



Duke Energy in North Carolina

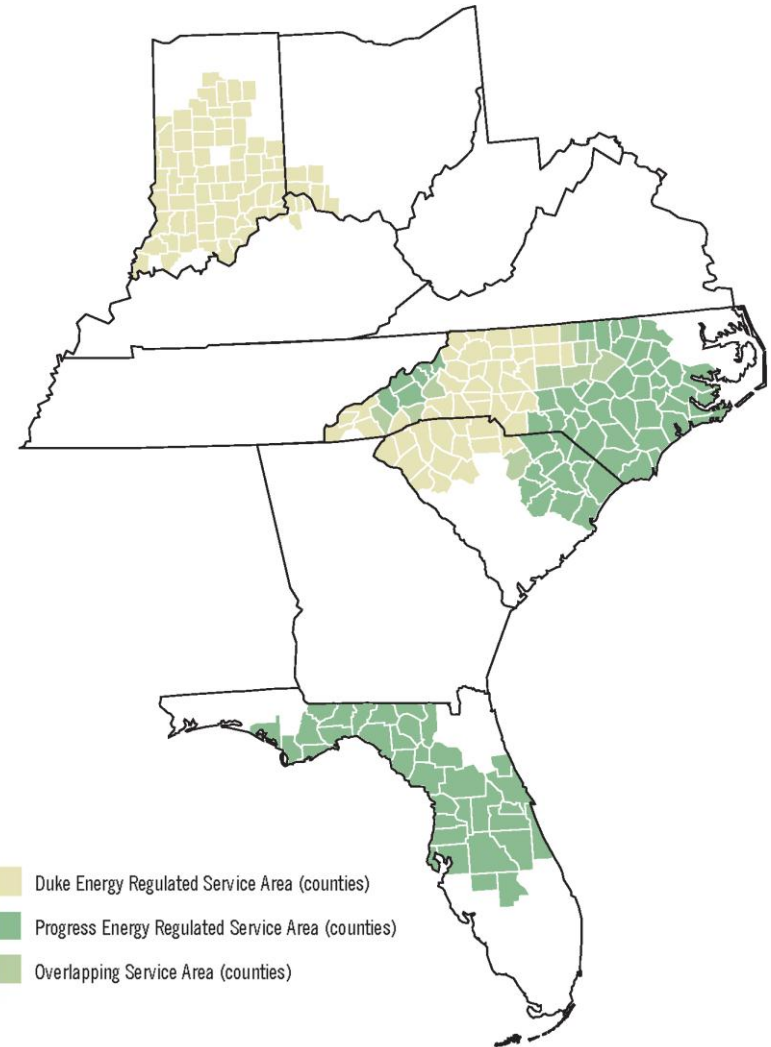
Paul Newton | State president – North Carolina



The New Duke Energy

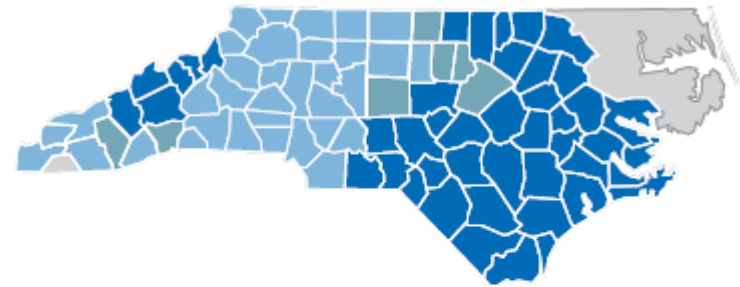
Duke Energy and Progress Energy have merged to create the new Duke Energy – the largest utility in the United States.

- 7.1 million electric customers
- 58,200 MW of generating capacity
- Consistent community support and investment



Commitment with Deep Roots in North Carolina

- 109 years of service
- 3.2 million retail customers
- Two utilities
 - Duke Energy Carolinas
 - Duke Energy Progress
- 5 of our 11 operating nuclear units located in NC
- 12,900 employees, 10,400 retirees in NC
- \$113.9 million in property taxes to local governments in NC
- Payroll in NC = \$1.2 billion
- \$16 million annual investment in NC for community support and charitable donations



