

Looking Ahead – America's Energy Future

Janice Hager, Duke Energy Corporation



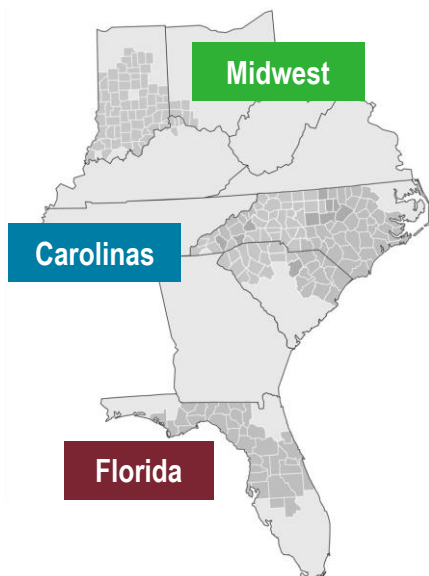
Today's Duke Energy

- Largest utility in the U.S.
- Market cap of ~ \$50 billion
- 7 million customers
- 28,000 employees
- Affordable rates
- Second largest emitter of CO₂ in the U.S.



Duke Energy: a diverse and flexible utility company

Regulated Utilities



- 50,000 MW net owned generation
- 7.2 million electric customers

84% of business mix ⁽¹⁾

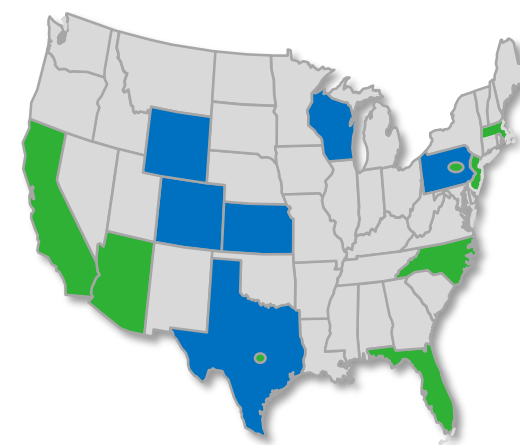
International



- 4,600 MW net owned generation

12% of business mix ⁽¹⁾

Commercial Power



- Wind – 1,625 MW
