

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP</u>	1b Three-digit plan number (PN) ► <u>004</u> 1c Effective date of plan <u>01/01/1998</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>FLORIDA PROGRESS CORPORATION</u> <u>550 SOUTH TRYON STREET DEC 38A</u> <u>CHARLOTTE, NC 28202</u>	2b Employer Identification Number (EIN) <u>59-2147112</u> 2c Sponsor's telephone number <u>704-382-5289</u> 2d Business code (see instructions) <u>221100</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2013</u>	<u>PETER KOSTIW</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address DUKE ENERGY CORPORATION BENEFITS COMMITTEE 550 SOUTH TRYON STREET DEC 38D CHARLOTTE, NC 28202		3b Administrator's EIN 20-2777218 3c Administrator's telephone number 704-382-5289
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 3880
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d). a Active participants..... b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6a 2502 6b 854 6c 486 6d 3842 6e 121 6f 3963 6g 6h 93
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1C 1G 3F 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FLORIDA PROGRESS CORPORATION</u>	D Employer Identification Number (EIN) <u>59-2147112</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a <u>379260358</u>
b Actuarial value	2b <u>377393684</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>904</u> <u>146783544</u>
b For terminated vested participants.....	3b <u>481</u> <u>17072614</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>14866630</u>
(2) Vested benefits.....	3c(2) <u>161693151</u>
(3) Total active	3c(3) <u>2495</u> <u>176559781</u>
d Total	3d <u>3880</u> <u>340415939</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>7.07 %</u>
6 Target normal cost.....	6 <u>13047602</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>09/30/2013</u>
	Signature of actuary	Date
<u>KELLY Q. BRANHAM</u>		<u>11-05192</u>
	Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>		<u>770-955-2488</u>
	Firm name	Telephone number (including area code)
<u>200 GALLERIA PARKWAY NW, SUITE 1900</u> <u>ATLANTA, GA 30339-5945</u>		
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>4.91</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		19287989
b	Interest on (a) using prior year's effective interest rate of <u>6.33</u> % except as otherwise provided (see instructions)		1220930
c	Total available at beginning of current plan year to add to prefunding balance		20508919
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	110.86 %
15	Adjusted funding target attainment percentage	15	110.86 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/15/2012	5180636	0			
12/28/2012	21000000	0			
09/12/2013	26500000	0			
Totals ►			18(b)	52680636	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	48141674
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	13047602	
b Excess assets, if applicable, but not greater than line 31a	31b	13047602	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	48141674	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	48141674	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 FLORIDA PROGRESS CORPORATION	D Employer Identification Number (EIN) 59-2147112

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: KERRY N. SCHMIDT	b EIN: 13-3954297
c Position: ENROLLED ACTUARY	
d Address: 200 GALLERIA PARKWAY NW, SUITE 1900 ATLANTA, GA 30339-5945	e Telephone: 770-955-2488

Explanation: ENROLLED ACTUARY LEFT EMPLOYMENT WITH FIRM PROVIDING THE SERVICES

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP		B Three-digit plan number (PN) ► 004
C Plan sponsor's name as shown on line 2a of Form 5500 FLORIDA PROGRESS CORPORATION		D Employer Identification Number (EIN) 59-2147112

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	32158186	0
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	2436101	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	13048460	0
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	333778841	460481803
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	381421588	460481803

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	1132983	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1132983	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	380288605	460481803
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	52680636	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		52680636

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		42757860
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		95438496

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	15245298	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		15245298
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		15245298

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		80193198
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCCONNELL & JONES, LLP

(2) EIN: 76-0488832

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d			
e Was this plan covered by a fidelity bond?	X		25000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

	5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2012</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012					
A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP				B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 FLORIDA PROGRESS CORPORATION				D Employer Identification Number (EIN) 59-2147112	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s):					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	10
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....				☐ Yes	☒ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?				☐ Yes	☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....				☐ Yes	☐ No ☒ N/A
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....				☐ Increase	☐ Decrease ☐ Both ☒ No
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....				☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?				☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....				☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?				☐ Yes	☐ No
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2012 v. 120126					

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 14.0% Investment-Grade Debt: 39.0% High-Yield Debt: 1.0% Real Estate: 0.0% Other: 46.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**RETIREMENT PLAN FOR BARGAINING
UNIT EMPLOYEES OF
FLORIDA PROGRESS CORPORATION**
St. Petersburg, Florida

Independent Auditor's Report and Financial Statements

December 31, 2012 and 2011

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
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December 31, 2012 and 2011

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Independent Auditor's Report

To the Participants and Plan Administrator of the
Retirement Plan for Bargaining Unit Employees of Florida Corporation:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Retirement Plan for Bargaining Unit Employees of Florida Corporation (the Plan), which comprise the Statements of Net Assets Available for Benefits and of Accumulated Plan Benefits as of December 31, 2012 and the related Statements of Changes in Net Assets Available for Benefits and of Changes in Accumulated Plan Benefits for the year then ended, and the related Notes to Financial Statements.

Plan Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), Plan management instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by State Street Bank and Trust Company (Trustee), the trustee of the Plan and the Progress Energy Pension Plans Master Trust (Master Trust) in which the Plan has a beneficial interest, except for comparing such information with the related information included in the financial statements. We have been informed by Plan management that the Trustee holds the investment assets of the Plan and the Master Trust and executes investment transactions. Plan management has obtained a certification from the Trustee as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to Plan management by the Trustee is complete and accurate.



Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter – 2011 Financial Statements

The Statements of Net Assets Available for Benefits and of Accumulated Pension Benefits of the Plan as of December 31, 2011 were audited by a predecessor auditor whose report dated September 19, 2012, also did not express an opinion on that statement for the reasons described in the *Basis for Disclaimer of Opinion* paragraph.

