

EXELON CORP
Form 4
September 02, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HILZINGER MATTHEW F

(Last) (First) (Middle)
10 SOUTH DEARBORN STREET, 54TH FLOOR
(Street)

CHICAGO, IL 60603

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
EXELON CORP [EXC]

3. Date of Earliest Transaction (Month/Day/Year)
08/29/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
Senior VP and CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Instr. 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Deferred Comp. Phantom Shares	(1)	08/29/2008	A		11		(1)	(1)	Common Stock	11	\$ 75.96

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HILZINGER MATTHEW F 10 SOUTH DEARBORN STREET 54TH FLOOR CHICAGO, IL 60603			Senior VP and CFO	

Signatures

Lawrence C. Bachman, Attorney in Fact for Matthew F. Hilzinger

09/02/2008

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Phantom shares held in a multi-fund deferred compensation plan to be settled for cash upon the reporting person's termination of employment for any reason on a 1:1 basis. Shares are acquired through regular periodic contributions, company matching contributions, and the automatic reinvestment of dividends.
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ne;border-right:none;border-top:solid black 1.0pt;height:9.0pt;padding:0in 0in 0in 0in;">

\$

(23)

\$
10,021

\$
4

\$
10,025

Net income^(a)

400

400

Explanation of Responses:

3

3

403

Other comprehensive income (loss)

100

(2)

98

Explanation of Responses:

4

31

Common stock dividends

(369)

(369)

Distributions to noncontrolling interests

(2)

(2)

Recapitalization for merger with Duke Energy

Explanation of Responses:

(7,436)

7,436

Other

(1)

(1)

Balance at December 31, 2012

\$

\$

Explanation of Responses:

9

7,465

\$

2,783

\$

(42)

\$

(25)

\$

10,181

\$

4

\$

10,185

Net income

672

672

3

675

Other comprehensive (loss) income

(1)

9

8

8

Premium on the redemption of preferred stock of subsidiaries

(3)

Explanation of Responses:

12

(3)

(3)

Distributions to noncontrolling interests

(3)

(3)

Other

2

2

2

Balance at December 31, 2013

\$

\$

7,467

\$

3,452

\$

(43)

\$

(16)

\$

Explanation of Responses:

15

10,860

\$

4

\$

10,864

(a)

For the year ended December 31, 2012, consolidated net income of \$407 million included \$4 million attributable to preferred shareholders of subsidiaries. For the year ended December 31, 2011, consolidated net income of \$582 million included \$4 million attributable to preferred shareholders of subsidiaries. Income attributable to preferred shareholders of subsidiaries is not a component of total equity and is excluded from the table above.

See Notes to Consolidated Financial Statements

PART II

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Duke Energy Progress, Inc.
Charlotte, North Carolina

We have audited the accompanying consolidated balance sheets of Duke Energy Progress, Inc. and subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, changes in common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duke Energy Progress, Inc. and subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 28, 2014

PART II

DUKE ENERGY PROGRESS, INC.							
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME							
Years Ended December 31,							
(in millions)	2013	2012	2011				
Operating Revenues	\$ 4,992	\$ 4,706	\$ 4,547				
Operating Expenses							
Fuel used in electric generation and purchased power	1,925	1,895	1,755				
Operation, maintenance and other	1,357	1,494	1,191				
Depreciation and amortization	534	535	514				
Property and other taxes	223	219	211				
Impairment charges	22	54	3				
Total operating expenses	4,061	4,197	3,674				
Gains on Sales of Other Assets and Other, net	1	1	3				
Operating Income	932	510	876				
Other Income and Expenses, net	57	79	80				
Interest Expense	201	207	184				
Income Before Income Taxes	788	382	772				
Income Tax Expense	288	110	256				
Net Income	500	272	516				
Less: Preferred Stock Dividend Requirement		3	3				
Net Income Available to Parent	\$ 500	\$ 269	\$ 513				
Net Income	\$ 500	\$ 272	\$ 516				
Other Comprehensive (Loss) Income, net of tax							
Net unrealized loss on cash flow hedges ^(a)		(4)	(43)				
Reclassification into earnings from cash flow hedges		4	5				
Reclassification of cash flow hedges to regulatory assets ^(b)		71					
Other Comprehensive Income (Loss), net of tax		71	(38)				
Comprehensive Income	\$ 500	\$ 343	\$ 478				
(a)	Net of \$28 million tax benefit in 2011.						
(b)	Net of \$46 million tax expense in 2012.						

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY PROGRESS, INC.				
CONSOLIDATED BALANCE SHEETS				
		December 31,		
(in millions)		2013		2012
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 21		\$ 18
Receivables (net of allowance for doubtful accounts of \$10 at December 31, 2013 and \$9 at December 31, 2012)		145		458
Restricted receivables of variable interest entities		417		
Receivables from affiliated companies		2		5
Inventory		853		828
Regulatory assets		127		77
Other		296		236
	Total current assets	1,861		1,622
Investments and Other Assets				
Nuclear decommissioning trust funds		1,539		1,259
Other		443		251
	Total investments and other assets	1,982		1,510
Property, Plant and Equipment				
Cost		22,273		21,184
Accumulated depreciation and amortization		(8,623)		(8,185)
Generation facilities to be retired, net				63
	Net property, plant and equipment	13,650		13,062
Regulatory Assets and Deferred Debits				
Regulatory assets		1,384		1,845
Other		32		29
	Total regulatory assets and deferred debits	1,416		1,874
	Total Assets	\$ 18,909		\$ 18,068
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 420		\$ 542
Accounts payable to affiliated companies		103		76
Notes payable to affiliated companies		462		364
Taxes accrued		37		23
Interest accrued		70		69
Current maturities of long-term debt		174		407
Regulatory liabilities		63		10
Other		392		507
	Total current liabilities	1,721		1,998
	Long-term Debt	5,061		4,433

Deferred Credits and Other Liabilities					
Deferred income taxes			2,557		2,162
Accrued pension and other post-retirement benefit costs			321		715
Asset retirement obligations			1,729		1,649
Regulatory liabilities			1,673		1,538
Other			222		387
	Total deferred credits and other liabilities		6,502		6,451
Commitments and Contingencies					
Preferred Stock					59
Common Stockholder's Equity					
Common stock, no par value, 200 million shares authorized; 160 million shares outstanding at December 31, 2013 and 2012			2,159		2,159
Retained earnings			3,466		2,968
	Total common stockholder's equity		5,625		5,127
Total Liabilities and Common Stockholder's Equity		\$	18,909		\$ 18,068

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY PROGRESS, INC.						
CONSOLIDATED STATEMENTS OF CASH FLOWS						
Years Ended December 31,						
(in millions)	2013	2012	2011			
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income	\$ 500	\$ 272	\$ 516			
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation, amortization and accretion (including amortization of nuclear fuel)	685	676	654			
Equity component of AFUDC	(42)	(69)	(71)			
Severance expense		18				
FERC mitigation costs		71				
Community support and charitable contributions expense	20	36				
Gains on sales of other assets and other, net	(1)	(1)	(3)			
Impairment charges	22		3			
Deferred income taxes	368	164	262			
Accrued pension and other post-retirement benefit costs	72	70	43			
Contributions to qualified pension plans	(63)	(141)	(217)			
(Increase) decrease in						
Net realized and unrealized mark-to-market and hedging transactions	(9)	(25)	(23)			
Receivables	(88)	2	84			
Receivables from affiliated companies	3	(4)	8			
Inventory	(26)	(58)	(182)			
Other current assets	(39)	(24)	116			
Increase (decrease) in						
Accounts payable	(18)	149	(22)			
Accounts payable to affiliated companies	27	47	(45)			
Taxes accrued	15	(5)	(4)			
Other current liabilities	(86)	23	40			
Other assets	(74)	(28)	(38)			
Other liabilities	(78)	(6)	16			
Net cash provided by operating activities	1,188	1,167	1,137			
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures	(1,567)	(1,525)	(1,426)			
Purchases of available-for-sale securities	(901)	(582)	(572)			
	856	532	515			

Proceeds from sales and maturities of available-for-sale securities							
Notes receivable from affiliated companies							2
Other		4		91			12
Net cash used in investing activities		(1,608)		(1,484)			(1,469)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from the issuance of long-term debt		845		988			495
Payments for the:							
Redemption of long-term debt		(451)		(502)			(2)
Redemption of preferred stock		(62)					
Notes payable and commercial paper				(188)			185
Notes payable to affiliated companies		98		333			31
Dividends to parent				(310)			(585)
Dividends paid on preferred stock				(3)			(3)
Other		(7)		(3)			1
Net cash provided by financing activities		423		315			122
Net increase (decrease) in cash and cash equivalents		3		(2)			(210)
Cash and Cash Equivalents at Beginning of Period		18		20			230
Cash and Cash Equivalents at End of Period	\$	21	\$	18	\$		20
Supplemental Disclosures:							
Cash paid for interest, net of amount capitalized	\$	217	\$	249	\$		199
Cash (received from) paid for income taxes		(94)		19			(97)
Significant non-cash transactions:							
Accrued capital expenditures		166		232			270
Asset retirement obligation additions				698			(4)
Capital expenditures financed through capital leases				140			

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY PROGRESS, INC.										
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCKHOLDERS' EQUITY										
							Accumulated Other Comprehensive Loss			
(in millions)	Common Stock		Retained Earnings		Net Losses on Cash Flow Hedges		Total Equity			
Balance at December 31, 2010	\$	2,130		\$	3,083		\$	(33)	\$	5,180
Net income					516					516
Other comprehensive loss							(38)			(38)
Stock-based compensation expense		18								18
Dividend to parent					(585)					(585)
Preferred stock dividends at stated rate					(3)					(3)
Balance at December 31, 2011	\$	2,148		\$	3,011		\$	(71)	\$	5,088
Net income					272					272
Other comprehensive income							71			71
Stock-based compensation expense		11								11
Dividend to parent					(310)					(310)
Preferred stock dividends at stated rate					(3)					(3)
Tax dividend					(2)					(2)
Balance at December 31, 2012	\$	2,159		\$	2,968		\$		\$	5,127
Net income					500					500
Premium on the redemption of preferred stock					(2)					(2)
Balance at December 31, 2013	\$	2,159		\$	3,466		\$		\$	5,625

See Notes to Consolidated Financial Statements

PART II

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of

Duke Energy Florida, Inc.

Charlotte, North Carolina

We have audited the accompanying balance sheets of Duke Energy Florida, Inc. (the "Company") as of December 31, 2013 and 2012, and the related statements of operations and comprehensive income, changes in common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Duke Energy Florida, Inc. at December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

February 28, 2014

PART II

DUKE ENERGY FLORIDA, INC.							
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME							
Years Ended December 31,							
(in millions)	2013	2012	2011				
Operating Revenues	\$ 4,527	\$ 4,689	\$ 4,392				
Operating Expenses							
Fuel used in electric generation and purchased power	1,927	2,409	2,288				
Operation, maintenance and other	898	969	883				
Depreciation and amortization	330	192	169				
Property and other taxes	327	346	351				
Impairment charges	358	146					
Total operating expenses	3,840	4,062	3,691				
Gains on Sales of Other Assets and Other, net	1	2	2				
Operating Income	688	629	703				
Other Income and Expenses, net	30	39	30				
Interest Expense	180	255	239				
Income Before Income Taxes	538	413	494				
Income Tax Expense	213	147	180				
Net Income	325	266	314				
Less: Preferred Stock Dividend Requirement		2	2				
Net Income Available to Parent	\$ 325	\$ 264	\$ 312				
Net Income	\$ 325	\$ 266	\$ 314				
Other Comprehensive Income (Loss), net of tax							
Net unrealized loss on cash flow hedges ^(a)	(1)		(23)				
Reclassification into earnings from cash flow hedges		1					
Reclassification of cash flow hedges to regulatory assets ^(b)		26					
Other Comprehensive Income (Loss), net of tax	(1)	27	(23)				
Comprehensive Income	\$ 324	\$ 293	\$ 291				
(a)	Net of \$15 million tax benefit in 2011.						
(b)	Net of \$16 million tax expense in 2012.						

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY FLORIDA, INC.				
BALANCE SHEETS				
		December 31,		
(in millions)		2013		2012
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 16		\$ 131
Receivables (net of allowance for doubtful accounts of \$4 at December 31, 2013 and \$7 at December 31, 2012)		375		318
Receivables from affiliated companies		3		20
Notes receivable from affiliated companies				207
Inventory		571		613
Regulatory assets		221		179
Other		182		172
	Total current assets	1,368		1,640
Investments and Other Assets				
Nuclear decommissioning trust funds		753		629
Other		252		182
	Total investments and other assets	1,005		811
Property, Plant and Equipment				
Cost		13,863		13,432
Accumulated depreciation and amortization		(4,252)		(4,072)
	Net property, plant and equipment	9,611		9,360
Regulatory Assets and Deferred Debits				
Regulatory assets		2,729		3,321
Other		44		48
	Total regulatory assets and deferred debits	2,773		3,369
Total Assets		\$ 14,757		\$ 15,180
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 333		\$ 412
Accounts payable to affiliated companies		38		44
Notes payable to affiliated companies		181		
Taxes accrued		66		48
Interest accrued		46		55
Current maturities of long-term debt		11		435
Regulatory liabilities		144		18
Other		445		516
	Total current liabilities	1,264		1,528
Long-term Debt		4,875		4,885
Deferred Credits and Other Liabilities				

Deferred income taxes		1,829		1,518
Accrued pension and other post-retirement benefit costs		286		610
Asset retirement obligations		833		764
Regulatory liabilities		618		787
Other		255		255
Total deferred credits and other liabilities		3,821		3,934
Commitments and Contingencies				
Preferred Stock				34
Common Stockholder's Equity				
Common Stock, no par; 60 million shares authorized; 100 shares outstanding at December 31, 2013 and 2012		1,762		1,762
Retained earnings		3,036		3,037
Accumulated other comprehensive loss		(1)		
Total common stockholder's equity		4,797		4,799
Total Liabilities and Common Stockholder's Equity		\$ 14,757		\$ 15,180

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY FLORIDA, INC.						
STATEMENTS OF CASH FLOWS						
Years Ended December 31,						
(in millions)	2013	2012	2011			
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income	\$ 325	\$ 266	\$ 314			
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation, amortization and accretion	335	197	174			
Equity component of AFUDC	(8)	(37)	(32)			
Severance expense		6				
Gains on sales of other assets and other, net	(1)	(2)	(2)			
Impairment charges	358	146				
Deferred income taxes	368	142	234			
Amount to be refunded to customers		100	288			
Accrued pension and other post-retirement benefit costs	79	71	52			
Contributions to qualified pension plans	(133)	(128)	(112)			
(Increase) decrease in						
Net realized and unrealized mark-to-market and hedging transactions	55	73	(13)			
Receivables	(44)	37	91			
Receivables from affiliated companies	17	(13)	(6)			
Inventory	42	(13)	(28)			
Other current assets	(109)	22	(160)			
Increase (decrease) in						
Accounts payable	(22)	21	(45)			
Accounts payable to affiliated companies	(6)	30	(37)			
Taxes accrued	18	15	(8)			
Other current liabilities	159	51	16			
Other assets	(154)	8	(7)			
Other liabilities	(74)	(94)	46			
Net cash provided by operating activities	1,205	898	765			
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures	(915)	(809)	(813)			
Purchases of available-for-sale securities	(1,656)	(791)	(4,435)			
Proceeds from sales and maturities of available-for-sale securities	1,658	791	4,438			
Insurance proceeds		7	76			

Notes receivable from affiliated companies		207		(207)		
Other				9		27
Net cash used in investing activities		(706)		(1,000)		(707)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from the issuance of long-term debt				642		296
Payments for the:						
Redemption of long-term debt		(435)		(10)		(309)
Redemption of preferred stock		(34)				
Payments of short-term debt with original maturities greater than 90 days				(65)		
Proceeds from issuance of short-term debt with original maturities greater than 90 days				65		
Notes payable and commercial paper				(233)		233
Notes payable to affiliated companies		181		(8)		
Dividends to parent		(325)		(170)		(510)
Dividends paid on preferred stock				(2)		(2)
Other		(1)		(2)		1
Net cash (used in) provided by financing activities		(614)		217		(291)
Net (decrease) increase in cash and cash equivalents		(115)		115		(233)
Cash and Cash Equivalents at Beginning of Period		131		16		249
Cash and Cash Equivalents at End of Period	\$	16	\$	131	\$	16
Supplemental Disclosures:						
Cash paid for interest, net of amount capitalized	\$	201	\$	266	\$	287
Cash (received from) paid for income taxes		(84)		24		(83)
Significant non-cash transactions:						
Accrued capital expenditures		88		139		106
Asset retirement obligation additions				139		

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY FLORIDA, INC.									
STATEMENTS OF CHANGES IN COMMON STOCKHOLDER'S EQUITY									
							Accumulated Other Comprehensive Loss		
(in millions)	Common Stock		Retained Earnings				Net Losses on Cash Flow Hedges		Total Equity
Balance at December 31, 2010	\$ 1,750		\$ 3,144				\$ (4)		\$ 4,890
Net income			314						314
Other comprehensive loss							(23)		(23)
Stock-based compensation expense	7								7
Dividend to parent			(510)						(510)
Preferred stock dividends at stated rate			(2)						(2)
Tax dividend			(1)						(1)
Balance at December 31, 2011	\$ 1,757		\$ 2,945				\$ (27)		\$ 4,675
Net income			266						266
Other comprehensive income							27		27
Stock-based compensation expense	5								5
Dividend to parent			(170)						(170)
Preferred stock dividends at stated rate			(2)						(2)
Tax dividend			(2)						(2)
Balance at December 31, 2012	\$ 1,762		\$ 3,037				\$		\$ 4,799
Net income			325						325
Other comprehensive loss							(1)		(1)
Dividend to parent			(325)						(325)
Premium on the redemption of preferred stock			(1)						(1)
Balance at December 31, 2013	\$ 1,762		\$ 3,036				\$ (1)		\$ 4,797

See Notes to Consolidated Financial Statements

PART II

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of

Duke Energy Ohio, Inc.

Charlotte, North Carolina

We have audited the accompanying consolidated balance sheets of Duke Energy Ohio, Inc. and subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, changes in common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duke Energy Ohio, Inc. and subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

Explanation of Responses:

February 28, 2014

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PART II

DUKE ENERGY OHIO, INC.							
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME							
Years Ended December 31,							
(in millions)	2013	2012	2011				
Operating Revenues							
Regulated electric	\$ 1,368	\$ 1,386	\$ 1,518				
Nonregulated electric and other	1,364	1,295	1,105				
Regulated natural gas	513	471	558				
Total operating revenues	3,245	3,152	3,181				
Operating Expenses							
Fuel used in electric generation and purchased power - regulated	429	475	380				
Fuel used in electric generation and purchased power - nonregulated	1,020	832	653				
Cost of natural gas	152	142	209				
Operation, maintenance and other	774	797	885				
Depreciation and amortization	354	338	335				
Property and other taxes	265	224	260				
Impairment charges	5	2	89				
Total operating expenses	2,999	2,810	2,811				
Gains on Sales of Other Assets and Other, net	5	7	5				
Operating Income	251	349	375				
Other Income and Expenses, net	4	13	19				
Interest Expense	78	89	104				
Income Before Income Taxes	177	273	290				
Income Tax Expense	75	98	96				
Net Income	102	175	194				
Other Comprehensive Income (Loss), net of tax							
Pension and OPEB adjustments ^(a)	1	27	(6)				
Comprehensive Income	\$ 103	\$ 202	\$ 188				
(a)	Net of \$8 million tax expense in 2012.						

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY OHIO, INC.				
CONSOLIDATED BALANCE SHEETS				
		December 31,		
(in millions)		2013		2012
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 36		\$ 31
Receivables (net of allowance for doubtful accounts of \$2 at December 31, 2013 and December 31, 2012)		121		108
Receivables from affiliated companies		121		82
Notes receivable from affiliated companies		57		1
Inventory		229		227
Regulatory assets		57		46
Other		270		221
	Total current assets	891		716
Investments and Other Assets				
Goodwill		920		921
Other		232		204
	Total investments and other assets	1,152		1,125
Property, Plant and Equipment				
Cost		11,143		10,824
Accumulated depreciation and amortization		(2,908)		(2,698)
	Net property, plant and equipment	8,235		8,126
Regulatory Assets and Deferred Debits				
Regulatory assets		471		579
Other		14		14
	Total regulatory assets and deferred debits	485		593
Total Assets		\$ 10,763		\$ 10,560
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 319		\$ 318
Accounts payable to affiliated companies		77		62
Notes payable to affiliated companies		43		245
Taxes accrued		167		159
Interest accrued		17		14
Current maturities of long-term debt		47		261
Regulatory liabilities		27		39
Other		110		87
	Total current liabilities	807		1,185
Long-term Debt		2,141		1,736

Deferred Credits and Other Liabilities					
Deferred income taxes			2,012		1,853
Accrued pension and other post-retirement benefit costs			58		157
Asset retirement obligations			28		28
Regulatory liabilities			262		254
Other			186		181
Total deferred credits and other liabilities			2,546		2,473
Commitments and Contingencies					
Common Stockholder's Equity					
Common stock, \$8.50 par value, 120,000,000 shares authorized; 89,663,086 shares outstanding at December 31, 2013 and December 31, 2012			762		762
Additional paid-in capital			4,882		4,882
Accumulated deficit			(375)		(477)
Accumulated other comprehensive loss			-		(1)
Total common stockholder's equity			5,269		5,166
Total Liabilities and Common Stockholder's Equity			10,763		10,560
			\$		\$

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY OHIO, INC.											
CONSOLIDATED STATEMENTS OF CASH FLOWS											
						Years Ended December 31,					
(in millions)						2013		2012			
								2011			
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income						\$	102	\$	175	\$	194
Adjustments to reconcile net income to net cash provided by operating activities:											
Depreciation and amortization							357		342		338
Equity component of AFUDC							(1)		(6)		(5)
Gains on sales of other assets and other, net							(5)		(7)		(5)
Impairment charges							5		2		89
Deferred income taxes							98		61		190
Accrued pension and other post-retirement benefit costs							17		11		14
Contributions to qualified pension plans											(48)
(Increase) decrease in											
Net realized and unrealized mark-to-market and hedging transactions							17		(5)		(8)
Receivables							(15)		29		10
Receivables from affiliated companies							(39)		61		98
Inventory							(3)		15		11
Other current assets							(1)		(62)		(24)
Increase (decrease) in											
Accounts payable							13		5		(33)
Accounts payable to affiliated companies							15		(22)		1
Taxes accrued							1		(24)		8
Other current liabilities							14		(21)		(3)
Other assets							(6)		6		(56)
Other liabilities							(73)		(116)		47
Net cash provided by operating activities							496		444		818
CASH FLOWS FROM INVESTING ACTIVITIES											
Capital expenditures							(434)		(514)		(499)
Net proceeds from the sales of other assets							11		82		
Notes receivable from affiliated companies							(56)		400		79
Change in restricted cash											(26)
Other							1		6		(3)
Net cash used in investing activities							(478)		(26)		(449)
CASH FLOWS FROM FINANCING ACTIVITIES											

Proceeds from the issuance of long-term debt		450					
Payments for the redemption of long-term debt		(258)		(556)			(9)
Notes payable to affiliated companies		(202)		245			
Dividends to parent				(175)			(485)
Other		(3)					(4)
Net cash used in financing activities		(13)		(486)			(498)
Net increase (decrease) in cash and cash equivalents		5		(68)			(129)
Cash and cash equivalents at beginning of period		31		99			228
Cash and cash equivalents at end of period	\$	36		\$ 31		\$	99
Supplemental Disclosures:							
Cash paid for interest, net of amount capitalized	\$	71		\$ 93		\$	100
Cash paid for (received from) income taxes		9		18			(102)
Significant non-cash transactions:							
Accrued capital expenditures		27		31			43
Transfer of Vermillion Generating Station to Duke Energy Indiana				28			

See Notes to Consolidated Financial Statements

PART II

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of

Duke Energy Indiana, Inc.

Charlotte, North Carolina

We have audited the accompanying consolidated balance sheets of Duke Energy Indiana, Inc. and subsidiary (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, changes in common stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Duke Energy Indiana, Inc. and subsidiary at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina

Explanation of Responses:

February 28, 2014

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PART II

DUKE ENERGY INDIANA, INC.						
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME						
Years Ended December 31,						
(in millions)	2013		2012			2011
Operating Revenues	\$ 2,926		\$ 2,717			\$ 2,622
Operating Expenses						
Fuel used in electric generation and purchased power	1,131		1,088			986
Operation, maintenance and other	649		655			647
Depreciation and amortization	342		389			391
Property and other taxes	71		81			82
Impairment charges			579			234
Total operating expenses	2,193		2,792			2,340
Operating Income (Loss)	733		(75)			282
Other Income and Expenses, net	18		90			97
Interest Expense	170		138			137
Income (Loss) Before Income Taxes	581		(123)			242
Income Tax Expense (Benefit)	223		(73)			74
Net Income (Loss)	358		(50)			168
Other Comprehensive Loss, net of tax						
Reclassification into earnings from cash flow hedges	(2)		(2)			(1)
Comprehensive Income (Loss)	\$ 356		\$ (52)			\$ 167

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY INDIANA, INC.				
CONSOLIDATED BALANCE SHEETS				
		December 31,		
(in millions)		2013		2012
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 15		\$ 36
Receivables (net of allowance for doubtful accounts of \$1 at December 31, 2013 and December 31, 2012)		22		33
Receivables from affiliated companies		151		104
Notes receivable from affiliated companies		96		
Inventory		434		380
Regulatory assets		118		126
Other		125		12
	Total current assets	961		691
Investments and Other Assets				
Other		269		163
	Total investments and other assets	269		163
Property, Plant and Equipment				
Cost		12,489		12,012
Accumulated depreciation and amortization		(3,913)		(3,692)
	Net property, plant and equipment	8,576		8,320
Regulatory Assets and Deferred Debits				
Regulatory assets		717		810
Other		25		24
	Total regulatory assets and deferred debits	742		834
Total Assets		\$ 10,548		\$ 10,008
LIABILITIES AND COMMON STOCKHOLDER'S EQUITY				
Current Liabilities				
Accounts payable		\$ 206		\$ 173
Accounts payable to affiliated companies		56		60
Notes payable to affiliated companies				81
Taxes accrued		57		61
Interest accrued		56		53
Current maturities of long-term debt		5		405
Regulatory liabilities		16		11
Other		88		154
	Total current liabilities	484		998
Long-term Debt		3,641		3,147
Long-term Debt Payable to Affiliated Companies		150		150

Deferred Credits and Other Liabilities					
Deferred income taxes			1,171		853
Investment tax credits			140		142
Accrued pension and other post-retirement benefit costs			163		186
Asset retirement obligations			30		37
Regulatory liabilities			782		741
Other			48		46
Total deferred credits and other liabilities			2,334		2,005
Commitments and Contingencies					
Common Stockholder's Equity					
Common Stock, no par; \$0.01 stated value, 60,000,000 shares authorized; 53,913,701 shares outstanding at December 31, 2013 and December 31, 2012			1		1
Additional paid-in capital			1,384		1,384
Retained earnings			2,551		2,318
Accumulated other comprehensive income			3		5
Total common stockholder's equity			3,939		3,708
Total Liabilities and Common Stockholder's Equity			10,548		10,008
			\$		\$

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY INDIANA, INC.						
CONSOLIDATED STATEMENTS OF CASH FLOWS						
Years Ended December 31,						
(in millions)	2013		2012			2011
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income (loss)	\$ 358		\$ (50)			\$ 168
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	346		393			395
Equity component of AFUDC	(15)		(84)			(88)
Impairment charges			579			234
Deferred income taxes	304		(74)			(63)
Accrued pension and other post-retirement benefit costs	25		15			23
Contributions to qualified pension plans						(52)
(Increase) decrease in						
Net realized and unrealized mark-to-market and hedging transactions	(30)					
Receivables	3		6			25
Receivables from affiliated companies	(47)		52			63
Inventory	(53)		(50)			(64)
Other current assets	(40)		(25)			13
Increase (decrease) in						
Accounts payable	32		18			(14)
Accounts payable to affiliated companies	(4)		(12)			5
Taxes accrued	(30)		(27)			29
Other current liabilities	(5)		6			(16)
Other assets	(16)		6			47
Other liabilities	(84)		(37)			(72)
Net cash provided by operating activities	744		716			633
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures	(545)		(718)			(1,066)
Purchases of available-for-sale securities	(11)		(17)			(11)
Proceeds from sales and maturities of available-for-sale securities	7		18			8
Notes receivable from affiliated companies	(96)					115
Change in restricted cash						6
Other	(3)		(1)			(5)
Net cash used in investing activities	(648)		(718)			(953)

CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from the issuance of long-term debt			498			250		
Payments for the redemption of long-term debt			(405)			(7)		(14)
Notes payable to affiliated companies			(81)			(219)		300
Dividend to parent			(125)					
Other			(4)			(2)		(4)
	Net cash (used in) provided by financing activities		(117)			22		282
Net (decrease) increase in cash and cash equivalents			(21)			20		(38)
Cash and cash equivalents at beginning of period			36			16		54
Cash and cash equivalents at end of period		\$	15		\$	36		\$ 16
Supplemental Disclosures:								
Cash paid for interest, net of amount capitalized		\$	194		\$	130		\$ 130
Cash paid for income taxes			46			57		90
Significant non-cash transactions:								
	Accrued capital expenditures		73			67		110
	Transfer of Vermillion Generating Station from Duke Energy Ohio					26		

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY INDIANA, INC.													
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCKHOLDER'S EQUITY													
										Accumulated Other Comprehensive Income (Loss)			
												Common Stock	Additional Paid-in Capital
(in millions)													
Balance at December 31, 2010	\$	1		\$	1,358		\$	2,200		\$	8	\$	3,567
Net income								168					168
Other comprehensive loss										(1)			(1)
Balance at December 31, 2011	\$	1		\$	1,358		\$	2,368		\$	7	\$	3,734
Net loss								(50)					(50)
Other comprehensive loss										(2)			(2)
Transfer of Vermillion Generating Station from Duke Energy Ohio					26								26
Balance at December 31, 2012	\$	1		\$	1,384		\$	2,318		\$	5	\$	3,708
Net income								358					358
Other comprehensive loss										(2)			(2)
Dividend to parent								(125)					(125)
Balance at December 31, 2013	\$	1		\$	1,384		\$	2,551		\$	3	\$	3,939

See Notes to Consolidated Financial Statements

PART II

DUKE ENERGY CORPORATION - DUKE ENERGY CAROLINAS, LLC - PROGRESS ENERGY, INC. –
 DUKE ENERGY PROGRESS, INC. – DUKE ENERGY FLORIDA, INC. - DUKE ENERGY OHIO, INC. -
 DUKE ENERGY INDIANA, INC.

Combined Notes To Consolidated Financial Statements

For the Years Ended December 31, 2013, 2012 and 2011

Index to Combined Notes To Consolidated Financial Statements																										
The notes to the consolidated financial statements are a combined presentation. The following list indicates the registrants to which the notes apply.																										
Registrant	Applicable Notes																									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
Duke Energy Corporation
Duke Energy Carolinas, LLC
Progress Energy, Inc.
Duke Energy Progress, Inc.
Duke Energy Florida, Inc.
Duke Energy Ohio, Inc.
Duke Energy Indiana, Inc.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Basis of Consolidation

Duke Energy Corporation (collectively with its subsidiaries, Duke Energy), is an energy company headquartered in Charlotte, North Carolina, subject to regulation by the Federal Energy Regulatory Commission (FERC). Duke Energy operates in the U.S. and Latin America primarily through its direct and indirect subsidiaries. Duke Energy’s subsidiaries include its wholly owned subsidiary registrants, Duke Energy Carolinas, LLC (Duke Energy Carolinas); Progress Energy, Inc. (Progress Energy); Duke Energy Progress, Inc. (Duke Energy Progress); Duke Energy Florida, Inc. (Duke Energy Florida); Duke Energy

Ohio, Inc. (Duke Energy Ohio) and Duke Energy Indiana, Inc. (Duke Energy Indiana). When discussing Duke Energy's consolidated financial information, it necessarily includes the results of its six separate subsidiary registrants (collectively referred to as the Subsidiary Registrants), which, along with Duke Energy, are collectively referred to as the Duke Energy Registrants.

On July 2, 2012, Duke Energy merged with Progress Energy, with Duke Energy continuing as the surviving corporation. Progress Energy became a subsidiary of Duke Energy and Progress Energy's regulated utility subsidiaries, Duke Energy Progress (formerly Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.) and Duke Energy Florida (formerly Florida Power Corporation d/b/a Progress Energy Florida, Inc.), became indirect subsidiaries of Duke Energy. Duke Energy's consolidated financial statements include Progress Energy, Duke Energy Progress and Duke Energy Florida activity beginning July 2, 2012. The impacts of acquisition accounting from Progress Energy's merger with Duke Energy were recorded by Duke Energy and were not reflected on the financial statements of Progress Energy, Duke Energy Progress and Duke Energy Florida. See Note 2 for additional information regarding the merger. On July 2, 2012, just prior to the close of the merger, Duke Energy executed a one-for-three reverse stock split with respect to the issued and outstanding shares of Duke Energy common stock. All per-share amounts included in this Form 10-K are presented as if the stock split had been effective from the beginning of the earliest period presented.

The information in these combined notes relates to each of the Duke Energy Registrants as noted in the Index to the Combined Notes. However, none of the registrants makes any representation as to information related solely to Duke Energy or the subsidiaries of Duke Energy other than itself.

These Consolidated Financial Statements include, after eliminating intercompany transactions and balances, the accounts of the Duke Energy Registrants and subsidiaries where the respective Duke Energy Registrants have control. These Consolidated Financial Statements also reflect the Duke Energy Registrants' proportionate share of jointly owned generation and transmission facilities.

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 is subject to the regulatory provisions of the North Carolina Utilities Commission (NCUC), Public Service Commission of South Carolina (PSCSC), U.S. Nuclear Regulatory Commission (NRC) and FERC. Substantially all of Duke Energy Carolinas' operations qualify for regulatory accounting.

Progress Energy is a public utility holding company headquartered in Raleigh, North Carolina, subject to regulation by the FERC. Progress Energy conducts operations through its wholly owned subsidiaries, Duke Energy Progress and Duke Energy Florida. Substantially all of Progress Energy's operations qualify for regulatory accounting.

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 is subject to the regulatory provisions of the NCUC, PSCSC, NRC and FERC. Substantially all of Duke Energy Progress' operations qualify for regulatory accounting.

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 is subject to the regulatory jurisdiction of the Florida Public Service Commission (FPSC), NRC and FERC. Substantially all of Duke Energy Florida's operations qualify for regulatory accounting.

Duke Energy Ohio is a public utility that provides service in portions of Ohio and Kentucky. Operations in Kentucky are conducted through its wholly owned subsidiary, Duke Energy Kentucky, Inc. (Duke Energy

Kentucky). Duke Energy Ohio's principal lines of business include transmission and distribution of electricity and the sale of and/or transportation of natural gas. Duke Energy Ohio also generates and sells power into wholesale energy markets. Duke Energy Ohio conducts competitive auctions for retail electricity supply in Ohio whereby the energy price is recovered from retail customers. Duke Energy Kentucky's principal lines of business include generation, transmission and distribution of electricity, as well as the sale of and/or transportation of natural gas. References herein to Duke Energy Ohio include Duke Energy Ohio and its subsidiaries, unless otherwise noted. Duke Energy Ohio is subject to the regulatory provisions of the Public Utilities Commission of

PART II

DUKE ENERGY CORPORATION - DUKE ENERGY CAROLINAS, LLC - PROGRESS ENERGY, INC. –
DUKE ENERGY PROGRESS, INC. – DUKE ENERGY FLORIDA, INC. - DUKE ENERGY OHIO, INC. -
DUKE ENERGY INDIANA, INC.

Combined Notes To Consolidated Financial Statements – (Continued)

Ohio (PUCO), Kentucky Public Service Commission (KPSC) and FERC. Duke Energy Ohio applies regulatory accounting to a portion of its operations.

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 is subject to the regulatory provisions of the Indiana Utility Regulatory Commission (IURC) and the FERC. Substantially all of Duke Energy Indiana's operations qualify for regulatory accounting.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Current and Non-Current Assets and Liabilities

Other within Current Assets includes the current portion of deferred tax assets, which are disclosed in Note 22. Additionally, the following are included in Other within Current Assets or Current Liabilities in the Consolidated Balance Sheets of the Duke Energy Registrants at December 31, 2013 and 2012. The amounts presented exceeded 5 percent of current assets or 5 percent of current liabilities unless otherwise noted.

		December 31,					
(in millions)	Location	2013		2012			
Duke Energy							
Accrued compensation	Current Liabilities	\$	621	\$	725		
Duke Energy Carolinas							
Accrued compensation	Current Liabilities	\$	198	\$	203		
Collateral liabilities	Current Liabilities		120		105		
Progress Energy							
Customer deposits	Current Liabilities	\$	349	\$	342		
Accrued compensation	Current Liabilities		214		304		

Derivative liabilities	Current Liabilities							—	221
Duke Energy Progress									
Customer deposits	Current Liabilities							\$ 129	\$ 120
Accrued compensation	Current Liabilities							121	160
Duke Energy Florida									
Customer deposits	Current Liabilities							\$ 220	\$ 222
Accrued compensation	Current Liabilities							65	95
Derivative liabilities	Current Liabilities							—	127
Duke Energy Ohio									
Collateral assets	Current Assets							\$ 122	\$ 99
Duke Energy Indiana									
Federal income taxes receivable	Current Assets							\$ 56	\$ —
Accrued compensation ^(a)	Current Liabilities							25	23
Collateral liabilities ^(a)	Current Liabilities							40	37
Derivative liabilities	Current Liabilities							—	63
(a)	Does not exceed 5 percent of Total current liabilities on the Consolidated Balance Sheets at December 31, 2012.								

Preferred Stock

In March 2013, Duke Energy Progress and Duke Energy Florida redeemed all series of their outstanding preferred stock at prices ranging from \$101.00 to \$110.00 per share for Duke Energy Progress and \$101.00 to \$104.25 per share for Duke Energy Florida plus accrued dividends for all series. Duke Energy Progress and Duke Energy Florida redeemed the shares for \$62 million and \$34 million, respectively.

Discontinued Operations

For the year ended December 31, 2013, Duke Energy's and Progress Energy's Income From Discontinued Operations, net of tax was primarily due to tax benefits related to prior sales of diversified businesses. For the year ended December 31, 2012, Duke Energy's and Progress Energy's Income From Discontinued Operations, net of tax was primarily related to resolution of litigation associated with Progress Energy's former synthetic fuel operations and reversal of certain environmental indemnification liabilities for which the indemnification period expired during 2012. See Note 5 for more information regarding the former synthetic fuel operations.

Amounts Attributable to Controlling Interests

Explanation of Responses:

Income From Discontinued Operations, net of tax presented on the respective Consolidated Statements of Operations for Duke Energy and Progress Energy is attributable to controlling interests for all periods presented. Other comprehensive income presented on Progress Energy's Consolidated Statements of Operations and Comprehensive Income are attributable to controlling interests for all periods presented.

Significant Accounting Policies

Use of Estimates

In preparing financial statements that conform to generally accepted accounting principles (GAAP) in the U.S., the Duke Energy Registrants must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

PART II

DUKE ENERGY CORPORATION - DUKE ENERGY CAROLINAS, LLC - PROGRESS ENERGY, INC. –
DUKE ENERGY PROGRESS, INC. – DUKE ENERGY FLORIDA, INC. - DUKE ENERGY OHIO, INC. -
DUKE ENERGY INDIANA, INC.

Combined Notes To Consolidated Financial Statements – (Continued)

Regulatory Accounting

The majority of the Duke Energy Registrants' operations are subject to price regulation for the sale of electricity and gas by state utility commissions or FERC. When prices are set on the basis of specific costs of the regulated operations and an effective franchise is in place such that sufficient gas or electric services can be sold to recover those costs, the Duke Energy Registrants apply regulatory accounting. Regulatory accounting changes the timing of the recognition of costs or revenues relative to a company that does not apply regulatory accounting. As a result, Regulatory assets and Regulatory liabilities are recognized on the Consolidated Balance Sheets. Regulatory assets and liabilities are amortized consistent with the treatment of the related cost in the ratemaking process. See Note 4 for further information.

Regulated Fuel Costs and Purchased Power

The Duke Energy Registrants utilize cost-tracking mechanisms, commonly referred to as fuel adjustment clauses. These clauses allow for the recovery of fuel and fuel-related costs and portions of purchased power costs through surcharges on customer rates. The difference between the costs incurred and the surcharge revenues is recorded as an adjustment to Fuel used in electric generation and purchased power — regulated or Operating Revenues – Regulated electric on the Consolidated Statements of Operations with an off-setting impact on regulatory assets or liabilities.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of acquisition are considered cash equivalents. At December 31, 2013, \$1,086 million of Duke Energy's total cash and cash equivalents is held by entities domiciled in foreign jurisdictions and is forecasted to be used to fund international operations and investments.

Restricted Cash

The Duke Energy Registrants have restricted cash related primarily to collateral assets, escrow deposits, and variable interest entities (VIEs). Restricted cash balances are reflected in Other within Current Assets and in Other within Investments and Other Assets on the Consolidated Balance Sheets. At December 31, 2013 and 2012, Duke Energy had restricted cash totaling \$307 million and \$574 million, respectively.

Inventory

Inventory is used for operations and is recorded primarily using the average cost method. Inventory related to regulated operations is valued at historical cost. Inventory related to nonregulated operations is valued at the lower of cost or market. Materials and supplies are recorded as inventory when purchased and subsequently charged to expense or capitalized to property, plant and equipment when installed. Reserves are established for excess and obsolete inventory. The components of inventory are presented in the tables below.

										December 31, 2013													
										Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
(in millions)										Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
Materials and supplies										\$ 1,901		\$ 654		\$ 854		\$ 567		\$ 287		\$ 117		\$ 193	
Coal held for electric generation										1,018		374		334		187		147		65		238	
Oil, gas and other fuel held for electric generation										331		37		236		99		137		47		3	
Total inventory										\$ 3,250		\$ 1,065		\$ 1,424		\$ 853		\$ 571		\$ 229		\$ 434	
										December 31, 2012													
										Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
(in millions)										Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
Materials and supplies										\$ 1,691		\$ 535		\$ 768		\$ 499		\$ 269		\$ 135		\$ 161	
Coal held for electric generation										1,187		488		392		232		160		82		216	
Oil, gas and other fuel held for electric generation										345		39		281		97		184		10		3	
Total inventory										\$ 3,223		\$ 1,062		\$ 1,441		\$ 828		\$ 613		\$ 227		\$ 380	

Investments in Debt and Equity Securities

The Duke Energy Registrants classify investments into two categories — trading and available-for-sale. Both categories are recorded at fair value on the Consolidated Balance Sheets. Realized and unrealized gains and losses on trading securities are included in earnings. For certain investments of regulated operations such as the Nuclear Decommissioning Trust Fund (NDTF), realized and unrealized gains and losses (including any other-than-temporary impairments) on available-for-sale securities are recorded as a

regulatory asset or liability. Otherwise, unrealized gains and losses are included in Accumulated Other Comprehensive Income (AOCI), unless other-than-temporarily impaired. Other-than-temporary impairments for equity securities and the credit loss portion of debt securities of nonregulated operations are included in earnings. Investments in debt and equity securities are classified as either current or noncurrent based on management's intent and ability to sell these securities, taking into consideration current market liquidity. See Note 15 for further information.

Goodwill and Intangible Assets

Goodwill

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Duke Energy, Progress Energy and Duke Energy Ohio perform annual goodwill impairment tests as of August 31 each year at the reporting unit level, which is determined to be an operating segment or one level below. Duke Energy, Progress Energy and Duke Energy Ohio update these tests between annual tests if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit below its carrying value.

In 2012, Progress Energy changed its goodwill impairment testing date from October 31 to August 31 to better align its annual goodwill impairment testing procedure with those of Duke Energy. The change had no impact on goodwill. Neither the change in the goodwill impairment testing date nor the merger resulted in any changes to the Progress Energy reporting units.

Intangible Assets

Intangible assets are included in Other in Investments and Other Assets on the Consolidated Balance Sheets. Generally, intangible assets are amortized using an amortization method that reflects the pattern in which the economic benefits of the intangible asset are consumed, or on a straight-line basis if that pattern is not readily determinable. Amortization of intangibles is reflected in Depreciation and amortization in the Consolidated Statements of Operations. Intangible assets are subject to impairment testing and if impaired, the carrying value is accordingly reduced.

Emission allowances permit the holder of the allowance to emit certain gaseous by-products of fossil fuel combustion, including sulfur dioxide (SO₂) and nitrogen oxide (NO_x). Allowances are issued by the U.S. Environmental Protection Agency (EPA) at zero cost and may also be bought and sold via third-party transactions. Allowances allocated to or acquired by the Duke Energy Registrants are held primarily for consumption. Carrying amounts for emission allowances are based on the cost to acquire the allowances or, in the case of a business combination, on the fair value assigned in the allocation of the purchase price of the acquired business.

Renewable energy certificates are used to measure compliance with renewable energy standards and are held primarily for consumption.

See Note 11 for further information.

Long-Lived Asset Impairments

The Duke Energy Registrants evaluate long-lived assets, excluding goodwill, for impairment when circumstances indicate the carrying value of those assets may not be recoverable. An impairment exists when a long-lived asset's carrying value exceeds the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. The estimated cash flows may be based on alternative expected outcomes that are probability weighted. If the carrying value of the long-lived asset is not recoverable based on these estimated future undiscounted cash flows, the carrying value of the asset is written-down to its then-current estimated fair value and an impairment charge is recognized.

The Duke Energy Registrants assess fair value of long-lived assets using various methods, including recent comparable third-party sales, internally developed discounted cash flow analysis and analysis from outside advisors. Significant changes in commodity prices, the condition of an asset or management's interest in selling the asset are generally viewed as triggering events to re-assess cash flows. See Note 11 for further information.

Property, Plant and Equipment

Property, plant and equipment are stated at the lower of depreciated historical cost net of any disallowances or fair value, if impaired. The Duke Energy Registrants capitalize all construction-related direct labor and material costs, as well as indirect construction costs such as general engineering, taxes and financing costs. See "Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized" for information on capitalized financing costs. Costs of renewals and betterments that extend the useful life of property, plant and equipment are also capitalized. The cost of repairs, replacements and major maintenance projects, which do not extend the useful life or increase the expected output of the asset, are expensed as incurred. Depreciation is generally computed over the estimated useful life of the asset using the composite straight-line method. Depreciation studies are conducted periodically to update composite rates and are approved by state utility commissions and/or the FERC when required. The composite weighted-average depreciation rates, excluding nuclear fuel, are included in the table that follows.

	Years Ended December 31,							
	2013		2012		2011			
Duke Energy	2.8	%	2.9	%	3.2	%		
Duke Energy Carolinas	2.8	%	2.8	%	2.6	%		
Progress Energy	2.5	%	2.6	%	2.3	%		
Duke Energy Progress	2.5	%	2.7	%	2.1	%		
Duke Energy Florida	2.4	%	2.5	%	2.4	%		
Duke Energy Ohio	3.3	%	3.2	%	3.5	%		
Duke Energy Indiana	2.8	%	3.3	%	3.4	%		

In general, when the Duke Energy Registrants retire regulated property, plant and equipment, original cost plus the cost of retirement, less salvage value, is charged to accumulated depreciation. However, when it becomes probable a regulated asset will be retired substantially in advance of its original expected useful life or is abandoned, the cost of the asset and the corresponding accumulated depreciation is recognized as a separate asset. If the asset is still in operation, the net amount is classified as Generation facilities to be retired, net on the Consolidated Balance Sheets. If the asset is no longer operating, the net amount is classified in Regulatory Assets on the Consolidated Balance Sheets. The carrying value of the asset is based on historical cost if the Duke Energy Registrants are allowed to recover the remaining net book value and a return equal to at least the incremental borrowing rate. If not, an impairment is recognized to the extent the net book value of the asset exceeds the present value of future revenues discounted at the

incremental borrowing rate.

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When the Duke Energy Registrants sell entire regulated operating units, or retire or sell nonregulated properties, the original cost and accumulated depreciation and amortization balances are removed from Property, Plant and Equipment on the Consolidated Balance Sheets. Any gain or loss is recorded in earnings, unless otherwise required by the applicable regulatory body.

See Note 10 for further information.

Nuclear Fuel

Nuclear fuel is classified as Property, Plant and Equipment on the Consolidated Balance Sheets. Nuclear fuel in the front-end fuel processing phase is considered work in progress and not amortized until placed in service. Amortization of nuclear fuel is included within Fuel used in electric generation and purchased power – regulated in the Consolidated Statements of Operations. Amortization is recorded using the units-of-production method.

Allowance for Funds Used During Construction (AFUDC) and Interest Capitalized

For regulated operations, the debt and equity costs of financing the construction of property, plant and equipment are reflected as AFUDC and capitalized as a component of the cost of property, plant and equipment. AFUDC equity is reported on the Consolidated Statements of Operations as non-cash income in Other income and expenses, net. AFUDC debt is reported as a non-cash offset to Interest Expense. After construction is completed, the Duke Energy Registrants are permitted to recover these costs through their inclusion in rate base and the corresponding subsequent depreciation or amortization of those regulated assets.

AFUDC equity, a permanent difference for income taxes, reduces the effective tax rate when capitalized and increases the effective tax rate when depreciated or amortized. See Note 22 for additional information.

For nonregulated operations, interest is capitalized during the construction phase with an offsetting non-cash credit to Interest Expense on the Consolidated Statements of Operations.

Asset Retirement Obligations

Asset retirement obligations are recognized for legal obligations associated with the retirement of property, plant and equipment. Substantially all asset retirement obligations are related to regulated operations. When recording an asset retirement obligation, the present value of the projected liability is recognized in

the period in which it is incurred, if a reasonable estimate of fair value can be made. The liability is accreted over time. The present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset.

The present value of the initial obligation and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, selection of discount rates and cost escalation rates, among other factors. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset. The Duke Energy Registrants receive amounts to fund the cost of the asset retirement obligation for regulated operations through a combination of regulated revenues and NDTF. As a result, the net of amounts recovered in regulated revenues, earnings on the NDTF, accretion expense and depreciation of the associated asset is deferred as a regulatory asset or liability.

Obligations for nuclear decommissioning are based on site-specific cost studies. Duke Energy Carolinas and Duke Energy Progress assume prompt dismantlement of the nuclear facilities after operations are ceased. Duke Energy Florida assumes Crystal River Nuclear Station – Unit 3 (Crystal River Unit 3) will be placed into a safe storage configuration until eventual dismantlement begins in approximately 60 years. Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida also assume that spent fuel will be stored on site until such time that it can be transferred to a U.S. Department of Energy (DOE) facility.

See Note 9 for further information.

Revenue Recognition and Unbilled Revenue

Revenues on sales of electricity and gas are recognized when service is provided. Unbilled revenues are recognized by applying customer billing rates to the estimated volumes of energy delivered but not yet billed. Unbilled revenues can vary significantly from period to period as a result of seasonality, weather, customer usage patterns and meter reading schedules.

Unbilled revenues are included within Receivables and Restricted receivables of variable interest entities on the Consolidated Balance Sheets as shown in the following table.

	December 31,			
(in millions)	2013		2012	
Duke Energy	\$	937	\$	920
Duke Energy Carolinas		323		315
Progress Energy		189		187
Duke Energy Progress		120		112
Duke Energy Florida		69		74
Duke Energy Ohio		55		47
Duke Energy Indiana		5		3

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Additionally, Duke Energy Ohio and Duke Energy Indiana sell, on a revolving basis, nearly all of their retail and wholesale accounts receivable, including receivables for unbilled revenues, to an affiliate, Cinergy Receivables Company, LLC (CRC) and account for the transfers of receivables as sales. Accordingly, the receivables sold are not reflected on the Consolidated Balance Sheets of Duke Energy Ohio and Duke Energy Indiana. See Note 17 for further information. These receivables for unbilled revenues are shown in the table below.

