct

- Overriding existing controls, rendering the controls ineffective
- Falsifying personal credentials
- Tampering with documents

Responding to Requests for Information

We are committed to providing complete, accurate, and truthful information when responding to requests for information because it's good for business and it's the right thing to do. For example, audits of our operations and financial accounts and records ensure we are meeting our legal obligations, accounting for our finances in accordance with Generally Accepted Accounting Principles, and accurately reporting our financial standing to regulators, shareholders, and the general public. We must all cooperate during an audit and provide accurate information in accordance with our policies.

Various government agencies or entities may also request Duke Energy information and documents. Such requests may stem from a regulatory action, government investigation or litigation. The requests may be informal or may be presented by subpoena, search warrant or civil discovery documents. An understanding of the issues these requests raise and the immediate involvement of appropriate Duke Energy professionals are necessary in order to comply with the law, to secure appropriate protection of Duke Energy's rights and the rights of its employees, and to deliver accurate and consistent responses to these requests. If you receive such a request, contact the Legal Department immediately.

Audit Committee Charter

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF DUKE ENERGY CORPORATION

(Amended and Restated as of February 25, 2016)

I. General Focus

The Audit Committee (the "Committee") shall provide assistance to the Duke Energy Corporation (the "Corporation") Board of Directors ("Board") in fulfilling its responsibilities with respect to its oversight of the quality and integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the independent auditor's qualifications and independence; the performance of the Corporation's internal audit function and independent auditors; and the implementation and effectiveness of the Corporation's ethics and compliance program.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under the rules of the New York Stock Exchange, Inc. ("NYSE") and the rules promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Each member of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment) and at least one member shall in the judgment of the Board of Directors have accounting or related financial management expertise as required by the rules of the NYSE.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. The Chair will approve the agendas for Committee meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. Each regularly scheduled meeting will conclude with an executive session of the Committee absent the members of management. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee. As part of its goal to foster open communication, the Committee shall periodically meet separately with each of management, the personnel responsible for the internal audit function and the independent auditors to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee may meet privately with the chief legal officer and the personnel responsible for the ethics and compliance program, as necessary.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the members, but not less than two, will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person who need not be a member thereof to act as secretary and minutes of its proceedings shall be kept in minute books provided for that purpose. The agenda of each meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside legal, accounting or other advisors for

this purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.

The Committee shall be given full access to the Corporation's internal audit group, ethics and compliance personnel, Board, corporate executives and independent accountants, as necessary, to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board.

Notwithstanding the foregoing, the Committee is not responsible for certifying the Corporation's financial statements or guaranteeing the independent auditor's report. The fundamental responsibility for the Corporation's financial statements and disclosures rests with management and the independent auditors.

Documents/Reports

1. Meet with management and the independent auditors to review and discuss, prior to public dissemination, the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and discuss with the independent auditors the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16, the matters required to be discussed by Public Company Accounting Oversight Board Ethics and Independence Rule 3526, and the communications required under Public Company Accounting Oversight Board Auditing Standard No. 1, as such rules may be amended or superseded.
2. Report to the Board whether, based on its discussions with management and the independent auditor, it recommends to the Board that the most recent year's audited financial statements be included in the Corporation's annual report on Form 10-K to be filed with the SEC.
3. Review and discuss with management and the independent auditors the Corporation's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information).
4. Review and discuss with management and the independent auditors financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each instance in which the Corporation may provide earnings guidance.

Independent Auditors

1. The Committee shall have the direct responsibility and authority to appoint, compensate, retain, evaluate and oversee and, where appropriate, replace the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The

Committee shall inform the independent auditors that such firm shall report directly to the Committee. The Committee shall resolve disagreements between management and the independent auditor regarding financial reporting.

2. Review the independent auditors' audit plan and areas of audit focus, as well as their review of internal control over financial reporting. Review the fees and other significant compensation to be paid to the independent auditors.
3. Approve in advance any audit or nonaudit engagement or relationship between the Corporation and any independent auditor engaged to prepare or issue an audit report or perform other audit, review or attest services, other than prohibited nonauditing services, as specified in the rules and regulations of the SEC or any rules of the Public Company Accounting Oversight Board promulgated thereunder. The Committee shall not approve any "prohibited nonauditing services" without obtaining a prior exemption from the Public Company Accounting Oversight Board. Audit and nonaudit engagements must be approved either (i) explicitly in advance or (ii) pursuant to a pre-approval policy established by the Committee. The Committee may delegate to one or more members of the Committee the authority to grant such pre-approvals. The delegatee's decisions regarding approval of services shall be reported by such delegatee to the full Committee at each regular Committee meeting.
4. Review and assess, at least annually, the qualifications, performance and independence of the independent auditors, including a review and evaluation of the lead partner, and report the conclusions to the full Board. In conducting its review and evaluation, the Committee should:

Review the written report of the independent auditor that delineates all relationships between the independent auditor and the Corporation that the auditors believe may impact their independence and objectivity; which report should be submitted to the Committee at least annually, and discuss with the independent auditor and management the scope of any such disclosed relationship and their actual or potential impact on the independent auditor's independence and objectivity;

Obtain and review a report by the Corporation's independent auditor describing: (a) the auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues; and (c) all relationships between the independent auditor and the Corporation;

Take into account the opinions of management and the Corporation's internal auditors (or personnel responsible for the internal audit function);

Confirm rotation of audit partners to ensure compliance with applicable law and consider whether there should be regular rotation of the independent auditor;

Internal Auditors

1. Review the internal audit plan and significant changes in planned activities; review significant findings resulting from audits and managements' responsiveness to the findings.
2. Evaluate the performance and independence of the internal auditors, including the organizational structure of the function and the qualifications of its personnel.
3. Periodically review, with the independent auditors, the internal audit function's responsibility, budget and staffing.
4. Periodically review, and recommend changes, if any, to the internal audit charter.

Financial Reporting Process

1. In consultation with the independent auditors, management and the internal auditors, review the integrity of the Corporation's financial reporting processes, both internal and external. In connection therewith, the Committee should obtain and discuss with management and the independent auditor reports from management and the independent auditor regarding: (i) all critical accounting policies and practices to be used by the Corporation; (ii) all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management of the Corporation, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; (iii) other material written communications between the independent auditor and the Corporation's management, such as any management letter or schedule of unadjusted differences; (iv) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; and: (v) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
2. The Committee will receive and review any disclosure from the Corporation's Chief Executive Officer and Chief Financial Officer made in connection with the certification of the Corporation's quarterly and annual reports filed with the SEC of: (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize, and report financial data; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
3. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
4. Review with the independent auditor (i) any audit problems or other difficulties encountered by the auditor in the course of the audit process, including any

restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management and (ii) management's responses to such matters. Without excluding other possibilities, the Committee may wish to review with the independent auditor (i) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued or proposed to be issued by the independent auditor to the Corporation. The review should also include discussion of the responsibilities, budget and staffing of the corporation's internal audit function.

Legal Compliance/General

1. Review and assess periodically the qualifications and performance of the senior leaders of the Finance organization, as well as the chief audit officer.
2. Review periodically, with the Corporation's chief legal officer, any legal matter that could have a significant impact on the Corporation's financial statements and any material inquiries or reports received from regulatory or governmental agencies.
3. Review periodically the content and operation of the Corporation's ethics and compliance program and the Code of Business Ethics, as well as the qualifications and performance of the chief ethics and compliance officer.
4. Discuss with management and the independent auditors periodically the Corporation's guidelines and policies with respect to risk assessment and risk management. The Committee should discuss the Corporation's major financial statement risk exposures and the overall steps management has taken to monitor and control such exposures; however, the Committee is not responsible for detailed review of financial risk exposure, policy and management, which responsibility has been delegated to another committee of the Board.
5. Set clear hiring policies for employees or former employees of the independent auditors.
6. Establish, and review periodically, procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Reports

1. Review and approve the Committee's report required to be included in the Corporation's annual proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
2. Report regularly to the full Board including:
 - with respect to any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with

legal or regulatory requirements, the performance and independence of the Corporation's independent auditors or the performance of the internal audit function;

following all meetings of the Committee; and

with respect to such other matters as are relevant to the Committee's discharge of its responsibilities. The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make such report.

3. Maintain minutes or other records of meetings and activities of the Committee.
4. The Committee shall receive appropriate funding from the Corporation for the payment of compensation to the independent auditors, to other advisors retained by the Committee pursuant to the provisions of this Charter, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

V. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Corporate Governance Committee Charter

CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF DUKE ENERGY CORPORATION

(Amended and Restated as of February 25, 2016)

I. General Focus

The Corporate Governance Committee (the “Committee”) shall provide assistance to the Duke Energy Corporation (the “Corporation”) Board of Directors (the “Board”) in fulfilling its responsibilities with respect to its oversight of the composition of the Board and its committees, maintenance and shaping of a set of corporate governance principles applicable to the Corporation, and oversight of the performance evaluation of the Board, its members and its committees.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be “independent” in accordance with the rules of the New York Stock Exchange, Inc.

Each member of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. The Chair will approve the agendas for Committee meetings.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. Meetings

The Committee shall meet at least two times annually or more frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person, who need not be a Committee member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Board Selection, Composition and Evaluation

1. Establish criteria for the selection of new directors to serve on the Board.
2. Identify individuals believed to be qualified as candidates to serve on the Board and nominate to the Board the candidates for all directorships. In identifying candidates for membership on the Board, the Committee shall take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board.
3. Review and make recommendations to the full Board, or determine, whether members of the Board should stand for re-election. Consider matters relating to the resignation or retirement of Board members.

4. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. The Committee shall have sole authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the Corporation, including the sole authority to approve the fees payable to such search firm and any other terms of retention.
5. Consider questions of independence and possible conflicts of interest of members of the Board and executive officers.
6. Review and make recommendations regarding the composition and size of the Board so that the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds.
7. Review and evaluate, at least annually, the performance of the Board as a whole and its committees.
8. Coordinate, at least annually, the self-assessments of the individual directors.

Committee Selection, Composition and Evaluation

1. Recommend members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of a committee.
2. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board, the qualifications and criteria for membership on each committee of the Board and, as circumstances dictate, make recommendations regarding periodic rotation of directors among the committees.
3. Periodically review the charter and composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the elimination of Board committees.

Corporate Governance

1. At such times as the Committee deems appropriate, consider the adequacy of the Articles of Incorporation and By-Laws of the Corporation and recommend to the Board, as conditions dictate, that it propose amendments to the Articles of Incorporation and By-Laws.
2. Develop and recommend to the Board a set of corporate governance principles and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board in light of such developments as may be appropriate.
3. Periodically, review the Corporation's policies and practices with respect to political contributions, legislative lobbying and political activities on the local, state and federal level for consistency with the Corporation's best interests, goals and legal requirements.
4. Periodically, review the Corporation's contributions, financially or in-kind, to charitable and community service organizations and policies and practices with

respect to community affairs and corporate citizenship for consistency with the Corporation's best interests, goals and legal requirements.

Continuity / Succession Planning Process

1. At least annually, review the Chief Executive Officer succession plan and make recommendations to the Board for the successor to the Chief Executive Officer.
2. Report to the Board any concerns or issues that might indicate that organizational strengths are not equal to the requirements of long-range goals.
3. Oversee the evaluation of the Chief Executive Officer.

Reports

1. Report regularly to the Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities; provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
2. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Compensation Committee Charter

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF DUKE ENERGY CORPORATION

(Amended and Restated as of May 2, 2013)

I. General Focus

The Compensation Committee (the "Committee") shall discharge the responsibilities of the Board of Directors (the "Board") with respect to the Corporation's compensation programs and compensation of the Corporation's executives.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be "independent" under the rules of the New York Stock Exchange, Inc. ("NYSE"). At least two members must satisfy the requirements of a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code. The Board shall select members based upon their knowledge and experience in compensation matters and with care to avoid any conflicts of interest.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. The Chair will approve the agendas for Committee meetings.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, including to a subcommittee comprised solely of one director. The Committee also shall be entitled to delegate its authority to one or more directors (whether or not such directors serve on the Committee) as the Committee deems appropriate, provided, however, that the Committee shall not delegate any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any Committee meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person, who need not be a member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain or terminate outside counsel or other experts for this purpose, including the sole authority to approve the fees payable to such counsel or experts and any other terms of retention.

Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy of the Corporation.
2. Based upon input from the Corporate Governance Committee regarding the performance of the Chief Executive Officer and other executive officers, review and

- approve the annual salary, bonus, stock options and other benefits, direct and indirect, of the Chief Executive Officer and other executive officers.
3. In connection with executive compensation programs:
 - Review and recommend to the full Board, or approve, new executive compensation programs;
 - Review on a periodic basis the operations of the Corporation's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s), including whether the Corporation's compensation programs encourage excessive risk-taking and discuss, at least annually, the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk;
 - Review on a periodic basis the aggregate amount of compensation paid or potentially payable to the Chief Executive Officer and other executive officers through the use of tally sheets or such other method as the Committee may determine; and
 - Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
 - The Committee shall consider the results of shareholder advisory votes regarding named executive officer compensation when evaluating and determining executive compensation (and shall recommend the frequency with which the Corporation shall conduct future shareholder advisory votes regarding executive compensation).
 4. Review and recommend to the full Board compensation of directors.
 5. Review and make recommendations to the full Board, or approve, any contracts or other transactions with executive officers of the Corporation, including consulting arrangements, employment contracts and severance or termination arrangements, or any revisions thereto. Notwithstanding any other provision of this Charter, the Committee shall review and make recommendations to the Board for approval of any consulting arrangement, employment contract, severance or termination arrangement with the Chief Executive Officer, or any revision thereto.
 6. Review and approve annual performance goals for performance-based compensation that is intended to be tax deductible under Section 162(m) of the Internal Revenue Code and determine whether the performance goals and objectives are attained.

Monitoring Incentive and Equity-Based Compensation Plans

1. Review the Corporation's executive compensation plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and amend, or recommend that the Board amend, these plans if the Committee deems it appropriate.
2. Administer any short-term incentive plan covering executive officers of the Corporation; determine whether performance targets have been met and determine the amounts and terms of any awards.

3. Review and recommend for Board approval all equity compensation plans to be submitted for shareholder approval under the NYSE listing standards; provided, however, that any equity compensation plan that satisfies an exception to the NYSE's listing standards shall not be required to be approved by the Corporation's shareholders.
4. Review and make recommendations to the Board, or approve, all awards of shares, share options or other awards pursuant to the Corporation's equity-based plans; provided that the authority to issue such awards to employees who are not executive officers may be delegated as above described

Reports

1. Review and discuss with management the Corporation's compensation discussion and analysis ("CD&A"), and based on that review and discussion, recommend to the Board that the CD&A be included in the Corporation's annual proxy statement or annual report on Form 10-K, and prepare the Compensation Committee Report in accordance with the rules and regulations of the Securities and Exchange Commission for inclusion in the Corporation's annual proxy statement or annual report on Form 10-K.
2. Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.
3. Maintain minutes or other records of meetings and activities of the Committee.

Advisors

The Committee has the sole authority to select, oversee and terminate compensation consultants, legal counsel or other advisors to advise the Committee, and to approve the terms of any such engagement and the fees of any such compensation consultant, legal counsel or other advisor. In selecting a compensation consultant, legal counsel or other advisor, the Committee shall take into account factors (including factors related to the independence of such compensation consultant, legal counsel or other advisor) it considers appropriate or as may be required by applicable law or NYSE listing standards. The Committee shall receive appropriate funding from the Corporation for the payment of compensation to the compensation consultants, legal counsel or other advisors retained by the Committee pursuant to the provisions of this Charter.

V. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually,

the adequacy of this Charter and recommend to the Board any modifications to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Finance & Risk Management Committee Charter

CHARTER OF THE FINANCE & RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS OF DUKE ENERGY CORPORATION

(Amended and Restated as of February 25, 2016)

I. General Focus

The Finance and Risk Management Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board") of Duke Energy Corporation (the "Corporation") in fulfilling its responsibilities for review and oversight of the Corporation's financial and fiscal affairs, including financial and risk policies, plans and programs.

II. Structure and Operations

The Committee shall be comprised of two or more members of the Board.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. The Chair will approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet as frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person who need not be a member thereof to act as secretary, and minutes of its proceedings shall be kept in minute books provided for that purpose. The agenda of each meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Specific Duties

1. Periodically review the long-term and short-term financial objectives and policies of the Corporation, including dividend policy, and recommend such policies and objectives for action by the Board where appropriate.
2. Review the financial condition and operating results of the Corporation.
3. Evaluate the financing requirements of the Corporation and management's proposed financing plans. Recommend to the Board those authorizations, filings and applications necessary and appropriate to enable management to execute such plans.
4. Review projects, as defined in the Approval of Business Transactions, including the financial impacts of projects, and make recommendations to the Board.
5. Consider and recommend to the Board of Directors common stock sales, repurchases or splits, as appropriate, and payments of quarterly dividends.
6. Review entry into and status of Duke Energy's credit facilities.
7. Review periodically investment guidelines and performance, including investment aspects of pension trusts and other employee benefits programs, as well as nuclear decommissioning trust investments.
8. Review financial implications of any significant transactions requiring Board approval, such as mergers, acquisitions, reorganizations and divestitures.

9. Review the enterprise risk exposures and provide oversight for the processes to assess and manage enterprise risk.
10. Review the financial exposures undertaken by the Corporation together with any mitigating strategies, including insurance, and consider these in light of the approved Corporation risk management policies and the Approval of Business Transactions Policy (and associated Delegation of Authority). Such exposures to consider include physical and financial positions in commodities markets; derivatives strategies; capital commitments; sovereign and foreign exchange exposures; undertakings assumed in turnkey construction or engineering agreements, including liquidated damages; and exposure to interest rate fluctuations.
11. Provide oversight for matters related to the security of and risks related to information technology systems and procedures.

Reports

1. Report regularly to the Board (i) following meetings of the Committee and (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities; provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such a report.
2. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

Nuclear Oversight Committee Charter

CHARTER OF THE NUCLEAR OVERSIGHT COMMITTEE OF THE BOARD OF DIRECTORS OF DUKE ENERGY CORPORATION

(Amended and Restated as of February 25, 2016)

I. General Focus

The Regulatory Policy and Operations Committee (the "Committee") shall provide assistance to the Board of Directors ("Board") of Duke Energy Corporation (the "Corporation") in fulfilling its responsibilities with respect to its oversight of the Corporation's environmental, health and safety matters and non-nuclear regulated operations, including strategy, public policy positions, and operational risk.

II. Structure and Operations

The Committee shall be comprised of three or more members of the Board.

Each member of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by majority vote of the Board.

The Board shall elect the Chair of the Committee. The Chair will approve the agendas for Committee meetings.

III. Meetings

The Committee shall meet at least three times annually or more frequently as circumstances dictate. The Chair of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

All non-management directors who are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, member(s) of management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate in order to carry out its responsibilities.

A majority of the Committee members, but not less than two, will constitute a quorum. A majority of the Committee members present at any Committee meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent.

The Committee shall appoint a person, who need not be a Committee member, to act as secretary, and minutes of the Committee's proceedings shall be kept in minute books provided for that purpose. The agenda of each Committee meeting will be prepared by the secretary and, whenever reasonably practicable, circulated to each Committee member prior to each meeting.

IV. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

Specific Duties

1. Review the significant state and federal regulatory and legislative activities and strategic initiatives involving the segment of the enterprise identified as the Regulated Utilities segment.
2. Review the Regulated Utilities segment's operational performance and strategies.
3. Review the Regulated Utilities' segment's major capital projects for consistency with resource planning strategies, compliance with regulatory requirements, and prudent project performance.
4. Review the Corporation's environmental, health and safety goals, objectives and compliance status and public policy developments as compared with industry trends and best practices.
5. Review with management the principal operational risks, such as regulatory and environmental, health and safety risks.

Reports

1. Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its

responsibilities, and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.

2. Maintain minutes or other records of meetings and activities of the Committee.

V. Annual Performance Evaluation

The Committee shall have oversight to perform a review and evaluation, at least annually, of the performance of the Committee and its members, including a review of the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

The Road Ahead:

Shaping the future

What drives us

OUR PURPOSE

Power the lives of our customers and the vitality of our communities.

OUR PRIORITIES



Customers • Employees • Operational Excellence • Growth

Who we are

OUR VALUES

Safety • Integrity • Service

Where we're going

OUR VISION

Lead the way to cleaner, smarter energy solutions that customers value.

OUR STRATEGY



Transform the Customer Experience



Modernize the Power Grid



Generate Cleaner Energy



Engage Employees and Stakeholders

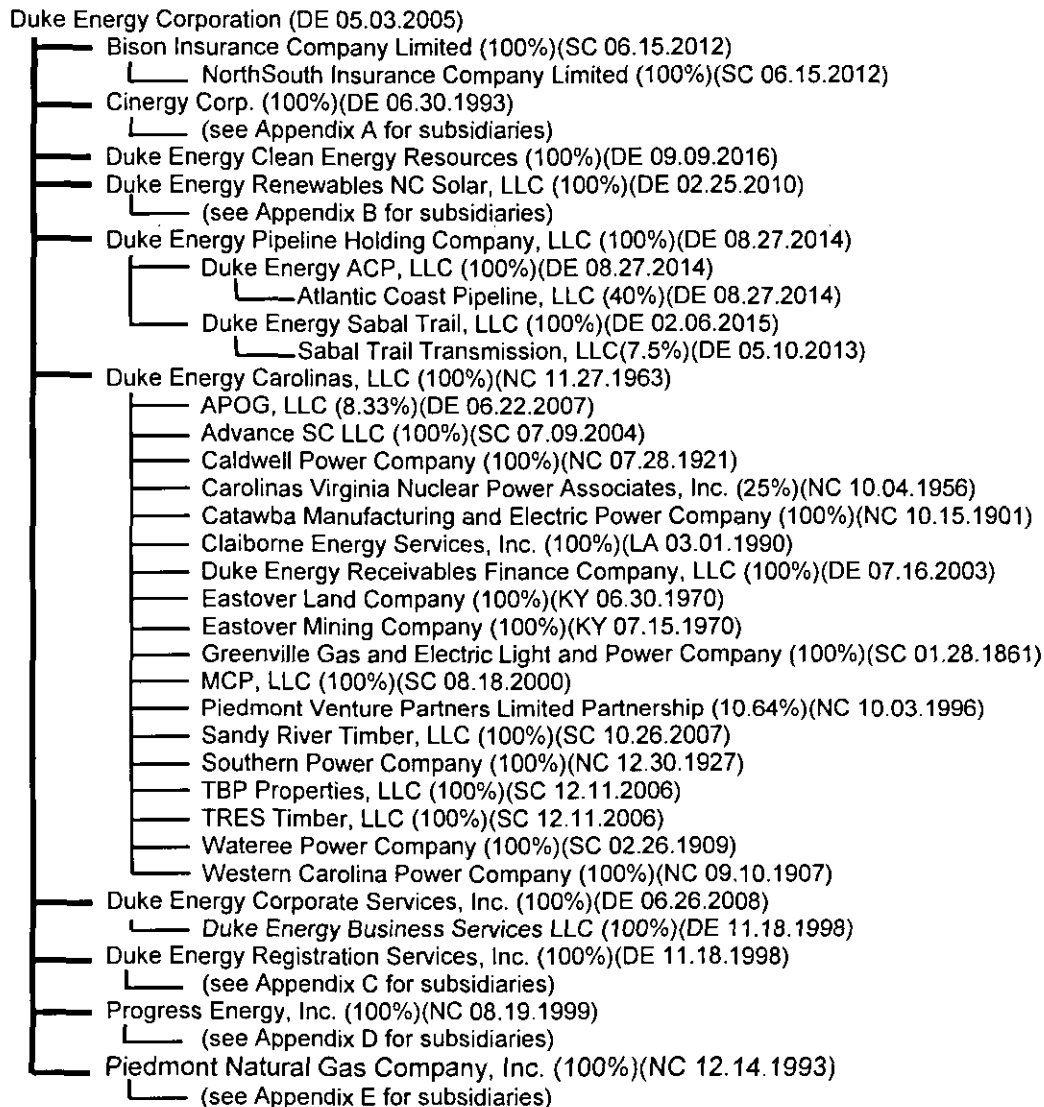
How we lead

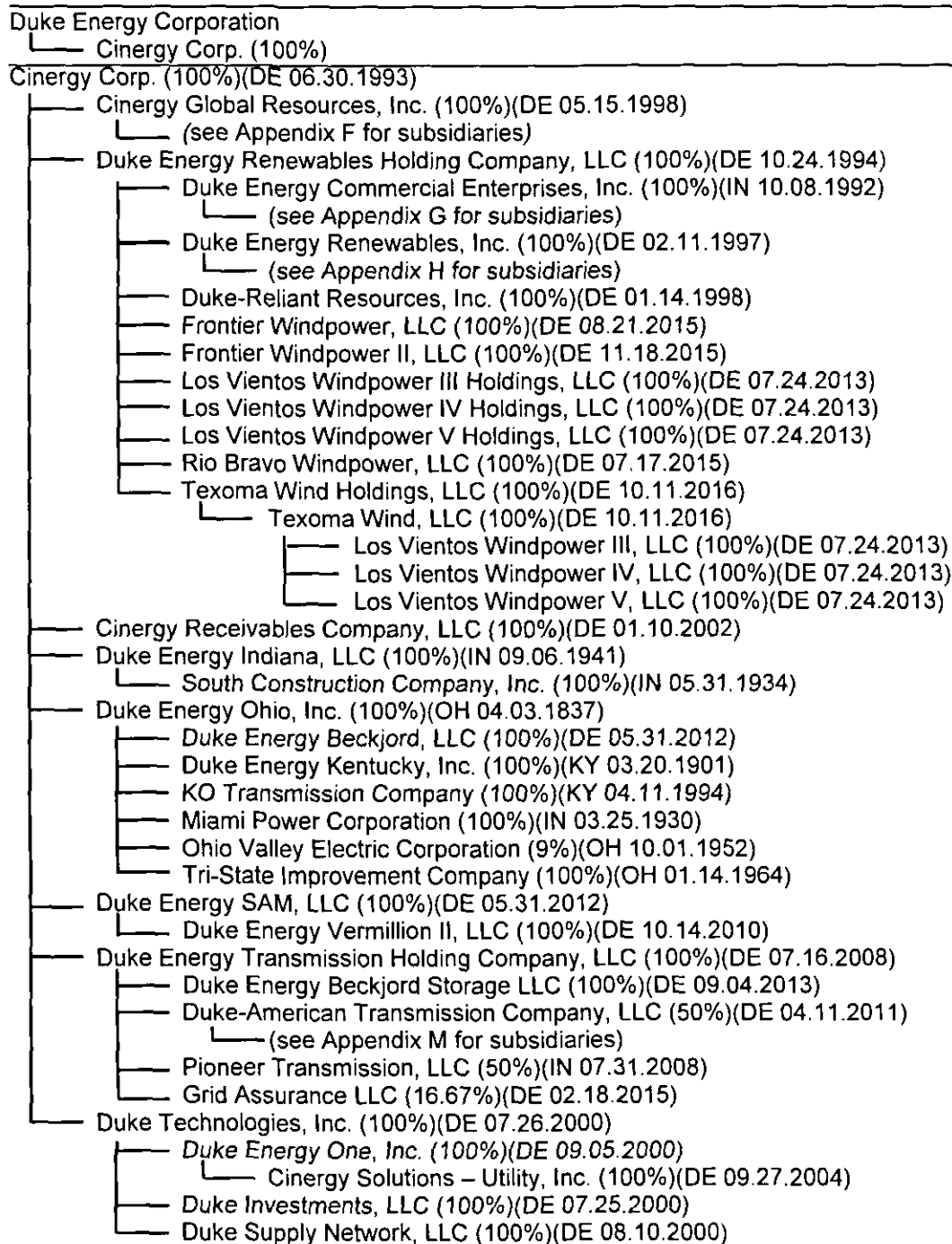
OUR LEADERSHIP IMPERATIVES

Live Our Purpose • Transform for the Future • Work as One

Deliver Results the Right Way • Inspire Our People

DUKE ENERGY CORPORATION CORPORATE STRUCTURE AS OF DECEMBER 31, 2016

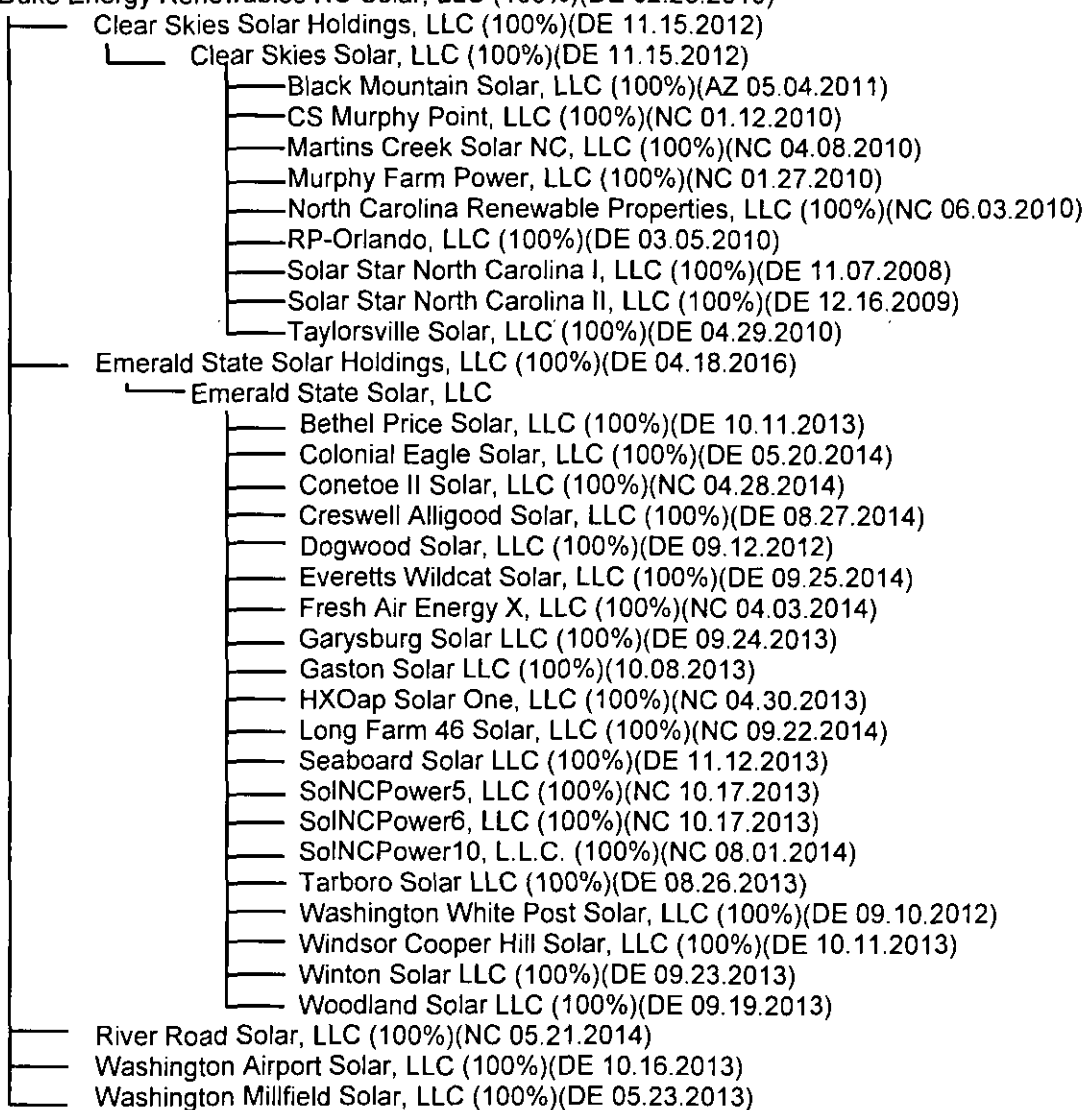




Duke Energy Corporation

- └─ Duke Energy Renewables NC Solar, LLC (100%)

Duke Energy Renewables NC Solar, LLC (100%)(DE 02.25.2010)



Duke Energy Corporation

- Duke Energy Registration Services, Inc. (100%)

Duke Energy Registration Services, Inc. (100%)(DE 11.18.1998)

- PanEnergy Corp. (100%)(DE 01.26.1981)
 - Duke Energy Services, Inc. (100%)(DE 06.08.1959)
 - Duke Energy Marketing Corp. (100%)(NV 11.07.1994)
 - Duke/Louis Dreyfus L.L.C. (50%)(NV 03.01.1995)
 - DETMI Management, Inc. (100%)(CO 06.21.1994)
 - Duke Ventures Real Estate, LLC (100%)(DE 06.09.2009)
 - Century Group Real Estate Holdings, LLC (100%)(SC 02.06.2013)
 - DTMSI Management Ltd. (100%)(British Columbia 12.18.2009)
 - Duke Energy Services Canada ULC (31%)(British Columbia 09.17.2009)
 - Duke Energy Trading and Marketing, L.L.C. (100%)(DE 07.10.1996)
 - Duke Ventures, LLC (100%)(NV 12.19.2000)
 - Dixilyn-Field Drilling Company (100%)(DE 01.31.1977)
 - Dixilyn-Field (Nigeria) Limited (100%)(Nigeria 11.14.1977)
 - Duke Energy Services Canada ULC (69%)(British Columbia 09.17.2009)
 - DukeNet VentureCo, Inc. (100%)(DE 05.18.2010)
 - Eastman Whipstock do Brasil Ltda (100%)(Brazil 05.21.1979)
 - Eastman Whipstock S.A. (100%)(Argentina 10.13.1981)
 - Energy Pipelines International Company (100%)(DE 04.28.1975)
 - Duke Energy China Corp. (100%)(DE 08.13.1976)
- Duke Energy Americas, LLC (100%)(DE 07.02.2004)
 - Duke Energy International, LLC (DE 09.18.1997)
 - (See separate chart for subsidiaries)
 - Duke Energy Merchants, LLC (100%)(DE 04.23.1999)
 - Duke Energy North America, LLC (100%)(DE 09.18.1997)
 - Duke Energy Marketing America, LLC (100%)(DE 01.03.2001)
- Duke Energy Carolinas Plant Operations, LLC (100%)(DE 05.29.2001)
 - DE Nuclear Engineering, Inc. (100%)(NC 03.17.1969)
- Duke Energy Royal, LLC (100%)(DE 03.13.2002)
- Duke/Louis Dreyfus L.L.C. (50%)(NV 03.01.1995)
- Duke Project Services, Inc. (100%)(NC 07.01.1966)
 - D/FD Operating Services LLC (50.0001%)(DE 03.07.1996)
 - Duke/Fluor Daniel (50.0001%)(NC 09.01.1997)
 - D/FD Holdings, LLC (100%)(DE 12.15.2005)
 - Duke/Fluor Daniel El Salvador S.A. de C.V. (50%)(El Salvador)
 - Duke/Fluor Daniel International (50.0001%)(NV 09.01.1994)
 - Duke/Fluor Daniel Caribbean, S.E. (99%)(Puerto Rico 12.06.1996)
 - Duke/Fluor Daniel International Services (50.0001%)(NV 09.01.1994)
 - Duke/Fluor Daniel Caribbean, S.E. (0.50%)(Puerto Rico 12.06.1996)
 - Duke/Fluor Daniel International Services (Trinidad) Ltd. (100%)(Trinidad and Tobago

12.03.1998)

Duke Energy Corporation
 └─ Progress Energy, Inc. (100%)

Progress Energy, Inc. (100%)(NC 08.19.1999)

└─ Duke Energy Progress, LLC* (100%)(NC 04.06.1926)

- └─ APOG, LLC (8.33%)(DE 06.22.2007)
- └─ Capitan Corporation (100%)(TN 12.28.1931)
- └─ Carousel Capital Partners LP (3.07%)(DE 03.27.1996)
- └─ CaroFund, Inc. (100%)(NC 08.15.1995)
 - └─ (see Appendix I for CaroFund, Inc. and CaroHome, LLC subsidiaries)
- └─ CaroHome, LLC (99%)(NC 04.21.1995)
 - └─ (see Appendix I for CaroFund, Inc. and CaroHome, LLC subsidiaries)
- └─ Duke Energy Progress Receivables LLC (100%)(DE 10.16.2013)
- └─ Kinetic Ventures I LLC (11.11%)(DE 04.18.1997)
- └─ Kinetic Ventures II, LLC (14.28%)(DE 12.15.1999)
- └─ Maxey Flats Site IRP, LLC (3.02%)(VA 05.05.1995)
- └─ NCEF Liquidating Trust** (4.99%)
- └─ Powerhouse Square, LLC (99.9%)(NC 01.13.1998)
- └─ Progress Energy EnviroTree, Inc. (50%)(NC 12.22.2003)
- └─ South Atlantic Private Equity Fund IV, LP (14.3294%)(DE 06.26.1997)
- └─ WNC Institutional Tax Credit Fund LP (99%)(CA 08.12.1994)

└─ Florida Progress, LLC (100%)(FL 01.21.1982)

- └─ Duke Energy Florida, LLC (100%)(FL 07.18.1899)
 - └─ APOG, LLC (8.33%)(DE 06.22.2007)
 - └─ Inflexion Fund, LP (16.78%)(DE 05.08.2002)
 - └─ Progress Energy EnviroTree, Inc. (50%)(NC 12.22.2003)
 - └─ SanGroup, LLC (45.0482%)(FL 04.28.2008)
 - └─ Duke Energy Florida Project Finance, LLC (100%)(DE 01.05.2016)
 - └─ Duke Energy Florida Receivables LLC (100%)(DE 01.27.2014)
 - └─ Duke Energy Florida Solar Solutions, LLC (100%)(DE 02.25.2015)
- └─ Florida Progress Funding Corporation (100%)(DE 03.18.1999)
- └─ Progress Capital Holdings, Inc. (100%)(FL 05.17.1988)
 - └─ Advantage IQ, Inc. (0.034%)(WA 11.06.1995)
 - └─ PIH, Inc. (100%)(FL 08.12.1997)
 - └─ PIH Tax Credit Fund III, Inc. (100%)(FL 04.18.2001)
 - └─ Lehman Housing Tax Credit Fund, LP (11.03%)(NY 03.23.1995)
 - └─ PIH Tax Credit Fund IV, Inc. (100%)(FL 04.18.2001)
 - └─ McDonald Corporate Tax Credit Fund, LP (9%)(DE 07.12.1993)
 - └─ PIH Tax Credit Fund V, Inc. (100%)(FL 04.18.2001)
 - └─ National Corporate Tax Credit Fund VI, a California Limited Partnership (15.57743%)(CA 04.19.1996)
 - └─ Progress Fuels Corporation (100%)(FL 03.30.1976)
 - └─ Kentucky May Coal Company, LLC (100%)(VA 11.27.1978)
 - └─ Progress Synfuel Holdings, Inc. (100%)(DE 12.07.1999)
 - └─ Progress Telecommunications Corporation (100%)(FL 10.15.1998)
 - └─ Peak Tower, LLC (51%)(DE 02.26.2010)
 - └─ PT Holding Company, LLC (55%)(DE 01.17.2006)
 - └─ PT Attachment Solutions, LLC (100%)(DE 02.16.2006)

└─ Strategic Resource Solutions Corp. (100%)(NC 01.22.1996)

* Duke Energy Progress, LLC (formerly known as Carolina Power & Light Company) is also the beneficial owner of several entities that were generally acquired through bankruptcy proceedings. These entities are not shown separately due to its minor ownership interest (generally <1%).