- Solar – 115 MW

- 1,740 MW net owned renewables generation

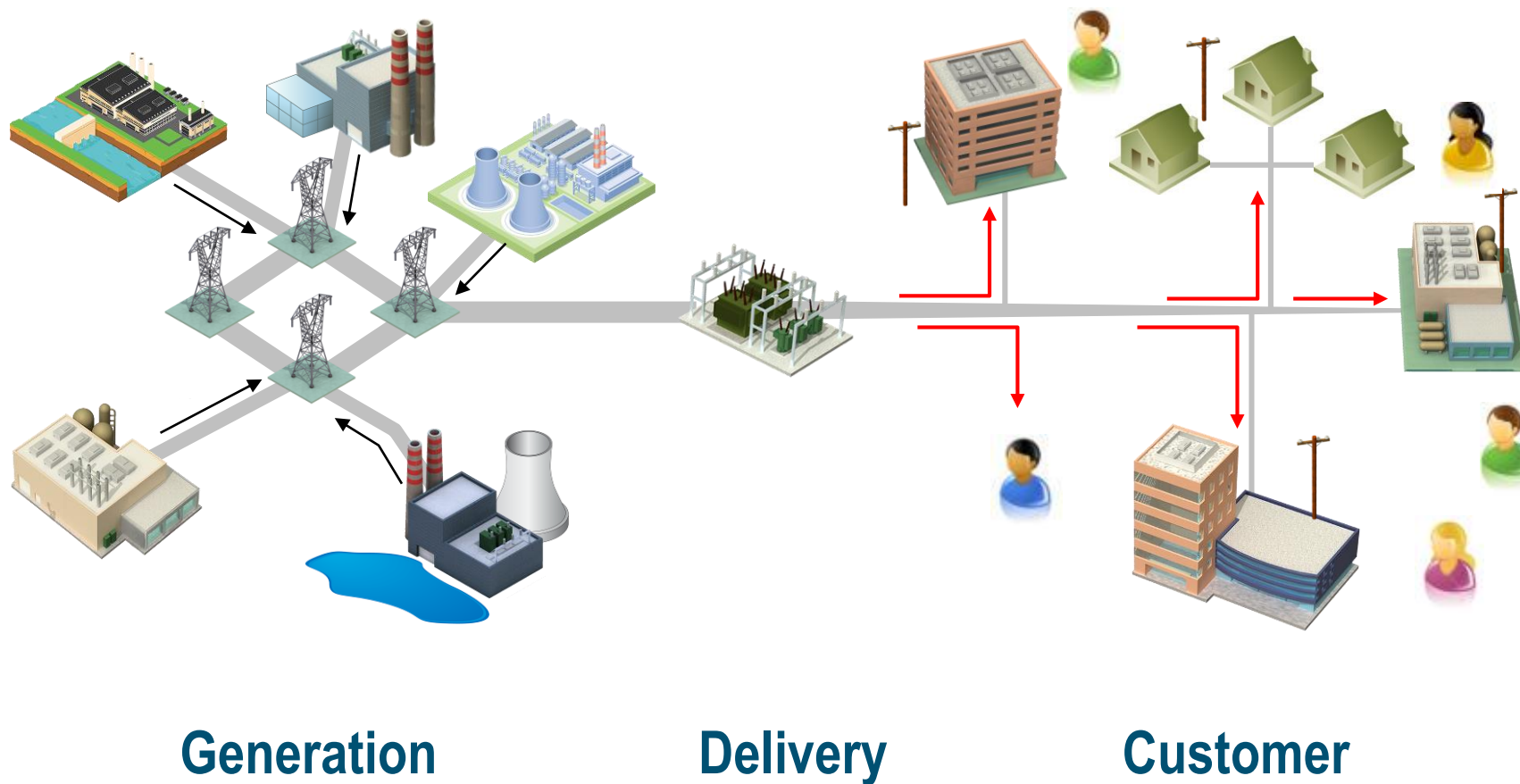
4% of business mix ⁽¹⁾

(1) Based upon mid-point of the original 2014 EPS guidance range of \$4.45 to \$4.60 per share as affirmed on Feb. 18, 2014

Resource Options



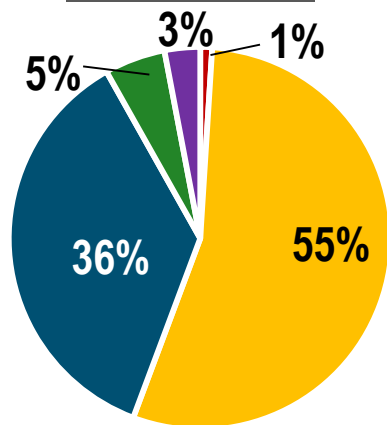
Traditional Utility Value Chain



Regulated Utilities - Investing for the Future

More Balanced Generation Mix (MWh) ⁽¹⁾

2005

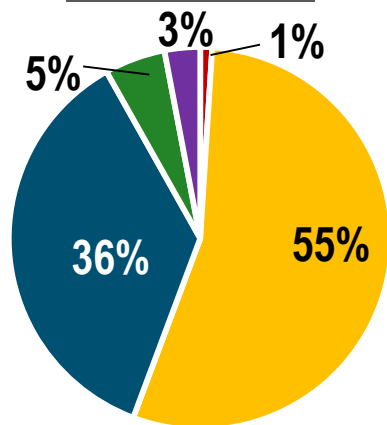


(1) 2005 represents pro-forma regulated generation of Duke Energy and Progress Energy. Crystal River 3 excluded from 2015 generation.