	December 31,			
(in millions)	2013		2012	
Duke Energy Ohio	\$	89	\$	90
Duke Energy Indiana		144		132
Allowance for Doubtful Accounts				
Allowances for doubtful accounts are presented in the following table.				
	December 31,			
(in millions)	2013		2012	
Allowance for Doubtful Accounts				
Duke Energy	\$	30	\$	34
Duke Energy Carolinas		3		3
Progress Energy		14		16
Duke Energy Progress		10		9
Duke Energy Florida		4		7
Duke Energy Ohio		2		2
Duke Energy Indiana		1		1
Allowance for Doubtful Accounts - VIEs				
Duke Energy	\$	43	\$	44
Duke Energy Carolinas		6		6

Derivatives and Hedging

Derivative and non-derivative instruments may be used in connection with commodity price, interest rate and foreign currency risk management activities, including swaps, futures, forwards and options. All derivative instruments except those that qualify for the normal purchase/normal sale (NPNS) exception are recorded on the Consolidated Balance Sheets at their fair value. Qualifying derivative instruments may be designated as either cash flow hedges or fair value hedges. Other derivative instruments (undesignated contracts) either have not been designated or do not qualify as hedges. The effective portion of the change in the fair value of cash flow hedges is recorded in AOCI. The effective portion of the change in the fair value of a fair value hedge is offset in net income by changes in the hedged item. For activity subject to regulatory accounting, gains and losses on derivative contracts are reflected as regulatory assets or liabilities and not as other comprehensive income or current period income. As a result, changes in fair value of these derivatives have no immediate earnings impact.

Formal documentation, including transaction type and risk management strategy, is maintained for all contracts accounted for as a hedge. At inception and at least every three months thereafter, the hedge contract is assessed to see if it is highly effective in offsetting changes in cash flows or fair values of hedged items.

See Note 14 for further information.

Captive Insurance Reserves

Duke Energy has captive insurance subsidiaries that provide coverage, on an indemnity basis, to the Subsidiary Registrants as well as certain third parties, on a limited basis, for various business risks and losses, such as property, workers' compensation and general liability. Liabilities include provisions for estimated losses incurred but not yet reported (IBNR), as well as estimated provisions for known claims. IBNR reserve estimates are primarily based upon historical loss experience, industry data and other actuarial assumptions. Reserve estimates are adjusted in future periods as actual losses differ from experience.

Duke Energy, through its captive insurance entities, also has reinsurance coverage with third parties for certain losses above a per occurrence and/or aggregate retention. Receivables for reinsurance coverage are recognized when realization is deemed probable.

Unamortized Debt Premium, Discount and Expense

Premiums, discounts and expenses incurred with the issuance of outstanding long-term debt are amortized over the term of the debt issue. Call premiums and unamortized expenses associated with refinancing higher-cost debt obligations used to finance regulated assets are amortized. Amortization expense is recorded as Interest Expense in the Consolidated Statements of Operations and is reflected as Depreciation, amortization and accretion within Net cash provided by operating activities on the Consolidated Statements of Cash Flows.

Loss Contingencies and Environmental Liabilities

Contingent losses are recorded when it is probable a loss has occurred and can be reasonably estimated. When a range of the probable loss exists and no amount within the range is a better estimate than any other amount, the minimum amount in the range is recorded. Unless otherwise required by GAAP, legal fees are expensed as incurred.

Environmental liabilities are recorded on an undiscounted basis when environmental remediation or other liabilities becomes probable and can be reasonably estimated. Environmental expenditures related to past operations that do not generate current or future revenues are

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expensed. Environmental expenditures related to operations that generate current or future revenues are expensed or capitalized, as appropriate. Certain environmental expenditures receive regulatory accounting treatment and are recorded as regulatory assets.

See Notes 4 and 5 for further information.

Pension and Other Post-Retirement Benefit Plans

Duke Energy maintains qualified, non-qualified and other post-retirement benefit plans. Eligible employees of the Subsidiary Registrants participate in the respective qualified, non-qualified and other post-retirement benefit plans and are allocated their proportionate share of benefit costs. See Note 21 for further information, including significant accounting policies associated with these plans.

Severance and Special Termination Benefits

Duke Energy has an ongoing severance plan under which, in general, the longer a terminated employee worked prior to termination the greater the amount of severance benefits. A liability for involuntary severance is recorded once an involuntary severance plan is committed to by management, or sooner, if involuntary severances are probable and can be reasonably estimated. For involuntary severance benefits incremental to its ongoing severance plan benefits, the fair value of the obligation is expensed at the communication date if there are no future service requirements, or over the required future service period. From time to time, Duke Energy offers special termination benefits under voluntary severance programs. Special termination benefits are recorded immediately upon employee acceptance absent a significant retention period. Otherwise, the cost is recorded over the remaining service period. Employee acceptance of voluntary severance benefits is determined by management based on the facts and circumstances of the benefits being offered. See Note 19 for further information.

Guarantees

Liabilities are recognized at the time of issuance or material modification of a guarantee for the estimated fair value of the obligation it assumes. Fair value is estimated using a probability-weighted approach. The obligation is reduced over the term of the guarantee or related contract in a systematic and rational method as risk is reduced. Any additional contingent loss for guarantee contracts subsequent to the initial recognition of a liability is accounted for and recognized at the time a loss is probable and can be reasonably estimated. See Note 7 for further information.

Stock-Based Compensation

Stock-based compensation represents costs related to stock-based awards granted to employees. Duke Energy recognizes stock-based compensation based upon the estimated fair value of awards, net of estimated forfeitures at the date of issuance. The recognition period for these costs begin at either the applicable service inception date or grant date and continues throughout the requisite service period, or for certain share-based awards until the employee becomes retirement eligible, if earlier. Compensation cost is recognized as expense or capitalized as a component of property, plant and equipment. See Note 20 for further information.

Income Taxes

Duke Energy and its subsidiaries file a consolidated federal income tax return and other state and foreign jurisdictional returns. The Subsidiary Registrants entered into a tax-sharing agreement with Duke Energy and income taxes recorded represent amounts the Subsidiary Registrants would incur as separate C-Corporations. Deferred income taxes have been provided for temporary differences between GAAP and tax bases of assets and liabilities because the differences create taxable or tax-deductible amounts for future periods. Deferred taxes are not provided on translation gains and losses when earnings of a foreign operation are expected to be indefinitely reinvested. Investment tax credits (ITC) associated with regulated operations are deferred and amortized as a reduction of income tax expense over the estimated useful lives of the related properties.

Positions taken or expected to be taken on tax returns, including the decision to exclude certain income or transactions from a return, are recognized in the financial statements when it is more likely than not the tax position can be sustained based solely on the technical merits of the position. The largest amount of tax benefit that is greater than 50 percent likely of being effectively settled is recorded. Management considers a tax position effectively settled when: (i) the taxing authority has completed its examination procedures, including all appeals and administrative reviews; (ii) the Duke Energy Registrants do not intend to appeal or litigate the tax position included in the completed examination; and (iii) it is remote the taxing authority would examine or re-examine the tax position. The amount of a tax return position that is not recognized in the financial statements is disclosed as an unrecognized tax benefit. These unrecognized tax benefits may impact the financial statements through increasing income taxes payable, reducing income tax refunds receivable or changing deferred taxes.

Tax-related interest and penalties are recorded in Interest Expense and Other Income and Expenses, net, in the Consolidated Statements of Operations.

See Note 22 for further information.

Accounting for Renewable Energy Tax Credits and Grants

When Duke Energy elects either an ITC or a cash grant on wind or solar facilities, it reduces the basis of the property recorded on the Consolidated Balance Sheets by the amount of the ITC or cash grant and, therefore, the ITC or grant benefit is recognized through reduced depreciation expense. Additionally, certain tax credits and government grants received provide for initial tax depreciable base in excess of the book carrying value equal to one half of the ITC or government grant. Deferred tax benefits are recorded as a reduction to income tax expense in the period that the basis difference is created.

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Excise Taxes

Certain excise taxes levied by state or local governments are required to be paid even if not collected from the customer. These taxes are recognized on a gross basis. Otherwise, the taxes are accounted for net. Excise taxes accounted for on a gross basis as Property and other taxes in the Consolidated Statements of Operations were as follows.

	Years Ended December 31,					
(in millions)	2013	2012	2011			
Duke Energy	\$ 602	\$ 466	\$ 293			
Duke Energy Carolinas	164	161	153			
Progress Energy	304	317	315			
Duke Energy Progress	115	113	110			
Duke Energy Florida	189	205	205			
Duke Energy Ohio	105	102	109			
Duke Energy Indiana	29	33	31			

On July 23, 2013, North Carolina House Bill 998 (HB 998) was signed into law. HB 998 repeals the utility franchise tax effective July 1, 2014. The utility franchise tax was 3.22 percent gross receipts tax on sales of electricity. The result of this change in law will be an annual reduction in excise taxes of approximately \$160 million for Duke Energy Carolinas and approximately \$110 million for Duke Energy Progress. HB 998 also increases sales tax on electricity from 3 percent to 7 percent effective July 1, 2014. HB 998 requires the NCUC to adjust retail electric rates for the elimination of the utility franchise tax, changes due to the increase in sales tax on electricity, and the resulting change in liability of utility companies under the general franchise tax.

Foreign Currency Translation

The local currencies of most of Duke Energy's foreign operations have been determined to be their functional currencies. However, certain foreign operations' functional currency has been determined to be the U.S. Dollar, based on an assessment of the economic circumstances of the foreign operation. Assets and liabilities of foreign operations whose functional currency is not the U.S. Dollar, are translated into U.S. Dollars at the exchange rates in effect at period end. Translation adjustments resulting from changes in

exchange rates are included in AOCI. Revenue and expense accounts are translated at average exchange rates during the year. Gains and losses arising from balances and transactions denominated in currencies other than the local currency are included in the results of operations when they occur.

Dividend Restrictions and Unappropriated Retained Earnings

Duke Energy does not have any legal, regulatory or other restrictions on paying common stock dividends to shareholders. However, as further described in Note 4, due to conditions established by regulators in conjunction with merger transaction approvals, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana have restrictions on paying dividends or otherwise advancing funds to Duke Energy. At December 31, 2013 and 2012, an insignificant amount of Duke Energy's consolidated Retained earnings balance represents undistributed earnings of equity method investments.

New Accounting Standards

The new accounting standards that were adopted for 2013, 2012 and 2011 had no significant impact on the presentation or results of operations, cash flows or financial position of the Duke Energy Registrants. Disclosures have been enhanced to provide a discussion and tables on derivative contracts subject to enforceable master netting agreements and a table of quantitative disclosures about unobservable inputs. See Notes 14 and 16 for further information.

There are no Accounting Standards Updates that have been issued but not yet adopted as of December 31, 2013, that are expected to significantly impact the presentation or results of operations, cash flows or financial position or disclosures of the Duke Energy Registrants.

2. ACQUISITIONS, DISPOSITIONS AND SALES OF OTHER ASSETS

ACQUISITIONS

The Duke Energy Registrants consolidate assets and liabilities from acquisitions as of the purchase date, and include earnings from acquisitions in consolidated earnings after the purchase date.

Merger with Progress Energy

On July 2, 2012, Duke Energy completed its merger with Progress Energy, a North Carolina corporation engaged in the regulated utility business of generation, transmission and distribution and sale of electricity in portions of North Carolina, South Carolina and Florida. As a result of the merger, Progress Energy became a wholly owned subsidiary of Duke Energy.

The merger between Duke Energy and Progress Energy provides increased scale and diversity with potentially enhanced access to capital over the long term and a greater ability to undertake the significant construction programs necessary to respond to increasing environmental regulation, plant retirements and customer demand growth. Duke Energy's business risk profile is expected to improve over time due to the increased proportion of the business that is regulated. Additionally, cost savings, efficiencies and other benefits are expected from the combined operations.

Purchase Price

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Total consideration transferred was based on the closing price of Duke Energy common shares on July 2, 2012, and was calculated as shown in the following table.

(dollars in millions, except per share amounts; shares in thousands)		
Progress Energy common shares outstanding at July 2, 2012		296,116
Exchange ratio		0.87083
Duke Energy common shares issued for Progress Energy common shares outstanding		257,867
Closing price of Duke Energy common shares on July 2, 2012	\$	69.84
Purchase price for common stock	\$	18,009
Fair value of outstanding earned stock compensation awards		62
Total purchase price	\$	18,071

Progress Energy's stock-based compensation awards, including performance shares and restricted stock, were replaced with Duke Energy awards upon consummation of the merger. In accordance with accounting guidance for business combinations, a portion of the fair value of these awards is included in the purchase price as it represents consideration transferred in the merger.

Purchase Price Allocation

Fair value of assets acquired and liabilities assumed was determined based on significant estimates and assumptions, including Level 3 inputs, which are judgmental in nature. Estimates and assumptions include the projected timing and amount of future cash flows, discount rates reflecting risk inherent in future cash flows, and future market prices.

Additionally the February 5, 2013 announcement of the decision to retire Crystal River Unit 3 reflects additional information related to facts and circumstances existing as of the acquisition date. See Note 4 for additional information related to Crystal River Unit 3. As such, Duke Energy presents assets acquired and liabilities assumed as if the retirement of Crystal River Unit 3 occurred on the acquisition date.

The majority of Progress Energy's operations are subject to the rate-setting authority of the FERC, NCUC, PSCSC, and FPSC and are accounted for pursuant to U.S. GAAP, including the accounting guidance for regulated operations. Rate-setting and cost recovery provisions currently in place for Progress Energy's regulated operations provide revenues derived from costs, including a return on investment of assets and liabilities included in rate base. Except for long-term debt, asset retirement obligations, capital leases,

pension and other post-retirement benefits (OPEB) plans, and the wholesale portion of Crystal River Unit 3, fair values of tangible and intangible assets and liabilities subject to these rate-setting provisions approximate their carrying values. Accordingly, assets acquired and liabilities assumed and pro forma financial information do not reflect any net adjustments related to these amounts. The difference between fair value and pre-merger carrying amounts for long-term debt, asset retirement obligations, capital leases and pension and OPEB plans for regulated operations were recorded as Regulatory assets.

The excess of purchase price over estimated fair values of assets acquired and liabilities assumed was recognized as goodwill at the acquisition date. The goodwill reflects the value paid primarily for long-term potential for enhanced access to capital as a result of increased scale and diversity, opportunities for synergies, and an improved risk profile. Goodwill resulting from the merger was allocated entirely to the Regulated Utilities segment. None of the goodwill recognized is deductible for income tax purposes, and as such, no deferred taxes have been recorded related to goodwill.

The completed purchase price allocation is presented in the following table.

(in millions)			
Current assets		\$	3,204
Property, plant and equipment			23,141
Goodwill			12,469
Other long-term assets			9,990
Total assets			48,804
Current liabilities, including current maturities of long-term debt			3,593
Long-term liabilities, preferred stock and noncontrolling interests			10,394
Long-term debt			16,746
Total liabilities and preferred stock			30,733
Total purchase price		\$	18,071

The purchase price allocation in the table above reflects refinements made to preliminary fair values of assets acquired and liabilities assumed as of December 31, 2012. These refinements include adjustments associated with the retirement of Crystal River Unit 3. The changes resulted in an increase to Goodwill of \$2 million, an increase to the fair value of Current liabilities, including current maturities of long-term debt of \$12 million, a decrease to Property, plant and equipment of \$138 million, a decrease to Other long-term assets of \$4 million and a decrease to Long-term liabilities, preferred stock and noncontrolling interests of \$152 million. These refinements had no impact on the amortization of purchase accounting adjustments recorded to earnings during the year ended December 31, 2013, or for the six months ended December 31, 2012.

Pro Forma Financial Information

The following unaudited pro forma financial information reflects the consolidated results of operations of Duke Energy and the amortization of purchase price adjustments assuming the merger had taken place on January 1, 2011. The unaudited pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the consolidated results of operations that would have been achieved or future consolidated results of operations of Duke Energy.

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Non-recurring merger consummation, integration and other costs incurred by Duke Energy and Progress Energy during the period have been excluded from pro forma earnings presented below. After-tax non-recurring merger consummation, integration and other costs incurred by both Duke Energy and Progress Energy were \$413 million and \$85 million for the years ended 2012 and 2011, respectively. The pro forma financial information also excludes potential future cost savings or non-recurring charges related to the merger.

	Years Ended December 31,	
(in millions, except per share amounts)	2012	2011
Revenues	\$ 23,976	\$ 23,445
Net Income Attributable to Duke Energy Corporation	2,417	2,397
Basic and Diluted Earnings Per Share	3.43	3.41

Accounting Charges Related to the Merger Consummation

The following pretax consummation charges were recognized upon closing of the merger and are included in the Duke Energy Registrants' Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2012.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
FERC Mitigation	\$ 117	\$ 46	\$ 71	\$ 71	\$	\$	\$
Severance costs	196	63	82	55	27	21	18
Community support, charitable contributions and other	169	79	74	63	11	7	6
Total	\$ 482	\$ 188	\$ 227	\$ 189	\$ 38	\$ 28	\$ 24

FERC Mitigation charges reflect the portion of transmission project costs probable of disallowance, impairment of the carrying value of the generation assets serving Interim FERC Mitigation, and mark-to-market losses recognized on power sale agreements upon closing of the merger. Charges related to transmission projects and impairment of the carrying value of generation assets were recorded within Impairment charges in the Consolidated Statements of Operations. Mark-to-market losses on interim power sale agreements was recorded in Regulated electric operating revenues in the Consolidated Statements of Operations. Subsequent changes in fair value of interim power sale agreements over the life of the contracts and realized gains or losses on interim contract sales are also recorded within Regulated electric operating revenues. The ability to successfully defend future recovery of a portion of transmission projects in rates and any future changes to estimated transmission project costs could impact the amount not expected to be recovered.

In conjunction with the merger, in November 2011, Duke Energy and Progress Energy each offered a voluntary severance plan (VSP) to certain eligible employees. VSP and other severance costs incurred were recorded primarily within Operation, maintenance and other in the Consolidated Statements of Operations. See Note 19 for further information related to employee severance expenses.

Community support, charitable contributions and other reflect (i) the unconditional obligation to provide funding at a level comparable to historic practices over the next four years, and (ii) financial and legal advisory costs incurred upon the closing of the merger, retention and relocation costs paid to certain employees. These charges were recorded within Operation, maintenance and other in the Consolidated Statements of Operations.

Impact of Merger

The impact of Progress Energy on Duke Energy's revenues and net income attributable to Duke Energy in the Consolidated Statements of Operations for the year ended December 31, 2012 was an increase of \$4,943 million and \$368 million, respectively.

Chilean Operations

In December 2012, Duke Energy acquired Iberoamericana de Energía Ibener, S.A. (Ibener) of Santiago, Chile for cash consideration of \$415 million. This acquisition included the 140 Megawatt (MW) Duqueco hydroelectric generation complex consisting of two run-of-the-river plants located in southern Chile. Purchase price allocation consisted primarily of \$383 million of property, plant and equipment, \$30 million of intangible assets, \$57 million of deferred income tax liabilities, \$54 million of goodwill and \$8 million of working capital. In connection with the acquisition, a \$190 million six-month bridge loan and a \$200 million revolving loan under a credit agreement were executed with a commercial bank. Both loans were fully collateralized with cash deposits, and therefore no net proceeds from the financings existed as of December 31, 2012. The \$190 million bridge loan was classified in Current maturities of long-term debt and the related cash collateral deposit was classified as Current Assets on the Consolidated Balance Sheets as of December 31, 2012. The revolving loan is classified as Long-term Debt and the related cash collateral deposit is classified as Investments and Other Assets on the Consolidated Balance Sheets.

In April 2013, the six-month bridge loan executed in connection with the acquisition was replaced with a nonrecourse secured credit facility with a term of thirteen years, and the cash collateral related to the six-month bridge loan was returned to Duke Energy. See Note 6 for additional discussion related to the bridge loan conversion.

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Midwest Generation Exit

On February 17, 2014, Duke Energy Ohio announced that it had initiated a process to exit its nonregulated Midwest generation business. Considering a marketing period of several months and potential regulatory approvals, Duke Energy Ohio expects to dispose of the nonregulated Midwest generation business by early to mid-2015. In the first quarter of 2014, Duke Energy Ohio will reclassify approximately \$3.5 billion carrying value of its Midwest generation business to assets held for sale and expects to record an estimated pretax impairment charge of \$1 billion to \$2 billion to reduce the carrying value to estimated sales proceeds less cost to sell.

Vermillion Generating Station

On January 12, 2012, after receiving approvals from the FERC and IURC on August 12, 2011 and December 28, 2011, respectively, Duke Energy Vermillion II, LLC (Duke Energy Vermillion), an indirect wholly owned subsidiary of Duke Energy Ohio, completed the sale of its ownership interest in Vermillion Generating Station (Vermillion) to Duke Energy Indiana and Wabash Valley Power Association (WVPA). Upon closing of the sale, Duke Energy Indiana held a 62.5 percent interest in Vermillion. Duke Energy Ohio received net proceeds of \$82 million, of which \$68 million was paid by Duke Energy Indiana. Following the transaction, Duke Energy Indiana retired Gallagher Units 1 and 3 effective February 1, 2012.

As Duke Energy Indiana is an affiliate of Duke Energy Vermillion, the transaction was accounted for as a transfer between entities under common control with no gain or loss recorded and did not have a significant impact to Duke Energy Ohio's or Duke Energy Indiana's results of operations. Proceeds received from Duke Energy Indiana are included in Net proceeds from the sales of other assets on Duke Energy Ohio's Consolidated Statements of Cash Flows. Cash paid to Duke Energy Ohio is included in Capital expenditures on Duke Energy Indiana's Consolidated Statements of Cash Flows. Duke Energy Ohio and Duke Energy Indiana recognized non-cash equity transfers of \$28 million and \$26 million, respectively, in their Consolidated Statements of Common Stockholder's Equity on the transaction representing the difference between cash exchanged and the net book value of Vermillion. These amounts are not reflected in Duke Energy's Consolidated Statements of Cash Flows or Consolidated Statements of Equity as the transaction is eliminated in consolidation.

Proceeds from WVPA are included in Net proceeds from the sales of other assets, and sale of and collections on notes receivable on Duke Energy's and Duke Energy Ohio's Consolidated Statements of Cash Flows. The sale of the proportionate share of Vermillion to WVPA did not result in a significant gain or loss upon close of the transaction.

Wind Projects Joint Venture

In April 2012, Duke Energy executed a joint venture agreement with Sumitomo Corporation of America (SCOA). Under terms of the agreement, Duke Energy and SCOA each own a 50 percent interest in the joint venture (DS Cornerstone, LLC), which owns two wind generation projects. Duke Energy and SCOA also negotiated a \$330 million, Construction and 12-year amortizing Term Loan Facility, on behalf of the borrower, a wholly owned subsidiary of the joint venture. The loan agreement is non-recourse to Duke Energy. Duke Energy received proceeds of \$319 million upon execution of the loan agreement. This amount represents reimbursement of a significant portion of Duke Energy's construction costs incurred as of the date of the agreement. DS Cornerstone, LLC was initially consolidated with the sale to SCOA because of a guarantee provided by an indirect wholly owned subsidiary of Duke Energy. With the expiration of the guarantee in 2012, DS Cornerstone, LLC was deconsolidated.

Sales Of Other Assets

During 2012, Duke Energy received proceeds of \$187 million from the sale of non-core business assets within the Commercial Power segment for which no material gain or loss was recognized.

3. BUSINESS SEGMENTS

Duke Energy evaluates segment performance based on segment income. Segment income is defined as income from continuing operations net of income attributable to noncontrolling interests. Segment income, as discussed below, includes intercompany revenues and expenses that are eliminated in the Consolidated Financial Statements.

Operating segments are determined based on information used by the chief operating decision maker in deciding how to allocate resources and evaluate the performance.

Products and services are sold between affiliate companies and reportable segments of Duke Energy at cost. Segment assets as presented in the tables that follow exclude all intercompany assets.

Duke Energy

Duke Energy has the following reportable operating segments: Regulated Utilities, International Energy and Commercial Power.

Regulated Utilities conducts operations primarily through Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Indiana, and the regulated transmission and distribution operations of Duke Energy Ohio. These electric and gas operations are subject to the rules and regulations of the FERC, NCUC, PSCSC, FPSC, PUCO, IURC, and KPSC. Substantially all of Regulated Utilities' operations are regulated and, accordingly, these operations qualify for regulatory accounting treatment.

International Energy principally operates and manages power generation facilities and engages in sales and marketing of electric power, natural gas, and natural gas liquids outside the U.S. Its activities principally target power generation in Latin America. Additionally, International Energy owns a 25 percent interest in National Methanol Company (NMC), a large regional producer of Methyl tertiary butyl ether (MTBE) located in Saudi Arabia. The investment in NMC is accounted for under the equity method of accounting.

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Commercial Power owns, operates and manages power plants and engages in the wholesale marketing and procurement of electric power, fuel and emission allowances related to these plants as well as other contractual positions. Commercial Power's generation operations consist primarily of Duke Energy Ohio's coal-fired and gas-fired nonregulated generation assets located in the Midwest region of the U.S. and wind and solar generation located throughout the U.S. The asset portfolio has a diversified fuel mix with baseload and mid-merit coal-fired units as well as combined cycle and peaking natural gas-fired units. In addition, Commercial Power operates and develops transmission projects.

The remainder of Duke Energy's operations is presented as Other. While it is not an operating segment, Other primarily includes unallocated corporate interest expense, certain unallocated corporate costs, Bison Insurance Company Limited (Bison), Duke Energy's wholly owned, captive insurance subsidiary, and contributions to the Duke Energy Foundation. On December 31, 2013, Duke Energy sold its interest in DukeNet Communications Holdings, LLC (DukeNet) to Time Warner Cable, Inc. See Note 12 for further information.

	Year Ended December 31, 2013											
	Regulated				International		Commercial		Reportable		Total	
(in millions)	Utilities	Energy	Power	Segments	Other	Eliminations	Total					
Unaffiliated revenues ^{(a)(b)(c)}	\$ 871	\$ 1,546	\$ 2,106	\$ 4,523	\$ 75	\$	\$ 4,598					
Intersegment revenues	39		39	78	88	(166)						
Total revenues	\$ 910	\$ 1,546	\$ 2,145	\$ 4,601	\$ 163	\$ (166)	\$ 4,598					
Interest expense	\$ 986	\$ 86	\$ 64	\$ 1,136	\$ 417	\$ (7)	\$ 1,546					
Depreciation and amortization	2,323	100	250	2,673	135		2,808					
Equity in earnings of unconsolidated affiliates	(1)	110	7	116	6		122					
Income tax expense (benefit)	1,522	166	(104)	1,584	(323)		1,261					

Explanation of Responses:

Segment income ^{(a)(b)(c)(d)(e)(f)(g)}	2,504	408	(3)	2,909	(261)				2,648	
Add back noncontrolling interest component									11	
Income from discontinued operations, net of tax									17	
Net income									\$2,676	
Capital investments expenditures and acquisitions	\$5,049	\$ 67	\$ 268	\$5,384	\$ 223	\$			\$5,607	
Segment assets	99,884	4,998	6,955	111,837	2,754		188		114,779	
(a)	In May 2013, Duke Energy Ohio implemented revised customer rates approved by the PUCO. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.									
(b)	In June 2013, Duke Energy Progress implemented revised customer rates approved by the NCUC. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.									
(c)	In September 2013, Duke Energy Carolinas implemented revised rates approved by the NCUC and the PSCSC. This increase impacts Regulated Utilities. See Note 4 for additional information about the revised customer rates.									
(d)	Regulated Utilities recorded charges related to Duke Energy Florida's Crystal River Unit 3. See Note 4 for additional information about the Crystal River Unit 3 charges.									
(e)	Regulated Utilities recorded an impairment charge related to Duke Energy Progress' Shearon Harris Nuclear Station (Harris) site. Regulated Utilities also recorded an impairment charge related to Duke Energy Florida's proposed nuclear plant in Levy County, Florida (Levy) site. See Note 4 for additional information about the Harris site and Levy site impairments.									
(f)	Other includes after-tax costs to achieve the merger with Progress Energy. See Notes 2 and 25 for additional information about the merger and related costs.									
(g)	Other includes gain from the sale of Duke Energy's ownership interest in DukeNet. See Note 12 for additional information on the sale of DukeNet.									
Year Ended December 31, 2012										
	Regulated Utilities				International Energy		Commercial Power		Total Reportable Segments	Other Eliminations
(in millions)	Utilities	Energy	Power	Segments	Other	Eliminations	Total			
Unaffiliated revenues	\$6,042	\$1,549	\$2,020	\$19,611	\$ 13	\$	\$9,624			
Intersegment revenues	38		58	96	47	(143)				
Total revenues	\$6,080	\$1,549	\$2,078	\$19,707	\$ 60	\$ (143)	\$9,624			
	\$ 806	\$ 77	\$ 63	\$ 946	\$ 296	\$	\$1,242			

	Total revenues	\$0,619	\$1,467	\$2,491	\$14,577	\$ 44	\$ (92)	\$4,529
Interest expense	\$ 568	\$ 47	\$ 87	\$ 702	\$ 157	\$	\$	\$ 859
Depreciation and amortization	1,383	90	230	1,703	103			1,806
Equity in earnings of unconsolidated affiliates		145	6	151	9			160
Income tax expense (benefit)	674	196	(2)	868	(116)			752
Segment income ^{(a)(b)}	1,181	466	134	1,781	(76)			1,705
Add back noncontrolling interest component								8
Income from discontinued operations, net of tax								1
Net income								\$1,714
Capital investments expenditures and acquisitions	\$3,717	\$ 114	\$ 492	\$ 4,323	\$ 141	\$	\$	\$4,464
Segment assets	47,977	4,539	6,939	59,455	2,961	110		62,526
(a)	Regulated Utilities recorded charges related to Duke Energy Indiana's IGCC project. See Note 4 for additional information about these charges.							
(b)	Commercial Power recorded charges to write-down the carrying value of certain emission allowances. See Note 11 for additional information about these charges.							
The following table includes information by geographic segment.								

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(in millions)	U.S.	Latin America ^(a)	Consolidated
2013			
Consolidated revenues	\$ 23,053	\$ 1,545	\$ 24,598
Consolidated long-lived assets	78,581	2,781	81,362
2012			
Consolidated revenues	\$ 18,078	\$ 1,546	\$ 19,624
Consolidated long-lived assets	79,144	2,467	81,611
2011			
Consolidated revenues	\$ 13,062	\$ 1,467	\$ 14,529
Consolidated long-lived assets	45,920	2,612	48,532
(a)	Change in amounts of long-lived assets in Latin America includes foreign currency translation adjustments on property, plant and equipment and other long-lived asset balances.		

Duke Energy Ohio

Duke Energy Ohio has two reportable operating segments, Regulated Utilities and Commercial Power.

Regulated Utilities transmits and distributes electricity in portions of Ohio and generates, distributes and sells electricity in portions of Kentucky. Regulated Utilities also transports and sells natural gas in portions of Ohio and northern Kentucky. It conducts operations primarily through Duke Energy Ohio and its wholly owned subsidiary, Duke Energy Kentucky.

Commercial Power owns, operates and manages power plants and engages in the wholesale marketing and procurement of electric power, fuel and emission allowances related to these plants, as well as other contractual positions.

The remainder of Duke Energy Ohio's operations is presented as Other. While it is not considered an operating segment, Other primarily includes certain governance costs allocated by its parent, Duke Energy. See Note 13 for additional information. All of Duke Energy Ohio's revenues are generated domestically and its long-lived assets are all in the U.S.

		Year Ended December 31, 2013									
(in millions)		Regulated Utilities	Commercial Power	Total Reportable Segments	Other	Eliminations	Total				
Unaffiliated revenues ^(a)		\$ 1,765	\$ 1,480	\$ 3,245	\$	\$	\$ 3,245				
Intersegment revenues			32	32		(32)					
Total revenues		\$ 1,765	\$ 1,512	\$ 3,277	\$	\$ (32)	\$ 3,245				
Interest expense		\$ 74	\$ 4	\$ 78	\$	\$	\$ 78				
Depreciation and amortization		200	154	354			354				
Income tax expense (benefit)		91	(14)	77	(2)		75				
Segment income/consolidated net income		151	(20)	131	(29)		102				
Capital expenditures		375	58	433			433				
Segment assets		6,649	4,170	10,819	99	(155)	10,763				
(a)		Duke Energy Ohio earned approximately 37 percent of its consolidated operating revenues from PJM Interconnection, LLC (PJM) in 2013, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.									
		Year Ended December 31, 2012									
(in millions)		Regulated Utilities	Commercial Power	Total Reportable Segments	Other	Eliminations	Total				
Unaffiliated revenues ^(a)		\$ 1,745	\$ 1,407	\$ 3,152	\$	\$	\$ 3,152				
Intersegment revenues		1	51	52		(52)					
Total revenues		\$ 1,746	\$ 1,458	\$ 3,204	\$	\$ (52)	\$ 3,152				
Interest expense		\$ 61	\$ 28	\$ 89	\$	\$	\$ 89				
Depreciation and amortization		179	159	338			338				
Income tax expense (benefit)		91	25	116	(18)		98				
Segment income/consolidated net income		159	50	209	(34)		175				
Capital expenditures		427	87	514			514				
Segment assets		6,434	4,175	10,609	117	(166)	10,560				
(a)		Duke Energy Ohio earned approximately 36 percent of its consolidated operating revenues from PJM in 2012, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.									
		Year Ended December 31, 2011									
(in millions)					Other	Eliminations	Total				

	Regulated Utilities	Commercial Power	Total Reportable Segments							
Unaffiliated revenues ^(a)	\$ 1,474	\$ 1,707	\$ 3,181	\$		\$		\$		\$ 3,181
Intersegment revenues		4	4				(4)			
Total revenues	\$ 1,474	\$ 1,711	\$ 3,185	\$		\$	(4)			\$ 3,181
Interest expense	\$ 68	\$ 36	\$ 104	\$		\$				\$ 104
Depreciation and amortization	168	167	335							335
Income tax expense (benefit)	98	6	104				(8)			96
Segment income/consolidated net income ^(b)	133	78	211				(17)			194
Capital expenditures	375	124	499							499
Segment assets	6,293	4,740	11,033			259		(353)		10,939
(a)	Duke Energy Ohio earned approximately 24 percent of its consolidated operating revenues from PJM in 2011, all of which is included in the Commercial Power segment. These revenues relate to the sale of capacity and electricity from Commercial Power's nonregulated generation assets.									
(b)	Commercial Power recorded charges during the year ended December 31, 2011, to write-down the carrying value of certain emission allowances. See Note 11 for additional information.									

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Duke Energy Carolinas, PROGRESS ENERGY, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana

Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana each have one reportable operating segment, Regulated Utility, which generates, transmits, distributes and sells electricity. The remainder of each company's operations is classified as Other. While not considered a reportable segment for any of these companies, Other consists of certain unallocated corporate costs. Other for Progress Energy also includes interest expense on corporate debt instruments of \$300 million, \$304 million and \$324 million for the years ended December 31, 2013, 2012 and 2011. The following table summarizes the net loss for Other for each of these entities.

	Years Ended December 31,					
(in millions)	2013		2012		2011	
Duke Energy Carolinas	\$ (97)	\$	(169)	\$	(46)	
Progress Energy	(241)		(379)		(273)	
Duke Energy Progress	(46)		(139)		(18)	
Duke Energy Florida	(24)		(58)		(16)	
Duke Energy Indiana	(16)		(27)		(12)	

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Duke Energy Progress earned approximately 10 percent of its consolidated operating revenues from North Carolina Electric Membership Corporation (NCEMC) in 2013. These revenues relate to wholesale contracts and transmission revenues. The respective Regulated Utility and Regulated Utilities operating segments own substantially all of Duke Energy Carolinas', Progress Energy's, Duke Energy Progress', Duke Energy Florida's and Duke Energy Indiana's assets at December 31, 2013, 2012 and 2011.

4. REGULATORY MATTERS

Regulatory Assets and Liabilities

The Duke Energy Registrants record regulatory assets and liabilities that result from the ratemaking process. See Note 1 for further information.

The following tables present the regulatory assets and liabilities recorded on the Consolidated Balance Sheets.

December 31, 2013															
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana		
Regulatory Assets															
Accrued pension and OPEB	\$	1,723	\$	347	\$	750	\$	269	\$	438	\$	120	\$	219	
Retired generation facilities		1,748		68		1,619		241		1,378				61	
Debt fair value adjustment		1,338													
Asset retirement		1,608		123		786		389		397					

Explanation of Responses:

Costs of removal	\$ 5,308	\$ 2,423	\$ 2,008	\$ 1,637	\$ 371	\$ 241	\$ 645
Amounts to be refunded to customers	151		120		120		31
Storm reserve	145	20	125		125		
Accrued pension and OPEB	138					21	77
Deferred fuel	177	45	132		132		
Other	346	153	114	99	14	27	45
Total regulatory liabilities	6,265	2,641	2,499	1,736	762	289	798
Less: current portion	316	65	207	63	144	27	16
Total non-current regulatory liabilities	\$ 5,949	\$ 2,576	\$ 2,292	\$ 1,673	\$ 618	\$ 262	\$ 782
December 31, 2012							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Regulatory Assets							
Accrued pension and OPEB	\$ 3,306	\$ 602	1,650	\$ 769	\$ 754	\$ 225	\$ 325
Retired generation facilities	1,781		1,720	128	1,592		61
Debt fair value adjustment	1,472						
Asset retirement obligations	1,461	48	713	372	341		
Net regulatory asset related to income taxes	1,373	731	401	175	226	82	158
Hedge costs and other deferrals	710	88	550	240	310	9	63
DSM/EE	322	107	121	121		94	
Vacation accrual	245	85	\$ 65	65		7	13
Deferred fuel	162		109		109	1	52

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Descriptions of regulatory assets and liabilities, summarized in the tables above, as well as their recovery and amortization periods follow. Items are excluded from rate base unless otherwise noted.

Accrued pension and OPEB. Accrued pension and OPEB represent regulatory assets and liabilities related to each of the Duke Energy Registrants' respective shares of unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to Duke Energy's pension plans and OPEB plans. The regulatory asset or liability is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for pension and OPEB plans. See Note 21 for additional detail.

Retired generation facilities. Duke Energy Florida earns a reduced return on a substantial portion of the amount of regulatory asset associated with the retirement of Crystal River Unit 3 not included in rate base and a full return on a portion of the retired plant currently recovered in rates. Once included in base rates the amount will be amortized over 20 years. Duke Energy Carolinas and Duke Energy Progress earn a return on the outstanding balance with recovery periods ranging from five to 10 years. Duke Energy Indiana earns a return on the outstanding balances and the costs are included in rate base.

Asset retirement obligations. Represents future removal costs associated with asset retirement obligations for nuclear facilities. No return is earned on these balances. The recovery period runs through the decommissioning period of each nuclear unit, the latest of which is estimated to be 2097. See Note 9 for additional information.

Net regulatory asset related to income taxes. Regulatory assets principally associated with the depreciation and recovery of AFUDC equity. Amounts have no impact on rate base as regulatory assets are offset by deferred tax liabilities. The recovery period is over the life of the associated assets.

Hedge costs and other deferrals. Amounts relate to unrealized gains and losses on derivatives recorded as a regulatory asset or liability, respectively, until the contracts are settled. The recovery period varies for these costs, and currently extends to 2027.

DSM/EE. The recovery period varies for these costs, with some currently unknown. Duke Energy Carolinas, Duke Energy Progress, and Duke Energy Florida are required to pay interest on the outstanding liability balance. Duke Energy Progress and Duke Energy Florida collect a return on the outstanding asset balance. Duke Energy Carolinas collects a return on the outstanding balance in South Carolina.

Vacation accrual. Generally recovered within one year.

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Deferred fuel. Deferred fuel costs represent certain energy costs that are recoverable or refundable as approved by the applicable regulatory body. Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana earn a return on under-recovered costs. Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana pay interest on over-recovered costs. Duke Energy Carolinas and Duke Energy Progress pay interest on over-recovered costs in North Carolina. Recovery period is generally over one year. Duke Energy Florida amount includes capacity costs.

Nuclear deferral. Includes (i) amounts related to levelizing nuclear plant outage costs at Duke Energy Carolinas in North Carolina and South Carolina, and Duke Energy Progress in North Carolina, which allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, resulting in the deferral of operations and maintenance costs associated with refueling and (ii) certain deferred preconstruction and carrying costs at Duke Energy Florida as approved by the FPSC associated with Levy, expected to be recovered in revenues by the end of 2017.

Post-in-service carrying costs and deferred operating expenses. Represents deferred depreciation and operating expenses as well as carrying costs on the portion of capital expenditures placed in service but not yet reflected in retail rates as plant in service. Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio and Duke Energy Indiana earn a return on the outstanding balance. Duke Energy Ohio amounts are included in rate base. For Duke Energy Indiana, some amounts are included in rate base. Recovery is over various lives, and the latest recovery period is 2067.

Gasification services agreement buyout. The IURC authorized Duke Energy Indiana to recover costs incurred to buyout a gasification services agreement, including carrying costs through 2018.

Transmission expansion obligation. Represents transmission expansion obligations related to Duke Energy Ohio's withdrawal from Midcontinent Independent System Operator, Inc. (MISO).

MGP. Represents remediation costs for former MGP sites. In November 2013, the PUCO approved recovery of these costs through 2018. Duke Energy Ohio does not earn a return on these costs. See Note 5, Commitments and Contingencies, for additional information.

Debt fair value adjustment. Purchase accounting adjustment to restate the carrying value of Progress Energy debt to fair value. Amount is amortized over the life of the related debt.

Costs of removal. Represents funds received from customers to cover the future removal of property, plant and equipment from retired or abandoned sites as property is retired. Also includes unrealized gains

on NDTF investments.

Amounts to be refunded to customers. Represents required refunds to retail customers by the applicable regulatory body. The refund period is through 2016 for Duke Energy Florida and through 2017 for Duke Energy Indiana.

Storm reserve. Duke Energy Carolinas and Duke Energy Florida are allowed to petition the PSCSC and FPSC, respectively, to seek recovery of named storms. Funds are used to offset future incurred costs.

Restrictions on the Ability of Certain Subsidiaries to Make Dividends, Advances and Loans to Duke Energy

As a condition to the approval of merger transactions, the NCUC, PSCSC, PUCO, KPSC, and IURC imposed conditions on the ability of Duke Energy Carolinas, Duke Energy Progress, Duke Energy Ohio, Duke Energy Kentucky and Duke Energy Indiana to transfer funds to Duke Energy through loans or advances, as well as restricted amounts available to pay dividends to Duke Energy. Certain subsidiaries may transfer funds to the parent by obtaining approval of the respective state regulatory commissions. These conditions imposed restrictions on the ability of the public utility subsidiaries to pay cash dividends as discussed below.

Duke Energy Progress and Duke Energy Florida also have restrictions imposed by their first mortgage bond indentures and Articles of Incorporation which, in certain circumstances, limited their ability to make cash dividends or distributions on common stock. Amounts restricted as a result of these provisions were not material at December 31, 2013.

Additionally, certain other subsidiaries of Duke Energy have restrictions on their ability to dividend, loan or advance funds to Duke Energy due to specific legal or regulatory restrictions, including, but not limited to, minimum working capital and tangible net worth requirements.

Duke Energy Carolinas

Duke Energy Carolinas must limit cumulative distributions subsequent to mergers to (i) the amount of retained earnings on the day prior to the closing of the mergers, plus (ii) any future earnings recorded.

Duke Energy Progress

Duke Energy Progress must limit cumulative distributions subsequent to the merger between Duke Energy and Progress Energy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded.

Duke Energy Ohio

Duke Energy Ohio will not declare and pay dividends out of capital or unearned surplus without the prior authorization of the PUCO. Duke Energy Ohio received FERC and PUCO approval to pay dividends from its equity accounts that are reflective of the amount that it would have in its retained earnings account had push-down accounting for the Cinergy Corp. (Cinergy) merger not been applied to Duke Energy Ohio's balance sheet. The conditions include a commitment from Duke Energy Ohio that equity, adjusted to remove the impacts of push-down accounting, will not fall below 30 percent of total capital.

Duke Energy Kentucky is required to pay dividends solely out of retained earnings and to maintain a minimum of 35 percent equity in its capital structure.

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Duke Energy Indiana

Duke Energy Indiana must limit cumulative distributions subsequent to the merger between Duke Energy and Cinergy to (i) the amount of retained earnings on the day prior to the closing of the merger, plus (ii) any future earnings recorded. In addition, Duke Energy Indiana will not declare and pay dividends out of capital or unearned surplus without prior authorization of the IURC.

The restrictions discussed above were less than 25 percent of Duke Energy's net assets at December 31, 2013.

Rate Related Information

The NCUC, PSCSC, FPSC, IURC, PUCO and KPSC approve rates for retail electric and gas services within their states. Nonregulated sellers of gas and electric generation are also allowed to operate in Ohio once certified by the PUCO. The FERC approves rates for electric sales to wholesale customers served under cost-based rates (excluding Ohio and Indiana), as well as sales of transmission service.

Duke Energy Carolinas

2013 North Carolina Rate Case

On September 24, 2013, the NCUC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase with minor modifications. The North Carolina Utilities Commission Public Staff (Public Staff) was a party to the settlement agreement. The parties agreed to a three-year step-in rate increase, with the first two years providing for \$204 million, or a 4.5 percent average increase in rates, and the third year providing for rates to be increased by an additional \$30 million, or 0.6 percent. The agreement is based upon a return on equity of 10.2 percent and an equity component of the capital structure of 53 percent. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) a \$10 million shareholder contribution to agencies that provide energy assistance to low-income customers, and (iii) an annual reduction in the regulatory liability for costs of removal of \$30 million for each of the first two years. Duke Energy Carolinas also agreed not to request additional base rate increases to be effective before September 2015. New rates went into effect on September 25, 2013.

On October 23, 2013, the North Carolina Attorney General (NCAG) appealed the rate of return and capital structure approved in the agreement. On October 24, 2013, the NC Waste Awareness and Reduction

Network (NC WARN) also appealed various matters in the settlement. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the North Carolina Supreme Court (NCSC) contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Carolinas cannot predict the outcome of this matter.

2013 South Carolina Rate Case

On September 11, 2013, the PSCSC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase. Parties to the settlement agreement were the Office of Regulatory Staff, Wal-Mart Stores East, LP and Sam's East, Incorporated, the South Carolina Energy Users Committee, Public Works of the City of Spartanburg, South Carolina and the South Carolina Small Business Chamber of Commerce. The parties agreed to a two-year step-in rate increase, with the first year providing for approximately \$80 million, or a 5.5 percent average increase in rates, and the second year providing for rates to be increased by an additional \$38 million, or 2.6 percent. The settlement agreement is based upon a return on equity of 10.2 percent and a 53 percent equity component of the capital structure. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) approximately \$4 million of contributions to agencies that provide energy assistance to low-income customers and for economic development, and (iii) a reduction in the regulatory liability for costs of removal of \$45 million for the first year. Duke Energy Carolinas also agreed not to request additional base rate increases to be effective before September 2015. New rates went into effect on September 18, 2013.

2011 North Carolina Rate Case

On January 27, 2012, the NCUC approved a settlement agreement related to Duke Energy Carolinas' request for a rate increase. The Public Staff was a party to the settlement. On October 23, 2013, the NCUC reaffirmed the rate of return approved in the January 27, 2012 settlement agreement, in response to an appeal by the NCAG. On November 21, 2013, the NCAG appealed the reaffirmed order. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the NCSC contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Carolinas cannot predict the outcome of this matter.

William States Lee III Nuclear Station

In December 2007, Duke Energy Carolinas applied to the NRC for a Combined Construction and Operating License (COL) for two Westinghouse AP1000 (advanced passive) reactors for the proposed William States Lee III Nuclear Station (Lee Nuclear Station) at a site in Cherokee County, South Carolina. Submitting the COL application did not commit Duke Energy Carolinas to build nuclear units. Through several separate orders, the NCUC and PSCSC concurred with the prudence of Duke Energy Carolinas incurring certain project development and pre-construction costs, although recovery of costs is not guaranteed. Duke Energy Carolinas has incurred approximately \$382 million, including AFUDC through December 31, 2013. This amount is included in Net property, plant and equipment on Duke Energy Carolinas' Consolidated Balance Sheets.

The Lee COL application is impacted by the ongoing NRC activity to address its Waste Confidence rule. The Waste Confidence rule is a generic finding by the NRC that spent fuel can be managed safely until ultimate disposal. The U.S. Court of Appeals for the District of Columbia (D.C. Circuit) remanded the rule to

the NRC. The NRC determined that no final licenses for new reactors would be issued until the remand is appropriately addressed. Based upon current timelines from the NRC, licenses would not be issued until November 2014 at the

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earliest. The COL is also impacted by the time required to fully respond to an NRC request for additional information addressing seismic hazard evaluation resulting from recommendations of the Fukushima Near-Term Task Force.

Duke Energy Progress

2012 North Carolina Rate Case

On May 30, 2013, the NCUC approved a settlement agreement related to Duke Energy Progress' request for a rate increase. The Public Staff was a party to the settlement agreement. The parties agreed to a two-year step-in rate increase, with the first year providing for a \$147 million, or a 4.5 percent average increase in rates, and the second year providing for rates to be increased by an additional \$31 million, or a 1.0 percent average increase in rates. The agreement is based upon a return on equity of 10.2 percent and an equity component of the capital structure of 53 percent. The settlement agreement (i) allows for the recognition of nuclear outage expenses over the refueling cycle rather than when the outage occurs, (ii) a \$20 million shareholder contribution to agencies that provide energy assistance to low-income customers, and (iii) a reduction in the regulatory liability for costs of removal of \$20 million for the first year. New rates went into effect on June 1, 2013.

On July 1, 2013, the NCAG appealed the NCUC's approval of the rate of return and capital structure included in the agreement. NC WARN also appealed various matters in the settlement. On December 11, 2013, Duke Energy Carolinas and Duke Energy Progress, along with the Public Staff, filed a Motion to Consolidate this appeal with other North Carolina rate case appeals involving Duke Energy Carolinas and Duke Energy Progress. Both the NCAG and NC WARN filed responses with the NCSC contesting consolidation. All parties are awaiting a ruling from the NCSC. Duke Energy Progress cannot predict the outcome of this matter.

L.V. Sutton Combined Cycle Facility

Duke Energy Progress completed construction of a 625 MW combined cycle natural gas-fired generating facility at its existing Sutton Steam Station in New Hanover County, North Carolina. Sutton began commercial operations in the fourth quarter of 2013.

Harris Expansion

On February 19, 2008, Duke Energy Progress applied to the NRC for a COL for two Westinghouse Electric AP1000 reactors at Harris. On May 2, 2013, Duke Energy Progress requested the NRC to suspend its review activities associated with the COL. As a result of the decision to suspend the COL applications, Duke Energy Progress recorded a pretax impairment charge of \$22 million during the second quarter of 2013. This charge represents costs associated with the COL, which are not probable of recovery. On September 16, 2013 and January 30, 2014, respectively, the NCUC and PSCSC approved the deferral of the respective retail portion of the COL costs. Approximately \$47 million is recorded in Regulatory assets on Duke Energy Progress' Consolidated Balance Sheets at December 31, 2013.

Wholesale Depreciation Rates

On April 19, 2013, Duke Energy Progress filed an application with FERC for acceptance of changes to generation depreciation rates and in August filed for acceptance of additional changes. These changes will affect the rates of Duke Energy Progress wholesale power customers that purchase or will purchase power under formula rates. Certain Duke Energy Progress wholesale customers filed interventions and protests. FERC accepted the depreciation rate changes, subject to refund, and set the matter for settlement and hearing in a consolidated proceeding. FERC further initiated an action with respect to the justness and reasonableness of the proposed rate changes. Duke Energy Progress cannot predict the outcome of this matter.

Duke Energy Florida

FPSC Settlement Agreements

On February 22, 2012, the FPSC approved a settlement agreement (the 2012 Settlement) among Duke Energy Florida, the Florida Office of Public Counsel (OPC) and other customer advocates. The 2012 Settlement was to continue through the last billing cycle of December 2016. The agreement addressed four principal matters: (i) the Crystal River Unit 3 delamination prudence review then pending before the FPSC, (ii) certain customer rate matters, (iii) Duke Energy Florida's proposed Levy cost recovery, and (iv) cost of removal reserve.

On October 17, 2013, the FPSC approved a settlement agreement (the 2013 Settlement) between Duke Energy Florida, OPC, and other customer advocates. The 2013 Settlement replaces and supplants the 2012 Settlement and substantially resolves additional issues, including (i) matters related to Crystal River Unit 3, (ii) Levy, (iii) Crystal River 1 and 2 coal units, and (iv) future generation needs in Florida.

Refer to the remaining sections below for further discussion of these settlement agreements.

Crystal River Unit 3

In September 2009, Crystal River Unit 3 began an outage for normal refueling and maintenance as well as an uprate project to increase its generating capability and to replace two steam generators. During preparations to replace the steam generators, workers discovered a delamination, or separation, within the concrete at the periphery of the containment building, which resulted in an extension of the outage. The concrete delamination was caused by redistribution of stresses in the containment wall that occurred when an opening was created to accommodate the replacement of the unit's steam generators. In March 2011, work to return the plant to service was suspended after monitoring equipment identified a new delamination. The second delamination occurred in a different section of the outer wall after repair work was completed and during the late stages of retensioning the containment building. Crystal River Unit 3 remained out of service while Duke Energy Florida conducted an engineering analysis and review of the second delamination and evaluated possible repair options.