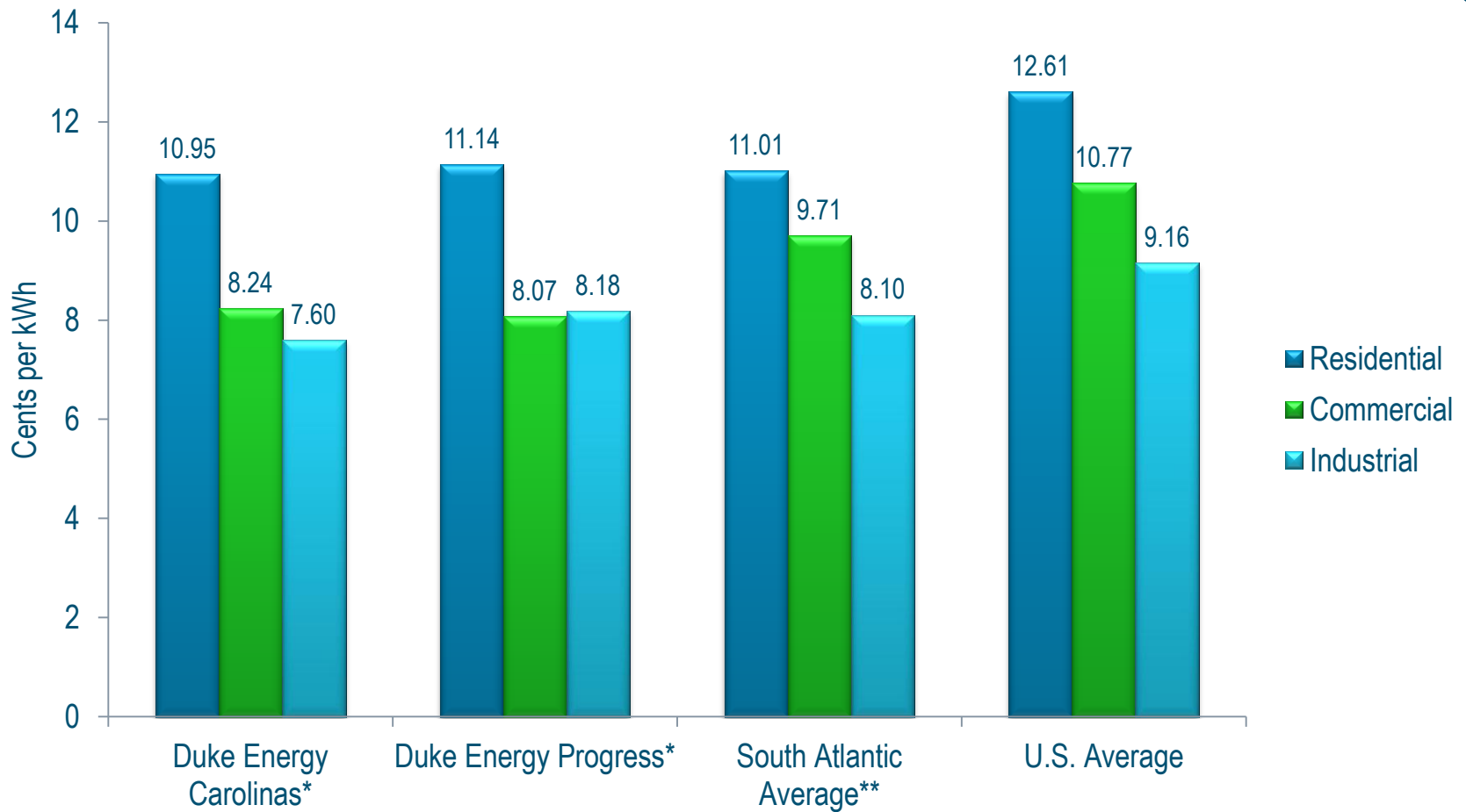
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- *Duke Energy Carolinas Service Territory*
 - *Duke Energy Progress Service Territory*
 - *Overlapping Service Territory*

Commitment to economic development in North Carolina

- Helped recruit nearly \$2.4 billion in capital investment and more than 11,000 new jobs over the last two years
- Recognized among the nation's ten best utility companies in promoting economic development



Commitment to North Carolina customers



*Post-rate case rates

**South Atlantic includes North Carolina, South Carolina, West Virginia, Virginia, Georgia, Maryland and Florida

Sources: EEI Typical Bills and Average Rates report, Winter 2013 and Duke Energy data

