



Philip R. Sharp
Chairman, Regulatory Policy and Operations
Committee
Duke Energy Corporation Board of Directors
550 S. Tryon Street
Charlotte, NC 28202

April 14, 2014

Via Electronic Mail

Laura Campos
Director of Shareholder Activities
The Nathan Cummings Foundation
475 Tenth Avenue – 14th Floor
New York, NY 10018

Dear Ms. Campos:

Thank you for your letter dated March 27, 2014, and for your investment in Duke Energy (the “Company”). The Regulatory Policy and Operations Committee (the “Committee”) of the Board of Directors (the “Board”) appreciates and shares your concerns and agrees, as does the Board and Management, that a comprehensive review of the Dan River ash basin release as well as our overall ash basin management is important. This matter has our full attention and the Board and the Committee have been, and will continue to be, actively engaged in reviewing this very serious matter with Management and in overseeing the Company’s response. If, at any time, we believe the Company’s shareholders would be better served by the Board or Committee initiating an independent investigation, separate from the thorough reviews already underway by the Company and various state and federal regulators, we will not hesitate to do so.

At the direction and under the guidance of the Board and the Committee, the Company has already taken a number of actions in the short-term:

- Established an internal strategic task force, reporting directly to Lynn Good, our Vice Chairman, President and CEO, to undertake a comprehensive engineering review of every Duke Energy ash basin. This review will be the basis for implementing near-term actions and developing longer-term solutions across our entire system.
- Engaged independent, third-party engineering experts to complete an assessment of all of our ash basins. We expect this work to be completed by May 31, 2014, and will take immediate action to address any identified issues.
- Developed a near-term plan in North Carolina for three of our retired plants (i.e., Dan River, Sutton, and Riverbend) and three of our active operating units (i.e., two units at Asheville and Cliffside Unit 5). The task force has also developed an approach to reduce risk on remaining ash basins at our retired North Carolina plants by accelerating the removal of water from those ash basins.

Additionally, development of a comprehensive longer-term ash basin management strategy is underway. This will include, with the assistance of outside experts, a review of all active and



inactive ash basins and closure strategies for the Company's remaining retired plants and will be informed by pending regulations from the U.S. Environmental Protection Agency.

We expect the work on this strategy to be completed by year-end. Implementation of our short-term and longer-term plans depends on state and federal agreement that these are prudent, cost-effective and environmentally sound options.

We are keeping the public and shareholders informed of the status of our Dan River response, as well as our overall ash basin management plans, via a dedicated Ash Management webpage on the Duke Energy corporate website, located at <http://www.duke-energy.com/ash-management/>.

As to the concerns that you raise regarding the Company's lobbying and political activities, the Board, through the Committee, actively reviews the policies and practices regarding the Company's lobbying and political activities. And, as you know, all contributions from Duke Energy's political action committee (DUKEPAC) are disclosed through a link on the Political Participation page of our website at <http://www.duke-energy.com/corporate-governance/political-participation.asp>. In addition, we are cooperating fully with the U.S. Attorney's investigation relating to the Company's interactions with our regulators.

Please be assured that addressing the issues associated with the Dan River incident and our ash basin management is a top priority of our Management team, the Committee and the Board. Although there is a considerable amount of work ahead of us, we are committed to working with our regulators to take action that will be in the best interests of our Company, our shareholders, our customers, and the communities we serve.

We value our shareholders' viewpoints, and appreciate that you communicated your concerns with us. Please share this letter with the other investors who joined your request. If you would like to discuss this matter further, I encourage you to contact Julie Janson, Executive Vice President, Chief Legal Officer and Corporate Secretary. Again, thank you for your letter and interest in Duke Energy.

Sincerely,

A handwritten signature in blue ink that reads "Phil Sharp".

Philip R. Sharp
Chairman, Regulatory Policy and Operations Committee