As of December 31, 2009, it is believed CP&L owns a beneficial interest in the following entities:

Air Nail Unsecured Creditors Liquid Trust, Creditors Reserve Trust, Heiling-Meyers Liquidating Trust, Estate of Jillian Entertainment, HA2003 Liquidating Trust, CFC Trust, Fleming Post Confirmation Trust, Bombay Liquidation Trust, USOP Liquidating LLC, ZB Company Liquidation Trust and ANC Liquidating Trust.

** NCEF Liquidating Trust, a business trust, holds the assets of The North Carolina Enterprise Fund Limited Partnership, now dissolved.

Duke Energy Corporation

- Piedmont Natural Gas Company, Inc. (100%)

Piedmont Natural Gas Company, Inc. (100%)(reincorporated in NC 02.25.1994)

- Piedmont Energy Partners, Inc. (100%)(NC 01.30.1996)
 - Piedmont Constitution Pipeline Company, LLC (100%)(NC 11.08.2012)
 - Constitution Pipeline Company, LLC (24%)
 - Piedmont Energy Company (100%)(NC 01.11.1994)
 - Piedmont Interstate Pipeline Company (100%)(NC 09.08.1992)
 - Pine Needle LNG Company, LLC (45%)
 - Piedmont Intrastate Pipeline Company (100%)(NC 04.04.1994)
 - Cardinal Pipeline Company, LLC (21.49%)
- Piedmont Hardy Storage Company, LLC (99%)(NC 07.22.2004)
 - Hardy Storage Company, LLC (50%)
- Piedmont ENCNG Company, LLC (100%)(NC 05.07.2003)
 - Piedmont Hardy Storage Company, LLC (1%)
 - Piedmont ACP Company, LLC (100%)(NC 08.27.2014)
 - Atlantic Coast Pipeline, LLC (7%)

Duke Energy Corporation

- └─ Cinergy Corp. (100%)
 - └─ Cinergy Global Resources, Inc. (100%)
-

Cinergy Global Resources, Inc. (100%)(DE 05.15.1998)

- └─ Cinergy Global Power, Inc. (100%)(DE 09.04.1997)
 - └─ CGP Global Greece Holdings, SA (99.99%)(Greece 08.10.2001)
 - └─ Cinergy Global (Cayman) Holdings, Inc. (100%)(Cayman Islands 09.04.1997)
 - └─ Cinergy Global Tsavo Power (100%)(Cayman Islands 09.04.1997)
 - └─ IPS-Cinergy Power Limited (48.2%)(Kenya 04.28.1999)
 - └─ Tsavo Power Company Limited (49.9%)(Kenya 01.22.1998)
 - └─ Cinergy Global Holdings, Inc. (100%)(DE 12.18.1998)
 - └─ CGP Global Greece Holdings, SA (.01%)(Greece 08.10.2001)
 - └─ Cinergy Global Power Africa (Proprietary) Limited (100%)(South Africa 08.03.1999)

Duke Energy Corporation

- └─ Cinergy Corp. (100%)

- └─ Duke Energy Renewables Holding Company, LLC (100%)

- └─ Duke Energy Commercial Enterprises, Inc. (100%)

- Duke Energy Commercial Enterprises, Inc. (100%)(IN 10.08.1992)

- └─ CinCap V, LLC (10%)(DE 07.21.1998)

- └─ Cinergy Climate Change Investments, LLC (100%)(DE 06.09.2003)

Duke Energy Corporation

- Cinergy Corp. (100%)
 - Duke Energy Renewables Holding Company, LLC (100%)
 - Duke Energy Renewables, Inc. (100%)

Duke Energy Renewables, Inc. (100%)(DE 02.11.1997)

- Duke Energy Renewables Commercial, LLC (100%)(DE 12.16.2014)

- Duke Energy Renewables Solar, LLC (100%)(DE 05.13.2010)
 - Caprock Solar 1 LLC (100%)(DE 10.31.2014)
 - Caprock Solar Holdings 1, LLC (100%)(DE 04.30.2015)
 - Caprock Solar 2 LLC (100%)(DE 10.31.2014)
 - Caprock Solar Holdings 2, LLC (100%)(DE 04.30.2015)
 - ISH Solar Grin, LLC (50%)(DE 08.16.2011)
 - Lancaster Solar LLC (100%)(NC 12.01.2016)
 - Odom Solar LLC (100%)(NC 12.01.2016)
 - Longboat Solar, LLC (100%)(DE 06.05.2014)
 - RE AZ Holdings LLC (100%)(DE 10.11.2010)
 - RE Ajo 1 LLC (100%)(DE 10.05.2009)
 - RE Bagdad Solar 1 LLC (100%)(DE 08.13.2009)
 - TX Solar I LLC (100%)(DE 05.27.2009)
 - Gato Montes Solar, LLC (100%)(DE 12.09.2011)
 - West Texas Angelos Holdings LLC (100%)(DE 06.08.2012)
 - RE SFCity1 Holdco, LLC (100%)(DE 06.23.2010) acquired on 08.12.2013
 - RE SFCity1 GP, LLC (100%)(DE 05.14.2009) acquired on 08.12.2013
 - RE SFCity1, LP (99% owned by RE SFCity1 Holdco, LLC; 1% owned by RE SFCity1 GP, LLC) (DE 05.14.2009)
 - Rio Bravo Solar I, LLC (100%)(DE 03.22.2012)
 - Rio Bravo Solar II, LLC (100%)(DE 04.05.2013)
 - Seville Solar Holding Company, LLC (100%)(DE 05.06.2014)
 - Seville Solar Investments One LLC (100%)(DE 04.28.2015)
 - Seville Solar One LLC (100%)(DE 05.06.2014)
 - Tallbear Seville LLC (49%)(CA 11.29.2012)
 - Seville Solar Two, LLC (100%)(DE 05.06.2014)
 - Victory Solar LLC (100%)(DE 09.15.2015)
 - Wild Jack Solar Holdings LLC (100%)(DE 10.06.2015)
 - Wild Jack Solar LLC (100%)(DE 10.06.2015)
 - Pumpjack Solar I, LLC (100%)(DE 02.09.2012)
 - Wildwood Solar I, LLC (100%)(DE 02.09.2012)
 - Wildwood Solar II, LLC (100%)(DE 03.22.2012)

- Duke Energy Renewables Wind, LLC (100%)(DE 05.23.2007)
 - (see Appendix J for subsidiaries)

- Duke Energy Generation Services, Inc.(DE 06.02.2000)
 - (see Appendix K for subsidiaries)

- Duke Energy Renewable Services, LLC (100%)(DE 10.22.2012)

- REC Solar Commercial Corporation (60%)(DE 11.26.2013)

- Duke Ventures II, LLC (100%)(DE 09.01.2000)
 - Spruce Finance, Inc. (7.70%)(DE 12.16.2015)
 - Encycle Corporation (15.05%)(Ontario)
 - PHX Management Holdings, LLC (70%)(DE 10.15.2015)
 - Phoenix Energy Technologies, Inc. (100%)(DE 12.20.2008)

Duke Energy Corporation

- └─ Progress Energy, Inc. (100%)
 - └─ Duke Energy Progress, LLC (100%)
 - └─ CaroFund, Inc.
 - └─ CaroHome, LLC
-

Duke Energy Progress, LLC (100%)(NC 04.06.1926)

- └─ CaroFund, Inc. (100%)(NC 08.15.1995)
 - └─ CaroHome, LLC (1%)(NC 04.21.1995)
 - └─ Historic Property Management LLC (100%)(NC 12.09.1999)
- └─ CaroHome, LLC (99%)(NC 04.21.1995)
 - └─ ARV Partners IV Anaheim LP (19.8%)(CA 03.10.1992)
 - └─ Grove Arcade Restoration LLC (99.99%)(NC 11.29.1999)
 - └─ Baker House Apartments LLC (99.99%)(NC 01.26.1998)
 - └─ HGA Development LLC (99.99%)(NC 12.09.1999)
 - └─ Cedar Tree Properties LP (24.9849%)(WA 07.05.1994)
 - └─ First Partners Corporate LP II (15.84%)(MA 11.26.1996)
 - └─ Wilrik Hotel Apartments LLC (99.99%)(NC 03.14.1997)
 - └─ PRAIRIE, LLC (99.99%)(NC 10.29.1998)

Duke Energy Corporation

- └─ Cinergy Corp. (100%)
 - └─ Duke Energy Renewables Holding Company, LLC (100%)
 - └─ Duke Energy Renewables, Inc. (100%)
 - └─ Duke Energy Renewables Wind, LLC (100%)

Duke Energy Renewables Wind, LLC (100%)(DE 05.23.2007)

- └─ Catamount Energy Corporation (100%)(VT 06.23.1992)
 - └─ (see Appendix L for subsidiaries)
- └─ DEGS Wind Supply, LLC (100%)(DE, 12.11.2007)
- └─ DEGS Wind Supply II, LLC (100%)(DE 08.26.2008)
- └─ Green Frontier Windpower Holdings, LLC (100%)(DE 02.22.2010)
 - └─ Green Frontier Windpower, LLC (100%)(DE 05.13.2010)
 - └─ Three Buttes Windpower, LLC (100%)(DE 08.26.2008)
 - └─ Silver Sage Windpower, LLC (100%)(DE 04.16.2007)
 - └─ Happy Jack Windpower, LLC (100%)(DE 10.27.2006)
 - └─ Kit Carson Windpower, LLC (100%)(DE 06.23.2009)
 - └─ North Allegheny Wind, LLC (100%)(DE 05.31.2006)
- └─ Ironwood-Cimarron Windpower Holdings, LLC (100%)(DE 12.08.2010)
 - └─ DS Cornerstone, LLC (50%)(DE 04.05.2012)
 - └─ Summit Wind Energy Mesquite Creek, LLC (100%)(DE 08.01.2013)
 - └─ Mesquite Creek Wind LLC (100%)(DE 09.12.2008)
 - └─ Free State Windpower, LLC (100%)(DE 02.01.2012)
 - └─ Ironwood Windpower, LLC (100%)(DE 12.08.2010)
 - └─ Cimarron Windpower II, LLC (100%)(DE 03.07.2011)
- └─ Kit Carson Windpower II Holdings, LLC (100%)(DE 07.24.2013)
 - └─ Kit Carson Windpower II, LLC (100%)(DE 07.24.2013)
- └─ Los Vientos Windpower IA Holdings, LLC (100%)(DE 01.27.2011)
 - └─ Los Vientos Windpower IA, LLC (100%)(DE 01.27.2011)
- └─ Los Vientos Windpower IB Holdings, LLC (100%)(DE 08.02.2012)
 - └─ Los Vientos Windpower IB, LLC (100%)(DE 07.11.2011)
- └─ Notrees Windpower, LP (99%)(DE 09.30.2005)
- └─ Ocotillo Windpower, LP (99%)(DE 12.22.2004)
- └─ TE Notrees, LLC (100%)(DE 09.30.2005)
 - └─ Notrees Windpower, LP (1%)(DE 09.30.2005)
- └─ TE Ocotillo, LLC (100%)(DE 12.21.2004)
 - └─ Ocotillo Windpower, LP (1%)(DE 12.22.2004)

Duke Energy Corporation

- └─ Cinergy Corp. (100%)
 - └─ Duke Energy Renewables Holding Company, LLC (100%)
 - └─ Duke Energy Renewables, Inc. (100%)
 - └─ Duke Energy Generation Services, Inc. (100%)
-

Duke Energy Generation Services, Inc. (100%)(DE 06.02.2000)

- └─ DEGS O&M, LLC (100%)(DE 08.30.2004)
- └─ DEGS of Narrows, LLC (100%)(DE 03.17.2003)
- └─ Duke Energy Industrial Sales, LLC (100%)(DE 06.06.2006)
- └─ Shreveport Red River Utilities, LLC (40.8%)(DE 10.16.2000)

Duke Energy Corporation
 └─ Cinergy Corp. (100%)
 └─ Duke Energy Renewables Holding Company, LLC (100%)
 └─ Duke Energy Renewables, Inc. (100%)
 └─ Duke Energy Renewables Wind, LLC (100%)
 └─ Catamount Energy Corporation

Catamount Energy Corporation (100%)(VT 06.23.1992) [DEGS Wind Vermont, Inc. (VT, 06.20.2008)]

- ─ Equinox Vermont Corporation (100%)(VT 05.01.1990)
 - ─ Catamount Rumford Corporation (100%)(VT 04.11.1989)
 - ─ Ryegate Associates (33.1126%)(UT 04.30.1990)
- ─ Catamount Sweetwater Corporation (100%)(VT 06.17.2003)
 - ─ Sweetwater Development LLC (100%)(TX 11.05.2002)
 - ─ Sweetwater Wind 6 LLC (100%)(DE 04.29.2004)
 - ─ Sweetwater Wind Power L.L.C. (100%)(TX 11.05.2002)
- ─ Catamount Sweetwater Holdings LLC (100%)(VT 06.20.2005)
 - ─ Catamount Sweetwater 1 LLC (100%)(VT 12.12.2003)
 - ─ Catamount Sweetwater 2 LLC (100%)(VT 05.05.2004)
 - ─ Catamount Sweetwater 3 LLC (100%)(VT 06.03.2004)
- ─ Catamount Sweetwater 4-5 LLC (100%)(VT 03.08.2005)
 - ─ Sweetwater 4-5 Holdings LLC (18.72%)(DE 04.18.2007)
 - ─ Sweetwater Wind 4 LLC (100%)(DE 04.29.2004)
 - ─ Sweetwater Wind 5 LLC (100%)(DE 04.29.2004)
- ─ Top of the World Wind Energy Holdings LLC (100%)(DE 11.15.2010)
 - ─ Top of the World Wind Energy LLC (100%)(DE 03.13.2008)
- ─ Catamount Sweetwater 6 LLC (100%)(VT 09.07.2005)
- ─ CEC UK1 Holding Corp. (100%)(VT 09.11.2002)
 - ─ Catamount Energy SC 1 (1%)(Scotland 10.08.2002)
 - ─ Catamount Energy SC 2 (99%)(Scotland 10.08.2002)
 - ─ Catamount Energy SC 2 (1%)(Scotland 10.08.2002)
 - ─ Catamount Energy SC 3 (99%)(Scotland 10.08.2002)
 - ─ Catamount Energy SC 3 (1%)(Scotland 10.08.2002)
- ─ CEC UK2 Holding Corp. (100%)(VT 09.11.2002)
 - ─ Catamount Energy SC 1 (99%)(Scotland 10.08.2002)
- ─ Wind Star Holdings, LLC (100%)(DE 04.15.2014)
 - ─ Wind Star Renewables, LLC (100%)(DE 04.15.2014)
 - ─ Highlander Solar 1, LLC (100%)(DE 09.03.2010)
 - ─ Highlander Solar 2, LLC (100%)(DE 09.03.2010)
 - ─ Laurel Hill Wind Energy, LLC (100%)(PA 12.14.2004)
 - ─ Shirley Wind, LLC (100%)(WI 10.20.2006)

Duke Energy Corporation
└─ Cinergy Corp. (100%)
 └─ Duke Energy Transmission Holding Company, LLC
 └─ Duke-American Transmission Company, LLC

Duke-American Transmission Company, LLC (50%)(DE 04.11.2011)
└─ Zephyr Power Transmission LLC (100%)(DE 12.05.2008)
└─ DATC Midwest Holdings, LLC (100%)(DE 04.11.2012)
└─ DATC Path 15 Transmission, LLC (100%)(DE 08.09.2006)
 └─ Path 15 Funding, LLC (100%)(DE 12.27.2002)
 └─ Path 15 Funding TV, LLC (100%)(DE 11.16.2004)
 └─ Path 15 Funding KBT, LLC (100%)(DE 09.21.2006)
 └─ DATC Holdings Path 15, LLC (47.326% owned by DATC Path 15 Transmission, LLC; 22.574% owned by Path 15 Funding KBT, LLC and 30.099% owned by Path 15 Funding, LLC)(DE 10.16.2002)
 └─ DATC Path 15, LLC (100%)(DE 10.16.2002)

Changes to Corporate Structure – Fourth Quarter 2016

Entities Removed

- On October 3, 2016, Forest Subsidiary, Inc. merged into Piedmont Natural Gas Company, Inc. (reincorporated in NC 02.25.1994)
- On October 3, 2016, following the merger of Forest Subsidiary, Inc. into Piedmont Natural Gas Company, Inc., Piedmont Energy Company, a subsidiary of Piedmont Natural Gas Company, Inc. disposed of its 15% interest in Southstar Energy Services, LLC to Georgia Natural Gas Company.
- On November 10, 2016, Catamount Sweetwater 1 LLC (100%)(VT 12.12.2003) sold its interest in Sweetwater Wind 1 LLC (13.59%)(DE 06.24.2003).
- On November 10, 2016, Catamount Sweetwater 2 LLC (100%)(VT 05.05.2004) sold its interest in Sweetwater Wind 2 LLC (13.14%)(DE 04.19.2004).
- On November 10, 2016, Catamount Sweetwater 3 LLC (100%)(VT 06.03.2004) sold its interest in Sweetwater Wind 3 LLC (13.18%)(DE 04.29.2004).

Entities Added

- On October 3, 2016, the following subsidiaries of Piedmont Natural Gas Company, Inc. were added to Duke Energy's corporate structure as a result of the merger of Forest Subsidiary, Inc. into Piedmont Natural Gas Company, Inc.
 - Piedmont Energy Partners, Inc. (100%)(NC 01.30.1996)
 - Piedmont Constitution Pipeline Company, LLC (100%)(NC 11.08.2012)
 - Constitution Pipeline Company, LLC (24%)
 - Piedmont Energy Company (100%)(NC 01.11.1994)
 - Piedmont Interstate Pipeline Company (100%)(NC 09.08.1992)
 - Pine Needle LNG Company, LLC (45%)
 - Piedmont Intrastate Pipeline Company (100%)(NC 04.04.1994)
 - Cardinal Pipeline Company, LLC (21.49%)
 - Piedmont Hardy Storage Company, LLC (99% owned by Piedmont Natural Gas Company, Inc. and 1% owned by Piedmont ENCNG Company, LLC)(NC 07.22.2004)
 - Hardy Storage Company (50%)
 - Piedmont ENCNG Company, LLC (100%)(NC 05.07.2003)
 - Piedmont ACP Company, LLC (100%)(NC 08.27.2014)
 - Atlantic Coast Pipeline, LLC (7%)
 - Southstar Energy Services, LLC (15%)
- On October 11, 2016, Duke Energy Renewables Holding Company, LLC (100%)(DE 10.24.1994) formed Texoma Wind Holdings, LLC (100%)(DE 10.11.2016) and Texoma Wind, LLC (100%)(DE 10.11.2016).
- On November 16, 2016, Duke Energy Renewables Solar, LLC acquired Rio Bravo Solar I, LLC (100%)(DE 03.22.2012) and Rio Bravo Solar II, LLC (100%)(DE 04.05.2013).
- On November 29, 2016, Duke Energy Renewables Solar, LLC acquired Victory Solar LLC (100%)(DE 09.15.2015).
- On December 1, 2016, Duke Energy Renewables Solar, LLC formed Lancaster Solar LLC (100%)(NC 12.01.2016) and Odom Solar LLC (100%)(NC 12.01.2016).
- On December 14, 2016, Duke Energy Renewables Solar, LLC acquired Wildwood Solar I, LLC (100%)(DE 02.09.2012).

Entity Type Changes

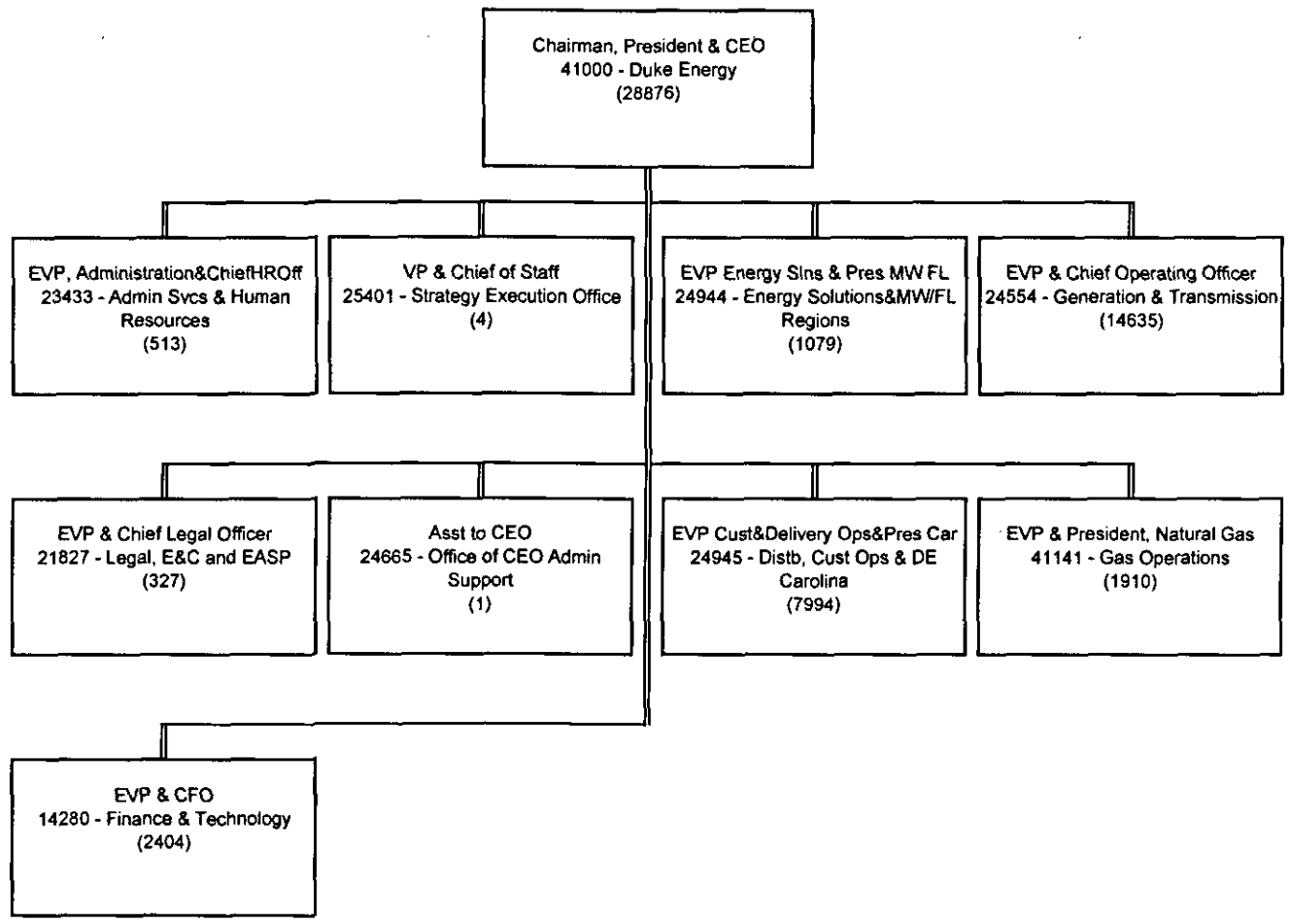
- None.

Entities Restructured

- On October 20, 2016, Los Vientos Windpower III, LLC (100%)(DE 07.24.2013), Los Vientos Windpower IV, LLC (100%)(DE 07.24.2013) and Los Vientos Windpower V, LLC (100%)(DE 07.24.2013) were contributed down to Texoma Wind, LLC (100%)(DE 10.11.2016).

Name Changes

- None.



Principles for Corporate Governance

DUKE ENERGY CORPORATION
PRINCIPLES FOR CORPORATE GOVERNANCE
(Amended and Restated as of December 10, 2015)

An effective Board of Directors (the "Board") will positively influence shareholder value and enhance the reputation of Duke Energy Corporation (the "Corporation") as a constructive resource in the communities where it does business. Good governance practices will provide a framework for timely responses to issues affecting the Corporation and thereby maximize the effectiveness of the Board. The Board of Directors of the Corporation adopts these Principles for Corporate Governance to signal its strong commitment to good corporate governance practices.

Principles for Corporate Governance

1. Responsibilities of Directors

- The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Corporation and its shareholders. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Corporation's senior executives and its outside advisors and auditors.
- A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities.
- A director is expected to regularly attend meetings of the Board and committees on which the director serves.
- A director should be familiar with the agenda for each meeting, have carefully reviewed materials delivered in advance of the meeting, and be adequately prepared to participate fully in any discussion.
- A director should at all times discharge his or her responsibilities with the highest standards of ethical conduct, in conformity with applicable laws and regulations, and act solely in the best interest of the Corporation's shareholders.
- The matters discussed and materials shared in Board and Committee meetings are confidential; and, unless otherwise stipulated, a director should maintain the information in strict confidence.
- The directors are entitled to have the Corporation purchase reasonable D&O liability insurance on their behalf; to receive the benefits of indemnification to the fullest extent permitted by law and the Corporation's charter, bylaws and any indemnification agreements; and to benefit from exculpation as provided by state law and the Corporation's charter.

2. Director Nominations

- The Corporate Governance Committee will have the primary responsibility for nominating candidates for election to the Board.
- Nominees will be leaders in their field, have broad experience, show familiarity with national and international issues, possess sound business judgment, and have other attributes that will enhance shareholder value.
- The Board will seek acting or former executive officers of complex businesses, leading academics, successful entrepreneurs and individuals who will add diversity to the Board.
- The Board will possess certain experiences and core competencies that are identified as essential to the success of the Corporation.
- Each director or director nominee also should:
 - Possess fundamental qualities of intelligence, perceptiveness, good judgment, maturity, high ethics and standards, integrity and fairness.
 - Have a genuine interest in the Corporation and a recognition that, as a member of the Board, one is accountable to the shareholders of the Corporation, not to any particular interest group.

- Have, as a general rule, a background that includes broad business experience or demonstrates an understanding of business and financial affairs and the complexities of a large, multifaceted, global business organization.
- Be the present or former chief executive officer (the “CEO”), chief operating officer, or substantially equivalent level executive officer of a highly complex organization such as a corporation, university or major unit of government, or a professional who regularly advises such organizations.
- Have no irreconcilable conflict of interest or legal impediment which would interfere with the duty of loyalty owed to the Corporation and its shareholders. In furtherance of the foregoing, the director or director nominee must review with the CEO, Chairman of the Board or Chairman of the Corporate Governance Committee any relationships of the director or director nominee with competitors, suppliers, customers or service providers to the Corporation that might be construed as an irreconcilable conflict of interest.
- Have the ability and be willing to spend the time required to function effectively as a director.
- Be compatible and able to work well with other directors and executives in a team effort with a view to a long-term relationship with the Corporation as a director.
- Have independent opinions and be willing to state them in a constructive manner.
- Be a shareholder of the Corporation (within a reasonable time of election to the Board).
- Directors will be selected on the basis of talent and experience without regard to race, religion, sex or national origin. The Corporation seeks a Board with a diversity of background among its members and a Board that will possess certain core competencies.
- The following procedure is recommended whenever a vacancy occurs on the Board or the Board wishes to add to its membership. First, potential candidates are identified through the efforts of an external search organization or otherwise. Next, the Chairman of the Board or the Chairman of the Corporate Governance Committee shall make initial exploratory contacts with the potential candidates. Then, an opportunity shall be arranged for the members of the Corporate Governance Committee or as many as can do so to meet the potential candidates. The Corporate Governance Committee shall then select a candidate to recommend to the Board for consideration and appointment. Board members appointed in this manner shall serve, absent unusual circumstances, until their election by the Corporation’s shareholders at the next annual meeting of shareholders of the Corporation.
- The Corporate Governance Committee will evaluate a director candidate recommended by a shareholder in the same manner and to the same extent as it evaluates director candidates identified by other means.

3. Voting for Directors

- Pursuant to the Corporation’s bylaws, directors will be elected by the affirmative vote of a majority of the votes cast at a meeting of the shareholders for the election of directors at which a quorum is present. However, if the number of nominees exceeds the number of Board seats open for election, the individuals receiving the greatest number of votes, up to the number of Board seats open for election, will be the directors.
- In an uncontested election of directors, any incumbent nominee who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election will, within five days following the certification of the shareholder vote, tender his or her written resignation to the Chairman of the Board for consideration by the Corporate Governance Committee. As used herein, an “uncontested election of directors” is an election in which the number of nominees is not greater than the number of Board seats open for election.
- The Corporate Governance Committee will consider such tendered resignation and, promptly following the date of the shareholders’ meeting at which the election occurred, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Corporate Governance Committee will consider all factors deemed relevant by the members of the Corporate Governance Committee including, without limitation, the stated reason or reasons why shareholders who cast “withhold” votes for the director did so, the qualifications of the director (including, for example, the impact the director’s resignation would have on the Corporation’s compliance with the requirements of the Securities and Exchange Commission, the New York Stock Exchange and these Principles for Corporate Governance), and whether the director’s resignation from the Board would be in the best interests of the Corporation and its shareholders.

- The Corporate Governance Committee also will consider a range of possible alternatives concerning the director's tendered resignation as members of the Committee deem appropriate including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Corporate Governance Committee to have substantially resulted in the "withheld" votes.
- The Board will take formal action on the Corporate Governance Committee's recommendation within a reasonable period of time following the date of the shareholders' meeting at which the election occurred. In considering the Corporate Governance Committee's recommendation, the Board will consider the information, factors and alternatives considered by the Corporate Governance Committee and such additional information, factors and alternatives as the Board deems relevant.
- Following the Board's decision on the Corporate Governance Committee's recommendation, the Corporation will promptly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board's decision, together with an explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.
- No director who, in accordance with this policy, is required to tender his or her resignation, shall participate in the Corporate Governance Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Corporate Governance Committee received a greater number of votes "withheld" from their election than votes "for" their election, then the independent directors then serving on the Board who received a greater number of votes "for" their election than votes "withheld" from their election will appoint an ad hoc Board committee from amongst themselves (the "Ad Hoc Committee"), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Corporate Governance Committee and perform the Corporate Governance Committee's duties for the purposes of this policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it (including in circumstances where the entire Board receives a greater number of votes "withheld" from their election than votes "for" their election", the entire Board (other than the directors whose resignations are being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Corporate Governance Committee and without the creation of an Ad Hoc Committee.

4. Director Orientation

- New directors will receive a comprehensive package of orientation materials.
- Senior managers and other appropriate personnel and outside advisors will brief new directors on the Corporation and the industry, including the Corporation's strategic plans, internal control procedures, compliance programs, code of ethics and related policies, management and internal and independent auditors.
- Directors will be encouraged to take advantage of field visits to the Corporation's facilities.

5. Combination of Chairman and Chief Executive Officer

- The positions of Chairman of the Board and Chief Executive Officer may be held by the same individual.

6. Lead Director

- Unless an independent director is filling the role of Chairman of the Board, the Board will elect a Lead Director, from among the independent members of the Board. The Lead Director will have the following specific duties and responsibilities, among others:
 - Serve as liaison between the Chairman of the Board and the Chief Executive Officer and the independent directors.
 - Lead, in conjunction with the Corporate Governance Committee, the process for review of the Chief Executive Officer and Board.

- Preside at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent members of the Board, and apprise the Chairman of the Board of the issues considered, as appropriate.
- In the event of the death or incapacity of the Chairman of the Board or in other situations where it is not possible or appropriate for the Chairman to assume leadership of the Board, become the acting Chairman of the Board until such time as a Chairman of the Board shall have been selected.
- Assist the Chairman of the Board and the Chief Executive Officer in setting, reviewing, and approving agendas and schedules of Board meetings.
- Review and approve information sent to the Board, including advising on quality, quantity and timeliness of information.
- Develop topics for discussion during executive sessions of the Board
- Call meetings of the independent members of the Board when necessary and appropriate.
- Assist the Chairman of the Board and the Chief Executive Officer to promote the efficient and effective performance and functioning of the Board.
- Consult with the Corporate Governance Committee on the Board's annual self-assessment.
- Be available for consultation and direct communication with the Corporation's major shareholders.
- The name of the Lead Director shall be disclosed in the Corporation's proxy statement for the annual meeting of its shareholders, together with a method for interested parties to communicate directly with the Lead Director or with the independent directors as a group.

7. Size of the Board

- Smaller boards tend to be more effective.
- Due to the size of the Corporation and the advantages of experience and perspective from legacy companies, the optimal size of the board is believed to be between fourteen and eighteen directors.

8. Frequency of Meetings

- The Board will meet as frequently as required to attend to the business of the Corporation.
- Regular meetings will be supplemented by teleconference meetings as required.