Commitment to North Carolina customers

Delivering on merger savings

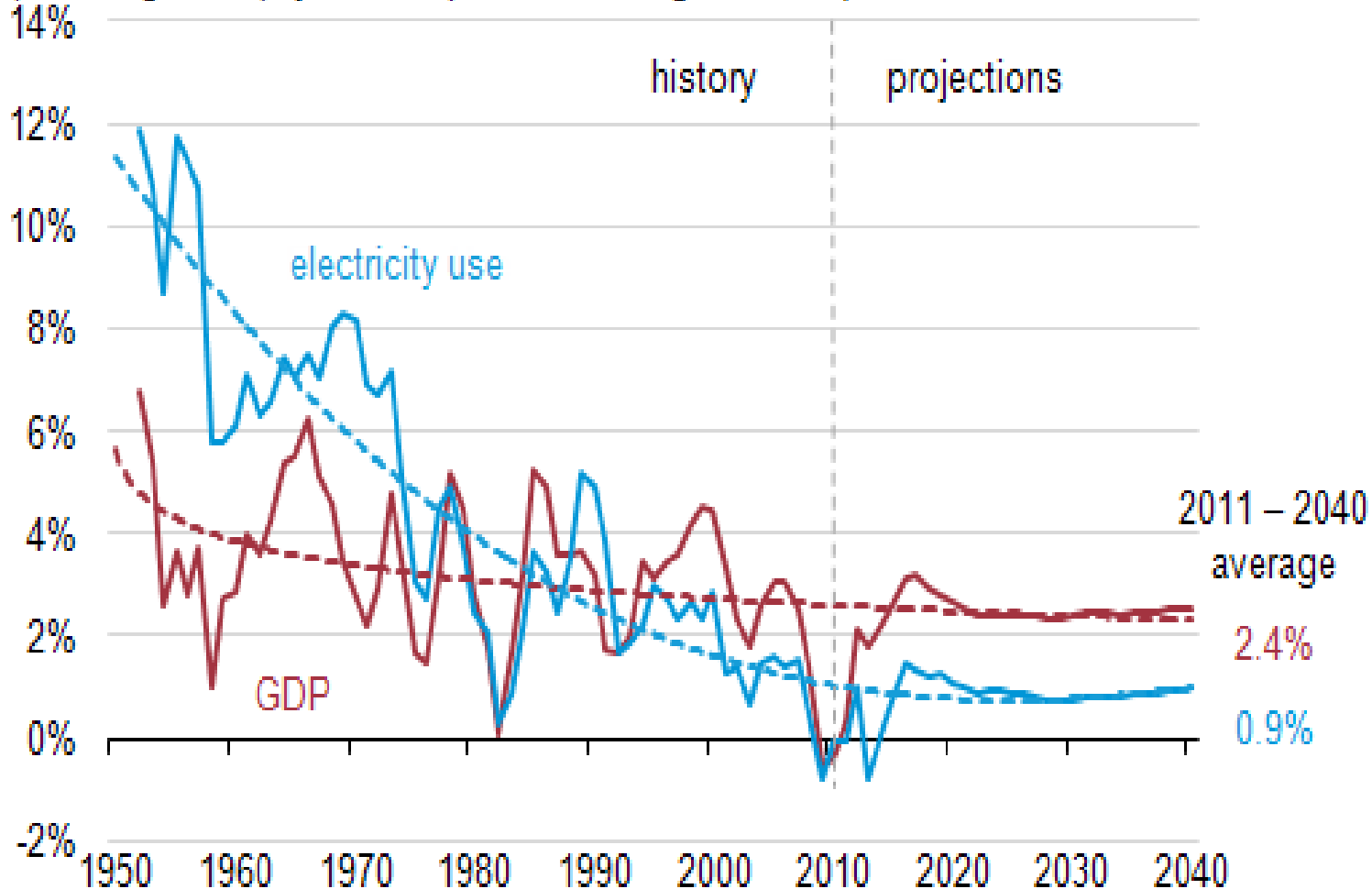
- As part of the merger, the company committed to \$687 million in fuel and operational savings
- In the first 15 months, we achieved cumulative benefits of \$144 million in savings
- These savings exceed original forecasts and are generating savings for customers



Changing energy landscape – Slowing growth and usage



U.S. electricity use and economic growth, 1950 - 2040
percent growth (3-year compound annual growth rate) and trend lines



Changing energy landscape – Increased regulation

- Proposed greenhouse gas rules
- Additional land and waste regulations
- Increased regulation is pushing industry toward natural gas for baseload generation



Cliffside Unit 6 is among the newest and cleanest coal plants in the nation

Investing in our system – Fleet Modernization

- Retired 2,300 megawatts of older, less-efficient coal units
- Enhancing safety and reliability of our existing nuclear fleet
- Exploring regional nuclear options