McConnell & Jones LLP

Houston, Texas
October 11, 2013

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Plan interest in Master Trust investments	<u>\$460,481,803</u>	<u>\$380,288,605</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$460,481,803</u></u>	<u><u>\$380,288,605</u></u>

See Notes to Financial Statements

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31, 2012

Additions:

Plan interest in Master Trust net income	\$ 42,757,860
Employer contributions	<u>52,680,636</u>

Total additions	<u>95,438,496</u>
-----------------	-------------------

Deductions:

Benefits paid to participants	15,245,298
-------------------------------	------------

Increase in Net Assets Available For Benefits	80,193,198
--	------------

Net assets available for benefits - beginning of year	<u>380,288,605</u>
--	--------------------

Net Assets Available For Benefits – End of Year	<u><u>\$ 460,481,803</u></u>
--	------------------------------

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENTS OF ACCUMULATED PLAN BENEFITS
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits		
Vested benefits		
Retired members and beneficiaries currently receiving payments	\$ 148,970,059	\$ 130,734,546
Other members	<u>174,463,916</u>	<u>151,356,713</u>
Total vested benefits	323,433,975	282,091,259
Non-vested benefits	<u>8,879,709</u>	<u>12,049,150</u>
TOTAL ACTUARIAL PRESENT VALUE OF PLAN ACCUMULATED BENEFITS ⁽¹⁾	<u>\$ 332,313,684</u>	<u>\$ 294,140,409</u>

* Prepared by the Plan's actuary as of January 1, 2013 and 2012, respectively.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
Year Ended December 31, 2012

Actuarial present value of accumulated plan benefits

as of December 31, 2011	\$ 294,140,409
--------------------------------	----------------

Increase (decrease) during the year attributable to:

Interest	24,473,707
----------	------------

Benefits accumulated and actuarial experience	12,265,630
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Benefits paid	(16,540,555)
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Plan amendments	-
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Changes in actuarial assumptions or methods	17,974,493
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Total increase in accumulated plan benefits	<u>38,173,275</u>
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**ACTUARIAL PRESENT VALUE OF ACCUMULATED
PLAN BENEFITS AS OF DECEMBER 31, 2012 (*)**

<u>\$ 332,313,684</u>

* Prepared by the Plan's actuary as of January 1, 2013.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
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Note 1 – Description of the Plan

The following brief description of the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General – The Plan is a non-contributory defined benefit pension plan covering bargaining unit employees of Progress Energy Florida, Inc., a wholly-owned subsidiary of Progress Energy, Inc. (Company or Progress Energy). Employees are eligible for participation as of the first day of the month after employment. The Plan is administered by the Retirement Board, consisting of persons appointed by the Chief Executive Officer of Florida Progress Corporation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective July 2, 2012, Duke Energy Corporation (Duke Energy) acquired Progress Energy in a stock-for-stock transaction. Progress Energy will continue as a wholly-owned subsidiary of Duke Energy.

Benefits – Plan participants hired prior to January 1, 2003 accrue benefits under a final average pay formula. Normal retirement date for these participants is the first day of the month following the employee's 65th birthday, but the Plan permits a participant to retire with an unreduced benefit at age 60 if the participant has at least 20 years of service at retirement, or at age 55 if the participant has at least 35 years of service at retirement. Participants who are hired on or after January 1, 2003 accrue benefits under a cash balance formula; for these participants, normal retirement date is defined as the later of attainment of age 65 or the fifth anniversary of the date the participant became a member of the Plan. Participants hired prior to January 1, 2003 may be fully vested after completing five years of vesting service. Effective January 1, 2008, as required by the Pension Protection Act, a participant in this plan with a hire date on or after January 1, 2003 may be fully vested after completing three years of vesting service.

Note 2 – Summary of significant accounting policies

Basis of accounting – The foregoing financial statements are prepared on the accrual basis of accounting.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires Plan Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investments and income recognition – Investments are stated at fair market value as determined by State Street Bank and Trust Company, N.A., (the Trustee). If available, quoted market prices are used to value investments. Securities that have no quoted market price are valued at their estimated fair value. The security transactions are recorded on a trade-date basis. Cost for the sale of securities is based on the average cost as determined by the Trustee. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gain (loss) on the purchase or sale of forward foreign currency contracts is recognized on the settlement date which is not materially different from the trade date. The fair value of the Plan's interest in the Progress Energy Pension Plan's Master Trust (Master Trust) is based on the beginning of year value of the Plan's interest in the

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trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses (Note 4).

New Accounting Standards Adopted – In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs” (ASU 2011-04) which amends Accounting Standards Codification (ASC) 820, “Fair Value Measurements and Disclosures” to develop a single, converged fair value framework between GAAP and International Financial Reporting Standards (IFRS). ASU 2011-04 is effective prospectively for the Plan on January 1, 2012. The adoption of ASU 2011-04 results in changes in certain fair value measurement principles, as well as an additional disclosure in the notes to the financial statements. The impact of adoption was insignificant to the Plan’s financial statements.

Funding policy – The Company’s policy is to fund amounts on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants. Contributions to provide benefits under the Plan are made solely by the Company. The Company’s contributions have exceeded the minimum funding requirements of ERISA.

Contributions - Contributions to the Plan are recorded in the period that the Plan’s actuary determines they relate to except that a contribution receivable is recorded to the extent that amounts due are pursuant to formal commitments as well as legal or contractual requirements in existence at the end of the Plan year.

Actuarial present value of accumulated plan benefits – Accumulated plan benefits are those future periodic payments that are attributable under the Plan’s provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan for participants with an original hire date on or before December 31, 2002 are based on employees’ compensation during their highest 48 consecutive months out of the last 120 months or highest four calendar years out of their entire career. The accumulated plan benefits for active employees are based on their average compensation during the four years ending on the date as of which the benefit information is presented (the valuation date). Benefits under the Plan for participants with an original hire date of January 1, 2003 or later, are based on employees’ compensation paid during a calendar year, multiplied by an appropriate percentage factor, along with interest determined by multiplying the beginning of the year balance of the accumulated plan benefit with an appropriate interest rate as stated in the Plan document. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. A complete description of the accumulated plan benefits and calculation of benefits, including percentage factors and interest rates, are provided in the Plan document.