9. Independence of Directors

- Independent directors will constitute a substantial majority of the Board.
- The Corporate Governance Committee will confirm that the composition of relevant committees conforms to applicable director independence requirements.

10. Service on Other Boards

- Interlocking directorships will only be allowed in conformance with applicable laws and regulations.
- Current directors will notify the Chairman of the Board or the Lead Director when considering a request for service on another board, and the Corporate Governance Committee will discuss potential conflicts of interest and whether the service would interfere with such director's ability to properly discharge his or her duties.
- Outside members of the Board will serve on no more than four other public company Boards without the prior approval of the Board.
- Neither the CIO nor the Executive Chairman, if any, may serve on any other company boards, other than not-for-profit organizations, without the prior approval of the Board.

11. Directors Whose Responsibilities Change

- A director whose occupational responsibilities change will, as a matter of course, submit a letter of resignation, except where the duties changed as a result of normal retirement.
- The Corporate Governance Committee will review letters of resignation to determine whether a resignation should be accepted.

12. Term Limits

- The Board values deep experience, therefore limits will not be imposed on the terms of directors.

13. Retirement Age

- The normal retirement date will be the annual meeting held in the calendar year following the calendar year in which such director reaches the age of 71.

14. Director Compensation / Share Ownership

- Director compensation and benefits will be competitive, reasonable and customary in comparison to companies that are similarly situated.
- The Board, upon the recommendation of the Compensation Committee, will approve director compensation and benefits.
- Stock ownership guidelines will require directors to have a financial stake in the Corporation.

15. Assessing the Board's Performance

- The Corporate Governance Committee will annually assess the Board's performance.
- The Corporate Governance Committee is responsible for coordinating the annual self-assessments of the individual directors.
- The Corporate Governance Committee will address any issues concerning the performance of an individual director.
- Directors are encouraged to make suggestions as to Board practices.

16. Board Interaction with Institutional Investors, Press, Customers

- The Chief Executive Officer has primary responsibility for communications with various stakeholders.
- Board members who meet with stakeholders should first coordinate with management.

17. Board Access to Management

- Board members have complete access to management.
- The Board welcomes the exposure of top managers to the Board.

18. Selection of Agenda Items for Board Meetings

- The Chief Executive Officer and the Chairman of the Board with the assistance of management and the Lead Director will establish the agenda for Board meetings.
- Board members are free to suggest agenda items.
- The Board annually reviews long-term strategic plans and reviews strategic updates.
- The Board annually reviews operating plans and specific goals at the beginning of the year and financial performance periodically.

19. Board Materials Distributed in Advance

- The Board will be fully informed of major proposals.

- Materials will be distributed approximately one week prior to each Board meeting, unless circumstances require otherwise.
- Materials will be concise but thorough.
- The Secretary will discuss adequacy of materials with Board members periodically.

20. Board Presentations

- Presentation materials shall be provided in advance of meetings.
- Sensitive matters may be discussed without written materials.
- Board members will review fully all materials and will be prepared for crisp and focused discussion on management proposals.

21. Committees of the Board

- The Board will appoint from among its members, committees it deems to be necessary or appropriate. Currently, the standing committees of the Board include Audit, Compensation, Corporate Governance, Finance and Risk Management, Regulatory Policy and Operations, and Nuclear Oversight.
- Each committee will have a formal statement of responsibilities in the form of a charter complying with all applicable laws, rules and regulations.

22. Assignment and Rotation of Committee Members

- The Corporate Governance Committee will recommend to the Board the assignment of Board members to committees.
- The rotation of committee memberships will be encouraged, but not mandated.

23. Frequency and Length of Committee Meetings

- The committee chair will determine the frequency and length of meetings.
- Committee actions will be reported to the full Board.
- All directors are free to attend any committee meetings but may be excluded by the committee as the committee deems appropriate in order to carry out its responsibilities.

24. Evaluation of the Chief Executive Officer

- Directors are encouraged to comment to the Chief Executive Officer, the Chairman of the Board, the Lead Director or the Chairman of the Corporate Governance Committee upon the performance of the Chief Executive Officer when circumstances warrant.
- The Corporate Governance Committee will conduct annually a formal evaluation of the Chief Executive Officer and will consider factors such as individual performance, the extent to which measures related to enterprise challenges are successfully achieved, the feedback of directors and the advice of outside experts when recommending changes to the Compensation Committee which shall establish the compensation of the Chief Executive Officer.

25. Succession Planning and Development Plan

- The Chairman of the Board and/or the Chief Executive Officer will review management succession plans at least annually with the Board of Directors.
- The Board will review Chief Executive Officer succession plans at least annually.
- The Board will seek to assure that the status of organizational strengths is equal to requirements of long-range goals.

26. Periodic Review

- The Corporate Governance Committee will review these Principles for Corporate Governance periodically and will make recommendations to the Board as appropriate.

27. Executive Sessions

- The independent members of the Board will hold regular meetings without management.
- The Chairman of the Board or, if the Chairman of the Board is not an independent director, the Lead Director will preside over executive sessions of the Board.

28. Continuing Education

- Directors are encouraged to take advantage of continuing education opportunities that will enhance their ability to fulfill their responsibilities.

**DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION*
SCHEDULE S-4.2**

Part 1 of 2

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*MPP as of February 15, 2017

** Provided in response to PUCO Staff letter Dated February 7, 2017 1

DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES, AND ORGANIZATION
MIDWEST DELIVERY OPERATIONS
SFR REFERENCE: CHAPTER II (9)(a)(i, iii, vii, viii)

I. Policy and Goal Setting

The Department supports the corporate policies and objectives as described in the Policies section of the Employee Portal through the related Duke Energy procedures and practices. The Duke Energy Policies and Procedures are provided to all employees. These form the general guidelines for the Company in the areas of employee relations, compliance with laws and governmental directives, and Company relationships with the communities we serve.

Goal setting at the department level is accomplished by the Senior Vice President and other departmental leadership. The goals are formulated to support and complement the primary objectives and business plans of Midwest Delivery Operations. Specific initiatives, developed from the objectives, identify implementation schedules, milestones, responsibilities, and resources required. The goals identified are the measures used to assess progress and risks and to provide insight for proactive resolution of emerging issues. The goals, once developed by the Department, are presented to the Executive Vice President and President of Midwest & Florida Regions for review and, upon approval, are incorporated into the business plans.

II. Strategic Planning

Planning for the Department is the responsibility of the Midwest Delivery Senior Vice President in partnership with extended leadership team of the Department. Strategic planning is coordinated and monitored collectively with all departments in Distribution, utilizing input from key support groups such as technical services, transportation, materials management, finance, grid strategy and investments, and human resources. Each Department supports Distribution's strategic plan and corporate goals and objectives through the following on-going activities:

- Facilitate an injury-free and environmentally responsible work environment
- Review customer service results and create action plans for improvement
- Develop, monitor, and project department budgets for cost management
- Establish performance expectations and evaluate employees on a regular basis

- Use of special project teams to investigate and provide recommendations on process improvement opportunities

III. Organizational Structure

Midwest Delivery Operations is under the direction of a Senior Vice President who reports to the Executive Vice President and President of Midwest & Florida Regions. Six organizations report to the Midwest Delivery Operations Senior Vice President through the following positions:

- Vice President, Design Engineering & Construction Planning – Midwest
- General Manager, Distribution Resource planning & Project Management – Midwest
- Vice President, Distribution Maintenance & Construction – Midwest
- Director, Planning, Quality, Reliability and Integrity Engineering
- Manager II, Distribution Vegetation – Midwest
- General Manager, Distribution Operations – Midwest

The organizational charts for Midwest Delivery Operations are shown in Exhibit PDPDE-1.

IV. Responsibilities

Midwest Delivery Operations provides distribution services to customers across Indiana, Ohio and Kentucky with the goal of operational excellence in the areas of safety, reliability, financial discipline, vegetation management, and customer satisfaction. Distribution services are delivered cost effectively through the collaborative efforts of the six departments within Midwest Delivery Operations. The six departments are explained below.

V. Power Quality, Reliability and Integrity – Midwest

The Reliability and Integrity (R&I) function is to improve system reliability performance and customer satisfaction by identifying drivers of large, sustained, service interruptions with similar causes, by preventing multiple events triggered by devices issues, by mitigating fault sources using devices with remote monitoring capability, and by alleviating repeat extended outages by studying event data and investigating capital improvements.

The Power Quality function is responsible for determining the fitness of electrical power to consumer devices. This function will primarily handle sub-cycle power issues as well as more complex issues. Power Quality Engineers act as consultants to

internal and external customers. This work is often behind commercial and industrial meters analyzing power quality and industrial equipment performance.

The Distribution Capacity Planning function monitors loading and the general condition of the distribution system and initiates effective, efficient capacity changes to this system to accommodate new load growth and changes in existing load. Distribution Planning owns the steady state configuration of the entire distribution system. The function initiates system changes to enhance the overall reliability of the distribution system through applying technologies, methods and contingency capacity in conjunction with reliability needs. The function supports decisions on the service requirement needs for certain industrial customers through consultation with appropriate transmission, economic development, power quality and account management departments.

The Distribution Protection Automation Controls (DPAC) work group supports two primary business functions or work streams within the PQR&I department and the delivery operations organization. DPAC provides technical support on Protective Coordination and Settings for circuits and controls associated with coordination devices to CDO and also provides functional and field support to CDO on Distribution Automation devices deployed to modernize the grid.

VI. Design Engineering and Construction Planning

Leads the Engineering & Construction Design management team to ensure the provision of safe, reliable, and quality service.

- Manage overall safety performance and accountability for the E&CP organization.
- Lead and assures that assigned work is completed according to schedule and in compliance with design and construction standards.
- Help develop and oversee standard work processes are followed by team.
- Lead, monitor, and review quality and performance results.
- Champion and lead opportunities for improvement.
- Initiate the development of plans to ensure objectives are achieved and improvement opportunities are addressed.
- Establish and communicate expectations to management and supervisory teams.

- Maintain responsibility for O&M and capital budget execution and monitoring.
- Provide input and support development of financial and operational plans for Distribution
- Provide oversight and ownership of field operations engineering functions.
- Coordinate storm planning and oversight

VII. Distribution Maintenance & Construction – Midwest

- Develop and lead a high performance team to ensure safety, system reliability, financial, and program/project goals are achieved
- Manage overall performance and accountability for the Distribution organization in the areas of safety, reliability, customer satisfaction, financial targets and employee engagement. This entails helping to set direction, monitoring progress, overseeing corrective action and achieving targets
- Maintain effective and on-going communication and dialogue with all Distribution employees regarding key issues such as Company strategy and direction; goal setting, status and performance; compliance with regulatory and Company requirements; employee engagement, leadership development, etc.
- Establish strategic direction for key Distribution matters and provide leadership for all Distribution employees that is consistent with Company values, policy and direction. Collaborate with Customer Operations leadership to contribute to the overall success of the Enterprise and its employees.
- Represent the Company with key community leaders, customers and issues. Ensure that focus is maintained in the areas of customer service, retention and economic development.

VIII. Vegetation Management

- Promote Zero Injury / Zero Incident work culture and Human Performance Improvement within company and contract team.
- Administer vegetation management contracts in accordance with company policies. Monitor, Evaluate and Manage line clearance contractor performance. Ensure contractor safety, quality, customer service and

productivity meet or exceed goals and that contractors are pursuing continuous improvement.

- Develop, Monitor and adjust a resource plan to ensure work plan is completed on schedule and within financial constraints.
- Provide effective leadership and guidance to employees on the team to maintain an effective and motivated work force. This includes obtaining feedback and input from internal customers, providing on-going coaching and feedback, conducting performance reviews, monitoring work requirements, maintaining positive employee relations, identifying training needs, and providing training opportunities and resources.
- Provide input to Vegetation Governance organization on key vegetation management issues, funding needs, work plan development, performance metrics, technical specifications, strategic sourcing, contract management, etc.
- Ensure all Regulatory Compliance requirements are met and appropriate documentation is maintained. (Utility Commission, City/Municipal Ordinance Etc.)
- Participate and provide strategic direction within industry. Support benchmarking and identification of best management practices
- Effectively represent vegetation management within Distribution Region Operations organization. Advocate for the distribution vegetation management programs by developing and maintaining relationships with external and internal customers. Assist and intervene as needed to assist the area foresters and government/community relations personnel in resolving any vegetation management related issues and protect the Duke Energy brand.

IX. Project Management, Project Controls, & Resource Management

Project & Resource Management is responsible for the coordination of the various resources needed, both internal and external to Duke Energy, to deliver capital projects on time, within budget, and as scoped. Four functions are leveraged to do this. Project Managers are the individuals tasked to lead the implementation of projects and are accountable for successful implementation. Project Controls is the function that sets up financials, runs reports, gathers status updates, etc., which are used by Project Management and Resource Management to manage the projects and their work. Additionally, Project Controls is integral to the capital budget development process as a project portfolio is developed and administered within the project scheduling tool. Resource Management is the function that improves work

flow efficiency through optimal alignment of resources, work, and finances without compromising safety and quality. They plan and schedule work utilizing company or contractor crews to ensure in-service dates are met. Work Management Support handles the administrative functions including project closeout.

The major practices and procedures of Distribution Resource & Project Management include:

- Develop and maintain optimization/prioritization criteria
- Manage the work plan through regular work plan and large project meetings
- Ensure work flow is followed to optimize results
- Hold project initiation and kick-off meetings
- Manage scope, schedule, budget of projects through the stage-gate process
- Ensure work plan supports capital & O&M budgets
- Analyze risk and value of projects to prioritize work plan
- Review monthly financial objectives and update forecasts
- Design and implement projects as assigned
- Setup and closeout of projects in financial and scheduling tools
- Manage projects and capital program as assigned
- Resource planning and coordination to support capital plan

X. Distribution Operations

Distribution Operations is responsible for outage management, grid management and optimization as well as routine work dispatch and scheduling. Two functional efforts exist. Grid Operations is focused on the operation of the distribution grid as well as storm management and outage restoration. Grid Management is a group focused on monitoring the distribution grid and optimizing the overall system performance.

The major practices and procedures of Grid Operations include:

- Responsible for coordinating storm outage response.
- Responsible for the safety of field performers working on the distribution system.

- Monitor the performance of substation and feeder devices using various systems.
- Run reports and analyze data to identify issues, determine appropriate corrective actions and issue maintenance requests to appropriate resources to resolve issues.
- Monitor daily trouble and operating workload and assign personal as needed.
- Prepare and approve switching plans.
- Direct both planned and emergency switching and sectionalizing operations on the Distribution System.
- Monitor load, voltage and vars during switching and update system models.
- Update distribution model with changes and new devices.
- Commission new and replacement SCADA devices.
- Coordinate with groups that will be affected by system activity.
- Monitor system changes and updating switching diagrams.
- Maintain a daily log of system activity.
- Monitor SCADA alarms.
- Operate automated distribution equipment.
- Analyze emergency conditions using the outage management system.
- Dispatch and direct field personnel to insure continuity or restoration of service.
- Schedule and dispatch Gas and Electric routine work.
- Dispatch Gas Emergency calls to crews.
- Monitor and analyze Gas Odor Correlation in order to initiate the appropriate field response.

The major practices and procedures of Grid Management include:

- Monitor the operational performance of the distribution grid.
- Initiate corrective actions to improve performance of the distribution grid.

- Design and monitoring performance of volt/Var optimization.
- Design and monitoring of self-healing distribution circuits.
- Prepare switching orders.
- Identify fault locations, emergency load support and optimize the overall system performance.
- Maintain the DMS operating models.
- Develop operational support documentation and training.
- Develop distribution system performance reports.
- Support distribution system hardware/software project work.
- Perform business testing of distribution related software systems.
- Provide automation device and system support.

XI. Decision Making and Control

The responsibilities for planning and decision making rests with the organizational level that has the information and facts to make sound judgments based on Company policies, procedures, and regulatory directives, and the authority to take effective action. The decisions made by specific levels of management are relevant to the basic purpose of their position. Daily, monthly, and quarterly operational reports including outage, key performance indices and financial data are used to monitor progress and provide a means of evaluating decision making.

XII. Internal and External Communication

Midwest Delivery Operations must work closely with a number of other departments within the Company in order to carry out its responsibilities. Because of the complexities involved in the daily operation and maintenance of the electric distribution system, the department maintains working relationships through various channels of communication with many departments including:

- Distribution Departments in Duke Energy's other territories
- Transmission Department
- Duke Energy Ohio President
- Environmental Health & Safety
- Gas Operations
- Information Technology

- Government & Regulatory Affairs
- Real Estate & Facilities Services
- Customer Contact Centers
- Legal
- Supply Chain
- Human Resources

Internal communication channels (verbal, e-mail, suggestions, etc.) are structured in a way that provides information in a timely manner to all personnel within the department. Internal communication is accomplished through a variety of mechanisms. A large part of internal communication results from daily interaction among department personnel. In addition, meetings between the Vice President, General Managers, Directors, and Managers augment this communicative effort. Whenever possible, formal written procedures and policies are used to convey information to personnel in the Department. These may include handbooks for policies and procedures, Manual Work Standards, formal written job descriptions, Administrative Standards, Technical and Operating Procedures.

Communication with vendors and contractors is handled by field visits, telephone, e-mail, and meetings.

External communication includes contact with residential, commercial, and industrial customers through written communication, telephone, e-mail, and web based applications. Letters written by employees and sent outside the Company are signed by the appropriate level within the Department, depending on the nature of the letter.

Employees attend various meetings with other electric utilities, associations, and organizations as delegates or committee members. They conduct joint studies, coordinate projects, and discuss common issues to the electric utility industry. Some employees address outside agencies as speakers and provide professional papers on technical subjects.

Midwest Delivery Operations employees also work with local, state, federal, as well as regulatory agencies to furnish information as requested and to coordinate inspections and audits of operations by these agencies.

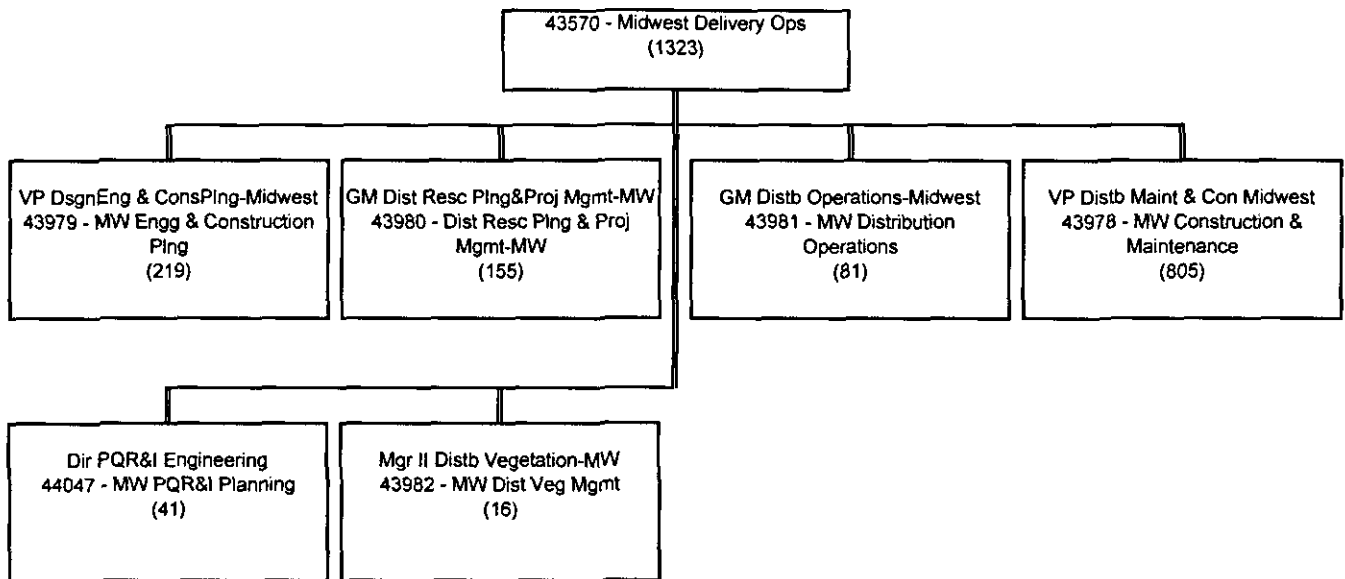
XIII. Goal Attainment and Qualification

In general, the performance of Midwest Delivery Operations is measured by its contribution to the safe, reliable, and cost efficient operation of Duke Energy's electric system. In addition, the Department remains abreast of technological developments and incorporates them when efficiencies can be gained.

Midwest Delivery Operations provides updates for a consolidated monthly report submitted to the Executive Vice President and President of Midwest & Florida Regions detailing the progress in attaining the established Departmental goals.

Performance indicators are utilized by Distribution Operations as measures of performance. The following are example items that are used to measure performance:

- Reduction of Personal Injuries
- Reduction of Preventable Vehicle Incidents
- Customer Satisfaction
- Reliability and Restoration
- Budget and Cost Monitoring
- Project Monitoring
- Completion of work plans on time and on budget



DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
TRANSMISSION SYSTEM PLANNING AND OPERATIONS
SFR REFERENCE: CHAPTER II (9)(B)(a)(i, ii)

I. Policy and Goal Setting

The Department supports the corporate policies and objectives as described in the Policies section of the Employee Portal through the related Duke Energy procedures and practices. The Duke Energy Policies and Procedures are provided to all employees. These form the general guidelines for the Company in the areas of employee relations, compliance with laws or governmental directives and Company relationships with the communities we serve.

Goal setting at the department level is accomplished by the Vice President and other departmental leadership. The goals are formulated to support and complement the primary objectives and business plan of Duke Energy business unit. Specific initiatives developed from the goals identify objectives, implementation schedule, milestones, responsibilities, and resources required. The goals, once developed by the Department, are presented to the Transmission Senior Vice President for review and, upon approval, are incorporated into the business plans.

II. Strategic Planning

Planning for the Department is the responsibility of the Transmission System Planning and Operations Vice President with input from the General Managers, Directors and Managers. Strategic planning is coordinated and monitored collectively with all departments in Transmission utilizing input from key support groups such as technical services, transportation, materials management, finance, and human resources.

Each Department supports Transmission's strategic plan and corporate goals and objectives through the following on-going activities:

- Facilitate an injury-free and environmentally responsible work environment
- Review customer service results and create action plans for improvement

- Develop, monitor and project department budgets for cost management
- Establish performance expectations and evaluate employees on a regular basis
- Evaluate and improve operational processes
- Use of special project teams to investigate and provide recommendations on process improvement opportunities

III. Organizational Structure

Transmission System Planning and Operations is under the direction of a Vice President who reports to the Senior Vice President of Transmission, the Executive Vice President of Regulated Generation and Transmission, and the Chief Executive Officer of Duke Energy. Nine positions report to the Transmission System Planning and Operations Vice President:

- General Manager of Transmission Planning
- Director of System Operations for Duke Energy Midwest System Operations (OH, KY, IN)
- Director of System Operations Engineering and Training
- Director of System Operations Services
- Director of System Operations for the Duke Energy Carolinas Transmission Control Center
- Director of System Operations for the Duke Energy Carolinas System Operations Center
- Director of System Operations for the Duke Energy Progress Operator Shift Teams
- Director of System Operations for the Duke Energy Florida Energy Control Center
- Manager of Initiative Management

Three directors report to the General Manager of Transmission Planning. Three managers report to the Director of Midwest System Operations. Six managers report to the Director of System Operations Engineering and Training. Three managers report to the Director of System Operations Services.

The organizational charts for the Senior Vice President of Transmission and Vice President System Planning and Operations are shown in Exhibit PDSPO-1.

IV. Responsibilities

The objective of Transmission System Planning and Operations is to operate and control the transmission systems in the safest, most economic and reliable manner, as well as coordinate interchange with interconnected systems and monitor the balance of resource and demand to help ensure system reliability in the region as well as within the service territory. System Planning and Operations is also responsible for the development of a long-range electric transmission expansion plan to meet customer demands and ensure system reliability.

Specific to the Midwest, Duke Energy Indiana, Inc. ("DEI") is a member of the Midcontinent Independent System Operator ("MISO"), and Duke Energy Ohio, Inc. ("DEO") and Duke Energy Kentucky, Inc. ("DEK") are members of PJM. DEO and DEK are collectively referred to as "DEOK" within PJM.

Midwest Transmission Planning is responsible for the long-range planning needs of DEI within the planning framework of the MISO, and the long-range planning needs of DEO and DEK within the planning framework of PJM. The Department constantly analyzes the expected performance of the transmission system over a wide range of scenarios and proposes reinforcement and changes when necessary to meet Company, North American Electric Reliability Corporation ("NERC"), ReliabilityFirst ("RF"), MISO and PJM requirements. In fulfilling this role, the Department works closely with numerous other departments within the company and with MISO, PJM, RF and other companies to coordinate plans.

Midwest System Operations is comprised of three departments; Indiana System Operations, OH/KY System Operations, and Midwest Control Area Operations ("MCAO"), that are responsible for the day to day safe, economic, and reliable operations of the electric transmission system using a computer-based Energy Management System (EMS) for supervisory control and data acquisition (SCADA); and for planning and scheduling transmission system maintenance outages. MCAO is responsible for the coordination of all electric energy transfers between Duke Energy and interconnected systems in the Midwest, the coordination and exchange of operating data with MISO and PJM, and the coordination of emergency procedures, as required by the NERC reliability standards, RF regional reliability standards, and applicable regulatory responsibilities.

System Operations Engineering and Training is responsible for maintaining the emergency plans and supporting materials for bulk power and civil emergencies, providing engineering support to the Department, regulatory reporting activities,

and Operator training. System Operations Engineering is also responsible for the Energy Management System, and associated, data management, supporting systems and processes.

System Operations Services is responsible for the execution of the Regional Transmission Organization (RTO) activities at Duke Energy and supporting the Duke Energy initiatives regarding RTOs. System Operations Services is also responsible for after-the-fact energy accounting, MISO and PJM metered data management agent activity, and provision of services associated with retail choice in Ohio, including the calculation of the loads of all Certified Retail Electric Providers serving switched retail load in the Duke Energy Ohio system. System Operations Services is responsible for the creation and management of contracts and agreements, such as Interconnection Agreements, some in conjunction with MISO and PJM. System Operations Services also has responsibility for supporting the department's NERC compliance activities, and performing event analysis and capturing lessons learned.

V. Practices and Procedures

Midwest Transmission Planning

The major duties of Midwest Transmission Planning are as follow:

- Develop transmission models of the transmission system.
- Perform detailed system simulation analyses; recommend any required changes to the transmission system to maintain reliability.
- Coordinate with MISO and PJM, attend planning meetings, provide input into the RTO planning processes
- Initiate transmission expansion-related capital budget for Midwest Transmission projects.
- Support Integrated Resource Planning as required.
- Coordinate plans with adjacent utilities
- Provide expert testimony as required related to transmission projects.
- Represent the Company at utility meetings and various committee meetings in the area of transmission planning;
- Represent the Company at various NERC, RF, MISO and PJM committees and meetings.

Midwest System Operations

Within Midwest System Operations, the major duties of Indiana System Operations and OH/KY System Operations are to control and operate the DEI and

DEO transmission systems respectively in a safe and economical manner consistent with federal, state, local, and industry guidelines. In order to perform their duties, the departments must on a daily basis:

- Work with MCAO, PJM and the MISO to assure the transmission system is operated within transmission line loading limits and service voltage constraints.
- Coordinate, process, and prepare switching operations for the daily equipment outage work requests on the transmission and distribution system for Transmission Field Operations.
- Coordinate planned bulk transmission outages with MISO/PJM;
- Utilize Power Flow system security analysis application programs to identify potential problems or contingencies and study steps to relieve contingency related problems. All actions for 138kV facilities and above to be directed by and coordinated with the MISO for DEI, and PJM for DEOK;
- Maintain operation of the system in a reliable manner in conjunction with MISO, PJM, and System Operations Engineering, and take the necessary steps to:
 - Complete any necessary system reconfiguration;
 - Implement Manual Load Curtailment.
- Prepare switching operation procedures for the line and substations equipment;
- Direct and coordinate all switching operations on the transmission system.

In addition to their daily activities, Indiana and OH/KY System Operations must:

- Maintain and provide information used for system statistics and reports used by regulatory and other governmental agencies;
- Prepare operating instructions for the system substations;
- Represent the Company in the area of system operations at hearings and other legal proceedings of various regulatory agencies;
- Represent the company at utility meetings in the area of system operations;
- Plan and schedule network outages and coordinate emergency service restoration; and
- Perform the following duties to support and administer the policies and direction set by the Company.

Within Midwest System Operations, the major duties of MCAO are as follows:

- Implement emergency procedures up to and including the reduction of firm load to maintain the integrity of Duke Energy's Transmission System and the Eastern Interconnection;
- Monitor the Security Coordinator Information System (SCIS), the MISO Messaging System, and PJM "All Call" system for emergency notices for forwarding to proper personnel. MCAO is the primary contact with the MISO and PJM Reliability Coordinators;
- Enter Generation outages into the MISO Outage Scheduler, and PJM's eDART system as needed. Information is updated in real-time as necessary so that MISO and PJM can use the information in the calculation of their network model and reliability-constrained economic dispatch;
- Monitor the status of transmission system RTUs, and ICCP links, reporting any outages to Duke Energy internal support, MISO, or PJM.
- Monitor Transmission system voltage at generating stations.
- Provide direction to generation dispatch related to voltage support on the transmission system as coordinated with Midwest Transmission and Distribution Operations.
- Monitor tie line interconnections and generation in real-time, taking action as necessary to correct problems impacting generation control or the provision of accurate data to PJM and the MISO;
- Coordinate dynamic schedules with applicable Balancing Authorities, MISO and PJM.
- Send five-minute non-conforming load forecasts to MISO at one-minute frequency;
- Verify all actual interchange with each interconnected system;

System Operations Services

The major duties of System Operations Services are as follows:

- Represent Duke Energy's interests at MISO/PJM stakeholder meetings
- Support the MISO/PJM Transmission Owners
- Provide input into MISO/PJM business practices
- Monitor MISO/PJM filings and business practices
- Monitor the regulatory environment for changes in rules regarding RTOs
- Provide testimony regarding MISO/PJM costs and benefits in state regulatory proceedings in Ohio, Kentucky and Indiana

- Support NERC Compliance activities
- Negotiate and maintain contracts and agreements such as generator interconnection agreements, and transmission interconnection agreements.
- Calculates loads for all Network Transmission Customers on the system. This data is used to calculate various ancillary services charges, which are billed. These loads are also provided to the Midwest ISO.
- Acts as the Meter Data Management Agent for all Certified Retail Electric Providers, Duke Energy Ohio, Duke Energy Indiana, Duke Energy Kentucky, Indiana Municipal Power Agency, Wabash Valley Power Authority, Hamilton, Buckeye, Ohio Municipalities, etc. In this role, System Operations Services provides hourly generation and load data to the MISO for market settlements.

System Operations Engineering and Training

The major duties of System Operations Engineering and Training are to:

- Develop, maintain and drill the emergency plans and supporting materials for bulk power and civil emergencies;
- Support the administration and planning for operator training to achieve and maintain NERC certification for operating personnel;
- Provide engineering and information systems support for System Planning and Operations;
- Provide responses to inquiries made by the State (Indiana Utilities Regulatory Commission, Kentucky Public Service Commission, Public Utilities Commission of Ohio, and Federal Commissions (Federal Energy Regulatory Commission));
- Represent the Company at utility meetings and various operating committee meetings in the area of transmission services;
- Represent the Company at various NERC, RF, MISO and PJM committees and meetings.
- Manage data inputs and system configurations, perform user testing, and support application results of the Energy Management System, the real time system used for monitoring and control of the transmission system.

VI. Decision-Making and Control

The responsibilities for planning and decision-making rests with the organizational level that has the information and facts to make sound judgments based on Company policies, procedures and regulatory directives, and the authority to take effective action. The decisions made by specific levels of management are relevant to the basic purpose of their position.

Daily, monthly, and quarterly operational reports including outage and financial are used to monitor progress and provide a means of evaluating decision-making.

VII. Internal and External Communication

Transmission System Planning and Operations must work closely with a number of other departments within the Company in order to carry out its responsibilities. Because of the complexities involved in the daily operation and maintenance of the electric transmission and distribution system, the Department maintains working relationships through various channels of communication with many departments including:

- Other Transmission Departments, and Distribution
- Duke Energy Ohio President
- Environmental Health & Safety
- Gas Operations
- Engineering Technical Services
- Information Technology
- Power Generation
- Government & Regulatory Affairs
- Real Estate & Facilities Services
- Customer Contact Centers
- Legal
- Supply Chain
- Human Resources

Internal communication channels (verbal, e-mail, suggestions, etc.) are structured in a way that provides information in a timely manner to all personnel within the Department. Internal communication is accomplished through a variety of mechanisms. A large part of internal communication results from daily interaction among department personnel. In addition, meetings between the Vice President, General Managers, Directors and Managers augment this communicative effort.

Whenever possible, formal written procedures and policies are used to convey information to personnel in the Department. These may include handbooks for policies and procedures, Manual Work Standards, formal written job descriptions, Administrative Standards, Technical and Operating Procedures.

Communication with vendors and contractors is handled by field visits, telephone, e-mail, and meetings.

External communication includes frequent contact with residential, commercial and industrial customers through written communication, telephone, e-mail, and web based applications. Letters written by employees and sent outside the Company are signed by the appropriate level within the Department, depending on the nature of the letter.

Employees attend various meetings with other electric utilities, associations and organizations as delegates or committee members. They conduct joint studies, coordinate projects, and discuss common issues to the electric utility industry. Some employees address outside agencies as speakers and provide professional papers on technical subjects.

Transmission System Planning and Operations employees also work with local, state, federal, as well as regulatory agencies to furnish information as requested and to coordinate inspections and audits of operations by these agencies.

VIII. Goal Attainment and Qualification

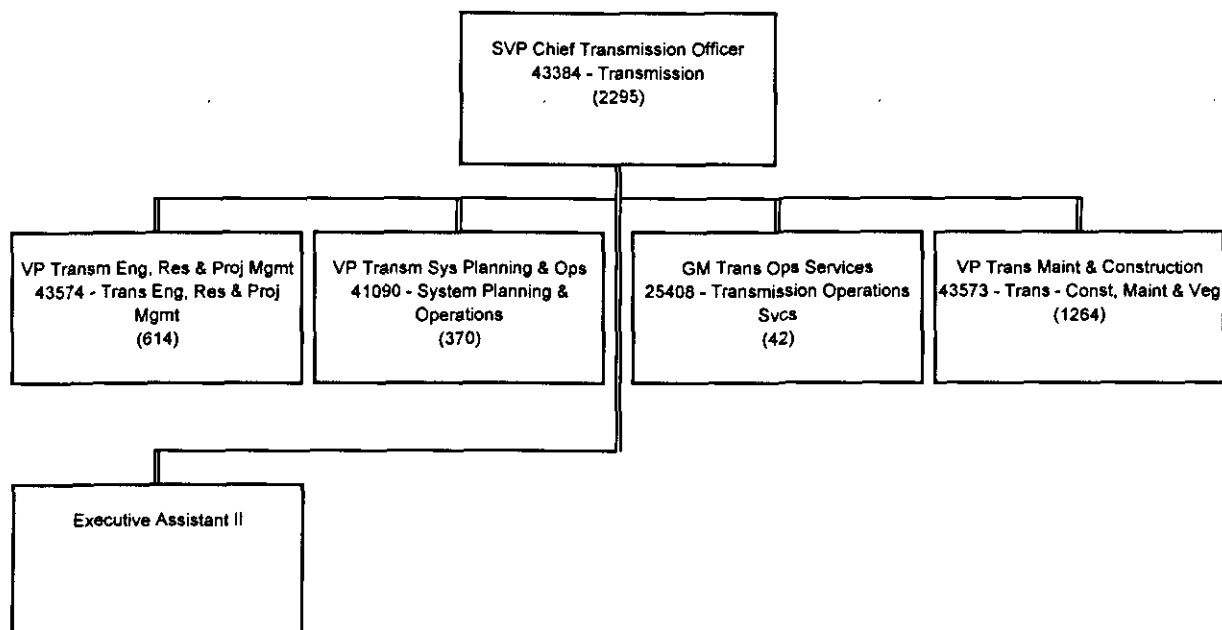
In general, the performance of Transmission System Planning and Operations is measured by its contribution to the safe, reliable, and cost efficient operation of Duke Energy's electric system. In addition, the Department remains abreast of technological developments and incorporates them when efficiencies can be gained.