Subsequent to March 2011, monitoring equipment detected additional changes and further damage in the partially tensioned containment building. Duke Energy Florida developed a repair plan, which had a preliminary cost estimate of \$900 million to \$1.3 billion.

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On February 5, 2013, following the completion of a comprehensive analysis and an independent review by Zapata Incorporated, which estimated repair costs to be between \$1.49 billion and \$3.43 billion depending on the repair scope selected, Duke Energy Florida announced its intention to retire Crystal River Unit 3. Duke Energy Florida concluded it did not have a high degree of confidence the repair could be successfully completed and licensed within estimated costs and schedule, and that it was in the best interests of Duke Energy Florida's customers and joint owners, and Duke Energy's investors to retire the unit. On February 20, 2013, Duke Energy Florida filed with the NRC a certification of permanent cessation of power operations and permanent removal of fuel from the reactor vessel. In December 2013, Duke Energy Florida filed an updated site-specific decommissioning study and plan with the NRC and FPSC. The study resulted in a decommissioning cost estimate of \$1,180 million, including amounts applicable to joint owners, under the safe storage (SAFSTOR) option. Duke Energy Florida's decommissioning study assumes Crystal River Unit 3 will be in SAFSTOR configuration, requiring limited staffing to monitor plant conditions, until the eventual dismantling and decontamination activities occur in 60 years. This decommissioning approach is currently utilized at a number of retired domestic nuclear power plants and is one of three generally accepted approaches to decommissioning approved by the NRC.

Duke Energy Florida maintains insurance coverage through Nuclear Electric Insurance Limited's (NEIL) accidental property damage program on an actual cash value basis. The NEIL coverage generally does not include property damage to or resulting from the containment structure. However, coverage does apply to decontamination and debris removal if required following an accident to ensure public health and safety or if property damage results from a terrorism event.

Duke Energy Florida worked with NEIL for recovery of applicable repair costs and associated replacement power costs throughout the duration of the Crystal River Unit 3 outage. On April 25, 2013, NEIL paid Duke Energy Florida \$530 million related to the Crystal River Unit 3 delaminations. Duke Energy Florida has received a total of \$835 million in insurance proceeds from NEIL related to the Crystal River Unit 3 delaminations. Duke Energy Florida recorded a regulatory liability of \$490 million upon receipt of the April 2013 NEIL settlement proceeds. This amount is being refunded to retail customers through Duke Energy Florida's fuel clause. Proceeds received from NEIL and the related refunds to retail customers are presented in Operating Activities on Duke Energy Florida's Statements of Cash Flows.

The 2013 Settlement resolves substantially all remaining issues in the FPSC proceeding related to the review of Duke Energy Florida's decision to retire Crystal River Unit 3, the mediated resolution of insurance claims with NEIL, and the costs spent to repair Crystal River Unit 3; the uprate project; and the components of the regulatory asset to be recovered in rates beginning no later than 2017 via a separate base rate component.

						Remaining Amount to be Refunded		
(in millions)	Total	Refunded to date	2014	2015	2016			
2012 Settlement refund ^(a)	\$ 288	\$ 129	\$ 139	\$ 10	\$ 10			
Retirement decision refund	100	-	-	40	60			
NEIL proceeds	490	326	164	-	-			
Total customer refunds	878	455	303	50	70			
Accelerated regulatory asset recovery	(130)	-	(37)	(37)	(56)			
Net customer refunds	\$ 748	\$ 455	\$ 266	\$ 13	\$ 14			
(a)	See discussion under Customer Rate Matters section below.							

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Duke Energy Florida is a party to a master participation agreement and other related agreements with the joint owners of Crystal River Unit 3, which convey certain rights and obligations on Duke Energy Florida and the joint owners. In December 2012, Duke Energy Florida reached an agreement with one joint owner and extended a settlement offer to the other joint owner related to all Crystal River Unit 3 matters. Duke Energy Florida recorded a charge of \$45 million in the fourth quarter of 2012 related to the December 2012 settlement and settlement offer. In January 2014, Duke Energy Florida reached an agreement in principle with the remaining joint owner regarding resolution of matters associated with Crystal River Unit 3 based on condition precedents that must be met in order to carry out the agreement. Duke Energy Florida recorded a charge of \$57 million in the fourth quarter of 2013 related to the January 2014 agreement. The significant majority of these amounts were included in Operations, maintenance and other on the Statements of Operations and Comprehensive Income.

Customer Rate Matters

Pursuant to the 2013 Settlement, Duke Energy Florida will maintain base rates at the current level through the last billing period of 2018, subject to the return on equity range of 9.5 percent to 11.5 percent, with exceptions for base rate increases for the recovery of the Crystal River Unit 3 regulatory asset beginning no later than 2017 and base rate increases for new generation through 2018, per the provisions of the 2013 Settlement. Duke Energy Florida is not required to file a depreciation study, fossil dismantlement study or nuclear decommissioning study until the earlier of the next rate case filing or March 31, 2019. The 2012 Settlement provided for a \$150 million increase in base revenue effective with the first billing cycle of January 2013. Costs associated with Crystal River Unit 3 investments were removed from retail rate base effective with the first billing cycle of January 2013. Duke Energy Florida is accruing, for future rate-setting purposes, a carrying charge on the Crystal River Unit 3 investment until the Crystal River Unit 3 regulatory asset is recovered in base rates. If Duke Energy Florida's retail base rate earnings fall below the return on equity range, as reported on a FPSC-adjusted or pro-forma basis on a monthly earnings surveillance report, it may petition the FPSC to amend its base rates during the term of the 2013 Settlement.

Duke Energy Florida is refunding \$288 million to retail customers through its fuel clause, as required by the 2012 Settlement.

Levy

On July 28, 2008, Duke Energy Florida applied to the NRC for a COL for two Westinghouse AP1000 reactors at Levy. Various parties filed a joint petition to intervene in the Levy COL application. On March 26, 2013, the Atomic Safety and Licensing Board issued a ruling that the NRC had carried its burden of

demonstrating its Final Environmental Impact Statement complies with the National Environmental Policy Act and applicable NRC regulatory requirements.

In 2008, the FPSC granted Duke Energy Florida's petition for an affirmative Determination of Need and related orders requesting cost recovery under Florida's nuclear cost-recovery rule, together with the associated facilities, including transmission lines and substation facilities.

Under the terms of the 2012 Settlement, Duke Energy Florida began retail cost recovery of Levy costs effective in the first billing cycle of January 2013 at the fixed rates contained in the settlement and continuing for a five-year period, with true-up of any actual costs not recovered during the five-year period occurring in the final year. This amount is intended to recover the estimated retail project costs to date including costs necessary to obtain the COL and any engineering, procurement and construction (EPC) agreement cancellation costs. The 2012 Settlement provided that Duke Energy Florida will treat the allocated wholesale cost of Levy as a retail regulatory asset and include this asset as a component of rate base and amortization expense for regulatory reporting. The consumer parties agree to not oppose Duke Energy Florida continuing to pursue a COL for Levy.

On January 28, 2014, Duke Energy Florida terminated the EPC. Duke Energy Florida may be required to pay for work performed under the EPC and to bring existing work to an orderly conclusion, including but not limited to, costs to demobilize and cancel certain equipment and material orders placed. Duke Energy Florida is allowed to recover reasonable and prudent EPC cancellation costs from its retail customers. If Duke Energy Florida, at its own discretion, decides not to pursue the COL prior to March 31, 2015, it agrees to credit customers \$10 million as a reduction to fuel costs.

In accordance with the 2013 Settlement, Duke Energy Florida ceased amortization of the wholesale allocation of Levy investments against retail rates. In the second quarter of 2013, Duke Energy Florida recorded a pretax charge of \$65 million to write-off the wholesale portion of Levy investments. This amount is included in Impairment charges on the Statements of Operations and Comprehensive Income.

Recovery of the remaining retail portion of the project costs will occur over five years from 2013 through 2017. Duke Energy Florida has an ongoing responsibility to demonstrate prudence related to the wind down of the Levy investment and the potential for salvage of Levy assets. As of December 31, 2013, Duke Energy Florida has a net uncollected investment in Levy of approximately \$264 million, including AFUDC. Of this amount, \$50 million is included in Regulatory assets, \$117 million related to land and the COL is included in Net, property, plant and equipment, and \$97 million is included in Regulatory assets within Current Assets on the Balance Sheets.

Crystal River 1 and 2 Coal Units

Duke Energy Florida has evaluated Crystal River 1 and 2 coal units for retirement in order to comply with certain environmental regulations. Based on this evaluation, those units will likely be retired by 2018. Once those units are retired Duke Energy Florida will continue recovery of existing annual depreciation expense through the end of 2020. Beginning in 2021, Duke Energy Florida will be allowed to recover any remaining net book value of the assets from retail customers through the Capacity Cost Recovery Clause. On December 31, 2013 Duke

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Energy Florida filed a petition with the FPSC to allow for the recovery of prudently incurred costs to comply with the Mercury and Air Toxics Standard through the Environmental Cost Recovery Clause.

New Generation

Duke Energy Florida currently projects a significant need for additional generation to offset the impact of retirement of Crystal River Unit 3 as well as the possible retirement of Crystal River 1 and 2 coal units. The 2013 Settlement establishes a recovery mechanism for additional generation needs. This recovery mechanism, the Generation Base Rate Adjustment (GBRA), will apply to (i) the construction, uprate of existing generation, and/or purchase of up to 1,150 MW of combustion turbine and/or combined cycle generating capacity prior to the end of 2017, and (ii) the construction of additional generation of up to 1,800 MW to be placed in service in 2018 upon FPSC approval of a need determination. The GBRA allows recovery of prudent costs of these items through an increase in base rates, upon the in-service date of such assets, without a general rate case at a 10.5 percent return on equity. On October 8, 2013, Duke Energy Florida issued a request for proposals to evaluate alternatives for an additional generation facility. Duke Energy Florida is currently reviewing bids received on December 9, 2013.

Cost of Removal Reserve

The 2012 Settlement and the 2013 Settlement provide Duke Energy Florida the discretion to reduce cost of removal amortization expense up to the balance in the cost of removal reserve until the earlier of its applicable cost of removal reserve reaches zero or the expiration of the 2013 Settlement. Duke Energy Florida may not reduce amortization expense if the reduction would cause it to exceed the appropriate high point of the return on equity range. Duke Energy Florida recognized a reduction in amortization expense of \$114 million, \$178 million, and \$250 million for the years ended December 31, 2013, 2012, and 2011 respectively. Duke Energy Florida had no cost of removal reserves eligible for amortization to income remaining at December 31, 2013.

Duke Energy Ohio

Capacity Rider Filing

On August 29, 2012, Duke Energy Ohio applied to the PUCO for the establishment of a charge for capacity provided pursuant to its obligations as a Fixed Resource Requirement (FRR) entity. The charge, which is consistent with Ohio's state compensation mechanism, is estimated to be approximately \$729 million, and reflects Duke Energy Ohio's embedded cost of capacity. On February 13, 2014, the PUCO denied Duke

Energy Ohio's request.

2012 Electric Rate Case

On May 1, 2013, the PUCO approved a settlement agreement (the Electric Settlement) related to Duke Energy Ohio's electric distribution rate case. All intervening parties signed the Electric Settlement. The Electric Settlement provides for a net increase in electric distribution revenues of \$49 million, or an average increase of 2.9 percent, based upon a return on equity of 9.84 percent. Revised rates were effective in May 2013.

2012 Natural Gas Rate Case

On April 2, 2013, Duke Energy Ohio, the PUCO Staff, and intervening parties filed a settlement (the Gas Settlement) with the PUCO related to a gas distribution case. The Gas Settlement provides for no increase in base rates for gas distribution service. The Gas Settlement left unresolved the recovery of environmental remediation costs associated with former manufactured gas plants (MGP). The Gas Settlement is based upon a return on equity of 9.84 percent.

On November 13, 2013, the PUCO issued an order approving the Gas Settlement and allowing for the recovery of \$56 million of MGP costs, excluding carrying costs, to be recovered over a five-year period beginning in 2014. On February 19, 2014, the PUCO denied intervening consumer groups' motion to stay implementation of its order, or, in the alternative, to implement the MGP rider subject to refund. Intervening groups have provided notice of their intent to appeal the PUCO's decision to the Ohio Supreme Court. Duke Energy Ohio cannot predict the outcome of this matter.

Generation Asset Transfer

On April 2, 2012 and amended on June 22, 2012, Duke Energy Ohio and various affiliated entities filed an Application for Authorization for Disposition of Jurisdictional Facilities with FERC. The application seeks to transfer, from Duke Energy Ohio's rate-regulated Ohio utility company, the legacy coal-fired and combustion gas turbine assets to a nonregulated affiliate, consistent with the ESP stipulation approved by the PUCO on November 22, 2011. The application outlines a potential additional step in the reorganization that would result in a transfer of all of Duke Energy Ohio's Commercial Power business to an indirect wholly owned subsidiary of Duke Energy. The process of determining the optimal corporate structure is an ongoing evaluation of factors, such as tax considerations, that may change between now and the transfer date. In conjunction with the transfer, Duke Energy Ohio's capital structure will be restructured to reflect appropriate debt and equity ratios for its regulated operations. The transfer could instead be accomplished within a wholly owned nonregulated subsidiary of Duke Energy Ohio depending on final tax structuring analysis. The FERC approved the application on September 5, 2012. Duke Energy Ohio agreed to transfer the legacy coal-fired and combustion gas turbine assets on or before December 31, 2014.

Regional Transmission Organization (RTO) Realignment

Duke Energy Ohio including Duke Energy Kentucky, transferred control of its transmission assets from MISO to PJM, effective December 31, 2011.

On December 22, 2010, the KPSC approved Duke Energy Kentucky's request to effect the RTO realignment, subject to a commitment not to seek double-recovery in a future rate case of the transmission expansion fees that may be charged by MISO and PJM in the same period or overlapping periods.

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On May 25, 2011, the PUCO approved a settlement between Duke Energy Ohio, Ohio Energy Group, The Office of Ohio Consumers' Counsel and the PUCO Staff related to Duke Energy Ohio's recovery of certain costs of the RTO realignment via a non-bypassable rider. Duke Energy Ohio is allowed to recover all MISO Transmission Expansion Project (MTEP) costs, including but not limited to Multi-Value Project (MVP) costs, directly or indirectly charged to Duke Energy Ohio retail customers. Duke Energy Ohio will not recover any portion of the MISO exit obligation, PJM integration fees, or internal costs associated with the RTO realignment, and the first \$121 million of PJM transmission expansion costs from Ohio retail customers. Duke Energy Ohio also agreed to vigorously defend against any charges for MVP projects from MISO.

Upon its exit from MISO on December 31, 2011, Duke Energy Ohio recorded a liability for its exit obligation and share of MTEP costs, excluding MVP. This liability was recorded within Other in Current liabilities and Other in Deferred credits and other liabilities on Duke Energy Ohio's Consolidated Balance Sheets.

The following table provides a reconciliation of the beginning and ending balance of Duke Energy Ohio's recorded obligations related to its withdrawal from MISO.

		Balance at			Provision /			Cash			Balance at	
(in millions)		December			Adjustments			Reductions			December	
		31, 2012									31, 2013 ^(a)	
Duke Energy Ohio		\$	97		\$	2		\$	(4)		\$	95
(a)	As of December 31, 2013, \$74 million is recorded as a Regulatory asset on Duke Energy Ohio's Consolidated Balance Sheets.											

MVP. MISO approved 17 MVP proposals prior to Duke Energy Ohio's exit from MISO on December 31, 2011. Construction of these projects is expected to continue through 2020. Costs of these projects, including operating and maintenance costs, property and income taxes, depreciation and an allowed return, are allocated and billed to MISO transmission owners.

On December 29, 2011, MISO filed a tariff with the FERC providing for the allocation of MVP costs to a withdrawing owner based on monthly energy usage. The FERC set for hearing (i) whether MISO's proposed cost allocation methodology to transmission owners who withdrew from MISO prior to January 1, 2012 is consistent with the tariff at the time of their withdrawal from MISO, and, (ii) if not, what amount of, and methodology for calculating any MVP cost responsibility should be. On July 16, 2013, a FERC

Administrative Law Judge (ALJ) issued an initial decision. Under this initial decision, Duke Energy Ohio would be liable for MVP costs. Duke Energy Ohio filed exceptions to the initial decision, requesting the FERC overturn the ALJ's decision. After reviewing the initial decision, along with all exceptions and responses filed by the parties, the FERC will issue a final decision. Duke Energy Ohio fully intends to appeal to the federal court of appeals if the FERC affirms the ALJ's decision. Duke Energy Ohio cannot predict the outcome of these proceedings.

In 2012, MISO estimated Duke Energy Ohio's MVP obligation over the period from 2012 to 2071 at \$2.7 billion, on an undiscounted basis. The estimated obligation is subject to great uncertainty including the ultimate cost of the projects, the annual costs of O&M, taxes and return over the project lives and the allocation to Duke Energy Ohio.

Duke Energy Indiana

Edwardsport IGCC Plant

On November 20, 2007, the IURC granted Duke Energy Indiana a Certificate of Public Convenience and Necessity (CPCN) for the construction of a 618 MW IGCC power plant at Duke Energy Indiana's existing Edwardsport Generating Station in Knox County, Indiana with a cost estimate of \$1.985 billion assuming timely recovery of financing costs related to the project. On January 25, 2008, Duke Energy Indiana received the final air permit from the Indiana Department of Environmental Management. The Citizens Action Coalition of Indiana, Inc., Sierra Club, Inc., Save the Valley, Inc., and Valley Watch, Inc., all intervenors in the CPCN proceeding (collectively, the Joint Intervenors), appealed the air permit. A settlement related to the air permit was reached on August 30, 2013. The air permit was not impacted by the provisions of the settlement.

Duke Energy Indiana experienced design modifications, quantity increases and scope growth above what was anticipated from the preliminary engineering design, which increased capital costs for the project. As a result, the projected cost estimate increased throughout construction of the project and various revised estimates were filed with the IURC. In October 2012, Duke Energy Indiana revised its latest projected cost estimate to \$3.15 billion (excluding AFUDC).

On December 27, 2012, the IURC approved a settlement agreement (2012 Edwardsport settlement) related to the cost increase for the construction of the project, including subdockets before the IURC related to the project. The Office of Utility Consumer Counselor (OUCC), the Duke Energy Indiana Industrial Group and Nucor Steel-Indiana were parties to the settlement. This settlement agreement resolved all then pending regulatory issues related to the project. The settlement agreement, as approved, capped costs to be reflected in customer rates at \$2.595 billion, including estimated AFUDC through June 30, 2012. Duke Energy Indiana is allowed to recover AFUDC after June 30, 2012, until customer rates are revised, with such recovery decreasing to 85 percent on AFUDC accrued after November 30, 2012. Duke Energy Indiana also agreed not to request a retail electric base rate increase prior to March 2013, with rates in effect no earlier than April 1, 2014.

The IURC modified the 2012 Edwardsport settlement as previously agreed to by the parties to (i) require Duke Energy Indiana to credit customers for cost control incentive payments the IURC found to be unwarranted as a result of delays that arose from project cost overruns and (ii) provide that if Duke Energy Indiana should recover more than the project costs absorbed by Duke Energy's shareholders through litigation, any surplus must be returned to the Duke Energy Indiana's ratepayers.

Over the course of construction of the project, Duke Energy Indiana recorded pretax charges of approximately \$897 million related to the Edwardsport project, including the settlement agreement

discussed above. Of this amount, pretax impairment and other charges of \$631 million were recorded during the year ended December 31, 2012. These charges were recorded in Impairment charges and Operations, maintenance and other on Duke Energy Indiana's Consolidated Statements of Operations and Comprehensive Income.

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The Joint Intervenors appealed the IURC order approving the 2012 Edwardsport settlement and other related regulatory orders to the Indiana Court of Appeals. A final decision is anticipated mid-2014.

The project was placed in commercial operation in June 2013. Costs for the Edwardsport IGCC plant are recovered from retail electric customers via a tracking mechanism, the IGCC Rider.

Other Regulatory Matters

Merger Appeals

On January 9, 2013, the City of Orangeburg and NC WARN appealed the NCUC's approval of the merger between Duke Energy and Progress Energy. On April 29, 2013, the NCUC granted Duke Energy's motion to dismiss certain exceptions contained in NC WARN's appeal. On November 6, 2013, the North Carolina Court of Appeals heard oral arguments on the appeals. A decision from the North Carolina Court of Appeals is pending.

Progress Energy Merger FERC Mitigation

In June 2012, the FERC approved the merger with Progress Energy, including Duke Energy and Progress Energy's revised market power mitigation plan, the Joint Dispatch Agreement (JDA) and the joint Open Access Transmission Tariff. The revised market power mitigation plan provides for the acceleration of one transmission project and the completion of seven other transmission projects (Long-term FERC Mitigation) and interim firm power sale agreements during the completion of the transmission projects (Interim FERC Mitigation). The Long-term FERC Mitigation is expected to increase power imported into the Duke Energy Carolinas and Duke Energy Progress service areas and enhance competitive power supply options in the service areas. These projects are expected to be completed in 2014. On August 8, 2012, FERC granted certain intervenors' request for rehearing for further consideration.

Following the closing of the merger, outside counsel reviewed Duke Energy's mitigation plan and discovered a technical error in the calculations. On December 6, 2013, Duke Energy submitted a filing with the FERC disclosing the error and arguing that no additional mitigation is necessary. On February 4, 2014, The City of New Bern, North Carolina filed comments to Duke Energy's filing. Duke Energy's response to New Bern was filed on February 19, 2014. Duke Energy cannot predict the outcome of this matter.

Planned and Potential Coal Plant Retirements

The Subsidiary Registrants periodically file Integrated Resource Plans (IRP) with their state regulatory commissions. The IRPs provide a view of forecasted energy needs over a 10-20 year period, and options being considered to meet those needs. The IRPs filed by the Subsidiary Registrants in 2013, 2012 and 2011 included planning assumptions to potentially retire certain coal-fired generating facilities in South Carolina, Florida, Indiana and Ohio earlier than their current estimated useful lives. The facilities do not have the requisite emission control equipment, primarily to meet EPA regulations that are not yet effective.

The table below contains the net carrying value of generating facilities planned for early retirement or being evaluated for potential retirement included in Property, plant and equipment, net on the Consolidated Balance Sheets.

December 31, 2013																
	Duke Energy Carolinas ^(b)			Progress Energy ^(c)			Duke Energy Florida ^(c)			Duke Energy Ohio ^(d)			Duke Energy Indiana ^(e)			
Capacity (in MW)	2,447			200			873			873			706		668	
Remaining net book value (in millions) ^(a)	\$ 260			\$ 14			\$ 113			\$ 113			\$ 10		\$ 123	
(a)	Included in Property, plant and equipment, net as of December 31, 2013, on the Consolidated Balance Sheets.															
(b)	Includes Lee Units 1 and 2. Excludes 170 MW Lee Unit 3 that is expected to be converted to gas in 2014. Duke Energy Carolinas expects to retire or convert these units by December 2020 in conjunction with a settlement agreement associated with the Cliffside Unit 6 air permit.															
(c)	Includes Crystal River Units 1 and 2.															
(d)	Includes Beckjord Units 4 through 6 and Miami Fort Unit 6. 150 MW Beckjord Station Unit 4 was retired on February 17, 2014. Beckjord units have no remaining book value.															
(e)	Includes Wabash River Units 2 through 6. Wabash River Unit 6 is being evaluated for potential conversion to gas. Duke Energy Indiana committed to retire or convert these units by June 2018 in conjunction with a settlement agreement associated with the Edwardsport air permit.															
Duke Energy continues to evaluate the potential need to retire these coal-fired generating facilities earlier than the current estimated useful lives, and plans to seek regulatory recovery for amounts that would not be otherwise recovered when any of these assets are retired. However, such recovery, including recovery of carrying costs on remaining book values, could be subject to future regulatory approvals and therefore cannot be assured.																

5. COMMITMENTS AND CONTINGENCIES

General Insurance

The Duke Energy Registrants have insurance and reinsurance coverage either directly or through indemnification from Duke Energy's captive insurance company, Bison, and its affiliates, consistent with companies engaged in similar commercial operations with similar type properties. The Duke Energy Registrants' coverage includes (i) commercial general liability coverage for liabilities arising to third parties for bodily injury

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and property damage; (ii) workers' compensation; (iii) automobile liability coverage; and (iv) property coverage for all real and personal property damage. Real and personal property damage coverage excludes electric transmission and distribution lines, but includes damages arising from boiler and machinery breakdowns, earthquakes, flood damage and extra expense, but not outage or replacement power coverage. All coverage is subject to certain deductibles or retentions, sublimits, exclusions, terms and conditions common for companies with similar types of operations.

The Duke Energy Registrants self-insure their electric transmission and distribution lines against loss due to storm damage and other natural disasters. As discussed further in Note 4, Duke Energy Florida maintains a storm damage reserve and has a regulatory mechanism to recover the cost of named storms on an expedited basis.

The cost of the Duke Energy Registrants' coverage can fluctuate year to year reflecting claims history and conditions of the insurance and reinsurance markets.

In the event of a loss, terms and amounts of insurance and reinsurance available might not be adequate to cover claims and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on the Duke Energy Registrants' results of operations, cash flows or financial position. Each company is responsible to the extent losses may exceed limits of the coverage available.

Nuclear Insurance

Duke Energy Carolinas owns and operates the McGuire Nuclear Station (McGuire) and the Oconee Nuclear Station (Oconee) and operates and has a partial ownership interest in the Catawba Nuclear Station (Catawba). McGuire and Catawba each have two reactors. Oconee has three reactors. The other joint owners of Catawba reimburse Duke Energy Carolinas for certain expenses associated with nuclear insurance per the Catawba joint owner agreements.

Duke Energy Progress owns and operates the Robinson Nuclear Station (Robinson) and operates and has a partial ownership interest in the Brunswick Nuclear Station (Brunswick) and Harris. Robinson and Harris each have one reactor. Brunswick has two reactors. The other joint owners of Brunswick and Harris reimburse Duke Energy Progress for certain expenses associated with nuclear insurance per the Brunswick and Harris joint owner agreements.

Duke Energy Florida manages and has a partial ownership interest in Crystal River Unit 3, which has been retired. The other joint owners of Crystal River Unit 3 reimburse Duke Energy Florida for certain expenses associated with nuclear insurance per the Crystal River Unit 3 joint owner agreement.

In the event of a loss, terms and amounts of insurance available might not be adequate to cover property damage and other expenses incurred. Uninsured losses and other expenses, to the extent not recovered by other sources, could have a material effect on Duke Energy Carolinas', Duke Energy Progress' and Duke Energy Florida's results of operations, cash flows or financial position. Each company is responsible to the extent losses may exceed limits of the coverage available.

Nuclear Liability Coverage

The Price-Anderson Act requires owners of nuclear reactors to provide for public nuclear liability protection per nuclear incident up to a maximum total financial protection liability. The maximum total financial protection liability increased to a total of \$13.6 billion. This amount is adjusted every five years for an inflationary provision. Total nuclear liability coverage consists of a combination of private primary nuclear liability insurance coverage and a mandatory industry risk-sharing program to provide for excess nuclear liability coverage above the maximum reasonably available private primary coverage. The United States Congress could impose revenue-raising measures on the nuclear industry to pay claims.

Primary Liability Insurance

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida have purchased the maximum reasonably available private primary nuclear liability insurance as required by law, which currently is \$375 million per station.

Excess Liability Program

This program provides \$13.2 billion of coverage per incident through the Price-Anderson Act's mandatory industry-wide excess secondary financial protection program of risk pooling. This amount is the product of potential cumulative retrospective premium assessments of \$127 million times the current 104 licensed commercial nuclear reactors in U.S. Under this program, licensees could be assessed retrospective premiums to compensate for public nuclear liability damages in the event of a nuclear incident at any licensed facility in the U.S. Retrospective premiums may be assessed at a rate not to exceed \$19 million per year per licensed reactor for each incident. The assessment may be subject to state premium taxes.

Nuclear Property Coverage

Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida are members of NEIL, which provides insurance coverage for nuclear facilities under three policy programs: the primary property insurance program, the excess property insurance program and the accidental outage insurance program.

Pursuant to regulations of the NRC, each company's property damage insurance policies provide that all proceeds from such insurance be applied, first, to place the plant in a safe and stable condition after a qualifying accident, and second, to decontaminate the plant before any proceeds can be used for decommissioning, plant repair or restoration.

Losses resulting from non-certified acts of terrorism are covered as common occurrences, such that if non-certified terrorist acts occur against one or more commercial nuclear power plants insured by NEIL within a 12-month period, they would be treated as one event and the owners

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of the plants where the act occurred would share one full limit of liability. The full limit of liability is currently \$3.2 billion. NEIL sublimits the total aggregate for all of their policies for non-nuclear terrorist events to approximately \$1.83 billion.

Primary Property Insurance

This policy provides \$500 million of primary property damage coverage. The deductible per occurrence is \$3 million for Catawba, and \$10 million for the remaining nuclear facilities. This policy also has a 10 percent deductible provision excess of these deductibles for natural catastrophe damage.

Excess Property Insurance

This policy provides excess property, decontamination and decommissioning liability insurance of \$2.25 billion for Catawba, \$750 million each for Oconee, McGuire, Brunswick, Harris and Robinson; and \$560 million for Crystal River Unit 3. All nuclear facilities except for Catawba and Crystal River Unit 3 also share an additional \$1 billion insurance limit above their dedicated underlying excess. This shared additional excess limit is not subject to reinstatement in the event of a loss.

Crystal River Unit 3's primary and excess property insurance is on an actual cash value basis. NEIL coverage does not include property damage to or resulting from the containment structure except coverage does apply to decontamination and debris removal, if required following an accident, to ensure public health and safety or if property damage results from a terrorism event.

NEIL sublimits property damage losses to \$1.5 billion for non-nuclear accidental property damage.

Accidental Outage Insurance

This policy provides replacement power expense coverage resulting from an accidental property damage outage of a nuclear unit. Coverage amounts decrease in the event more than one unit at a station is out of service due to a common accident. Initial coverage begins after a 12-week deductible period. Coverage continues at 100 percent of the weekly limits for 52 weeks and 80 percent of the weekly limits for the next 110 weeks.

The Catawba units are insured for up to \$4 million per week. The McGuire units are insured for up to \$4 million per week. The Oconee units are insured for up to \$3 million per week. The Brunswick units are insured for up to \$3 million per week. The Harris unit is insured for up to \$3 million per week. The Robinson

unit is insured for up to \$2 million per week. The accidental outage policy limit is \$490 million for McGuire and Catawba, \$378 million for Oconee, \$406 million for Brunswick, \$364 million for Harris, and \$308 million for Robinson.

NEIL sublimits the accidental outage recovery to the first 104 weeks of coverage not to exceed \$328 million from non-nuclear accidental property damage.

Potential Retroactive Premium Assessments

In the event of NEIL losses, NEIL's board of directors may assess member companies retroactive premiums of amounts up to 10 times their annual premiums for up to six years after a loss. The current potential maximum assessments for Duke Energy Carolinas are \$42 million for primary property insurance, \$36 million for excess property insurance and \$29 million for accidental outage insurance. The current potential maximum assessments for Duke Energy Progress are \$33 million for primary property insurance, \$32 million for excess property insurance and \$14 million for accidental outage insurance. The current potential maximum assessments for Duke Energy Florida are \$6 million for primary property insurance and \$4 million for excess property insurance.

The maximum assessment amounts include 100 percent of Duke Energy Carolinas', Duke Energy Progress', and Duke Energy Florida's potential obligations to NEIL for their share of jointly owned reactors. However, the other joint owners of the jointly owned reactors are obligated to assume their pro rata share of liability for retrospective premiums and other premium assessments resulting from the Price-Anderson Act's excess secondary financial protection program of risk pooling, or from the NEIL policies.

ENVIRONMENTAL

Duke Energy is subject to international, federal, state, and local regulations regarding air and water quality, hazardous and solid waste disposal, and other environmental matters. The Subsidiary Registrants are subject to federal, state, and local regulations regarding air and water quality, hazardous and solid waste disposal and other environmental matters. These regulations can be changed from time to time, imposing new obligations on the Duke Energy Registrants.

The following environmental matters impact all of the Duke Energy Registrants.

Remediation Activities

The Duke Energy Registrants are responsible for environmental remediation at various contaminated sites. These include some properties that are part of ongoing operations and sites formerly owned or used by Duke Energy entities. These sites are in various stages of investigation, remediation, and monitoring. Managed in conjunction with relevant federal, state, and local agencies, activities vary with site conditions and locations, remediation requirements, complexity, and sharing of responsibility. If remediation activities involve joint and several liability provisions, strict liability, or cost recovery or contribution actions, the Duke Energy Registrants could potentially be held responsible for contamination caused by other potentially responsible parties, and may also benefit from insurance policies or contractual indemnities that cover some or all cleanup costs. Liabilities are recorded when losses become probable and are reasonably estimable. The total costs that may be incurred cannot be estimated because the extent of environmental impact, allocation among potentially responsible parties, remediation alternatives, and/or regulatory decisions has not yet been determined. Additional costs associated with remediation activities are likely to be incurred in the future and could be significant. Costs are typically expensed as Operation, maintenance and other in the Consolidated Statements of Operations unless regulatory recovery of the costs is deemed probable.

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The following table contains information regarding reserves for probable and estimable costs related to the various environmental sites. These reserves are recorded in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Balance at December 31, 2010	\$ 88	\$ 13	\$ 35	\$ 12	\$ 23	\$ 50	\$ 11
Provisions / adjustments	6		10	1	9	5	1
Cash reductions	(33)	(1)	(22)	(2)	(20)	(27)	(3)
Balance at December 31, 2011	61	12	23	11	12	28	9
Provisions / adjustments	39	1	19	5	14	5	3
Cash reductions	(25)	(1)	(9)	(2)	(7)	(18)	(4)
Balance at December 31, 2012	75	12	33	14	19	15	8
Provisions / adjustments	26		4	(1)	5	20	1
Cash reductions	(22)	(1)	(10)	(5)	(5)	(8)	(2)
Balance at December 31, 2013	\$ 79	\$ 11	\$ 27	\$ 8	\$ 19	\$ 27	\$ 7
Additional losses in excess of recorded reserves that could be incurred for the stages of investigation, remediation and monitoring for environmental sites that have been evaluated at this time are presented in the table below.							

(in millions)		
Duke Energy		\$ 74
Duke Energy Carolinas		29
Progress Energy		5
Duke Energy Progress		2
Duke Energy Florida		3
Duke Energy Ohio		35
Duke Energy Indiana		5

Regulations

Clean Water Act 316(b)

The EPA proposed a cooling water intake structures rule on April 20, 2011. The proposed rule advances one main approach and three alternatives. Based on the main approach proposed, most, if not all of the steam electric generating facilities the Duke Energy Registrants own are likely affected sources unless retired prior to implementation of the 316(b) requirements.

The revised deadline for issuance of the final 316(b) rule is April 17, 2014. If the rule is finalized as proposed, modifications to affected power plant cooling water intake structures could be required by mid-to-late 2017. The Duke Energy Registrants are unable to predict the outcome of this rulemaking, but the impact could be significant.

Cross-State Air Pollution Rule (CSAPR)

On August 8, 2011, the final Cross-State Air Pollution Rule (CSAPR) was published in the Federal Register. The CSAPR established state-level annual SO₂ budgets and annual seasonal NO_x budgets that were to take effect on January 1, 2012.

On August 21, 2012, the D.C. Circuit Court vacated the CSAPR. The court also directed the EPA to continue administering the Clean Air Interstate Rule (CAIR). The CAIR requires additional reductions in SO₂ and NO_x emissions beginning in 2015. On June 24, 2013, the U.S. Supreme Court (Supreme Court) granted the EPA's petitions for a writ of certiorari. The Supreme Court is likely to issue its decision on the merits by mid-2014.

The Duke Energy Registrants cannot predict the outcome of the proceedings. Continued compliance with CAIR pending the outcome of the rehearing process will not result in the Duke Energy Registrants adding new emission controls.

Coal Combustion Residuals (CCR)

On June 21, 2010, the EPA proposed a regulation under the Resource Conservation and Recovery Act, related to CCR or coal combustion byproducts associated with the generation of electricity. The EPA proposal contains two regulatory options whereby CCRs not employed in approved beneficial use applications would either (i) be regulated as hazardous waste or (ii) continue to be regulated as non-hazardous waste.

On October 29, 2013, the U.S. District Court for the District of Columbia directed the EPA to provide the Court, within 60 days of the Order, a proposed schedule for completing the CCR rulemaking. On January

29, 2014, the EPA filed a consent decree agreeing to issue the final rule by December 19, 2014. The Duke Energy Registrants cannot predict the outcome of this rulemaking, but the impact could be significant.

Steam Electric Effluent Limitation Guidelines

On June 7, 2013, the EPA proposed Steam Electric Effluent Limitations Guidelines (ELGs). The EPA is under a court order to finalize the rule by May 22, 2014. The EPA has proposed eight options for the rule, which vary in stringency and cost. The proposed regulation applies to seven waste streams, including wastewater from air pollution control equipment and ash transport water. Most, if not all of the steam electric generating facilities the Duke Energy Registrants own are likely affected sources. Compliance is proposed as soon as possible after July 1, 2017, but may extend until July 1, 2022. The Duke Energy Registrants are unable to predict the outcome of the rulemaking, but the impact could be significant.

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Greenhouse Gas New Source Performance Standards (NSPS)

On January 8, 2014, the EPA proposed a rule to establish carbon dioxide (CO₂) emissions standards for new pulverized coal, IGCC, natural gas combined cycle, and simple cycle electric generating units commencing construction on or after the date the proposal appears in the Federal Register. Future coal and IGCC units will be required to employ carbon capture and storage technology to meet the proposed standard.

The Duke Energy Registrants do not expect a material impact on their future results of operations or cash flows based on the EPA's proposal. The final rule, however, could be significantly different from the proposal. It is not known when the EPA might finalize the rule.

On June 25, 2013, the President of the United States issued a memorandum directing the EPA to propose CO₂ emissions requirements for existing fossil-fueled electric generating units by June 1, 2014, and to finalize the guidelines for states to develop their own regulations for implementing the guidelines by June 1, 2015. The memorandum directed the EPA to require states to submit their implementation regulations for approval by June 30, 2016.

The Duke Energy Registrants are unable to predict the outcome of this rulemaking, but the impact could be significant.

Mercury and Air Toxics Standards (MATS)

The final MATS rule, previously referred to as the Utility MACT Rule, was issued on February 16, 2012. The final rule establishes emission limits for hazardous air pollutants from new and existing coal-fired and oil-fired steam electric generating units. The rule requires sources to comply with emission limits by April 16, 2015. Under the Clean Air Act (CAA), permitting authorities have the discretion to grant up to a one-year compliance extension, on a case-by-case basis, to sources that are unable to complete the installation of emission controls before the compliance deadline. Strategies to achieve compliance with the final rule will include installing new air emission control equipment, developing monitoring processes, fuel switching, and accelerating retirement of some coal-fired electric-generating units. For additional information, refer to Note 4 regarding potential plant retirements.

Several petitions for review of the final rule were filed with the D.C. Circuit Court. A decision is expected in the first half of 2014. The Duke Energy Registrants cannot predict the outcome of the litigation or how it might affect their compliance with the MATS requirements.

Refer to the table below for a summary of estimated costs to comply with the MATS regulations.

Estimated Cost and Impacts of EPA Rulemakings

The ultimate compliance requirements for MATS, Clean Water 316(b), CCRs and ELGs will not be known until all the rules have been finalized. For planning purposes, the Duke Energy Registrants currently estimate the cost of new control equipment that may need to be installed on existing power plants to comply with these EPA regulations could total \$4.5 billion to \$5.5 billion, excluding AFUDC, over the next 10 years. The table below includes estimated costs for new control equipment necessary to comply with the MATS rule, which is the only rule that has been finalized.

(in millions)						
Duke Energy		\$	525	to	\$	625
Duke Energy Carolinas			40	to		50
Progress Energy			25	to		40
Duke Energy Progress			10	to		15
Duke Energy Florida			15	to		25
Duke Energy Ohio			35	to		50
Duke Energy Indiana			425	to		485

The Duke Energy Registrants also expect to incur increased fuel, purchased power, operation and maintenance, and other expenses, and costs for replacement generation for potential coal-fired power plant retirements as a result of these EPA regulations. The actual compliance costs incurred may be materially different from these estimates based on the timing and requirements of the final EPA regulations. The Duke Energy Registrants intend to seek rate recovery of amounts incurred associated with regulated operations in complying with these regulations. Refer to Note 4 for further information regarding potential plant retirements and regulatory filings related to the Duke Energy Registrants.

Litigation

Duke Energy

Dan River Ash Basin Release

On February 2, 2014, a break in a stormwater pipe beneath an ash basin at Duke Energy Carolinas' retired Dan River steam station caused a release of ash basin water and ash into the Dan River. On February 8, 2014, a permanent plug was installed in the stormwater pipe stopping the release of materials into the river. Duke Energy Carolinas estimates 30,000 to 39,000 tons of ash and 24 million to 27 million gallons of basin water were released into the river. Duke Energy Carolinas continues to work with local and state officials responding to this event. On February 10, 2014, Duke Energy received a subpoena for the production of documents, issued by the United States Attorney for the Eastern District of North Carolina in connection with a criminal investigation related to the release. A second subpoena was issued by the same United States Attorney on February 18, 2014, which expanded the document production to cover all fourteen of the North Carolina facilities with coal ash ponds.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with these matters.

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Progress Energy Merger Shareholder Litigation

On May 31, 2013, the Delaware Chancery Court consolidated four shareholder derivative lawsuits filed in 2012. The Court also appointed a lead plaintiff and counsel for plaintiffs and designated the case as *In Re Duke Energy Corporation Derivative Litigation*. The lawsuit names as defendants eleven members of the Duke Energy board of directors who were also members of the pre-merger Duke Energy board of directors (Legacy Duke Energy Directors). Duke Energy is named as a nominal defendant. The case alleges claims for breach of fiduciary duties of loyalty and care in connection with the post-merger change in CEO. The case is stayed pending resolution of the *Nieman v. Duke Energy Corporation, et al.* case in North Carolina.

On August 3, 2012, Duke Energy was served with a shareholder Derivative Complaint, which was transferred to the North Carolina Business Court (*Krieger v. Johnson, et al.*). The lawsuit names as defendants, William D. Johnson and the Legacy Duke Energy Directors. Duke Energy is named as a nominal defendant. The lawsuit alleges claims for breach of fiduciary duty in granting excessive compensation to Mr. Johnson. A decision on a motion to dismiss made by the Legacy Duke Energy Directors remains pending.

Two shareholder Derivative Complaints, filed in 2012 in federal district court in Delaware, were consolidated as *Tansey v. Rogers, et al.* The case alleges claims for breach of fiduciary duty and waste of corporate assets, as well as claims under Section 14(a) and 20(a) of the Exchange Act. Duke Energy is named as a nominal defendant. On May 17, 2013, the judge granted defendants' motion to stay the litigation until a decision is rendered on the motion to dismiss in the *Nieman v. Duke Energy Corporation, et al.* case in North Carolina.

Duke Energy, the Legacy Duke Energy Directors and certain Duke Energy officers are also defendants in a purported securities class action lawsuit (*Nieman v. Duke Energy Corporation, et al.*). This lawsuit consolidates three lawsuits originally filed in July 2012, and is pending in the United States District Court for the Western District of North Carolina. The plaintiffs allege federal Securities Act and Exchange Act claims based on allegations of materially false and misleading representations and omissions in the Registration Statement filed on July 7, 2011, and purportedly incorporated into other documents, all in connection with the post-merger change in CEO. The claims are purportedly brought on behalf of a class of all persons who purchased or otherwise acquired Duke Energy securities between June 11, 2012 and July 9, 2012. On July 26, 2013, the Magistrate Judge recommended the District Court Judge deny the defendants' motion to dismiss. On October 2, 2013, the District Judge heard defendants' objections to this recommendation. A decision is pending on the motion to dismiss.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with these lawsuits.

Alaskan Global Warming Lawsuit

On February 26, 2008, the governing bodies of an Inupiat village in Alaska, filed suit in the U.S. Federal Court for the Northern District of California against various defendants including Duke Energy. On May 20, 2013, the plaintiffs' Petition for Certiorari to the Supreme Court was denied, ending the case.

Price Reporting Cases

A total of five lawsuits were filed against Duke Energy affiliates and other energy companies and remain pending in a consolidated, single federal court proceeding in Nevada.

Each of these cases contain similar claims, that defendants' allegedly manipulated natural gas markets by various means, including providing false information to natural gas trade publications and entering into unlawful arrangements and agreements in violation of the antitrust laws of the respective states. Plaintiffs seek damages in unspecified amounts.

On July 19, 2011, the judge granted a defendant's motion for summary judgment in two of the remaining five cases to which Duke Energy affiliates are a party. The U.S. Court of Appeals for the Ninth Circuit subsequently reversed the lower court's decision. On August 26, 2013, the defendants, including Duke Energy, filed a petition for certiorari to the U.S. Supreme Court, which remains pending.

It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with the remaining matters. However, based on Duke Energy's past experiences with similar cases of this nature, it does not believe its exposure under these remaining matters is material.

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Crescent Resources Litigation

On September 3, 2010, the Crescent Resources (Crescent) Litigation Trust sued Duke Energy along with various affiliates and several individuals, including current and former employees of Duke Energy, in the U.S. Bankruptcy Court for the Western District of Texas.

On November 15, 2013 the parties reached a settlement. Duke Energy recorded a net pretax charge of \$22 million to Operations, maintenance and other in its Consolidated Statements of Operations related to the settlement in 2013.

Brazil Expansion Lawsuit

On August 9, 2011, the State of São Paulo sued Duke Energy International Geracao Paranapenema S.A. (DEIGP) in Brazilian state court. The lawsuit claims DEIGP is under a continuing obligation to expand installed generation capacity in the State of São Paulo by 15 percent pursuant to a stock purchase agreement under which DEIGP purchased generation assets from the state. On August 10, 2011, a judge granted an ex parte injunction ordering DEIGP to present a detailed expansion plan in satisfaction of the 15 percent obligation. DEIGP has previously taken a position the expansion obligation is no longer viable given changes that have occurred in the electric energy sector since privatization. DEIGP submitted its proposed expansion plan on November 11, 2011, but reserved objections regarding enforceability. No trial date has been set. It is not possible to predict whether Duke Energy will incur any liability or to estimate the damages, if any, it might incur in connection with this matter.

Duke Energy Carolinas

New Source Review (NSR)

In 1999-2000, the U.S. Department of Justice (DOJ) on behalf of the EPA filed a number of complaints and notices of violation against multiple utilities, including Duke Energy Carolinas, for alleged violations of the NSR provisions of the CAA. The government alleges the utilities violated the CAA by not obtaining permits for certain projects undertaken at certain coal plants or installing the best available emission controls for SO₂, NO_x and particulate matter. The complaints seek the installation of pollution control technology on various generating units that allegedly violated the CAA, and unspecified civil penalties in amounts of up to \$37,500 per day for each violation. Duke Energy Carolinas asserts there were no CAA violations because the applicable regulations do not require permitting in cases where the projects undertaken are “routine” or otherwise do not result in a net increase in emissions.

In 2000, the government sued Duke Energy Carolinas in the U.S. District Court in Greensboro, North Carolina. The EPA claims 29 projects performed at 25 of Duke Energy Carolinas' coal-fired units violate the NSR provisions. Duke Energy Carolinas asserts the projects were routine or not projected to increase emissions. The parties filed a stipulation in which the United States dismissed with prejudice 16 claims. In exchange, Duke Energy Carolinas dismissed certain affirmative defenses. The parties filed opposing motions for summary judgment on the remaining claims. In November 2013, the Court denied Duke Energy's motion for summary judgment. A decision on the DOJ's motion for summary judgment remains pending. Duke Energy requested leave to file another motion for summary judgment on alternative grounds. That motion for leave, as well as the Plaintiff's motion for summary judgment, remains pending.

It is not possible to predict whether Duke Energy Carolinas will incur any liability or to estimate the damages, if any, it might incur in connection with this matter. Ultimate resolution of these matters could have a material effect on the results of operations, cash flows or financial position of Duke Energy Carolinas. However, the appropriate regulatory recovery will be pursued for costs incurred in connection with such resolution.

Asbestos-related Injuries and Damages Claims

Duke Energy Carolinas has experienced numerous claims for indemnification and medical cost reimbursement related to asbestos exposure. These claims relate to damages for bodily injuries alleged to have arisen from exposure to or use of asbestos in connection with construction and maintenance activities conducted on its electric generation plants prior to 1985. As of December 31, 2013, there were 96 asserted claims for non-malignant cases with the cumulative relief sought of up to \$24 million, and 31 asserted claims for malignant cases with the cumulative relief sought of up to \$11 million. Based on Duke Energy Carolinas' experience, it is expected that the ultimate resolution of most of these claims likely will be less than the amount claimed.

Duke Energy Carolinas has recognized asbestos-related reserves of \$616 million at December 31, 2013 and \$751 million at December 31, 2012. These reserves are classified in Other within Deferred Credits and Other Liabilities and Other within Current Liabilities on the Consolidated Balance Sheets. These reserves are based upon the minimum amount of the range of loss for current and future asbestos claims through 2033, are recorded on an undiscounted basis and incorporate anticipated inflation. It is possible Duke Energy Carolinas may incur asbestos liabilities in excess of the recorded reserves.

Duke Energy Carolinas has third-party insurance to cover certain losses related to asbestos-related injuries and damages above an aggregate self-insured retention of \$476 million. Duke Energy Carolinas' cumulative payments began to exceed the self-insurance retention in 2008. Future payments up to the policy limit will be reimbursed by the third-party insurance carrier. The insurance policy limit for potential future insurance recoveries indemnification and medical cost claim payments is \$897 million in excess of the self-insured retention. Receivables for insurance recoveries were \$649 million at December 31, 2013 and \$781 million at December 31, 2012. These amounts are classified in Other within Investments and Other Assets and Receivables on the Consolidated Balance Sheets. Duke Energy Carolinas is not aware of any uncertainties regarding the legal sufficiency of insurance claims. Duke Energy Carolinas believes the insurance recovery asset is probable of recovery as the insurance carrier continues to have a strong financial strength rating.

Progress Energy

Synthetic Fuels Matters

Progress Energy and a number of its subsidiaries and affiliates are defendants in lawsuits arising out of a 1999 Asset Purchase Agreement. Parties to the Asset Purchase Agreement include U.S. Global, LLC

(Global) and affiliates of Progress Energy.

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In a case filed in the Circuit Court for Broward County, Florida, in March 2003 (the Florida Global Case), Global requested an unspecified amount of compensatory damages, as well as declaratory relief. In November 2009, the court ruled in favor of Global. In December 2009, Progress Energy made a \$154 million payment, which represented payment of the total judgment, including prejudgment interest, and a required premium equivalent to two years of interest, to the Broward County Clerk of Court bond account. Progress Energy continued to accrue interest related to this judgment.

On October 3, 2012, the Florida Fourth District Court of Appeals reversed the lower court ruling. The court held that Global was entitled to approximately \$90 million of the amount paid into the registry of the court. Progress Energy was entitled to a refund of the remainder of the funds. Progress Energy received cash and recorded a \$63 million pretax gain for the refund in December 2012. The gain was recorded in Income from Discontinued Operations, net of tax in the Consolidated Statements of Operations.

On May 9, 2013, Global filed a Seventh Amended Complaint asserting a single count for breach of the Asset Purchase Agreement and seeking specific performance. A trial is scheduled to commence in the second quarter of 2014.

In a second suit filed in the Superior Court for Wake County, N.C., *Progress Synfuel Holdings, Inc. et al. v. U.S. Global, LLC* (the North Carolina Global Case), the Progress Energy Affiliates seek declaratory relief consistent with their interpretation of the Asset Purchase Agreement. In August 2003, the Wake County Superior Court stayed the North Carolina Global Case, pending the outcome of the Florida Global Case. Based upon the verdict in the Florida Global Case, Progress Energy anticipates dismissal of the North Carolina Global Case.

Progress Energy does not expect the resolution of these matters to have a material effect on its results of operations, cash flows or financial position.