The actuarial present value of accumulated plan benefits is determined by the Plan’s actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment. For the calculation of accumulated plan benefits at December 31, 2012 and 2011, an actuarial calculation dated January 1, 2013 and 2012, respectively, was obtained from the

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Plan's actuary. This represents a change in the actuarial valuation date from beginning of year to end of year and recalculated accumulated plan benefit information is presented as of December 31, 2011.

The significant actuarial assumptions used in the valuation as of January 1, 2013 were:

Interest:	7.75%
Mortality:	2013 Static Mortality table for Annuitants and Non-Annuitants
Investment Return:	3.75%

The assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions might be applicable in determining the actuarial present value of accumulated plan benefits

Payment of benefits – Benefit payments to participants are recorded when paid.

Note 3 – Plan financial information certified by trustee

All investment information disclosed in the foregoing financial statements including investments held at December 31, 2012 and 2011 and net appreciation in fair values of investments, interest, dividends, other investment income and investment expenses for the year ended December 31, 2012 were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Trustee.

Note 4 – Interest in Master Trust

The Plan's investments are held in the Progress Energy Pension Plan's Master Trust (the "Master Trust") which was established for the investment of the assets of the Plan and another Company sponsored retirement plan. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The trustee maintains separate accounting of all contributions and benefit payments for each participating retirement plan. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. At December 31, 2012 and 2011 and for the years then ended, the Plan's interest in total Master Trust assets and liabilities was approximately 16%.

The following investments in the Master Trust and the net appreciation (depreciation) in fair value of the investments, interest, dividend income and other receipts in the Master Trust are certified by the Trustee to be complete and accurate.

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The following presents the Statement of Net Assets Available for Benefits of the Master Trust as of December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Investments, at fair value:		
Common stocks	\$ 529,830,243	\$ 484,476,886
Preferred stocks	-	31,539,369
Common/Collective trusts	370,011,425	226,277,991
U.S. government securities	466,589,517	341,467,688
Other	290,989,087	252,672,932
Corporate bonds - preferred	253,473,481	232,771,238
Corporate bonds - all other	178,505,741	177,388,712
Partnerships	263,097,491	226,454,160
Mortgages	5,745,976	1,453,641
103-12 Investments	-	72,028,918
Registered investment companies	172,240,750	-
Interest bearing cash	<u>159,889,760</u>	<u>136,219,628</u>
Total investments	<u>2,690,373,471</u>	<u>2,182,751,163</u>
Securities lending collateral	8,467,078	54,408,840
Receivables:		
Contributions receivable	26,500,000	121,720,888
Due from broker	15,375,441	1,674,923
Accounts receivable	-	3,982,793
Accrued interest and dividends receivable	<u>10,231,283</u>	<u>9,673,316</u>
Total receivables	<u>52,106,724</u>	<u>137,051,920</u>
Cash	<u>15,548,059</u>	<u>-</u>
Total Assets	<u>2,766,495,332</u>	<u>2,374,211,923</u>
Liabilities:		
Due to broker	69,180,565	7,130,161
Securities lending collateral liability	8,467,078	54,408,840
Accounts payable	<u>531,154</u>	<u>-</u>
Total Liabilities	<u>78,178,797</u>	<u>61,539,001</u>
Net Assets Available for Benefits	<u>\$2,688,316,535</u>	<u>\$2,312,672,922</u>

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The following presents the Statement of Changes in Net Assets Available for Benefits of the Master Trust for the year ended December 31, 2012:

Additions:

Net appreciation in fair value of investments:

Common stocks	\$ 79,511,670
Preferred stocks	(1,049,317)
Mutual funds	7,143,920
Common/Collective trusts	29,986,438
U.S. government securities	3,269,800
Other	34,957,732
Corporate bonds – preferred	17,862,640
Corporate bonds – all other	18,757,709
Partnerships	23,242,419
Mortgages	102,477
103-12 Investments	13,190,897
Interest bearing cash	<u>1,363,820</u>
Total net appreciation in fair value of investments	228,340,205

Interest	34,742,888
Dividends	7,592,827
Other income	<u>4,326,499</u>

Total additions:	275,002,419
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Deductions:

Administrative expenses	<u>12,172,631</u>
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Total deductions:	12,172,631
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Net increase prior to transfers	262,829,788
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Transfers in	250,646,106
Transfers out	<u>(137,832,281)</u>
Total transfers	112,813,825

Net increase after transfers	375,643,613
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Net assets available for benefits – Beginning of year	<u>2,312,672,922</u>
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Net assets available for benefits – End of year	\$ <u>2,688,316,535</u>
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The following table presents the fair value of the Master Trust's individual investments that represent 5% or more of the Master Trust's net assets available for benefits as of December 31, 2012 and 2011:

		<u>2012</u>		<u>2011</u>
Russell 3000 Index Fund	\$	292,070,873	\$	151,607,822
Templeton Foreign Equity Series SAF		152,074,707		129,304,302
Ishares MSCI Emerging Markets Index ETF		138,052,414		-

Note 5 – Fair value measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements require the use of market data or assumptions that 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 can be readily observable, corroborated by market data or generally unobservable. Valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs. A midmarket pricing convention (the midpoint price between bid and ask prices) is permitted for use as a practical expedient.

GAAP also establishes a fair value hierarchy that prioritizes the inputs used to measure fair value, and requires fair value measurements to be categorized based on the observability of those inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The three levels of the fair value hierarchy are as follows:

Level 1 – The pricing inputs are unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as listed equities.

Level 2 – The pricing inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 includes financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. 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 – The pricing inputs include significant inputs generally less observable from objective sources. Level 3 instruments may include longer-term instruments that extend into periods in which quoted prices or other observable inputs are not available.

The Plan's policy is to recognize transfers between levels at the end of the reporting period.