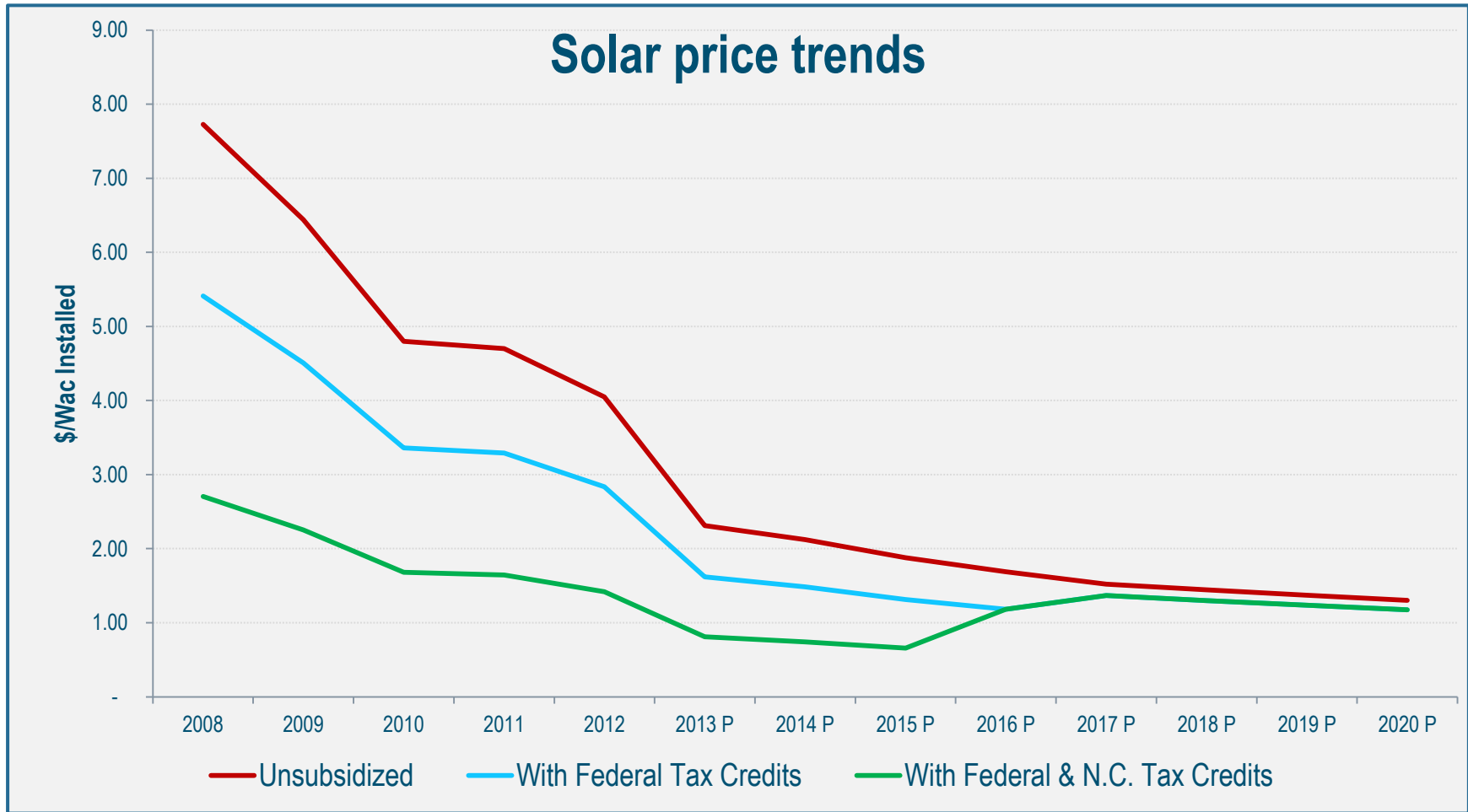


Investing in our system – Ensuring reliability and resiliency

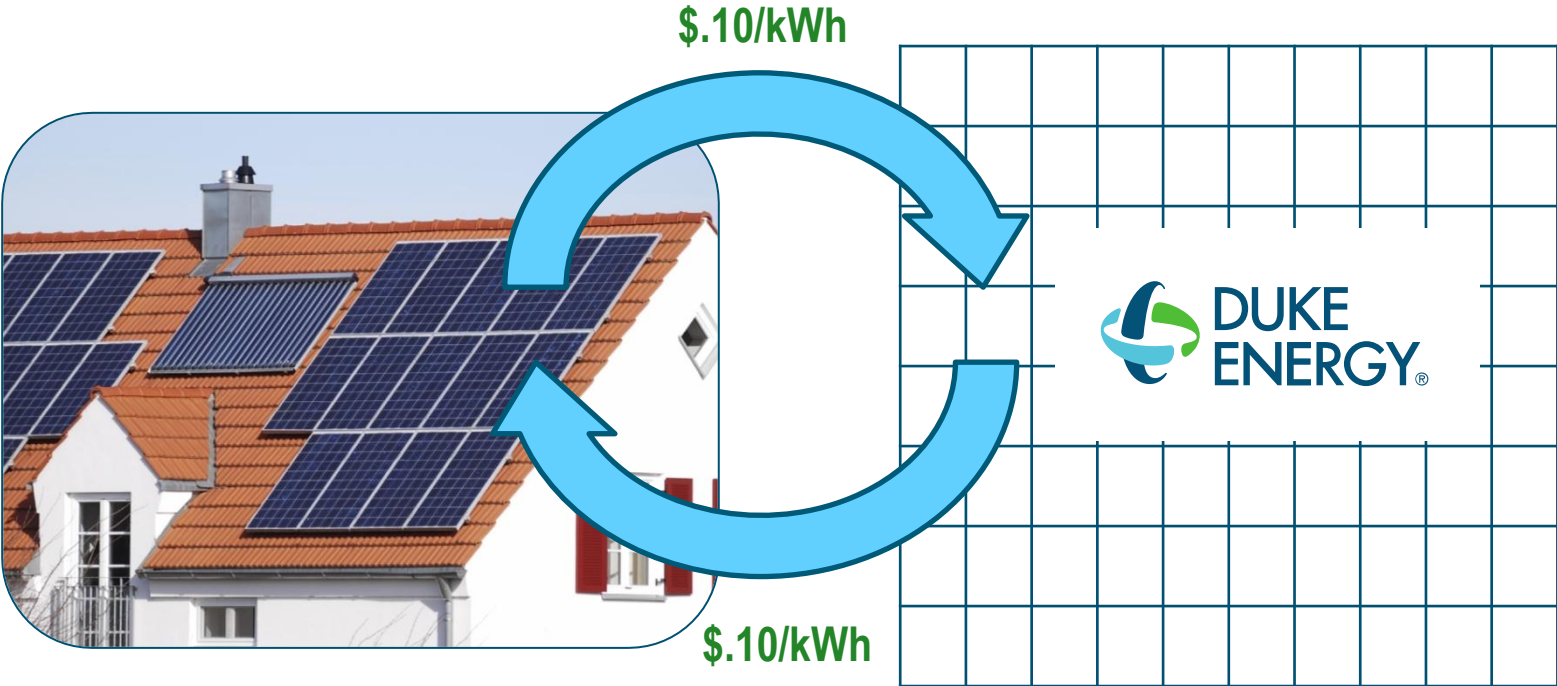
- Spending approximately \$3 billion on new infrastructure and maintenance in the Carolinas next year.
- Nearly half of planned capital investments over the next decade will help to make our power grid more resilient