Duke Energy Progress and Duke Energy Florida

Spent Nuclear Fuel Matters

On December 12, 2011, Duke Energy Progress and Duke Energy Florida sued the United States in the U.S. Court of Federal Claims. The lawsuit claims the DOE breached a contract in failing to accept spent nuclear fuel under the Nuclear Waste Policy Act of 1982 and asserts damages for the cost of on-site storage. Claims for all periods prior to 2006 have been resolved. Duke Energy Progress and Duke Energy Florida assert damages of \$84 million and \$21 million, respectively, for the period January 1, 2006 through December 31, 2010. Duke Energy Progress and Duke Energy Florida may file subsequent damage claims as they incur additional costs. Duke Energy Progress and Duke Energy Florida cannot predict the outcome of this matter.

Duke Energy Ohio

Antitrust Lawsuit

In January 2008, four plaintiffs, including individual, industrial and nonprofit customers, filed a lawsuit against Duke Energy Ohio in federal court in the Southern District of Ohio. Plaintiffs alleged Duke Energy Ohio conspired to provide inequitable and unfair price advantages for certain large business consumers by entering into non-public option agreements in exchange for their withdrawal of challenges to Duke Energy Ohio's Rate Stabilization Plan (RSP) implemented in early 2005. A ruling is pending on the plaintiffs' motion to certify this matter as a class action. It is not possible to predict whether Duke Energy Ohio will incur any liability or to estimate the damages which may be incurred in connection with this lawsuit.

Asbestos-related Injuries and Damages Claims

Duke Energy Ohio has been named as a defendant or co-defendant in lawsuits related to asbestos exposure at its electric generating stations. The impact on Duke Energy Ohio's results of operations, cash flows or financial position of these cases to date has not been material. Based on estimates under varying assumptions concerning uncertainties, such as, among others: (i) the number of contractors potentially

exposed to asbestos during construction or maintenance of Duke Energy Ohio generating plants, (ii) the possible incidence of various illnesses among exposed workers, and (iii) the potential settlement costs without federal or other legislation that addresses asbestos tort actions, Duke Energy Ohio estimates that the range of reasonably possible exposure in existing and future suits over the foreseeable future is not material. This assessment may change as additional settlements occur, claims are made, and more case law is established.

Duke Energy Indiana

Edwardsport IGCC

On December 11, 2012, Duke Energy Indiana filed an arbitration action against General Electric Company and Bechtel Corporation in connection with their work at the Edwardsport IGCC facility. Duke Energy Indiana is seeking damages of not less than \$560 million. An arbitration hearing is scheduled for October 2014. Duke Energy Indiana cannot predict the outcome of this matter.

Other Litigation and Legal Proceedings

The Duke Energy Registrants are involved in other legal, tax and regulatory proceedings arising in the ordinary course of business, some of which involve significant amounts. The Duke Energy Registrants believe the final disposition of these proceedings will not have a material effect on their results of operations, cash flows or financial position.

The table below presents recorded reserves based on management's best estimate of probable loss for legal matters discussed above and the associated insurance recoveries. The reasonably possible range of loss for all non-asbestos related matters in excess of recorded reserves is not material.

	December 31,	
(in millions)	2013	2012
Reserves for Legal and Other Matters^(a)		
Duke Energy ^(b)	\$ 824	\$ 846
Duke Energy Carolinas ^(b)	616	751
Progress Energy	78	79
Duke Energy Progress	10	12
Duke Energy Florida ^(c)	43	47
Duke Energy Indiana	8	8
Probable Insurance Recoveries^(d)		
Duke Energy ^(e)	\$ 649	\$ 781
Duke Energy Carolinas ^(e)	649	781
(a)	Classified in the respective Consolidated Balance Sheets in Other within Deferred Credits and Other Liabilities and Other within Current Liabilities.	
(b)	Includes reserves for asbestos-related injuries and damages claims.	
(c)	Includes workers' compensation claims.	
(d)	Classified in the respective Consolidated Balance Sheets in Other within Investments and Other Assets and Receivables.	
(e)	Relates to recoveries associated with asbestos-related injuries and damages claims.	

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OTHER COMMITMENTS AND CONTINGENCIES

General

As part of their normal business, the Duke Energy Registrants are party to various financial guarantees, performance guarantees, and other contractual commitments to extend guarantees of credit and other assistance to various subsidiaries, investees, and other third parties. These guarantees involve elements of performance and credit risk, which are not fully recognized on the Consolidated Balance Sheets and have unlimited maximum potential payments. However, the Duke Energy Registrants do not believe these guarantees will have a material effect on their results of operations, cash flows or financial position.

Purchase Obligations

Purchased Power

Duke Energy Progress, Duke Energy Florida, and Duke Energy Ohio have ongoing purchased power contracts, including renewable energy contracts, with other utilities, wholesale marketers, co-generators, and qualified facilities (QFs). These purchased power contracts generally provide for capacity and energy payments. In addition, Duke Energy Progress, Duke Energy Florida, and Duke Energy Ohio have various contracts to secure transmission rights.

The following table presents executory purchased power contracts, excluding contracts classified as leases.

(in millions)	Contract Expiration	Minimum Purchase Amount at December 31, 2013								Total
		2014	2015	2016	2017	2018	Thereafter			
Duke Energy Progress ^(a)	2019-2022	\$ 36	36	\$ 36	\$ 37	\$ 37	\$ 69			\$ 251
Duke Energy Florida ^(b)	2014-2025	288	295	295	288	303	2,139			3,608
Duke	2014-2015	250	97							347

Explanation of Responses:

The following table presents future minimum lease payments under capital leases.										
December 31, 2013										
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana			
2014	\$ 171	\$ 6	\$ 47	\$ 20	\$ 26	\$ 9	\$ 5			
2015	167	6	47	20	27	7	4			
2016	169	6	47	21	26	6	4			
2017	166	6	46	21	26	3	2			
2018	176	6	45	21	25	3	2			
Thereafter	1,453	25	475	261	213	2	28			
Minimum annual payments	2,302	55	707	364	343	30	45			
Less amount representing interest	(786)	(27)	(454)	(275)	(179)	(3)	(30)			
Total	\$ 1,516	\$ 28	\$ 253	\$ 89	\$ 164	\$ 27	\$ 15			

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6. DEBT AND CREDIT FACILITIES

Summary of Debt and Related Terms

The following tables summarize outstanding debt.

December 31, 2013														
(in millions)	Weighted Average Interest Rate	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Unsecured debt, maturing 2014 - 2073	5.18 %	13,550	\$,157	\$,150	\$	\$ 150	\$ 805	\$ 744						
Secured debt, maturing 2014 - 2037	2.69 %	2,559	400	305	305									
First mortgage bonds, maturing 2015 - 2043 ^(a)	4.90 %	17,831	6,161	8,450	4,125	4,325	900	2,319						
Capital leases, maturing 2014 - 2051 ^(b)	5.23 %	1,516	30	327	148	179	27	20						
Other debt, maturing 2027	4.77 %	8												
Tax-exempt bonds, maturing 2014 - 2041 ^(c)	1.28 %	2,356	395	910	669	241	479	573						
Notes payable and commercial paper ^(d)	1.02 %	1,289												

Money pool/intercompany borrowings					300	1,213	462	181	43	150					
Fair value hedge carrying value adjustment			9	9											
Unamortized debt discount and premium, net ^(e)			1,977	(16)	(27)	(12)	(9)	(31)	(10)						
Total debt			41,095	8,436	15,328	5,697	5,067	2,231	3,796						
Short-term notes payable and commercial paper			(839)												
Short-term money pool borrowings					(1,213)	(462)	(181)	(43)							
Current maturities of long-term debt			(2,104)	(47)	(485)	(174)	(11)	(47)	(5)						
Total long-term debt^(f)			38,152	\$3,389	\$5,630	\$5,061	\$4,875	\$1,141	\$,791						
(a)	Substantially all electric utility fixed assets are mortgaged under mortgage bond indentures.														
(b)	Duke Energy includes \$144 million and \$838 million of capital lease purchase accounting adjustments related to Duke Energy Progress and Duke Energy Florida, respectively, related to power purchase agreements that are not accounted for as leases in their financial statements because of grandfathering provisions in GAAP.														
(c)	Substantially all tax-exempt bonds are secured by first mortgage bonds or letters of credit.														
(d)	Includes \$450 million that was classified as Long-term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted-average days to maturity was 49 days.														
(e)	Duke Energy includes \$2,067 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.														
(f)	Includes \$1,966 million for Duke Energy, \$400 million for Duke Energy Carolinas and \$300 million for Progress Energy and Duke Energy Progress related to consolidated VIEs.														
	December 31, 2012														
(in millions)	Weighted Average Interest Rate		Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Unsecured debt, maturing 2013 - 2039	5.44 %		\$2,722	\$1,159	\$1,150	\$	\$ 150	\$ 805	\$ 146						
Secured debt, maturing 2013 - 2037	3.08 %		1,873	300	5	5									

First mortgage bonds, maturing 2013 - 2042 ^(a)	5.00 %			17,856	6,562	8,775	4,025	4,750	700	1,819
Capital leases, maturing 2013 - 2051 ^(b)	5.19 %			1,689	32	339	150	189	35	23
Junior subordinated debt, maturing 2039	7.10 %			309		309				
Other debt, maturing 2027	4.77 %			8					8	
Tax exempt bonds, maturing 2014 - 2041 ^(c)	1.39 %			2,357	395	910	669	241	479	573
Notes payable and commercial paper ^(d)	0.83 %			1,507						
Money pool/intercompany borrowings					300	455	364		245	231
Fair value hedge carrying value adjustment				12	10				2	
Unamortized debt discount and premium, net ^(e)				2,185	(17)	(60)	(9)	(10)	(32)	(9)
Total debt				40,518	8,741	14,883	5,204	5,320	2,242	3,783
Short-term notes payable and commercial paper				(1,057)						
Short-term money pool borrowings						(455)	(364)		(245)	(81)
Current maturities of long-term debt				(3,110)	(406)	(843)	(407)	(435)	(261)	(405)
Total long-term debt ^(f)				\$6,351	\$8,335	\$5,585	\$4,433	\$4,885	\$,736	\$,297
(a)	Substantially all electric utility fixed assets are mortgaged under mortgage bond indentures.									
(b)	Duke Energy includes \$158 million and \$907 million of capital lease purchase accounting adjustments for Duke Energy Progress and Duke Energy Florida, respectively, related to power purchase agreements that are not accounted for as leases on their financial statements because of grandfathering provisions in GAAP.									
(c)	Substantially all tax-exempt bonds are secured by first mortgage bonds or letters of credit.									
(d)	Includes \$450 million that was classified as Long-term Debt on the Consolidated Balance Sheets due to the existence of long-term credit facilities that back-stop these commercial paper balances, along with Duke Energy's ability and intent to refinance these balances on a long-term basis. The weighted-average days to maturity was 18 days.									
(e)										

	Duke Energy includes \$2,311 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.
(f)	Includes \$852 million for Duke Energy and \$300 million for Duke Energy Carolinas related to consolidated VIEs.

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Current Maturities of Long-Term Debt

The following table shows the significant components of Current maturities of long-term debt on the respective Consolidated Balance Sheets. The Duke Energy Registrants currently anticipate satisfying these obligations primarily with cash on hand and proceeds from additional borrowings.

(in millions)	Maturity Date	Interest Rate	December 31, 2013
Unsecured Debt			
Duke Energy (Parent)	February 2014	6.300 %	\$ 750
Progress Energy (Parent)	March 2014	6.050 %	300
Duke Energy (Parent)	September 2014	3.950 %	500
Tax-exempt Bonds			
Duke Energy Progress	January 2014	0.105 %	167
Other			387
Current maturities of long-term debt			\$ 2,104

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The following table shows the annual maturities of long-term debt for the next five years and thereafter. Amounts presented exclude short-term notes payable and commercial paper and money pool borrowings for the Subsidiary Registrants.

December 31, 2013								
(in millions)	Duke Energy ^(a)	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
2014	\$ 2,104	\$ 47	\$ 485	\$ 174	\$ 11	\$ 47	\$ 5	
2015	2,634	507	1,264	702	562	157	5	
2016	2,975	756	614	302	12	56	480	
2017	1,342	116	265	3	262	2	3	
2018	3,235	1,505	603	59	544	3	153	
Thereafter	25,899	5,505	10,884	3,995	3,495	1,923	3,150	
Total long-term debt, including current maturities	\$ 38,189	\$ 8,436	\$ 14,115	\$ 5,235	\$ 4,886	\$ 2,188	\$ 3,796	
(a)	Excludes \$2,067 million in purchase accounting adjustments related to the merger with Progress Energy. See Note 2 for additional information.							

The Duke Energy Registrants have the ability under certain debt facilities to call and repay the obligation prior to its scheduled maturity. Therefore, the actual timing of future cash repayments could be materially different than as presented above.

Short-term Obligations Classified as Long-term Debt

Tax-exempt bonds that may be put to the Company at the option of the holder and certain commercial paper issuances and money pool borrowings are classified as Long-term debt on the Consolidated Balance

Sheets. These tax-exempt bonds, commercial paper issuances and money pool borrowings, which are short-term obligations by nature, are classified as long term due to Duke Energy's intent and ability to utilize such borrowings as long-term financing. As Duke Energy's master credit facility and other bilateral letter of credit agreements have non-cancelable terms in excess of one year as of the balance sheet date, Duke Energy has the ability to refinance these short-term obligations on a long-term basis. The following tables show short-term obligations classified as long-term debt.

December 31, 2013										
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana						
Tax-exempt bonds	\$ 471	\$ 75	\$ 111	\$ 285						
Notes payable and commercial paper	450	300		150						
Secured debt ^(a)	200									
Total	\$ 1,121	\$ 375	\$ 111	\$ 435						
December 31, 2012										
(in millions)	Duke Energy	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana						
Tax exempt bonds	\$ 471	\$ 75	\$ 111	\$ 285						
Notes payable and commercial paper	450	300		150						
Secured debt ^(a)	200									
DERF ^(b)	300	300								
Total	\$ 1,421	\$ 675	\$ 111	\$ 435						
(a)	Instrument has a term of less than one year with the right to extend the maturity date for additional one-year periods with a final maturity date no later than December 2026.									
(b)	Duke Energy Receivables Finance Company, LLC (DERF) is a wholly owned limited liability company of Duke Energy Carolinas. See Note 17 for further information.									

Summary of SIGNIFICANT Debt ISSUANCES

The following tables summarize significant debt issuances (in millions).

Year Ended December 31, 2013									
Issuance Date	Maturity Date	Interest Rate	Duke Energy (Parent)	Duke Energy Progress	Duke Energy Ohio	Duke Energy Indiana	Duke Energy		
Unsecured Debt									
January 2013 ^(a)	January 2073	5.125 %	\$ 500	\$	\$	\$	\$	\$	500
June 2013 ^(b)	June 2018	2.100 %	500						500
August 2013 ^{(c)(d)}	August 2023	1.000 %							220

Explanation of Responses:

October 2013 ^(e)	October 2023	3.950	%				400										400
Secured Debt																	
February 2013 ^{(f)(g)}	December 2030	2.043	%														203
February 2013 ^(f)	June 2037	4.740	%														220
April 2013 ^(h)	April 2026	5.456	%														230
December 2013 ^(l)	December 2016	0.852	%					300									300
First Mortgage Bonds																	
March 2013 ⁽ⁱ⁾	March 2043	4.100	%					500									500
July 2013 ^(k)	July 2043	4.900	%									350					350
July 2013 ^{(k)(l)}	July 2016	0.619	%									150					150
September 2013 ^(m)	September 2023	3.800	%							300							300
September 2013 ^{(m)(n)}	March 2015	0.400	%							150							150
Total Issuances																	
								\$ 1,400	\$ 800	\$ 450		\$ 500					\$ 4,023
(a)	Callable after January 2018 at par. Proceeds were used to redeem the \$300 million 7.10% Cumulative Quarterly Income Preferred Securities (QUIPS) and to repay a portion of outstanding commercial paper and for general corporate purposes. See Note 17 for additional information about the QUIPS.																
(b)	Proceeds were used to repay \$250 million of current maturities and for general corporate purposes, including the repayment of outstanding commercial paper.																
(c)	Proceeds were used to repay \$200 million of current maturities. The maturity date included above applies to half of the instrument. The remaining half matures in August 2018.																
(d)	The debt is floating rate based on a consumer price index and an overnight funds rate in Brazil. The debt is denominated in Brazilian Real.																
(e)	Proceeds were used to repay commercial paper as well as for general corporate purposes.																
(f)	Represents the conversion of construction loans related to a renewable energy project issued in December 2012 to term loans. No cash proceeds were received in conjunction with the conversion. The term loans have varying maturity dates. The maturity date presented represents the latest date for all components of the respective loans.																
(g)	The debt is floating rate. Duke Energy has entered into a pay fixed-receive floating interest rate swap for 95 percent of the loans.																
(h)	Represents the conversion of a \$190 million bridge loan issued in conjunction with the acquisition of Ibener in December 2012. Duke Energy received incremental proceeds of \$40 million upon conversion of the bridge loan. The debt is floating rate and is denominated in U.S. dollars. Duke Energy has entered into a pay fixed-receive floating interest rate swap for 75 percent of the loan.																
(i)	Relates to the securitization of accounts receivable at a subsidiary of Duke Energy Progress; the proceeds were used to repay short-term debt. See Note 17 for further details.																
(j)	Proceeds were used to repay notes payable to affiliated companies as well as for general corporate purposes.																
(k)	Proceeds were used to repay \$400 million of current maturities.																
(l)	The debt is floating rate based on 3-month London Interbank Offered Rate (LIBOR) and a fixed credit spread of 35 basis points.																
(m)	Proceeds were used for general corporate purposes including the repayment of short-term notes payable, a portion of which was incurred to fund the retirement of \$250 million of first mortgage bonds that matured in the first half of 2013.																

(n)	The debt is floating rate based on 3-month LIBOR plus a fixed spread of 14 basis points.										
Year Ended December 31, 2012											
Issuance Date	Maturity Date	Interest Rate	Duke Energy (Parent)	Duke Energy Carolinas	Progress Energy (Parent)	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana	Duke Energy		
Unsecured Debt											
March 2012 ^(a)	April 2022	3.15 %	\$	\$	\$ 450	\$	\$	\$	\$	\$	\$ 450
August 2012 ^(b)	August 2017	1.63 %	700								700
August 2012 ^(b)	August 2022	3.05 %	500								500
Secured Debt											
April 2012 ^(c)	September 2024	2.64 %	330								330
December 2012 ^(d)	March 2013	2.77 %	203								203
December 2012 ^(d)	March 2013	4.74 %	220								220
December 2012 ^(e)	June 2013	1.01 %	190								190
December 2012 ^(e)	December 2025	1.56 %	200								200
First Mortgage Bonds											
March 2012 ^(f)	March 2042	4.20 %						250			250
May 2012 ^(g)	May 2022	2.80 %				500					500
May 2012 ^(g)	May 2042	4.10 %				500					500
September 2012 ^(h)	September 2042	4.00 %		650							650
November 2012 ⁽ⁱ⁾	November 2015	0.65 %					250				250
November 2012 ⁽ⁱ⁾	November 2042	3.85 %					400				400
Total Issuances			\$343	\$ 650	\$ 450	\$1,000	\$ 650	\$ 250	\$343		
(a)	Proceeds were used to repay current maturities of \$450 million.										
(b)	Proceeds were used to repay current maturities of \$500 million, as well as for general corporate purposes, including the repayment of commercial paper.										
(c)	Proceeds were used to reimburse construction costs for DS Cornerstone, LLC joint venture wind projects. Debt was subsequently deconsolidated upon execution of a joint venture. See Note 17 for further details.										
(d)	Proceeds were used to fund the existing Los Vientos wind power portfolio.										

(e)	Debt issuances were executed in connection with the acquisition of Ibener. Both loans were collateralized with cash deposits equal to 101 percent of the loan amounts. See Note 2 for further details.
(f)	Proceeds were used to repay a portion of outstanding short-term debt.
(g)	Proceeds were used to repay current maturities of \$500 million, a portion of outstanding commercial paper and notes payable to affiliated companies.
(h)	Proceeds were used to repay current maturities of \$420 million, as well as for general corporate purposes, including the funding of capital expenditures.
(i)	Proceeds will be used to repay current maturities of \$425 million, as well as for general corporate purposes.

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Available Credit Facilities

Duke Energy has a master credit facility with a capacity of \$6 billion through December 2018. The Subsidiary Registrants, excluding Progress Energy each have borrowing capacity under the master credit facility up to specified sublimits for each borrower. Duke Energy has the unilateral ability at any time to increase or decrease the borrowing sublimits of each borrower, subject to a maximum sublimit for each borrower. The amount available under the master credit facility has been reduced to backstop the issuances of commercial paper, certain letters of credit and variable-rate demand tax-exempt bonds that may be put to the Duke Energy Registrants at the option of the holder. The table below includes the current borrowing sublimits and available capacity under the master credit facility.

December 31, 2013								
(in millions)	Duke Energy	Duke Energy (Parent)	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Facility size ^(a)	\$ 6,000	\$ 2,250	\$ 1,000	\$ 750	\$ 650	\$ 650	\$ 700	
Reduction to backstop issuances								
Notes payable and commercial paper ^(b)	(450)		(300)				(150)	
Outstanding letters of credit	(62)	(55)	(4)	(2)	(1)			
Tax-exempt bonds	(240)		(75)			(84)	(81)	
Available capacity	\$ 5,248	\$ 2,195	\$ 621	\$ 748	\$ 649	\$ 566	\$ 469	
(a) Represents the sublimit of each borrower at December 31, 2013. The Duke Energy Ohio sublimit includes \$100 million for Duke Energy Kentucky.								

(b)	Duke Energy issued \$450 million of commercial paper and loaned the proceeds through the money pool to Duke Energy Carolinas and Duke Energy Indiana. The balances are classified as long-term borrowings within Long-term Debt in Duke Energy Carolinas' and Duke Energy Indiana's Condensed Consolidated Balance Sheets.

Other Debt Matters

In September 2013, Duke Energy filed a registration statement (Form S-3) with the SEC. Under this Form S-3, which is uncapped, the Duke Energy Registrants, excluding Progress Energy, may issue debt and other securities in the future at amounts, prices and with terms to be determined at the time of future offerings. The registration statement also allows for the issuance of common stock by Duke Energy.

Duke Energy has an effective Form S-3 with the SEC to sell up to \$3 billion of variable denomination floating-rate demand notes, called PremierNotes. The Form S-3 states that no more than \$1.5 billion of the notes will be outstanding at any particular time. The notes are offered on a continuous basis and bear interest at a floating rate per annum determined by the Duke Energy PremierNotes Committee, or its designee, on a weekly basis. The interest rate payable on notes held by an investor may vary based on the principal amount of the investment. The notes have no stated maturity date, are non-transferable and may be redeemed in whole or in part by Duke Energy or at the investor's option at any time. The balance as of December 31, 2013 and 2012 was \$836 million and \$395 million, respectively. The notes are short-term debt obligations of Duke Energy and are reflected as Notes payable and commercial paper on Duke Energy's Consolidated Balance Sheets.

At December 31, 2013 and 2012, \$811 million and \$734 million, respectively, of debt issued by Duke Energy Carolinas was guaranteed by Duke Energy.

Money Pool

The Subsidiary Registrants, excluding Progress Energy receive support for their short-term borrowing needs through participation with Duke Energy and certain of its subsidiaries in a money pool arrangement. Under this arrangement, those companies with short-term funds may provide short-term loans to affiliates participating in this arrangement. The money pool is structured such that the Subsidiary Registrants, excluding Progress Energy separately manage their cash needs and working capital requirements. Accordingly, there is no net settlement of receivables and payables between money pool participants. Duke Energy (Parent), may loan funds to its participating subsidiaries, but may not borrow funds through the money pool. Accordingly, as the money pool activity is between Duke Energy and its wholly owned subsidiaries, all money pool balances are eliminated within Duke Energy's Consolidated Balance Sheets.

Money pool receivable balances are reflected within Notes receivable from affiliated companies on the respective Subsidiary Registrants' Consolidated Balance Sheets. Money pool payable balances are reflected within either Notes payable to affiliated companies or Long-term debt payable to affiliated companies on the respective Consolidated Balance Sheets.

Restrictive Debt Covenants

The Duke Energy Registrants' debt and credit agreements contain various financial and other covenants. The master credit facility contains a covenant requiring the debt-to-total capitalization ratio not exceed 65 percent for each borrower. Failure to meet those covenants beyond applicable grace periods could result in accelerated due dates and/or termination of the agreements. As of December 31, 2013, each of the Duke Energy Registrants were in compliance with all covenants related to its significant debt agreements. In

addition, some credit agreements may allow for acceleration of payments or termination of the agreements due to nonpayment, or acceleration of other significant indebtedness of the borrower or some of its subsidiaries. None of the significant debt or credit agreements contain material adverse change clauses.

Other Loans

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During 2013 and 2012, Duke Energy and Duke Energy Progress had loans outstanding against the cash surrender value of life insurance policies it owns on the lives of its executives. The amounts outstanding were \$571 million, including \$48 million at Duke Energy Progress and \$496 million as of December 31, 2013 and 2012, respectively. The amounts outstanding were carried as a reduction of the related cash surrender value that is included in Other within Investments and Other Assets on the Consolidated Balance Sheets.

7. GUARANTEES AND INDEMNIFICATIONS

Duke Energy and Progress Energy have various financial and performance guarantees and indemnifications, which are issued in the normal course of business. As discussed below, these contracts include performance guarantees, stand-by letters of credit, debt guarantees, surety bonds and indemnifications. Duke Energy and Progress Energy enter into these arrangements to facilitate commercial transactions with third parties by enhancing the value of the transaction to the third party. At December 31, 2013, Duke Energy and Progress Energy do not believe conditions are likely for significant performance under these guarantees. To the extent liabilities are incurred as a result of the activities covered by the guarantees, such liabilities are included on the accompanying Consolidated Balance Sheets.

On January 2, 2007, Duke Energy completed the spin-off of its natural gas businesses to shareholders. Guarantees issued by Duke Energy or its affiliates, or assigned to Duke Energy prior to the spin-off, remained with Duke Energy subsequent to the spin-off. Guarantees issued by Spectra Energy Capital, LLC, formerly known as Duke Capital LLC, (Spectra Capital) or its affiliates prior to the spin-off remained with Spectra Capital subsequent to the spin-off, except for guarantees that were later assigned to Duke Energy. Duke Energy has indemnified Spectra Capital against any losses incurred under certain of the guarantee obligations that remain with Spectra Capital. At December 31, 2013, the maximum potential amount of future payments associated with these guarantees was \$205 million, the majority of which expires by 2028.

Duke Energy has issued performance guarantees to customers and other third parties that guarantee the payment and performance of other parties, including certain non-wholly owned entities, as well as guarantees of debt of certain non-consolidated entities and less than wholly owned consolidated entities. If such entities were to default on payments or performance, Duke Energy would be required under the guarantees to make payments on the obligations of the less than wholly owned entity. The maximum potential amount of future payments required under these guarantees as of December 31, 2013, was \$285

million. Of this amount, \$15 million relates to guarantees issued on behalf of less than wholly owned consolidated entities, with the remainder related to guarantees issued on behalf of third parties and unconsolidated affiliates of Duke Energy. Of the guarantees noted above, \$102 million of the guarantees expire between 2015 and 2033, with the remaining performance guarantees having no contractual expiration.

Duke Energy has guaranteed certain issuers of surety bonds, obligating itself to make payment upon the failure of a wholly owned and former non-wholly owned entity to honor its obligations to a third party. Under these arrangements, Duke Energy has payment obligations that are triggered by a draw by the third party or customer due to the failure of the wholly owned or former non-wholly owned entity to perform according to the terms of its underlying contract. At December 31, 2013, Duke Energy had guaranteed \$92 million of outstanding surety bonds. Of this amount, \$54 million, expire in 2014, the remaining expires between 2015 – 2021.

At December 31, 2013, Duke Energy had \$457 million of unused bank-issued stand-by letters of credit to secure the performance of wholly owned and non-wholly owned entities to a third party or customer.

Duke Energy and Progress Energy has issued indemnifications for certain asset performance, legal, tax and environmental matters to third parties, including indemnifications made in connection with sales of businesses. At December 31, 2013, the estimated maximum exposure for these indemnifications was \$117 million, the majority of which expires in 2017. Of this amount, \$7 million has no contractual expiration. For certain matters for which Progress Energy receives timely notice, indemnity obligations may extend beyond the notice period. Certain indemnifications related to discontinued operations have no limitations as to time or maximum potential future payments.

The following table includes the liabilities recognized for the guarantees discussed above. These amounts are primarily recorded in Other within Deferred Credits and other Liabilities on the Consolidated Balance Sheets. As current estimates change, additional losses related to guarantees and indemnifications to third parties, which could be material, may be recorded by the Duke Energy Registrants in the future. The decrease in 2013 was mainly due the expiration of guarantees. Accruals and expenditures were not material.

		December 31,			
		2013		2012	
Duke Energy		\$	24	\$	41
Progress Energy			9		25
Duke Energy Florida			3		17

8. Joint Ownership of Generating and Transmission Facilities

The Duke Energy Registrants hold ownership interests in certain jointly owned generating and transmission facilities. The Duke Energy Registrants are entitled to shares of the generating capacity and output of each unit equal to their respective ownership interests. The Duke Energy Registrants pay their ownership share of additional construction costs, fuel inventory purchases and operating expenses, except in certain instances where agreements have been executed to limit certain joint owners' maximum exposure to the additional costs. The Duke Energy Registrants share of revenues and operating costs of the jointly owned

generating facilities is included within the corresponding line in the Consolidated Statements of Operations. Each participant in the jointly owned facilities must provide its own financing, except in certain instances where agreements have been executed to limit certain joint owners' maximum exposure to the additional costs.

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The following table presents the share of jointly owned plant or facilities included on the Consolidated Balance Sheets. All facilities are operated by the Duke Energy Registrants unless otherwise noted.

		December 31, 2013						
		Ownership Share	Property, Plant and Equipment	Accumulated Depreciation	Construction Work in Progress			
Duke Energy Carolinas								
	Catawba Nuclear Station (Units 1 and 2) ^{(a)(b)}	19.25 %	\$ 887	\$ 498	\$			
Duke Energy Progress								
	Mayo Station ^{(a)(c)}	83.83	856	303				104
	Shearon Harris Nuclear Station ^{(a)(c)}	83.83	3,620	2,018				67
	Brunswick Nuclear Station ^{(a)(c)}	81.67	1,921	1,005				176
	Roxboro Station (Unit 4) ^{(a)(c)}	87.06	754	473				13
Duke Energy Florida								
	Crystal River Nuclear Station (Unit 3) ^{(a)(d)}	91.78						
	Intercession City Station (Unit P11) ^{(a)(e)}	66.67	25	13				
Duke Energy Ohio								
	Miami Fort Station (Units 7 and 8) ^{(f)(g)}	64.0	624	232				1
	W.C. Beckjord Station (Unit 6) ^{(f)(h)}	37.5						
	J.M. Stuart Station ^{(f)(h)(i)}	39.0	823	281				16
	Conesville Station (Unit 4) ^{(f)(h)(i)}	40.0	318	49				3
	W.M. Zimmer Station ^{(f)(h)}	46.5	1,358	574				4
	Killen Station ^{(f)(g)(i)}	33.0	308	139				2
	East Bend Station ^{(a)(g)}	69.0	447	240				13

	Transmission facilities ^{(a)(h)}	Various				96			49			
Duke Energy Indiana												
	Gibson Station (Unit 5) ^{(a)(i)}	50.05				308			160			2
	Vermillion ^{(a)(k)}	62.5				154			61			
	Transmission and local facilities ^{(a)(i)}	Various				3,726			1,582			
International Energy												
	Brazil - Canoas I and II ^(l)	47.2				266			83			
(a)	Included in Regulated Utilities segment.											
(b)	Co-owned with North Carolina Municipal Power Agency Number 1, NCEMC and Piedmont Municipal Power Agency.											
(c)	Co-owned with North Carolina Eastern Municipal Power Agency.											
(d)	All costs associated with Crystal River Unit 3 are included within Regulatory assets on the Consolidated Balance Sheets of Duke Energy, Progress Energy and Duke Energy Florida. See Note 4 for additional information. Co-owned with Seminole Electric Cooperative, Inc., City of Ocala, Orlando Utilities Commission, City of Gainesville, City of Leesburg, Kissimmee Utility Authority, Utilities Commission of the City of New Smyrna Beach, City of Alachua and City of Bushnell.											
(e)	Co-owned with Georgia Power Company. Georgia Power Company has exclusive rights to the output of the unit during the months of June through September.											
(f)	Included in Commercial Power segment.											
(g)	Co-owned with The Dayton Power and Light Company.											
(h)	Co-owned with The Dayton Power and Light Company and Ohio Power Company.											
(i)	Station is not operated by Duke Energy Ohio.											
(j)	Co-owned with WVPA and Indiana Municipal Power Agency.											
(k)	Co-owned with WVPA.											
(l)	Included in International Energy segment. Co-owned with Companhia Brasileira de Alumínio.											

9. Asset Retirement Obligations

Asset retirement obligations recognized by Duke Energy Carolinas, Progress Energy, Duke Energy Progress and Duke Energy Florida relate primarily to decommissioning nuclear power facilities, asbestos removal and closure of landfills at fossil generation facilities. Asset retirement obligations at Duke Energy Ohio relate primarily to the retirement of gas mains, asbestos removal and closure of landfills at fossil generation facilities. Asset retirement obligations at Duke Energy Indiana relate primarily to obligations associated with asbestos removal and closure of landfills at fossil generation facilities. Duke Energy also has asset retirement obligations related to the removal of renewable energy generation assets in addition to the above items. Certain of the Duke Energy Registrants' assets have an indeterminate life, such as transmission and distribution facilities, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these asset retirement obligations will be recorded when a fair value is determinable.

The following table presents changes in the liability associated with asset retirement obligations.

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(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Balance at December 31, 2011	\$ 1,936	\$ 1,846	\$ 1,265	\$ 896	\$ 369	\$ 27	\$ 43
Acquisitions ^(a)	3,062	—	—	—	—	—	—
Accretion expense ^(b)	173	118	86	64	22	1	1
Liabilities settled	(15)	(3)	(2)	(2)	—	—	(10)
Revisions in estimates of cash flows ^(c)	(4)	(2)	234	—	234	—	(1)
Liabilities incurred in the current year ^(d)	24	—	837	698	139	—	4
Balance at December 31, 2012^(e)	5,176	1,959	2,420	1,656	764	28	37
Acquisitions	4	—	—	—	—	—	—
Accretion expense ^(b)	239	122	113	80	33	2	—
Liabilities settled	(12)	—	(12)	—	(12)	—	—
Revisions in estimates of cash flows ^(f)	(449)	(487)	49	1	48	(2)	(7)
Balance at December 31, 2013^(e)	\$ 4,958	\$ 1,594	\$ 2,570	\$ 1,737	\$ 833	\$ 28	\$ 30
(a)	Represents asset retirement obligations resulting from the merger with Progress Energy. See Note 2 for additional information.						
(b)	Substantially all accretion expense for the years ended December 31, 2013 and 2012 relates to Duke Energy's regulated electric operations and has been deferred in accordance with regulatory accounting treatment.						
(c)	For Progress Energy and Duke Energy Florida, the amounts relate to the retirement of Crystal River Unit 3.						
(d)	For Progress Energy, Duke Energy Progress and Duke Energy Florida, amounts primarily relate to spent nuclear fuel disposal recorded in the third quarter of 2012 to conform to Duke Energy's assumptions for nuclear asset retirement obligations.						
(e)	Balances at December 31, 2013 and 2012, include \$8 million and \$7 million, respectively, reported in Other current liabilities on the Consolidated Balance Sheets at Duke Energy, Progress Energy and Duke Energy Progress.						
(f)	Amounts for Duke Energy, Duke Energy Carolinas and Duke Energy Florida primarily relate to the site-specific nuclear decommissioning cost studies completed in 2013.						

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The Duke Energy Registrants' regulated operations accrue costs of removal for property that does not have an associated legal retirement obligation based on regulatory orders from state commissions. These costs of removal are recorded as a regulatory liability in accordance with regulatory accounting treatment. The Duke Energy Registrants do not accrue the estimated cost of removal for any nonregulated assets. See Note 4 for the estimated cost of removal for assets without an associated legal retirement obligation, which are included in Regulatory liabilities on the Consolidated Balance Sheets.

Nuclear Decommissioning Costs

Use of the NDTF investments are restricted to nuclear decommissioning activities. The NDTF investments are managed and invested in accordance with applicable requirements of various regulatory bodies, including the NRC, FERC, NCUC, PSCSC, FPSC and the Internal Revenue Service (IRS). The fair value of assets legally restricted for purposes of settling asset retirement obligations associated with nuclear decommissioning are \$4,769 million and \$2,477 million for Duke Energy and Duke Energy Carolinas at December 31, 2013, respectively, and \$3,941 million and \$2,053 million for Duke Energy and Duke Energy Carolinas at December 31, 2012, respectively. The NDTF balances for Progress Energy, Duke Energy Progress and Duke Energy Florida represent the fair value of assets legally restricted for purposes of settling asset retirement obligations associated with nuclear decommissioning. The NCUC, PSCSC and FPSC require updated cost estimates for decommissioning nuclear plants every five years.

The following table summarizes information about nuclear decommissioning cost studies.

(in millions)	Annual Funding Requirement	Decommissioning Costs ^{(a)(b)}	Year of Cost Study
Duke Energy Carolinas	\$ 21	\$ 3,420	2013
Duke Energy Progress	14	3,000	2009
Duke Energy Florida		1,083	2013
(a)	Represents cost per the most recent site-specific nuclear decommissioning cost studies, including costs to decommission plant components not subject to radioactive contamination.		
(b)	Includes the Duke Energy Registrants' ownership interest in jointly owned reactors. Other joint owners are responsible for decommissioning costs related to their interest in the		

Explanation of Responses:

reactors.								
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Nuclear Operating Licenses

Operating licenses for nuclear units are subject to extension. The following table includes the current expiration of nuclear operating licenses.

Unit	Year of Expiration
Duke Energy Carolinas	
Catawba Unit 1	2043
Catawba Unit 2	2043
McGuire Unit 1	2041
McGuire Unit 2	2043
Oconee Unit 1	2033
Oconee Unit 2	2033
Oconee Unit 3	2034
Duke Energy Progress	
Brunswick Unit 1	2036
Brunswick Unit 2	2034
Harris	2046
Robinson	2030
Duke Energy Florida	
Crystal River Unit 3 ^(a)	2016
(a)	Duke Energy Florida has requested the NRC terminate the Crystal River Unit 3 operating license as a result of the retirement of the unit.

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10. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the property, plant and equipment.

		December 31, 2013									
(in millions)	Estimated Useful Life (Years)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana			
Land		\$ 1,481	\$ 397	\$ 705	\$ 83	\$ 21	\$ 137	\$ 105			
Plant - Regulated											
Electric generation, distribution and transmission	2 - 125	78,272	30,018	31,792	1,190	2,601	3,925	11,594			
Natural gas transmission and distribution	12 - 67	2,138					2,138				
Other buildings and improvements	2 - 100	1,397	447	610	282	315	190	159			
Plant - Nonregulated											
Electric generation, distribution and transmission	2 - 100	6,267					4,017				
Other buildings and improvements	9 - 100	2,512					5				
Nuclear fuel		2,458	1,446	1,012	1,012						

Equipment	1	-	33			1,557	287	621	357	94		317	146
Construction in process						3,595	1,741	873	631	238		166	307
Other	5	-	33			3,438	570	867	418	294		248	178
Total property, plant and equipment ^{(a)(d)}						103,115	34,906	36,482	22,273	13,863		11,143	12,489
Total accumulated depreciation - regulated ^{(b)(c)(d)}						(31,659)	(11,894)	(13,098)	8,623	(4,252)		(2,160)	(3,913)
Total accumulated depreciation - nonregulated ^{(c)(d)}						(1,966)						(748)	
Total net property, plant and equipment						\$ 69,490	\$ 23,012	\$ 23,382	\$ 13,650	\$ 9,611		\$ 8,235	\$ 8,576

(a) Includes capitalized leases of \$1,606 million, \$53 million, \$328 million, \$148 million, \$180 million, \$96 million, and \$30 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana, respectively, primarily in regulated plant. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of \$60 million, an insignificant amount and \$57 million, respectively, of accumulated amortization of capitalized leases.

(b) Includes \$1,118 million, \$681 million, \$438 million and \$438 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.

(c) Includes accumulated amortization of capitalized leases of \$40 million, \$4 million, \$21 million and \$5 million at Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, respectively.

(d) Includes gross property, plant and equipment cost of consolidated VIEs of \$1,678 million and accumulated depreciation of consolidated VIEs of \$175 million at Duke Energy.

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December 31, 2012														
(in millions)	Estimated Useful Life (Years)			Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana				
Land				\$ 1,368	\$ 378	\$ 618	\$ 80	\$ 39	\$ 136	\$ 90				
Plant - Regulated														
Electric generation, distribution and transmission	2	-	138	73,181	29,269	30,250	8,009	2,041	3,774	8,622				
Natural gas transmission and distribution	12	-	60	2,026					2,026					
	2	-	100	1,319	444	609	283	318	125	149				

Other buildings and improvements																					
Plant - Nonregulated																					
Electric generation, distribution and transmission	2	-	100			6,055														3,870	
Other buildings and improvements	9	-	90			2,940														191	
Nuclear fuel						2,127	1,277	850	850												
Equipment	1	-	34			1,448	279	604	336	90										255	141
Construction in process						6,655	1,996	1,424	946	474										204	2,836
Other	5	-	60			3,272	547	791	380	270										243	174
Total property, plant and equipment ^{(a)(d)}						100,391	34,190	35,145	1,184	3,432										10,824	12,012
Total accumulated depreciation - regulated ^{(b)(c)(d)}						(29,471)	(11,437)	(12,512)	2,185	(4,072)										(1,995)	(3,692)
Total accumulated depreciation - nonregulated ^{(c)(d)}						(2,498)														(703)	
Generation facilities to be retired, net						136	73	63	63												
Total net property, plant and equipment						\$ 68,558	\$ 22,826	\$ 22,697	\$ 3,062	\$ 9,360										\$ 8,126	\$ 8,320
(a)	Includes capitalized leases of \$1,844 million, \$53 million, \$339 million, \$150 million, \$189 million, \$86 million, and \$28 million at Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio, and Duke Energy Indiana, respectively, primarily in regulated plant. The Progress Energy, Duke Energy Progress and Duke Energy Florida amounts are net of \$49 million, an insignificant amount and \$48 million, respectively, of accumulated amortization of capitalized leases.																				
(b)	Includes \$857 million, \$557 million, \$300 million and \$300 million of accumulated amortization of nuclear fuel at Duke Energy, Duke Energy Carolinas, Progress Energy and Duke Energy Progress, respectively.																				
(c)	Includes accumulated amortization of capitalized leases of \$34 million, \$3 million, \$12 million and \$5 million at Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, respectively.																				
(d)	Includes gross property, plant and equipment cost of consolidated VIEs of \$1,558 million and accumulated depreciation of consolidated VIEs of \$103 million at Duke Energy.																				

The following table presents capitalized interest, which includes the debt component of AFUDC.						
				Years Ended December 31,		
(in millions)				2013	2012	2011
Duke Energy				\$90	\$ 177	\$ 166
Duke Energy Carolinas				41	72	78
Progress Energy				19	41	35
Duke Energy Progress				16	23	20
Duke Energy Florida				3	18	15
Duke Energy Ohio				12	15	9
Duke Energy Indiana				9	39	33

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11. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following tables present goodwill by reportable operating segment for Duke Energy and Duke Energy Ohio.

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Combined Notes To Consolidated Financial Statements – (Continued)

Duke Energy												
(in millions)												
			Regulated Utilities			International Energy			Commercial Power			Total
Balance at December 31, 2012												
Goodwill			\$ 15,950			\$ 353			\$ 933			\$ 17,236
Accumulated impairment charges									(871)			(871)
Balance at December 31, 2012, as adjusted for accumulated impairment charges			15,950			353			62			16,365
Acquisitions (a)			2			(5)			2			(1)
Foreign exchange and other changes			(2)			(22)						(24)
Balance at December 31, 2013												
Goodwill			15,950			326			935			17,211
Accumulated impairment charges									(871)			(871)
Balance at December 31, 2013, as adjusted for accumulated impairment charges			\$ 15,950			\$ 326			\$ 64			\$ 16,340
(a)	Amounts represent purchase price adjustments related to the Progress Energy merger at Regulated Utilities, the Chilean hydro acquisition at International Energy and a minor renewables acquisition at Commercial Power. See Note 2 for further information on purchase price adjustments related to the Progress Energy merger.											
Duke Energy Ohio												
(in millions)												
												Total

	Regulated Utilities	Commercial Power	
Balance at December 31, 2012			
Goodwill	\$ 1,137	\$ 1,188	\$ 2,325
Accumulated impairment charges	(216)	(1,188)	(1,404)
Balance at December 31, 2012, as adjusted for accumulated impairment charges	921		921
Foreign exchange and other changes	(1)		(1)
Balance at December 31, 2013			
Goodwill	1,136	1,188	2,324
Accumulated impairment charges	(216)	(1,188)	(1,404)
Balance at December 31, 2013, as adjusted for accumulated impairment charges	\$ 920	\$	\$ 920

Progress Energy

Progress Energy had Goodwill of \$3,655 million as of December 31, 2013 and 2012, for which there are no accumulated impairment charges.

Impairment Analysis

As the fair values of the reporting units of Duke Energy, Progress Energy and Duke Energy Ohio exceeded their respective carrying values at the date of the annual goodwill impairment analysis, no impairment charges were recorded.

In addition, at December 31, 2013, goodwill for the Renewables reporting unit within Commercial Power was analyzed for impairment primarily as a result of the expiration of wind production tax credits at the end of 2013. Based on results of the fourth quarter 2013 impairment analysis, the fair value of the Renewables reporting unit exceeded its carrying value and no impairment was recorded. The fair value of the Renewables reporting unit is impacted by a multitude of factors, including legislative actions related to tax credit extensions, long-term growth rate assumptions, the market price of power and discount rates. Management continues to monitor these assumptions for any indicators that the fair value of the reporting unit could be below the carrying value, and will assess goodwill for impairment as appropriate.

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Intangible Assets

The following tables show the carrying amount and accumulated amortization of intangible assets.

December 31, 2013													
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Emission allowances	\$ 63	\$ 1	\$ 21	\$ 3	\$ 18	\$ 20	\$ 21						
Renewable energy certificates	82	16	64	64		2							
Gas, coal and power contracts	180					156	24						
Wind development rights	86												
Other	76												
Total gross carrying amounts	487	17	85	67	18	178	45						
Accumulated amortization - gas, coal and power contracts	(73)					(60)	(13)						
Accumulated amortization - wind development rights	(12)												
	(24)												

Explanation of Responses:

Accumulated amortization - other																			
Total accumulated amortization		(109)													(60)				(13)
Total intangible assets, net	\$	378	\$	17	\$	85	\$	67	\$	18	\$	118	\$	32					
		December 31, 2012																	
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana					
Emission allowances	\$	80	\$		\$	26	\$	4	\$	22	\$	24	\$	29					
Renewable energy certificates		18		14		2		1											
Gas, coal and power contracts		295										272		24					
Wind development rights		111																	
Other		91										10							
Total gross carrying amounts		595		14		28		5		22		306		53					
Accumulated amortization - gas, coal and power contracts		(180)										(168)		(12)					
Accumulated amortization - wind development rights		(9)																	
Accumulated amortization - other		(34)										(9)							
Total accumulated amortization		(223)										(177)		(12)					
Total intangible assets, net	\$	372	\$	14	\$	28	\$	5	\$	22	\$	129	\$	41					

Impairment of Emission Allowances

On August 8, 2011, the EPA's final rule to replace CAIR was published in the Federal Register. As further discussed in Note 5, CSAPR established state-level annual SO₂ and NO_x caps that were required to take effect on January 1, 2012, and state-level ozone-season NO_x caps that were to take effect on May 1, 2012. CSAPR did not utilize CAA emission allowances as the original CAIR provided. Under CSAPR, the EPA was expected to issue new emission allowances to be used exclusively for purposes of complying with CSAPR cap-and-trade program. After this ruling was published in 2011, Duke Energy evaluated the effect

of CSAPR on the carrying value of emission allowances recorded at its Regulated Utilities and Commercial Power segments. Based on the provisions of CSAPR, Duke Energy Ohio had more SO₂ allowances than were needed to comply with the continuing CAA acid rain cap-and-trade program (excess emission allowances). Duke Energy Ohio incurred a pretax impairment of \$79 million in 2011 to write down the carrying value of excess emission allowances held by Commercial Power to fair value. The charge is recorded in Goodwill and other impairment charges on Duke Energy Ohio's Consolidated Statements of Operations. This amount was based on the fair value of excess allowances held by Commercial Power for compliance under the continuing CAA acid rain cap-and-trade program as of September 30, 2011.

Amortization Expense							
The following table presents amortization expense for gas, coal and power contracts, wind development rights and other intangible assets.							
		December 31,					
(in millions)		2013		2012		2011	
Duke Energy	\$	13		14		10	\$
Duke Energy Ohio		8		12		8	
Duke Energy Indiana		1		1		1	

The table below shows the expected amortization expense for the next five years for intangible assets as of December 31, 2013. The expected amortization expense includes estimates of emission allowances consumption and estimates of consumption of commodities such

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as gas and coal under existing contracts, as well as estimated amortization related to the wind development projects. The amortization amounts discussed below are estimates and actual amounts may differ from these estimates due to such factors as changes in consumption patterns, sales or impairments of emission allowances or other intangible assets, delays in the in-service dates of wind assets, additional intangible acquisitions and other events.

(in millions)		2014		2015		2016		2017		2018					
Duke Energy	\$	43	\$	19	\$	17	\$	16	\$	16					
Progress Energy		4		3		2		1		1					
Duke Energy Progress		1													
Duke Energy Florida		3		3		2		1		1					
Duke Energy Ohio		11		9		9		9		9					
Duke Energy Indiana		22		1		1		1		1					

12. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

EQUITY METHOD INVESTMENTS

Investments in domestic and international affiliates that are not controlled by Duke Energy, but over which it has significant influence, are accounted for using the equity method. As of December 31, 2013 and 2012, the carrying amount of investments in affiliates with carrying amounts greater than zero approximated the amount of underlying equity in net assets.

The following table presents Duke Energy's investments in unconsolidated affiliates accounted for under the equity method, as well as the respective equity in earnings, by segment.

		Years Ended December 31,					
		2013		2012		2011	
(in millions)	Investments	Equity in earnings	Investments	Equity in earnings		Equity in earnings	

Regulated Utilities	\$	4	\$	(1)	\$	5	\$	(5)	\$	
International Energy		82		110		81		134		145
Commercial Power		252		7		219		14		6
Other		52		6		178		5		9
Total	\$	390	\$	122	\$	483	\$	148	\$	160

During the years ended December 31, 2013, 2012 and 2011, Duke Energy received distributions from equity investments of \$144 million, \$183 million and \$149 million, respectively, which are included in Other assets within Cash Flows from Operating Activities on the Consolidated Statements of Cash Flows.

Significant investments in affiliates accounted for under the equity method are discussed below.

International Energy

Duke Energy owns a 25 percent indirect interest in NMC, which owns and operates a methanol and MTBE business in Jubail, Saudi Arabia.

Commercial Power

Investments accounted for under the equity method primarily consist of Duke Energy's approximate 50 percent ownership interest in the five Catamount Sweetwater, LLC wind farm projects (Phase I-V), INDU Solar Holdings, LLC and DS Cornerstone, LLC. All of these entities own solar or wind power projects in the United States. Duke Energy also owns a 50 percent interest in Duke American Transmission Co., LLC which builds, owns and operates electric transmission facilities in North America.

Other

As of December 31, 2012, investments accounted for under the equity method primarily included a 50 percent ownership interest in DukeNet, which owns and operates telecommunications businesses. On December 31, 2013, Duke Energy completed the sale of its ownership interest in DukeNet to Time Warner Cable, Inc. After retiring existing DukeNet debt and payment of transactions expenses, Duke Energy received \$215 million in cash proceeds and recorded a \$105 million pretax gain in the fourth quarter of 2013.

13. RELATED PARTY TRANSACTIONS

The Subsidiary Registrants engage in related party transactions, which are generally performed at cost and in accordance with the applicable state and federal commission regulations. Refer to the Consolidated Balance Sheets of the Subsidiary Registrants for balances due to or due from related parties. Amounts related to transactions with related parties included in the Consolidated Statements of Operations and Comprehensive Income are presented in the following table.