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Asset Valuation Techniques — The Plan's investment in the Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust. The determination of the fair values of the underlying investments of the Master Trust incorporates various factors required under GAAP. The investments include exchange-traded securities (classified within Level 1) and other marketable debt and equity securities, most of which are valued using Level 1 inputs for similar instruments, and are classified within Level 2 investments.

Most over-the-counter investments are valued using observable inputs for similar instruments or prices from similar transactions and are classified as Level 2. Over-the-counter investments where significant unobservable inputs are used, such as financial pricing models, are classified as Level 3 investments.

The following is a general description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Common stocks, mutual funds, and U.S. government securities are valued at the closing price reported in the active markets in which the individual securities are traded. Principal active markets include published exchanges such as NASDAQ, NYSE, NYMEX and Chicago Board of Trade, as well as pink sheets, which is an electronic quotation system that displays quotes for broker-dealers for many over-the-counter securities.

Investments in common/collective trusts are not publically traded, but the underlying assets held in these funds are traded in active markets and the prices for these assets are readily observable.

Investments in timber are valued primarily on valuations prepared by independent property appraisers. These appraisals are based on cash flow analysis, current market capitalization rates, recent comparable sales transactions, actual sales negotiations and bona fide purchase offers. Inputs include the species, age, volume and condition of timber stands growing on the land; the location, productivity, capacity and accessibility of the timber tracts; current and expected log prices; and current local prices for comparable investments.

Investments in private equity are valued using observable inputs, when available, and also include comparable market transactions, income and cost basis valuation techniques. The market approach includes using comparable market transactions or values. The income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

Hedge funds are valued based on the value provided to the asset manager by the underlying fund. Values of liquid funds are based on observable inputs such as quoted market prices. Values of illiquid funds are based on observable or unobservable inputs to determine the value that might reasonably be expected to be received in the normal course of business. If due diligence performed by the asset manager determines the value provided the underlying fund does not represent fair value, the asset manager may consult with its valuation committee in determining fair value.

Fixed income separate accounts are valued using third-party pricing services. These services may use, for example, model-based pricing methods that utilize observable market data as inputs. Broker dealer bids or quotes of securities with similar characteristics may also be used.

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The following tables set forth, by level within the fair value hierarchy, the Master Trust's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2012 and 2011. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Quantitative information for the Master Trust's investments classified as Level 3 has been omitted because the fair value for these investments is estimated using net asset value.

At December 31, 2012, the Master Trust's investments classified within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities:				
Common stock	\$ 339,311,315	\$ -	\$ -	\$ 339,311,315
Mutual funds	138,052,414	-	-	138,052,414
Common/collective trusts		594,655,426		594,655,426
Timber	-	-	11,108,569	11,108,569
Private equity	-	-	153,711,712	153,711,712
Hedge funds	-	190,201,816	123,201,836	313,403,652
Other equity	21,877,689	-	-	21,877,689
Corporate debt	-	431,979,222	-	431,979,222
Government debt	404,796,819	66,437,623	-	471,234,442
Municipal debt	-	49,568,577	-	49,568,577
Cash and cash equivalents	113,848,642	46,745,338	-	160,593,980
Mortgage backed securities	-	5,739,590	-	5,739,590
Total investments at fair value	1,017,886,879	1,385,327,592	288,022,117	2,691,236,588
Liabilities				
Cash	(459,220)	-	-	(459,220)
Options	-	(78,897)	-	(78,897)
Equity securities:				
Mutual funds	-	(325,000)	-	(325,000)
Total investment liabilities	(459,220)	(403,897)	-	(863,117)
Net investments at fair value	\$1,017,427,659	\$1,384,923,695	\$ 288,022,117	\$ 2,690,373,471

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At December 31, 2011, the Master Trust's investments classified within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities:				
Common stock	\$ 293,792,177	\$ -	\$ -	\$ 293,792,177
Mutual funds	-	490,084,742	-	490,084,742
Timber	-	-	10,880,304	10,880,304
Private equity	-	-	152,705,987	152,705,987
Hedge funds	-	112,047,950	193,785,864	305,833,814
Other equity	18,754,879	-	999,883	19,754,762
Corporate debt	-	407,265,324	-	407,265,324
Government debt	273,789,829	75,159,696	-	348,949,525
Municipal debt	-	42,037,797	-	42,037,797
Cash and cash equivalents	82,120,507	32,445,161	-	114,565,668
Mortgage backed securities	-	1,253,458	-	1,253,458
Total investments at fair value	668,457,392	1,160,294,128	358,372,038	2,187,123,558
Liabilities				
Cash	(3,103)	-	-	(3,103)
Options	(316,200)	(55,718)	-	(371,918)
Total investment liabilities	(319,303)	(55,718)	-	(375,021)
Net investments at fair value	\$ 668,138,089	\$ 1,160,238,410	\$ 358,372,038	\$ 2,186,748,537

The following table sets forth a reconciliation of changes in the fair value of the Plan's equity securities classified as Level 3 in the fair value hierarchy for the year ended December 31, 2012:

	Timber	Private Equity	Other Equity	Hedge Funds	Total
Equities, net at January 1, 2012	\$ 10,880,304	\$ 152,705,987	\$ 999,883	\$193,785,864	\$358,372,038
Actual return (loss) on plan assets:					
Relating to assets still held at the reporting date	411,588	1,785,169	127,788	17,097,679	19,422,224
Relating to assets sold during the period	(77,228)	(89,871)	(637,619)	-	(804,718)
Purchases, issuances, sales and settlements:					
Purchases	13,828	12,705,840	-	454,700	13,174,368
Sales	(119,923)	(13,395,413)	(490,052)	-	(14,005,388)
Transfers out of Level 3 ^(a)	-	-	-	(88,136,407)	(88,136,407)
Equities, net at December 31, 2012	\$ 11,108,569	\$ 153,711,712	\$ -	\$123,201,836	\$288,022,117

^(a) Represents transfer to Level 2 for hedge funds with values estimated based on net asset value, whose redemption restrictions have expired.