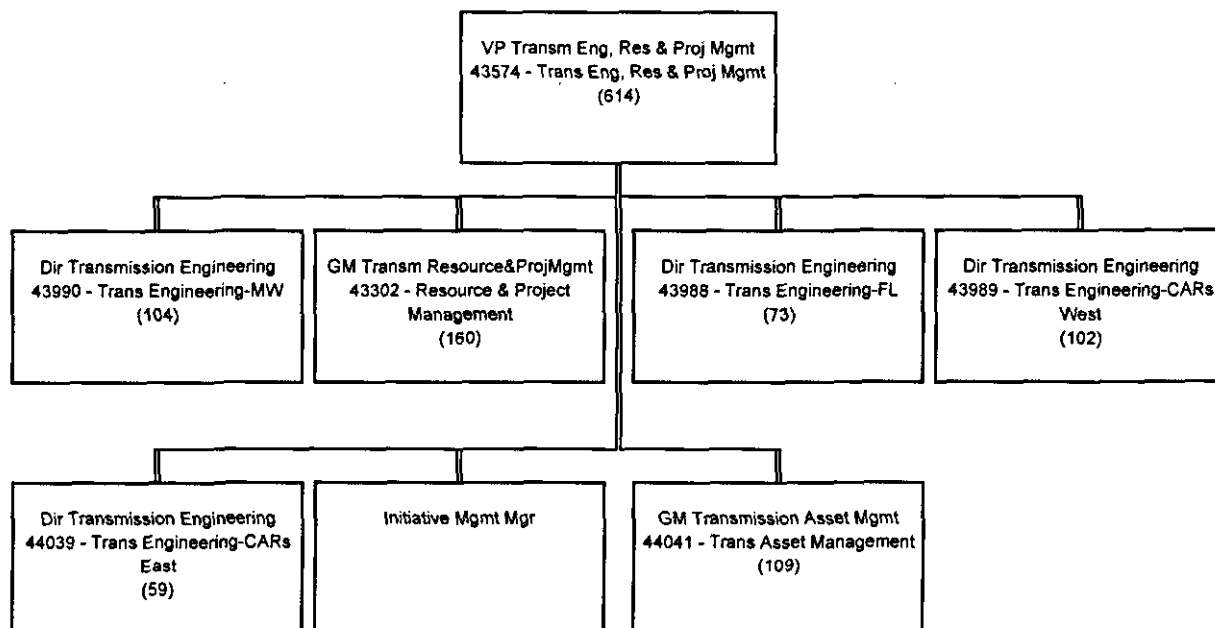
The Department provides updates for reports submitted to the Transmission Senior Vice President detailing the progress in attaining the established Departmental goals.

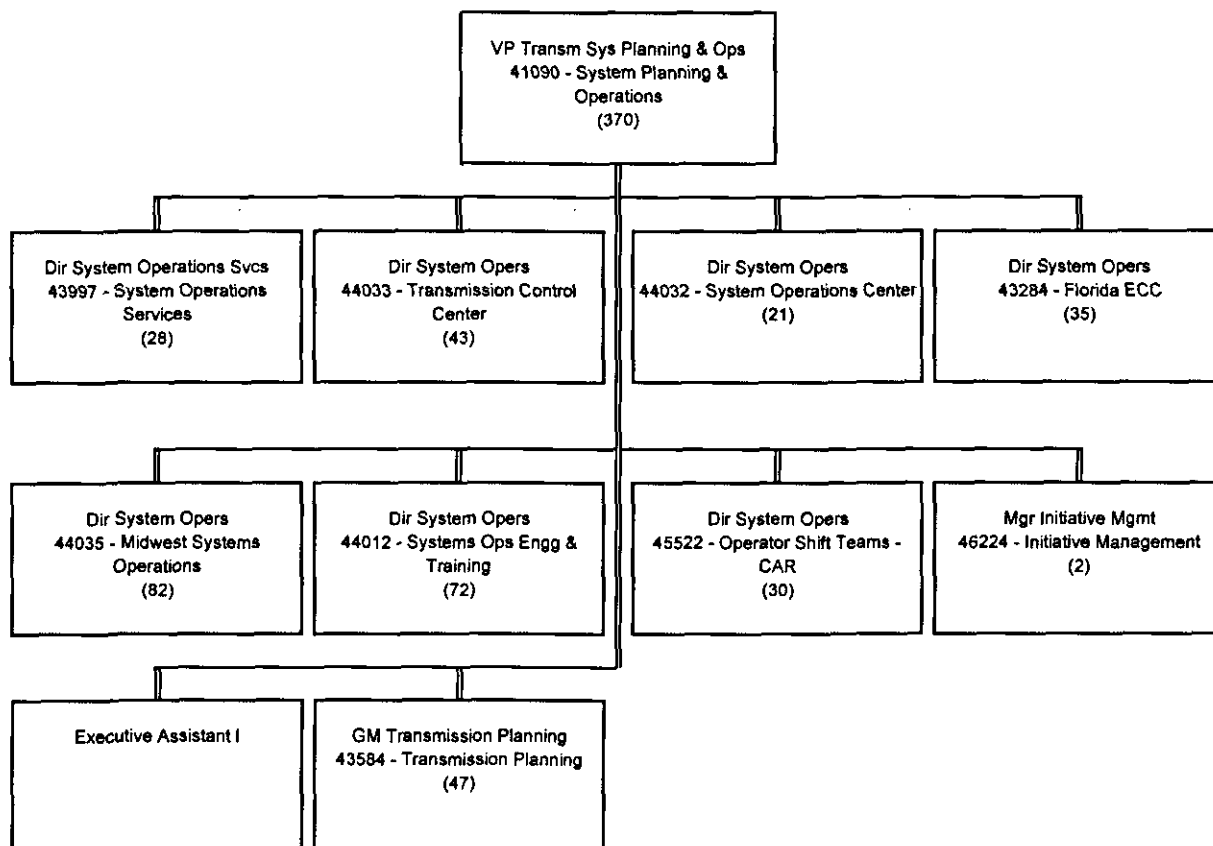
Performance indicators are utilized by the Department as measures of performance. The following are example items that are used to measure performance:

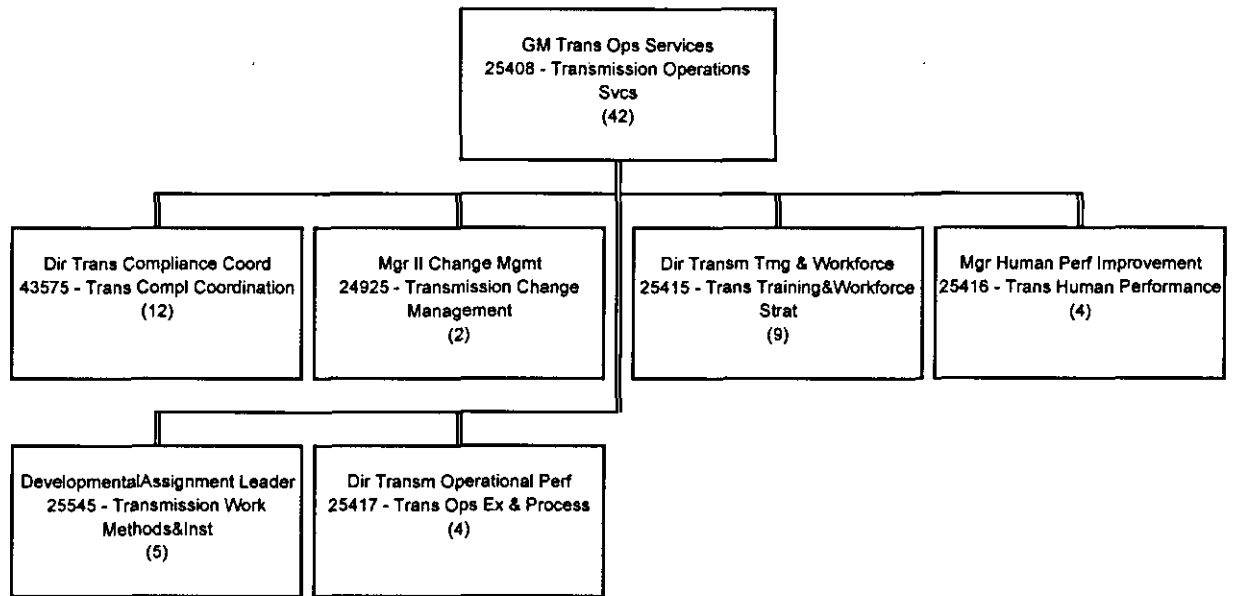
- Elimination of Personal Injuries
- Reduction of Preventable Vehicle Incidents
- Customer Satisfaction
- Reliability and Restoration

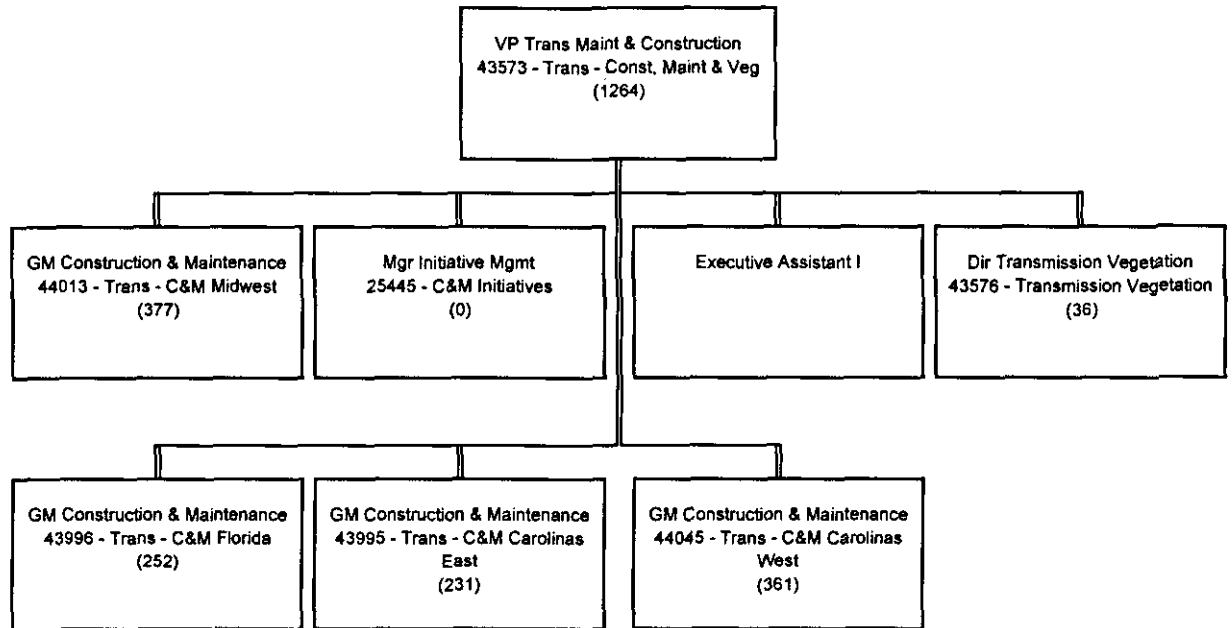
- Budget and Cost Monitoring
- Project Monitoring











DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
MIDWEST TRANSMISSION
SFR REFERENCE: CHAPTER II (9)(B)(a)(i,ii,viii); CHAPTER II (9)(B)(e)(iii);
CHAPTER II (9)(B)(g)(i)

I. Policy and Goal Setting

The Transmission department (Transmission or Department) supports the corporate policies and objectives as described in the Policies section of the Employee Portal through the related Duke Energy procedures and practices. The Duke Energy Policies and Procedures are provided to all employees. These form the general guidelines for the Company in the areas of employee relations, compliance with laws or governmental directives and Company relationships with the communities we serve.

Goal setting at the department level is accomplished by the Senior Vice President (Chief Transmission Officer) and other departmental leadership and aligns with the Regulated Generation and Transmission organization at Duke Energy. The goals are formulated to support and complement the primary objectives and business plans of Power Delivery and Franchised Electric & Gas Operations. Specific initiatives developed to support Transmission goals identify objectives, implementation schedule, milestones, responsibilities, and resources required. The goals, once developed by Transmission leadership, are presented to the Chief Operating Officer of Regulated Generation and Transmission for review and, upon approval, are incorporated into the business plans.

II. Strategic Planning

Planning for the department is the responsibility of the Senior Vice President of Transmission with input from functional Vice Presidents and General Managers, Directors and Managers, including the Joint Operating Committee, a jurisdictionally based cross-functional team that manages Transmission activities in the Midwestern utilities. Strategic planning is coordinated and monitored collectively with all functional organizations in Transmission utilizing input from key support groups such as technical services, transportation, materials management, finance, and human resources.

Each functional organization supports Transmission's strategic plan and corporate goals and objectives through the following on-going activities:

- Facilitate an injury-free and environmentally responsible work environment
- Review customer service results and create action plans for improvement
- Develop, monitor and project department budgets for cost management
- Establish performance expectations and evaluate employees on a regular basis
- Evaluate and improve operational processes to drive an event free operations focus
- Use of special project teams to investigate and provide recommendations on process improvement opportunities
- Conduct quarterly business reviews (QBRs) to review performance to known and visible standards

III. Organizational Structure

Transmission Midwest is under the direction of the following functional Vice Presidents:

Vice President, Transmission Construction & Maintenance
 Vice President, System Operations and Planning
 Vice President, Engineering and Project and Resource Management

Each of these Vice Presidents reports to the Senior Vice President of Transmission and Chief Transmission Officer. The Senior Vice President reports to the Executive Vice President and Chief Operating Officer, who reports to the Chairman, President and Chief Executive Officer of Duke Energy. Five Transmission positions report through the functional Vice Presidents to the Chief Transmission Officer (CTO) and comprise the Jurisdictional Operating Committee (JOC), that manages daily operations in the Midwest and Ohio:

- General Manager, Construction & Maintenance - Midwest
- Director of Transmission Engineering - Midwest
- Director, Transmission System Operations Services
- Director, Transmission Systems Operations - Midwest
- Director, Transmission Projects and Resource Management - Midwest

The Director, Transmission Systems Operations, serves as the JOC Lead for Midwest operations. Additionally, Each JOC member and Midwest Transmission leader has five to eight direct reports. The General Manager, Construction & Maintenance - Midwest, has the following direct reports:

Manager, Transmission C&M Services Midwest
Manager, Transmission Relay – Midwest
Manager, Transmission Maintenance OH/KY
Manager, Transmission Maintenance – Indiana South
Manager, Transmission Maintenance – Indiana North

Based on service area, field Managers each have between 12-17 direct reports and perform ongoing construction and maintenance for designated areas. Due to the nature of the work, Engineering and Project Management leaders are structured differently.

The organizational charts for Transmission Midwest are shown in Exhibit PDFO-1.

IV. Responsibilities

Transmission Midwest has the responsibility for system design, construction, twenty-four hour a day operation and maintenance of the electric transmission system and facilities. The department is also responsible for the reliability of the bulk electric transmission system and facilities associated with all substations and transmission lines from the generating plants up to interconnection with the distribution system. The objective of the department is to design, build, operate, and maintain the transmission and distribution systems in the safest, most economical and reliable manner.

All activities are done in accordance with applicable federal and state regulations. Field supervision is responsible for monitoring the progress of work and ensuring employees and contractors adhere to safe work practices.

Transmission Engineering

Transmission Engineering is responsible for the design of electric transmission facilities that provide service to wholesale, large Transmission level customers and to support distribution facilities. The engineering organization provides engineering for all distribution, commercial, industrial, and governmental requests for new or upgrade of facilities serving customers at the transmission level. Employees routinely interact with distribution stakeholders and customers and/or their representatives to ensure that service is provided that meets their needs. Transmission acquires easements and permits, determines customer contributions, identifies facilities, creates construction drawings, prepares work orders, and reconciles work orders for recording assets.

Transmission Engineering responsibilities also include oversight of electric system configuration; responding to customer inquiries about system reliability, outages, and other operational concerns. Transmission Engineering includes responsibilities for programs that support electric line and structure inspections, substation inspections and construction support.

Construction & Maintenance

Duke Energy Ohio operates construction and operations centers. These centers are responsible for:

- Construction, maintenance and operation of transmission lines and substations, owned either entirely or partially by Duke Energy.
- Twenty-four hour a day electric trouble restoration of overhead and underground electric circuits and associated equipment at the transmission level; and
- With assistance from the Corporate Strategic Sourcing Department, preparing bid packages, soliciting, evaluating and awarding bids for out-sourcing electric line construction to contractors; monitoring their work for correct charges, quality, adherence to safe work practices and progress. Management is responsible for the evaluation of bids and awarding of contracts as well as monitoring the progress of projects. Field Supervisors are responsible for the over-sight of work and ensuring that contractors adhere to safe work practices.

Substation Operations

Substation Operations is responsible for the reliability of all transmission and substations and portions of the downtown Cincinnati underground network in the Duke Energy Ohio service area and similar facilities in the service territories of Duke Energy Kentucky and Duke Energy Indiana.

Transmission Operations Services

Transmission Operations Services is responsible for coordinating, developing and administering work methods for Transmission craft employees and for establishing and providing training programs to support skill development. This team also provides support in business planning and other administrative initiatives such as rate case requests, interaction with corporate and other departments on coordinating functions, including financial and quarterly business reviews.

V. Practices and Procedures

Practices and procedures are written and defined in transmission work standards, safety standards, engineering standards and administrative standards, and are implemented by the appropriate qualified personnel and committees upon approval by upper management.

The standards and manuals utilized in performing work include:

- Safety and Health Manual
- System operations Switching and Tagging Manual
- Transmission Work Method Manual
- Engineering Guide Manual
- Fusing Manual

- Manual Work Standards
- Information Requirements for Electric Service

Employees have access to manuals and standards through paper copies and/or electronic resources.

Transmission Engineering

Transmission Engineering's primary activities are for the design of new electric overhead and underground transmission facilities for large customers and to serve distribution interconnection points. Additional specific activities include, but are not limited to the following:

- Contact for all installation of electric facilities explaining company's gas and electric policies, and charges as they relate to customer's inquiries.
- Responding to customer reliability complaints, inquiries, and concerns from internal and external customers as required.
- Coordinate with representatives of other utilities, state and local authorities, permitting agencies and inspection agencies to coordinate work.
- Support storm restoration processes by providing field damage assessing to determine severity and repair needs before dispatching of field crews.
- Supply engineering designs material lists for construction of system improvements, electric transmission line extensions, and Transmission level interconnections for new electric services.
- Check and approve Transmission level electric facilities for compliance with company requirements making visual inspections for rewires and new service.
- Analyze requirements and produce designs for application of various street lighting, traffic control and area lighting needs.
- Inspect Transmission facilities on a periodic cycle, assuring public safety and good operating condition of infrastructure. Maintaining accurate transmission circuit records and maps.
- Administer Call Before You Dig program, managing locating contractors to locate gas and electric facilities for underground excavation projects.
- Maintain Graphical Information System (GIS) data assets.
- Maintain specialized engineering knowledge to design, operate and maintain the metropolitan underground network and duct systems.
- Provide guidance to ensure compliance of governing codes (NESC, NEC, etc.) company safety practices, and company rates and tariffs.
- Support system reliability and integrity by supplying engineering resources to analyze customer outage and implement improvement plans.

Construction & Maintenance

Midwest Construction & Maintenance organization is responsible for the construction and maintenance of the overhead and underground transmission electric system throughout Duke Energy in Indiana, Ohio and Kentucky. This work is performed in such a way as to ensure reliable electric service and safety for our customers and employees. Functional responsibilities include construction and maintenance offices, large project construction, Cincinnati downtown network, and heavy equipment.

Construction & Maintenance Practices and Procedures

- **Emergency Response & Storm Restoration:**
Construction and Maintenance is staffed to provide 24 hour, 365 day response to emergencies and storm restoration.
- **New Facilities:**
Construction and Maintenance crews, or sanctioned contractor providers, are responsible for the construction of new electric transmission facilities for distribution facilities and large commercial, and industrial customers.
- **System Reliability and Government Mandated Projects:**
Construction and Maintenance crews are assigned daily work required to construct and maintain the electric transmission and distribution system. Daily work includes capacitor maintenance programs, re-closer maintenance, inspections, counter reads, road improvement, line extensions, system improvement and reliability projects.
- **Network Services:**
Network Services is responsible for maintaining the integrity and reliability of the transmission underground electrical network in downtown Cincinnati including routine maintenance of electrical vaults, manholes, transformers, street lights, and underground cable. Daily work includes installing, repairing, and replacing, large power, lead, oil-filled, and URD cable associated with transmission service, substations, and power plants throughout the Ohio/Kentucky territory.
- **Heavy Equipment:**
Heavy Equipment provides cranes, booms, digger derricks, bulldozers, loaders, dump trucks, excavators, and other heavy construction equipment services. This group supports internal and external customers by such ways as hauling poles, transformers, and other equipment for utility crews.
- **Construction Management on Budget Projects:**
Duke Energy currently has Field Supervisors that perform Construction Management on projects outsourced to contractors. This includes the Ground Line Inspection and Treatment programs for the transmission system.

Substation Operations

Major duties of the Duke Energy Ohio Substation Maintenance and Construction organization include all activities associated with the construction, operation, and maintenance of substation equipment. These activities include, but are not limited to the following:

- Maintain a trained and adequately supervised work force including the necessary tools, equipment, spare parts and shops;
- Perform routine preventative maintenance activities, such as dissolved gas analysis (DGAs), infrared inspections, and monthly substation inspections. Respond to substation outage and /or emergency situations;
- Assist in system storm restoration efforts;
- Analyze the DGA and infrared test results and information from monthly inspections to be certain the equipment is still within all manufacturer, industry, internal standards specifications. Then, if the test results or inspection information warrant it, make all necessary repairs;
- Benchmarking and review of the maintenance practices to be certain Duke Energy's substation maintenance program is focused on the correct tests, procedures, and frequencies;
- The construction activities related to either new substations or additions to existing substations; and
- Construction project management is achieved through individuals within Resource and Project Management organization being charged to directly oversee assigned construction projects.
- Install and maintain all protective relay schemes as designed by the Engineering Department and engineering firms employed by the Company;
- Ensure quality control and quality assurance standards are followed to the highest degree possible in the testing of new and in-service equipment;
- Calibrate and test all electrical protective devices used to protect generating units, transformers, transmission and distribution lines of the system;
- Coordinate electrical tests on generating units, electrical boiler controls, and auxiliary plant equipment associated with power plants and gas turbine stations;
- Coordinate and direct electrical tests on all new substations and any revisions to existing stations;
- Direct the installation and maintenance of all supervisory control and data acquisition equipment used in conjunction with the Power Management System;
- Maintain a trained and adequately supervised work force of trained technicians including the necessary tools, equipment, spare parts and shops.

Operations Services

Major duties of Operations Services include:

- Interpret corporate and/or business unit business plans and financial directions and see that each are applied and coordinated appropriately throughout the jurisdiction.
- Tracking, analyzing, forecasting and report on performance to known and visible standards, including performance of the construction and operations/maintenance budgets.
- Perform specific projects such as rate case data requests, vehicle utilization and assist in developing executive management presentations.
- Provide revisions to and development of new Transmission Work Methods needed to state compliance with applicable safety standards.
- Develop and provide craft training for substation, line and relay crew members.

VI. Decision-Making and Control

The responsibilities for planning and decision-making rest with the organizational level that has the information and facts to make sound judgments based on Company policies, procedures and regulatory directives, and the authority to take effective action. The decisions made by specific levels of management are relevant to the basic purpose of their position. In addition to the Engineering, Operations and Engineering functions within Transmission, the Jurisdictional Operating Committee (JOC) will assist in providing direction on regional issues that affect one or more functional organizations in Ohio.

Daily, monthly, and quarterly operational reports including outage and financial are used to monitor progress and provide a means of evaluating decision making. Weekly calls and monthly in person meetings are conducted with the JOC and key stakeholders to ensure prompt and effective decision making. Quarterly Business Reviews (QBRs) are conducted to evaluate performance against known targets and to review trends and actions in place to improve performance where needed. Additionally, management meetings are conducted with Transmission leadership at the functional staff level and at the operational level monthly, where key operational indicators are evaluated and reviewed.

VII. Internal and External Communication

Transmission organizations must work closely with a number of other departments within the Company in order to carry out ongoing responsibilities. Because of the complexities involved in the daily operation and maintenance of the electric transmission system, the department maintains working relationships through various channels of communication with many departments including:

- Other Power Delivery Departments
- Duke Energy Ohio President
- Environmental Health & Safety
- Engineering Technical Services
- Information Technology
- Power Generation
- Government & Regulatory Affairs
- Real Estate & Facilities Services
- Customer Contact Centers
- Legal
- Supply Chain
- Human Resources

Internal communication channels (verbal, e-mail, suggestions, etc.) are structured in a way that provides information in a timely manner to all personnel within the department. Internal communication is accomplished through a variety of mechanisms. A large part of internal communication results from daily interaction among department personnel. In addition, meetings between the Chief Transmission Officer, functional Vice Presidents, General Managers, Directors and Managers augment this communicative effort. Whenever possible, formal written procedures and policies are used to convey information to personnel in the department. These may include handbooks for policies and procedures, Manual Work Standards, formal written job descriptions, Administrative Standards, Technical and Operating Procedures.

Communication with vendors and contractors is handled by field visits, telephone, e-mail, and contractor Quarterly Business Review (QBR) meetings that focus on performance and safety.

External communication includes frequent contact with key customers through written communication, telephone, e-mail, and web based applications. Letters written by employees and sent outside the Company are signed by the appropriate level within the Department, depending on the nature of the letter.

Employees attend various meetings with other electric utilities, associations and organizations as delegates or committee members. They conduct joint studies, coordinate projects, and discuss common issues to the electric utility industry. Some employees address outside agencies as speakers and provide professional papers on technical subjects.

Transmission employees also work with local, state, federal, as well as regulatory agencies to furnish information as requested and to coordinate inspections and audits of operations by these agencies.

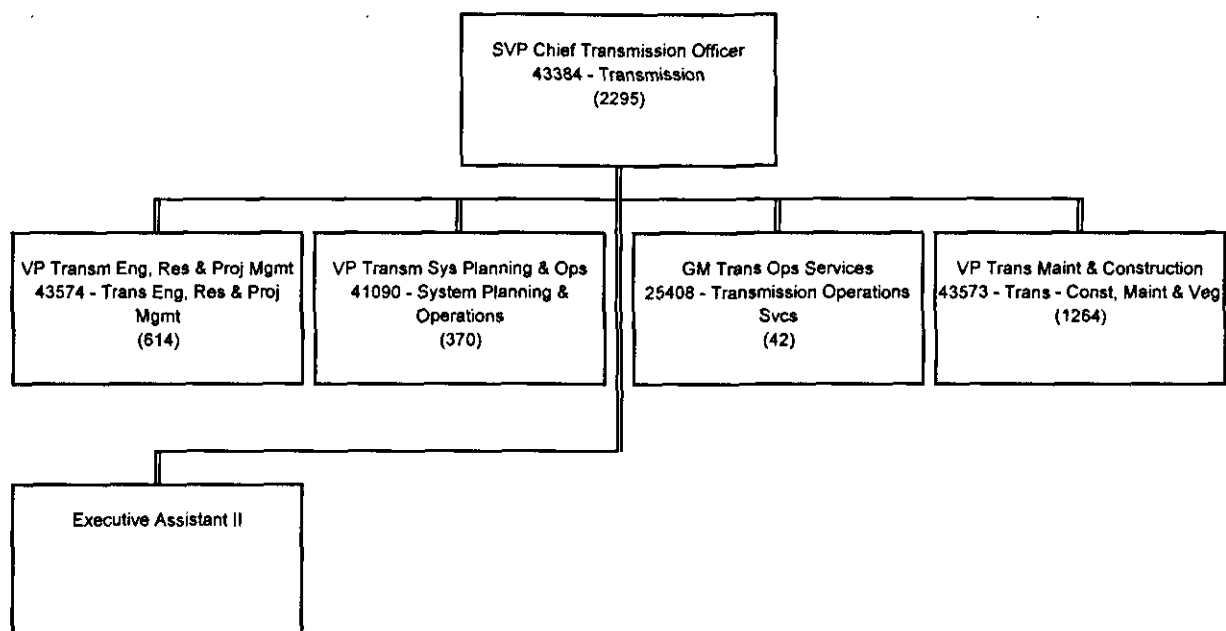
VIII. Goal Attainment and Qualification

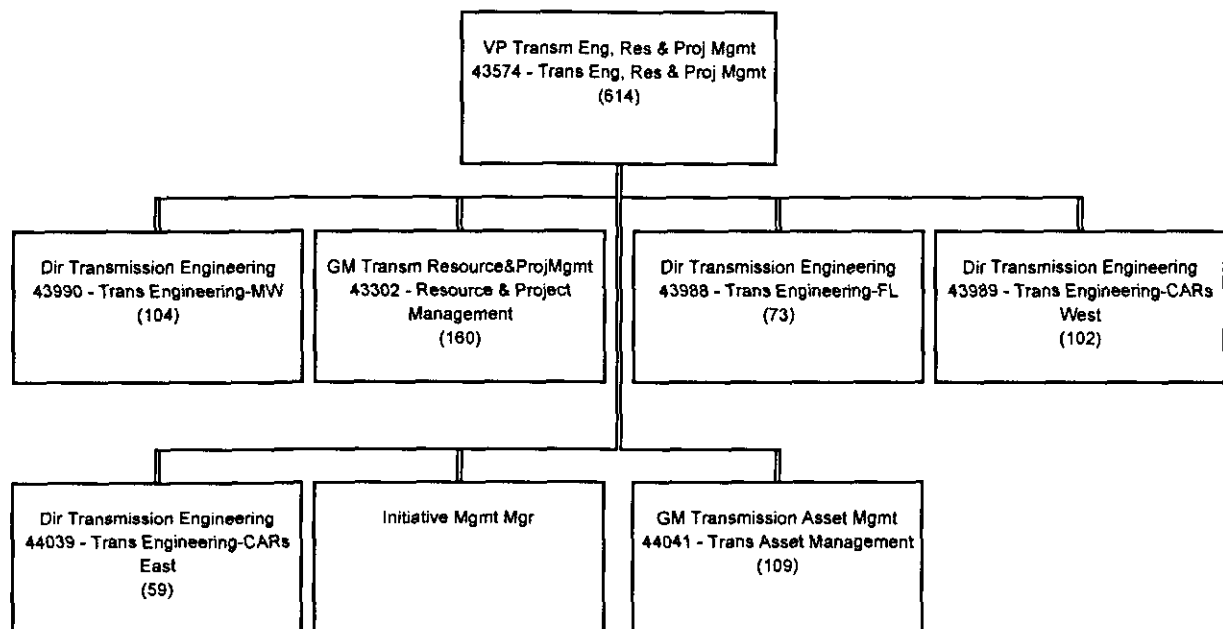
In general, Transmission performance of is measured by its contribution to the safe, reliable, and cost efficient operation of Duke Energy's electric system. In addition, the department remains abreast of technological developments and incorporates them when efficiencies can be gained.

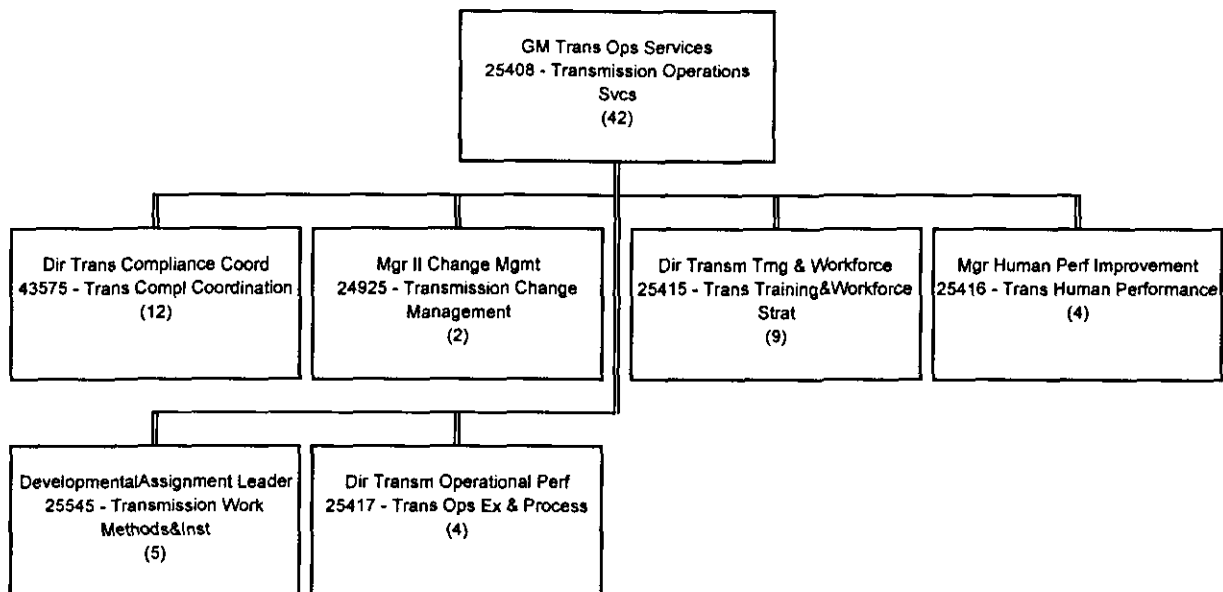
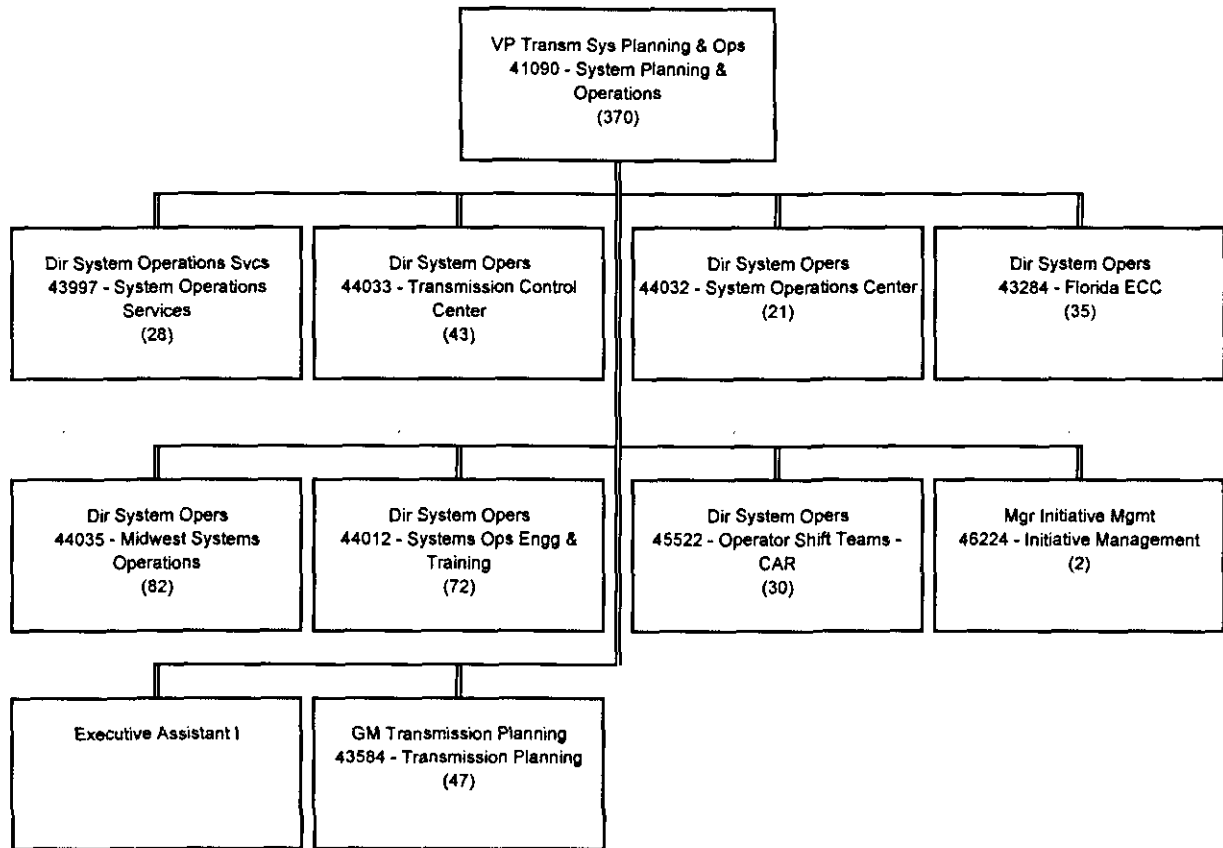
Transmission provides updates for a consolidated monthly report submitted to the Senior Vice President detailing the progress in attaining the established Departmental goals.