	Years Ended December 31,		
	2013	2012	2011
(in millions)			
Duke Energy Carolinas	\$ 927	\$ 1,112	\$ 1,009

Corporate governance and shared service expenses ^(a)								
Indemnification coverages ^(b)		22		21				21
Joint Dispatch Agreement (JDA) revenue ^(c)		121		18				
Joint Dispatch Agreement (JDA) expense ^(c)		116		91				
Progress Energy								
Corporate governance and shared services provided by Duke Energy ^(a)	\$	290		\$	63		\$	
Corporate governance and shared services provided to Duke Energy ^(d)		96		47				
Indemnification coverages ^(b)		34		17				
JDA revenue ^(c)		116		91				
JDA expense ^(c)		121		18				
Duke Energy Progress								
Corporate governance and shared service expenses ^(a)	\$	266		\$	254		\$	203
Indemnification coverages ^(b)		20		8				
JDA revenue ^(c)		116		91				
JDA expense ^(c)		121		18				
Duke Energy Florida								
Corporate governance and shared service expenses ^(a)	\$	182		\$	186		\$	160
Indemnification coverages ^(b)		14		8				
Duke Energy Ohio								
Corporate governance and shared service expenses ^(a)	\$	347		\$	358		\$	401
Indemnification coverages ^(b)		15		15				17
Duke Energy Indiana								
Corporate governance and shared service expenses ^(a)	\$	422		\$	419		\$	415
Indemnification coverages ^(b)		14		8				7
(a)	The Subsidiary Registrants are charged their proportionate share of corporate governance and other costs by unconsolidated affiliates that are consolidated affiliates of Duke Energy and Progress Energy. Corporate governance and other shared services costs are primarily related to human resources, employee benefits, legal and accounting fees, as well as other third-party costs. These amounts are recorded in Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income. See Note 21 for additional information.							
(b)	The Subsidiary Registrants incur expenses related to certain indemnification coverages through Bison, Duke Energy's wholly owned captive insurance subsidiary. These expenses are recorded in Operation, maintenance and other on the Consolidated Statements of Operations and Comprehensive Income.							
(c)	Effective with the consummation of the merger between Duke Energy and Progress Energy, Duke Energy Carolinas and Duke Energy Progress began to participate in a JDA. The JDA allows the collective dispatch of power plants between service territories to reduce customer rates. Revenues from the sale of power under the JDA are recorded in							

	<p>Operating Revenues and expenses from the purchase of power under the JDA are recorded in Fuel used in electric generation and purchased power on the Consolidated Statements of Operations and Comprehensive Income.</p>
(d)	<p>Progress Energy charges a proportionate share of corporate governance and other costs to unconsolidated affiliates that are consolidated affiliates of Duke Energy. Corporate governance and other shared costs are primarily related to human resources, employee benefits, legal and accounting fees, as well as other third-party costs. These charges are recorded as an offset to Operation, maintenance and other in the Statements of Operations and Comprehensive Income.</p>

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In addition to the amounts presented above, the Subsidiary Registrants record the impact on net income of other affiliate transactions, including rental of office space, participation in a money pool arrangement, other operational transactions and their proportionate share of certain charged expenses. See Note 6 for more information regarding money pool. The net impact of these transactions was not material for the years ended December 31, 2013, 2012 and 2011 for the Subsidiary Registrants.

As discussed in Note 17, certain trade receivables have been sold by Duke Energy Ohio and Duke Energy Indiana to CRC, an affiliate formed by a subsidiary of Duke Energy. The proceeds obtained from the sales of receivables are largely cash but do include a subordinated note from CRC for a portion of the purchase price.

In January 2012, Duke Energy Ohio recorded a non-cash equity transfer of \$28 million related to the sale of Vermillion to Duke Energy Indiana. Duke Energy Indiana recorded a non-cash after-tax equity transfer of \$26 million for the purchase of Vermillion from Duke Energy Ohio. See Note 2 for further discussion.

Duke Energy Commercial Asset Management (DECAM) is a nonregulated, direct subsidiary of Duke Energy Ohio. DECAM conducts business activities including the execution of commodity transactions, third-party vendor and supply contracts, and service contracts for certain of Duke Energy's nonregulated entities. The commodity contracts DECAM enters are accounted for as undesignated contracts or NPNS. Consequently, mark-to-market impacts of intercompany contracts with, and sales of power to, nonregulated entities are reflected in Duke Energy Ohio's Consolidated Statements of Operations and Comprehensive Income. These amounts totaled net expense of \$6 million and net revenue of \$24 million and \$18 million, respectively, for the years ended December 31, 2013, 2012 and 2011. Because it is not a rated entity, DECAM receives its credit support from Duke Energy or its nonregulated subsidiaries and not the regulated utility operations of Duke Energy Ohio. DECAM meets its funding needs through an intercompany loan agreement from a subsidiary of Duke Energy. DECAM also has the ability to loan money to the subsidiary of Duke Energy. DECAM had an outstanding intercompany loan payable of \$43 million and \$79 million, respectively, as of December 31, 2013 and 2012. This amount is recorded in Notes payable to affiliated companies on Duke Energy Ohio's Consolidated Balance Sheets.

14. DERIVATIVES AND HEDGING

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The Duke Energy Registrants use commodity and interest rate contracts to manage commodity price and interest rate risks. The primary use of energy commodity derivatives is to hedge the generation portfolio against changes in the prices of electricity and natural gas. Interest rate swaps are used to manage interest rate risk associated with borrowings.

All derivative instruments not identified as NPNS are recorded at fair value as assets or liabilities on the Consolidated Balance Sheets. Cash collateral related to derivative instruments executed under master netting agreement is offset against the collateralized derivatives on the balance sheet.

Changes in the fair value of derivative agreements that either do not qualify for or have not been designated as hedges are reflected in current earnings or as regulatory assets or liabilities.

Commodity Price Risk

The Duke Energy Registrants are exposed to the impact of changes in the future prices of electricity, coal, and natural gas. Exposure to commodity price risk is influenced by a number of factors including the term of contracts, the liquidity of markets, and delivery locations.

Commodity Fair Value and Cash Flow Hedges

At December 31, 2013, there were no open commodity derivative instruments designated as hedges.

Undesignated Contracts

Undesignated contracts may include contracts not designated as a hedge, contracts that do not qualify for hedge accounting, derivatives that do not or no longer qualify for the NPNS scope exception, and de-designated hedge contracts. These contracts expire as late as 2018.

Duke Energy Carolinas and Duke Energy Progress have entered into firm power sale agreements, which are accounted for as derivatives, as part of the Interim FERC Mitigation in connection with Duke Energy's merger with Progress Energy. See Note 2 for further information. Duke Energy Carolinas' undesignated contracts are primarily associated with forward sales and purchases of electricity. Duke Energy Progress' and Duke Energy Florida's undesignated contracts are primarily associated with forward purchases of natural gas. Duke Energy Ohio's undesignated contracts are primarily associated with forward sales and purchases of electricity, coal, and natural gas. Duke Energy Indiana's undesignated contracts are primarily associated with forward purchases and sales of electricity and financial transmission rights.

Volumes

The tables show information relating to the volume of the outstanding commodity derivatives. Amounts disclosed represent the notional volumes of commodity contracts excluding NPNS. Amounts disclosed represent the absolute value of notional amounts. The Duke Energy Registrants have netted contractual amounts where offsetting purchase and sale contracts exist with identical delivery locations and times of delivery. Where all commodity positions are perfectly offset, no quantities are shown.

December 31, 2013										
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana			
Electricity (Gigawatt-hours) ^(a)	71,466	1,205	925	925		69,362	203			
Natural gas (millions of decatherms)	636		363	141	222	274				
December 31, 2012										
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana			
Electricity (Gigawatt-hours) ^(a)	52,104	2,028	1,850	1,850		51,215	97			
Natural gas (millions of decatherms)	528		348	118	230	180				
(a)	Amounts at Duke Energy Ohio include intercompany positions that eliminate at Duke Energy.									

Interest Rate Risk

The Duke Energy Registrants are exposed to changes in interest rates as a result of their issuance or anticipated issuance of variable-rate and fixed-rate debt and commercial paper. Interest rate risk is managed by limiting variable-rate exposures to a percentage of total debt and by monitoring changes in interest rates. To manage risk associated with changes in interest rates, the Duke Energy Registrants may enter into interest rate swaps, U.S. Treasury lock agreements, and other financial contracts. In anticipation of certain fixed-rate debt issuances, a series of forward starting interest rate swaps may be executed to lock in components of current market interest rates. These instruments are later terminated prior to or upon the issuance of the corresponding debt. Pretax gains or losses recognized from inception to termination of the hedges are amortized as a component of interest expense over the life of the debt.

Duke Energy has a combination foreign exchange, pay fixed-receive floating interest rate swap to fix the US dollar equivalent payments on a floating-rate Chilean debt issue.

The following tables show notional amounts for derivatives related to interest rate risk.

		December 31, 2013				December 31, 2012								
		Duke Energy Ohio		Duke Energy		Progress Energy		Duke Energy Progress		Duke Energy Ohio		Duke Energy Indiana		
(in millions)		Duke Energy		Duke Energy		Progress Energy		Duke Energy Progress		Duke Energy Ohio		Duke Energy Indiana		
Cash flow hedges ^(a)	\$	798	\$		\$	1,047	\$		\$		\$		\$	
Undesignated contracts		34		27		290		50		50		27		200
Fair value hedges						250						250		
Total notional amount	\$	832	\$	27	\$	1,587	\$	50	\$	50	\$	277	\$	200
(a)	Duke Energy includes amounts related to non-recourse variable rate long-term debt of VIEs of \$584 million at December 31, 2013 and \$620 million at December 31, 2012.													

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Duke Energy

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,							
	2013				2012			
(in millions)	Asset		Liability		Asset		Liability	
Derivatives Designated as Hedging Instruments								
Commodity contracts								
Current liabilities: other	\$		\$	1	\$		\$	2
Deferred credits and other liabilities: other								1
Interest rate contracts								
Current assets: other						2		
Investments and other assets: other		27				7		
Current liabilities: Other				18				81
Deferred credits and other liabilities: other				4				35
Total Derivatives Designated as Hedging Instruments		27		23		9		119
Derivatives Not Designated as Hedging Instruments								
Commodity contracts								
Current assets: other		201		158		41		2
Investments and other assets: other		215		131		106		50
Current liabilities: other		13		153		106		407
Deferred credits and other liabilities: other		5		166		2		255
Interest rate contracts								
Current liabilities: other				1				76
Deferred credits and other liabilities: other				4				8

Total Derivatives Not Designated as Hedging Instruments		434		613		255		798
Total Derivatives	\$	461	\$	636	\$	264	\$	917

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

December 31, 2013								
Derivative Assets				Derivative Liabilities				
(in millions)	Current ^(a)	Non-Current ^(b)		Current ^(c)	Non-Current ^(d)			
Gross amounts recognized	\$ 214	\$ 233		\$ 322	\$ 299			
Gross amounts offset	(179)	(138)		(192)	(155)			
Net amount subject to master netting	35	95		130	144			
Amounts not subject to master netting		14		4	11			
Net amounts recognized on the Consolidated Balance Sheet	\$ 35	\$ 109		\$ 134	\$ 155			
December 31, 2012								
Derivative Assets				Derivative Liabilities				
(in millions)	Current ^(a)	Non-Current ^(b)		Current ^(c)	Non-Current ^(d)			
Gross amounts recognized	\$ 127	\$ 96		\$ 402	\$ 295			
Gross amounts offset	(114)	(54)		(151)	(90)			
Net amounts subject to master netting	13	42		251	205			
Amounts not subject to master netting	22	19		166	54			
Net amounts recognized on the Consolidated Balance Sheet	\$ 35	\$ 61		\$ 417	\$ 259			
(a)	Included in Other within Current Assets on the Consolidated Balance Sheet.							
(b)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.							
(c)	Included in Other within Current Liabilities on the Consolidated Balance Sheet.							
(d)	Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.							

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations where such gains and losses are included when reclassified from AOCI.

		Years Ended December 31,					
(in millions)		2013		2012		2011	
Pretax Gains (Losses) Recorded in AOCI							
Interest rate contracts ^(a)		\$	79	\$	(23)	\$	(88)
Commodity contracts			1		1		
Total Pretax Gains (Losses) Recorded in AOCI		\$	80	\$	(22)	\$	(88)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings							
<i>Interest rate contracts</i>							
Interest expense		\$	(2)	\$	2	\$	(5)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings		\$	(2)	\$	2	\$	(5)
(a)	Reclassified to earnings as interest expense over the term of the related debt.						

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There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses were excluded from the assessment of hedge effectiveness during the same periods.

At December 31, 2013, and December 31, 2012, \$59 million and \$151 million, respectively, of pretax deferred net losses interest rate cash flow hedges were included in AOCI. A \$4 million pretax gain is expected to be recognized in earnings during the next 12 months as interest expense.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,					
(in millions)	2013		2012		2011	
Location of Pretax Gains and (Losses) Recognized in Earnings						
Commodity contracts						
Revenue: Regulated electric	\$ 11		\$ (23)		\$	
Revenue: Nonregulated electric, natural gas and other	43		38		(59)	
Other income and expenses			(2)			
Fuel used in electric generation and purchased power-regulated	(200)		(194)			
Fuel used in electric generation and purchased power - nonregulated	(100)		2		(1)	
Interest rate contracts						
Interest expense	(18)		(8)			
Total Pretax (Losses) Gains Recognized in Earnings	\$ (264)		\$ (187)		\$ (60)	
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities						
Commodity contracts^(a)						
Regulatory assets	\$ 10		\$ (2)		\$ (1)	

Regulatory liabilities		15			36			17
Interest rate contracts^(b)								
Regulatory assets		55			10			(165)
Regulatory liabilities								(60)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities		\$ 80			\$ 44			\$ (209)
(a)	Reclassified to earnings to match recovery through the fuel clause.							
(b)	Reclassified to earnings as interest expense over the term of the related debt.							

Duke Energy Carolinas

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

(in millions)	December 31,					
	2013			2012		
	Asset	Liability		Asset	Liability	
Derivatives Not Designated as Hedging Instruments						
Commodity contracts						
Current liabilities: other			1			6
Deferred credits and other liabilities: other			1			6
Total Derivatives Not Designated as Hedging Instruments			2			12
Total Derivatives	\$		\$ 2	\$		\$ 12

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on

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financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

December 31, 2013												
Derivative Assets												
Derivative Liabilities												
(in millions)	Current ^(a)			Non-Current ^(b)			Current ^(c)			Non-Current ^(d)		
Amounts not subject to master netting	\$			\$			\$	1		\$	1	
Net amounts recognized on the Consolidated Balance Sheet	\$			\$			\$	1		\$	1	
December 31, 2012												
Derivative Assets												
Derivative Liabilities												
(in millions)	Current ^(a)			Non-Current ^(b)			Current ^(c)			Non-Current ^(d)		
Amounts not subject to master netting	\$			\$			\$	6		\$	6	
Net amounts recognized on the Consolidated Balance Sheet	\$			\$			\$	6		\$	6	
(a)	Included in Other within Current Assets on the Consolidated Balance Sheet.											
(b)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.											
(c)	Included in Other within Current Liabilities on the Consolidated Balance Sheet.											
(d)	Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.											
The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income where such gains and losses are included when reclassified from AOCI.												
Losses on cash flow hedges reclassified at Duke Energy Carolinas during the year ended December 31, 2013 and 2012 were not material.												

		Years Ended December 31,					
(in millions)		2013		2012		2011	
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings							
Interest rate contracts							
Interest expense		\$	(3)	\$	(3)	\$	(5)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings		\$	(3)	\$	(3)	\$	(5)

For the years ended December 31, 2013, Duke Energy Carolinas had \$23 million of pretax deferred net losses on settled interest rate cash flow hedges remaining in AOCI. A \$5 million pretax gain is expected to be recognized in earnings during the next 12 months as interest expense.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations or the Consolidated Balance Sheets where the pretax gains and losses were reported.

		Years Ended December 31,					
(in millions)		2013		2012		2011	
Location of Pretax Gains and (Losses) Recognized in Earnings							
Commodity contracts							
Revenue: Regulated electric		\$	(12)	\$	(12)	\$	
Total Pretax (Losses) Gains Recognized in Earnings		\$	(12)	\$	(12)	\$	
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities							
Interest rate contracts							
Regulatory assets		\$		\$		\$	(94)
Regulatory liabilities							(60)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities		\$		\$		\$	(154)

Progress Energy

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

		December 31,			
(in millions)		2013		2012	
		Asset	Liability	Asset	Liability

Derivatives Designated as Hedging Instruments									
Commodity contracts									
Current liabilities: other	\$		\$	1	\$			\$	2
Deferred credits and other liabilities: other				4					1
Total Derivatives Designated as Hedging Instruments				5					3
Derivatives Not Designated as Hedging Instruments									
Commodity contracts									
Current assets: other		3		2		3			
Investments and other assets: other		2		1		8			
Current liabilities: other		11		105					231
Deferred credits and other liabilities: other		4		91					195
Interest rate contracts									
Current liabilities: other									11
Total Derivatives Not Designated as Hedging Instruments		20		199		11			437
Total Derivatives	\$	20	\$	204	\$	11	\$	440	

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The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

										December 31, 2013																													
										Derivative Assets					Derivative Liabilities																								
(in millions)										Current^(a)					Non-Current^(b)																								
										Current^(a)					Non-Current^(d)																								
Gross amounts recognized										\$ 15					\$ 5					\$ 107					\$ 93														
Gross amounts offset										(13)					(4)					(17)					(10)														
Net amount subject to master netting										2					1					90					83														
Amounts not subject to master netting																									4														
Net amounts recognized on the Consolidated Balance Sheet										\$ 2					\$ 1					\$ 90					\$ 87														
										December 31, 2012																													
										Derivative Assets					Derivative Liabilities																								
(in millions)										Current^(a)					Non-Current^(b)																								
										Current^(a)					Non-Current^(d)																								
Gross amounts recognized										\$ 3					\$ 8					\$ 244					\$ 192														
Gross amounts offset																				(22)					(36)														
Net amounts subject to master netting										3					8					222					156														
Amounts not subject to master netting																									4														
Net amounts recognized on the Consolidated Balance Sheet										\$ 3					\$ 8					\$ 222					\$ 160														
(a)										Included in Other within Current Assets on the Consolidated Balance Sheet.																													

(b)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.		
(c)	Included in Other within Current Liabilities on the Consolidated Balance Sheet.		
(d)	Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.		

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheet where such gains and losses are included when reclassified from AOCI.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Pretax Gains (Losses) Recorded in AOCI			
Commodity contracts	\$ 1	\$ 1	\$ (3)
Interest rate contracts ^(a)		(11)	(141)
Total Pretax Gains (Losses) Recorded in AOCI	\$ 1	\$ (10)	\$ (144)
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
<i>Interest rate contracts</i>			
Interest expense	\$	\$ (14)	\$ (13)
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	\$	\$ (14)	\$ (13)
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets or Liabilities^(b)			
<i>Interest rate contracts</i>			
Regulatory assets	\$	\$ (159)	\$
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$	\$ (159)	\$
(a)	Reclassified to earnings as interest expense over the term of the related debt.		
(b)	Effective with the merger, Progress Energy no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.		

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012, and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

At December 31, 2013, and 2012, \$61 million and \$65 million, respectively of pretax deferred net losses on derivative instruments related to interest rate cash flow hedges were included as a component of AOCI. A \$5 million pretax loss is expected to be recognized in earnings during the next 12 months as interest expense.

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The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,					
(in millions)	2013		2012		2011	
Location of Pretax Gains and (Losses) Recognized in Earnings						
Commodity contracts						
Operating revenues	\$	11	\$	(11)	\$	1
Fuel used in electric generation and purchased power		(200)		(454)		(297)
Other income and expenses, net				7		(59)
Interest rate contracts						
Interest expense		(17)		(8)		
Total Pretax (Losses) Gains Recognized in Earnings	\$	(206)	\$	(466)	\$	(355)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities						
Commodity contracts^(a)						
Regulatory assets	\$	10	\$	(171)	\$	(502)
Interest rate contracts^(b)						
Regulatory assets		18		6		
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$	28	\$	(165)	\$	(502)
(a)	Reclassified to earnings to match recovery through the fuel clause.					
(b)	Reclassified to earnings as interest expense over the term of the related debt.					

Duke Energy Progress

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

		December 31,							
		2013				2012			
(in millions)		Asset		Liability		Asset		Liability	
Derivatives Designated as Hedging Instruments									
Commodity contracts									
Current liabilities: other		\$		\$	1	\$		\$	1
Deferred credits and other liabilities: other									1
Total Derivatives Designated as Hedging Instruments					1				2
Derivatives Not Designated as Hedging Instruments									
Commodity contracts^(a)									
Current assets: other							1		
Investments and other assets: other			2		1		1		
Current liabilities: other			2		40				85
Deferred credits and other liabilities: other			2		29				68
Interest rate contracts									
Current liabilities: other									11
Total Derivatives Not Designated as Hedging Instruments			6		70		2		164
Total Derivatives		\$	6	\$	71	\$	2	\$	166
(a)		Substantially all of these contracts are recorded as regulatory assets or liabilities.							

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

		December 31, 2013							
		Derivative Assets				Derivative Liabilities			
(in millions)		Current ^(a)		Non-Current ^(b)		Current ^(c)		Non-Current ^(d)	
Gross amounts recognized		\$	3	\$	3	\$	41	\$	30
Gross amounts offset			(3)		(3)		(3)		(3)
Net amount subject to master netting							38		27
Net amounts recognized on the Consolidated Balance Sheet		\$		\$		\$	38	\$	27

December 31, 2012														
Derivative Assets														
Derivative Liabilities														
(in millions)														
Current ^(a)			Non-Current ^(b)			Current ^(c)			Non-Current ^(d)					
Gross amounts recognized			\$ 1			\$ 1			\$ 97			\$ 69		
Gross amounts offset									(2)			(7)		
Net amounts subject to master netting			1			1			95			62		
Net amounts recognized on the Consolidated Balance Sheet			\$ 1			\$ 1			\$ 95			\$ 62		
<p>(a) Included in Other within Current Assets on the Consolidated Balance Sheet.</p> <p>(b) Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.</p> <p>(c) Included in Other within Current Liabilities on the Consolidated Balance Sheet.</p> <p>(d) Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.</p>														

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheets in which such gains and losses are included when reclassified from AOCI.

Years Ended December 31,											
(in millions)											
			2013			2012			2011		
Pretax Gains (Losses) Recorded in AOCI											
Interest rate contracts ^(a)			\$			\$ (7)			\$ (70)		
Total Pretax Gains (Losses) Recorded in AOCI			\$			\$ (7)			\$ (70)		
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings											
<i>Interest rate contracts</i>											
Interest expense			\$			\$ (5)			\$ (7)		
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings			\$			\$ (5)			\$ (7)		
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets or Liabilities^(b)											
<i>Interest rate contracts</i>											
Regulatory assets			\$			\$ (117)			\$		
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities			\$			\$ (117)			\$		
<p>(a) Reclassified to earnings as interest expense over the term of the related debt.</p> <p>(b) Effective with the merger, Duke Energy Progress no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.</p>											

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There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

	Years Ended December 31,						
(in millions)	2013		2012				2011
Location of Pretax Gains and (Losses) Recognized in Earnings							
Commodity contracts_							
Operating revenues	\$ 11		\$ (11)				\$ 1
Fuel used in electric generation and purchased power	(71)		(115)				(60)
Interest rate contracts_							
Interest expense	(13)		(6)				
Total Pretax (Losses) Gains Recognized in Earnings	\$ (73)		\$ (132)				\$ (59)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities							
Commodity contracts^(a)							
Regulatory assets	\$ (6)		\$ (55)				\$ (140)
Interest rate contracts^(b)							
Regulatory assets	13		6				
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$ 7		\$ (49)				\$ (140)
(a)	Reclassified to earnings to match recovery through the fuel clause.						
(b)	Reclassified to earnings as interest expense over the term of the related debt.						

Duke Energy Florida

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,							
	2013				2012			
(in millions)	Asset		Liability		Asset		Liability	
Derivatives Designated as Hedging Instruments								
<i>Commodity contracts</i>								
Current liabilities: other	\$		\$		\$		\$	1
Total Derivatives Designated as Hedging Instruments								1
Derivatives Not Designated as Hedging Instruments								
<i>Commodity contracts</i> ^(a)								
Current assets: other		3		2		2		
Investments and other assets: other						7		
Current liabilities: other		9		64				146
Deferred credits and other liabilities: other		2		63				123
Total Derivatives Not Designated as Hedging Instruments		14		129		9		269
Total Derivatives	\$	14	\$	129	\$	9	\$	270
(a)	Substantially all of these contracts are recorded as regulatory assets or liabilities.							

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The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

										December 31, 2013														
					Derivative Assets										Derivative Liabilities									
(in millions)					Current^(a)					Non-Current^(b)					Current^(c)					Non-Current^(d)				
Gross amounts recognized					\$ 12					\$ 2					\$ 66					\$ 63				
Gross amounts offset					(10)					(2)					(15)					(7)				
Net amount subject to master netting					2										51					56				
Net amounts recognized on the Consolidated Balance Sheet					\$ 2					\$					\$ 51					\$ 56				
										December 31, 2012														
					Derivative Assets										Derivative Liabilities									
(in millions)					Current^(a)					Non-Current^(b)					Current^(c)					Non-Current^(d)				
Gross amounts recognized					\$ 2					\$ 7					\$ 147					\$ 123				
Gross amounts offset															(20)					(29)				
Net amounts subject to master netting					2					7					127					94				
Net amounts recognized on the Consolidated Balance Sheet					\$ 2					\$ 7					\$ 127					\$ 94				
(a)					Included in Other within Current Assets on the Consolidated Balance Sheet.																			
(b)					Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.																			
(c)					Included in Other within Current Liabilities on the Consolidated Balance Sheet.																			
(d)					Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.																			

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income or Consolidated Balance Sheets in which such gains and losses are included when reclassified from AOCI.											
Years Ended December 31,											
(in millions)											
2013											
2012											
2011											
Pretax Gains (Losses) Recorded in AOCI											
Commodity contracts											
\$ 1											
\$ 1											
\$ (3)											
Interest rate contracts ^(a)											
(2)											
(35)											
Total Pretax Gains (Losses) Recorded in AOCI											
\$ 1											
\$ (1)											
\$ (38)											
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings											
<i>Interest rate contracts</i>											
Interest expense											
\$ (2)											
\$ (1)											
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings											
\$ (2)											
\$ (1)											
Location of Pretax Gains and (Losses) Reclassified from AOCI to Regulatory Assets^(b)											
<i>Interest rate contracts</i>											
Regulatory assets											
\$ (42)											
\$											
Total Pretax Gains (Losses) Reclassified from AOCI to Regulatory Assets											
\$ (42)											
\$											
(a) Reclassified to earnings as interest expense over the term of the related debt.											
(b) Effective with the merger, Duke Energy Florida no longer designates interest rate derivatives for regulated operations as cash flow hedges. As a result, the pretax losses on derivatives as of the date of the merger were reclassified from AOCI to Regulatory assets.											

There was no hedge ineffectiveness during the years ended December 31, 2013, 2012 and 2011, and no gains or losses have been excluded from the assessment of hedge effectiveness during the same periods.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.											
Years Ended December 31,											
(in millions)											
2013											
2012											
2011											
Location of Pretax Gains and (Losses) Recognized in Earnings											
Commodity contracts_											
Fuel used in electric generation and purchased power											
\$ (129)											
\$ (339)											
\$ (237)											
Interest rate contracts_											

Interest expense		(5)			(2)			
Total Pretax (Losses) Gains Recognized in Earnings	\$	(134)		\$	(341)		\$	(237)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities								
Commodity contracts^(a)								
Regulatory assets	\$	16		\$	(116)		\$	(362)
Interest rate contracts								
Regulatory assets		5						
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$	21		\$	(116)		\$	(362)
(a)	Reclassified to earnings to match recovery through the fuel clause.							

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Duke Energy Ohio

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,					
	2013			2012		
(in millions)	Asset	Liability	Asset	Liability		
Derivatives Designated as Hedging Instruments						
<i>Interest rate contracts_</i>						
Current assets: other	\$	\$	\$	2	\$	
Total Derivatives Designated as Hedging Instruments				2		
Derivatives Not Designated as Hedging Instruments						
<i>Commodity contracts_</i>						
Current assets: other	186	163	31		4	
Investments and other assets: other	202	130	81		51	
Current liabilities: other	1	36	106		132	
Deferred credits and other liabilities: other	2	56			4	
<i>Interest rate contracts_</i>						
Current liabilities: other		1			1	
Deferred credits and other liabilities: other		4			7	
Total Derivatives Not Designated as Hedging Instruments	391	390	218		199	
Total Derivatives	\$ 391	\$ 390	\$ 220		\$ 199	

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were

calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

December 31, 2013														
Derivative Assets														
Derivative Liabilities														
(in millions)														
Current^(a) Non-Current^(b) Current^(c) Non-Current^(d)														
Gross amounts recognized	\$	186		\$	205		\$	199		\$	186			
Gross amounts offset		(165)			(132)			(173)					(143)	
Net amount subject to master netting		21			73			26					43	
Amounts not subject to master netting								1					4	
Net amounts recognized on the Consolidated Balance Sheet	\$	21		\$	73		\$	27		\$	47			
December 31, 2012														
Derivative Assets														
Derivative Liabilities														
(in millions)														
Current^(a) Non-Current^(b) Current^(c) Non-Current^(d)														
Gross amounts recognized	\$	137		\$	81		\$	136		\$	55			
Gross amounts offset		(110)			(51)			(125)					(51)	
Net amounts subject to master netting		27			30			11					4	
Amounts not subject to master netting		2						1					7	
Net amounts recognized on the Consolidated Balance Sheet	\$	29		\$	30		\$	12		\$	11			
(a)	Included in Other within Current Assets on the Consolidated Balance Sheet.													
(b)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.													
(c)	Included in Other within Current Liabilities on the Consolidated Balance Sheet.													
(d)	Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.													

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There were no gains or losses on cash flow hedges recorded or reclassified at Duke Energy Ohio for the years ended December 31, 2013 and 2012, respectively. There was an immaterial amount of losses on cash flow hedges reclassified at Duke Energy Ohio for the year ended December 31, 2011.

The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Statements of Operations and Comprehensive Income or the Consolidated Balance Sheets where the pretax gains and losses were reported.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
<i>Commodity contracts</i>			
Revenue: Nonregulated electric, natural gas and other	\$ 44	\$ 76	\$ (26)
Fuel used in electric generation and purchased power - nonregulated	(100)	2	(1)
<i>Interest rate contracts</i>			
Interest expense	(1)	(1)	(1)
Total Pretax (Losses) Gains Recognized in Earnings	\$ (57)	\$ 77	\$ (28)
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
<i>Commodity contracts</i>			
Regulatory assets	\$	\$ 2	\$ 1
Regulatory liabilities		(1)	
<i>Interest rate contracts</i>			
Regulatory assets	4		(4)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$ 4	\$ 1	\$ (3)

Duke Energy Indiana

The following table shows the fair value of derivatives and the line items in the Consolidated Balance Sheets where they are reported. Although derivatives subject to master netting arrangements are netted on

the Consolidated Balance Sheets, the fair values presented below are shown gross and cash collateral on the derivatives has not been netted against the fair values shown.

	December 31,			
	2013		2012	
(in millions)	Asset	Liability	Asset	Liability
Derivatives Not Designated as Hedging Instruments				
Commodity contracts				
Current assets: other	\$ 12	\$	\$ 10	\$
Interest rate contracts				
Current liabilities: other				63
Total Derivatives Not Designated as Hedging Instruments	12		10	63
Total Derivatives	\$ 12	\$	\$ 10	\$ 63

The tables below show the balance sheet location of derivative contracts subject to enforceable master netting agreements and include collateral posted to offset the net position. This disclosure is intended to enable users to evaluate the effect of netting arrangements on financial position. The amounts shown were calculated by counterparty. Accounts receivable or accounts payable may also be available to offset exposures in the event of bankruptcy. These amounts are not included in the tables below.

December 31, 2013				
	Derivative Assets		Derivative Liabilities	
(in millions)	Current ^(a)	Non-Current ^(b)	Current ^(c)	Non-Current ^(d)
Gross amounts recognized	\$ 12	\$	\$	\$
Gross amounts offset	(1)			
Net amount subject to master netting	11			
Net amounts recognized on the Consolidated Balance Sheet	\$ 11	\$	\$	\$
December 31, 2012				
	Derivative Assets		Derivative Liabilities	
(in millions)	Current ^(a)	Non-Current ^(b)	Current ^(c)	Non-Current ^(d)
Amounts not subject to master netting	\$ 10	\$	\$ 63	\$
Net amounts recognized on the Consolidated Balance Sheet	\$ 10	\$	\$ 63	\$
(a)	Included in Other within Current Assets on the Consolidated Balance Sheet.			
(b)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheet.			
(c)	Included in Other within Current Liabilities on the Consolidated Balance Sheet.			
(d)				

Included in Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.

The following table shows the gains and losses during the year recognized on cash flow hedges and the line items on the Consolidated Statements of Operations and Comprehensive Income where such gains and losses are included when reclassified from AOCI.

	Years Ended December 31,		
	2013	2012	2011
(in millions)			
Location of Pretax Gains and (Losses) Reclassified from AOCI into Earnings			
<i>Interest rate contracts</i>			
Interest expense	\$ 3	\$ 3	\$ 2
Total Pretax Gains (Losses) Reclassified from AOCI into Earnings	\$ 3	\$ 3	\$ 2

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The following table shows the gains and losses during the year recognized on undesignated derivatives and the line items on the Consolidated Balance Sheets where the pretax gains and losses were reported.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Location of Pretax Gains and (Losses) Recognized in Earnings			
<i>Commodity contracts</i>			
Revenue, regulated electric	\$ 1	\$	\$
Total Pretax (Losses) Gains Recognized in Earnings	\$ 1	\$	\$
Location of Pretax Gains and (Losses) Recognized as Regulatory Assets or Liabilities			
<i>Commodity contracts</i>^(a)			
Regulatory assets	\$	\$ 2	\$ (2)
Regulatory liabilities	16	35	17
<i>Interest rate contracts</i>^(b)			
Regulatory assets	34	4	(67)
Total Pretax Gains (Losses) Recognized as Regulatory Assets or Liabilities	\$ 50	\$ 41	\$ (52)
(a)	Reclassified to earnings to match recovery through the fuel clause.		
(b)	Reclassified to earnings as interest expense over the term of the related debt.		

CREDIT RISK

Certain derivative contracts contain contingent credit features. These features may include (i) material adverse change clauses or payment acceleration clauses that could result in immediate payments, (ii) the posting of letters of credit or termination of the derivative contract before maturity if specific events occur, such as a credit rating downgrade below investment grade.

The following tables show information with respect to derivative contracts that are in a net liability position and contain objective credit-risk related payment provisions.

December 31, 2013										
(in millions)	Duke Energy		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio	
Aggregate fair value amounts of derivative instruments in a net liability position	\$	525	\$	168	\$	60	\$	108	\$	355
Fair value of collateral already posted		135		10				10		125
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered		205		158		60		98		47
December 31, 2012										
(in millions)	Duke Energy		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio	
Aggregate fair value amounts of derivative instruments in a net liability position	\$	466	\$	286	\$	108	\$	178	\$	176
Fair Value of Collateral already posted		163		59		9		50		104
Additional cash collateral or letters of credit in the event credit-risk-related contingent features were triggered		230		227		99		128		2

The Duke Energy Registrants have elected to offset cash collateral and fair values of derivatives. For amounts to be netted, the derivative must be executed with the same counterparty under the same master netting agreement. Amounts disclosed below represent the receivables related to the right to reclaim cash collateral and payables related to the obligation to return cash collateral under master netting arrangements.

December 31,										
2013										
2012										
(in millions)	Receivables				Payables					
Duke Energy										
Amounts offset against net derivative positions_	\$	30	\$		\$	73	\$			
Amounts not offset against net derivative positions		122				93				
Progress Energy										
Amounts offset against net derivative positions_	\$	10	\$		\$	58	\$			
Amounts not offset against net derivative positions						1				
Duke Energy Progress										
Amounts offset against net derivative positions_	\$		\$		\$	9	\$			
Amounts not offset against net derivative positions										
Duke Energy Florida										

Amounts offset against net derivative positions_	\$	10		\$			\$	49		\$	
Amounts not offset against net derivative positions								1			
Duke Energy Ohio											
Amounts offset against net derivative positions_	\$	19					\$	15		\$	
Amounts not offset against net derivative positions		115		\$				92			
Duke Energy Indiana											
Amounts offset against net derivative positions_						1					
Amounts not offset against net derivative positions	\$	1		\$			\$			\$	

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15. Investments in Debt and Equity Securities

The Duke Energy Registrants classify their investments in debt and equity securities as either trading or available-for-sale.

TRADING SECURITIES

Investments in debt and equity securities held in grantor trusts associated with certain deferred compensation plans and certain other investments are classified as trading securities. The fair value of these investments was \$18 million as of December 31, 2013 and \$33 million as of December 31, 2012.

AVAILABLE-FOR-SALE SECURITIES

All other investments in debt and equity securities are classified as available-for-sale securities.

Duke Energy's available-for-sale securities are primarily comprised of investments held in (i) the NDTF at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida, (ii) grantor trusts at Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana related to OPEB plans, (iii) Duke Energy's captive insurance investment portfolio, and (iv) Duke Energy's foreign operations investment portfolio.

Duke Energy holds corporate debt securities that were purchased using excess cash from its foreign operations. These investments are classified as Short-term investments on the Consolidated Balance Sheets and are available for current operations of Duke Energy's foreign business. The fair value of these investments was \$44 million as of December 31, 2013 and \$333 million as of December 31, 2012.

Duke Energy classifies all other investments in debt and equity securities as non-current, unless otherwise noted.

NDTF and Grantor Trust

The investments within the NDTF at Duke Energy Carolinas, Duke Energy Progress and Duke Energy Florida and the Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana grantor trusts (Investment Trusts) are managed by independent investment managers with discretion to buy, sell, and invest pursuant to the objectives set forth by the trust agreements. The Duke Energy Registrants have

limited oversight of day-to-day management of these investments. As a result, the ability to hold investments in unrealized loss positions is outside the control of the Duke Energy Registrants. Accordingly, all unrealized gains and losses associated with debt and equity securities within the Investment Trusts are considered other-than-temporary impairments and are recognized immediately. Pursuant to regulatory accounting, substantially all realized and unrealized gains and losses associated with investments within the Investment Trusts are deferred as a regulatory asset or liability. As a result, there is no immediate impact on earnings of the Duke Energy Registrants.

Other Available for Sale Securities

Unrealized gains and losses on all other available-for-sale securities are included in other comprehensive income until realized, unless it is determined the carrying value of an investment is other-than-temporarily impaired. If an other-than-temporary impairment exists, the unrealized loss may be included in earnings based on the criteria discussed below.

The Duke Energy Registrants analyze all investment holdings each reporting period to determine whether a decline in fair value should be considered other-than-temporary. Criteria used to evaluate whether an impairment associated with equity securities is other-than-temporary includes, but is not limited to, (i) the length of time over which the market value has been lower than the cost basis of the investment, (ii) the percentage decline compared to the cost of the investment, and (iii) management's intent and ability to retain its investment for a period of time sufficient to allow for any anticipated recovery in market value. If a decline in fair value is determined to be other-than-temporary, the investment is written down to its fair value through a charge to earnings.

If the entity does not have an intent to sell a debt security and it is not more likely than not management will be required to sell the debt security before the recovery of its cost basis, the impairment write-down to fair value would be recorded as a component of other comprehensive income, except for when it is determined a credit loss exists. In determining whether a credit loss exists, management considers, among other things, (i) the length of time and the extent to which the fair value has been less than the amortized cost basis, (ii) changes in the financial condition of the issuer of the security, or in the case of an asset backed security, the financial condition of the underlying loan obligors, (iii) consideration of underlying collateral and guarantees of amounts by government entities, (iv) ability of the issuer of the security to make scheduled interest or principal payments, and (v) any changes to the rating of the security by rating agencies. If a credit loss exists, the amount of impairment write-down to fair value is split between credit loss and other factors. The amount related to credit loss is

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recognized in earnings. The amount related to other factors is recognized in other comprehensive income. There were no credit losses as of December 31, 2013 and 2012. There were no other-than-temporary impairments for debt or equity securities as of December 31, 2013 and 2012. Other available-for-sale securities were reflected as a component of other comprehensive income in 2013 and 2012.

DUKE ENERGY									
The following table presents the estimated fair value of investments in available-for-sale securities.									
	December 31, 2013			December 31, 2012					
(in millions)	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value			
NDTF									
Cash and cash equivalents	\$ —	\$ —	\$ 110	\$ —	\$ —	\$ 105			
Equity securities	1,813	10	3,579	1,132	19	2,837			
Corporate debt securities	8	6	400	21	1	338			
Municipal bonds	2	6	160	12	1	194			
U.S. government bonds	7	12	730	24	1	625			
Other debt securities	22	2	154	10	1	164			
Total NDTF	1,852	36	5,133	1,199	23	4,263			
Other Investments									
Cash and cash equivalents	—	—	21	—	—	17			
Equity securities	29	—	91	10	—	63			
Corporate debt securities	1	1	99	2	—	381			

U.S. government bonds		3		7		354		10						304
Other debt securities		22		2		146		9			2			135
Total NDTF		1,004		22		2,834		632			8			2,361
Other Investments														
Other debt securities				1		3					1			3
Total Other Investments^(a)				1		3					1			3
Total Investments		\$ 1,004		\$ 23		\$ 837		\$ 632			\$ 9			\$ 364

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	\$ 18
Due after one through five years	167
Due after five through 10 years	239
Due after 10 years	407
Total	\$ 831

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy Carolinas' available-for-sale securities were as follows.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Realized gains	\$ 115	\$ 89	\$ 71
Realized losses	12	6	35

PROGRESS ENERGY

The following table presents the estimated fair value of investments in available-for-sale securities for Progress Energy.

(in millions)	December 31, 2013			December 31, 2012		
	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Estimated Fair Value
NDTF						

Cash and cash equivalents	\$		\$		\$	68	\$		\$		\$	65
Equity securities		839		4		1,615		532		14		1,245
Corporate debt securities		3		1		126		9				89
Municipal bonds		2		4		106		11		1		154
U.S. government bonds		4		5		376		14				321
Other debt securities						8		1				28
Total NDTF		848		14		2,299		567		15		1,902
Other Investments												
Cash and cash equivalents						20						17
Municipal bonds		1				39		3				40
Total Other Investments^(a)		1				59		3				57
Total Investments	\$	849	\$	14	\$	358	\$	570	\$	15	\$	959

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	\$ 12
Due after one through five years	206
Due after five through 10 years	131
Due after 10 years	306
Total	\$655

Realized gains and losses, which were determined on a specific identification basis, from sales of Progress Energy's available-for-sale securities were as follows.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Realized gains	\$ 90	\$ 34	\$ 30
Realized losses	46	18	33

DUKE ENERGY PROGRESS

The following table presents the estimated fair value of investments in available-for-sale securities.

	December 31, 2013	December 31, 2012

(in millions)	Gross Unrealized			Estimated Fair Value	Gross Unrealized			Estimated Fair Value
	Unrealized Holding Gains	Unrealized Holding Losses			Unrealized Holding Gains	Unrealized Holding Losses		
NDTF								
Cash and cash equivalents	\$	\$	\$ 48	\$	\$	\$ 55		
Equity securities	535	3	1,069	337	11	811		
Corporate debt securities	3	1	80	8		78		
Municipal bonds	2	4	104	4		80		
U.S. government bonds	4	3	232	13		241		
Other debt securities			5	1		10		
Total NDTF	544	11	1,538	363	11	1,275		
Other Investments								
Cash and cash equivalents			2			3		
Total Other Investments^(a)			2			3		
Total Investments	\$ 544	\$ 11	\$ 540	\$ 363	\$ 11	\$ 278		

(a) These amounts are recorded in Other within Investments and Other Assets on the Consolidated Balance Sheets.

The table below summarizes the maturity date for debt securities.

(in millions)	December 31, 2013
Due in one year or less	\$ 7
Due after one through five years	122
Due after five through 10 years	89
Due after 10 years	203
Total	\$ 421

Realized gains and losses, which were determined on a specific identification basis, from sales of Duke Energy Progress' available-for-sale securities were as follows.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Realized gains	\$ 58	\$ 21	\$ 13
Realized losses	26	8	16

DUKE ENERGY FLORIDA

16. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value definition focuses on an exit price versus the acquisition cost. Fair value measurements use market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data, or generally unobservable. Valuation techniques maximize the use of observable inputs and minimize use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient.

Fair value measurements are classified in three levels based on the fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. An active market is one in which transactions for an asset or liability occur with sufficient frequency and volume to provide ongoing pricing information.

Level 2 – A fair value measurement utilizing inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly, for an asset or liability. Inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, (iii) and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, and credit spreads. A Level 2 measurement cannot have more than an insignificant portion of its valuation based on unobservable inputs. Instruments in this category include non-exchange-traded derivatives, such as over-the-counter forwards, swaps and options; certain marketable debt securities; and financial instruments traded in less than active markets.

Level 3 – Any fair value measurement which includes unobservable inputs for more than an insignificant portion of the valuation. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 measurements may include longer-term instruments that extend into periods in which observable inputs are not available.

The fair value accounting guidance permits entities to elect to measure certain financial instruments that are not required to be accounted for at fair value, such as equity method investments or the company's own debt, at fair value. The Duke Energy Registrants have not elected to record any of these items at fair value.

Transfers between levels represent assets or liabilities that were previously (i) categorized at a higher level for which the inputs to the estimate became less observable or (ii) classified at a lower level for which the inputs became more observable during the period. The Duke Energy Registrant's policy is to recognize transfers between levels of the fair value hierarchy at the end of the period. There were no transfers between levels 1 and 2 during the years ended December 31, 2013 and 2012. Transfers out of Level 3 during the year ended December 31, 2013 are the result of forward commodity prices becoming observable due to the passage of time.

Valuation methods of the primary fair value measurements disclosed below are as follows.

Investments in equity securities

The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market as of the last business day of the quarter. Principal active markets for equity prices include

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published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. There was no after-hours market activity that was required to be reflected in the reported fair value measurements. Investments in equity securities that are Level 2 or 3 are typically ownership interests in commingled investment funds.

Investments in debt securities

Most investments in debt securities are valued using Level 2 measurements because the valuations uses interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is Level 3.

Commodity derivatives

Commodity derivatives with clearinghouses are classified as Level 1. Other commodity derivatives are primarily fair valued using internally developed discounted cash flow models which incorporate forward price, adjustments for liquidity (bid-ask spread) and credit or non-performance risk (after reflecting credit enhancements such as collateral), and are discounted to present value. Pricing inputs are derived from published exchange transaction prices and other observable data sources. In the absence of an active market, the last available price may be used. If forward price curves are not observable for the full term of the contract and the unobservable period had more than an insignificant impact on the valuation, the commodity derivative is classified as Level 3. In isolation, increases (decreases) in natural gas forward prices result in favorable (unfavorable) fair value adjustments for gas purchase contracts; and increases (decreases) in electricity forward prices result in unfavorable (favorable) fair value adjustments for electricity sales contracts. Duke Energy regularly evaluates and validates pricing inputs used to estimate fair value of gas commodity contracts by a market participant price verification procedure. This procedure provides a comparison of internal forward commodity curves to market participant generated curves.

Interest rate derivatives

Most over-the-counter interest rate contract derivatives are valued using financial models which utilize observable inputs for similar instruments and are classified as Level 2. Inputs include forward interest rate curves, notional amounts, interest rates and credit quality of the counterparties.

Goodwill and long-lived assets

Explanation of Responses:

See Note 11 for a discussion of the valuation of goodwill and long-lived assets.

Duke Energy

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

		December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Nuclear decommissioning trust fund equity securities	\$ 3,579	\$ 3,495	\$ 57	\$ 27	
Nuclear decommissioning trust fund debt securities	1,553	402	1,100	51	
Other trading and available-for-sale equity securities ^(a)	102	91	11		
Other trading and available-for-sale debt securities ^(b)	333	36	277	20	
Derivative assets ^(a)	145	33	70	42	
Total assets	5,712	4,057	1,515	140	
Derivative liabilities ^(c)	(321)	11	(303)	(29)	
Net assets	\$ 5,391	\$ 4,068	\$ 1,212	\$ 111	
		December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Nuclear decommissioning trust fund equity securities	\$ 2,837	\$ 2,762	\$ 54	\$ 21	
Nuclear decommissioning trust fund debt securities	1,405	317	1,040	48	
Other trading and available-for-sale equity securities ^(a)	72	63	9		
Other trading and available-for-sale debt securities ^(b)	631	40	562	29	
Derivative assets ^(a)	103	18	22	63	
Total assets	5,048	3,200	1,687	161	
Derivative liabilities ^(d)	(756)	(17)	(591)	(148)	
Net assets	\$ 4,292	\$ 3,183	\$ 1,096	\$ 13	
(a)	Included in Other within Current Assets and Other within Investments and Other Assets on the Consolidated Balance Sheet.				
(b)	Included in Other within Investments and Other Assets and Short-term Investments on the Consolidated Balance Sheets.				
(c)					

Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.						
The following tables provide reconciliations of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.						
December 31, 2013						
(in millions)		Investments		Derivatives (net)		Total
Balance at December 31, 2012		\$ 98		\$ (85)		\$ 13
Total pretax realized or unrealized gains (losses) included in earnings ^(a)				(42)		(42)
Purchases, sales, issuances and settlements:						
Purchases		9		21		30
Sales		(6)				(6)
Issuances				11		11
Settlements		(9)		25		16
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities		6		(3)		3
Transfers out of Level 3 ^(b)				86		86
Balance at December 31, 2013		\$ 98		\$ 13		\$ 111
Pretax amounts included in the Consolidated Statements of Comprehensive Income related to Level 3 measurements outstanding		\$		\$ 10		\$ 10
(a)	Amounts for derivatives are primarily included in Operating Revenues.					
(b)	Transfers reflect derivative contracts becoming observable due to the passage of time.					
December 31, 2012						
(in millions)		Investments		Derivatives (net)		Total
Balance at December 31, 2011		\$ 124		\$ (39)		\$ 85
Amounts acquired in Progress Energy Merger				(30)		(30)
Total pretax realized or unrealized gains (losses) included in earnings				8		8
Total pretax gains included in other comprehensive income		13				13
Purchases, sales, issuances and settlements:						
Purchases		14		22		36
Sales		(2)				(2)
Issuances				(15)		(15)
Settlements		(55)		(32)		(87)
		4		1		5

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Duke Energy Carolinas

The following tables provide recorded balances for assets and liabilities measure at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

										December 31, 2013																			
(in millions)										Total Fair Value					Level 1					Level 2					Level 3				
Nuclear decommissioning trust fund equity securities										\$ 1,964					\$ 1,879					\$ 58					\$ 27				
Nuclear decommissioning trust fund debt securities										870					168					651					51				
Other available-for-sale debt securities ^(a)										3					-					-					3				
Total assets										2,837					2,047					709					81				
Derivative liabilities ^(b)										(2)															(2)				
Net assets										\$ 2,835					\$ 2,047					\$ 709					\$ 79				
										December 31, 2012																			
(in millions)										Total Fair Value					Level 1					Level 2					Level 3				
Nuclear decommissioning trust fund equity securities										\$ 1,592					\$ 1,523					\$ 48					\$ 21				
Nuclear decommissioning trust fund debt securities										762					155					559					48				
Other available-for-sale debt securities ^(a)										3															3				
Total assets										\$ 2,357					\$ 1,678					\$ 607					\$ 72				
Derivative liabilities ^(b)										(12)															(12)				
Net assets										\$ 2,345					\$ 1,678					\$ 607					\$ 60				

(a)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.										
(b)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheet.										
The following tables provide a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.											
			December 31, 2013								
			Investments		Derivatives (net)					Total	
Balance at December 31, 2012			\$ 72		\$ (12)					\$ 60	
Purchases, sales, issuances and settlements:											
	Purchases		9							9	
	Sales		(6)							(6)	
	Settlements				10					10	
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities			6							6	
Balance at December 31, 2013			\$ 81		\$ (2)					\$ 79	
Pretax amounts included in the Consolidated Statements of Comprehensive Income related to Level 3 measurements outstanding			\$		\$ (4)					\$ (4)	
			December 31, 2012								
			Investments		Derivatives (net)					Total	
Balance at December 31, 2011			\$ 65		\$					\$ 65	
Total pretax gains included in comprehensive income			2							2	
Purchases, sales, issuances and settlements:											
	Purchases		14							14	
	Issuances				(14)					(14)	
	Sales		(2)							(2)	
	Settlements		(11)		2					(9)	
Total gains included on the Consolidated Balance Sheet as regulatory assets or liabilities			4							4	
Balance at December 31, 2012			\$ 72		\$ (12)					\$ 60	
			December 31, 2011								
			Investments		Derivatives (net)					Total	
(in millions)											
Balance at December 31, 2010			\$ 59		\$					\$ 59	
Purchases, sales, issuances and settlements:											
	Purchases		8							8	
	Sales		(3)							(3)	
Total gains included on the Consolidated Balance			1							1	

Sheet as regulatory assets or liabilities												
Balance at December 31, 2011												

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Progress Energy

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis end on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

December 31, 2013											
(in millions)	Total Fair Value		Level 1			Level 2			Level 3		
Nuclear decommissioning trust fund equity securities	\$	1,615	\$	1,615		\$			\$		
Nuclear decommissioning trust fund debt securities and other		677		233			444				
Other trading and available-for-sale debt securities and other ^(a)		58		19			39				
Derivative assets ^(b)		3					3				
Total assets		2,353		1,867			486				
Derivative liabilities ^(c)		(187)					(187)				
Net assets	\$	2,166	\$	1,867		\$	299		\$		
December 31, 2012											
(in millions)	Total Fair Value		Level 1			Level 2			Level 3		
Nuclear decommissioning trust fund equity securities	\$	1,245	\$	1,239		\$	6		\$		
Nuclear decommissioning trust fund debt securities and other		643		162			481				
Other trading and available-for-sale debt securities and other ^(a)		57		17			40				
Derivative assets ^(b)		11					11				

	Total assets		1,956			1,418			538		
	Derivative liabilities ^(c)		(440)						(402)		(38)
	Net assets	\$	1,516		\$	1,418		\$	136		\$ (38)
(a)	Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.										
(b)	Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.										
(c)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets.										