Regulated Utilities - Investing for the Future

More Balanced Generation Mix (MWh) ⁽¹⁾

2005



■ Coal ■ Nuclear ■ Natural Gas ■ Oil ■ Hydro/Solar

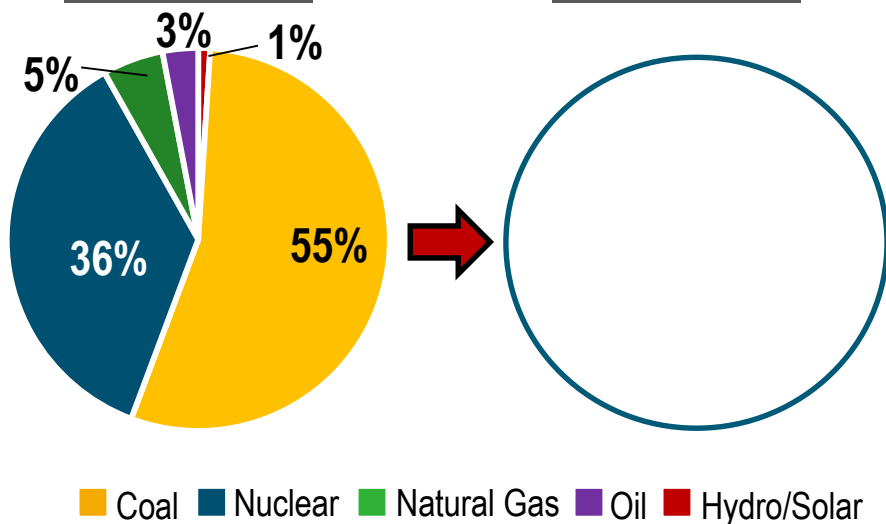
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Regulated Utilities - Investing for the Future

More Balanced Generation Mix (MWh) ⁽¹⁾

2005

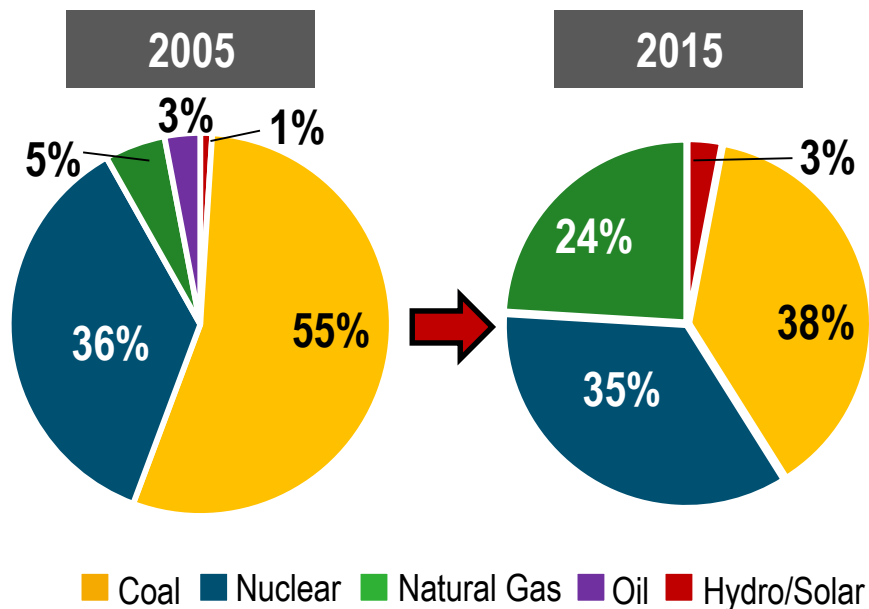
2015



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Regulated Utilities - Investing for the Future