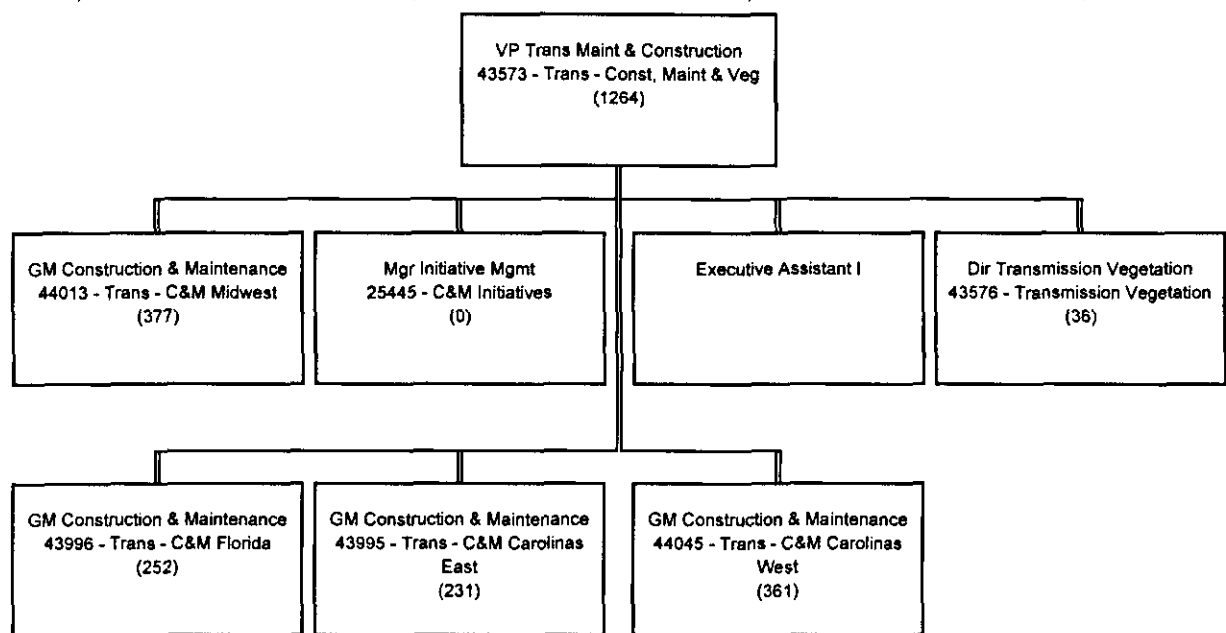
Key metrics are utilized by Transmission as measures of performance. The following are example items that are used to measure performance: System performance is monitored through various periodic reports such as shown in Exhibit PDFO-2.

- Count of Personal Injuries
- Count of Preventable Vehicle Incidents
- Total Incident Case Rate
- Count of Environmental Events
- Transmission Reliability
- Budget and Cost Monitoring
- Project Monitoring
- Event Free Operations Count



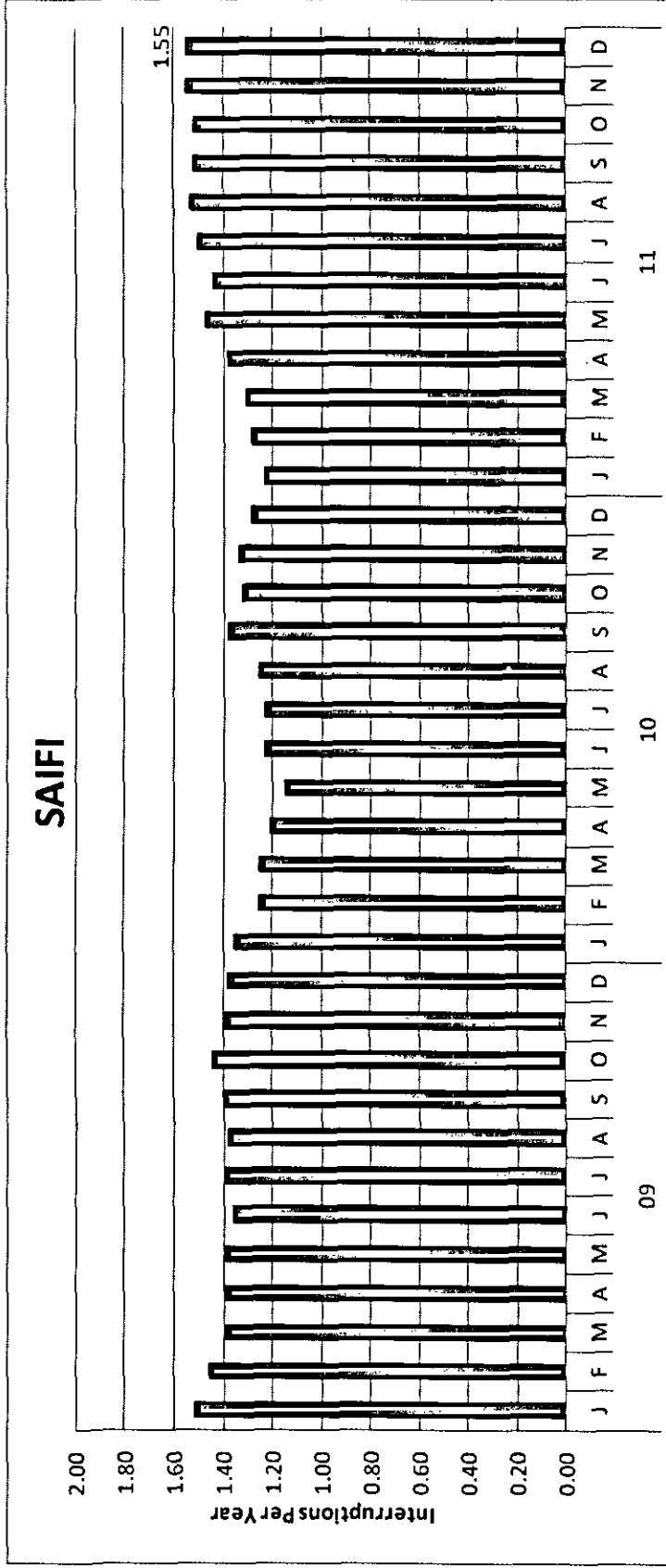








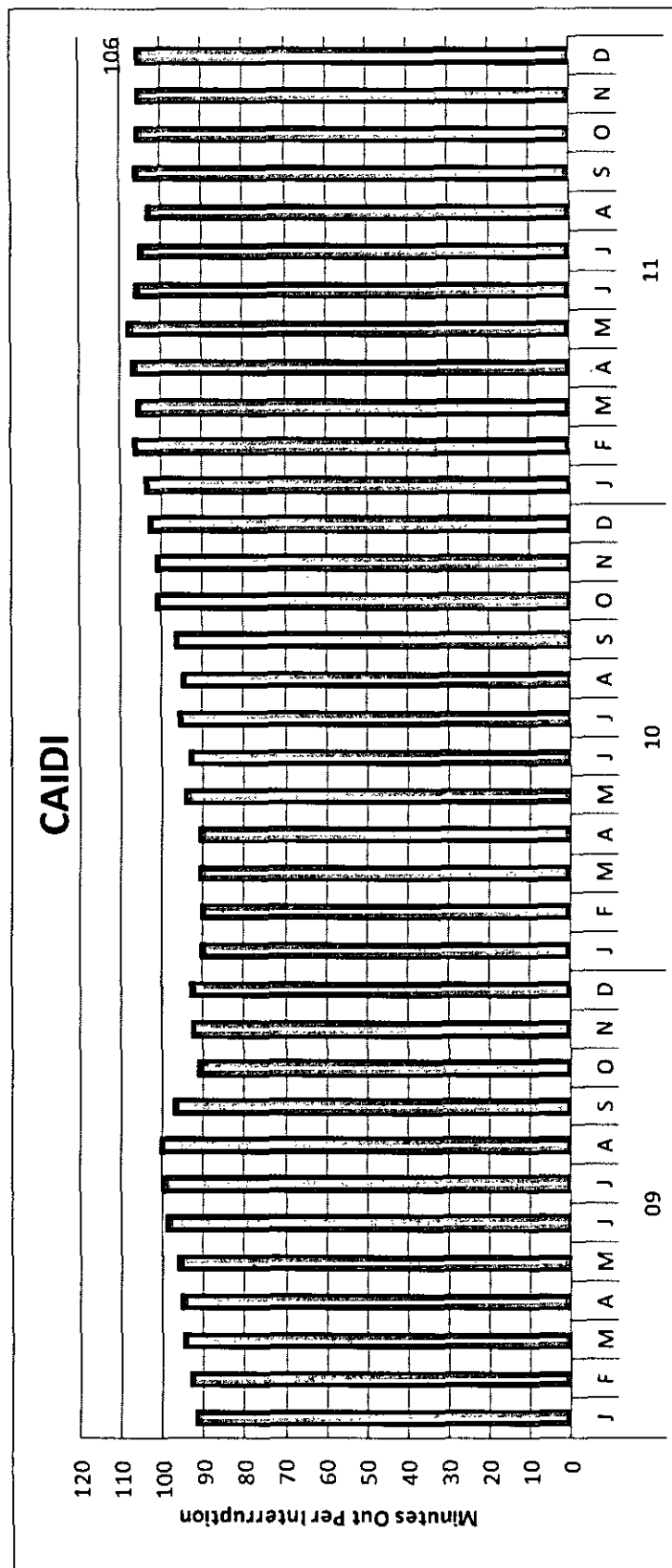
12 Month Rolling Average



Outage data excluded for storms rated as major event days according to IEEE Std. 1366-2003, 2.5 Beta methodology.



12 Month Rolling Average



Outage data excluded for storms rated as major event days according to IEEE Std. 1366-2003, 2.5 Beta methodology.

DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
TRANSMISSION ENGINEERING AND ASSET MANAGEMENT
SFR REFERENCE: CHAPTER II (9)(a)(i, iii, vi, vii)

I. Policy and Goal Setting

The Department supports the corporate policies and objectives as described in the Policies section of the Employee Portal through the related Duke Energy procedures and practices. The Duke Energy Policies and Procedures are provided to all employees. These form the general guidelines for the Company in the areas of employee relations, compliance with laws or governmental directives and Company relationships with the communities we serve.

Goal setting at the department level is accomplished by the Vice President and other departmental leadership. The goals are formulated to support and complement the primary objectives and business plans of Duke Energy business unit. Specific initiatives developed from the goals identify objectives, implementation schedule, milestones, responsibilities, and resources required. The goals, once developed by the Department, are presented to the Senior Vice President and Chief Transmission Officer for review and, upon approval, are incorporated into the business plans.

II. Strategic Planning

Planning for the Department is the responsibility of the Transmission Engineering and Asset Management Vice President in partnership with extended leadership team of the department. Strategic planning is coordinated and monitored collectively with all departments in Transmission utilizing input from key support groups such as technical services, transportation, materials management, finance, and human resources.

Each Department supports Transmission's strategic plan and corporate goals and objectives through the following on-going activities:

- Facilitate an injury-free and environmentally responsible work environment
- Review customer service results and create action plans for improvement
- Develop, monitor and project department budgets for cost management
- Establish performance expectations and evaluate employees on a regular basis
- Evaluate and improve operational processes
- Use of special project teams to investigate and provide recommendations on process improvement opportunities

III. Organizational Structure

Transmission Engineering and Asset Management is under the direction of a Vice President who reports to the Senior Vice President and Chief Transmission Officer. Five organizations report to the Transmission Engineering and Asset Management Vice President thru the following positions:

- Director of Transmission Engineering - Midwest
- Director of Transmission Engineering - Florida
- Director of Transmission Engineering – Carolinas West
- Director of Transmission Engineering – Carolinas East
- General Manager of Asset Management

The organizational charts for Transmission Engineering and Asset Management are shown in Exhibit TERPM-1.

IV. Responsibilities

Transmission Engineering and Asset Management provides cost effective engineering and asset management services associated with the conversion, delivery and sale of energy and energy services.

Transmission Engineering - Midwest

Transmission Engineering - Midwest is responsible for the design of both substation and transmission line projects. Three functional efforts exist. **Substation Engineering** and **Protection & Control Engineering** are the two groups that focus on substation projects and the development of technical resources with a depth of understanding in substation design and operations. **Line Engineering** is focused on delivering transmission line projects and the development of technical resources with an in-depth understanding of transmission system design and operations.

Substation, Protection & Control and Line Engineering perform the following common specific duties:

- Create construction drawings and associated bills of material for various projects
- Specify and obtain materials/equipment specific to a project
- Support equipment specification and standards process
- Develop project scopes and estimates
- Provide construction support
- Perform special studies as needed

In addition, **Substation and Line Engineering** also perform the following specific duties:

- Support siting and permitting processes
- Perform line encroachment investigations

Protection and Controls Engineering is also responsible for the design of the protective relaying systems, used on the electric system, that protect employees, equipment and the public from the various events and issues that occur. As such they:

- Specify relays and associated communication systems
- Design protective relay systems
- Specify settings for protective relays
- Maintain engineering records associated with relays and protective systems
- Support field craft in the installation and troubleshooting of relay systems
- Support Asset Management and Operations in event investigations
- Coordinate protective systems between grid and generators as well as with other interconnected electric utilities and large customers

Asset Management

Asset Management includes several general engineering services functions that support Transmission Engineering and Transmission Construction and Maintenance. These functions include **System Standards, Equipment Engineering, Data Management, Transmission and Substation Performance** and **Technical Support**. **System Standards** is primarily responsible for the development of standard transmission line and substation designs and associated equipment specifications that are utilized by design staff located in Transmission Engineering across the service territory. **Equipment Engineering** develops and maintains transmission equipment specifications and equipment maintenance schedules. **Data Management** manages Transmission asset records and associated data. **Transmission and Substation Performance** provides system wide analysis of reliability performance and identifies and supports maintenance and capital reliability improvement programs. **Technical Support** provides day-to-day support and expertise for Transmission Construction and Maintenance. They also support outage follow-up, substation assessments and other operational issues. Specific duties of Asset Management include:

- Development of standard designs and equipment specifications
- Support of both engineering and field in the application of standards
- Perform engineering studies and analysis as needed on various topics
- Design maintenance programs and requirements for inspecting equipment, identifying problems, and correcting those problems.
- Monitor and analyze the performance of maintenance programs.
- Specify reliability improvement programs and plans where needed.
- Monitor and report on reliability performance using industry standard measures such as SAIFI, SAIDI, etc.
- Analyze the current age and condition of transmission assets.
- Design replacement programs and requirements for equipment that needs replacement.

V. Practices and Procedures

The major practices and procedures of Transmission Engineering and Asset Management include:

- Develop and maintain optimization/prioritization criteria and models
- Design reliability & integrity maintenance programs and requirements
- Create reliability improvement plans
- Create project estimating and scope development at various stages of project life
- Track electric system performance and analyze for improvements
- Develop major project capital budgets and O&M program budgets
- Develop reliability and integrity maintenance and capital budgets
- Review monthly financial objectives
- Design and implement projects as assigned

VI. Decision Making and Control

The responsibilities for planning and decision making rests with the organizational level that has the information and facts to make sound judgments based on Company policies, procedures and regulatory directives, and the authority to take effective action. The decisions made by specific levels of management are relevant to the basic purpose of their position.

Daily, monthly, and quarterly operational reports including outage and financial are used to monitor progress and provide a means of evaluating decision making.

VII. Internal and External Communication

Transmission Engineering and Asset Management must work closely with a number of other departments within the Company in order to carry out its responsibilities. Because of the complexities involved in the daily operation and maintenance of the electric transmission system, the department maintains working relationships through various channels of communication with many departments including:

- Other Transmission Departments
- Duke Energy Ohio President
- Environmental Health & Safety
- Midwest Delivery and Gas Operations
- Information Technology
- Power Generation
- Government & Regulatory Affairs
- Real Estate & Facilities Services
- Customer Contact Centers
- Legal
- Supply Chain
- Human Resources

Internal communication channels (verbal, e-mail, suggestions, etc.) are structured in a way that provides information in a timely manner to all personnel within the department. Internal communication is accomplished through a variety of mechanisms. A large part of internal communication results from daily interaction among department personnel. In addition, meetings between the Vice President, General Managers, Directors and Managers augment this communicative effort. Whenever possible, formal written procedures and policies are used to convey information to personnel in the Department. These may include handbooks for policies and procedures, Manual Work Standards, formal written job descriptions, Administrative Standards, Technical and Operating Procedures.

Communication with vendors and contractors is handled by field visits, telephone, e-mail, and meetings.

External communication includes contact with residential, commercial and industrial customers through written communication, telephone, e-mail, and web based applications. Letters written by employees and sent outside the Company are signed by the appropriate level within the Department, depending on the nature of the letter.

Employees attend various meetings with other electric utilities, associations and organizations as delegates or committee members. They conduct joint studies, coordinate projects, and discuss common issues to the electric utility industry. Some employees address outside agencies as speakers and provide professional papers on technical subjects.

Transmission Engineering, and Asset Management employees also work with local, state, federal, as well as regulatory agencies to furnish information as requested and to coordinate inspections and audits of operations by these agencies.

VIII. Goal Attainment and Qualification

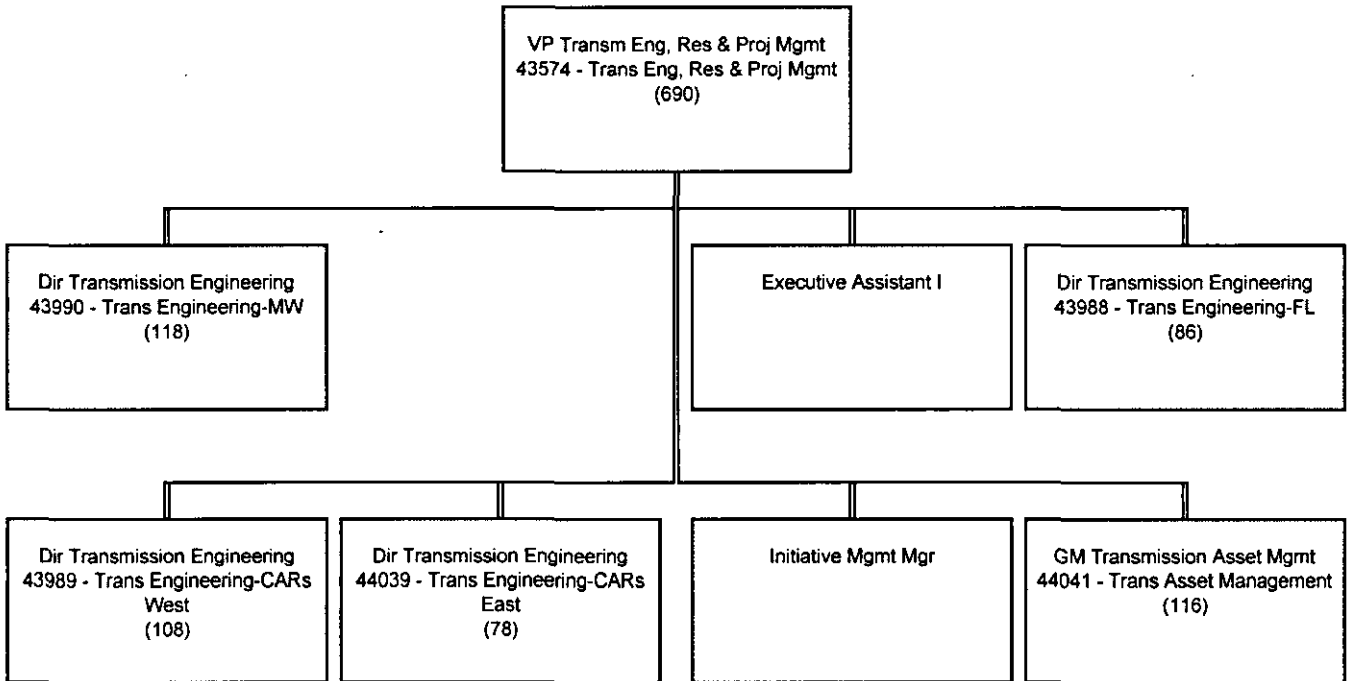
In general, the performance of Transmission Engineering and Asset Management is measured by its contribution to the safe, reliable, and cost efficient operation of Duke Energy's electric system. In addition, the Department remains abreast of technological developments and incorporates them when efficiencies can be gained.

Transmission Engineering and Asset Management provides updates for a consolidated monthly report submitted to the Senior Vice President and Chief Transmission Officer detailing the progress in attaining the established Departmental goals.

Performance indicators are utilized by Transmission Engineering and Asset Management as measures of performance. The following are example items that are used to measure performance:

- Elimination of Personal Injuries
- Reduction of Preventable Vehicle Incidents
- Customer Satisfaction

- Reliability and Restoration
- Budget and Cost Monitoring



DUKE ENERGY CORPORATION
DUKE ENERGY OHIO, INC.
SUMMARY OF MANAGEMENT POLICIES, PRACTICES AND ORGANIZATION
OPERATIONS SUPPORT
SFR REFERENCE: CHAPTER II (B)(9)(a)(iii)(9)(g)(i, ii)

I. Policy and Goal Setting

The Operations Support Department supports the corporate policies and objectives as described in the Policies section of the Employee Portal through the related Duke Energy procedures and practices. The Duke Energy Policies and Procedures are provided to all employees. These form the general guidelines for the Company in the areas of employee relations, compliance with laws or governmental directives and Company relationships with the communities we serve.

Goal setting at the department level is accomplished by the Vice President and other departmental leadership. The goals are formulated to support and complement the primary objectives and business plans of Market Solutions and Distribution (inclusive of the Carolinas, Midwest, and Florida Jurisdictions). Specific initiatives developed from the goals identify objectives, implementation schedule, milestones, responsibilities, and resources required. The goals, once developed by the Department, are presented to the Delivery Operations Executive Vice President for review and, upon approval, are incorporated into the business plans.

II. Strategic Planning

Planning for the department is the responsibility of the Vice President of Operations Support with input from the General Managers, Directors and Managers. Strategic planning is coordinated and monitored collectively with all departments in Market Solutions, Carolinas Region & Midwest & Florida Regions organizations, utilizing input from key support groups such as technical services, fleet, materials management, finance, and human resources.

Operations Support facilitates each Department within Market Solutions, Carolinas Region and Midwest & Florida Regions. It prepares a business plan that supports Duke Energy's corporate goals and objectives through the following on-going activities:

- Facilitate an injury-free and environmentally responsible work environment
- Review customer service results and create action plans for improvement
- Develop, monitor and project department budgets for cost management

- Establish performance expectations and evaluate employees on a regular basis
- Evaluate and improve operational processes
- Use of special project teams to investigate and provide recommendations on process improvement opportunities

A sample business plan from Midwest Delivery Operations is attached as Exhibit OS-1.

III. Organizational Structure

Operations Support is under the direction of a Vice President who reports to the Executive Vice President of Marketing Solutions. Six positions report to the Operations Support Vice President:

- Managing Director of EAM Integration Program
- Director of Business Performance & Planning
- Director of Strategic Business Support
- General Manager of Technology Performance
- General Manager of Fleet Services
- General Manager of Operations Services

The organizational chart for Operations Support are shown in Exhibit OS-2.

IV. Responsibilities

Operations Support provides centralized guidance and services to Delivery Operations and drives operational excellence and continuous improvement in safety, reliability, customer service and cost.

EAM Integration Program

EAM Integration is responsible for the strategic direction and support of the work, asset, resource and inventory management suite of systems for the non-nuclear enterprise while at the same time completing the consolidation of non-legacy Duke Energy companies onto the suite of tools and processes. Activities include the following:

- Maintain and support a suite of over 125 systems that enable end-to-end work, asset, inventory and resource management functions across all of the non-nuclear business units.
- Drive consistency, stability, and performance improvement initiatives to ensure appropriate system support and reliability, governance over system change and upgrades, and long term strategy for the 125 systems.
- Drive consistent, standardized processes and use of systems across the non-nuclear enterprise for any merged or acquired companies.

Business Performance & Planning

Business Planning and Performance is responsible for coordinating support activities for Market Solutions, Carolinas Region & Midwest & Florida Regions including the following:

- Coordinates and facilitates development of strategic and operational plans
- Facilitates target setting and reports performance measures, key indicators, and scorecards
- Facilitation and coordination of governance and management systems such as peer teams, business plan reviews and regulated utility planning and execution forums. Facilitates Industry benchmarking activities
- Analysis and monitors trends and evaluates business opportunities
- Administers short term incentive plan for Market Solutions, Carolinas Region & Midwest & Florida Regions
- Develop and maintain operational reports and metric data for defined systems

Strategic Business Support

Strategic Business Support engages with internal customers to provide high-impact, high-priority Change Management, crisis and internal Operations communications, and Executive engagement services for Delivery Operations and Regulated Utilities through the following:

- Develop Change Management deliverables and internal operations communications
- Align with our customers' culture, readiness and capacity to change
- Act as integrators and end-user advocates to achieve business goals
- Use a structured and proven methodology to drive the human side of change

By partnering as trusted business advisors, we enable our leaders to successfully implement change initiatives and engage teams.

Technology Performance

The mission of Technology Performance is to ensure reliable technology that supports the Duke Energy road ahead, our corporate priorities and our strategic initiatives by collaborating with our Business, IT and Vendor partners. Roles and Responsibilities include:

- Application integrity and life cycle management
- System monitoring and incident management
- Experts for projects and system testing
- Technology project management
- Investment planning and technology strategies management

Fleet Services

Fleet Services is an enterprise function that manages approximately 13,000 fleet assets which includes vehicles and mobile equipment for all Duke Energy US departments. Fleet Services provides both governance in the form of Fleet policies for acquisition, tracking and disposal as well as maintenance services. Equipment needs and standards are developed in close partnership with the business units who will be utilizing the equipment. The Fleet Services function includes:

- Maintenance and repair services
- Acquisition, financing and disposal
- Corporate Fleet Policies
- Parts and contract management
- Fuel card programs
- Licensing and registration
- Compliance and sustainability strategies.

Operations Services

Operations Services is composed of five teams which provide centralized support for field operations. These five areas include:

- Centralized Operations provides a variety of services including:
 - Rubber Goods Testing
 - Tool Repair
 - Contract Management
 - Connection to Mutual Assistance Agencies
 - Claims Processing of damages inflicted on Duke Energy
 - Managing Locates Contract
 - Facilities Management
- The Craft & Technical Training organization:
 - Creates and standardizes effective training materials;
 - Develops and implements integrated work practices, tools and equipment standards;
 - Builds consistency and standardization of safe work practices, tools and equipment;
 - Delivers high quality training to enable and sustain safe and efficient performance of operational fundamentals.
- Operational Effectiveness provides support to field operations by providing diverse, specialized expertise to identify and facilitate continuous business improvement and error reduction efforts leading to event-free operations through:
 - Business Process Management
 - Emergency Preparedness
 - Human Performance Improvement
 - Operational Excellence
 - Process Improvement

- The Standards organization is responsible for equipment and material standards, construction standards, engineering design standards, and application standards for the Electric Distribution system.
- Vegetation Governance organization is responsible for leading and providing strategic direction in the governance of the vegetation management programs for Duke Energy distribution and transmission lines and right-of-ways.

V. Practices and Procedures

Operations Support continuously networks with all departments in Market Solutions and Distribution (inclusive of Carolinas, Midwest & Florida Jurisdictions) to coordinate activities including business plans, performance measures, field support, training, work procedures and documentation, labor & resource strategies, process improvement initiatives, technology implementation, vehicle standards, and contract asset administration.

VI. Decision-Making and Control

The responsibilities for planning and decision making rests with the organizational level that has the information and facts to make sound judgments based on Company policies, procedures and regulatory directives, and the authority to take effective action. The decisions made by specific levels of management are relevant to the basic purpose of their position. Daily, monthly, and quarterly operational reports including outage and financial are used to monitor progress and provide a means of evaluating decision making.

A committee structure has been established to ensure strategies and decisions reviewed by regulated utility. Exhibit OS-3 shows the forum and committee structure along with members and decisions made at each level.

VII. Internal and External Communication

Operations Support must work closely with a number of other departments within the Company in order to carry out its responsibilities. Because of the complexities involved in the daily operation and maintenance of the electric distribution system, the Department maintains working relationships through various channels of communication with many departments including:

- Midwest Delivery Operations
- Duke Energy Ohio President
- Environmental Health & Safety
- Gas Operations
- Information Technology
- Power Generation
- Government & Regulatory Affairs
- Real Estate & Facilities Services
- Customer Contact Centers
- Legal

- Supply Chain
- Human Resources

Internal communication channels (verbal, e-mail, suggestions, etc.) are structured in a way that provides information in a timely manner to all personnel within the department. Internal communication is accomplished through a variety of mechanisms. A large part of internal communication results from daily interaction among department personnel. In addition, meetings between the Vice President, General Managers, Directors and Managers augment this communicative effort. Whenever possible, formal written procedures and policies are used to convey information to personnel in the Department. These may include handbooks for policies and procedures, Manual Work Standards, formal written job descriptions, Administrative Standards, Technical and Operating Procedures.

Communication with vendors and contractors is handled by field visits, telephone, e-mail, and meetings.

External communication includes frequent contact with residential, commercial and industrial customers through written communication, telephone, e-mail, and web based applications. Letters written by employees and sent outside the Company are signed by the appropriate level within the Department, depending on the nature of the letter.

Employees attend various meetings with other electric utilities, associations and organizations as delegates or committee members. They conduct joint studies, coordinate projects, and discuss common issues to the electric utility industry. Some employees address outside agencies as speakers and provide professional papers on technical subjects.

Operations Support employees also work with local, state, federal, as well as regulatory agencies to furnish information as requested and to coordinate inspections and audits of operations by these agencies.

VIII. Goal Attainment and Qualification

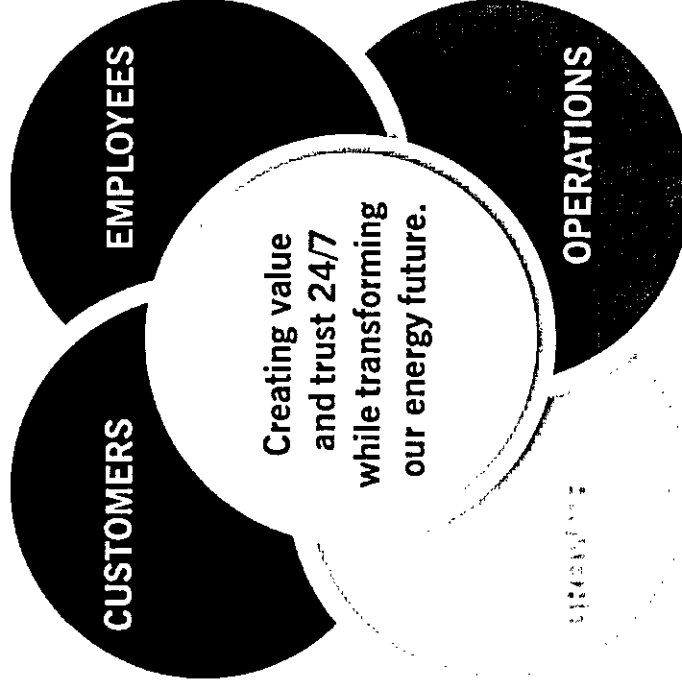
In general, the performance of the Department is measured by its contribution to the safe, reliable, and cost efficient operation of Duke Energy's electric system. In addition, Operations Support remains abreast of technological developments and incorporates them when efficiencies can be gained.

Operations Support provides updates and coordinates various reporting and statusing of initiatives and goals. A monthly report is provided to the SVP of Market Solutions, Carolina Region and to the SVP of Midwest & Florida Regions detailing status against goals.

Performance indicators are utilized by the Department as measures of performance. The following are example items that are used to measure performance:

- Reduction of Personal Injuries
- Reduction of Preventable Vehicle Incidents
- Customer Satisfaction
- Reliability and Restoration
- Budget and Cost Monitoring
- Project Monitoring

A sample dashboard showing these performance indicators for Midwest & Florida Regions is attached as Exhibit OS-4.



2016 – 2018 Summary Business Plan Presentation

Midwest Delivery Operations

August 13th, 2015

Contains privileged and confidential information prepared at request of counsel

Confidential and Proprietary

Fast Facts

Midwest Delivery Operations



Operations

- Distribution Line Miles: total 36,566
- Overhead: 25,888
- Underground: 10,678
- Primary Vegetated Miles: 14,109
- Wood Poles: 1,023,629
- Transformers: 428,390

Customers

- Residential Customers: 1,026,152
- Industrial/Commercial: 146,549
- Square Miles: 26,000

Capital

- \$300M Capital Base
- \$152M Annual Average O&M (3 year)
- \$206M Annual Average Capital (3 year)
- \$17M Annual Average Veg Mgmt (3 year)

Employees

- Employees and Staff Aug: 1,895
- Contractors: 1,890
- Zones: 5
- Operations Centers: 45



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Executive Summary

Midwest Delivery Operations

O&M Plan Bottom line

- Plan requests an additional \$8M over 2016 target to support:
 - New capital investment plans in Ohio (DCI) and Indiana (TDSIC)
 - Veg. Mgmt. levelization in Ohio
- Plan absorbs 3.0% wage increase, non-labor inflation, and allocated target reduction ~\$6M.
- Plan assumes 2016 will be the test year for an Ohio Distribution Electric Rate Case.

Capital Plan Bottom Line

- Plan achieves capital targets for 2016 through 2018
- Plan requests an additional \$13M and \$20M over capital targets for 2016 and 2017 accordingly to support accelerated implementation schedule for TDSIC program.

Competitive Environment

Midwest Delivery Operations

- Increased customer expectation around responsiveness and information
- Social media increases individual customer voice and allows for “piggybackin”
- Competition for labor resources
 - Construction skilled labor. (journeymen / linemen)
 - Contract labor
 - Engineering Design and Project management
- Regulators heightened involvement around customer issues
- Early stages of distributed generation and unclear policies around net metering
- Technology utilization; the way we do work will be heightened and significantly changed.