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

		Derivatives (net)					
		Years Ended December 31,					
(in millions)		2013		2012		2011	
	Balance at beginning of period	\$	(38)	\$	(24)	\$	(36)
	Total pretax realized or unrealized gains included in earnings				1		
	Purchases, sales, issuances and settlements:						
	Issuances		10		(16)		
	Settlements				4		
	Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities		(6)		(3)		(21)
	Transfers out of Level 3 ^(a)		34				33
	Balance at end of period	\$		\$	(38)	\$	(24)
	Pretax amounts included in the Consolidated Statements of Operations and Comprehensive Income related to Level 3 measurements outstanding	\$	11				
(a)	Transfers reflect derivative contracts becoming observable due to the passage of time.						

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Duke Energy Progress

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14 . See Note 15 for additional information related to investments by major security type.

December 31, 2013											
(in millions)	Total Fair Value		Level 1			Level 2			Level 3		
Nuclear decommissioning trust fund equity securities	\$	1,069	\$	1,069		\$				\$	
Nuclear decommissioning trust fund debt securities and other		470		137			333				
Other trading and available-for-sale debt securities and other ^(a)		3		3							
Derivative assets ^(b)		1					1				
Total assets		1,543		1,209			334				
Derivative liabilities ^(c)		(66)					(66)				
Net assets	\$	1,477	\$	1,209		\$	268			\$	
December 31, 2012											
(in millions)	Total Fair Value		Level 1			Level 2			Level 3		
Nuclear decommissioning trust fund equity securities	\$	811	\$	811		\$				\$	
Nuclear decommissioning trust fund debt securities and other		448		119			329				
Other trading and available-for-sale debt securities and other ^(a)		3		3							
Derivative assets ^(b)		2					2				

	Total assets		1,264			933			331		
	Derivative liabilities ^(c)		(166)						(128)		(38)
	Net assets	\$	1,098		\$	933		\$	203		\$ (38)
(a)	Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.										
(b)	Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.										
(c)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets										

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

		Derivatives (net)					
		Years Ended December 31,					
(in millions)		2013		2012		2011	
	Balance at beginning of period	\$	(38)	\$	(24)	\$	(36)
	Total pretax realized or unrealized gains included in earnings				1		
	Purchases, sales, issuances and settlements:						
	Issuances		10		(16)		
	Settlements				4		
	Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities		(6)		(3)		(20)
	Transfers out of Level 3 ^(a)		34				32
	Balance at end of period	\$		\$	(38)	\$	(24)
	Pretax amounts included in the Consolidated Statements of Operations and Comprehensive Income related to Level 3 measurements outstanding	\$	11				
(a)	Transfers reflect derivative contracts becoming observable due to the passage of time.						

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Duke Energy Florida

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

December 31, 2013											
(in millions)		Total Fair Value		Level 1			Level 2			Level 3	
Nuclear decommissioning trust fund equity securities		\$	546	\$	546			\$		\$	
Nuclear decommissioning trust fund debt securities and other			214		96			118			
Other trading and available-for-sale debt securities and other ^(a)			40		2			38			
Derivative assets ^(b)			1					1			
Total assets			801		644			157			
Derivative liabilities ^(c)			(116)					(116)			
Net assets		\$	685	\$	644			\$	41	\$	
December 31, 2012											
(in millions)		Total Fair Value		Level 1			Level 2			Level 3	
Nuclear decommissioning trust fund equity securities		\$	435	\$	429			\$	6	\$	
Nuclear decommissioning trust fund debt securities and other			194		43			151			
Other trading and available-for-sale debt securities and other ^(a)			43		3			40			
Derivative assets ^(b)			9					9			

	Total assets		681		475		206		
	Derivative liabilities ^(c)		(270)				(270)		
	Net assets	\$	411		\$	475	\$	(64)	\$
(a)	Included in Other within Investments and Other Assets in the Consolidated Balance Sheets.								
(b)	Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.								
(c)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets								

Duke Energy Ohio

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which are disclosed in Note 14.

December 31, 2013				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Derivative assets ^(a)	\$ 96	\$ 50	\$ 21	\$ 25
Derivative liabilities ^(b)	(95)	(1)	(65)	(29)
Net assets (liabilities)	\$ 1	\$ 49	\$ (44)	\$ (4)
December 31, 2012				
(in millions)	Total Fair Value	Level 1	Level 2	Level 3
Derivative assets ^(a)	\$ 59	\$ 48	\$ 2	\$ 9
Derivative liabilities ^(b)	(38)	(15)	(8)	(15)
Net assets (liabilities)	\$ 21	\$ 33	\$ (6)	\$ (6)
(a)	Included in Other within Current Assets and Other within Investments and Other Assets in the Consolidated Balance Sheets.			
(b)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities in the Consolidated Balance Sheets.			

The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.

Derivatives (net)				
Years Ended December 31,				
(in millions)	2013	2012	2011	
Balance at beginning of period	\$ (6)	\$ (3)	\$ 13	
Total pretax realized or unrealized gains included in earnings ^(a)	(42)	(3)	(4)	
Purchases, sales, issuances and settlements:				
Purchases	1			
Settlements		1	(14)	

Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities					(1)			2
Transfers out of Level 3 ^(b)		43						
Balance at end of period	\$	(4)		\$	(6)		\$	(3)
(a)	Amounts for derivative are primarily included in Operating Revenues.							
(b)	Transfers reflect derivative contracts becoming observable due to the passage of time.							

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Duke Energy Indiana

The following tables provide recorded balances for assets and liabilities measured at fair value on a recurring basis on the Consolidated Balance Sheets. Derivative amounts in the table below exclude cash collateral, which is disclosed in Note 14. See Note 15 for additional information related to investments by major security type.

		December 31, 2013			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Available-for-sale equity securities ^(a)	\$ 65	\$ 65			
Available-for-sale debt securities ^(a)	29		29		
Derivative assets ^(b)	12			12	
Net assets (liabilities)	\$ 106	\$ 65	\$ 29	\$ 12	
		December 31, 2012			
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Available-for-sale equity securities ^(a)	\$ 49	\$ 49			
Available-for-sale debt securities ^(a)	29		29		
Derivative assets ^(b)	10			10	
Total assets	88	49	29	10	
Derivative liabilities ^(c)	(63)		(63)		
Net assets (liabilities)	\$ 25	\$ 49	\$ (34)	\$ 10	
(a)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.				
(b)	Included in Other within Current Assets on the Consolidated Balance Sheets.				
(c)	Included in Other within Current Liabilities and Other within Deferred Credits and Other Liabilities on the Consolidated Balance Sheets.				
The following table provides a reconciliation of beginning and ending balances of assets and liabilities measured at fair value using Level 3 measurements.					

		Derivatives (net)					
		Years Ended December 31,					
(in millions)		2013		2012		2011	
Balance at beginning of period		\$ 10		\$ 4		\$ 4	
Total pretax realized or unrealized gains included in earnings ^(a)		8		36		14	
Purchases, sales, issuances and settlements:							
	Purchases	20				8	
	Sales			22			
	Settlements	(30)		(52)		(21)	
Total losses included on the Consolidated Balance Sheet as regulatory assets or liabilities		4				(1)	
Balance at end of period		\$ 12		\$ 10		\$ 4	
(a)	Amounts in derivatives are primarily included in Operating Revenues.						
QUANTITATIVE INFORMATION ABOUT UNOBSERVABLE INPUTS							
The following table provides quantitative information about the Duke Energy Registrants' derivatives classified as Level 3.							
December 31, 2013							
Investment Type	Fair Value (in millions)	Valuation Technique	Unobservable Input	Range			
Duke Energy							
Natural gas contracts	\$ (2)	Discounted cash flow	Forward natural gas curves - price per MMBtu	\$ 3.07	\$	5.37	
FERC mitigation power sale agreements	(2)	Discounted cash flow	Forward electricity curves - price per MWh	25.79	-	52.38	
Financial transmission rights (FTRs)	12	RTO auction pricing	FTR price - per Megawatt Hour (MWh)	(0.30)	-	13.80	
Electricity contracts	23	Discounted cash flow	Forward electricity curves - price per MWh	20.77	-	58.90	
Commodity capacity option contracts	4	Discounted cash flow	Forward capacity option curves - price per MW day	30.40	-	165.10	
Reserves	(22)		Bid-ask spreads, implied volatility, probability of default				
Total Level 3 derivatives	\$ 13						
Duke Energy Carolinas							

FERC mitigation power sale agreements	\$	(2)	Discounted cash flow	Forward electricity curves - price per MWh	\$25.79	\$	52.38
Duke Energy Ohio							
Electricity contracts	\$	18	Discounted cash flow	Forward electricity curves - price per MWh	\$20.77	\$	58.90
Natural gas contracts		(2)	Discounted cash flow	Forward natural gas curves - price per MMBtu	3.07	-	5.37
Reserves		(20)		Bid-ask spreads, implied volatility, probability of default			
Total Level 3 derivatives	\$	(4)					
Duke Energy Indiana							
FTRs	\$	12	RTO auction pricing	FTR price - per MWh	\$0.30)	\$	13.80
December 31, 2012							
Investment Type	Fair Value (in millions)		Valuation Technique	Unobservable Input	Range		
Duke Energy							
Natural gas contracts	\$	(53)	Discounted cash flow	Forward natural gas curves - price per MMBtu	\$2.33	\$	9.99
FERC mitigation power sale agreements		(23)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	-	48.69
FTRs		11	RTO auction pricing	FTR price - per MWh	23.63	-	39.22
Electricity contracts		(8)	Discounted cash flow	Forward electricity curves - price per MWh	24.82	-	77.96
Capacity contracts		(3)	Discounted cash flow	Forward capacity curves - price per MW day	95.16	-	105.36
Capacity option contracts		3	Discounted cash flow	Forward capacity option curves - price per MW day	4.68	-	77.96
Reserves		(12)		Bid-ask spreads, implied volatility, probability of default			
Total Level 3 derivatives	\$	(85)					
Duke Energy Carolinas							
	\$	(12)			\$25.83	-	48.69

FERC mitigation power sale agreements			Discounted cash flow	Forward electricity curves - price per MWh				
Progress Energy								
Natural gas contracts	\$	(27)	Discounted cash flow	Forward natural gas curves - price per MMBtu	\$ 4.07	-		4.45
FERC mitigation power sale agreements		(11)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	-		48.69
Total Level 3 derivatives	\$	(38)						
Duke Energy Progress								
Natural gas contracts	\$	(27)	Discounted cash flow	Forward natural gas curves - price per MMBtu	\$ 4.07	-		4.45
FERC mitigation power sale agreements		(11)	Discounted cash flow	Forward electricity curves - price per MWh	25.83	-		48.69
Total Level 3 derivatives	\$	(38)						
Duke Energy Ohio								
FTRs	\$	1	RTO auction pricing	FTR price - per MWh	\$ 27.17	\$		39.22
Electricity contracts		(1)	Discounted cash flow	Forward electricity curves - price per MWh	25.90	-		57.50
Natural gas contracts		5	Discounted cash flow	Forward natural gas curves - price per MMBtu	3.30	-		4.51
Reserves		(11)		Bid-ask spreads, implied volatility, probability of default				
Total Level 3 derivatives	\$	(6)						
Duke Energy Indiana								
FTRs	\$	10	RTO auction pricing	FTR price - per MWh	\$ 23.63	\$		35.43
OTHER FAIR VALUE DISCLOSURES								
The fair value and book value of long-term debt, including current maturities, is summarized in the following table. Estimates determined are not necessarily indicative of amounts that could have been settled in current markets. Fair value of long-term debt uses Level 2 measurements.								
					December 31, 2013		December 31, 2012	

(in millions)	Book Value				Fair Value				Book Value				Fair Value			
Duke Energy	\$40,256				\$ 42,592				39,461				\$ 44,001			
Duke Energy Carolinas	8,436				9,123				8,741				10,096			
Progress Energy	14,115				15,234				14,428				16,563			
Duke Energy Progress	5,235				5,323				4,840				5,277			
Duke Energy Florida	4,886				5,408				5,320				6,222			
Duke Energy Ohio	2,188				2,237				1,997				2,117			
Duke Energy Indiana	3,796				4,171				3,702				4,268			

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At both December 31, 2013 and December 31, 2012, fair value of cash and cash equivalents, accounts and notes receivable, accounts payable, and notes payable and commercial paper are not materially different from their carrying amounts because of the short-term nature of these instruments and/or because the stated interest rates approximate market rates.

17. VARIABLE INTEREST ENTITIES

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis to determine whether an entity is a VIE considers contracts with an entity, credit support for an entity, the adequacy of the equity investment of an entity and the relationship of voting power to the amount of equity invested in an entity. This analysis is performed either upon the creation of a legal entity or upon the occurrence of an event requiring reevaluation, such as a significant change in an entity's assets or activities. A qualitative analysis of control determines the party that consolidates a VIE. This assessment is based on (i) what party has the power to direct the most significant activities of the VIE that impact its economic performance, and (ii) what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual reassessment. Other than the discussion below related to CRC, no financial support was provided to any of the VIEs during the years ended December 31, 2013, 2012 and 2011, or is expected to be provided in the future, that was not previously contractually required.

CONSOLIDATED VIEs

The table below shows the VIEs that Duke Energy, Duke Energy Carolinas and Duke Energy Progress consolidate and how these entities impact their respective Consolidated Balance Sheets.

											December 31, 2013										
(in millions)	DERF ^(a)			DEPR ^(b)			CRC			CinCap			Renewables			Other			Total		
ASSETS																					
Current Assets																					
Restricted receivables of variable interest	\$	673		\$	416		\$	595		\$	17		\$	18		\$			\$	1,719	

Explanation of Responses:

(in millions)	DERF ^(a)	CRC	CinCap	Renewables	Other	Total
ASSETS						
Current Assets						
Restricted receivables of variable interest entities	\$ 637	\$ 534	\$ 15	\$ 16	\$ (1)	\$ 1,201
Other			4	133	2	139
Investments and Other Assets						
Other			62	14	2	78
Property, Plant and Equipment						
Property, plant and equipment, cost ^(b)				1,543	15	1,558
Accumulated depreciation and amortization				(98)	(5)	(103)
Regulatory Assets and Deferred Debits						
Other				40		40
Total assets	637	534	81	1,648	13	2,913
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable				1		1
Notes payable and commercial paper		312				312
Taxes accrued				62		62
Current maturities of long-term debt			13	459		472
Other			4	25		29
Long-term Debt^(c)	300		48	504		852
Deferred Credits and Other Liabilities						
Deferred income taxes				154		154
Asset retirement obligation				23		23
Other			10	39		49
Total liabilities	300	312	75	1,267		1,954
Net assets of consolidated variable interest entities	\$ 337	\$ 222	\$ 6	\$ 381	\$ 13	\$ 959
(a)	DERF is consolidated by Duke Energy Carolinas and Duke Energy.					
(b)	Restricted as collateral for non-recourse debt of VIEs.					
(c)	Non-recourse to the general assets of Duke Energy.					

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The obligations of these VIEs are non-recourse to Duke Energy, Duke Energy Carolinas and Duke Energy Progress. These entities have no requirement to provide liquidity to purchase assets of, or guarantee performance of these VIEs unless noted in the following paragraphs.

DERF

On a daily basis, Duke Energy Receivables Finance Company, LLC (DERF), a bankruptcy remote, special purpose subsidiary of Duke Energy Carolinas, buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Carolinas. DERF is a wholly owned limited liability company with a separate legal existence from its parent, and its assets are not generally available to creditors of Duke Energy Carolinas. DERF borrows \$400 million under a credit facility to buy the receivables. Borrowing is limited to the amount of qualified receivables sold, which is expected to be in excess of \$400 million. The receivables are used as collateral for commercial paper issued through third parties. The credit facility expires in October 2016 and is reflected on the Consolidated Balance Sheets as Long-term Debt. The secured credit facility was not structured to meet the criteria for sale accounting treatment under the accounting guidance for transfers and servicing of financial assets.

The most significant activity that impacts the economic performance of DERF is the decisions made to manage delinquent receivables. Duke Energy Carolinas consolidates DERF as it makes those decisions.

DEPR

On a daily basis, Duke Energy Progress Receivables Company, LLC (DEPR), a bankruptcy remote, special purpose subsidiary of Duke Energy Progress formed in 2013, buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Progress. DEPR is a wholly owned limited liability company with a separate legal existence from its parent, and its assets are not generally available to creditors of Duke Energy Progress. DEPR borrows \$300 million under a credit facility to buy the receivables. Borrowing is limited to the amount of qualified receivables sold, which is expected to be in excess of \$300 million. The receivables are used as collateral for commercial paper issued through third parties. The credit facility expires in December 2016 and is reflected on the Consolidated Balance Sheets as Long-term Debt. The secured credit facility was not structured to meet the criteria for sale accounting treatment under the accounting guidance for transfers and servicing of financial assets.

The most significant activity that impacts the economic performance of DEPR is the decisions made to manage delinquent receivables. Duke Energy Progress consolidates DEPR as it makes those decisions.

CRC

On a revolving basis, CRC buys certain accounts receivable arising from the sale of electricity and/or related services from Duke Energy Ohio and Duke Energy Indiana. Receivables sold are securitized by CRC through a facility managed by two unrelated third parties and are used as collateral for commercial paper issued by the unrelated third parties. Proceeds Duke Energy Ohio and Duke Energy Indiana receive from the sale of receivables to CRC are typically 75 percent cash and 25 percent in the form of a subordinated note from CRC. The subordinated note is a retained interest in the receivables sold. Cash collections from the receivable are the sole source of funds to satisfy the related debt obligation. Depending on experience with collections, additional equity infusions to CRC may be required by Duke Energy to maintain a minimum equity balance of \$3 million. There were no infusions to CRC during the years ended December 31, 2013 and 2012. For the year ended December 31, 2011, Duke Energy infused \$6 million of equity to CRC to remedy net worth deficiencies. Borrowings fluctuate based on the amount of receivables sold. The credit facility expires in November 2016. The secured credit facility is reflected on the Consolidated Balance Sheets as Long-term Debt. CRC is considered a VIE because (i) equity capitalization is insufficient to support its operations, (ii) power to direct the most significant activities that impact economic performance of the entity are not performed by the equity holder, Cinergy, and (iii) deficiencies in net worth of CRC are not funded by Cinergy, but by Duke Energy. The most significant activity of CRC relates to the

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decisions made with respect to the management of delinquent receivables. Duke Energy consolidates CRC as it makes these decisions. Neither Duke Energy Ohio nor Duke Energy Indiana consolidate CRC.

CinCap V

CinCap V was created to finance and execute a power sale agreement with Central Maine Power Company for approximately 35 MW of capacity and energy. This agreement expires in 2016. CinCap V is considered a VIE because the equity capitalization is insufficient to support its operations. Duke Energy consolidates CinCap V as it has power to direct the most significant activities that impact the economic performance of the entity, which are the decisions to hedge and finance the power sales agreement.

Renewables

Certain of Duke Energy’s renewable energy facilities are VIEs due to power purchase agreements with terms that approximate the expected life of the projects. These fixed price agreements effectively transfer commodity price risk to the buyer of the power. Certain other of Duke Energy’s renewable energy facilities are VIEs due to Duke Energy issuing guarantees for debt service and operations and maintenance reserves in support of debt financings. Assets are restricted and cannot be pledged as collateral or sold to third parties without prior approval of debt holders. The most significant activities that impact the economic performance of these renewable energy facilities were decisions associated with siting, negotiating purchase power agreements, engineering, procurement and construction, and decisions associated with ongoing operations and maintenance-related activities. Duke Energy consolidated the entities as it makes all of these decisions.

NON-CONSOLIDATED VIEs

The tables below disclose VIEs the Duke Energy Registrants do not consolidate and how these entities impact the Duke Energy Registrants’ respective Consolidated Balance Sheets.

		December 31, 2013																	
		Duke Energy																	
(in millions)		Renewables		Other		Total													

							Duke Energy Ohio ^(a)	Duke Energy Indiana ^(b)
Receivables	\$		\$		\$		\$ 114	\$ 143
Investments in equity method unconsolidated affiliates		153		60		213		
Intangibles				96		96	96	
Investments and other assets				4		4		
Total assets		153		160		313	210	143
Other current liabilities				3		3		
Deferred credits and other liabilities				15		15		
Total liabilities				18		18		
Net assets	\$	153	\$	142	\$	295	\$ 210	\$ 143
(a)	Reflects OVEC and retained interest in CRC.							
(b)	Reflects retained interest in CRC.							
December 31, 2012								
Duke Energy								
(in millions)	DukeNet	Renewables	FPC Capital Trust^(c)	Other	Total	Duke Energy Ohio^(a)	Duke Energy Indiana^(b)	
Receivables	\$	\$	\$	\$	\$	\$ 97	\$ 116	
Investments in equity method unconsolidated affiliates	118	147		27	292			
Intangibles				104	104	104		
Investments and other assets			9	2	11			
Total assets	118	147	9	133	407	201	116	
Other current liabilities				3	3			
Deferred credits and other liabilities				17	336			
Total liabilities			319	20	339			
Net assets (liabilities)	\$ 118	\$ 147	\$ (310)	\$ 113	\$ 68	\$ 201	\$ 116	
(a)	Reflects OVEC and retained interest in CRC.							
(b)	Reflects retained interest in CRC.							
(c)	The entire balance of Investments and other assets and \$274 million of the Deferred Credits and Other Liabilities balance applies to Progress Energy.							

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Until December 31, 2013, Duke Energy owned a 50 percent ownership interest in DukeNet. DukeNet was considered a VIE because it has entered into certain contractual arrangements that provide it with additional forms of subordinated financial support. The most significant activities that impacted DukeNet's economic performance relate to its business development and fiber optic capacity marketing and management activities. The power to direct these activities was jointly and equally shared by Duke Energy and the other joint venture partner.

On December 31, 2013, Duke Energy completed the sale of its ownership interest in DukeNet to Time Warner Cable, Inc. For more information on the sale of DukeNet, refer to Note 12.

Renewables

Duke Energy has investments in various renewable energy project entities. Some of these entities are VIEs due to power purchase agreements with terms that approximate the expected life of the project. These fixed price agreements effectively transfer commodity price risk to the buyer of the power. Duke Energy does not consolidate these VIEs because power to direct and control key activities is shared jointly by Duke Energy and other owners.

FPC Capital I Trust

At December 31, 2012, Progress Energy had variable interests in the FPC Capital I Trust (the Trust). The Trust, a finance subsidiary, was established for the sole purpose of issuing \$300 million of 7.10% Cumulative QUIPS due 2039, and using the proceeds thereof to purchase \$300 million of 7.10% Junior Subordinated Deferrable Interest Notes due 2039 from Florida Progress Funding Corporation (Funding Corp.). Funding Corp. was formed for the sole purpose of providing financing to Duke Energy Florida. On February 1, 2013, Duke Energy redeemed the QUIPS and subsequently terminated the Trust.

Other

The most significant of the Other non-consolidated VIEs is Duke Energy Ohio's 9 percent ownership interest in OVEC. Through its ownership interest in OVEC, Duke Energy Ohio has a contractual arrangement to buy power from OVEC's power plants through June 2040. Proceeds from the sale of power by OVEC to its power purchase agreement counterparties are designed to be sufficient to meet its operating expenses, fixed costs, debt amortization and, interest expense, as well as earn a return on equity. Accordingly, the value of this contract is subject to variability due to fluctuations in power prices and changes in OVEC's costs of business, including costs associated with its 2,256 MW of coal-fired generation capacity. As

discussed in Note 5, proposed environmental rulemaking could increase the costs of OVEC, which would be passed through to Duke Energy Ohio. The initial carrying value of this contract was recorded as an intangible asset when Duke Energy acquired Cinergy in April 2006. This amount is included in the table above for Duke Energy and Duke Energy Ohio.

In addition, Duke Energy has guaranteed performance of certain entities in which it no longer has an equity interest.

CRC

See discussion under Consolidated VIEs for additional information related to CRC.

The subordinated notes held by Duke Energy Ohio and Duke Energy Indiana are stated at fair value and are classified within Receivables in their Consolidated Balance Sheets. Carrying values of retained interests are determined by allocating carrying value of the receivables between assets sold and interests retained based on relative fair value. The allocated basis of the subordinated notes are not materially different than their face value because (i) the receivables generally turnover in less than two months, (ii) credit losses are reasonably predictable due to the broad customer base and lack of significant concentration, and (iii) the equity in CRC is subordinate to all retained interests and thus would absorb losses first. The hypothetical effect on fair value of the retained interests assuming both a 10 percent and a 20 percent unfavorable variation in credit losses or discount rates is not material due to the short turnover of receivables and historically low credit loss history. Interest accrues to Duke Energy Ohio and Duke Energy Indiana on the retained interests using the acceptable yield method. This method generally approximates the stated rate on the notes since the allocated basis and the face value are nearly equivalent. An impairment charge is recorded against the carrying value of both retained interests and purchased beneficial interest whenever it is determined that an other-than-temporary impairment has occurred.

The following table shows the gross and net receivables sold.									
		Duke Energy Ohio				Duke Energy Indiana			
		December 31,				December 31,			
(in millions)		2013		2012		2013		2012	
Receivables sold		\$	290	\$	282	\$	340	\$	289
Less: Retained interests			114		97		143		116
Net receivables sold		\$	176	\$	185	\$	197	\$	173
Key assumptions used in estimating the fair value in 2013 and 2012 is detailed in the following table.									
		Duke Energy Ohio				Duke Energy Indiana			
		2013		2012		2013		2012	
Anticipated credit loss ratio		0.6	%	0.7	%	0.3	%	0.3	%
Discount rate		1.2	%	1.2	%	1.2	%	1.2	%
Receivable turnover rate		12.8	%	12.7	%	10.3	%	10.2	%
The following tables show sales and cash flows related to receivables sold.									
		Duke Energy Ohio				Duke Energy Indiana			

(in millions)	Years Ended December 31,						Years Ended December 31,					
	2013		2012		2011		2013		2012		2011	
Sales												
Receivables sold	\$	2,251	\$	2,154	\$	2,390	\$	2,985	\$	2,773	\$	2,658
Loss recognized on sale		12		13		21		11		12		16
Cash Flows												
Cash proceeds from receivables sold		2,220		2,172		2,474		2,944		2,784		2,674
Collection fees received		1		1		1		1		1		1
Return received on retained interests		5		5		12		6		7		13

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Cash flows from the sale of receivables are reflected within Operating Activities on Duke Energy Ohio’s and Duke Energy Indiana’s Consolidated Statements of Cash Flows.

Collection fees received in connection with the servicing of transferred accounts receivable are included in Operation, maintenance and other on Duke Energy Ohio’s and Duke Energy Indiana’s Consolidated Statements of Operations and Comprehensive Income. The loss recognized on sales of receivables is calculated monthly by multiplying the receivables sold during the month by the required discount. The required discount is derived monthly utilizing a three-year weighted-average formula that considers charge-off history, late charge history, and turnover history on the sold receivables, as well as a component for the time value of money. The discount rate, or component for the time value of money, is calculated monthly by summing the prior month-end LIBOR plus a fixed rate of 1.00 percent.

18. COMMON STOCK

Basic Earnings Per Share (EPS) is computed by dividing net income attributable to Duke Energy common shareholders, adjusted for distributed and undistributed earnings allocated to participating securities, by the weighted-average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income attributable to Duke Energy common shareholders, as adjusted for distributed and undistributed earnings allocated to participating securities, by the diluted weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other agreements to issue common stock, such as stock options, phantom shares and stock-based performance unit awards were exercised or settled. Duke Energy’s participating securities are restricted stock units that are entitled to dividends declared on Duke Energy common shares during the restricted stock units’ vesting period.

On July 2, 2012, just prior to the close of the merger with Progress Energy, Duke Energy executed a one-for-three reverse stock split. All earnings per share amounts included in this 10-K are presented as if the one-for-three reverse stock split had been effective January 1, 2011. The following table presents Duke Energy’s basic and diluted EPS calculations and reconciles the weighted-average number of common shares outstanding to the diluted weighted-average number of common shares outstanding.

(In millions, except per-share amounts)	Income	Average Shares	EPS
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2013						
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic and diluted	\$	2,640		706		\$ 3.74
2012						
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic	\$	1,727		574		\$ 3.01
Effect of dilutive securities:						
Stock options, performance and restricted stock				1		
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — diluted	\$	1,727		575		\$ 3.01
2011						
Income from continuing operations attributable to Duke Energy common shareholders, as adjusted for participating securities — basic and diluted	\$	1,702		444		\$ 3.83

As of December 31, 2013, 2012 and 2011, 2 million, 1 million and 3 million, respectively, of stock options and performance and unvested stock awards were not included in the dilutive securities calculation in the above table because either the option exercise prices were greater than the average market price of the common shares during those periods, or performance measures related to the awards had not yet been met.

For the years ended December 31, 2013, 2012 and 2011, Duke Energy declared dividends of \$3.09 per share, \$3.03 per share and \$2.97 per share, respectively.

19. SEVERANCE

2011 SEVERANCE PLAN

In conjunction with the merger with Progress Energy, in November 2011 Duke Energy and Progress Energy offered a voluntary severance plan to certain eligible employees. As this was a voluntary severance plan, all severance benefits offered under this plan are considered special termination benefits under U.S. GAAP. Special termination benefits are measured upon employee acceptance and recorded immediately absent any significant retention period. If a significant retention period exists, the cost of the special termination benefits are recorded ratably over the retention period. Approximately 1,100 employees from Duke Energy and Progress Energy requested severance

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during the voluntary window, which closed on November 30, 2011. The estimated amount of future severance expense associated with this voluntary plan through 2014 are not material.

Additionally, in the third quarter of 2012, a voluntary severance plan was offered to certain unionized employees of Duke Energy Ohio. Approximately 75 employees accepted the termination benefits during the voluntary window, which closed on October 8, 2012. The expense associated with this plan was not material.

In conjunction with the retirement of Crystal River Unit 3, severance benefits have been made available to certain eligible impacted unionized and non-unionized employees, to the extent that those employees do not find job opportunities at other locations. Approximately 600 employees worked at Crystal River Unit 3. For the year ended December 31, 2013, Duke Energy Florida deferred \$26 million of severance costs as a regulatory asset. Severance costs expected to be accrued over the remaining retention period for employees identified to have a significant retention period is not material. However, these employees maintain the ability to accept job opportunities at other Duke Energy locations, which would result in severance not being paid. If a significant amount of these individuals redeploy within Duke Energy, the final severance benefits paid under the plan may be less than what has been accrued to date. Refer to Note 4 for further discussion regarding Crystal River Unit 3.

Amounts included in the table below represent direct and allocated severance and related expense recorded by the Duke Energy Registrants, and are recorded in Operation, maintenance and other within Operating Expenses on the Consolidated Statements of Operations. The Duke Energy Registrants recorded insignificant amounts for severance expense during 2011 for past and ongoing severance plans.				
		Years Ended December 31,		
(in millions)		2013	2012	
Duke Energy ^(a)	\$	34	\$	201
Duke Energy Carolinas		8		63
Progress Energy		19		82
Duke Energy Progress		14		55
Duke Energy Florida		5		27
Duke Energy Ohio		2		21
Duke Energy Indiana		2		18

(a)	Includes \$5 million and \$14 million of accelerated stock award expense and \$2 million and \$19 million of COBRA and healthcare reimbursement expenses for 2013 and 2012, respectively.
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Amounts included in the table below represent the severance liability for past and ongoing severance plans. Amounts for Subsidiary Registrants do not include allocated expense or associated cash payments. Amounts for Duke Energy Ohio and Duke Energy Indiana are not material.

(in millions)	Balance at December 31, 2012	Provision / Adjustments	Cash Reductions	Balance at December 31, 2013
Duke Energy	\$ 135	\$ 52	\$ (123)	\$ 64
Duke Energy Carolinas	12	6	(13)	5
Progress Energy	43	49	(48)	44
Duke Energy Progress	23	8	(20)	11
Duke Energy Florida	6	31	(13)	24

As part of Duke Energy Carolinas' 2011 rate case, the NCUC approved the recovery of \$101 million of previously recorded expenses related to a prior year Voluntary Opportunity Plan. This amount was recorded as a reduction to Operation, maintenance, and other within Operating Expenses on the Consolidated Statements of Operations and recognized as a Regulatory asset on the Consolidated Balance Sheets in 2012.

20. STOCK-BASED COMPENSATION

Duke Energy's 2010 Long-Term Incentive Plan (the 2010 Plan) reserved 25 million shares of common stock for awards to employees and outside directors. Duke Energy has historically issued new shares upon exercising or vesting of share-based awards. However, Duke Energy may use a combination of new share issuances and open market repurchases for share-based awards that are exercised or become vested in the future. Duke Energy has not determined with certainty the amount of such new share issuances or open market repurchases.

The 2010 Plan allows for a maximum of 6.25 million shares of common stock to be issued under various stock-based awards other than options and stock appreciation rights.

In connection with the acquisition of Progress Energy in July 2012, Duke Energy assumed Progress Energy's 2007 Equity Incentive Plan (EIP). Stock-based awards granted under the Progress Energy EIP and held by Progress Energy employees were generally converted into outstanding Duke Energy stock-based compensation awards. The estimated fair value of these awards allocated to purchase price was \$62 million. Refer to Note 2 for further information regarding the merger transaction.

The following table summarizes the total expense recognized by each of the Duke Energy Registrants, net of tax, for stock-based compensation.

										Years Ended December 31,

(in millions)	2013		2012		2011	
Duke Energy	\$	52	\$	48	\$	32
Duke Energy Carolinas		13		12		17
Progress Energy		23		25		20
Duke Energy Progress		14		16		12
Duke Energy Florida		9		9		8
Duke Energy Ohio		4		4		6
Duke Energy Indiana		4		4		4

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Pretax stock-based compensation costs, the tax benefit associated with stock-based compensation expense, and stock-based compensation costs capitalized are included in the following table.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Stock options	\$ 2	\$ 2	\$ 2
Restricted stock unit awards	49	43	27
Performance awards	34	33	23
Pretax stock-based compensation cost	\$ 85	\$ 78	\$ 52
Tax benefit associated with stock-based compensation expense	\$ 33	\$ 30	\$ 20
Stock-based compensation costs capitalized	3	2	2

STOCK OPTIONS

The following table summarizes information about stock options outstanding.

	Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Life	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2012	1,654	\$ 51		
Granted	310	69		
Exercised	(1,162)	48		
Forfeited or expired	(9)	41		
Outstanding at December 31, 2013	793	61	7y, 3m	\$ 6
Exercisable at December 31, 2013	137	46	1y, 5m	3
Options expected to vest	656	64	8y, 5m	3

The exercise price of each option granted cannot be less than the market price of Duke Energy's common stock on the date of grant and the maximum option term is 10 years. The vesting periods range from immediate to three years. Options granted in 2013 and 2012 were expensed immediately; therefore, there is no future compensation cost associated with these options. The following table includes information related to Duke Energy's stock options.

(in millions)	Years Ended December 31,		
	2013	2012	2011
Intrinsic value of options exercised	\$ 26	\$ 17	\$ 26
Tax benefit related to options exercised	10	7	10
Cash received from options exercised	9	21	74
Stock options granted (in thousands)	310	340	358

The following assumptions were used to determine the grant date fair value of stock options granted in 2013.

Risk-free interest rate ^(a)	1.0 %
Expected dividend yield ^(b)	4.7 %
Expected life ^(c)	6 years
Expected volatility ^(d)	18.1 %
(a)	The risk-free rate is based upon the average of five-year and seven-year U.S. Treasury Constant Maturity rates as of the grant date.
(b)	The expected dividend yield is based upon the most recent annualized dividend and the one-year average closing stock price.
(c)	The expected life of options is derived from the simplified method approach.
(d)	Volatility is based equally between historical and implied volatility. Historic volatility is based on Duke Energy's historical volatility over the expected life using daily stock prices. Implied volatility is the average for all option contracts with a term greater than six months using the strike price closest to the stock price on the valuation date.

RESTRICTED STOCK UNIT AWARDS

Restricted stock unit awards issued and outstanding generally vest over periods from immediate to three years. The following table includes information related to restricted stock unit awards.

	Years Ended December 31,		
	2013	2012	2011
Shares awarded (in thousands)	612	443	636
Fair value (in millions) ^(a)	\$ 42	\$ 28	\$ 34
(a)	Based on the market price of Duke Energy's common stock at the grant date.		

The following table summarizes information about restricted stock unit awards outstanding.

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The total grant date fair value of shares vested during the years ended December 31, 2013, 2012 and 2011 was \$50 million, \$34 million and \$19 million, respectively. At December 31, 2013, Duke Energy had \$21 million of unrecognized compensation cost, which is expected to be recognized over a weighted-average period of 1 year and 9 months.

PERFORMANCE AWARDS

Stock-based awards issued and outstanding generally vest over three years if performance targets are met.

Certain performance awards granted in 2013, 2012 and 2011 contain market conditions based on the total shareholder return (TSR) of Duke Energy stock relative to a pre-defined peer group (relative TSR). These awards are valued using a path-dependent model that incorporates expected relative TSR into the fair value determination of Duke Energy’s performance-based share awards. The model uses three-year historical volatilities and correlations for all companies in the pre-defined peer group, including Duke Energy, to simulate Duke Energy’s relative TSR as of the end of the performance period. For each simulation, Duke Energy’s relative TSR associated with the simulated stock price at the end of the performance period plus expected dividends within the period results in a value per share for the award portfolio. The average of these simulations is the expected portfolio value per share. Actual life to date results of Duke Energy’s relative TSR for each grant is incorporated within the model.

Other performance awards not containing market conditions were awarded in 2012 and 2011. The performance goal for these awards is Duke Energy’s return on equity over a three-year period. Awards are measured at grant date price.

The following table includes information related to performance awards.

	Years Ended December 31,		
	2013	2012	2011
Shares awarded (in thousands)	633	352	432
Fair value (in millions)	\$ 28	\$ 19	\$ 20
The following table summarizes information about stock-based performance awards outstanding at the maximum level.			

	Shares (in thousands)	Weighted-Average Per Share Grant Date Fair Value	
Outstanding at December 31, 2012	2,346	\$	47
Granted	633		45
Vested	(858)		49
Forfeited	(299)		46
Outstanding at December 31, 2013	1,822		46
Stock-based performance awards expected to vest	1,646		47

The total grant date fair value of shares vested during the years ended December 31, 2013, 2012 and 2011 was \$42 million, \$56 million and \$33 million, respectively. At December 31, 2013, Duke Energy had \$22 million of unrecognized compensation cost, which is expected to be recognized over a weighted-average period of 1 year and 11 months.

21. EMPLOYEE BENEFIT PLANS

DEFINED Benefit Retirement Plans

Duke Energy maintains, and the Subsidiary Registrants participate in, qualified, non-contributory defined benefit retirement plans. The plans cover most U.S. employees using a cash balance formula. Under a cash balance formula, a plan participant accumulates a retirement benefit consisting of pay credits based upon a percentage of current eligible earnings based on age and/or years of service and interest credits. Certain employees are covered under plans that use a final average earnings formula. As of January 1, 2014, these defined benefit plans are closed to new participants. Under these average earnings formulas, a plan participant accumulates a retirement benefit equal to the sum of percentages of their (i) highest three-year or four-year average earnings, (ii) highest three-year or four-year average earnings in excess of covered compensation per year of participation (maximum of 35 years), and/or (iii) highest three or four-year average earnings times years of

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participation in excess of 35 years. Duke Energy also maintains, and the Subsidiary Registrants participate in, non-qualified, non-contributory defined benefit retirement plans which cover certain executives.

Duke Energy uses a December 31 measurement date for its defined benefit retirement plan assets and obligations.

Net periodic benefit costs disclosed in the tables below represent the cost of the respective benefit plan for the periods presented. However, portions of the net periodic benefit costs disclosed in the tables below have been capitalized as a component of property, plant and equipment. Amounts presented in the tables below for the Subsidiary Registrants represent the amounts of pension and other post-retirement benefit cost allocated by Duke Energy for employees of the Subsidiary Registrants. Additionally, the Subsidiary Registrants are allocated their proportionate share of pension and post-retirement benefit cost for employees of Duke Energy’s shared services affiliate that provide support to the Subsidiary Registrants. These allocated amounts are included in the governance and shared service costs discussed in Note 13.

Duke Energy’s policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefit payments to be paid to plan participants. The following table includes information related to the Duke Energy Registrants’ contributions to its U.S. qualified defined benefit pension plans.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Anticipated Contributions:							
2014	\$ 143	\$ 42	\$ 51	\$ 21	\$ 21	\$ 4	\$ 9
Contributions Made:							
2013	\$ 250	\$ —	\$ 250	\$ 63	\$ 133	\$ —	\$ —
2012	304	—	346	141	128	—	—
2011	200	33	334	217	112	48	52
QUALIFIED PENSION PLANS							

Components of Net Periodic Pension Costs								
Year Ended December 31, 2013								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Service cost	\$ 167	\$ 49	\$ 60	\$ 22	\$ 30	\$ 6	\$ 11	
Interest cost on projected benefit obligation	320	80	116	50	53	21	28	
Expected return on plan assets	(549)	(148)	(199)	(94)	(87)	(31)	(46)	
Amortization of actuarial loss	244	60	101	46	49	13	24	
Amortization of prior service (credit) cost	(11)	(6)	(4)	(1)	(2)		1	
Other	7	2	2	1	1		1	
Net periodic pension costs ^{(a)(b)}	\$ 178	\$ 37	\$ 76	\$ 24	\$ 44	\$ 9	\$ 19	
Year Ended December 31, 2012								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Service cost	\$ 122	\$ 35	\$ 63	\$ 25	\$ 30	\$ 6	\$ 9	
Interest cost on projected benefit obligation	307	90	127	58	56	31	30	
Expected return on plan assets	(472)	(146)	(188)	(96)	(81)	(45)	(46)	
Amortization of actuarial loss	144	45	93	37	48	10	15	
Amortization of prior service cost (credit)	10	1	9	8	(1)	1	1	
Other	6	2	2	1	1			
Net periodic pension	\$ 117	\$ 27	\$ 106	\$ 33	\$ 53	\$ 3	\$ 9	

costs ^{(a)(b)}								
Year Ended December 31, 2011								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Service cost	\$ 96	\$ 37	\$ 51	\$ 20	\$ 24	\$ 7	\$ 11	
Interest cost on projected benefit obligation	232	85	132	61	57	32	30	
Expected return on plan assets	(384)	(150)	(182)	(91)	(78)	(44)	(45)	
Amortization of actuarial loss	77	37	66	25	33	7	14	
Amortization of prior service cost	6	1	7	6		1	2	
Other	18	7				2	2	
Net periodic pension costs ^{(a)(b)}	\$ 45	\$ 17	\$ 74	\$ 21	\$ 36	\$ 5	\$ 14	
(a)	Duke Energy amounts exclude \$12 million, \$14 million and \$14 million for the years ended December 2013, 2012, and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.							
(b)	Duke Energy Ohio amounts exclude \$6 million, \$6 million and \$7 million for the years ended December 2013, 2012, and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.							
Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets								
Year Ended December 31, 2013								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Regulatory assets, net decrease	\$ (788)	\$ (205)	\$ (253)	\$ (109)	\$ (146)	\$ (96)	\$ (99)	
Accumulated other comprehensive (income) loss								
Deferred income tax	\$ 18	\$	\$	\$	\$	\$	\$	

benefit																			
Actuarial gains arising during the year		(33)					(2)												
Prior year service credit arising during the year		(1)																	
Amortization of prior year actuarial losses		(15)					(3)												
Reclassification of actuarial losses to regulatory assets		3																	
Net amount recognized in accumulated other comprehensive income	\$	(28)	\$		\$	(5)	\$		\$		\$		\$		\$			\$	
Year Ended December 31, 2012																			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana												
Regulatory assets, net increase (decrease)	\$ 976	\$ (111)	\$ (76)	\$ (89)	\$ 23	\$ 22	\$ 17												
Accumulated other comprehensive (income) loss																			
Deferred income tax benefit	\$ 14	\$	\$	\$	\$	\$ 15	\$												
Reclassification of actuarial losses to an affiliate						(48)													
Actuarial (gains) losses arising during the year	(2)						3												

Prior year service credit arising during the year	(7)																		
Amortization of prior year actuarial losses	(13)				(2)									(3)					
Reclassification of actuarial losses to regulatory assets	(20)													(1)					
Amortization of prior year service cost	(1)				(1)									(1)					
Net amount recognized in accumulated other comprehensive income	\$ (29)	\$		\$		\$		\$		\$		\$		\$ (38)	\$				
Reconciliation of Funded Status to Net Amount Recognized																			
Year Ended December 31, 2013																			
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana												
Change in Projected Benefit Obligation																			
Obligation at prior measurement date	\$ 8,030	\$ 2,028	\$ 2,868	\$ 1,264	\$ 1,309	\$ 527	\$ 684												
Service cost	167	49	60	22	30	6	11												
Interest cost	320	80	116	50	53	21	28												
Actuarial gains	(399)	(73)	(118)	(26)	(75)	(71)	(56)												
Transfers		(26)	(7)	(45)	(17)	(2)	(2)												
Plan amendments	(41)	(13)	(19)	(8)	(7)														
Benefits paid	(567)	(170)	(161)	(85)	(60)	(39)	(33)												
Obligation at measurement	\$ 7,510	\$ 1,875	\$ 2,739	\$ 1,172	\$ 1,233	\$ 442	\$ 632												

Transfers			176						(167)					
Plan amendments		(170)	(52)	(64)	(43)	(10)					(1)			
Benefits paid		(448)	(125)	(153)	(73)	(66)			(38)		(43)			
Obligation at measurement date	\$	8,030	\$	2,028	\$	2,868	\$	1,264	\$	1,309	\$	527	\$	684
Accumulated Benefit Obligation at measurement date	\$	7,843	\$	2,028	\$	2,820	\$	1,264	\$	1,261	\$	501	\$	653
Change in Fair Value of Plan Assets														
Plan assets at prior measurement date	\$	4,741	\$	1,820	\$	2,191	\$	1,091	\$	969	\$	565	\$	582
Assets received from acquisition		2,285												
Actual return on plan assets		872		280		263		130		119		86		88
Benefits paid		(448)		(125)		(153)		(73)		(66)		(38)		(43)
Transfers				176								(167)		
Employer contributions		304				346		141		128				
Plan assets at measurement date	\$	7,754	\$	2,151	\$	2,647	\$	1,289	\$	1,150	\$	446	\$	627
Funded status of plan	\$	(276)	\$	123	\$	(221)	\$	25	\$	(159)	\$	(81)	\$	(57)
Amounts Recognized in the Consolidated Balance Sheets														
December 31, 2013														
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana							
Prefunded pension ^(a)	\$	632	\$	287	\$	230	\$	158	\$	66	\$	2	\$	75
Noncurrent	\$		\$		\$	25	\$		\$		\$	(4)	\$	53

Net asset (liability) recognized																				
Regulatory assets	\$	2,387	\$	582	\$	1,079	\$	472	\$	541	\$	144	\$	246						
Accumulated other comprehensive (income) loss																				
Deferred income tax asset	\$	(59)	\$		\$	(9)	\$		\$		\$		\$							
Prior service credit		(4)																		
Net actuarial loss		166				26														
Net amounts recognized in accumulated other comprehensive loss ^(b)	\$	103	\$		\$	17	\$		\$		\$		\$							
(a)	Included in Other within Investments and Other Assets on the Consolidated Balance Sheets.																			
(b)	Excludes accumulated other comprehensive income of \$16 million and \$9 million as of 2013 and 2012, respectively, net of tax, associated with a Brazilian retirement plan.																			
Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets																				
As of December 31, 2013, no qualified pension plans had an accumulated benefit obligation in excess of plan assets.																				
December 31, 2012																				
(in millions)		Duke Energy		Progress Energy		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana										
Projected benefit obligation	\$	5,396	\$	2,868	\$	1,309	\$	527	\$	684										
Accumulated benefit obligation		5,201		2,820		1,261		501		653										
Fair value of plan assets		4,957		2,647		1,150		446		627										

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Assumptions Used for Pension Benefits Accounting

The discount rate used to determine the current year pension obligation and following year’s pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan’s projected benefit payments discounted at this rate with the market value of the bonds selected.

The average remaining service period of active covered employees is nine years for Duke Energy, Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana and eight years for Progress Energy, Duke Energy Progress and Duke Energy Florida.