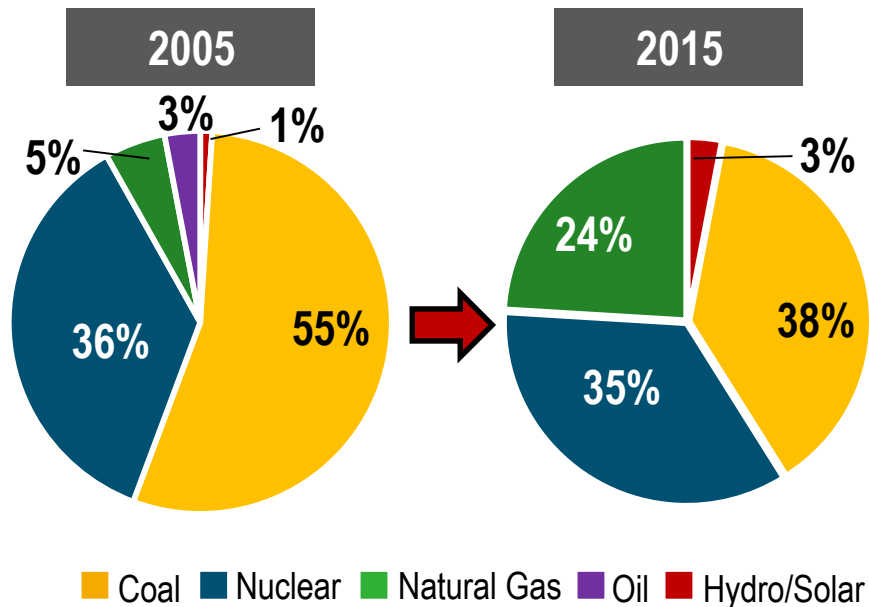
More Balanced Generation Mix (MWh) ⁽¹⁾



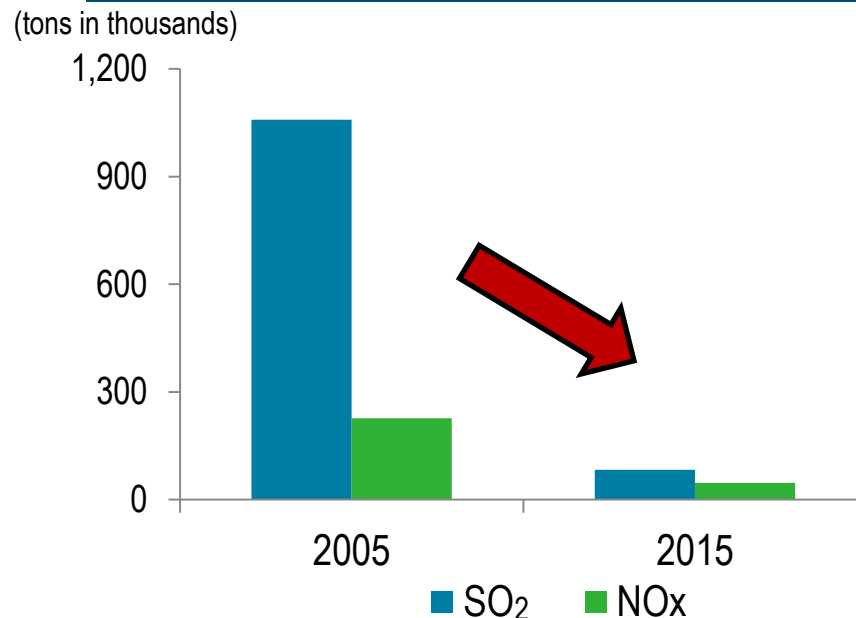
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Regulated Utilities - Investing for the Future

More Balanced Generation Mix (MWh) ⁽¹⁾



Projected Reductions SO₂: 92% NO_x: 79%



**\$9 billion invested in fleet modernization since 2006;
\$7 billion invested in environmental equipment since 1999**

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Key Trends Impacting America's Energy Future