SWOT Analysis

Midwest Delivery Operations

Strengths:

- Benefits of scale
- *Strong safety culture*
- Favorable regulatory environment and legislation for more timely recovery of distribution investment plans in Ohio
- Favorable customer rates for electric
- Reliability trends shows positive improvement
- Efficient vegetation management program – lowest cost per mile
- Highly reliable Cincinnati Downtown Network system

Weaknesses:

- Business is not aligned with the customer
- *Limited technology, archaic and manual work processes*
 - Adequate Bandwidth in the district
 - Reliance on radio and old commercial network
- Question whether or not we are the employer of choice
- Question partner of choice with contractors
- Aging Distribution infrastructure
- Lack of north star and functional organizations can be inefficient
- Lack of qualified resources to complete work plan

Opportunities:

- Improve customer focus
- Improve employee engagement, development and strengthen leaders
 - Utilize crowd sourcing to engage employees and improve performance
 - Become more agile and adaptive to technological changes
- Modernize system through investment plans
- Utilize grid investment in Ohio
- Enhanced partnering with educational institutions, vendors / suppliers to establish
- Ability to better understand the economics of new programs (e.g. lighting)

Threats:

- Rising customer and regulatory expectations due to advancing technology
- Regulatory oversight – Spend, program, benefit and customer complaint
- Technology deployment unsuccessful – pace, deliver, adoption
- Rising competitive pressures for skilled resources
- Unfavorable regulatory outcomes (TDSIC)
- Distributed generation

Strategic Objectives & Initiatives

Midwest Delivery Operations

2016-2018 Objectives	Initiatives	Road Ahead
1. SAFETY - Drive to top decile safety performance by 2017 and improve contractor safety performance by building a safety conscious culture with a mission of zero injuries and event free operations	<ul style="list-style-type: none"> Continued focus on keys to life Invert the pyramid (safety councils) 	O, E
2. OPERATIONS - Deliver regulatory, legislative, O&M and capital programs and projects in an timely and efficient manner Maximize risk informed productivity and efficiency while maintaining event free operations	<ul style="list-style-type: none"> Implement Information Technology, Telecommunications and Mobility Strategy plan Actively support and participate in union negotiations for successful outcome Improve incident command capabilities Mature HP principle 	O, E
3. CUSTOMER - Drive customer satisfaction rates to the top quartile by 2018 Maximize the reliability of the system through the lens of the customer and risk based analysis	<ul style="list-style-type: none"> Support enterprise customer improvement initiatives Proactive communication plan for Reliability Improvement Projects Improve System Outage Data Accuracy in DOMs Develop & Implement ITR / ETR improvement plan 	C, O
4. GROWTH - Achieve risk informed financial targets Continue to develop, advance and prioritize growth opportunities in the regulated business	<ul style="list-style-type: none"> Deliver targeted P&L Execute TDSIC and DCI plans on schedule and within scope and budget Support the implementation of Regulated Utility Strategy Development (RUSD) plan for MDO 	G, O, C
5. EMPLOYEE - Achieve strategic workforce plan goals, including leadership enhancement Strengthen Employee Engagement	<ul style="list-style-type: none"> Right Employee Develop and implement comprehensive three (3) year workforce strategy OLA (Organizational Leadership assessment) action plan 	E, O



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6 | 2016-2018 Business Plan

Operational/Financial Assumptions

Midwest Delivery Operations

Metrics/Measures	2014 Actual	2015 Projection	2016 Target	2017 Target	2018 Target
TICR/ Total Incident Case Rate – Employee	2.04	< 1.43	TBD	TBD	TBD
TICR/ Total Incident Case Rate - Contractor	.94	.84	TBD	TBD	TBD
SIF/Significant Injury or Fatality - Employee	6	0	TBD	TBD	TBD
SIF/Significant Injury or Fatality – Contractor	1	1	TBD	TBD	TBD
MDO FasTrack Total	78	80	81	83	84
MDO FasTrack Service Initiation	85	86	86	87	87
MDO FasTrack Outage and Restore	75	78	82	84	86
MDO FasTrack Power Quality	74	76	77	79	80
Total O&M Expenditures	\$153.9	\$155.0	\$150.1	\$150.1	\$151.6
Total Capital Expenditures	\$186.7	\$250.0	\$300.2	\$327	\$332
TDSIC Completion % (Sched)	NA	TBD	TBD	TBD	TBD
DCI Completion % (Sched)	NA	TBD	TBD	TBD	TBD
Sys Avg. Interruption Freq Index (SAIFI) (Rolling 12 months) T&D	1.14	1.14	1.09	1.08	1.06
Sys Avg. Interruption Duration Index (SAIDI) (Rolling 12 months) T&D	126	131	129	128	127
Vegetation Miles completed	5,493	5,551	TBD	TBD	TBD
Vegetation Cost per Mile	\$4,480	\$4,305	TBD	TBD	TBD
ITR / ETR – Accurate and timely customer response	NA	TBD	TBD	TBD	TBD

Risk Profile

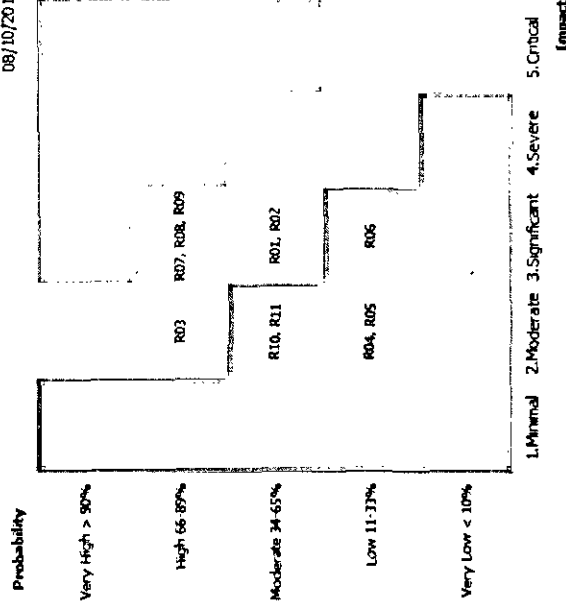
Midwest Delivery Operations

Risk Matrix for MW Delivery Operations

Risk Champion: Chuck Whitlock

Item	Risk Name	P-C-NI-Op-Rep
R01	Leadership Development	3-1-2-3-3
R02	Vegetation Management	3-1-2-3-3
R03	Telecom Performance	4-2-2-2-2
R04	Emergency Incident Preparedness	2-1-2-2-2
R05	Process Adherence	2-2-2-2-2
R06	Increased Regulatory Oversight	2-1-1-2-3
R07	Technology - Pace, Adoption, Delivery	4-1-3-3-3
R08	Rising customer and regulatory expectations due to advancing technology	4-1-3-3-3
R09	Labor Resource	4-3-2-3-3
R10	Downtown Network System	3-1-1-2-2
R11	TDSIC Planning & Engineering	3-2-2-2-2

08/10/2015



Summary

Level of Concern (Low/Med/High):

Low

Important changes since last update:

Impact Scales	Capital/Net Income	Operational	Reputation
1.Minimal	<2% of Budget	A few KPIs	Routine Complaints
2.Moderate	2-5% of Budget	Some KPIs	Significant Complaints
3.Significant	5-10% of Budget	Several KPIs	Local News
4.Severe	10-15% of Budget	SIMC Attention	National News
5.Critical	>15% of Budget	SIMC & BOD Attention	Investigations

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8 | 2016-2018 Business Plan

O&M (net of recoverable & Jt. owner)

Midwest Delivery Operations

(Dollars in Millions)

	2014 Actual	2015 Proj	2015 Budget	2016	2017	2018
Historical O&M (Total)	\$ 153.9	\$ 155.4	\$ 151.2			
Prior Year Budget				\$ 151.2	\$ 157.8	\$ 160.8
Merit increases				\$ 1.9	\$ 1.9	\$ 2.0
Inflation				1.9	1.9	2.0
Base Headcount Increases - EC&P Engineers				0.5		
O&M assoc with increased Capital spend				5.3	1.4	0.6
Vegetation Management				2.1	(2.1)	-
Lighting Repairs				1.0	-	-
Other Dept. Increases				1.0	-	-
Process Centric Implementation Gap				0.3	0.0	0.8
Enable Implementation Gap						0.9
Cost Pressures				13.9	3.2	6.3
Enable				-	-	\$ (2.0)
Process Centric				(0.4)	(0.1)	(0.9)
Vacancy Management				(1.8)		-
Operational Efficiencies / Business Support Initiatives				(4.1)	-	-
Reduction of Other Dept. Increases noted above				(1.0)	-	-
Savings Initiatives				(7.3)	(0.1)	(2.9)
Proposed Budget				\$ 157.8	\$ 160.8	\$ 164.2
Targeted Budget				\$ 150.1	\$ 150.1	\$ 151.6
Gap to Targeted Budget F(U)				\$ (7.7)	\$ (10.7)	\$ (12.6)

Budget Credits Embedded in Proposed Budget

- (1) Targeted budget flat for 2 years based on 2015 budget, 1% increase thereafter
- (2) Enable savings assume Enable implementation date of 2nd qtr 2017
- (3) Process Centric savings assume incremental achievement of 25% in '16, 25% in '17, and 50% in '18



Confidential and Proprietary

9/12/16

2016-2018 Business Plan

2016 O&M – Risk Tradeoff (Net of joint owner)

Midwest Delivery Operations

Distribution		2015 O&M		Funding Requested :		Funding Available	
Midwest Delivery Ops							
Category ID	Category Name	Description	Risk IDs Mapped to Risk Register	Level of Performance (Base Case)	Amount (millions)		
1	Customer Orders	Customer Premise Orders	3, 8	3. Target Performance	\$14.75		
2	Customer Orders	Meter Orders	3, 8	1. Compliance	\$5.95		
3	Customer Orders	Nonpay	8	3. Target Performance	\$5.01		
4	Customer Orders	Power Quality	8	3. Target Performance	\$2.65		
5	Customer Orders	Temporary Services	8	3. Target Performance	\$0.62		
6	Customer Orders	Cable Locates	6, 8	1. Compliance	\$4.42		
7	Restore	Routine Outages	4, 7, 8	1. Compliance	\$20.94		
8	Restore	Outage Follow-up	4, 8	3. Target Performance	\$7.70		
9	Maintain	Lighting O&M	9	3. Target Performance	\$6.35		
10	Maintain	Project O&M	6, 8, 9, 11	3. Target Performance	\$17.22		
11	Maintain	Inspection & Maintenance Programs	2, 6, 8, 10, 11	1. Compliance	\$13.77		
12	Operate	Distribution Operations	1, 3, 4, 5, 7, 8	1. Compliance	\$9.25		
13	Other	Business Support	1, 7	3. Target Performance	\$20.53		
14	Vegetation Management	Veg Mgmt	2, 6, 8	2. Regulatory Compact	\$29.08		
15					\$0.00		
16					\$0.00		
17					\$0.00		
18					\$0.00		
19					\$0.00		
20					\$0.00		
Total:					\$158.24548		

Capital (net of recoverable & Jt. owner) Midwest Delivery Operations

(Dollars in Millions)

	2014 Actual ¹	2015 Proj	2015 Budget	2016	2017	2018
Capital Categories						
Recoverable	\$ 166.3	\$ 184.4	\$ 185.0	\$ 225.5	\$ 241.4	
Expansion	54.3	54.3	66.6	38.0	39.2	
Investment	-	-	-	-	-	
Maintenance	30.5	30.5	48.6	76.6	71.0	
Total	\$ 186.7	\$ 251.1	\$ 269.2			
Proposed Budget				\$ 300.2	\$ 340.0	\$ 351.6
Targeted Budget (1)				\$ 300.2	\$ 327.0	\$ 332.0
Gap to Targeted Budget F(U)				-	(13.0)	(19.6)

Budget Credits Embedded in Proposed Budget

O&M Associated with Proposed Capital Spend (Included in Proposed O&M Budget)						
Project	Annual Spend					
Project O&M - TDSIC	\$	2.5	\$	4.4	\$	5.0
Project O&M - ESP		7.0		7.3		7.6
Project O&M - Non Recoverable Capital	\$	6.3	\$	6.3	\$	6.1
Description		-		-		-
Description		-		-		-
Total	\$	15.8	\$	18.0	\$	18.6

¹ 2014 Actuals were not categorized so include only in total.



Confidential and Proprietary

11 | 2016-2018 Business Plan

List of discrete O&M spending items that can be deferred or accelerated depending on funding availability for the enterprise

Item ID	Description	Category ID	Amount (in millions)	Most Impacted Road Ahead Focus Area	Risk (s) Tied to Funding Decision	Risk Likelihood	Risk Impact	Risk Matrix
Defer								
1	Vacancy Management	13	\$2.80	Employees	Inability to build and execute business plans	4. Low	4. Moderate	4. Moderate
2	Eliminate Ovhd Equip Inspections	11	\$1.70	Customers	Non-compliance, particularly in Ohio. Risks creating significant backlog with equipment maintenance	2. High	3. Significant	3. Significant
3	Overtime Management	7	\$1.00	Customers	Delayed restoration and customer response times	2. High	3. Significant	3. Significant
4	Eliminate Unplanned Maintenance Work	11	\$1.00	Customers	Increased reliability issues and customer response times	3. Moderate	4. Moderate	4. Moderate
5	Reduction in support organization cross charges	13	\$1.40	Employees	Taking on additional responsibility utilizing internal resources in MDO	3. Moderate	4. Moderate	4. Moderate
Accelerate								
1	Technology Deployment	13	\$3.00	Operations	Enhance technology infrastructure and platforms to facilitate more efficient work processes	4. Low	3. Significant	3. Significant
2	Leadership development and employee engagement opportunities	14	\$2.50	Employees		5. Very Low	3. Significant	3. Significant
3	Engage in customer centric operations that improves the customer experience	10	\$2.50	Customers		4. Low	4. Moderate	4. Moderate

Agility O&M	Amount	% of Total O&M*
Defer	\$7.90	5.0%
Accelerate	\$8.00	5.1%

Major Initiative

Midwest Delivery Operations

Execute TDSIC and DCI plans on schedule and within scope and budget

Opportunity / Threat Statement

TDSIC - Duke Energy has petitioned the Indiana Utility Regulatory Commission for approval of a 7-year plan for eligible transmission, distribution, and storage system improvements under the Senate Bill 560 TDSIC Rider.

ESP / DCI - In May of 2014, Duke Energy filed its application for the 2015 thru 2018 Ohio Electric Security Plan. The accompanied Rider, DCI, is a comprehensive 3 year distribution capital investment plan that will help the company proactively replace some of its aging infrastructure. The company will be able to file these capital investments on a quarterly basis.

Scope

TDSIC - Distribution projects will implement distribution automation technologies and IVCC across the DEI service territory. This project charter will address Indiana Distribution projects included in the Indiana TDSIC program .

DCI - Significant investments will be made to aging infrastructure.

Project/Tasks

- 1 Obtain regulatory approval of TDSIC plan.
- 2 Obtain regulatory approval of ESP/DCI plan.
- 3 Install distribution line IVVC equipment and infrastructure using circuit modeling and analysis during the 2017-2020 period.
- 4 Continuation of the R&I Capital Program with targeted increases in spend over the next 7 years
- 5 Install Distribution Automation (DA) to enhance distribution grid reliability via FLISR (Fault Location, Isolation, & Service restoration)
Cincinnati Downtown Network where some equipment is still in operation that dates back to the 1920's.
- 6 New proactive programs will be implemented to address submersible transformer replacements in subdivisions, unique station type transformers, and also proactive replacement of live-front padmounted transformers.
- 7 Some existing programs, 4KV conversions, PILC Replacement, Danger Tree Removal, and URD cable injection & replacement will see significant increases in spending over the term.

9

Metrics/Measures

Current

2018 Target

2016 - 2018 Look Ahead

2015	Approval of ESP plan TDSIC filed w Indiana Utility Commission
2016	Indiana Utility Commission Approval of TDSIC

Major Initiative

Midwest Delivery Operations

Successfully implement efforts that drive customer satisfaction rates to the top quartile by 2018

Opportunity / Threat Statement	
We see an opportunity to ensure our lens has an increased sensitivity towards the customer when designing our infrastructure, how we use technology and how we communicate to meet customer expectations. To that end, we will continue several customer focused initiatives as well as embark on new ones that can leverage current implementations.	
Scope	
Support enterprise customer improvement initiatives by providing leadership and opportunities for employees to become well-informed agents of the company. Implement action plans aimed at proactive and increased customer communications during reliability projects and during outage incidents and outage restorations.	
Project/Tasks	
1	Develop heightened customer focus within operational processes
2	Improve System Outages Data Accuracy in DOMs
3	Develop & Implement ITR / ETR improvement plan
4	Proactive communication plan for Reliability Improvement Projects
5	
6	
7	
8	

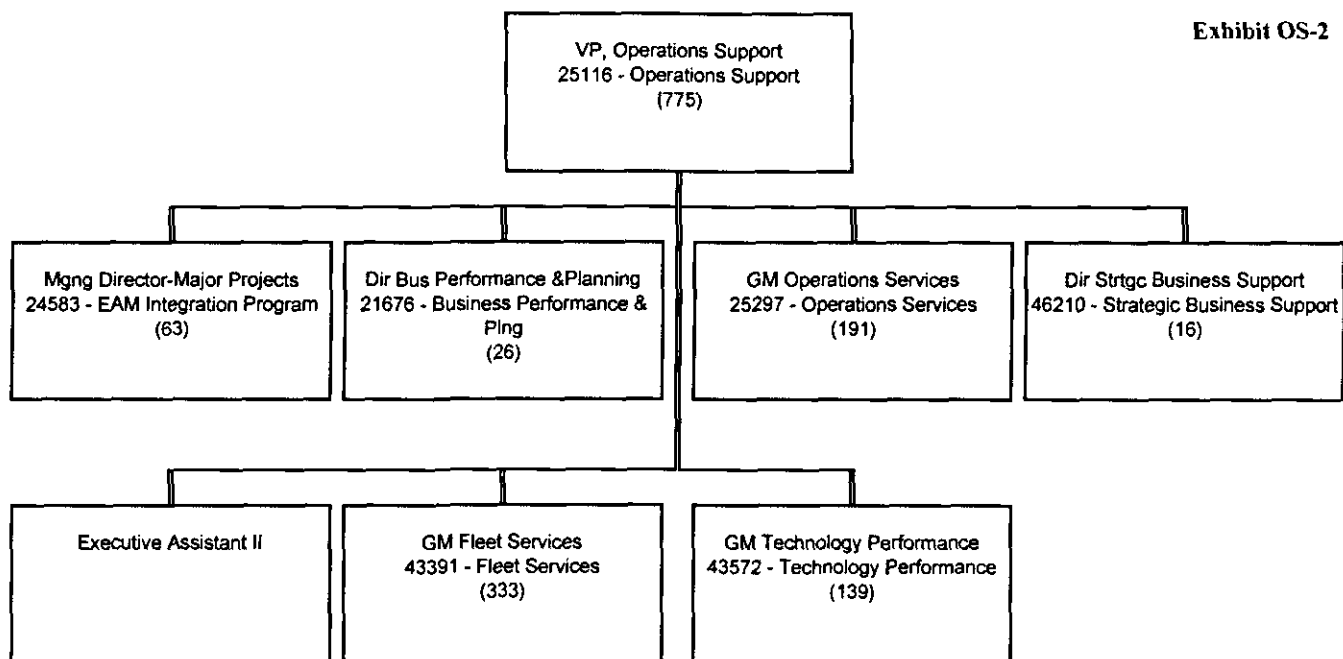
Metrics/Measures		Current	2018 Target
2016 - 2018 Look Ahead			
2015	Identify the reliability projects and programs that provide the greatest opportunity to proactively communicate with the customer		
2015	Develop process for communicating to internal stakeholders, i.e. Account Managers, Govt. Affairs, etc.		
2015	Determine methods for communicating to various customer groups about projects in progress as well as future projects.		

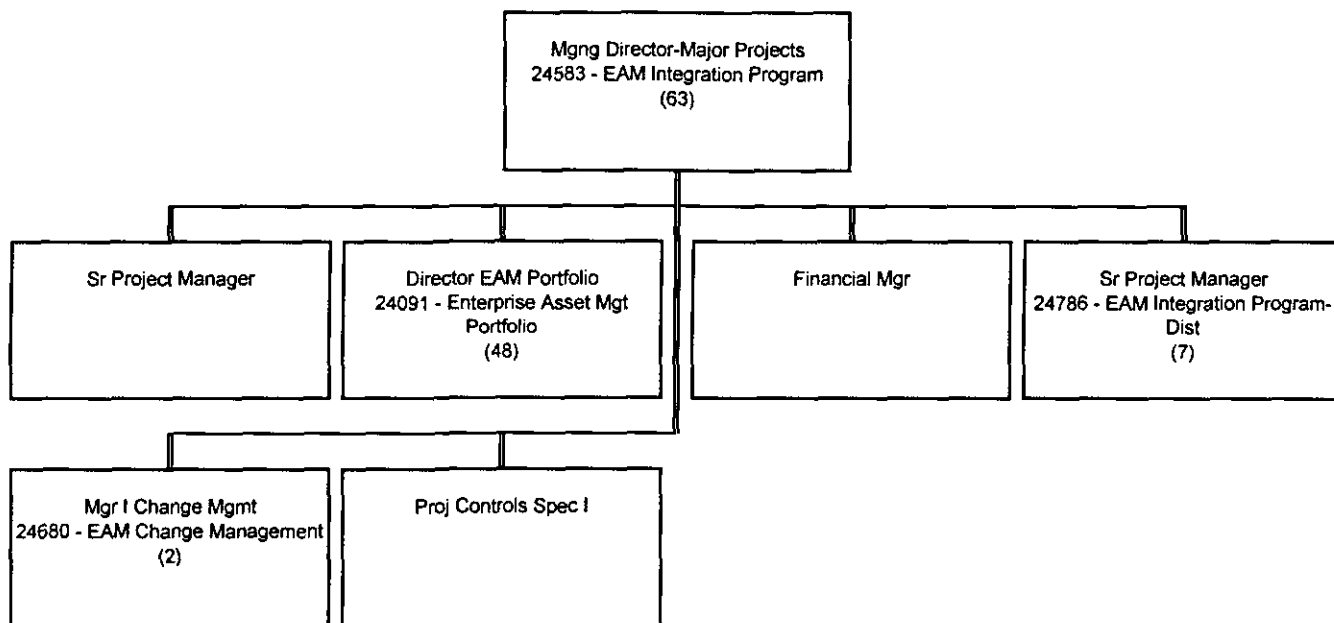
Top Business / Operational Performance Metrics Benchmark Data

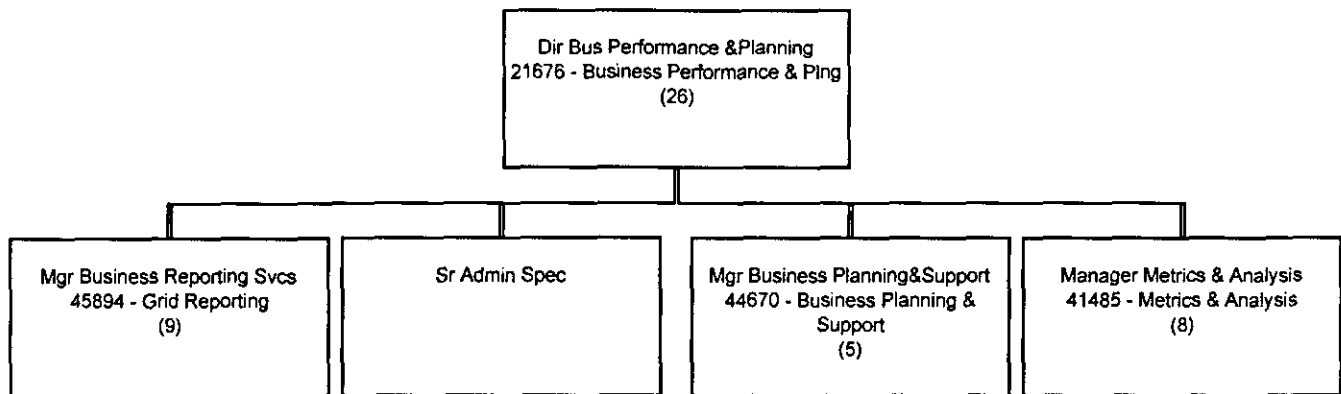
Midwest Delivery Operations

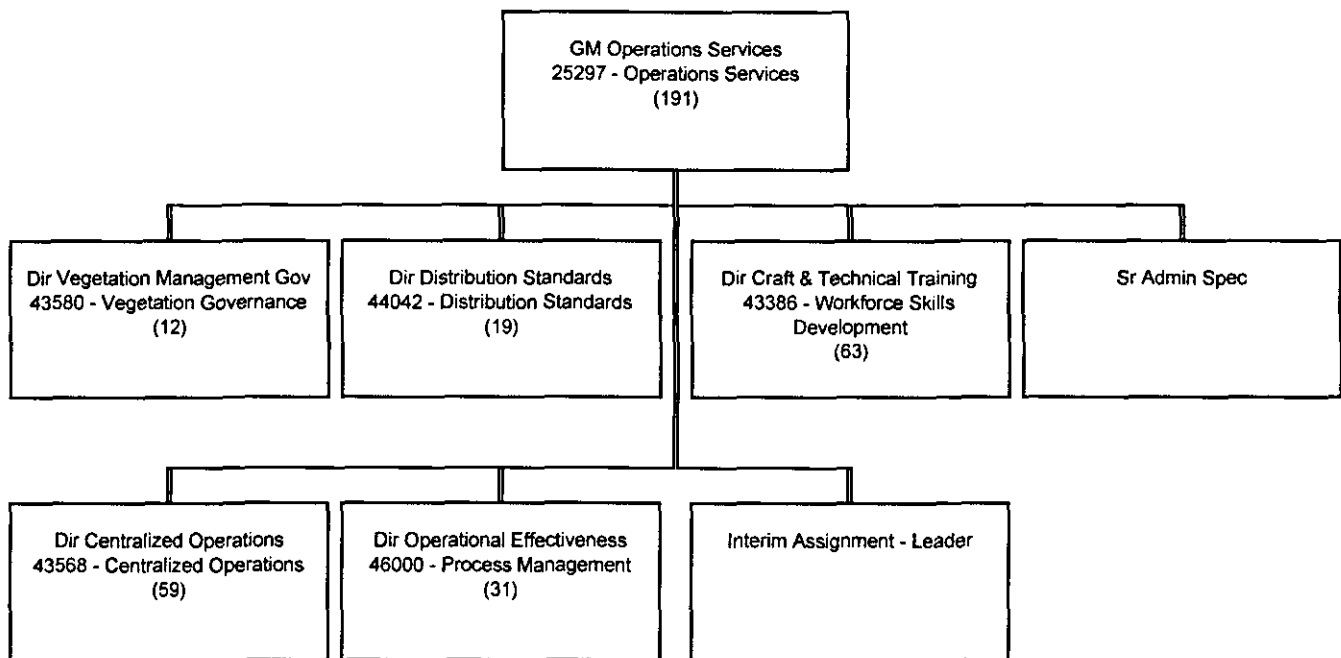
Metric Name	Level	2013	2014	2018 Target
TICR	Top Decile	2.08	2.04	TBD
SAIDI	0.7% increase per year	135	135	127
SAIFI	1.5% increase per year	1.16	1.16	1.06

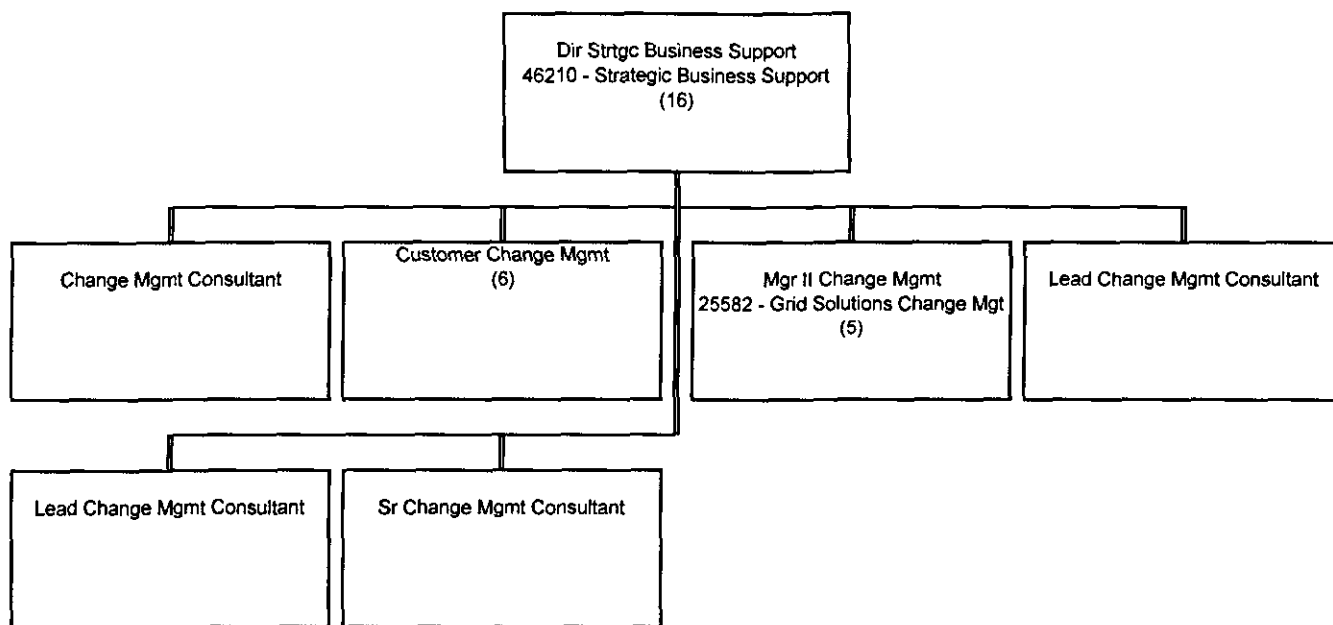
Exhibit OS-2

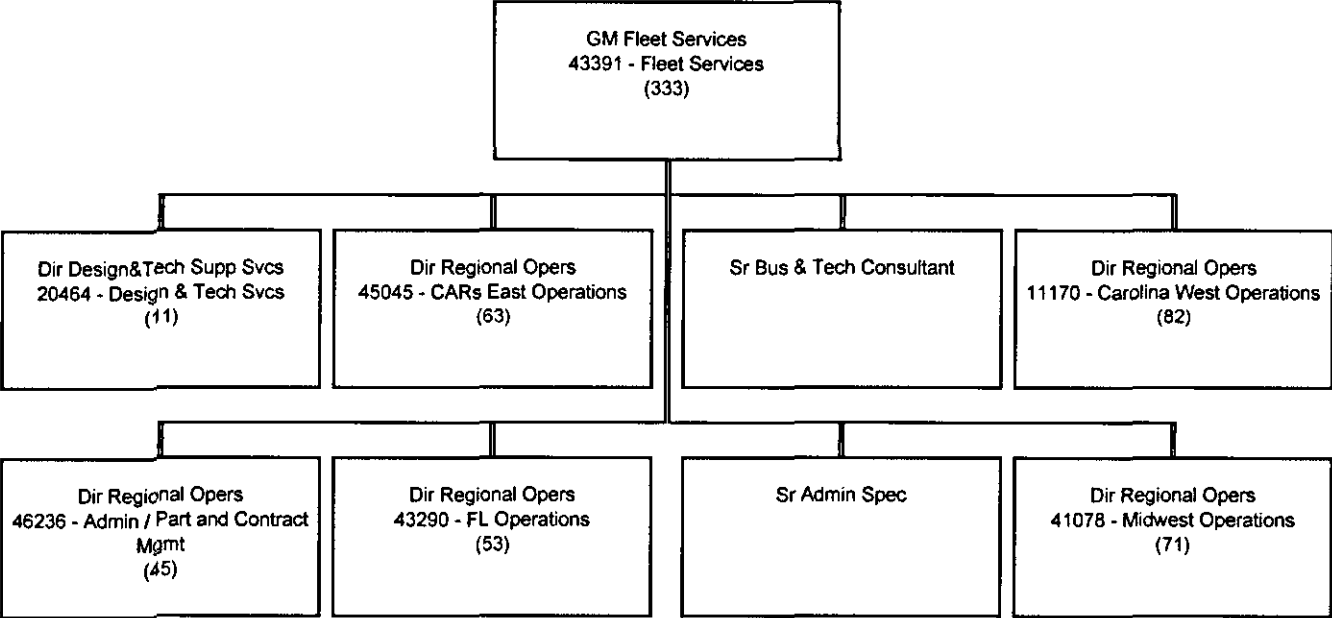












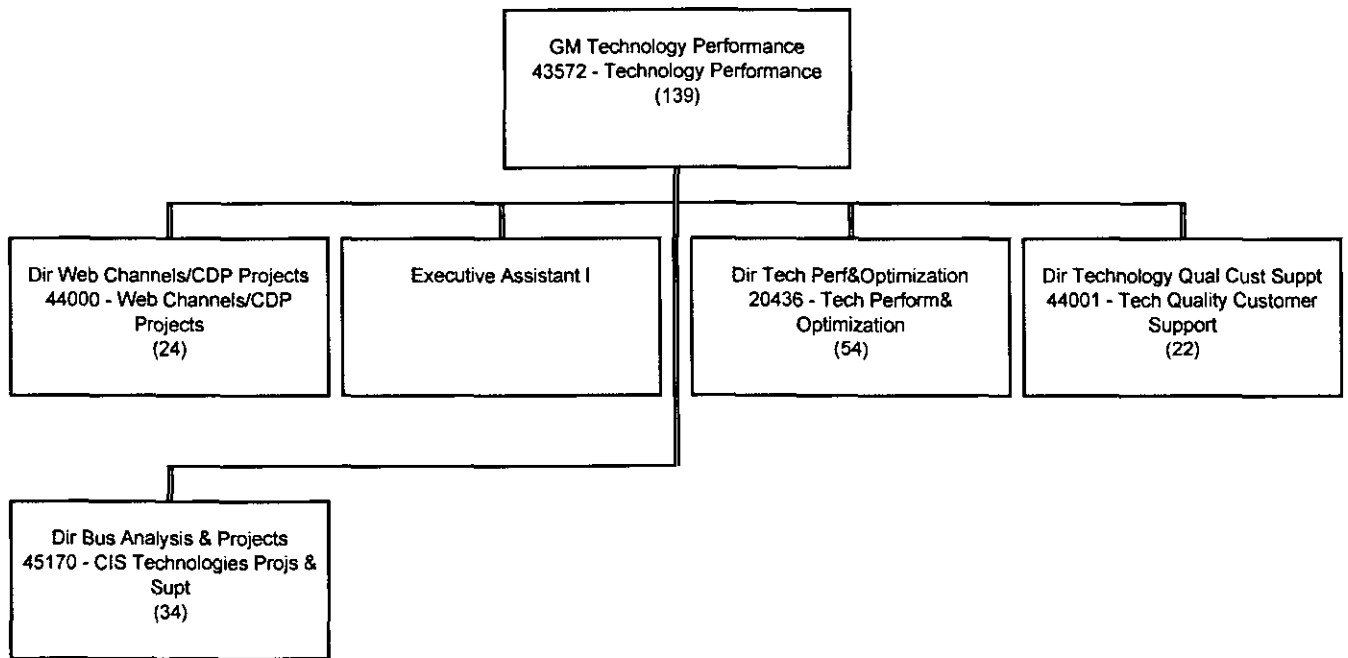


Exhibit OS-3

Forums and Committees	Purpose	Key Decisions/Outcomes	Attendees
Local Regulated Utility Review Meeting - Monthly	Utility Level <ul style="list-style-type: none"> Financial review Operating review Key performance indicators Roadmaps and state-specific initiatives Regulation update Legislative update Prepare for RUP&E Requests and recommendations 	<ul style="list-style-type: none"> Monitor execution of strategies, by Regulated Utility Forum to communicate across functions Identify issues requiring decisions by the RUP&E 	<ul style="list-style-type: none"> Led by Regulated Utility President Regional functional leaders (e.g.: Maxon, Whitlock, Smith, Hayes, etc.) Regional Financial Staff Legal Staff
Regulated Utility Planning & Execution (RUP&E) Forum - Monthly	Regional Level <ul style="list-style-type: none"> Management of P&Ls and operations Ownership of jurisdictional roadmaps and state-specific timing of initiatives Regulatory filings and legislative recommendations and solutions Rate case planning and development Jurisdictional stakeholder strategies and action plans New revenue generation plans 	<ul style="list-style-type: none"> Oversight of business plan development and execution Trade-off of budget or planned spending between regulated utilities Identify sustainable, risk-informed O&M savings Approval of new products & services Tracking and prioritization of stakeholder engagement, and regulatory and legislative progress 	<ul style="list-style-type: none"> Led by Presidents for each Regulated Utility SMC: Esamann, Jamil, Yates, Young Others: Birmingham-Byrd, Caldwell, Callahan, Council, Fountain, Gates, Charley-Tagoe, Gillespy, Glenn, Henning, Jacobs, Lanier, Lewis, Maxon, Mazzocchi, Pitesa, Smith, Toomey, Weintraub, Whitlock
Senior Management Committee (SMC) - Weekly	Enterprise Level <ul style="list-style-type: none"> Establish and ensure execution of enterprise strategy Ensure solid business performance and framework for operational excellence Ensure financial performance and health of the enterprise Manage enterprise capital, human and other resource allocations Steward corporate brand and reputation Facilitate enterprise talent development and succession planning Establish corporate culture & "tone at the top" 	<ul style="list-style-type: none"> Duke Energy purpose, values, vision, strategy and Road Ahead Financial objectives and results communicated to investors, employees and other stakeholders Employee Engagement Survey action plans Talent Council and succession planning Duke Energy views of proposed legislation or environmental regulation Company direction on safety, operational excellence, brand and sustainability 	<ul style="list-style-type: none"> SMC Members