The following tables present the assumptions used for pension benefit accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic pension cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy						Progress Energy					
	December 31,						December 31,					
	2013		2012		2011		2013		2012		2011	
Benefit Obligations												
Discount rate	4.70 %		4.10 %		5.10 %		4.70 %		4.10 %		4.75 %	
Salary increase	4.40 %		4.30 %		4.40 %		4.00 %		4.00 %		4.00 %	
Net Periodic Benefit Cost												
Discount rate	4.10 %	4.60-5.10 %			5.00 %		4.10 %	4.60-4.75 %			5.55 %	
Salary increase	4.30 %		4.40 %		4.10 %		4.00 %		4.00 %		4.50 %	
Expected long-term rate of return on plan assets	7.75 %		8.00 %		8.25 %		7.75 %	8.00-8.25 %			8.50 %	
Expected Benefit Payments												
(in millions)												

	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ending December 31,							
2014	\$ 667	\$ 224	\$ 190	\$ 98	\$ 68	\$ 36	\$ 47
2015	643	218	185	92	71	35	45
2016	640	212	190	93	74	34	46
2017	633	205	191	91	77	34	44
2018	623	196	194	91	80	34	46
2019 - 2023	2,933	807	969	422	430	171	227

NON-QUALIFIED PENSION PLANS**Components of Net Periodic Pension Costs**

Year Ended December 31, 2013							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	\$ 3	\$	\$ 1	\$ 1	\$	\$	\$
Interest cost on projected benefit obligation	13	1	7	1	1		
Amortization of actuarial loss	5		3	1	1		
Amortization of prior service credit	(1)		(1)				
Net periodic pension costs	\$ 20	\$ 1	\$ 10	\$ 3	\$ 2	\$	\$
Year Ended December 31, 2012							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Service cost	\$ 2	\$	\$ 2	\$ 1	\$	\$	\$
Interest cost on projected benefit obligation	12	1	8	1	2		
Amortization of actuarial loss	4		5	1			
Amortization of prior service cost (credit)	1		(1)				
Net periodic pension costs	\$ 19	\$ 1	\$ 14	\$ 3	\$ 2	\$	\$

Year Ended December 31, 2011														
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
Service cost	\$	1	\$		\$	2	\$	1	\$		\$		\$	
Interest cost on projected benefit obligation		8		1		9		2		2				
Amortization of actuarial loss						3				1				
Amortization of prior service cost		2												
Net periodic pension costs	\$	11	\$	1	\$	14	\$	3	\$	3	\$		\$	
Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities														
Year Ended December 31, 2013														
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
Regulatory assets, net (decrease) increase	\$	(14)	\$	1	\$	(16)	\$	(4)	\$	(3)	\$		\$	(2)
Regulatory liabilities, net increase	\$	5	\$		\$		\$		\$		\$		\$	
Accumulated other comprehensive (income) loss														
Deferred income tax benefit	\$		\$		\$	1	\$		\$		\$		\$	
Actuarial losses (gains) arising during the year		2				(5)								
Prior year service credit arising during the year		(1)												
Net amount recognized in accumulated other comprehensive	\$	1	\$		\$	(4)	\$		\$		\$		\$	

Year Ended December 31, 2012									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		
loss (income)									
Regulatory assets, net increase (decrease)	\$ 34	\$	\$ (6)	\$ (2)	\$ 1	\$	\$		
Regulatory liabilities, net increase	\$ (8)	\$	\$	\$	\$	\$	\$		
Accumulated other comprehensive (income) loss									
Deferred income tax benefit	\$	\$	\$ (1)	\$	\$	\$	\$		
Actuarial (gains) losses arising during the year	(2)		3						
Net amount recognized in accumulated other comprehensive (income) loss	\$ (2)	\$	\$ 2	\$	\$	\$	\$		
Reconciliation of Funded Status to Net Amount Recognized									
Year Ended December 31, 2013									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		
Change in Projected Benefit Obligation									
Obligation at prior measurement date	\$ 335	\$ 16	\$ 176	\$ 38	\$ 45	\$ 4	\$ 5		
Service cost	3		1	1					
Interest cost	13	1	7	1	1				
Actuarial losses	(15)	1	(11)	(3)	(3)	(1)			
Settlements	(5)								
	(1)								

Obligation at measurement date	\$	335	\$	16	\$	176	\$	38	\$	45	\$	4	\$	5
Accumulated Benefit Obligation at measurement date	\$	332	\$	16	\$	175	\$	36	\$	44	\$	4	\$	5
Change in Fair Value of Plan Assets														
Plan assets at prior measurement date	\$		\$		\$		\$		\$		\$		\$	
Benefits paid		(24)		(4)		(10)		(2)		(3)				
Employer contributions		24		4		10		2		3				
Plan assets at measurement date	\$		\$		\$		\$		\$		\$		\$	
Amounts Recognized in the Consolidated Balance Sheets														
December 31, 2013														
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana
Current pension liability ^(a)	\$	30	\$	2	\$	11	\$	2	\$	3	\$		\$	
Noncurrent pension liability		274		13		129		32		36		3		5
Total accrued pension liability	\$	304	\$	15	\$	140	\$	34	\$	39	\$	3	\$	5
Regulatory assets	\$	45	\$	4	\$	18	\$	3	\$	6	\$		\$	
Regulatory liabilities	\$	7	\$		\$		\$		\$		\$		\$	
Accumulated other comprehensive (income) loss														
Deferred income tax asset	\$		\$		\$	(3)	\$		\$		\$		\$	
Prior service credit		(1)												
Net actuarial loss		1				7								

Net amounts recognized in accumulated other comprehensive loss	\$		\$		\$	4	\$		\$		\$		\$	
Amounts to be recognized in net periodic pension expense in the next year														
Unrecognized net actuarial loss	\$	5	\$		\$	2	\$	1	\$		\$		\$	
Unrecognized prior service credit		(1)				(1)		(1)						
December 31, 2012														
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana	
Current pension liability ^(a)	\$	30	\$	3	\$	11	\$	2	\$	3	\$		\$	
Noncurrent pension liability		305		13		165		36		42		4		5
Total accrued pension liability	\$	335	\$	16	\$	176	\$	38	\$	45	\$	4	\$	5
Regulatory assets	\$	59	\$	3	\$	34	\$	7	\$	9	\$		\$	2
Regulatory liabilities	\$	2	\$		\$		\$		\$		\$		\$	
Accumulated other comprehensive (income) loss														
Deferred income tax asset	\$		\$		\$	(4)	\$		\$		\$		\$	
Net actuarial (gain) loss		(1)				12								
Net amounts recognized in accumulated other comprehensive (income) loss	\$	(1)	\$		\$	8	\$		\$		\$		\$	
(a)	Included in Other within Current Liabilities on the Consolidated Balance Sheets.													

Information for Plans with Accumulated Benefit Obligation in Excess of Plan Assets													
	December 31, 2013												
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana
Projected benefit obligation	\$ 304		\$ 15		\$ 140		\$ 34		\$ 39		\$ 3		\$ 5
Accumulated benefit obligation	302		15		140		34		39		3		5
	December 31, 2012												
(in millions)	Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana
Projected benefit obligation	\$ 335		\$ 16		\$ 176		\$ 38		\$ 45		\$ 4		\$ 5
Accumulated benefit obligation	332		16		175		36		44		4		5

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Combined Notes To Consolidated Financial Statements – (Continued)

Assumptions Used for Pension Benefits Accounting

The discount rate used to determine the current year pension obligation and following year’s pension expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates the present value of the plan’s projected benefit payments discounted at this rate with the market value of the bonds selected.

The average remaining service period of active covered employees is 13 years for Duke Energy and Progress Energy, nine years for Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana, 12 years for Duke Energy Progress and 17 years for Duke Energy Florida.

The following tables present the assumptions used for pension benefit accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic pension cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy						Progress Energy					
	December 31,						December 31,					
	2013		2012		2011		2013		2012		2011	
Benefit Obligations												
Discount rate	4.70	%	4.10	%	5.10	%	4.70	%	4.10	%	4.80	%
Salary increase	4.40	%	4.30	%	4.40	%		%		%	5.25	%
Net Periodic Benefit Cost												
Discount rate	4.10	%	4.60-5.10	%	5.00	%	4.10	%	4.60-4.80	%	5.60	%
Salary increase	4.30	%	4.40	%	4.10	%		%		%	5.25	%
Expected Benefit Payments												
	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana					
(in millions)												

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Years ending December 31,																					
2014	\$	31		\$	3		\$	11		\$	2		\$	3		\$				\$	
2015		28			2			11			2			3							
2016		26			2			11			2			3							
2017		27			2			11			2			3							
2018		24			2			11			2			3							
2019 - 2023		112			6			52			13			15					1		2

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Other Post-Retirement Benefit Plans

Duke Energy provides, and the Subsidiary Registrants participate in, some health care and life insurance benefits for retired employees on a contributory and non-contributory basis. Employees are eligible for these benefits if they have met age and service requirements at retirement, as defined in the plans. The health care benefits include medical, dental, and prescription drug coverage and are subject to certain limitations, such as deductibles and co-payments.

Duke Energy did not make any pre-funding contributions to its other post-retirement benefit plans during the years ended December 31, 2013, 2012 or 2011.

Components of Net Periodic Other Post-Retirement Benefit Costs													
Year Ended December 31, 2013													
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Service cost	\$ 24	\$ 2	\$ 18	\$ 9	\$ 7	\$ 1	\$ 1						
Interest cost on accumulated post-retirement benefit obligation	68	13	41	22	16	2	5						
Expected return on plan assets	(14)	(11)				(1)	(1)						
Amortization of actuarial loss (gain)	52	3	57	34	16	(1)	1						
Amortization of prior service credit	(41)	(7)	(30)	(20)	(6)	(1)							
Net periodic post-retirement benefit costs ^{(a)(b)}	\$ 89	\$	\$ 86	\$ 45	\$ 33	\$	\$ 6						

		Year Ended December 31, 2012																		
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana						
Service cost	\$	16		\$	2		\$	17		\$	8		\$	7		\$	1		\$	1
Interest cost on accumulated post-retirement benefit obligation		56		15		43		23		18		3		6						
Expected return on plan assets		(17)		(10)		(2)				(2)		(1)		(1)						
Amortization of actuarial loss (gain)		14		3		35		20		12		(2)								
Amortization of prior service credit		(8)		(5)								(1)								
Amortization of net transition liability		10		7		4				3										
Special termination benefit cost		9		1		5		2		1										
Net periodic post-retirement benefit costs ^{(a)(b)}	\$	80		\$	13		\$	102		\$	53		\$	39		\$			\$	6
		Year Ended December 31, 2011																		
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana						
Service cost	\$	7		\$	2		\$	11		\$	5		\$	5		\$	1		\$	1
Interest cost on accumulated post-retirement benefit obligation		35		16		41		20		18		3		7						
Expected return on plan assets		(15)		(10)		(2)				(2)		(1)		(1)						
Amortization of actuarial (gain) loss		(3)		2		12		5		7		(2)		2						
Amortization of prior service credit		(8)		(5)								(1)								
Amortization of net transition liability		10		9		5		1		4										

Net periodic post-retirement benefit costs ^{(a)(b)}	\$	26	\$	14	\$	67	\$	31	\$	32	\$		\$	9
(a)	Duke Energy amounts exclude \$8 million, \$9 million and \$8 million for the years ended December 31, 2013, 2012 and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.													
(b)	Duke Energy Ohio amounts exclude \$2 million for each of the years ended December 31, 2013, 2012 and 2011, respectively, of regulatory asset amortization resulting from purchase accounting adjustments associated with Duke Energy's merger with Cinergy in April 2006.													

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Amounts Recognized in Accumulated Other Comprehensive Income and Regulatory Assets and Liabilities													
Year Ended December 31, 2013													
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Regulatory assets, net (decrease) increase	\$ (683)	\$ (51)	\$ (634)	\$ (388)	\$ (166)	\$	\$ (6)						
Regulatory liabilities, net increase (decrease)	\$ 30	\$	\$	\$	\$	\$ 3	\$ 9						
Accumulated other comprehensive (income) loss													
Deferred income tax benefit	\$ 2	\$	\$	\$	\$	\$	\$						
Actuarial gains arising during the year	(4)												
Prior year service credit arising during the year	(3)												
Amortization of prior year actuarial loss	1												

Net amount recognized in accumulated other comprehensive income	\$	(4)	\$	\$	\$	\$	\$	\$				
Year Ended December 31, 2012												
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana					
Regulatory assets, net increase (decrease)	\$	484	\$	(20)	\$	228	\$	170	\$	28	\$	(6)
Regulatory liabilities, net decrease	\$	(6)	\$	\$	\$	\$	\$	(1)	\$	(2)	\$	(2)
Accumulated other comprehensive (income) loss												
Deferred income tax expense	\$	(2)	\$	\$	\$	\$	\$	(4)	\$		\$	
Reclassification of actuarial losses to an affiliate										6		
Actuarial losses arising during the year										2		
Prior year service cost arising during the year										1		
Amortization of prior year actuarial loss										1		
Reclassification of actuarial gains to regulatory liabilities		4										
Net amount recognized in accumulated other comprehensive	\$	2	\$	\$	\$	\$	\$	6	\$		\$	

Employer contributions		83		18		46		20		24		2		10
Plan participants' contributions		47		15		14		6		7		3		3
Plan assets at measurement date		\$ 214		\$ 143		\$		\$		\$		\$ 8		\$ 18
		Year Ended December 31, 2012												
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana
Change in Projected Benefit Obligation														
Accumulated post-retirement benefit obligation at prior measurement date		\$ 667		\$ 312		\$ 841		\$ 407		\$ 368		\$ 61		\$ 135
Obligation assumed from acquisition		977												
Service cost		16		2		17		8		7		1		1
Interest cost		56		15		43		23		18		3		6
Plan participants' contributions		41		18		13		5		7		4		8
Actuarial gains		198		28		291		205		49		3		(2)
Transfers				9								(16)		
Benefits paid		(105)		(38)		(61)		(24)		(33)		(8)		(13)
Special termination benefit cost		9		1		5		2		1				
Plan amendments		(70)		(33)		(25)		(16)		(6)				
Accrued retiree drug subsidy		5		2		4		2		2				1
Accumulated post-retirement benefit obligation at measurement date		\$ 1,794		\$ 316		\$ 1,128		\$ 612		\$ 413		\$ 48		\$ 136

liability																			
Prior service credit		(3)																	
Net actuarial gain		(2)																	
Net amounts recognized in accumulated other comprehensive income	\$	(3)	\$		\$		\$		\$		\$		\$		\$		\$		\$
(a)	Included in Other within Current Liabilities on the Consolidated Balance Sheets.																		

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Assumptions Used for Other Post-Retirement Benefits Accounting

The discount rate used to determine the current year other post-retirement benefits obligation and following year's other post-retirement benefits expense is based on a bond selection-settlement portfolio approach. This approach develops a discount rate by selecting a portfolio of high quality corporate bonds that generate sufficient cash flow to provide for projected benefit payments of the plan. The selected bond portfolio is derived from a universe of non-callable corporate bonds rated Aa quality or higher. After the bond portfolio is selected, a single interest rate is determined that equates present value of the plan's projected benefit payments discounted at this rate with the market value of the bonds selected.

The following tables present the assumptions used for other post-retirement benefits accounting. For Progress Energy plans, the assumptions used in 2012 to determine net periodic other post-retirement benefit cost reflect remeasurement as of July 1, 2012, due to the merger between Duke Energy and Progress Energy.

	Duke Energy						Progress Energy					
	December 31,						December 31,					
	2013		2012		2011		2013		2012		2011	
Benefit Obligations												
Discount rate	4.70 %		4.10 %		5.10 %		4.70 %		4.10 %		4.85 %	
Net Periodic Benefit Cost												
Discount rate	4.10 %		4.60-5.10 %		5.00 %		4.10 %		4.60-4.85 %		5.70 %	
Expected long-term rate of return on plan assets	7.75 %		5.20-8.00 %		5.36-8.25 %		%		N/A-5.00 %		5.00 %	
Assumed tax rate	35 %		35 %		35 %							
Assumed Health Care Cost Trend Rate												
							December 31,					
							2013			2012		
Health care cost trend rate assumed for next year							8.50 %			8.50 %		
Rate to which the cost trend is assumed to decline (the ultimate trend rate)							5.00 %			5.00 %		
Year that rate reaches ultimate trend							2021			2020		

Sensitivity to Changes in Assumed Health Care Cost Trend Rates									
Year Ended December 31, 2013									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		
1-Percentage Point Increase									
Effect on total service and interest costs	\$ 11	\$ 2	\$ 7	\$ 4	\$ 3	\$ 1	\$ 1		
Effect on post-retirement benefit obligation	42	10	20	9	10	2	4		
1-Percentage Point Decrease									
Effect on total service and interest costs	(9)	(1)	(6)	(3)	(2)	—	(1)		
Effect on post-retirement benefit obligation	(36)	(9)	(16)	(7)	(8)	(1)	(4)		
Expected Benefit Payments									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		
Years ending December 31,									
2014	\$ 85	\$ 21	\$ 36	\$ 17	\$ 17	\$ 4	\$ 11		
2015	88	22	38	17	17	4	12		
2016	89	23	38	18	17	4	12		
2017	89	23	38	18	17	3	11		
2018	89	24	38	18	17	3	11		
2019 - 2023	413	109	180	81	84	17	47		

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Combined Notes To Consolidated Financial Statements – (Continued)

Plan Assets

Description and Allocations

Duke Energy Master Retirement Trust

Assets for both the qualified pension and other post-retirement benefits are maintained in the Duke Energy Master Retirement Trust. Approximately 98 percent of the Duke Energy Master Retirement Trust assets were allocated to qualified pension plans and approximately 2 percent were allocated to other post-retirement plans, as of December 31, 2013 and 2012. The investment objective of the Duke Energy Master Retirement Trust is to achieve reasonable returns, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for plan participants.

The asset allocation targets were set after considering the investment objective and the risk profile. Equity securities are held for their high expected return. Debt securities, hedge funds, real estate and other global securities are held for diversification. Investments within asset classes are to be diversified to achieve broad market participation and reduce the impact of individual managers or investments. Duke Energy regularly reviews its actual asset allocation and periodically rebalances its investments to the targeted allocation when considered appropriate.

Qualified pension and other post-retirement benefits for the Subsidiary Registrants are derived from the Duke Energy Master Retirement Trust, as such, each are allocated their proportionate share of the assets discussed below.

The following table includes the target asset allocations by asset class at December 31, 2013 and the actual asset allocations for the Duke Energy Master Retirement Trust.

	Target Allocation	Actual Allocation at December 31,	
		2013	2012
U.S. equity securities	10 %	10 %	28 %
Non-U.S. equity securities	8 %	8 %	15 %
Global equity securities	10 %	10 %	10 %

Global private equity securities		3 %		3 %		3 %
Debt securities		63 %		63 %		32 %
Hedge funds		2 %		3 %		4 %
Real estate and cash		2 %		1 %		4 %
Other global securities		2 %		2 %		4 %
Total		100 %		100 %		100 %

Progress Energy Master Retirement Trust

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Combined Notes To Consolidated Financial Statements – (Continued)

As of December 31, 2012, assets for Progress Energy qualified pension benefits were maintained in the Progress Energy Master Retirement Trust. As of January 1, 2013, assets previously held in the Progress Energy Master Retirement Trust were transferred into the Duke Energy Master Retirement Trust. The following table includes the actual asset allocations for the Progress Energy Master Retirement Trust at December 31, 2012.

		Actual Allocation at December 31, 2012	
U.S. equity securities		20	%
Non-U.S. equity securities		14	%
Global equity securities		8	%
Global private equity securities		10	%
Debt securities		35	%
Hedge funds		9	%
Real estate and cash		1	%
Other global securities		3	%
Total		100	%

VEBA I

Duke Energy also invests other post-retirement assets in the Duke Energy Corporation Employee Benefits Trust (VEBA I). The investment objective of VEBA I is to achieve sufficient returns, subject to a prudent level of portfolio risk, for the purpose of promoting the security of plan benefits for participants. VEBA I is passively managed.

The following table includes the weighted-average returns expected by asset classes and the target asset allocations at December 31, 2013 and the actual asset allocations for VEBA I.

						Actual Allocation at December 31,	
						2013	2012

	Target Allocation				
U.S. equity securities	30	%	29	%	23
Debt securities	45	%	29	%	32
Cash	25	%	42	%	45
Total	100	%	100	%	100

Fair Value Measurements

Duke Energy classifies recurring and non-recurring fair value measurements based on the fair value hierarchy as discussed in Note 16.

Valuation methods of the primary fair value measurements disclosed above are as follows:

Investments in equity securities

Investments in equity securities, other than those accounted for as equity and cost method investments, are typically valued at the closing price in the principal active market as of the last business day of the reporting period. Principal active markets for equity prices include published exchanges such as NASDAQ and NYSE. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market. Prices have not been adjusted to reflect after-hours market activity. The majority of investments in equity securities are valued using Level 1 measurements. When (i) the Duke Energy Registrants lack the ability to redeem investments valued on a net asset value per share basis at net asset value per share in the near future or (ii) net asset value per share is not available at the measurement date, the fair value measurement of the investment is categorized as Level 3.

Investments in debt securities

Most debt investments are valued based on a calculation using interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating. Most debt valuations are Level 2 measurements. If the market for a particular fixed income security is relatively inactive or illiquid, the measurement is Level 3. U.S. Treasury debt is typically Level 1.

Investments in short-term investment funds

Investments in short-term investment funds are valued at the net asset value of units held at year end. Investments in short-term investment funds with published prices are valued as Level 1. Investments in short-term investment funds with unpublished prices are valued as Level 2.

Investments in real estate investment trusts

Investments in real estate investment trusts are valued based upon property appraisal reports prepared by independent real estate appraisers. The Chief Real Estate Appraiser of the asset manager is responsible for assuring that the valuation process provides independent and reasonable property market value estimates. An external appraisal management firm not affiliated with the asset manager has been appointed to assist the Chief Real Estate Appraiser in maintaining and monitoring the independence and the accuracy of the appraisal process.

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Duke Energy Master Retirement Trust									
The following tables provide the fair value measurement amounts for the Duke Energy Master Retirement Trust qualified pension and other post-retirement assets.									
December 31, 2013									
(in millions)	Total Fair Value	Level 1	Level 2	Level 3					
Equity securities	\$ 2,877	\$ 1,801	\$ 1,022	\$ 54					
Corporate debt securities	2,604		2,601	3					
Short-term investment funds	1,158	254	904						
Partnership interests	307			307					
Hedge funds	164		111	53					
Real estate trusts	95			95					
U.S. government securities	927		927						
Guaranteed investment contracts	33			33					
Governments bonds - foreign	19		18	1					
Cash	58	58							
Government and commercial mortgage backed securities	7		7						
Net pending transactions and other investments	12	7	5						
Total assets^(a)	\$ 8,261	\$ 2,120	\$ 5,595	\$ 546					
(a)	Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 28 percent, 35 percent, 16 percent, 16 percent, 5 percent and 8 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2013. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to the Subsidiary Registrants using these percentages.								
December 31, 2012									
(in millions)	Total Fair Value	Level 1	Level 2	Level 3					
Equity securities	\$ 2,993	\$ 1,415	\$ 1,575	\$ 3					
Corporate debt securities	1,391		1,388	3					
Short-term investment funds	100	23	77						
Partnership interests	141			141					
Hedge funds	97		97						
Real estate trusts	167			167					
U.S. government securities	237		237						
Guarantees investment contracts	37			37					
Governments bonds - foreign	65		64	1					
Cash	4	4							
Asset backed securities	14		14						
	(16)	(21)	5						

Net pending transactions and other investments											
Total assets ^(a)	\$	5,230		\$	1,421		\$	3,457		\$	352

(a) Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana were allocated approximately 43 percent, 9 percent and 12 percent, respectively, of the Duke Energy Master Retirement Trust assets at December 31, 2012. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to Duke Energy Carolinas, Duke Energy Ohio and Duke Energy Indiana using these percentages.

The following table provides a reconciliation of beginning and ending balances of assets of master trusts measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

(in millions)	2013	2012
Balance at January 1	\$ 352	\$ 322
Combination of trust assets	288	
Purchases, sales, issuances and settlements		
Purchases	25	21
Sales	(152)	(4)
Total gains (losses) and other	33	13
Balance at December 31	\$ 546	\$ 352

Progress Energy Master Retirement Trust

The following table provides the fair value measurement amounts for the Progress Energy Master Retirement Trust qualified pension assets.

(in millions)	December 31, 2012			
	Total Fair Value	Level 1	Level 2	Level 3
Equity securities	\$ 1,094	\$ 361	\$ 733	\$
Corporate debt securities	432		432	
Partnership interests	154			154
Hedge funds	313		189	124
U.S. government securities	515	405	110	
Governments bonds - foreign	6		6	
Cash	160	113	47	
Net pending transactions and other investments	16		6	10
Total assets ^(a)	\$ 2,690	\$ 879	\$ 1,523	\$ 288

(a) Duke Energy Progress and Duke Energy Florida were allocated approximately 48 percent and 44 percent, respectively, of the Progress Energy Master Trust assets at December 31, 2012. Accordingly, all Level 1, 2 and 3 amounts included in the table above are allocable to Duke Energy Progress and Duke Energy Florida using these percentages.

The following table provides a reconciliation of beginning and ending balances of Progress Trust assets measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3).

	2013	2012
(in millions)		
Balance at January 1	\$ 288	\$ 311
Combination of trust assets	(288)	
Purchases, sales, issuances and settlements		
Purchases		13
Sales		(14)
Transfers in and/or out of level 3		(41)
Total gains (losses) and other		19
Balance at December 31	\$	\$ 288
VEBA I		

The following tables provide the fair value measurement amounts for VEBA I other post-retirement assets.

December 31, 2013					
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 21	\$	\$ 21	\$	
Equity securities	15		15		
Debt securities	15		15		
Total assets	\$ 51	\$	\$ 51	\$	
December 31, 2012					
(in millions)	Total Fair Value	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 22	\$	\$ 22	\$	
Equity securities	12		12		
Debt securities	16		16		
Total assets	\$ 50	\$	\$ 50	\$	

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Employee Savings Plans

Duke Energy sponsors, and the Subsidiary Registrants participate in, employee savings plans that cover substantially all U.S. employees. Most employees participate in a matching contribution formula where Duke Energy provides a matching contribution generally equal to 100 percent of employee before-tax and Roth 401(k) contributions, and, as applicable, after-tax contributions, of up to 6 percent of eligible pay per pay period. Dividends on Duke Energy shares held by the savings plans are charged to retained earnings when declared and shares held in the plans are considered outstanding in the calculation of basic and diluted earnings per share.

The following table includes pretax employer matching contributions made by Duke Energy and expensed by the Subsidiary Registrants.

(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Years ended December 31,							
2013	\$ 134	\$ 45	\$ 45	\$ 25	\$ 14	\$ 3	\$ 7
2012	107	37	45	24	15	4	6
2011	86	37	44	23	14	4	8

22. INCOME TAXES

Income Tax Expense

Components of Income Tax Expense

Year Ended December 31, 2013												
(in millions)	Duke	Duke	Duke	Duke	Duke	Duke	Duke	Duke	Duke	Duke	Duke	Duke

Explanation of Responses:

	Duke Energy	Energy Carolinas	Progress Energy	Energy Progress	Energy Florida	Energy Ohio	Energy Indiana
Current income taxes							
Federal	\$ (123)	\$ 49	\$ (221)	\$ (70)	\$ 143	\$ (21)	\$ (88)
State	(37)	11	(37)	(10)	(13)	(2)	7
Foreign	151						
Total current income taxes	(9)	60	(258)	(80)	(156)	(23)	(81)
Deferred income taxes							
Federal	1,129	464	555	316	326	93	276
State	142	75	84	59	44	5	29
Foreign	14						
Total deferred income taxes ^(a)	1,285	539	639	375	370	98	305
Investment tax credit amortization	(15)	(5)	(8)	(7)	(1)		(1)
Income tax expense from continuing operations	1,261	594	373	288	213	75	223
Tax benefit from discontinued operations	(27)		(26)				
Total income tax expense included in Consolidated Statements of Operations	\$ 1,234	\$ 594	\$ 347	\$ 288	\$ 213	\$ 75	\$ 223
(a)	Includes benefits of net operating loss (NOL) carryforwards of \$837 million at Duke Energy, \$458 million at Progress Energy, \$64 million at Duke Energy Progress, \$301 million at Duke Energy Florida, \$29 million at Duke Energy Ohio and \$179 million at Duke Energy Indiana.						
	Year Ended December 31, 2012						
		Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
(in millions)	Duke Energy						
Current income taxes							
Federal	\$ (46)	\$ (1)	\$ (88)	\$ (48)	\$ 6	\$ 26	\$ (27)
State	35	(25)	2	(6)		11	27
Foreign	133						

Foreign		32																
Total deferred income taxes ^(a)		614		571		392		268		236		192						(61)
Investment tax credit amortization		(10)		(7)		(7)		(6)		(1)		(2)						(2)
Income tax expense from continuing operations		752		472		323		256		180		96						74
Tax benefit from discontinued operations						(3)												
Total income tax expense included in Consolidated Statements of Operations		\$ 752		\$ 472		\$ 320		\$ 256		\$ 180		\$ 96						\$ 74

(a) Includes benefits of NOL carryforwards of \$274 million at Duke Energy, \$79 million at Duke Energy Carolinas, \$213 million at Progress Energy, \$54 million at Duke Energy Progress, \$41 million at Duke Energy Florida and \$47 million at Duke Energy Ohio.

Duke Energy Income from Continuing Operations before Income Taxes

	Years Ended December 31,		
(in millions)	2013	2012	2011
Domestic	\$3,320	\$1,827	\$1,780
Foreign	600	624	685
Income from continuing operations before income taxes	\$3,920	\$2,451	\$2,465

Statutory Rate Reconciliation

The following tables present a reconciliation of income tax expense at the U.S. federal statutory tax rate to the actual tax expense from continuing operations.

	Year Ended December 31, 2013							
		Duke Energy		Duke Energy		Duke Energy		Duke Energy
(in millions)	Duke Energy	Carolinas	Progress Energy	Progress	Florida	Ohio	Indiana	
Income tax expense, computed at the statutory rate of 35	\$1,372	\$ 549	\$ 361	\$ 276	\$ 188	\$ 62	\$ 203	

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Valuation allowances have been established for certain foreign and state NOL carryforwards and state income tax credits that reduce deferred tax assets to an amount that will be realized on a more-likely-than-not basis. The net change in the total valuation allowance is included in Tax differential on foreign earnings and State income tax, net of federal income tax effect in the above tables.

DEFERRED TAXES							
Net Deferred Income Tax Liability Components							
December 31, 2013							
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
Deferred credits and other liabilities	\$ 245	\$ 56	\$ 136	\$ 9	\$ 96	\$ (13)	\$ 9
Capital lease obligations	59	11					(2)
Pension, postretirement and other employee benefits	649	18	341	119	145	23	54
Progress Energy merger purchase accounting adjustments ^(a)	1,184						

Tax credits and NOL carryforwards	4,307	488	1,965	396	365	165	521
Other	265	15	116	39	43	20	14
Valuation allowance	(192)		(40)	(1)			
Total deferred income tax assets	6,517	588	2,518	562	649	195	596
Investments and other assets	(1,396)	(999)	(209)	(160)	(49)	(17)	(7)
Accelerated depreciation rates	(12,615)	(4,400)	(3,663)	(2,528)	(1,160)	(1,937)	(1,591)
Regulatory assets and deferred debits	(3,185)	(609)	(1,389)	(202)	(1,159)	(168)	(117)
Total deferred income tax liabilities	(17,196)	(6,008)	(5,261)	(2,890)	(2,368)	(2,122)	(1,715)
Net deferred income tax liabilities	\$ (10,679)	\$ (5,420)	\$ (2,743)	\$ (2,328)	\$ (1,719)	\$ (1,927)	\$ (1,119)
(a)	Primarily related to capital lease obligations and debt fair value adjustments.						

On July 23, 2013, HB 998 was signed into law. HB 998 reduces the North Carolina corporate income tax rate from a statutory 6.9 percent to 6.0 percent in January 2014 with a further reduction to 5.0 percent in January 2015. Duke Energy recorded a net reduction of approximately \$145 million to its North Carolina deferred tax liability in the third quarter of 2013. The significant majority of this deferred tax liability reduction was offset by recording a regulatory liability pending NCUC determination of the disposition of the amounts related to Duke Energy Carolinas and Duke Energy Progress. The impact of HB 998 did not have a significant impact on the financial position, results of operation, or cash flows of Duke Energy, Duke Energy Carolinas, Progress Energy or Duke Energy Progress.

The following table presents the expiration of tax credits and NOL carryforwards.							
							December 31, 2013

(in millions)	Amount	Expiration Year
Investment Tax Credits	\$ 498	2029 - 2033
Alternative Minimum Tax Credits	1,028	Indefinite
Federal NOL carryforwards	2,471	2030 - 2033
State NOL carryforwards and credits ^(a)	189	2014 - 2033
Foreign NOL carryforwards ^(b)	121	2015 - 2033
Total tax credits and NOL carryforwards	\$ 4,307	

(a) A valuation allowance of \$83 million has been recorded on the state NOL carryforwards, state tax credits and state capital loss carryforwards, as presented in the Net Deferred Income Tax Liability Components table.

(b) A valuation allowance of \$109 million has been recorded on the foreign NOL carryforwards, as presented in the Net Deferred Income Tax Liability Components table. Certain foreign NOL carryforwards have an indefinite expiration period.

December 31, 2012									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		
Deferred credits and other liabilities	\$ 256	\$ 64	\$ 110	\$ 24	\$ 76	\$ (10)	\$ 22		
Capital lease obligations	60	13					(1)		
Pension, postretirement and other employee benefits	1,320	117	712	318	257	62	94		
Progress Energy merger purchase accounting adjustments ^(a)	1,312								
Tax credits and NOL carryforwards	3,311	447	1,536	309	91	152	340		
Other	408	22	230	82	126	10	27		
Valuation allowance	(226)		(77)			(1)			
Total	6,441	663	2,511	733	550	213	482		

deferred income tax assets																				
Investments and other assets	(1,093)		(838)		(112)		(108)		(6)		(25)									(18)
Accelerated depreciation rates	(11,208)		(4,289)		(2,803)		(2,178)		(592)		(1,823)									(1,131)
Regulatory assets and deferred debits	(3,819)		(627)		(1,775)		(465)		(1,318)		(197)									(185)
Total deferred income tax liabilities	(16,120)		(5,754)		(4,690)		(2,751)		(1,916)		(2,045)									(1,334)
Net deferred income tax liabilities	\$ (9,679)		\$ (5,091)		\$ (2,179)		\$ (2,018)		\$ 1,366		\$ 1,832									\$ (852)

(a) Primarily related to capital lease obligations and debt fair value adjustments.

Classification of Deferred Tax Assets (Liabilities) in the Consolidated Balance Sheets

December 31, 2013																				
(in millions)	Duke Energy Carolinas			Progress Energy			Duke Energy Progress			Duke Energy Florida			Duke Energy Ohio			Duke Energy Indiana				
	Duke Energy	Duke Energy Carolinas	Duke Energy Carolinas	Progress Energy	Progress Energy	Progress Energy	Duke Energy Progress	Duke Energy Progress	Duke Energy Progress	Duke Energy Florida	Duke Energy Florida	Duke Energy Florida	Duke Energy Ohio	Duke Energy Ohio	Duke Energy Ohio	Duke Energy Indiana	Duke Energy Indiana	Duke Energy Indiana		
Current Assets: Other	\$ 1,373	\$ 286	\$ 286	\$ 540	\$ 540	\$ 540	\$ 229	\$ 229	\$ 229	\$ 110	\$ 110	\$ 110	\$ 85	\$ 85	\$ 85	\$ 52	\$ 52	\$ 52		
Investments and Other Assets: Other	45																			
Deferred Credits and Other Liabilities: Other	(12,097)	(5,706)	(5,706)	(3,283)	(3,283)	(3,283)	(2,557)	(2,557)	(2,557)	(1,829)	(1,829)	(1,829)	(2,012)	(2,012)	(2,012)	(1,171)	(1,171)	(1,171)		
Net deferred income tax liabilities	\$ (10,679)	\$ (5,420)	\$ (5,420)	\$ (2,743)	\$ (2,743)	\$ (2,743)	\$ (2,328)	\$ (2,328)	\$ (2,328)	\$ 1,719	\$ 1,719	\$ 1,719	\$ 1,927	\$ 1,927	\$ 1,927	\$ (1,119)	\$ (1,119)	\$ (1,119)		

December 31, 2012													
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana						
Current Assets: Other	\$ 732	\$ 90	\$ 359	\$ 144	\$ 152	\$ 21	\$ 1						
Investments and Other Assets: Other	85		20										
Current Liabilities: Other	(6)												
Deferred Credits and Other Liabilities: Other	(10,490)	(5,181)	(2,558)	(2,162)	(1,518)	(1,853)	(853)						
Net deferred income tax liabilities	\$ (9,679)	\$ (5,091)	\$ (2,179)	\$ (2,018)	\$,366	\$,832	\$ (852)						

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Deferred income taxes and foreign withholding taxes have not been provided on undistributed earnings of Duke Energy's foreign subsidiaries when such amounts are deemed to be indefinitely reinvested. The cumulative undistributed earnings as of December 31, 2013 on which Duke Energy has not provided deferred income taxes and foreign withholding taxes is approximately \$2.4 billion. The amount of unrecognized deferred tax liability related to these undistributed earnings is estimated at between \$300 million and \$375 million.

UNRECOGNIZED TAX BENEFITS												
The following tables present changes to unrecognized tax benefits.												
Year Ended December 31, 2013												
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana					
Unrecognized tax benefits — January 1	\$ 540	\$ 271	\$ 131	\$ 67	\$ 44	\$ 36	\$ 32					
Unrecognized tax benefits increases (decreases)												
Gross decreases — tax positions in prior periods	(231)	(100)	(86)	(45)	(37)	(36)	(31)					
Decreases due to settlements	(66)											
Reduction due to lapse of statute of limitations	(13)		(13)		1							

Total changes		(310)		(100)		(99)		(45)		(36)		(36)		(31)
Unrecognized tax benefits — December 31	\$	230	\$	171	\$	32	\$	22	\$	8	\$		\$	1
	Year Ended December 31, 2012													
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana							
Unrecognized tax benefits — January 1	\$	385	\$	260	\$	173	\$	73	\$	80	\$	32	\$	24
Acquisitions		128												
Unrecognized tax benefits increases (decreases)														
Gross increases — tax positions in prior periods		29		12		23		10		12		2		6
Gross decreases — tax positions in prior periods		(4)				(72)		(19)		(52)				
Gross increases — current period tax positions		28		15		8		4		4		4		4
Gross decreases — current period tax positions		(9)		(5)		(1)		(1)				(2)		(2)
Decreases due to settlements		(13)		(11)										
Reduction due to lapse of statute of limitations		(4)												
Total changes		155		11		(42)		(6)		(36)		4		8
Unrecognized tax benefits — December 31	\$	540	\$	271	\$	131	\$	67	\$	44	\$	36	\$	32

		Year Ended December 31, 2011														
		Duke Energy Carolinas			Duke Energy Progress			Duke Energy Florida			Duke Energy Ohio			Duke Energy Indiana		
(in millions)		Duke Energy			Duke Energy Progress			Duke Energy Florida			Duke Energy Ohio			Duke Energy Indiana		
Unrecognized tax benefits — January 1		\$	342	\$	217	\$	176	\$	74	\$	99	\$	29	\$	21	
Unrecognized tax benefits increases (decreases)																
Gross increases — tax positions in prior periods			49		42		88		19		66		4		3	
Gross decreases — tax positions in prior periods			(18)		(8)		(24)		(14)		(21)		(5)		(3)	
Gross increases — current period tax positions			16		9		9		8		1		4		3	
Gross decreases — current period tax positions							(8)		(4)		(4)					
Decreases due to settlements			(4)				(68)		(10)		(61)					
Total changes			43		43		(3)		(1)		(19)		3		3	
Unrecognized tax benefits — December 31		\$	385	\$	260	\$	173	\$	73	\$	80	\$	32	\$	24	

The following table includes additional information regarding the Duke Energy Registrants' unrecognized tax benefits. It is reasonably possible that Duke Energy and Duke Energy Carolinas will reflect an approximate \$4 million reduction in unrecognized tax benefits within the next 12 months due to expected settlements. All other Duke Energy Registrants do not anticipate a material increase or decrease in unrecognized tax benefits within the next 12 months.

		December 31, 2013														
		Duke Energy			Duke Energy Carolinas			Duke Energy Progress			Duke Energy Florida			Duke Energy Indiana		
(in millions)		Duke Energy			Duke Energy Carolinas			Duke Energy Progress			Duke Energy Florida			Duke Energy Indiana		

Amount that if recognized, would affect the effective tax rate or regulatory liability ^(a)			\$ 128			\$ 116			\$ 2			\$ 1			\$ 1			\$ 1
Amount that if recognized, would be recorded as a component of discontinued operations			8															

(a) Duke Energy, Duke Energy Carolinas, Progress Energy, Duke Energy Progress, Duke Energy Florida and Duke Energy Indiana are unable to estimate the specific amounts that would affect the effective tax rate versus the regulatory liability.

OTHER TAX MATTERS

The following tables include interest recognized in the Consolidated Statements of Operations and the Consolidated Balance Sheets.

Year Ended December 31, 2013																		
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana											
Net interest income recognized related to income taxes	\$ 2	\$ 2	\$ 6	\$ 7	\$	\$ 4	\$ 1											
Interest payable related to income taxes	27	8	10	2	7													
Year Ended December 31, 2012																		
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana											
Net interest income recognized related to income taxes	\$ 10	\$ 9	\$	\$	\$	\$	\$ 2											
Net interest expense recognized related to income taxes			2		2													

PART II

DUKE ENERGY CORPORATION - DUKE ENERGY CAROLINAS, LLC - PROGRESS ENERGY, INC. –
DUKE ENERGY PROGRESS, INC. – DUKE ENERGY FLORIDA, INC. - DUKE ENERGY OHIO, INC. -
DUKE ENERGY INDIANA, INC.

Combined Notes To Consolidated Financial Statements – (Continued)

Duke Energy and its subsidiaries are no longer subject to U.S. federal examination for years before 2006. The years 2006 and 2007 are in Appeals. The IRS is currently auditing the federal income tax returns for years 2008 through 2011. With few exceptions, Duke Energy and its subsidiaries are no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 2004.

23. OTHER INCOME AND EXPENSES, NET

The components of Other income and expenses, net on the Consolidated Statements of Operations are as follows.

Year Ended December 31, 2013								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Interest income	\$ 26	\$ 1	\$ 7	\$ 1	\$ 3	\$ 6	\$ 6	
Foreign exchange losses	(18)							
AFUDC equity	157	91	50	42	8	1	15	
Deferred returns	39	32	7	7				
Other income (expense)	58	(4)	30	7	19	(3)	(3)	
Other income and expense, net	\$ 262	\$ 120	\$ 94	\$ 57	\$ 30	\$ 4	\$ 18	
Year Ended December 31, 2012								
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana	
Interest income	\$ 50	\$ 11	\$ 2	\$ 1	\$ 1	\$ 10	\$ 7	
Foreign exchange losses	(5)							

AFUDC equity		300		154		106		69		37		6		84
Deferred returns		24		24										
Other income (expense)		28		(4)		22		9		1		(3)		(1)
Other income and expense, net	\$	397		\$ 185		\$ 130		\$ 79		\$ 39		\$ 13		\$ 90
		Year Ended December 31, 2011												
(in millions)		Duke Energy		Duke Energy Carolinas		Progress Energy		Duke Energy Progress		Duke Energy Florida		Duke Energy Ohio		Duke Energy Indiana
Interest income	\$	53		\$ 10		\$ 2		\$ 1		\$ 1		\$ 14		\$ 14
Foreign exchange gains		2												
AFUDC equity		260		168		103		71		32		5		88
Contingent value obligations mark-to-market loss						(59)								
Deferred returns		10		10										
Other income (expense)		51		(2)		6		8		(3)				(5)
Other income and expense, net	\$	376		\$ 186		\$ 52		\$ 80		\$ 30		\$ 19		\$ 97

PART II

DUKE ENERGY CORPORATION - DUKE ENERGY CAROLINAS, LLC - PROGRESS ENERGY, INC. –
DUKE ENERGY PROGRESS, INC. – DUKE ENERGY FLORIDA, INC. - DUKE ENERGY OHIO, INC. -
DUKE ENERGY INDIANA, INC.

Combined Notes To Consolidated Financial Statements – (Continued)

24. SUBSEQUENT EVENTS

For information on subsequent events related to acquisitions, dispositions and sales of other assets, regulatory matters and commitments and contingencies, see Notes 2, 4 and 5.

25. QUARTERLY FINANCIAL DATA (UNAUDITED)

DUKE ENERGY													
The following table includes the results of Progress Energy beginning July 2, 2012. Quarterly EPS amounts are meant to be stand-alone calculations and are not always additive to the full-year amount due to rounding and the weighting of share issuances.													
(in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total								
2013													
Operating revenues	\$ 5,898	\$ 5,879	\$ 6,709	\$ 6,112	\$ 24,598								
Operating income	1,215	821	1,743	1,203	4,982								
Income from continuing operations	634	345	994	686	2,659								
Net income	634	342	1,008	692	2,676								
Net income attributable to Duke Energy Corporation	634	339	1,004	688	2,665								
Earnings per share:													
Income from continuing operations attributable to Duke Energy Corporation common shareholders													
Basic	\$ 0.89	\$ 0.48	\$ 1.40	\$ 0.96	\$ 3.74								
Diluted	\$ 0.89	\$ 0.48	\$ 1.40	\$ 0.96	\$ 3.74								

Costs to achieve Progress Energy merger (see Note 2)														
Edwardsport IGCC charges (see Note 4)		(420)			—			(180)			(28)			(628)
Voluntary Opportunity Plan deferral (see Note 19)		101			—			—			—			101
Total		\$ (327)			\$ (7)			\$ (637)			\$ (192)			\$ (1,163)

(a) Revised retail rates became effective in January for Duke Energy Florida, May for Duke Energy Ohio, June for Duke Energy Progress and September for Duke Energy Carolinas (see Note 4 for further information).

DUKE ENERGY CAROLINAS

	First	Second	Third	Fourth	Total
(in millions)	Quarter	Quarter	Quarter	Quarter	
2013					
Operating revenues	\$ 1,729	\$ 1,591	\$ 1,919	\$ 1,715	\$ 6,954
Operating income	434	351	604	420	1,809
Net income	244	181	342	209	976
2012					
Operating revenues	\$ 1,501	\$ 1,616	\$ 1,939	\$ 1,609	\$ 6,665
Operating income	475	386	440	216	1,517
Net income	266	211	258	130	865

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

	First	Second	Third	Fourth	Total
(in millions)	Quarter	Quarter	Quarter	Quarter	
2013 ^(a)					
Costs to achieve Progress Energy merger (see Note 2)	\$ (22)	\$ (35)	\$ (34)	\$ (29)	\$ (120)
2012					
Costs to achieve Progress Energy merger (see Note 2)	\$ (4)	\$ (5)	\$ (184)	\$ (46)	\$ (239)
Voluntary Opportunity Plan deferral (see Note 19)	101	—	—	—	101
Total	\$ 97	\$ (5)	\$ (184)	\$ (46)	\$ (138)

(a) Revised retail rates became effective in September in both North Carolina and South Carolina (see Note 4 for further information).

PROGRESS ENERGY					
	First	Second	Third	Fourth	Total
(in millions)	Quarter	Quarter	Quarter	Quarter	Quarter
2013					
Operating revenues	\$ 2,186	\$ 2,281	\$ 2,766	\$ 2,300	\$ 9,533
Operating income	430	114	671	403	1,618
Income (loss) from continuing operations	154	(13)	328	190	659
Net income (loss)	154	(17)	342	196	675
Net income (loss) attributable to Parent	153	(17)	341	195	672
2012					
Operating revenues	\$ 2,102	\$ 2,288	\$ 2,788	\$ 2,227	\$ 9,405
Operating income	363	277	379	118	1,137
Income (loss) from continuing operations	141	68	154	(8)	355
Net income	152	64	157	34	407
Net income attributable to Parent	150	63	155	32	400

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.

	First	Second	Third	Fourth	Total
(in millions)	Quarter	Quarter	Quarter	Quarter	Quarter
2013 ^(a)					
Costs to achieve the merger with Duke Energy (see Note 2)	\$ (19)	\$ (33)	\$ (42)	\$ (28)	\$ (122)
Crystal River Unit 3 charges (see Note 4)		(295)		(57)	(352)
Harris and Levy nuclear development charges (see Note 4)		(87)			(87)
Total	\$ (19)	\$ (415)	\$ (42)	\$ (85)	\$ (561)
2012					
Costs to achieve the merger with Duke Energy (see Note 2)	\$ (7)	\$ (20)	\$ (217)	\$ (82)	\$ (326)
Florida replacement power refund (see Note 4)			(100)		(100)
Crystal River Unit 3 charges (see Note 4)				(192)	(192)
Total	\$ (7)	\$ (20)	\$ (317)	\$ (274)	\$ (618)

Net income (loss)		110		(57)		197		75		325
2012										
Operating revenues	\$	1,010	\$	1,196	\$	1,388	\$	1,095	\$	4,689
Operating income (loss)		255		196		207		(29)		629
Net income (loss)		128		83		100		(45)		266
The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.										
		First		Second		Third		Fourth		
(in millions)		Quarter		Quarter		Quarter		Quarter		Total
2013 (a)										
Costs to achieve the merger with Duke Energy (see Note 2)	\$	(8)	\$	(11)	\$	(10)	\$	(9)	\$	(38)
Crystal River Unit 3 charges (see Note 4)				(295)				(57)		(352)
Levy nuclear development charges (see Note 4)				(65)						(65)
Total	\$	(8)	\$	(371)	\$	(10)	\$	(66)	\$	(455)
2012										
Costs to achieve the merger with Duke Energy (see Note 2)	\$	(3)	\$	(8)	\$	(37)	\$	(46)	\$	(94)
Replacement power refund (see Note 4)						(100)				(100)
Crystal River Unit 3 charges (see Note 4)								(192)		(192)
Total	\$	(3)	\$	(8)	\$	(137)	\$	(238)	\$	(386)
(a)	Revised retail rates became effective in January (see Note 4 for further information).									
DUKE ENERGY OHIO										
		First		Second		Third		Fourth		
(in millions)		Quarter		Quarter		Quarter		Quarter		Total
2013										
Operating revenues	\$	747	\$	811	\$	819	\$	868	\$	3,245
Operating (loss) income		(17)		108		116		44		251
Net (loss) income		(21)		58		59		6		102
2012										
Operating revenues	\$	912	\$	717	\$	757	\$	766	\$	3,152
Operating income		138		95		42		74		349
Net income		74		45		14		42		175

The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.														
		First	Second	Third	Fourth									
(in millions)		Quarter	Quarter	Quarter	Quarter									Total
2013 ^(a)														
Costs to achieve Progress Energy merger (see Note 2)	\$	(4)	(4)	(4)	(4)									(16)
2012														
Costs to achieve Progress Energy merger (see Note 2)	\$	(1)	(1)	(22)	(12)									(36)
(a)	Revised retail rates became effective in May (see Note 4 for further information).													
DUKE ENERGY INDIANA														
		First	Second	Third	Fourth									
(in millions)		Quarter	Quarter	Quarter	Quarter									Total
2013														
Operating revenues	\$	724	700	755	747									2,926
Operating income		181	168	203	181									733
Net income		90	82	104	82									358
2012														
Operating revenues	\$	688	685	718	626									2,717
Operating (loss) income		(272)	134	(30)	93									(75)
Net (loss) income		(167)	77	(19)	59									(50)
The following table includes unusual or infrequently occurring items in each quarter during the two most recently completed fiscal years. All amounts discussed below are pretax unless otherwise noted.														
		First	Second	Third	Fourth									
(in millions)		Quarter	Quarter	Quarter	Quarter									Total
2013														
Costs to achieve Progress Energy merger (see Note 2)	\$	(4)	(5)	(5)	(5)									(19)
2012														
Costs to achieve Progress Energy merger (see Note 2)	\$	(1)	(1)	(21)	(11)									(34)
Edwardsport IGCC charges (see Note 4)		(420)	—	(180)	(28)									(628)

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Total	\$	(421)		\$	(1)		\$	(201)		\$	(39)		\$	(662)

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PART II

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Securities Exchange Act of 1934 (Exchange Act) is recorded, processed, summarized, and reported, within the time periods specified by the Securities and Exchange Commission's (SEC) rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Duke Energy Registrants in the reports they file or submit under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated their effectiveness of their disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2013, and, based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Duke Energy Registrants have evaluated changes in internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2013 and have concluded no change has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Management's Annual Report On Internal Control Over Financial Reporting

The Duke Energy Registrants' management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Duke Energy Registrants' internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with U.S. generally accepted accounting principles. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The Duke Energy Registrants' management, including their Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of their internal control over financial reporting as of December 31, 2013 based on the framework in the 1992 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, management concluded that its internal controls over financial reporting were effective as of December 31, 2013.

Deloitte & Touche LLP, Duke Energy's independent registered public accounting firm, has issued an attestation report on the effectiveness of Duke Energy's internal control over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Duke Energy will provide information that is responsive to this Item 10 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Directors and Executive Officers,” and possibly elsewhere therein. That information is incorporated in this Item 10 by reference.

ITEM 11. EXECUTIVE COMPENSATION

Duke Energy will provide information that is responsive to this Item 11 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Executive Compensation,” and possibly elsewhere therein. That information is incorporated in this Item 11 by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Duke Energy will provide information that is responsive to this Item 12 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters,” and possibly elsewhere therein. That information is incorporated in this Item 12 by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Duke Energy will provide information that is responsive to this Item 13 in its definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Certain Relationships and Related Transactions,” and possibly elsewhere therein. That information is incorporated in this Item 13 by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Deloitte & Touche LLP, and the member firms of Deloitte Touche Tohmatsu and their respective affiliates (collectively, Deloitte) provided professional services to the Duke Energy Registrants. The following tables present the Deloitte fees for services rendered to the Duke Energy Registrants during 2013 and 2012.

Year Ended December 31, 2013									
(in millions)	Duke Energy	Duke Energy Carolinas	Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana		

Types of Fees											
Audit Fees ^(c)	\$ 11.5		\$ 4.1		\$ 4.3		\$ 2.5		\$ 1.8	\$ 1.3	\$ 1.2
Audit-Related Fees ^(d)	2.3		0.4		0.2		0.1		0.1	-	-
Tax Fees ^(e)	0.5		0.2		0.2		0.1		0.1	0.1	0.1
Total Fees	\$ 14.3		\$ 4.7		\$ 4.7		\$ 2.7		\$ 2.0	\$ 1.4	\$ 1.3
Year Ended December 31, 2012											
(in millions)	Duke Energy^(a)	Duke Energy Carolinas	Progress Energy^(b)	Duke Energy Progress^(b)	Duke Energy Florida^(b)	Duke Energy Ohio	Duke Energy Indiana				
Types of Fees											
Audit Fees ^(c)	\$ 12.2	\$ 4.2	\$ 3.2	\$ 1.7	\$ 1.5	\$ 2.8	\$ 1.3				
Audit-Related Fees ^(d)	2.5	0.9	0.4	0.2	0.2	0.5	0.3				
Tax Fees ^(e)	0.9	0.3	0.2	0.1	0.1	0.2	0.1				
Total Fees	\$ 15.6	\$ 5.4	\$ 3.8	\$ 2.0	\$ 1.8	\$ 3.5	\$ 1.7				
(a)	Excludes accounting fees and services for Progress Energy registrants paid prior to the merger on July 2, 2012.										
(b)	Includes all accounting fees and services paid prior to and subsequent to the merger.										
(c)	Audit Fees are fees billed or expected to be billed for professional services for the audit of the Duke Energy Registrants' financial statements included in the annual report on Form 10-K and the review of financial statements included in quarterly reports on Form 10-Q, for services that are normally provided by Deloitte in connection with statutory, regulatory or other filings or engagements or for any other service performed by Deloitte to comply with generally accepted auditing standards.										
(d)	Audit-Related Fees are fees for assurance and related services that are reasonably related to the performance of an audit or review of financial statements, including assistance with acquisitions and divestitures and internal control reviews.										
(e)	Tax Fees are fees for tax return assistance and preparation, tax examination assistance, and professional services related to tax planning and tax strategy.										