Aging
infrastructure

Changing customer
behaviors & preferences

Slow economic
recovery

Low natural
gas prices

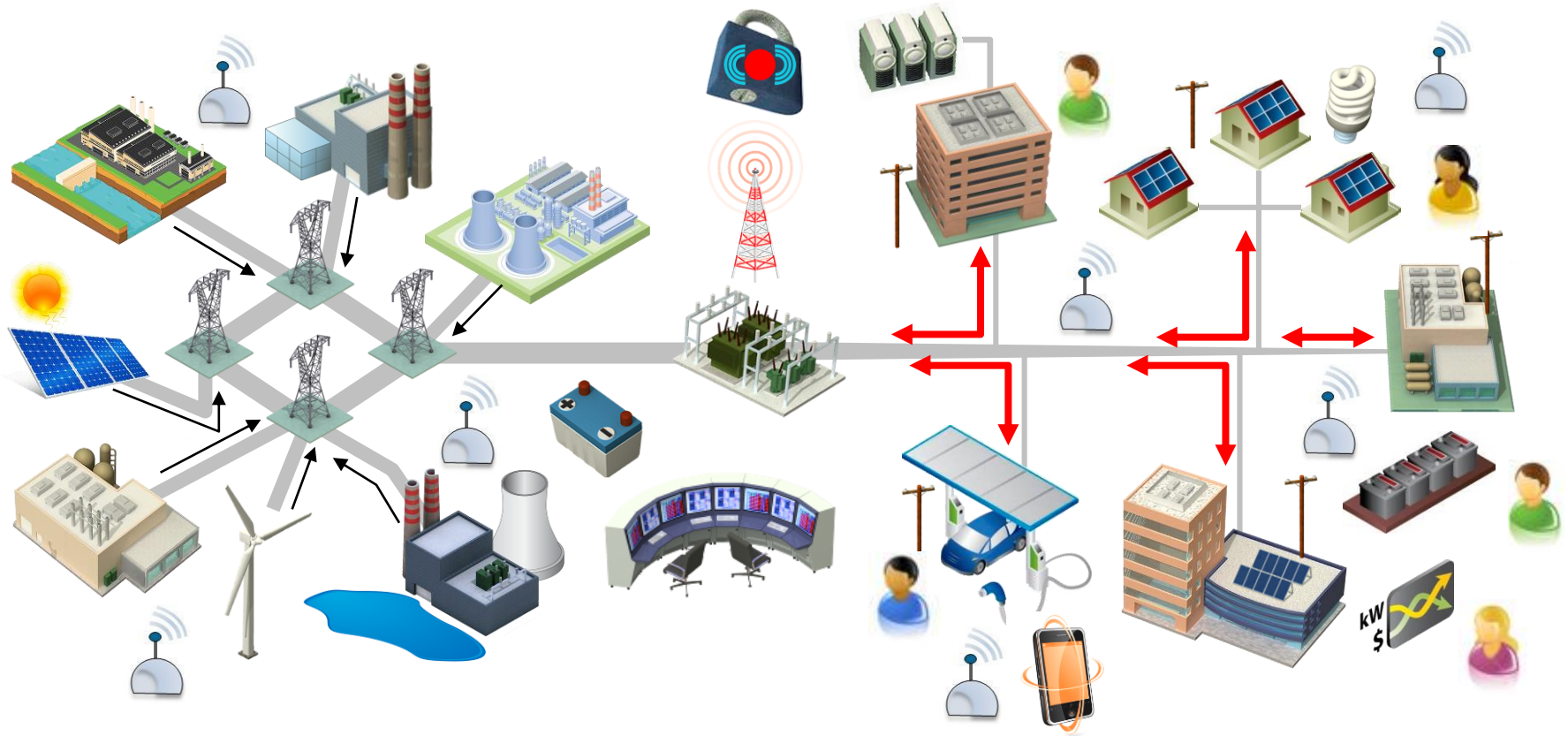


Emerging
technologies

New entrants /
competitors

Compliance with state &
federal regulations

Future Utility Value Chain?