MDO Monthly Report

February 2016

DO Measures and Metrics



February 2016

Section Indicators

Safety

Employee Total Incident Case Rate (TICR)	Rate	1.45	0.53	1.36
		1.22	1.22	1.22
Contractor Total Incident Case Rate	Rate	0.84	1.78	0.60
		1.22	1.22	1.22
Employee Worker Fatality	YTD#	0	0	0
		0	0	0
Contractor Worker Fatality	YTD#	0	0	0
		0	0	0
Employee Life-Altering Injury	YTD#	0	0	0
		0	0	0
Contractor Life-Altering Injury	YTD#	0	0	0
		0	0	0
Employee Preventable Vehicle Accidents	YTD #	12	11	4
		65	40	34
Contractor Preventable Vehicle Accidents	YTD #	12	0	4
		No Target	No Target	No Target
HP Self Reporting Percentage	YTD %	64	66	77
Distribution Good Catch Trend	YTD #	16	13	5

Operational Excellence

SAIFI T&D (12Mo Rolling)	Index Value	1.16	1.23	1.11
SAIDI T&D (12Mo Rolling)	Index Value	1.07	1.29	1.14
SAIFI D only (12Mo Rolling)	Index Value	151	98	130
SAIDI D only (12Mo Rolling)	Index Value	139	97	125
CEMI 6	Percent	1.00	1.09	0.90
Customer Orders (Distribution)	YTD #	No Target	No Target	No Target
Customer Order Unit Cost \$	\$ Dollars	136	91	111
Restore Units	YTD #	No Target	No Target	No Target
Total O&M Restore Unit Cost \$	\$ Dollars	3.49	2.04	2.11
Distribution Veg Mgmt - % Complete YTD	% Complete	186,673	123,793	86,511
Distribution Veg Mgmt - Cost per Mile	\$ per Mile	187,174	126,993	88,115
No. Of Major Event Days	YTD #	23.69	23.46	12.63
		22.37	20.28	31.20
		113,004	4,059	4,312
		12,125	4,138	4,293
		431,331	539.28	382.77
		429.34	556.65	602.24
		94.0	114.0	76.2
		100	100	100
		6,650	5,696	4,435
		6,842	6,627	4,365
		2	1	0

Customer

Estimated Time of Restoration (12moRolling)		89.49	92.30	82.72
Fastrack-Service Initiation	Score	87.70	94.00	85.00
Fastrack - Outage Performance	Score	85	87	88
Fastrack-Power Quality & Reliability	Score	86	85	85
JD Power Residential Study	Score	84	80	79
		84	80	79
		81	77	76
		78	67	72
		Awaiting Data	Awaiting Data	Awaiting Data
		No Target	660	No Target

Growth/Finance

O&M Expense vs. Budget (\$M)	YTD \$M	21.2	20.0	21.0
Capital Expense vs. Budget (\$M)	YTD \$M	40.4	19.6	21.1
Storm Costs (\$M)	YTD \$M	100.4	37.4	37.2
Damage Claims Collected	Percent	115.3	47.4	49.7
		63.89	0.00	0.91
		4.80	0.00	1.87
		70.4	36.1	65.4
		No Target	No Target	No Target

On Target	Minimum Performance	Target Performance
Minimum Performance	Target Performance	

Section/Organizational Contents

February 2016

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Operational Excellence

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SAIFI T&D (12Mo Rolling) for MDO w Zones	16
SAIDI T&D (12Mo Rolling) for MidW	19
SAIDI T&D (12Mo Rolling) for MDO w Zones	20
SAIFI D only (12Mo Rolling) for MidW	23
SAIFI D only (12Mo Rolling) for MDO w Zones	24
SAIDI D only (12Mo Rolling) for MidW	26
SAIDI D only (12Mo Rolling) for MDO w Zones	27
Customer Orders (Distribution) for MDOZc	29
Customer Orders (Distribution) for MDO w Zones	30
Restore Units for MDOZc	32
Restore Units for MDO w Zones	33
Customer Order Unit Cost \$ for MidW	35
CEMI 6 for MidW	36
Total O&M Restore Unit Cost \$ for MidW	37
Distribution Veg Mgmt - % Complete YTD for MidW	38
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No.Of Major Event Days for MidW	40

Customer

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Section/Organizational Contents

February 2016

Customer

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Growth/Finance

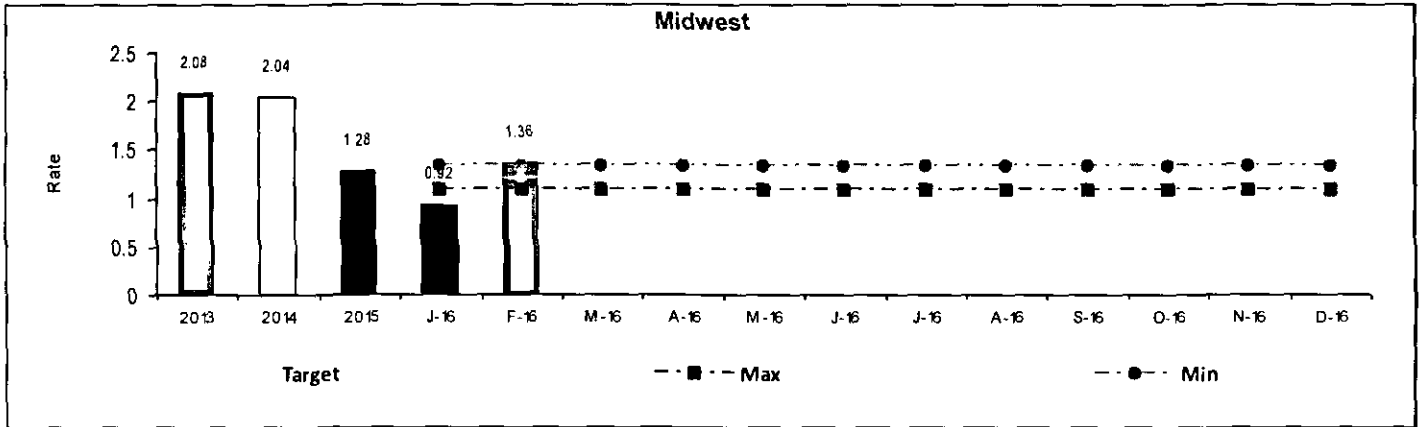
O&M Expense vs. Budget (\$M) for MidW	52
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Damage Claims Collected for MidW	55

Employee Total Incident Case Rate (TICR)

February 2016

Tier 1

< 1358 >



Midwest

	2013	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
Ytd TICR	2.08	2.04	1.28	0.92	1.36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	1.80	1.79	1.61	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Max	N/A	1.29	1.43	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Min	N/A	2.22	1.93	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Mo Incidents	N/A	N/A	N/A	1	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ytd Incidents	29	29	17	1	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

The Total Incident Case Rate (TICR) is a standard industry measure of industrial safety. The incident rate measures OSHA injuries and illnesses for all company employees and staff augmentation contractors (those incidents that are captured/reported on Duke's OSHA 300 log). The calculation: $TICR = (\# \text{ of injuries and illness during the period} \times 200,000) / \text{number of employee and augmented contractor hours worked during the period}$. This KPI reports a monthly and YTD TICR. Indicator status is based on the YTD TICR compared to annual TICR targets, max targets, and min targets.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

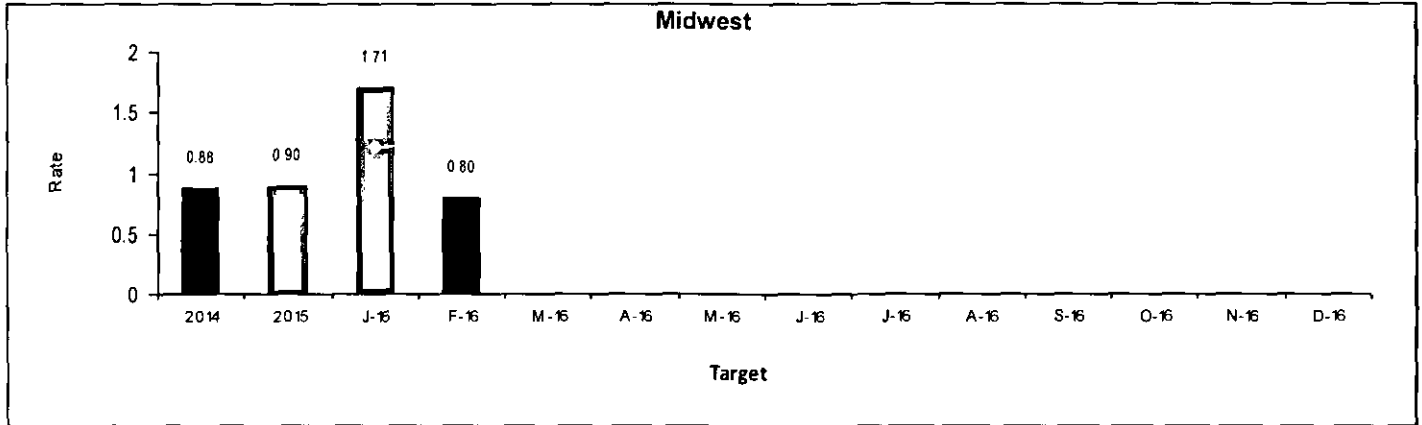
References:

Contractor Total Incident Case Rate

February 2016

Tier 1

< 1371 >



	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD TICR	0.88	0.90	1.71	0.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Max	1.09	0.79	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Target	1.15	0.84	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22
Min	N/A	0.88	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Mo TICR	N/A	N/A	1.71	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
YTD #	12	N/A	2	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

The Contractor Total Incident Case Rate (TICR) is a standard industry measure of industrial safety. The incident rate measures OSHA injuries and illnesses for all contract employees (excluding staff augmentation contractors - not reported on Duke's OSHA 300 log). The rate includes incidents charged to Distribution Vegetation Management.

Rate per 200,000 hrs

The calculation is:

$TICR = (\# \text{ of injuries and illness during the period} \times 200,000) / \text{number of contractor hours worked during the period.}$

This KPI reports a monthly and YTD TICR for the contractor population.

Status is determined by Target values, if applicable. Otherwise, if the targets are undetermined, the status will display as Blue (undefined).

Analysis for February 2016

MidW Resp. Mngr: Andrew Harris Data Provider/Analyst: Kathy Nance

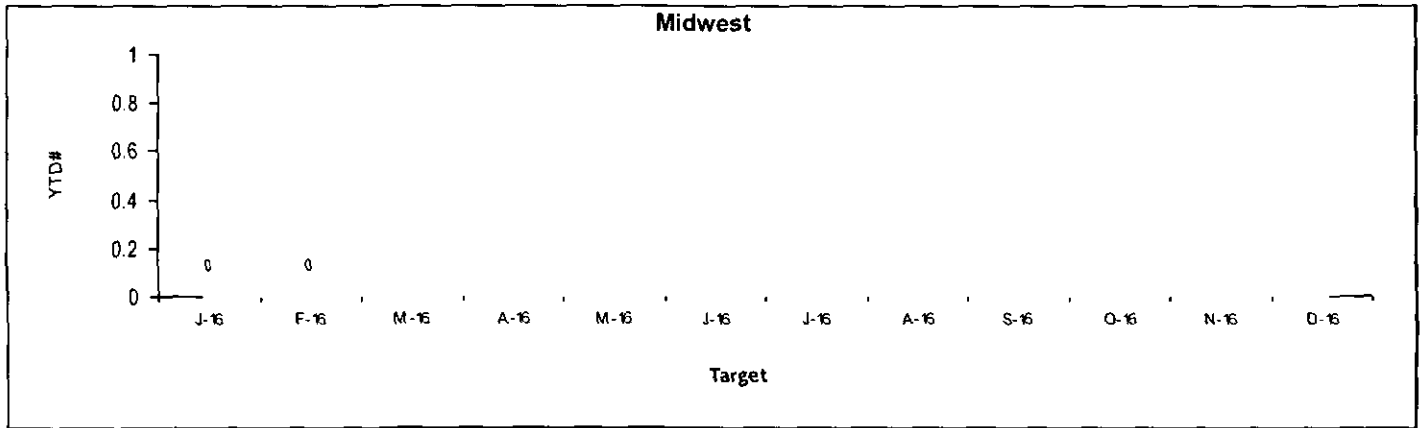
References:

Employee Worker Fatality

February 2016

Tier 4

< 1780 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
Ytd#	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo#	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	0	0	0	0	0	0	0	0	0	0	0	0
Min	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Max	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

A fatal on-the-job injury within control of the company or worker

*Note: Uses OSHA fatality classification adjusted to include only those worker fatalities within control of the company or employee

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

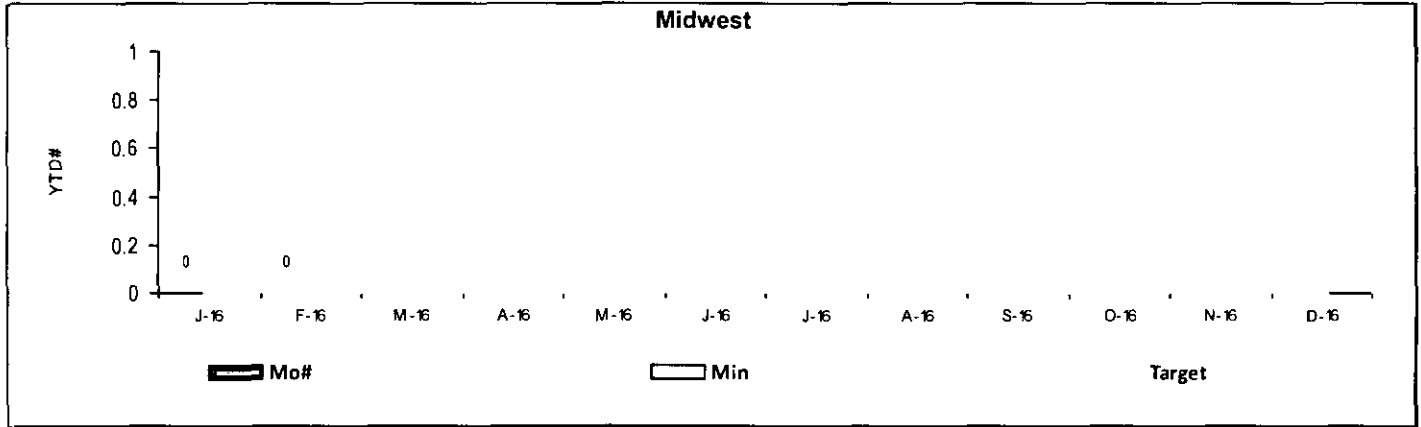
References:

Contractor Worker Fatality

February 2016

Tier 4

< 1781 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
Ytd#	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo#	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	0	0	0	0	0	0	0	0	0	0	0	0
Min	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Max	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

A fatal on-the-job injury within control of the company or worker

*Note: Uses OSHA fatality classification adjusted to include only those worker fatalities within control of the company or employee

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

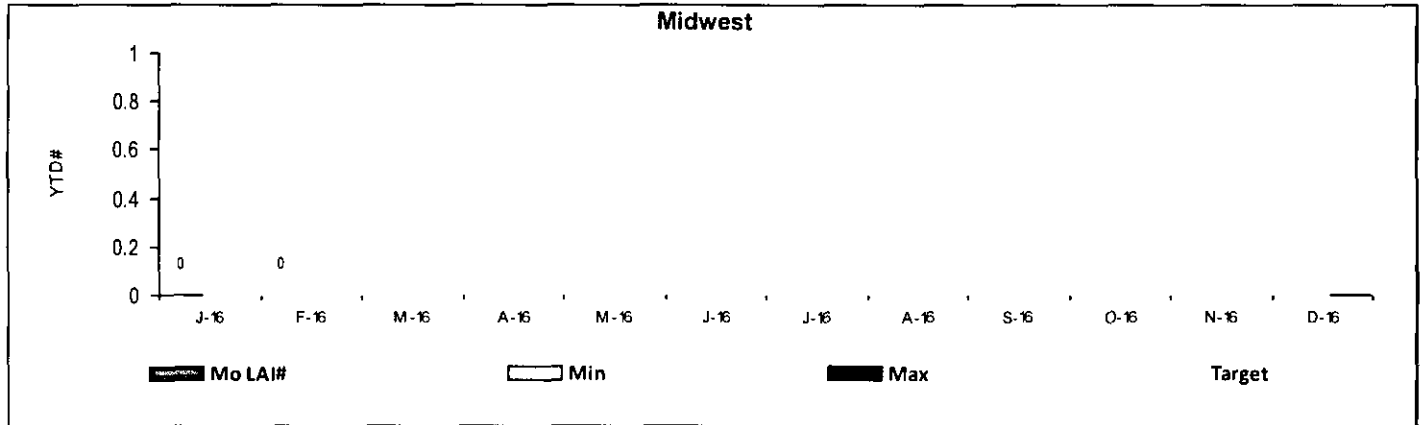
References:

Employee Life-Altering Injury

February 2016

Tier 1

< 1776 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD LAI#	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo LAI#	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	0	0	0	0	0	0	0	0	0	0	0	0
Min	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Max	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

A Life-Altering Injury is defined by the following: Serious injuries that result in permanent or significant temporary damage to body function or internal organs qualify where either the company or the worker could have taken action that would have prevented the incident from occurring. This KPI does not include fatalities which will be tracked separately.

Mo LAJ#: Number of LAJ category injuries during current report month

YTD LAJ# : YTD sum of Mo# (YTD sum of LAJ category events)

Target, Min and Max values are Year End values

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

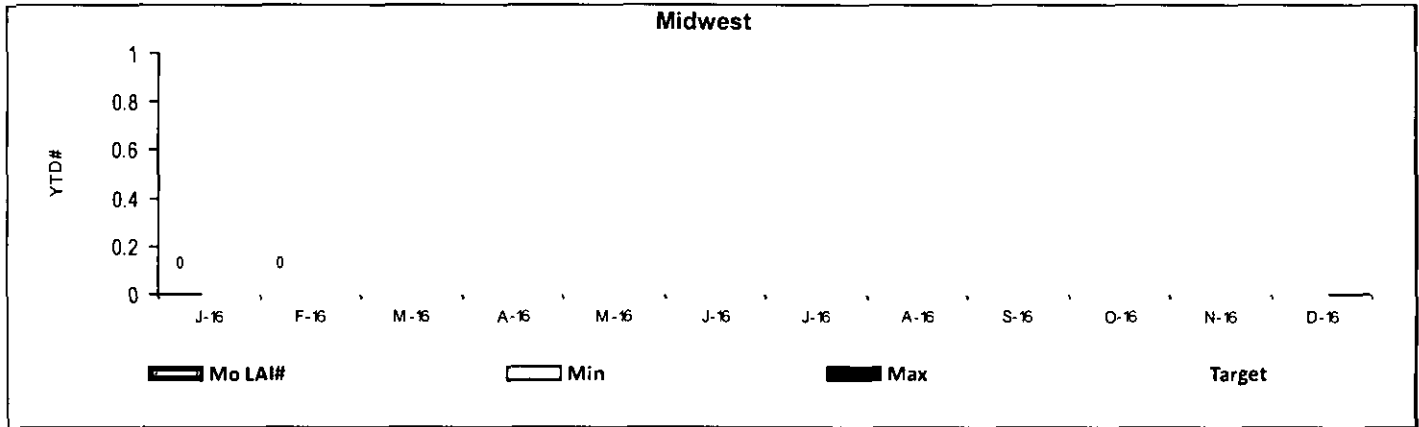
References:

Contractor Life-Altering Injury

February 2016

Tier 1

< 1777 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD LAI#	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo LAI#	N/A	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	0	0	0	0	0	0	0	0	0	0	0	0
Min	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Max	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

A Life-Altering Injury is defined by the following: Serious injuries that result in permanent or significant temporary damage to body function or internal organs qualify where the worker could have taken action that would have prevented the incident from occurring. This KPI does not include fatalities which will be tracked separately.

Mo LAJ#: Number of LAJ category injuries during current report month

YTD LAJ# : YTD sum of Mo# (YTD sum of LAJ category events)

Target, Min and Max values are Year End values

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

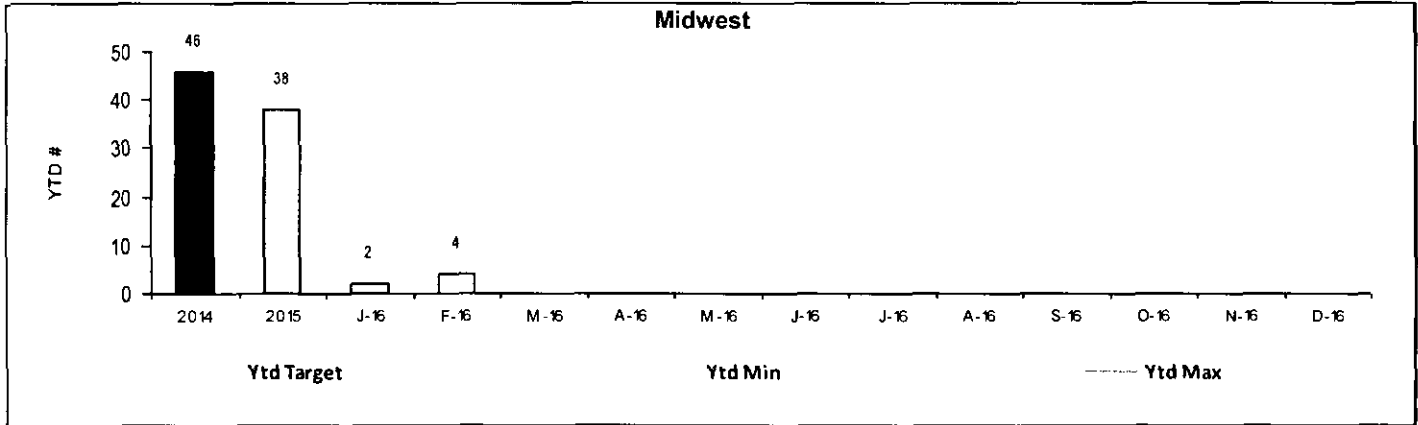
References:

Employee Preventable Vehicle Accidents

February 2016

Tier 1

< 1357 >



Midwest

	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YtdAccidents	46	38	2	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MoAccidents	N/A	38	2	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ytd Target	50	N/A	34	34	34	34	34	34	34	34	34	34	34	34
Ytd Min	53	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
Ytd Max	50	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

Description

Preventable Vehicle Accidents are defined as:

Preventable: those accidents where the driver was at fault or where the incident could have been prevented by the use of defensive driving techniques.

Vehicle Accident: incident that occurs involving a Duke Fleet Motor Vehicle being operated as a vehicle which results in damage to property or injury to an employee, supplier, or public.

Fleet Motor Vehicle: A licensed vehicle(s) that is owned, leased (rental), or personal vehicle being used when traveling to/from a temporary work location. All company owned and leased vehicles are in service at all times they are in operation. The load or equipment being towed is considered part of the Fleet Motor Vehicle.

For complete details and criteria, see HS-003 Recordkeeping for Vehicle Accidents

Year-end targets are allocated throughout the year to provide a monthly Year-to-date target value.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

Accidents List:

1) INC-PV-510205EmployeeVehiclePreventable02/15/2016Bloomington, IN Duke Energy Line Specialist was on service watch and stopped at their doctor's office while on their way home from their scheduled shift. After their doctor's appointment, the employee removed their wheel chocks and performed a Circle for Safety. The employee proceeded to leave the parking lot, but failed to recognize that the clearance of the overhead awning on the doctor's office was not sufficient to drive under in the service bucket. The F550 service bucket boom struck the awning approximately one foot above the posted clearance sign. The performer never applied the brakes and stated that they did not recognize the hazard of driving under the awning. After impact was made, the employee secured the vehicle and called their Supervisor to report the incident. The Supervisor contacted their Manger and H&S to report the incident. The vehicle was removed from service until a proper inspection can be made by the manufacturer. This is a PVA.

2) INC-PV-513645EmployeeVehiclePreventable02/25/2016Madison, IN Duke Energy Line Specialist on service watch and a 4th year apprentice service watch trainee received a trouble ticket at 2:30 a.m. the morning of 2/25/16. The apprentice arrived to the outage first and drove a service bucket truck up a steep, curvy, long, residential lane to two customers' Homes that were at the top. After trouble-shooting the transformer station, the apprentice returned to his service bucket truck and drove back down the driveway towards the other service watch performer (Line Specialist) who had their truck positioned near the line fuse at the base of lane. As the apprentice was rounding a curve in the driveway, the truck's Passenger-side utility bed step contacted a stone retention wall that lined the north side of the driveway, damaging the truck's metal step. The customers service was restored safely and the performer called their supervisor to report the event. No injuries occurred. This is being classified as a Preventable Vehicle Accident.

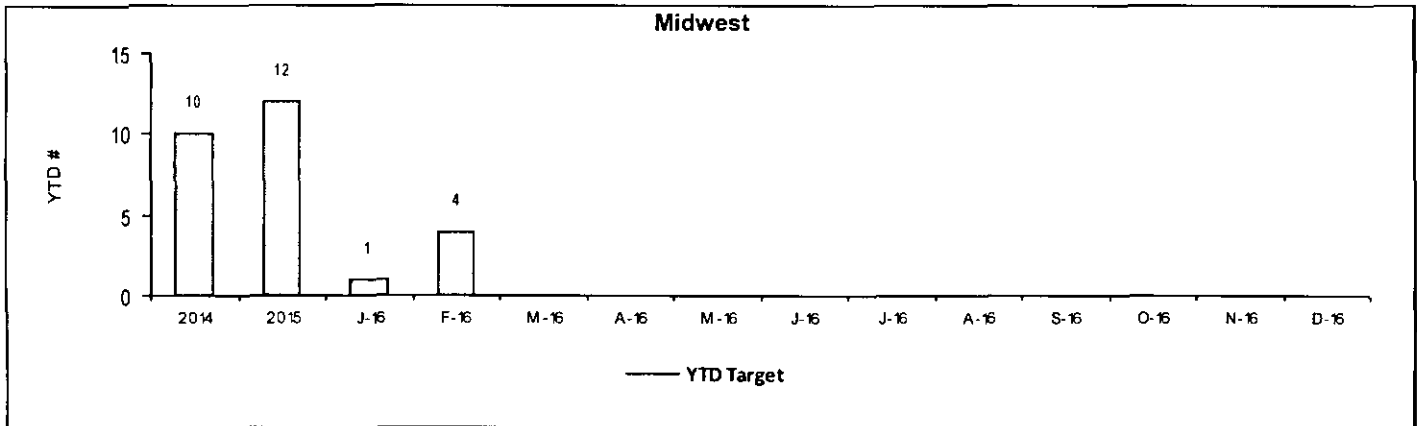
References:

Contractor Preventable Vehicle Accidents

February 2016

Tier 3

< 1606 >



Midwest

	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD Actual	10	12	1	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MoActual	10	12	1	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
YTD Target	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
YTD Min	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
YTD Max	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

Description

Preventable Vehicle Accidents are defined as:

Preventable: those accidents where the driver was at fault or where the incident could have been prevented by the use of defensive driving techniques.

Vehicle Accident: incident that occurs involving a Duke Fleet Motor Vehicle being operated as a vehicle which results in damage to property or injury to an employee, supplier, or public.

Fleet Motor Vehicle: A licensed vehicle(s) that is owned, leased (rental), or personal vehicle being used when traveling to/from a temporary work location.

For complete details and criteria, see HS-003 Recordkeeping for Vehicle Accidents. This does not include Vegetation.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

Accidents List:

INC-PV-51174802/16/2016Townsend Tree ServiceProperty Damage Contractor worker was driving on State Rd 13; Contractor worker just finished dumping at Wabash City Dump. Contractor worker failed to perform a 360 walk around before he left the dump. This resulted in the lower boom striking a traffic light at the intersection of Columbus St and State Rd 13 S(MW) Veg-Dist

INC-PV-51170502/18/2016Area Wide ProtectiveImproper Vehicle MovementsContractor worker was following two Duke bucket trucks on a four lane road. ; Each bucket truck turned left across the 2 lanes of traffic into a parking lot and when the AWP truck tried to follow, the AWP truck was struck on the passenger side just behind the passenger side door by an oncoming vehicle(MW) Distribution

INC-PV-51396502/24/2016The Hydaker-Wheatlake CoStruck POVContractor worker was driving west on Main Street/SR 26 when he stopped at an intersection for a red light. ; A semi, already stopped and facing south at the intersection, began to ease forward to turn left and travel east. Because of the small size of the intersection, the contractor worker felt as though the semi would strike the front of the bucket truck if he did not give the semi more room to make the turn. Assuming no one was behind him, the contractor worker began to back up and made contact with a car stopped behind him, resulting in minor cosmetic damage(MW) Distribution

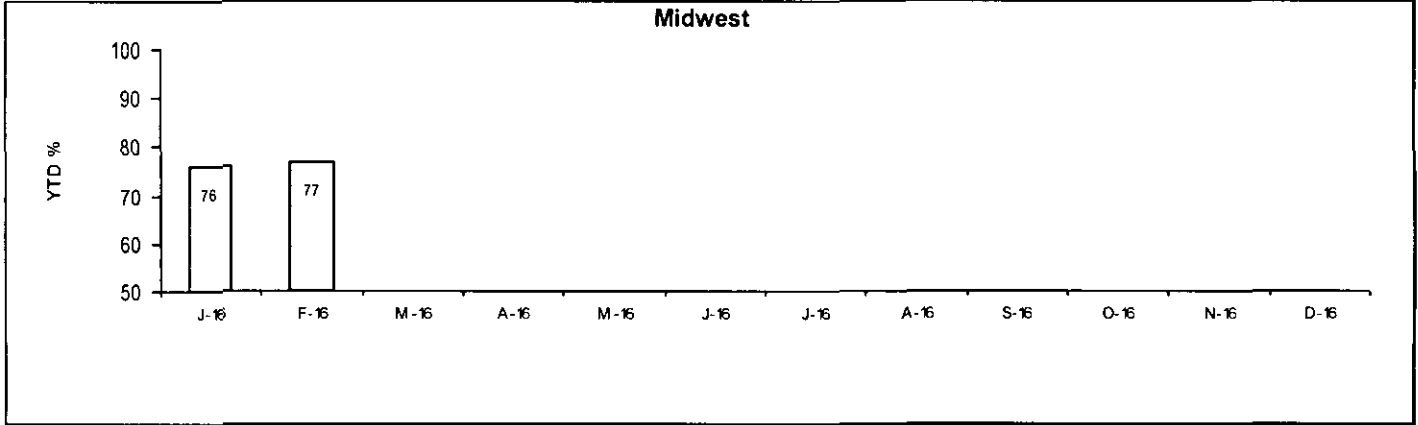
References:

HP Self Reporting Percentage

February 2016

Tier 2

< 1666 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD%	76	77	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo%	76	83	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

This KPI measures effectiveness of self-reporting by tracking the count of Level 3 events (near misses & events with minor consequences).

Strong self reporting is critical to Detection efforts as it gives the organization the ability to understand and address errors and minor level events before they become significant events. Events are categorized based on consequence and severity of error. Levels are used to implement a graded approach to incident investigations, reviews and analysis. Level 3 designates near misses and minor events. Self reporting % is calculated as follows: Level 3 events as a % of total events reported- as reported in the PlantView system.

****Note:** Targets are not recommended for this initial reporting effort.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

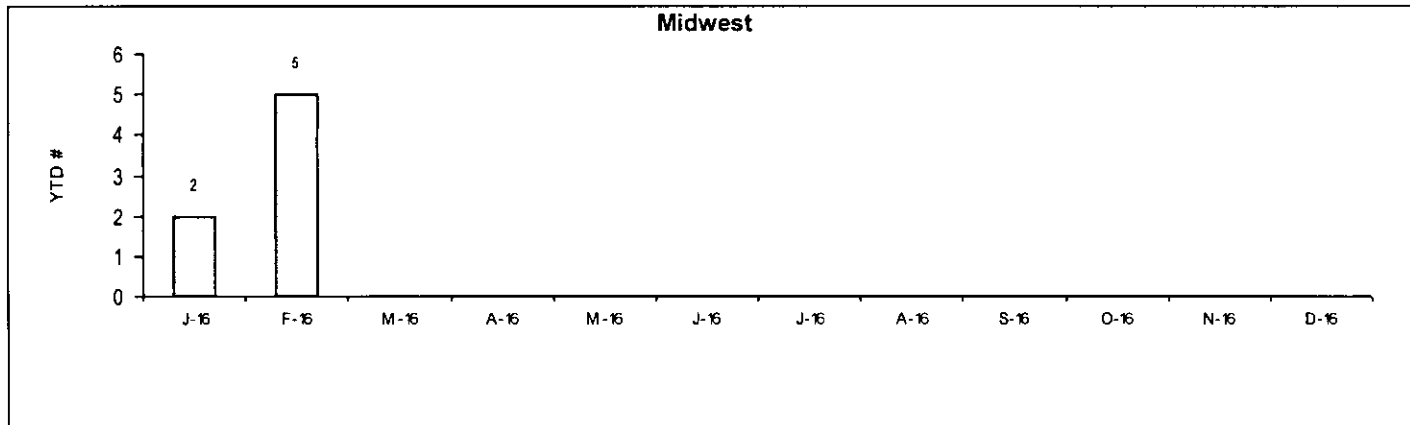
References:

Distribution Good Catch Trend

February 2016

Tier 2

< 1667 >



Midwest

	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
YTD Count	2	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mo Count	2	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

This KPI measures proactive efforts taken to prevent events including examples of proper application of HP Tools and Concepts, and actions taken to address degraded conditions, risks, error precursors or latent organizational weaknesses. Data is queried from Plant View for those reports classified as "Good Catches". Distribution data is reported for DEP, DEC, CDO combined, FDO, MDO, and Grid Solutions.