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Below is a summary of the Master Trust's investments at December 31, 2012 and 2011 in which fair value is estimated based on the net asset value:

**Fair Value Estimated Using Net Asset Value per Share
December 31, 2012**

Investment	Fair Value ^(a)	Unfunded Commitment	Redemption Frequency ^(b)	Redemption Notice Period
Common/collective trusts ^(c)	\$ 594,655,426	\$ -	Daily-Monthly	1-15 days
Timber funds ^(d)	11,108,569	-	Non-redeemable	Non-redeemable
Private equity funds ^(e)	153,711,712	31,813,743	Non-redeemable	Non-redeemable
Equity long/equity short hedge funds ^(f)	258,628,918	-	Quarterly-Annually	30-60 days
Multi-strategy hedge funds ^(g)	54,774,734	-	Quarterly-Annually	65-370 days
Total	\$1,072,879,359	\$ 31,813,743		

**Fair Value Estimated Using Net Asset Value per Share
December 31, 2011**

Investment	Fair Value ^(a)	Unfunded Commitment	Redemption Frequency ^(b)	Redemption Notice Period
Mutual funds ^(c)	\$ 490,084,742	\$ -	Daily-Monthly	1-15 days
Timber funds ^(d)	10,880,304	-	Non-redeemable	Non-redeemable
Private equity funds ^(e)	152,705,987	41,400,723	Non-redeemable	Non-redeemable
Equity long/equity short hedge funds ^(f)	254,102,674	-	Quarterly-Annually	30-60 days
Multi-strategy hedge funds ^(g)	51,731,140	-	Quarterly-Annually	65-370 days
Other equity	999,883	-	Non-redeemable	Non-redeemable
Total	\$ 960,504,730	\$ 41,400,723		

^(a) The fair values of the investments have been estimated using the net asset value of the investment.

^(b) Redemptions may be subject to an initial one- to three-year lockup period.

^(c) This class includes investments in mutual funds that invest in U.S. and international equities and fixed-income securities.

^(d) This class includes several timber funds that have assets in Australia, South America and North America. The fair values of the investments in this class have been estimated using the net asset value of the Plan's ownership interest in the partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next five years.

^(e) This class includes private equity funds that invest in buyout and venture capital strategies. These investments can never be redeemed with the funds. Instead, the nature of the investments in this class is that distributions are received through the liquidation of the underlying investments or dividends of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the majority of the funds would be liquidated over the next five to ten years.

^(f) This class includes direct investments in hedge funds that invest both long and short. The funds primarily

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invest both long and short in U.S. common stocks but some are focused on European and Asian equities. Management of the hedge funds has flexibility in terms of market cap, value and growth strategies, and net and gross long exposures. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Investments representing approximately 13 percent of the value of the investments in this class cannot be redeemed in the near term because the investments are restricted to annual redemptions on the anniversary date of acquisition.

⁽⁹⁾ This class invests in hedge fund-of-funds that pursue multiple strategies to diversify risk and reduce volatility. The hedge funds on a composite basis have investments in relative value, event driven, long/short, direct sourcing and macro strategies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. At December 31, 2012, investments representing approximately 50 percent of this class are redeemable quarterly with 65-95 days notice and 50 percent requires a 370-day notice for redemption.

Note 6 – Securities lending

The Trustee of the Master Trust has an agreement with the custodial bank for the Master Trust authorizing the bank to lend securities held in the Master Trust account to third parties. The bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities. Both the collateral and the securities loaned are marked-to-market on a daily basis so all loaned securities are fully collateralized at all times. In the event the loaned securities are not returned by the borrower, the bank will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Master Trust account with cash equal to the fair value of the loaned securities.

The Master Trust and the bank each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Master Trust during 2012 and 2011 was \$65,437 and \$165,605, respectively, net of bank fees of \$121,541 and \$89,174, respectively.

Although the Master Trust's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or the collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

The fair value of securities loaned by the Master Trust is \$8,467,078 at December 31, 2012 and \$54,408,840 at December 31, 2011.

Note 7 – Related-party transactions

Total fees paid to the Company by the Master Trust totaled \$253,725 and \$443,227 for the years ended December 31, 2012 and 2011, respectively. Of these fees, \$42,686 and \$69,303 were allocated to the Plan for the years ended December 31, 2012 and 2011, respectively. These transactions qualify as party-in-interest transactions.

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Note 8 – Plan termination policy

The Company expects and intends to maintain the Plan in force indefinitely. The Company has reserved the right to amend or terminate the Plan at anytime, subject to the limitations imposed by ERISA and the Bargaining Unit Memorandum of Agreement. In the event of termination, the Plan's net assets generally will not be available on a pro rata basis to provide participant's benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided at all. A complete description of termination priorities is provided in the Plan document.

Note 9 – Tax status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated August 22, 2012 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. As such, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Plan Management believes it is no longer subject to income tax examinations for years prior to 2009.

Note 10 – Risks and uncertainties

Investment securities in general, are subject to various risks, such as interest rate, credit and overall market volatility. Due to the levels of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

Note 11 – Plan changes

Amendments to the Plan adopted on December 26, 2012:

- Incorporate interest crediting requirements of the Pension Protection Act of 2006
- Modify the definition of compensation with respect to certain deferred compensation
- Reflect that the current 4% default interest crediting rate is the interest crediting rate
- Adopt the IRS model Code Section 436 amendment regarding funding-based Plan restrictions
- The Company reserves the right in its sole discretion to modify the interest crediting rate provisions in the future in connection with regulatory, business and bargaining developments

Note 12 – Subsequent events

Plan Management has evaluated subsequent events through October 11, 2013 in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

Effective as of the close of December 31, 2012, the assets of the Master Trust held at State Street Bank and Trust Company, N.A., were merged into the Duke Energy Corporation Retirement Master Trust, held at Northern Trust.