- We are committed to protecting our system while also protecting our customers



Falling solar installation prices



Net metering



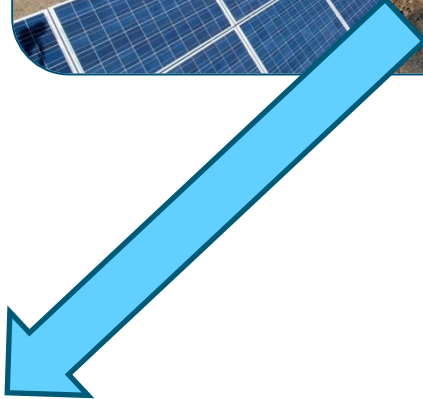
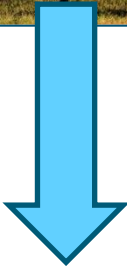
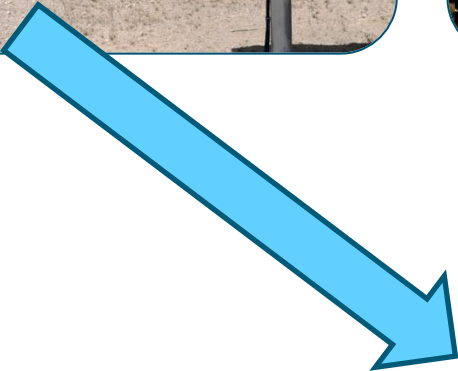
Net metering customers