← Communications and Information →

A Highly Interconnected Power System that Optimizes Energy Resources

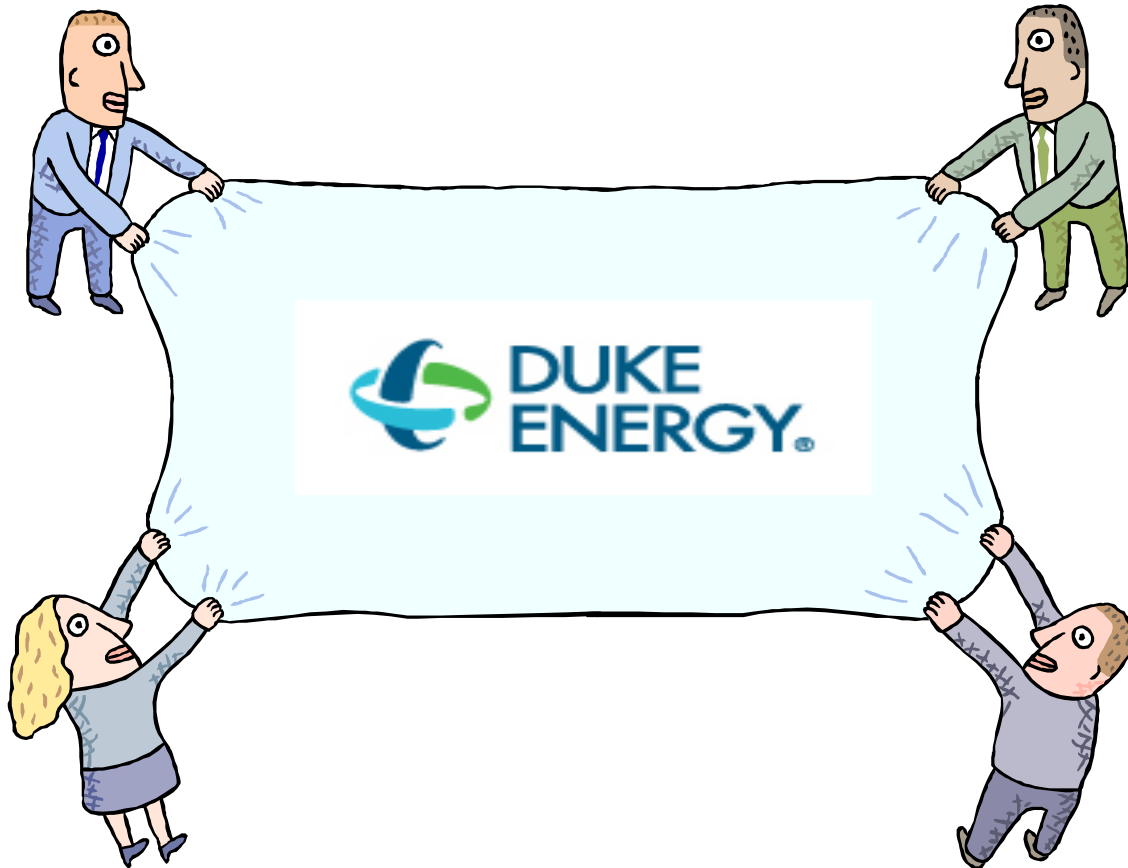
We are at the center of many stakeholders

Environmental
Advocates

Customers

Shareholders

Elected Officials
& Regulators



Public Policy Issues

- Greenhouse gas (climate change)
 - EPA Regulations
 - Congressional Action?
 - Cap and Trade
 - Clean Energy Standard legislation
- Renewable resource
 - Renewable portfolio standards (with or without energy efficiency standards)
 - Tax incentives (investment tax credits or production tax credits)
- Nuclear
 - Influenced by Greenhouse Gas legislation
 - Tax incentives
 - Waste disposal