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN:	59-2147112
Plan Sponsor's Name:	Duke Energy	PN:	004

ATTAINED AGE	YEARS OF CREDITED SERVICE											
	25 to 29			30 to 34			35 to 39			40 & up		
	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.
Under 25												
25 to 29												
30 to 34												
35 to 39												
40 to 44	4	0	0									
45 to 49	56	70,362	0	6	0	0						
50 to 54	112	71,075	0	86	70,837	0	3	0	0			
55 to 59	73	71,386	0	98	71,714	0	23	72,357	0			
60 to 64	24	70,391	0	18	0	0	14	0	0			
65 to 69	4	0	0				4	0	0			
70 & up												

Attachment to 2012 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Non-Prescribed Funding Assumptions and Methods

Interest rates

Used for calculation of annuity conversion at age 65

Funding: 4.50%

Decrements

Mortality

For annuity conversions
(from cash balance):

1994 Group Annuity Reserve Mortality Table (50/50 blend) projected to
2002 (Rev Ruling 2001-62 mortality).

Attachment to 2012 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Pre-Retirement Decrements and Assumed Salary Increase Rates

Representative values of the assumed annual rates of decrement and salary increase are shown in the tables below.

Age	Disability		Termination		Retirement			Salary Increase
	FAE	Cash Balance	FAE	Cash Balance	FAE < 35 yrs svc	FAE >= 35 yrs svc	Cash Balance	
20	0.070%	0.070%	8.00%	8.00%	-	-	-	8.50%
25	0.080	0.080	7.40	7.40	-	-	-	7.90
30	0.010	0.010	6.85	6.40	-	-	-	6.90
35	0.130	0.130	6.60	5.40	-	-	-	5.30
40	0.170	0.220	6.20	4.55	-	-	-	3.96
45	0.250	0.340	5.40	3.95	-	-	-	3.30
50	0.450	0.600	4.55	3.90	-	-	-	2.83
51	0.575	0.700	4.40	3.95	-	-	-	2.74
52	0.700	0.800	4.25	4.00	-	-	-	2.65
53	0.800	0.900	4.20	4.80	-	-	-	2.65
54	0.900	1.000	4.15	5.60	-	-	-	2.65
55	1.000	1.160	4.10	6.40	10.0%	10.0%	15.0%	2.65
56	1.100	1.320	4.05	7.20	4.0	10.0	10.0	2.65
57	1.200	1.480	4.00	8.00	5.0	30.0	10.0	2.65
58	1.300	1.680	4.00	8.80	5.0	20.0	10.0	2.65
59	1.350	1.940	4.00	9.60	10.0	10.0	15.0	2.65
60	1.400	2.260	4.00	10.40	15.0	10.0	20.0	2.65
61	1.500	2.620	4.00	11.20	15.0	40.0	20.0	2.65
62	1.600	3.080	4.00	12.00	30.0	30.0	30.0	2.65
63	1.650	3.600	4.00	12.00	30.0	15.0	15.0	2.52
64	1.700	4.200	4.00	12.00	20.0	30.0	35.0	2.39
65				12.00	20.0	80.0	30.0	2.25
66				12.00	40.0	80.0	30.0	2.25
67				12.00	40.0	80.0	30.0	2.25
68				12.00	40.0	80.0	30.0	2.25
69				12.00	40.0	80.0	30.0	2.25
70					100.0	100.0	100.0	

The termination rates shown for Cash Balance employees are ultimate rates.

Wage Base Increases

3.50% per annum

CPI Increases

2.50% per annum

Attachment to 2012 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Expenses

Expected administrative and investment expenses of \$1,500,000 were added to Target Normal Cost.

Vested Terminated Commencement Assumption

Cash Balance Participants:

It is assumed that upon exit from an active status, 70% of participants commence their benefits as a lump sum immediately, while 30% defer commencement of their benefits to age 65 and at that time elect the following:

- Lump Sum – 50.0%
- 50% Joint and Survivor Annuity – 39.5%
- 100% Joint and Survivor Annuity with Pop Up – 6.0%
- Life Annuity – 4.5%

For current deferred vested participants, it is assumed that participants will commence their benefit immediately if they terminated less than 4 months prior to the valuation date. If they terminated four or more months prior to the valuation date, it is assumed they will defer commencement of their benefit to age 65.

FAE Participants:

If eligible to commence prior to age 65 and currently under age 62, it is assumed that 35% will commence their benefits at age 55, 50% will commence their benefits at age 60, and 15% will commence their benefits at age 62. All others are assumed to commence at age 65. It is also assumed that participants will elect the following options equally: Life Annuity, 50% Joint and Survivor Annuity with Pop Up, 75% Joint and Survivor Annuity with Pop Up, and 100% Joint and Survivor Annuity with Pop Up.

Commencement Assumptions from Active Status

It is assumed that upon retirement, disability, or death from active status, participants (or beneficiaries) elect the following optional forms:

Cash Balance Non-Disabled Participants:

- Lump Sum – 70.0%
- 50% Joint and Survivor Annuity – 23.7%
- 100% Joint and Survivor Annuity with Pop Up – 3.6%
- Life Annuity – 2.7%

Cash Balance Beneficiaries :

- Lump Sum – 50%
- Life Annuity – 50%

Attachment to 2012 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

FAE Non-Disabled Participants:

- Life Annuity – 60%
- 50% Joint and Survivor Annuity with Pop Up – 18%
- 75% Joint and Survivor Annuity with Pop Up – 8%
- 100% Joint and Survivor Annuity with Pop Up – 14%

FAE Beneficiaries:

- Life Annuity – 100%

All Disabled Participants:

- Life Annuity – 100%

Marital percentage

- 80% of active male members and 40% of active female members are assumed to be married.
- Husbands are assumed to be 2 years older than their wives.

Temporary Employees

All non-vested temporary active employees are assumed to work over 1,000 hours in each future year.

Asset valuation method

The Actuarial Value of Assets is determined using a method that spreads asset gains/(losses) over two years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Actuarial Value of Assets.

The expected return on plan assets is 8.25% per annum (8.50% and 8.75% for the 2011 and 2010 measurement periods respectively), limited by PPA to the applicable Third Segment Rate as follows:

2011 measurement period:	6.57%
2010 measurement period:	6.82%

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► Round off amounts to nearest dollar.

► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DUKE ENERGY	D Employer Identification Number (EIN) 59-2147112	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>			
2 Assets:			
a Market value	2a	379260358	
b Actuarial value	2b	377393684	
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	904	146783544
b For terminated vested participants	3b	481	17072614
c For active participants:			
(1) Non-vested benefits	3c(1)		14866630
(2) Vested benefits	3c(2)		161693151
(3) Total active	3c(3)	2495	176559781
d Total	3d	3880	340415939
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	7.07%	
6 Target normal cost	6	13047602	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	KELLY Q. BRANHAM Signature of actuary	10/01/2013 Date
KELLY Q. BRANHAM Type or print name of actuary		1105192 Most recent enrollment number
BUCK CONSULTANTS, LLC Firm name		770-955-2488 Telephone number (including area code)
200 GALLERIA PARKWAY NW, SUITE 1900 ATLANTA GA 30339-5945 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2012 v. 120126

(b) Prefunding balance

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost			
21 Discount rate:			
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52% ☐ N/A, full yield curve used
b Applicable month (enter code).....	21b	4	
22 Weighted average retirement age	22	61	
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			
Part VI Miscellaneous Items			
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No			
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No			
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27		
Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years			
28 Unpaid minimum required contributions for all prior years	28	0	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0	
Part VIII Minimum Required Contribution For Current Year			
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	13047602	
b Excess assets, if applicable, but not greater than line 31a	31b	13047602	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	48141674	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	48141674	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	
Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)			
41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected ☐ 2 plus 7 years ☐ 15 years			
b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011			
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Attachment to 2012 Form 5500
Schedule SB – Statement of Enrolled Actuary

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

In preparing Schedule SB, the actuary relied on the following information which was provided by other parties:

- (a) Contribution information as provided by the plan administrator.
- (b) Financial information as provided by the trustee and the plan administrator.
- (c) Data on persons covered by the Plan as provided by the plan administrator. While not verifying the data at source, the actuary performed tests for consistency and reasonability.
- (d) Information on the plan provisions as provided by the plan administrator.

The information in (b) and (c) was audited by the independent certified public accountants for the Plan Sponsor.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

Attachment to 2012 Form 5500
Schedule SB, Line 2a – Current Value of Assets

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

The current value of assets used for valuation purposes may differ from that reported on Schedule H of Form 5500 due to payables and other adjustments.

Attachment to 2012 Form 5500
Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN: 59-2147112
Plan Sponsor's Name:	Duke Energy	PN: 004

<u>(1)</u> <u>Age</u>	<u>(2)</u> <u>Expected</u> <u>Active</u> <u>Headcount</u>	<u>(3)</u> <u>Retirement</u> <u>Rate</u>	<u>(4)</u> <u>Expected</u> <u>Retirements</u> <u>(2)*(3)</u>	<u>(5)</u> <u>Weighted Age</u> <u>(1)*(4)</u>
55	1,166.77	0.0551	64.32	3,537.74
56	1,149.55	0.0608	69.86	3,912.01
57	1,138.81	0.1008	114.81	6,543.89
58	1,056.74	0.0856	90.41	5,243.66
59	1,007.93	0.1060	106.80	6,300.92
60	935.40	0.1388	129.84	7,790.18
61	808.76	0.2368	191.53	11,683.51
62	632.92	0.2829	179.04	11,100.43
63	450.54	0.2031	91.51	5,765.14
64	356.00	0.2570	91.47	5,854.33
65	264.80	0.4715	124.86	8,115.87
66	142.06	0.4751	67.49	4,454.41
67	77.57	0.4386	34.02	2,279.28
68	45.98	0.3867	17.78	1,209.06
69	31.61	0.3946	12.47	860.76
70	19.77	0.9736	19.24	1,347.01
71	3.52	1.0000	3.52	249.87
72	2.00	1.0000	2.00	144.00
73	0.00	1.0000	0.00	0.00
74	1.00	1.0000	1.00	74.00
75	1.00	1.0000	1.00	75.00
Total			1,412.97	86,541.08

Average Retirement Age = 61.25

Attachment to 2012 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

1. Effective Date

Originally established December 15, 1944. Last restated effective November 1, 2011.

FINAL PAY PLAN - For Members hired prior to January 1, 2003:

2. Eligibility for Participation

First of the month following hire date for employees covered under a collective bargaining agreement.

3. Final Average Earnings

The average annual earnings of a participant during (i) the 48 highest paid consecutive months or (ii) the 4 highest paid calendar years, whichever produces the highest average.

4. Normal and Postponed Retirement Income

Eligibility	Age 65 and fifth anniversary of the date of participation.
-------------	--

Benefits	Annual benefits payable for life equal to (i) less (ii).
----------	--

(i)	1.80% of final average earnings per year of credited service not in excess of 35.
-----	---

(ii)	1-1/7% of Social Security benefit per year of credited service not in excess of 35.
------	---

5. Early Retirement Income

Eligibility	Age 55 and 15 years of continuous service.
-------------	--

Benefits	Accrued normal retirement income based on credited service at retirement reduced as follows for commencement before age 65:
----------	---

Attachment to 2012 Form 5500

Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Early-Retirement Reduction Percentages

Years by Which Benefit Com- mencement Pre- cedes Age 65	Less Than 20 Years of Credited Service	20 - 35 Years of Credited Service
10	60%	65%
9	65	72
8	70	79
7	76	86
6	82	93
5	88	100
4	94	100
3	100	100
2	100	100
1	100	100
0	100	100

No reduction if 35 or more years of credited service

6. Disability Income

Eligibility	One year of continuous service and totally disabled.
-------------	--

Benefits	Annual income, payable for life or for period of continuous service if less than 10 years, equal to 40% of final average earnings minus 40% of Social Security benefit, not greater than projected normal retirement benefit and not less than accrued early retirement benefit.
----------	--

7. Deferred Vested Retirement Income

Eligibility	5 years of continuous service.
-------------	--------------------------------

Benefits	Accrued normal retirement income at termination of employment deferred to age 65 reduced for years surviving spouse coverage in effect during deferral period. Reduced income available commencing at age 55 if participant had completed 15 or more years of continuous service.
----------	---

8. Death Benefit

Eligibility	5 years of continuous service and death in active service or during receipt of disability income before age 65 or death in active service after age 65.
-------------	---

Attachment to 2012 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Benefits

More than 10 years of
service or over age 65

Immediate benefit equal to a percentage of participant's projected normal retirement income adjusted for greater than 5 year age difference between participant and spouse, but not less than the actuarial equivalent of accrued 50% joint and survivor annuity.