PART III

To safeguard the continued independence of the independent auditor, the Duke Energy Audit Committee adopted a policy that provides the independent public accountants are only permitted to provide services to Duke Energy and its consolidated subsidiaries, including the Subsidiary Registrants that have been pre-approved by the Duke Energy Audit Committee. Pursuant to the policy, detailed audit services, audit-related services, tax services and certain other services have been specifically pre-approved up to certain fee limits. In the event the cost of any of these services may exceed the pre-approved limits, the Duke Energy Audit Committee must pre-approve the service. All other services that are not prohibited pursuant to the Securities and Exchange Commission's or other applicable regulatory bodies' rules of regulations must be specifically pre-approved by the Duke Energy Audit Committee. All services performed in in 2013 and 2012 by the independent public accountant were approved by the Duke Energy Audit Committee and Legacy Progress Energy Audit Committee pursuant to their pre-approval policies.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

a) Consolidated Financial Statements, Supplemental Financial Data and Supplemental Schedules included in Part II of this annual report are as follows:

Duke Energy Corporation

Consolidated Financial Statements

Consolidated Statements of Operations for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changed in Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Consolidated Financial Statement Schedule I — Condensed Parent Company Financial Information for the Years Ended December 31, 2013, 2012 and 2011

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Carolinas, LLC

Consolidated Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Member's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Explanation of Responses:

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Progress Energy, Inc.

Consolidated Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Common Stockholder's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

PART IV

Duke Energy Progress, Inc.

Consolidated Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Common Stockholder's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Florida, Inc.

Financial Statements

Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Balance Sheets as of December 31, 2013 and 2012

Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Statements of Changes in Common Stockholder's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Ohio, Inc.

Explanation of Responses:

Consolidated Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Common Stockholder's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

Duke Energy Indiana, Inc.

Consolidated Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Balance Sheets as of December 31, 2013 and 2012

Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012 and 2011

Consolidated Statements of Changes in Common Stockholder's Equity for the Years Ended December 31, 2013, 2012 and 2011

Notes to the Consolidated Financial Statements

Quarterly Financial Data, (unaudited, included in Note 25 to the Consolidated Financial Statements)

Report of Independent Registered Public Accounting Firm

All other schedules are omitted because they are not required, or because the required information is included in the Consolidated Financial Statements or Notes.

PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY CORPORATION

(Registrant)

By:

/s/ LYNN J. GOOD

Lynn J. Good
Vice Chairman, President and

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J.
GOOD
Lynn J. Good
Vice Chairman, President and Chief Executive Officer (Principal Executive Officer and Director)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY

Explanation of Responses:

Brian D. Savoy
Vice President, Chief Accounting Officer
and Controller (Principal Accounting Officer)

(iv) Directors:

William Barnet, III*	James H. Hance, Jr.*	Carlos A. Saladrigas*
G. Alex Bernhardt, Sr.*	John T. Herron *	Philip R. Sharp*
Michael G. Browning*	James B. Hyler, Jr.*	
Harris E. DeLoach, Jr.*	William E. Kennard *	
Daniel R. DiMicco*	E. Marie McKee*	
John H. Forsgren*	E. James Reinsch*	
Ann M. Gray*	James T. Rhodes*	

Steven K. Young, by signing his name hereto, does hereby sign this document on behalf of the registrant and on behalf of each of the above-named persons previously indicated by asterisk pursuant to a power of attorney duly executed by the registrant and such persons, filed with the Securities and Exchange Commission as an exhibit hereto.

By:

Attorney-In-Fact

/s/ STEVEN K. YOUNG

Date: February 28, 2014

PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY CAROLINAS, LLC

(Registrant)

By:

/s/ LYNN J. GOOD

Lynn J. Good

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
- (iv) Directors:

Explanation of Responses:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ B. KEITH TRENT
B. Keith Trent

/s/ LLOYD M. YATES
Lloyd M. Yates

Date: February 28, 2014

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PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

PROGRESS ENERGY, INC.

(Registrant)

By: /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)

(iv) Directors:

Explanation of Responses:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ JULIA S. JANSON
Julia S. Janson

Date: February 28, 2014

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PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY PROGRESS, INC.

(Registrant)

By:

Lynn J. Good /s/ LYNN J. GOOD

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
- (iv) Directors:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL
Dhiala M. Jamil

/s/ JULIA S. JANSON
Julia S. Janson

/s/ B. KEITH TRENT
B. Keith Trent

/s/ LLOYD M. YATES
Lloyd M. Yates

Date: February 28, 2014

PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY FLORIDA, INC.

(Registrant)

By:

Lynn J. Good /s/ LYNN J. GOOD

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
- (iv) Directors:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ DHIAA M. JAMIL

Dhiala M. Jamil

/s/ JULIA S. JANSON

Julia S. Janson

/s/ B. KEITH TRENT

B. Keith Trent

/s/ LLOYD M. YATES
Lloyd M. Yates

Date: February 28, 2014

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PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY OHIO, INC

(Registrant)

By:

/s/ LYNN J. GOOD

Lynn J. Good

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
- (iv) Directors:

/s/ LYNN J. GOOD
Lynn J. Good

/s/ B. KEITH TRENT
B. Keith Trent

/s/ LLOYD M. YATES
Lloyd M. Yates

Date: February 28, 2014

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PART IV

SIGNATURES

—

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 28, 2014

DUKE ENERGY INDIANA, INC

(Registrant)

By:

Lynn J. Good /s/ LYNN J. GOOD

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

- (i) /s/ LYNN J. GOOD
Lynn J. Good
Chief Executive Officer (Principal Executive Officer)
- (ii) /s/ STEVEN K. YOUNG
Steven K. Young
Executive Vice President and Chief Financial Officer (Principal Financial Officer)
- (iii) /s/ BRIAN. D. SAVOY
Brian D. Savoy
Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
- (iv) Directors:

/s/ DOUGLAS F. ESAMANN

Douglas F. Esamann

/s/ KELLEY A. KARN

Kelley A. Karn

/s/ LLOYD M. YATES

Lloyd M. Yates

Date: February 28, 2014

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Part IV

EXHIBIT INDEX

Exhibits filed herewithin are designated by an asterisk (*). All exhibits not so designated are incorporated by reference to a prior filing, as indicated. Items constituting management contracts or compensatory plans or arrangements are designated by a double asterisk (**). The Company agrees to furnish upon request to the Commission a copy of any omitted schedules or exhibits upon request on all items designated by a triple asterisk (***). Legacy Progress Energy, management contract or compensation plan or arrangement required to be filed as an exhibit to this report pursuant to Item 15 (b) of Form 10-K (+).

PART IV

Exhibit Number		Duke Energy		Progress Energy	Duke Energy Progress	Duke Energy Florida	Duke Energy Ohio	Duke Energy Indiana
		Duke Energy Carolinas						
2.1	Agreement and Plan of Merger between Duke Energy Corporation, Diamond Acquisition Corporation and Progress Energy, Inc., dated as of January 8, 2011, (incorporated by reference to Exhibit 2.1 to Duke Energy Corporation's Current Report on Form 8-K filed on January 11, 2011, File No. 1-32853).	X						
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Duke Energy Corporation's Current Report on Form 8-K filed on April 4, 2006, File No. 1-32853).	X						
3.1.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Duke Energy Corporation's Current Report on Form 8-K filed on July 3, 2012, File No. 1-32853).	X						
3.2	Articles of Organization including Articles of Conversion (incorporated by reference to Exhibit 3.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on April 7, 2006, File No. 1-04928).			X				
3.2.1	Amended Articles of Organization, effective October 1, 2006, (incorporated by reference to Exhibit 3.1 to Duke Energy Carolinas, LLC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 filed on November 13, 2006, File No.			X				

	by reference to Exhibit 3.1 to Duke Energy Indiana, Inc.'s (formerly PSI Energy, Inc.) Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 filed on November 17, 2006, File No. 1-03543).														
3.5	Amended and Restated By-Laws of Duke Energy Corporation (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on October 25, 2013, File No. 1-32853).	X													
3.6	Limited Liability Company Operating Agreement of Duke Energy Carolinas, LLC (incorporated by reference to Exhibit 3.2 to registrant's Current Report on Form 8-K filed on April 7, 2006, File No. 1-04928).			X											
3.7	Regulations of Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company), effective July 23, 2003, (incorporated by reference to Exhibit 3.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 13, 2003, File No. 1-01232).											X			
3.8	By-Laws of Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.), effective July 23, 2003, (incorporated by reference to Exhibit 3.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 13, 2003, File No. 1-03543).														X
3.10	Restated Charter of Duke Energy Progress (formerly Carolina Power & Light Company), effective May 10, 1996, (incorporated by reference to Exhibit 3(i) to							X							

	registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997 filed on August 13, 1997, File No. 1-03382).													
3.11	Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective June 15, 2000, (incorporated by reference to Exhibit 3(a)(1) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000 filed on August 14, 2000, File No. 1-03382).					X								
3.11.1	Articles of Amendment to the Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective December 4, 2000, (incorporated by reference to Exhibit 3(b)(1) to registrant's Annual Report on Form 10-K for the year ended December 31, 2001 filed on March 28, 2002, File No. 1-03382).					X								
3.11.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective May 10, 2006, (incorporated by reference to Exhibit 3(a) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed on August 9, 2006, File No. 1-15929).					X								
3.12	Amended Articles of Incorporation of Duke Energy Florida, Inc. (formerly Florida Power Corporation) (incorporated by reference to Exhibit 3(a) to registrant's Annual Report on Form 10-K for the year ended December 31, 1991 filed on March 30, 1992, File No. 1-03274).								X					

3.13	By-Laws of Progress Energy, Inc. (formerly CP&L Energy, Inc.), effective May 10, 2006, (incorporated by reference to Exhibit 3(b) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed on August 9, 2006, File No. 1-15929).						X								
3.14	By-Laws of Duke Energy Progress, Inc. (formerly Carolina Power & Light Company), effective May 13, 2009, (incorporated by reference to Exhibit 3(b) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 filed on August 7, 2009, File No. 1-15929).							X							
3.15	By-Laws of Duke Energy Florida, Inc. (formerly Florida Power Corporation), effective September 20, 2010, (incorporated by reference to Exhibit 3.1 to registrant's Current Report on Form 8-K filed on September 20, 2010, File No. 1-3274).								X						
4.1	Indenture between Duke Energy Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of June 3, 2008, (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on June 16, 2008, File No. 1-32853).	X													
4.1.1	First Supplemental Indenture, dated as of June 16, 2008, (incorporated by reference to Exhibit 4.2 to Duke Energy Corporation's Current Report on Form 8-K filed on June 16, 2008, File No. 1-32853).	X													
4.1.2	Second Supplemental Indenture, dated as of January 26, 2009, (incorporated by reference to Exhibit 4.1 to Duke	X													

	Energy Corporation's Current Report on Form 8-K filed on January 26, 2009, File No. 1-32853).																			
4.1.3	Third Supplemental Indenture, dated as of August 28, 2009, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on August 28, 2009, File No. 1-32853).	X																		
4.1.4	Fourth Supplemental Indenture, dated as of March 25, 2010, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on March 25, 2010, File No. 1-32853).	X																		
4.1.5	Fifth Supplemental Indenture, dated as of August 25, 2011, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on August 25, 2011, File No. 1-32853).	X																		
4.1.6	Sixth Supplemental Indenture, dated as of November 17, 2011, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on November 17, 2011, File No. 1-32853).	X																		
4.1.7	Seventh Supplemental Indenture, dated as of August 16, 2012, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on August 16, 2012, File No. 1-32853).	X																		
4.1.8	Eighth Supplemental Indenture, dated as of January 14, 2013, (incorporated by reference to Exhibit 2 to Duke Energy Corporation's Form 8-A filed on January 14, 2013, File No. 1-32853).	X																		
4.1.9	Ninth Supplemental Indenture, dated as of June 13, 2013, (incorporated by reference to	X																		

	Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on June 13, 2013, File No. 1-32853).																		
4.1.10	Tenth Supplemental Indenture, dated as of October 11, 2013, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on October 11, 2013, File No.1-32853).	X																	
4.2	Senior Indenture between Duke Energy Carolinas, LLC and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), dated as of September 1, 1998, (incorporated by reference to Exhibit 4-D-1 to registrant's Post-Effective Amendment No. 2 to Registration Statement on Form S-3 filed on April 7, 1999, File No. 333-14209).			X															
4.2.1	Fifteenth Supplemental Indenture, dated as of April 3, 2006, (incorporated by reference to Exhibit 4.4.1 to Duke Energy Corporation's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483).	X																	
4.2.2	Sixteenth Supplemental Indenture, dated as of June 5, 2007, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on June 6, 2007, File No. 1-04928).			X															
4.3	First and Refunding Mortgage from Duke Energy Carolinas, LLC to The Bank of New York Mellon Trust Company, N.A., successor trustee to Guaranty Trust Company of New York, dated as of December 1, 1927, (incorporated by reference to Exhibit 7(a) to registrant's Form			X															

	S-1, effective October 15, 1947, File No. 2-7224).																		
4.3.1	Instrument of Resignation, Appointment and Acceptance among Duke Energy Carolinas, LLC, JPMorgan Chase Bank, N.A., as Trustee, and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of September 24, 2007, (incorporated by reference to Exhibit 4.6.1 to registrant's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483).			X															
4.3.2	Ninth Supplemental Indenture, dated as of February 1, 1949, (incorporated by reference to Exhibit 7 (j) to registrant's Form S-1 filed on February 3, 1949, File No. 2-7808).			X															
4.3.3	Twentieth Supplemental Indenture, dated as of June 15, 1964, (incorporated by reference to Exhibit 4-B-20 to registrant's Form S-1 filed on August 23, 1966, File No. 2-25367).			X															
4.3.4	Twenty-third Supplemental Indenture, dated as of February 1, 1968, (incorporated by reference to Exhibit 2-B-26 to registrant's Form S-9 filed on January 21, 1969, File No. 2-31304).			X															
4.3.5	Sixtieth Supplemental Indenture, dated as of March 1, 1990, (incorporated by reference to Exhibit 4-B-61 to registrant's Annual Report on Form 10-K for the year ended December 31, 1990, File No.1-04928).			X															
4.3.6	Sixty-third Supplemental Indenture, dated as of July 1, 1991, (incorporated by reference to Exhibit 4-B-64 to registrant's Registration Statement on Form S-3 filed on			X															

	February 13, 1992, File No. 33-45501).																		
4.3.7	Eighty-fourth Supplemental Indenture, dated as of March 20, 2006, (incorporated by reference to Exhibit 4.6.9 to Duke Energy Corporation's Registration Statement on Form S-3 filed on October 3, 2007, File No. 333-146483).	X																	
4.3.8	Eighty-fifth Supplemental Indenture, dated as of January 10, 2008, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on January 11, 2008, File No.1-04928).			X															
4.3.9	Eighty-seventh Supplemental Indenture, dated as of April 14, 2008, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on April 15, 2008, File No.1-04928).			X															
4.3.10	Eighty-eighth Supplemental Indenture, dated as of November 17, 2008, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on November 20, 2008, File No.1-04928).			X															
4.3.11	Ninetieth Supplemental Indenture, dated as of November 19, 2009, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on November 19, 2009, File No.1-04928).			X															
4.3.12	Ninety-first Supplemental Indenture, dated as of June 7, 2010, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on June 7, 2010, File No.1-04928).			X															
4.3.13				X															

	Ninety-third Supplemental Indenture, dated as of May 19, 2011, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on May 19, 2011, File No.1-04928).																		
4.3.14	Ninety-fourth Supplemental Indenture, dated as of December 8, 2011, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on December 8, 2011, File No.1-04928).			X															
4.3.15	Ninety-fifth Supplemental Indenture, dated as of September 21, 2012, (incorporated by reference to Exhibit 4.1 to Duke Energy Carolinas, LLC's Current Report on Form 8-K filed on September 21, 2012, File No.1-04928).			X															
4.4	Mortgage and Deed of Trust between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and The Bank of New York Mellon (formerly Irving Trust Company) and Frederick G. Herbst (Tina D. Gonzalez, successor), as Trustees, dated as of May 1, 1940.							X											
4.4.1	First through Fifth Supplemental Indentures thereto (Exhibit 2(b), File No. 2-64189); the Sixth through Sixty-sixth Supplemental Indentures (Exhibit 2(b)-5, File No. 2-16210; Exhibit 2(b)-6, File No. 2-16210; Exhibit 4(b)-8, File No. 2-19118; Exhibit 4(b)-2, File No. 2-22439; Exhibit 4(b)-2, File No. 2-24624; Exhibit 2(c), File No. 2-27297; Exhibit 2(c), File No. 2-30172; Exhibit 2(c), File No. 2-35694; Exhibit 2(c), File No. 2-37505; Exhibit 2(c), File No.							X											

	<p>2-39002; Exhibit 2(c), File No. 2-41738; Exhibit 2(c), File No. 2-43439; Exhibit 2(c), File No. 2-47751; Exhibit 2(c), File No. 2-49347; Exhibit 2(c), File No. 2-53113; Exhibit 2(d), File No. 2-53113; Exhibit 2(c), File No. 2-59511; Exhibit 2(c), File No. 2-61611; Exhibit 2(d), File No. 2-64189; Exhibit 2(c), File No. 2-65514; Exhibits 2(c) and 2(d), File No. 2-66851; Exhibits 4(b)-1, 4(b)-2, and 4(b)-3, File No. 2-81299; Exhibits 4(c)-1 through 4(c)-8, File No. 2-95505; Exhibits 4(b) through 4(h), File No. 33-25560; Exhibits 4(b) and 4(c), File No. 33-33431; Exhibits 4(b) and 4(c), File No. 33-38298; Exhibits 4(h) and 4(i), File No. 33-42869; Exhibits 4(e)-(g), File No. 33-48607; Exhibits 4(e) and 4(f), File No. 33-55060; Exhibits 4(e) and 4(f), File No. 33-60014; Exhibits 4(a) and 4(b) to Post-Effective Amendment No. 1, File No. 33-38349; Exhibit 4(e), File No. 33-50597; Exhibit 4(e) and 4(f) to Registration Statement on Form S-3, File No. 33-57835, filed on February 24, 1995; Exhibit to the Current Report on Form 8-K filed on August 28, 1997, File No. 1-03382; Exhibit 4(b) to Registration Statement on Form S-3, File No. 333-69237, filed on December 18, 1998; and Exhibit 4(c) to the Current Report on Form 8-K filed on March 19, 1999, File No. 1-03382).</p>													
4.4.2	<p>Seventy-second Supplemental Indenture, dated as of September 1, 2003, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light</p>							X						

	Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on September 12, 2003, File No. 1-03382).													
4.4.3	Seventy-third Supplemental Indenture, dated as of March 1, 2005, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 22, 2005, File No. 1-03382).							X						
4.4.4	Seventy-fourth Supplemental Indenture, dated as of November 1, 2005, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on November 30, 2005, File No. 1-03382).							X						
4.4.5	Seventy-fifth Supplemental Indenture, dated as of March 1, 2008, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 13, 2008, File No. 1-03382).							X						
4.4.6	Seventy-sixth Supplemental Indenture, dated as of January 1, 2009, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on January 15, 2009, File No. 1-03382).							X						

4.4.7	Seventy-seventh Supplemental Indenture, dated as of June 18, 2009, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on June 23, 2009, File No. 1-03382).							X						
4.4.8	Seventy-eighth Supplemental Indenture, dated as of September 1, 2011, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on September 15, 2011, File No. 1-03382).							X						
4.4.9	Seventy-ninth Supplemental Indenture, dated as of May 1, 2012, (incorporated by reference to Exhibit 4 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on May 18, 2012, File No. 1-03382).							X						
4.4.10	Eightieth Supplemental Indenture, dated as of March 1, 2013, (incorporated by reference to Exhibit 4.1 to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Current Report on Form 8-K filed on March 12, 2013, File No. 1-03382).							X						
4.5	Indenture (for Debt Securities) between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and The Bank of							X						

	New York Mellon (successor in interest to The Chase Manhattan Bank), as Trustee (incorporated by reference to Exhibit 4(a) to registrant's Current Report on Form 8-K filed on November 5, 1999, File No. 1-03382).												
4.6	Indenture (for [Subordinated] Debt Securities)(open ended) (incorporated by reference to Exhibit 4(a)(2) to Duke Energy Progress, Inc.'s (formerly Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)) Registration Statement on Form S-3 filed on November 18, 2008, File No. 333-155418).						X						
4.7	Indenture (for First Mortgage Bonds) between Duke Energy Florida, Inc. (formerly Florida Power Corporation) and The Bank of New York Mellon (as successor to Guaranty Trust Company of New York and The Florida National Bank of Jacksonville), as Trustee, dated as of January 1, 1944, (incorporated by reference to Exhibit B-18 to registrant's Form A-2, File No. 2-05293).							X					
4.7.1	Seventh Supplemental Indenture (incorporated by reference to Exhibit 4(b) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).							X					
4.7.2	Eighth Supplemental Indenture (incorporated by reference to Exhibit 4(c) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).							X					
4.7.3								X					

	Sixteenth Supplemental Indenture (incorporated by reference to Exhibit 4(d) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 27, 1991, File No. 33-16788).													
4.7.4	Twenty-ninth Supplemental Indenture (incorporated by reference to Exhibit 4(c) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on September 17, 1982, File No. 2-79832).									X				
4.7.5	Thirty-eighth Supplemental Indenture, dated as of July 25, 1994, (incorporated by reference to exhibit 4(f) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation) Registration Statement on Form S-3 filed on August 29, 1994, File No. 33-55273).									X				
4.7.6	Forty-first Supplemental Indenture, dated as of February 1, 2003, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Duke Energy Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on February 21, 2003, File No. 1-03274).									X				
4.7.7	Forty-second Supplemental Indenture, dated as of April 1, 2003, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed on August 11, 2003, File No. 1-03274).									X				
4.7.8										X				

	Forty-third Supplemental Indenture, dated as of November 1, 2003, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on November 21, 2003, File No. 1-03274).													
4.7.9	Forty-fourth Supplemental Indenture, dated as of August 1, 2004, (incorporated by reference to Exhibit 4(m) to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Annual Report on Form 10-K for the year ended December 31, 2004 filed on March 16, 2005, File No. 1-03274).								X					
4.7.10	Forty-sixth Supplemental Indenture, dated as of September 1, 2007, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on September 19, 2007, File No. 1-03274).								X					
4.7.11	Forty-seventh Supplemental Indenture, dated as of December 1, 2007, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.)) Current Report on Form 8-K filed on December 13, 2007, File No. 1-03274).								X					
4.7.12	Forty-eighth Supplemental Indenture, dated as of June 1, 2008, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly								X					

	Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) Current Report on Form 8-K filed on June 18, 2008, File No. 1-03274).													
4.7.13	Forty-ninth Supplemental Indenture, dated as of March 1, 2010, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) Current Report on Form 8-K filed on March 25, 2010, File No. 1-03274).									X				
4.7.14	Fiftieth Supplemental Indenture, dated as of August 11, 2011, (incorporated by reference to Exhibit 4 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) Current Report on Form 8-K filed on August 18, 2011, File No. 1-03274).									X				
4.7.15	Fifty-first Supplemental Indenture, dated as of November 1, 2012, (incorporated by reference to Exhibit 4.1 to Duke Energy Florida, Inc.'s (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) Current Report on Form 8-K filed on November 20, 2012, File No. 1-03274).									X				
4.8	Indenture (for Debt Securities) between Duke Energy Florida, Inc. (formerly Florida Power Corporation (d/b/a Progress Energy Florida, Inc.) and The Bank of New York Mellon Trust Company, National Association (successor in interest to J.P. Morgan Trust Company, National Association), as Trustee, dated as of December 7, 2005, (incorporated by reference to Exhibit 4(a) to registrant's Current Report on									X				

	(formerly The Cincinnati Gas & Electric Company) and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of August 1, 1936, (incorporated by reference to an exhibit to registrant's Registration Statement No. 2-2374).																		
4.11.1	Fortieth Supplemental Indenture, dated as of March 23, 2009, (incorporated by reference to Exhibit 4.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Current Report on Form 8-K filed on March 24, 2009, File No. 1-01232).												X						
4.11.2	Forty-second Supplemental Indenture, dated as of September 6, 2013, (incorporated by reference to Exhibit 4.1 to Duke Energy Ohio, Inc.'s (formerly The Cincinnati Gas & Electric Company) Current Report on Form 8-K filed on September 6, 2013, File No. 1-01232).												X						
4.12	Indenture between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, dated as of November 15, 1996, (incorporated by reference to Exhibit 4(v) to registrant's Annual Report on Form 10-K for the year ended December 31, 1996 filed on March 27, 1997, File No. 1-03543).																		X
4.12.1	Third Supplemental Indenture, dated as of March 15, 1998, (incorporated by reference to Exhibit 4 to Duke Energy Indiana, Inc.'s (formerly PSI Energy, Inc.) Annual Report on Form 10-K for the year ended December 31, 1997 filed on March 27, 1998, File No.																		X

	Unsecured Promissory Note between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and the Rural Utilities Service, dated as of October 14, 1998, (incorporated by reference to Exhibit 4 to registrant's Annual Report on Form 10-K for the year ended December 31, 1998 filed on March 8, 1999, File No. 1-03543).													
4.16	6.302% Subordinated Note between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and Cinergy Corp., dated as of February 5, 2003, (incorporated by reference to Exhibit 4 (yyy) to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 filed on May 12, 2003, File No. 1-03543).													X
4.17	6.403% Subordinated Note between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and Cinergy Corp., dated as of February 5, 2003, (incorporated by reference to Exhibit 4 (zzz) to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 filed on May 12, 2003, File No. 1-03543).													X
4.18	Form of Duke Energy InterNote (Fixed Rate), dated as of November 13, 2012, (incorporated by reference to Exhibit 4.1 to Duke Energy Corporation's Current Report on Form 8-K filed on November 14, 2012, File No. 1-32853).	X												
4.19	Form of Duke Energy InterNote (Floating Rate), dated as of November 13, 2012, (incorporated by reference to Exhibit 4.2 to Duke Energy Corporation's Current Report on Form 8-K filed on November 14, 2012, File No. 1-32853).	X												
4.20						X								

	Contingent Value Obligation Agreement between Progress Energy, Inc. (formerly CP&L Energy, Inc.) and The Chase Manhattan Bank, as Trustee, dated as of November 30, 2000, (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on December 1, 2000, File No. 1-03382).													
4.21	Forty-second Supplemental Indenture between Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company) and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of September 6, 2013, (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on September 6, 2013, File No. 1-01232).										X			
4.22	Sixty-sixth Supplemental Indenture between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and Deutsche Bank National Trust Company, as Trustee, dated as of July 11, 2013, (incorporated by reference to Exhibit 4.1 to registrant's Current Report on Form 8-K filed on July 11, 2013, File No. 1-03543).													X
10.1	Purchase and Sale Agreement between Duke Energy Americas, LLC and LSP Bay II Harbor Holding, LLC, dated as of January 8, 2006, (incorporated by reference to Exhibit 10.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 filed on May 10, 2006, File No. 1-32853).	X		X										
10.1.1	Amendment to Purchase and Sale Agreement between Duke	X		X										

	Energy Americas, LLC, LS Power Generation, LLC (formerly LSP Bay II Harbor Holding, LLC), LSP Gen Finance Co, LLC, LSP South Bay Holdings, LLC, LSP Oakland Holdings, LLC, and LSP Morro Bay Holdings, LLC, dated as of May 4, 2006, (incorporated by reference to Exhibit 10.2.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 filed on May 10, 2006, File No.1-32853).																			
10.2**	Directors' Charitable Giving Program (incorporated by reference to Exhibit 10-P to Duke Energy Carolinas, LLC's Annual Report on Form 10-K for the year ended December 31, 1992, File No. 1-04928).	X																		
10.2.1**	Amendment to Directors' Charitable Giving Program, dated as of June 18, 1997, (incorporated by reference to Exhibit 1-1.1 to Duke Energy Carolinas, LLC's Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004, File No. 1-04928).	X																		
10.2.2**	Amendment to Directors' Charitable Giving Program, dated as of July 28, 1997, (incorporated by reference to Exhibit 10-1.2 to Duke Energy Carolinas, LLC's Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 15, 2004, File No. 1-04928).	X																		
10.2.3**	Amendment to Directors' Charitable Giving Program, dated as of February 18, 1998, (incorporated by reference to Exhibit 10-1.3 to Duke Energy Carolinas, LLC's Annual Report on Form 10-K for the year ended December 31, 2003 filed	X																		

	on March 15, 2004, File No. 1-04928).													
10.3**	Duke Energy Corporation 1998 Long-Term Incentive Plan, as amended, (incorporated by reference to Exhibit 1 to Duke Energy Carolinas, LLC's Form DEF 14A filed on March 28, 2003, File No. 1-04928).	X												
10.4	Agreements with Piedmont Electric Membership Corporation, Rutherford Electric Membership Corporation and Blue Ridge Electric Membership Corporation to provide wholesale electricity and related power scheduling services from September 1, 2006 through December 31, 2021 (incorporated by reference to Exhibit 10.15 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed on August 9, 2006, File No. 1-32853).	X												
10.5	Asset Purchase Agreement between Saluda River Electric Cooperative, Inc., as Seller, and Duke Energy Carolinas, LLC, as Purchaser, dated as of December 20, 2006, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on December 27, 2006, File No. 1-04928).			X										
10.6	Settlement between Duke Energy Corporation, Duke Energy Carolinas, LLC and the U.S. Department of Justice resolving Duke Energy's used nuclear fuel litigation against the U.S. Department of Energy, dated as of March 6, 2007, (incorporated by reference to Item 8.01 to registrant's Current Report on Form 8-K filed on March 12, 2007, File No. 1-04928).			X										

10.7	Engineering, Procurement and Construction Agreement between Duke Energy Carolinas, LLC and Stone & Webster National Engineering P.C., dated as of July 11, 2007, (incorporated by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 filed on November 12, 2007, File No. 1-04928). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.)			X										
10.8	Deferred Compensation Agreement between Duke Energy Indiana, Inc. (PSI Energy, Inc.) and James E. Rogers, dated as of January 1, 1992.													X
10.9	Amended and Restated Engineering, Procurement and Construction Agreement between Duke Energy Carolinas, LLC and Stone & Webster National Engineering P.C., dated as of February 20, 2008, (incorporated by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed on May 14, 2008, File No. 1-04928). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as			X										

	Allegheny Energy Supply Company, LLC, Allegheny Energy Supply Wheatland Generating Facility, LLC and Lake Acquisition Company, L.L.C., dated as of May 6, 2005, (incorporated by reference to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed on August 4, 2005, File No. 1-01232).													
10.15	Asset Purchase Agreement between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and CG&E and Allegheny Energy Supply Company, LLC, Allegheny Energy Supply Wheatland Generating Facility, LLC and Lake Acquisition Company, L.L.C., dated as of May 6, 2005, (incorporated by reference to Exhibit 10(kkkk) to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 filed on August 4, 2005, File No. 1-03543).													X
10.16	Keepwell Agreement between Duke Capital LLC and Duke Energy Ohio, Inc. (formerly The Cincinnati Gas & Electric Company), dated as of April 10, 2006, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on April 14, 2006, File No. 1-01232).										X			
10.17	Agreements between Piedmont Electric Membership Corporation, Rutherford Electric Membership Corporation and Blue Ridge Electric Membership Corporation to provide wholesale electricity and related power scheduling services from September 1, 2006 through December 31, 2021 (incorporated by reference to Exhibit 10.15 to Duke Energy	X												

	Formation and Sale Agreement between Duke Ventures, LLC, Crescent Resources, LLC, Morgan Stanley Real Estate Fund V U.S. L.P., Morgan Stanley Real Estate Fund V Special U.S., L.P., Morgan Stanley Real Estate Investors V U.S., L.P., MSP Real Estate Fund V, L.P., and Morgan Stanley Strategic Investments, Inc., dated as of September 7, 2006, (incorporated by reference to Exhibit 10.3 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 filed on November 9, 2006, File No. 1-32853).													
10.22**	Stock Option Grant Agreement between Duke Energy Corporation and James E. Rogers, dated as of April 4, 2006, (incorporated by reference to Exhibit 10.4 to registrant's Current Report on Form 8-K filed April 6, 2006, File No. 1-32853).	X												
10.23**	Duke Energy Corporation 2006 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on October 27, 2006, File No. 1-32853).	X												
10.24**	Amendment to the Duke Energy Corporation 1998 Long-Term Incentive Plan between Duke Energy Corporation and Spectra Energy Corp., effective February 27, 2007, (incorporated by reference to Exhibit 10.6 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 filed on May 10, 2007, File No. 1-32853).	X												
10.25**	Amendment to the Duke Energy Corporation 2006 Long-Term	X												

	Incentive Plan between Duke Energy Corporation and Spectra Energy Corp., (incorporated by reference to Exhibit 10.7 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 filed on May 10, 2007, File No. 1-32853).																			
10.26	Engineering, Procurement and Construction Agreement between Duke Energy Carolinas, LLC and Stone & Webster National Engineering P.C., dated as of July 11, 2007, (incorporated by reference to Exhibit 10.2 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 filed on November 9, 2007, File No. 1-32853). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended).	X																		
10.27	Amended and Restated Engineering, Procurement and Construction Agreement between Duke Energy Carolinas, LLC and Stone & Webster National Engineering P.C., dated as of February 20, 2008, (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed on May 9, 2008, File No. 1-32853). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential	X																		

	treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended).																		
10.28	Agreement and Plan of Merger between DEGS Wind I, LLC, DEGS Wind Vermont, Inc., Catamount Energy Corporation, dated as of June 25, 2008, (incorporated by reference to Exhibit 10.2 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 filed on August 11, 2008, File No. 1-32853).	X																	
10.29	Amended and Restated Engineering and Construction Agreement between Duke Energy Carolinas, LLC and Shaw North Carolina, Inc., dated as of December 21, 2009, (incorporated by reference to Exhibit 10.41 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 26, 2010, File No.1-32853).	X																	
10.30	Operating Agreement of Pioneer Transmission, LLC (incorporated by reference to Exhibit 10.1 to Duke Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 filed on November 7, 2008, File No. 1-32853).	X																	
10.31**	Amendment to Deferred Compensation Agreement between PSI Energy, Inc. and James E. Rogers, effective August 26, 2008, (incorporated by reference to Exhibit 10.6 to Duke Energy Corporation's Current Report on Form 8-K filed on September 2, 2008, File No. 1-32853).	X																	
*10.32**	Amended and Restated Duke Energy Corporation Directors'	X																	

	Saving Plan, dated as of January 1, 2014.																	
10.33**	Deferred Compensation Agreement between PSI Energy, Inc. and James E. Rogers, dated as of December 16, 1992.	X																
10.34	Engineering, Procurement and Construction Management Agreement between Duke Energy Indiana, Inc. (formerly PSI Energy, Inc.) and Bechtel Power Corporation, dated as of December 15, 2008, (incorporated by reference to Item 1.01 to registrant's Current Report on Form 8-K filed on December 19, 2008, File Nos. 1-32853 and 1-03543). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended).	X																X
10.35	Amended and Restated Engineering and Construction Agreement between Duke Energy Carolinas, LLC and Shaw North Carolina, Inc., dated as of March 8, 2010, (incorporated by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed on May 7, 2010, File Nos. 1-32853 and 1-04928).	X		X														
10.36**	Form of Performance Award Agreement of Duke Energy Corporation (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).	X																
10.37**	Form of Phantom Stock Award of Duke Energy Corporation (incorporated by reference to	X																

	Exhibit 10.2 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).													
10.38**	Form of Performance Award Agreement between Duke Energy Corporation and James E. Rogers (incorporated by reference to Exhibit 10.3 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).	X												
10.39**	Duke Energy Corporation Executive Severance Plan (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on January 10, 2011, File No. 1-32853).	X												
10.40	\$6,000,000,000 Five-Year Credit Agreement between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Carolina Power and Light Company d/b/a Duke Energy Progress, Inc. and Florida Power Corporation, d/b/a Duke Energy Florida, Inc., as Borrowers, the lenders listed therein, Wells Fargo Bank, National Association, as Administrative Agent, Bank of America, N.A. and The Royal Bank of Scotland plc, as Co-Syndication Agents and Bank of China, New York Branch, Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, Industrial and Commercial Bank of China Limited, New York Branch, JPMorgan Chase Bank, N.A. and UBS Securities LLC, as Co-Documentation Agents, dated as of November 18, 2011, (incorporated by reference to Exhibit 10.1 to registrant's	X		X								X		X

	Current Report on Form 8-K filed on November 25, 2011, File Nos. 1-32853, 1-04928, 1-01232 and 1-03543).																			
10.41**	Form of Performance Award Agreement of Duke Energy Corporation under the Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).	X																		
10.42**	Form of Phantom Stock Award Agreement of Duke Energy Corporation under the Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).	X																		
10.43**	Form of Performance Award Agreement between Duke Energy Corporation and James E. Rogers under the Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to registrant's Current Report on Form 8-K filed on February 22, 2011, File No. 1-32853).	X																		
10.44**	Employment Agreement between Duke Energy Corporation and James E. Rogers, dated as of February 19, 2009, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on February 25, 2009, File No. 1-32853).	X																		
10.44.1**	Amendment, dated as of June 27, 2012, to the Employment Agreement, dated as of February 19, 2009, between Duke Energy Corporation and James E. Rogers (incorporated	X																		

	by reference to Exhibit 10.1 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed on August 8, 2012, File No. 1-32853).																		
10.44.2**	Second Amendment, dated as of July 3, 2012, to the Employment Agreement, dated as of February 19, 2009, between Duke Energy Corporation and James E. Rogers (incorporated by reference Exhibit 10.2 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed on August 8, 2012, File No. 1-32853).	X																	
10.45**	Duke Energy Corporation 2010 Long-term Incentive Plan (incorporated by reference to Appendix A to registrant's Form DEF 14A filed on March 22, 2010, File No. 1-32853).	X																	
10.45.1**	Amendment to Duke Energy Corporation 2010 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed on August 8, 2012, File No. 1-32853).	X																	
10.46	Settlement Agreement between Duke Energy Corporation, the North Carolina Utilities Commission Staff and the North Carolina Public Staff, dated as of November 28, 2012, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on November 29, 2012, File No. 1-32853).	X																	
10.47	Settlement Agreement between Duke Energy Corporation and the North Carolina Attorney General, dated as of December 3, 2012, (incorporated by	X																	

	reference Item 7.01 to registrant's Current Report on Form 8-K filed on December 3, 2012, File No. 1-32853).																		
10.48**	Retention Award Agreement between Duke Energy Corporation and Lloyd Yates, dated as of July 9, 2012, (incorporated by reference to Exhibit 10.56 to registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 1, 2013, File No. 1-32853).	X																	
10.49**	Form of Change-in-Control Agreement (incorporated by reference to Exhibit 10.58 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 1, 2013, File No. 1-32853).	X																	
10.50**	Consulting Agreement between Duke Energy Corporation and John R. McArthur, dated as of January 1, 2013, (incorporated by reference to Exhibit 10.63 to registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 1, 2013, File No. 1-32853).	X																	
10.51**	Form of Performance Share Award (incorporated by reference to Exhibit 10.64 to Duke Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 1, 2013, File No. 1-32853).	X																	
*10.52**	Amended and Restated Duke Energy Corporation Executive Cash Balance Plan, dated as of January 1, 2014.	X																	
10.53	Purchase, Construction and Ownership Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North								X										

	Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency, amending letter, dated as of February 18, 1982, and amendment, dated as of February 24, 1982, (incorporated by reference to Exhibit 10(a) to registrant's File No. 33-25560).													
10.54	Operating and Fuel Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency, amending letters, dated as of August 21, 1981 and December 15, 1981, and amendment, dated as of February 24, 1982, (incorporated by reference to Exhibit 10(b) to registrant's File No. 33-25560).						X							
10.55	Power Coordination Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Municipal Power Agency Number 3 and Exhibits, together with resolution, dated as of December 16, 1981, changing name to North Carolina Eastern Municipal Power Agency and amending letter, dated as of January 29, 1982, (incorporated by reference to Exhibit 10(c) to registrant's File No. 33-25560).						X							

10.56	Amendment, dated as of December 16, 1982, to Purchase, Construction and Ownership Agreement, dated as of July 30, 1981, between Duke Energy Progress, Inc. (formerly Carolina Power & Light Company) and North Carolina Eastern Municipal Power Agency (incorporated by reference to Exhibit 10(d) to registrant's File No. 33-25560).							X						
10.57+	Retirement Plan for Outside Directors (incorporated by reference to Exhibit 10(i) to registrant's File No. 33-25560).							X						
10.58+	Resolutions of Board of Directors amending the Deferred Compensation Plan for Key Management Employees of Duke Energy Progress, Inc. (formerly Carolina Power & Light Company), dated as of July 9, 1997, (incorporated by reference to Exhibit 10(b)(11) to registrant's Annual Report on Form 10-K for the year ended December 31, 1997 filed on March 26, 1998, File No. 1-03382).							X						
10.59+	2002 Progress Energy, Inc. Equity Incentive Plan, Amended and Restated, effective January 1, 2007, (incorporated by reference to Exhibit 10(c)5 to registrant's Annual Report on Form 10-K for the year ended December 31, 2006 filed on March 1, 2007, File Nos. 1-15929, 1-03382 and 1-03274).					X		X		X				
10.60+	Amended and Restated Broad-Based Performance Share Sub-Plan, Exhibit B to the 2002 Progress Energy, Inc. Equity Incentive Plan, effective January 1, 2007, (incorporated by reference to Exhibit 10c(6) to registrant's Annual Report on					X		X		X				

	Form 10-K for the year ended December 31, 2006 filed on March 1, 2007, File Nos. 1-15929, 1-03382 and 1-03274).																		
10.61+	Amended and Restated Executive and Key Manager Performance Share Sub-Plan, Exhibit A to the 2002 Progress Energy, Inc. Equity Incentive Plan, effective January 1, 2007, (incorporated by reference to Exhibit 10(c)(7) to registrant's Annual Report on Form 10-K for the year ended December 31, 2006 filed on March 1, 2007, File Nos. 1-15929, 1-03382 and 1-03274).					X		X		X									
10.62+	Progress Energy, Inc. 2007 Equity Incentive Plan (incorporated by reference to Exhibit C to registrant's Form DEF 14A filed on March 30, 2007, File No. 1-15929).					X													
10.63+	Executive and Key Manager 2007 Performance Share Sub-Plan, Exhibit A to the 2007 Equity Incentive Plan, effective January 1, 2007, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on July 16, 2007, File Nos. 1- 15929, 1-03382 and 1-03274).					X		X		X									
10.64+	Form of Progress Energy, Inc. Restricted Stock Agreement pursuant to the 2002 Progress Energy Inc. Equity Incentive Plan, effective July 2002, (incorporated by reference to Exhibit 10(c)(18) to registrant's Annual Report on Form 10-K for the year ended December 31, 2004 filed on March 16, 2005, File Nos. 1-15929 and 1-03382).					X		X											
10.65+	Form of Employment Agreement between (i) Progress Energy Service Company, LLC and Robert					X		X		X									

	McGehee, John R. McArthur and Peter M. Scott III; (ii) PEC and Lloyd M. Yates, Fredrick N. Day IV, Paula M. Sims, William D. Johnson and Clayton S. Hinnant; and (iii) PEF and Jeffrey A. Corbett and Jeffrey J. Lyash, dated as of May 8, 2007, (incorporated by reference to Exhibit 10 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 filed on May 9, 2007, File Nos. 1-15929, 1-03382 and 1-03274).													
10.66+	Form of Employment Agreement between Progress Energy Service Company, LLC and Mark F. Mulhern, dated September 18, 2007, (incorporated by reference to Exhibit 10 to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 filed on May 8, 2007, File No. 1-15929).					X								
10.67+	Form of Executive and Key Manager 2008 Performance Share Sub-Plan (incorporated by reference to Exhibit 10(a) to registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 filed on May 12, 2008, File No. 1-15929, 1-03382 and 1-03274).					X		X		X				
10.68+	Progress Energy, Inc. 2009 Executive Incentive Plan, effective March 17, 2009, (incorporated by reference to Exhibit D to registrant's Form DEF 14A filed on March 31, 2009, File No. 1-15929).					X								
10.69+	Form of Letter Agreement executed by certain officers of Progress Energy, Inc., waiving certain rights under Progress Energy, Inc.'s Management Change-in-Control Plan and their employment agreements, dated as of January 8, 2011,					X								

	(incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on January 8, 2011, File No. 1-15929).													
10.70+	Deferred Compensation Plan for Key Management Employees of Progress Energy, Inc., Amended and Restated, effective July 13, 2011, (incorporated by reference to Exhibit 10(a) to registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed on November 8, 2011, File Nos. 1-15929, 1-03382 and 1-03274).					X		X		X				
10.71+	Executive and Key Manager 2009 Performance Share Sub-Plan, Exhibit A to 2007 Equity Incentive Plan, Amended and Restated, effective July 12, 2011, (incorporated by reference to Exhibit 10(b) to registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed on November 8, 2011, File Nos. 1-15929, 1-03382 and 1-03274).					X		X		X				
10.72+	Progress Energy, Inc. Management Change-in-Control Plan, Amended and Restated, effective July 13, 2011, (incorporated by reference to Exhibit 10(d) to registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 filed on November 8, 2011, File Nos. 1-15929, 1-03382 and 1-03274).					X		X		X				
10.73+	Amended and Restated Supplemental Senior Executive Retirement Plan of Progress Energy, Inc., Amended and Restated, effective July 13, 2011, (incorporated by reference to Exhibit 10(i) to registrant's Quarterly Report on					X		X		X				

	Form 10-Q for the quarter ended September 30, 2011 filed November 8, 2011, File Nos. 1-15929, 1-03382 and 1-03274).													
10.74+	Form of Progress Energy, Inc. Restricted Stock Unit Award Agreement (Graded Vesting), effective September 15, 2011.					X		X		X				
10.75+	Form of Progress Energy, Inc. Restricted Stock Unit Award Agreement (Cliff Vesting), effective September 15, 2011.					X		X		X				
10.76	<p>Precedent and Related Agreements between Duke Energy Florida, Inc. (formerly Florida Power Corporation d/b/a Progress Energy Florida, Inc. ("PEF")), Southern Natural Gas Company, Florida Gas Transmission Company ("FGT"), and BG LNG Services, LLC ("BG"), including:</p> <p>a) Precedent Agreement between Southern Natural Gas Company and PEF, dated as of December 2, 2004;</p> <p>b) Gas Sale and Purchase Contract between BG and PEF, dated as of December 1, 2004;</p> <p>c) Interim Firm Transportation Service Agreement by and between FGT and PEF, dated as of December 2, 2004;</p> <p>d) Letter Agreement between FGT and PEF, dated as of December 2, 2004 and Firm Transportation Service Agreement between FGT and PEF to be entered into upon satisfaction of certain conditions precedent;</p> <p>e) Discount Agreement between FGT and PEF, dated as of December 2, 2004;</p>					X				X				

	<p>f) Amendment to Gas Sale and Purchase Contract between BG and PEF, dated as of January 28, 2005; and</p> <p>g) Letter Agreement between FGT and PEF, dated as of January 31, 2005, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K/A filed on March 15, 2005, File Nos. 1-15929 and 1-03274). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended).</p>													
10.77	<p>Engineering, Procurement and Construction Agreement between Duke Energy Florida, Inc. (formerly Florida Power Corporation d/b/a/ Progress Energy Florida, Inc.), as owner, and a consortium consisting of Westinghouse Electric Company LLC and Stone & Webster, Inc., as contractor, for a two-unit AP1000 Nuclear Power Plant, dated as of December 31, 2008, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on March 2, 2009, File Nos. 1-15929 and 1-03274). (Portions of the exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of</p>				X				X					

	1934, as amended).												
10.78	Amendment No. 1 and Consent between Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc., Duke Energy Florida, Inc., and Wells Fargo Bank, National Association, dated as of December 18, 2013, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on December 23, 2013, File Nos. 1-32853, 1-04928, 1-03382, 1-03274, 1-01232 and 1-03543).	X		X					X		X		X
10.79**	Employment Agreement between Duke Energy Corporation and Lynn J. Good, dated as of June 17, 2013, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8-K filed on June 18, 2013, File No. 1-32853).	X											
10.80**	Duke Energy Corporation Executive Short-Term Incentive Plan, effective February 25, 2013, (incorporated by reference to Exhibit 10.1 to registrant's Current Report on Form 8- filed on May 7, 2013, File No. 1-32853).	X											
*10.81**	Duke Energy Corporation 2013 Director Compensation Program Summary.	X											
*10.82**	Amended and Restated Duke Energy Corporation Executive Savings Plan, dated as of January 1, 2014.	X											
*12.1	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY CORPORATION	X											
*12.2	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY CAROLINAS,			X									

	LLC													
*12.3	Computation of Ratio of Earnings to Fixed Charges - PROGRESS ENERGY, INC					X								
*12.4	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY PROGRESS, INC							X						
*12.5	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY FLORIDA, INC								X					
*12.6	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY OHIO, INC.										X			
*12.7	Computation of Ratio of Earnings to Fixed Charges - DUKE ENERGY INDIANA, INC.													X
*21	List of Subsidiaries	X												
*23.1.1	Consent of Independent Registered Public Accounting Firm.	X												
*23.1.2	Consent of Independent Registered Public Accounting Firm.			X										
*23.1.3	Consent of Independent Registered Public Accounting Firm.					X								
*23.1.4	Consent of Independent Registered Public Accounting Firm.							X						
*23.1.5	Consent of Independent Registered Public Accounting Firm.								X					
*23.1.6	Consent of Independent Registered Public Accounting Firm.										X			
*23.1.7	Consent of Independent Registered Public Accounting Firm.													X
*24.1	Power of attorney authorizing Lynn J. Good and others to sign the annual report on behalf of the registrant and certain of its directors and officers.	X												
*24.2	Certified copy of resolution of the Board of Directors of the registrant authorizing power of attorney.	X												
*31.1.1		X												

	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.													
*31.1.2	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X										
*31.1.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X								
*31.1.4	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X							
*31.1.5	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X					
*31.1.6	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.										X			
*31.1.7	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.													X
*31.2.1	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X												
*31.2.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			X										
*31.2.3	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X								
*31.2.4	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.						X							
*31.2.5	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.								X					
*31.2.6											X			

	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.																		
*31.2.7	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.																		X
*32.1.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X																	
*32.1.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			X															
*32.1.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X													
*32.1.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X											
*32.1.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.									X									
*32.1.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.															X			
*32.1.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.																		X
*32.2.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X																	
*32.2.2	Certification Pursuant to 18			X															

	U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.																		
*32.2.3	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.						X												
*32.2.4	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.							X											
*32.2.5	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.								X										
*32.2.6	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.													X					
*32.2.7	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.																		X
*101.INS	XBRL Instance Document	X		X		X		X		X		X		X		X		X	
*101.SCH	XBRL Taxonomy Extension Schema Document	X		X		X		X		X		X		X		X		X	
*101.CAL	XBRL Taxonomy Calculation Linkbase Document	X		X		X		X		X		X		X		X		X	
*101.LAB	XBRL Taxonomy Label Linkbase Document	X		X		X		X		X		X		X		X		X	
*101.PRE	XBRL Taxonomy Presentation Linkbase Document	X		X		X		X		X		X		X		X		X	
*101.DEF	XBRL Taxonomy Definition Linkbase Document	X		X		X		X		X		X		X		X		X	
The total amount of securities of the registrant or its subsidiaries authorized under any instrument with respect to long-term debt not filed as an exhibit does not exceed 10 percent of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees, upon request of the Securities and Exchange Commission (SEC), to furnish copies of any or all of such instruments to it.																			

Exhibit