\$110,000 Average household income of net metering customers

\$67,000 Average household income for all NC customers

\$43,000 Income difference between solar and non-solar customers

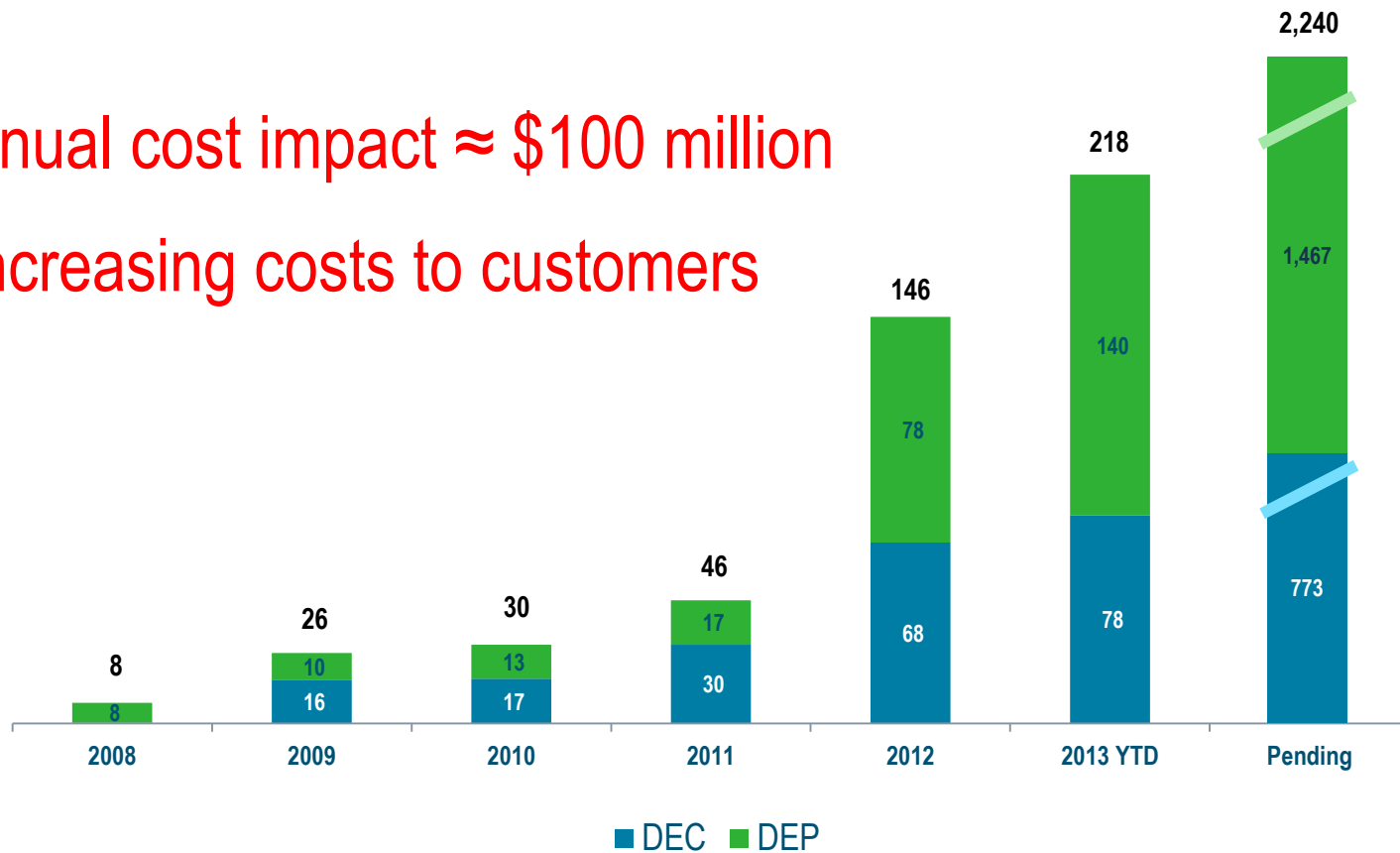
Qualifying facilities (QFs)



Regulated Utilities Installed Capacity

Carolinas Annual QF Interconnection (Cumulative, MWac)

Annual cost impact \approx \$100 million
Increasing costs to customers



Our Commitment to North Carolina



Duke Energy is committed to delivering safe, reliable, affordable and increasingly clean electricity to North Carolina.