****Note:** No color status assessment is made. Data is reported on both a monthly and YTD basis - for trending purposes only.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst:

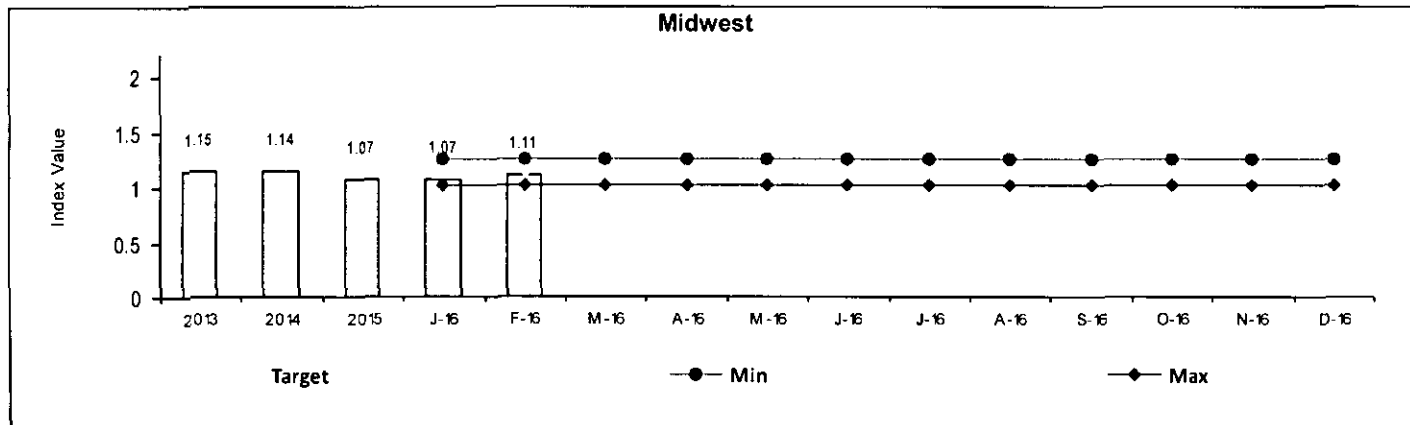
References:

SAIFI T&D (12Mo Rolling)

February 2016

Tier 1

< 1356 >



Midwest

	2013	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
12Mo SAIFI	1.15	1.14	1.07	1.07	1.11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	N/A	1.17	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Min	N/A	1.31	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Max	N/A	1.03	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
DukeRank	N/A	76	37	41	44	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Variability	N/A	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

SAIFI is the System Average Interruption Frequency Index. This index reports the average number of times that a system customer experiences an outage (sustained outage) during the period under study/review. It is calculated by taking the sum of the customers interrupted during all events, excluding regional Major Event Days (MEDs), and dividing that number by the total number of customers served. This KPI reports this Index based on the most recent 12 month period (12 mo rolling view).

All interruptions are included in these measures, regardless of source (Transmission or Distribution) and regardless of cause (weather, human error, public, etc.) A Major Event Day (MED) is a day when a major reliability event causes a utility to shift into a crisis mode of operation in order to adequately respond. IEEE Standard 1366 statistically defines a Major Event Day (MED) as any calendar day when SAIDI exceeds 2.5 standard deviations from the previous five year log-normal distribution of SAIDI days in a system or region. Duke Energy uses five regions..Carolinas East, Carolinas West, Florida, Indiana, and Ohio/Ky.

Analysis of customer satisfaction compared to actual customer interruption history shows that customer satisfaction is influenced most by interruption frequency. Since SAIFI measures interruption frequency directly, this measure aligns best with what customers want.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst: Lee Taylor

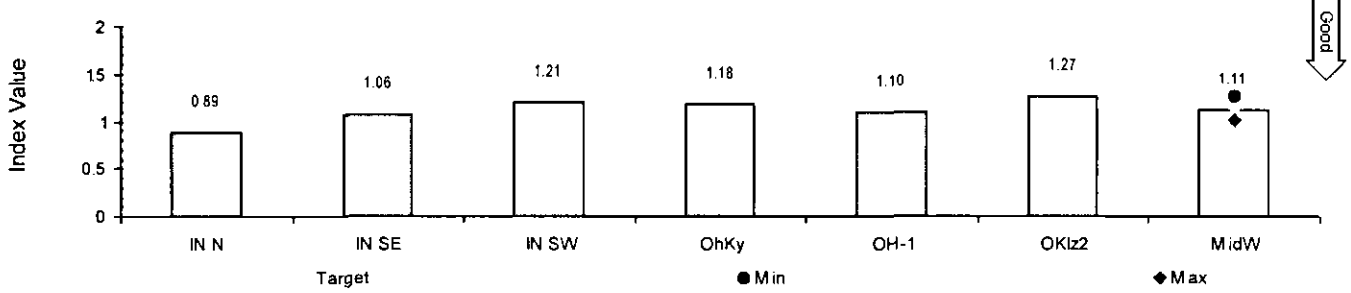
References:

SAIFI T&D (12Mo Rolling)

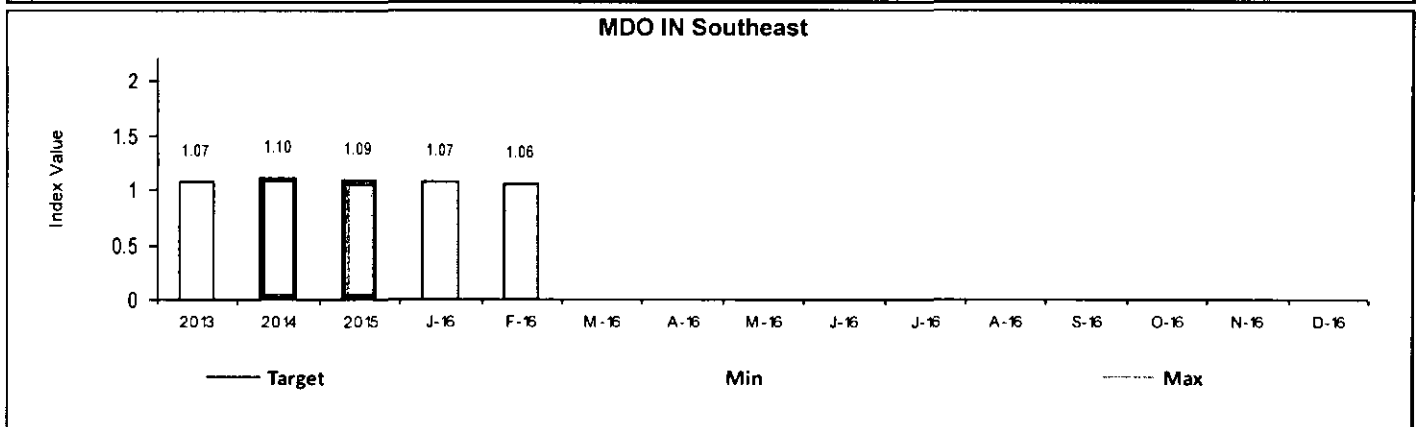
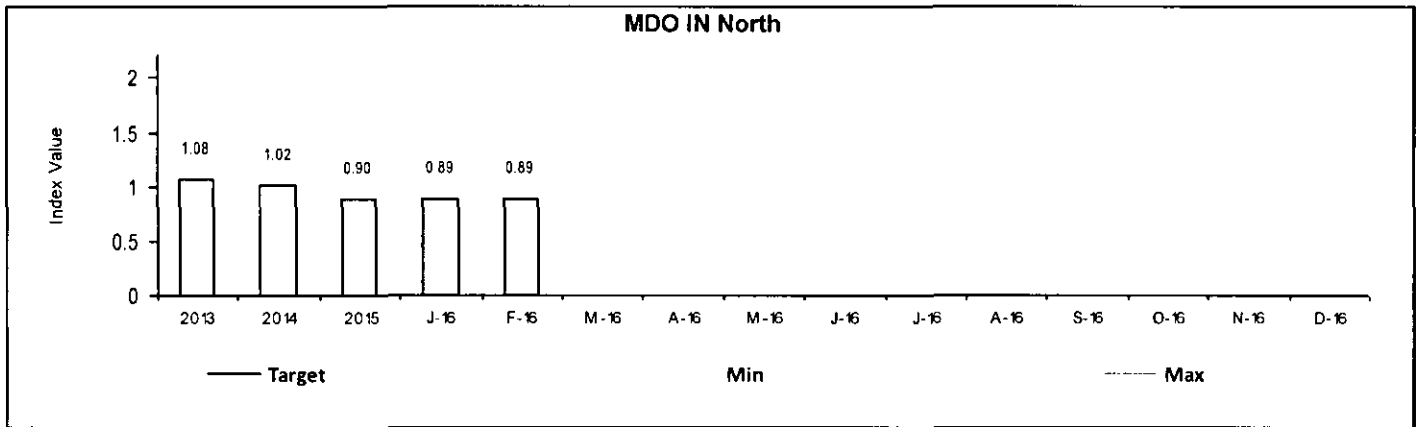
February 2016

Tier 1 (Midwest Delivery Operations)

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PLANT/DEPT	IN N	IN SE	IN SW	OhKy	OH-1	OKIz2	MidW
12Mo SAIFI	0.89	1.06	1.21	1.18	1.10	1.27	1.11
Target	N/A	N/A	N/A	N/A	N/A	N/A	1.14
Min	N/A	N/A	N/A	N/A	N/A	N/A	1.26
Max	N/A	N/A	N/A	N/A	N/A	N/A	1.01
DukeRank	25	37	60	54	46	70	44
Variability	1	2	2	2	2	2	1

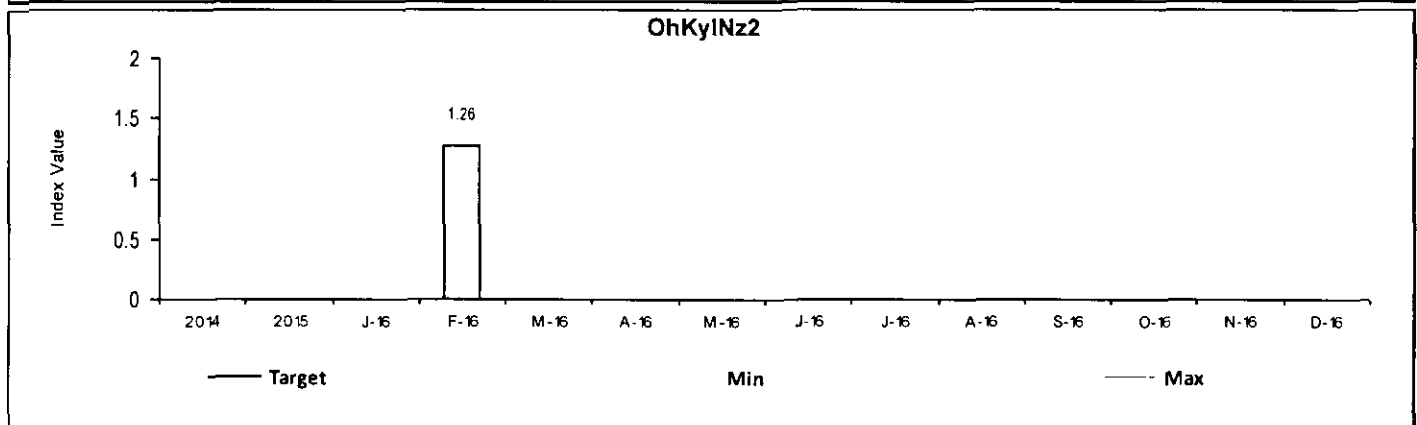
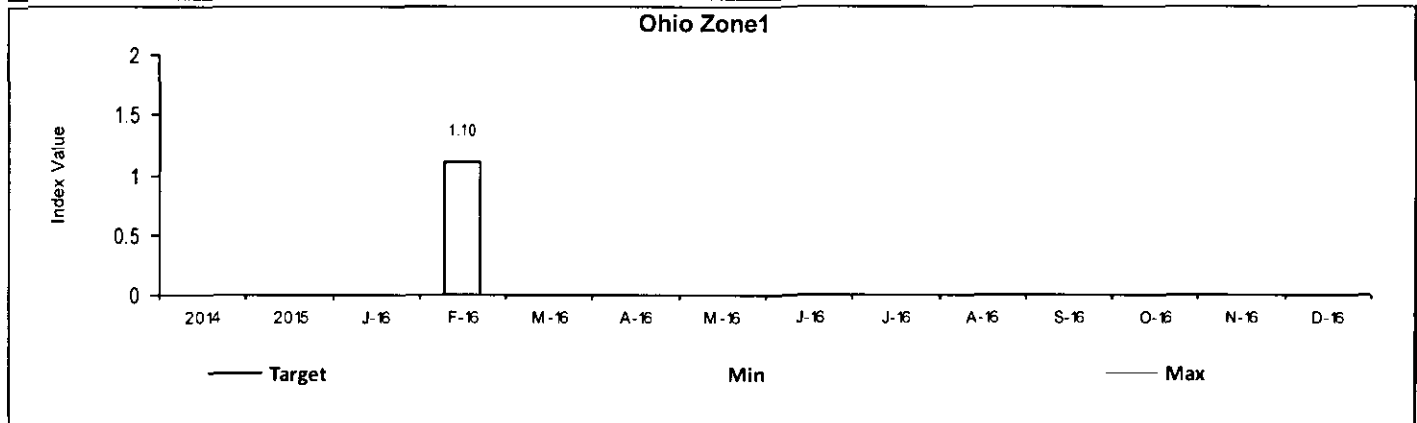
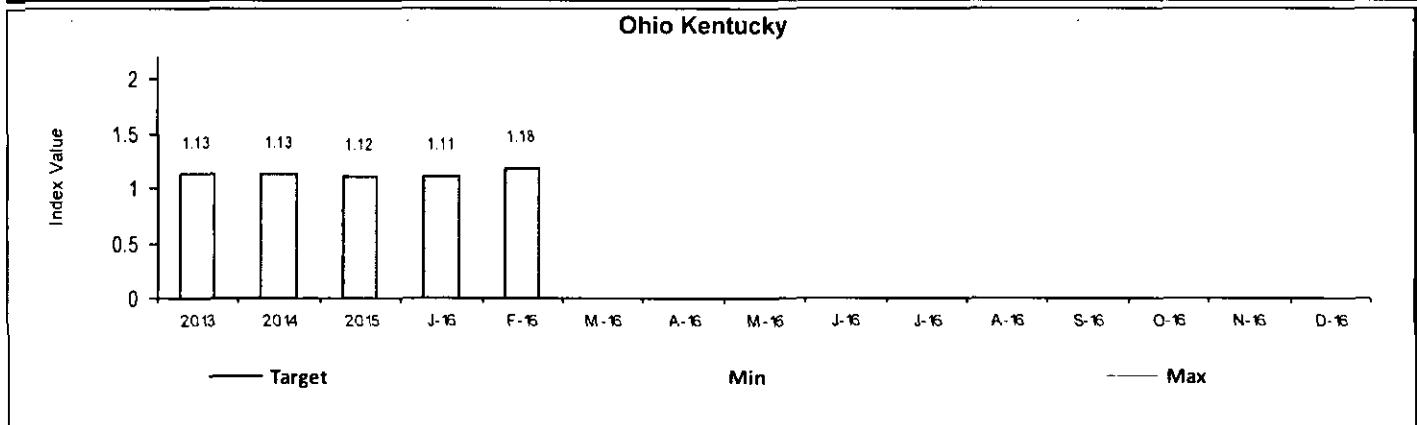
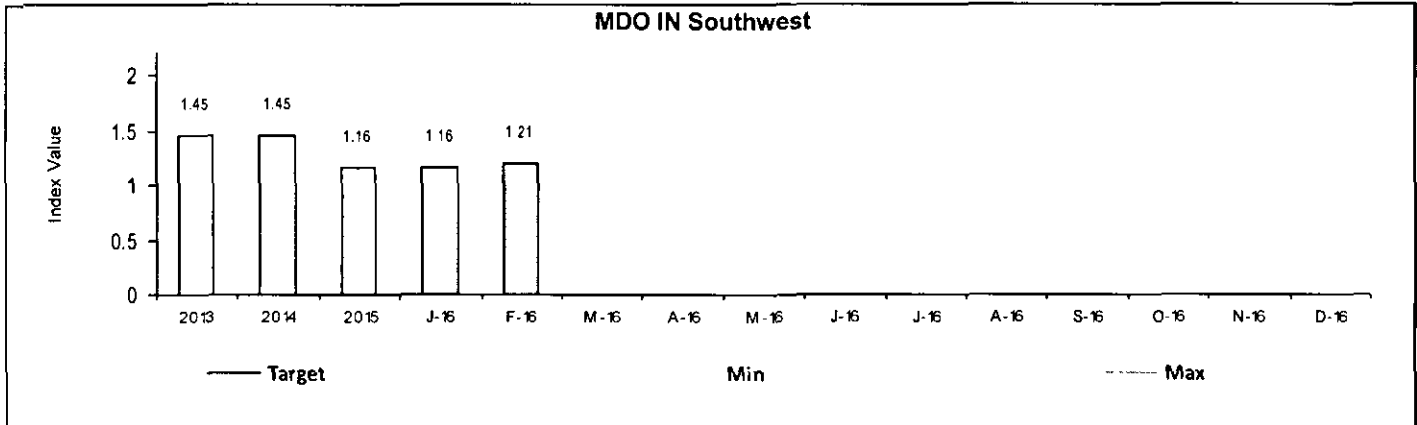


SAIFI T&D (12Mo Rolling)

February 2016

Tier 1 (Midwest Delivery Operations)

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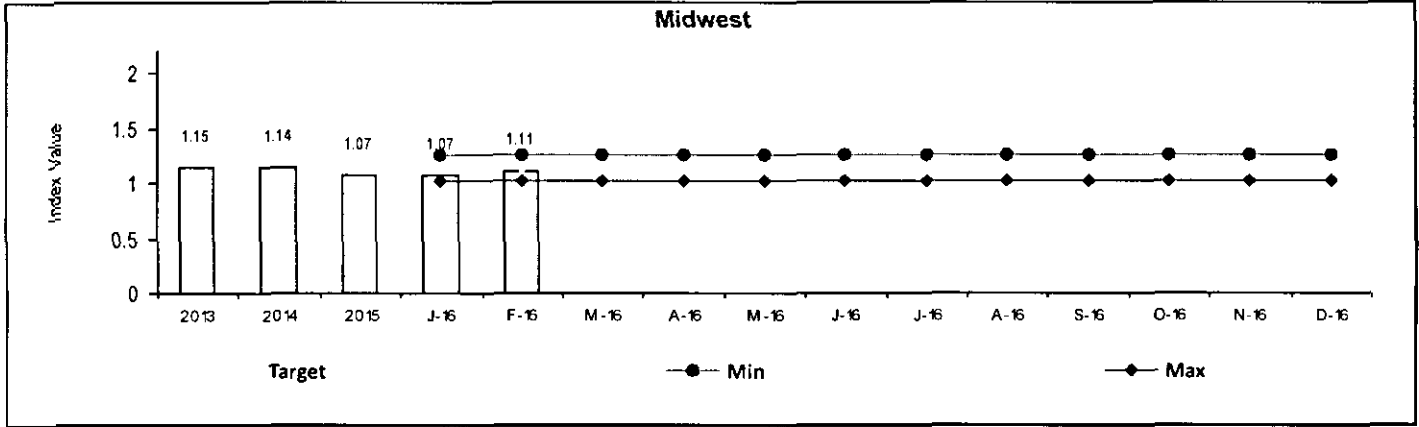


SAIFI T&D (12Mo Rolling)

February 2016

Tier 1 (Midwest Delivery Operations)

< 1356 >

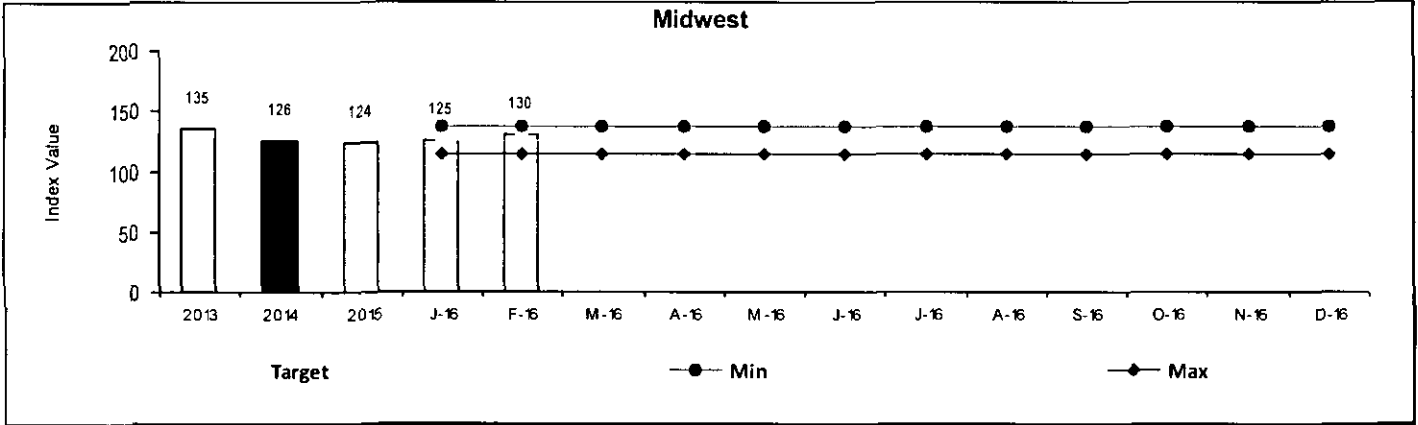


SAIDI T&D (12Mo Rolling)

February 2016

Tier 1

< 1362 >



Midwest

	2013	2014	2015	J-16	F-16	M-16	A-16	M-16	J-16	J-16	A-16	S-16	O-16	N-16	D-16
SAIDI	135	126	124	125	130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	140	139	131	125	125	125	125	125	125	125	125	125	125	125	125
Min	151	149	142	137	137	137	137	137	137	137	137	137	137	137	137
Max	129	128	121	114	114	114	114	114	114	114	114	114	114	114	114
DukeRank	N/A	N/A	N/A	41	44	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Variability	N/A	N/A	N/A	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Description

SAIDI is the System Average Interruption Duration Index. This index measures the total duration of an interruption for the average customer during a given time period. It is calculated by taking the sum of the customer minutes interrupted during all events, excluding regional Major Event Days (MEDs), and dividing that number by the total number of customers served. This KPI reports the SAIDI value based on the most recent 12 months (12 month rolling view).

All interruptions are included in these measures, regardless of source (Transmission or Distribution) and regardless of cause (weather, human error, public, etc.) A Major Event Day (MED) is a day when a major reliability event causes a utility to shift into a crisis mode of operation in order to adequately respond. IEEE Standard 1366 statistically defines a Major Event Day (MED) as any calendar day when SAIDI exceeds 2.5 standard deviations from the previous five year log-normal distribution of SAIDI days in a system or region.

Analysis for February 2016

MidW Resp. Mngr: Data Provider/Analyst: Lee Taylor

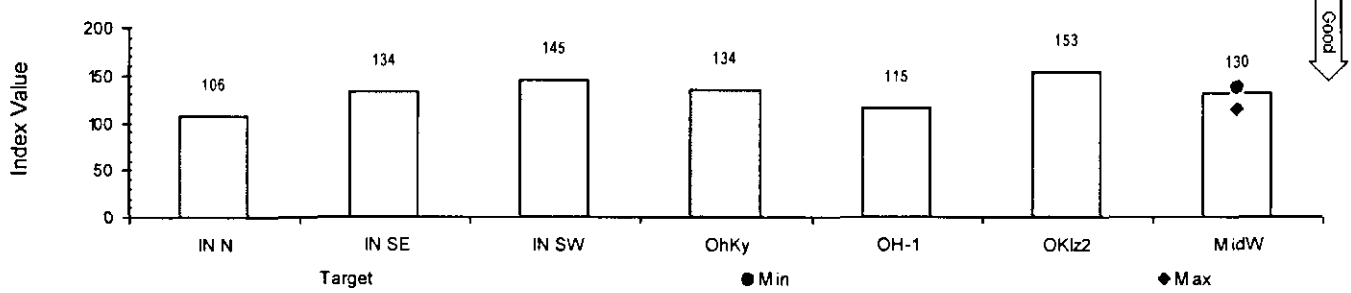
References:

SAIDI T&D (12Mo Rolling)

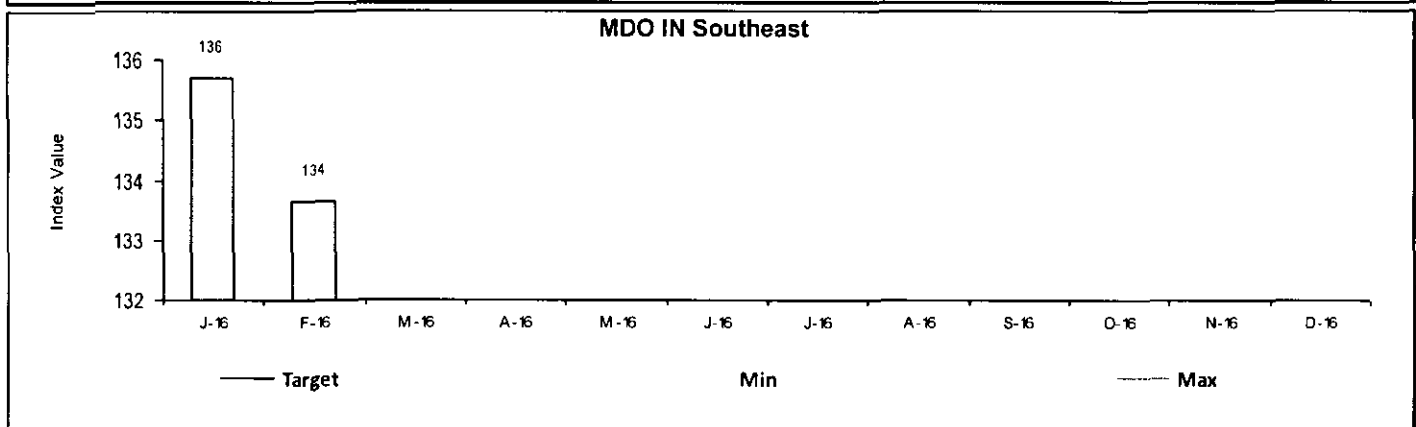
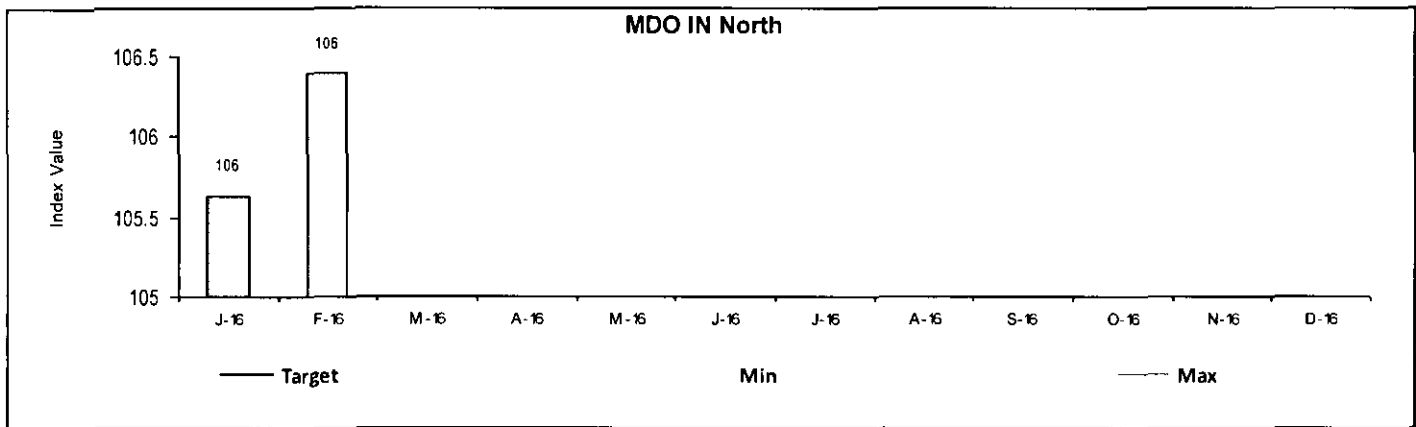
February 2016

Tier 1 (Midwest Delivery Operations)

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PLANT/DEPT	IN N	IN SE	IN SW	OhKy	OH-1	OKIz2	MidW
SAIDI	106	134	145	134	115	153	130
Target	N/A	N/A	N/A	N/A	N/A	N/A	125
Min	N/A	N/A	N/A	N/A	N/A	N/A	137
Max	N/A	N/A	N/A	N/A	N/A	N/A	114
DukeRank	25	37	60	54	46	70	44
Variability	1	2	2	2	2	2	1

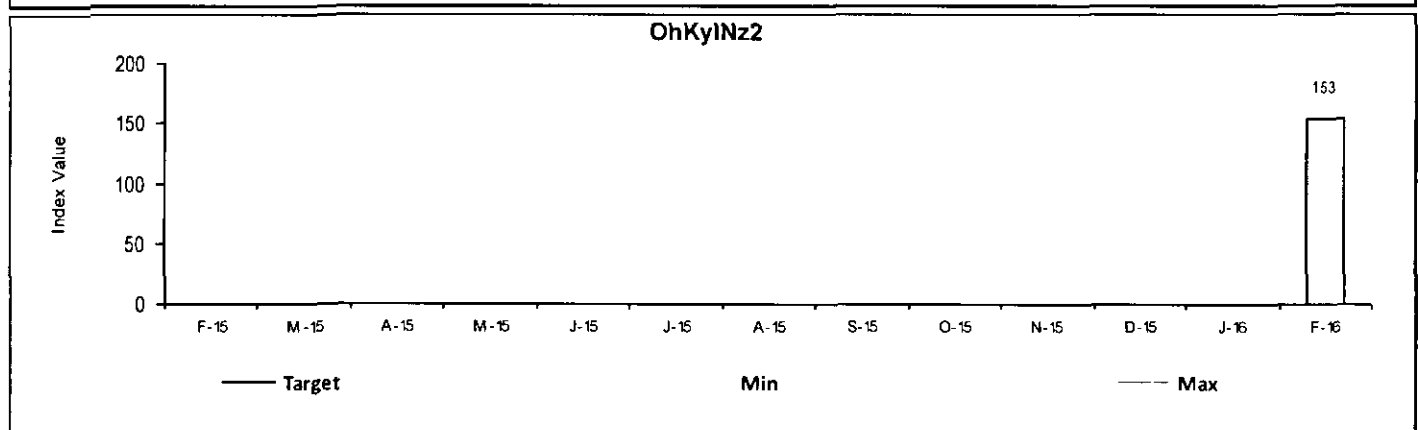
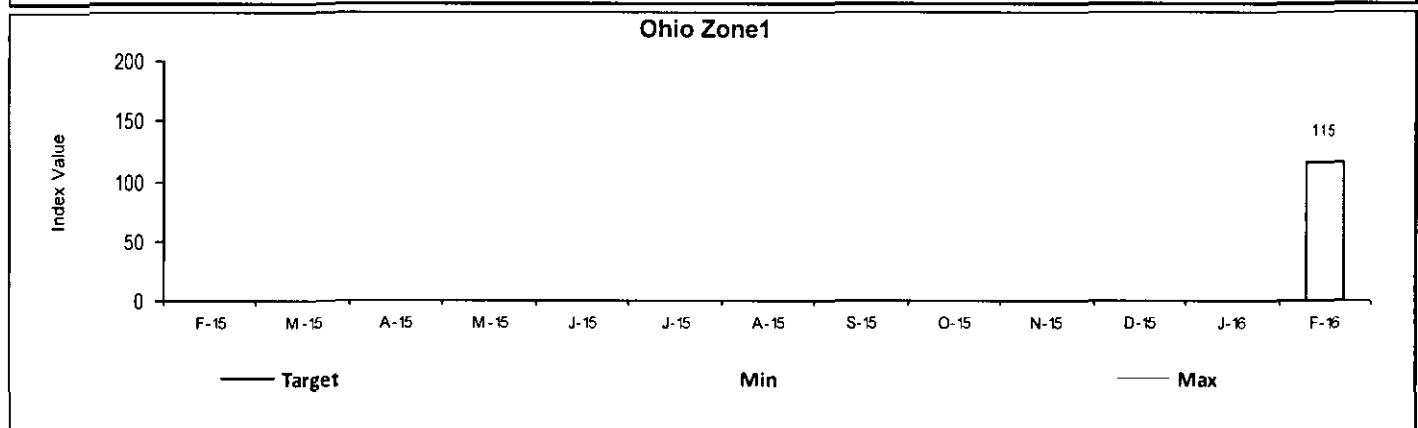
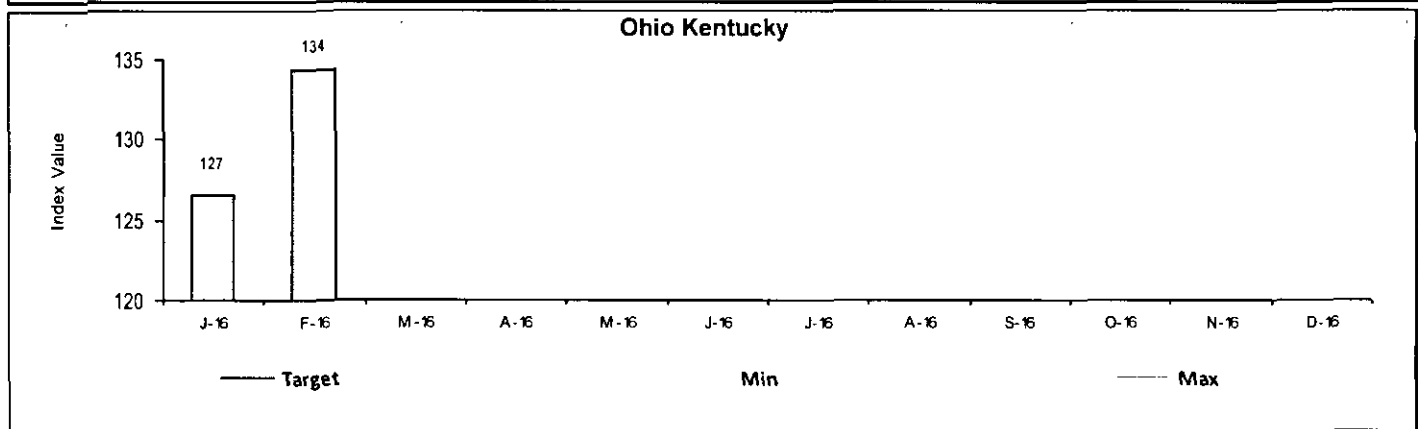
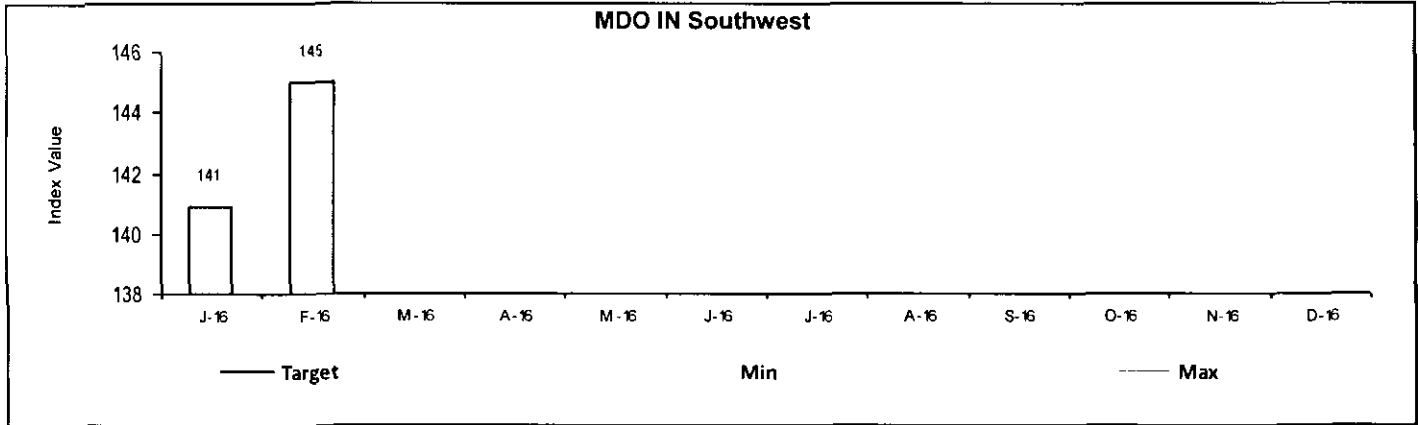


SAIDI T&D (12Mo Rolling)

February 2016

Tier 1 (Midwest Delivery Operations)

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SAIDI T&D (12Mo Rolling)

February 2016

Tier 1 (Midwest Delivery Operations)

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