Participant's Age		Percentage
Less than	35	10%
	35-39	15
	40-44	20
	45-49	25
	50-54	30
	55-59	35
	60-64	40

Service between 5 and 10 years

Benefit commencing on the participant's normal retirement date equal to one half of the benefit which would have been payable to the participant in the form of a qualified 50% joint and survivor annuity.

9. Minimum Retirement Income

Minimum retirement income or death benefit payable is equal to amount that would have been payable under the provisions of the Plan in effect prior to December 31, 1983 for participants then in the plan.

10. Maximum Retirement Income

The amount of retirement income is limited so that it does not exceed the limitations of the Internal Revenue Code.

11. Regular Form of Income

Single	Life Annuity.
Married	Actuarially reduced 50% joint and survivor annuity.

12. Optional Forms of Benefit

- (a) Life annuity.
- (b) 10 years certain and life.
- (c) 25%-100% joint and survivor (pop-up) annuity.
- (d) Social Security leveling.
- (e) Lump sum cash out if over \$5,000 but \$7,500 or less.

13. Contributions

Non-contributory.

Attachment to 2012 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

CASH BALANCE PLAN - for Members hired on and after January 1, 2003:

14. Eligibility for Participation

First of the month following hire date for employees covered under a collective bargaining agreement.

15. Cash Balance Account

The sum of all pay credits and interests credits awarded throughout the period of participation.

16. Pay Credits

As of each December 31 (or as of a member's date of termination, retirement or death, if earlier), a member's cash balance account is credited with an annual pay credit equal to a percentage of his pay for that year based on his attained age at the beginning of the year as follows:

Age	Credit
Less than 35	3.00%
35 – 39	3.50%
40 – 44	4.25%
45 – 49	5.00%
50 – 54	6.00%
55 and older	7.00%

An additional pay credit is granted for pay in excess of 80% of the Social Security Taxable Wage Base (SSTWB) for that year. The additional pay credit equals the credit percentage determined above times pay in excess of 80% of the SSTWB.

17. Interest Credits

As of each December 31 (or as of a member's date of termination, retirement or death, if earlier), a member's cash balance account is credited with an annual interest credit equal to a percentage of his cash balance account as of the beginning of that year as follows:

Year	Credit
2003	6.00%
2004	6.00%
2005-2007	5.00%
2008-2010	5.50%
2011-2012	5.00%
2013 and later	4.00%

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Schedule SB, Part V – Summary of Plan Provisions

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Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

18. Normal and Postponed Retirement Pension

Eligibility	Age 65 and fifth anniversary of the date of participation.
Benefits	A single life annuity of equivalent actuarial value to the cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

19. Early Retirement Pension

Eligibility	Three years of service and election of pension commencement within twelve months of employment termination or attainment of age 55.
Benefits	A single life annuity of equivalent actuarial value to the cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

20. Deferred Vested Pension

Eligibility	Three years of service.
Benefits	A single life annuity determined by accumulating the cash balance account interest credits to Normal Retirement Date then by converting the balance to a single life annuity of equivalent actuarial value. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% (if commencing prior to age 65) and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

21. Disability Income

Eligibility	One year of continuous service and totally disabled.
Benefits	Annual income, payable for life or for period of continuous service if less than 10 years, equal to 40% of final average earnings minus 40% of Social Security benefit, not greater than projected normal retirement pension and not less than the deferred vested pension.

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22. Death Benefit

Eligibility	3 years of continuous service and death in active service or during receipt of disability income before age 65 or death in active service after age 65.
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Benefits	<p>To a surviving spouse, a single life annuity of equivalent actuarial value to the member's vested cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% (if commencing prior to age 65) and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used. Alternatively, the spouse may elect a lump-sum distribution.</p> <p>To a beneficiary other than a surviving spouse, a lump-sum distribution equal to the member's cash balance account.</p>
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23. Maximum Retirement Income The amount of retirement income is limited so that it does not exceed the limitations of the Internal Revenue Code.

24. Regular Form of Income

Single	Life Annuity.
Married	50% joint and survivor annuity.

25. Optional Forms of Benefit

- (a) 100% joint and survivor (pop-up) annuity.
- (b) 75% joint and survivor (pop-up) annuity.
- (c) Lump sum.
- (d) Refund annuity with lump-sum death benefit.
- (e) Partial lump sum of 25%, 50% or 75% of option (2) above, with the remainder paid as a life annuity or joint-and-survivor annuity, depending on marital status.

26. Contributions

Non-contributory.

SPECIAL PLAN AMENDMENTS APPLICABLE TO ALL PARTICIPANTS

27. Voluntary Early Retirement Program

Under the Voluntary Early Retirement Program, employees who have attained age 50 with at least 5 years of service as of March 31, 2005 and retire under the program are eligible to receive 5 years of additional service for benefit accrual and retirement eligibility purposes and 5 years added to their age for early retirement benefit calculation purposes.

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Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Ret Plan for Bargaining Unit Ees of FL Prog Corp **EIN:** 59-2147112
Plan Sponsor's Name: Duke Energy **PN:** 004

Optional Form Conversion Factors

Table 1: Optional Factors for FAP Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option B Ten-Year Certain & Continuous	Option C 100% Contingent Annuitant
55	0.984	0.910
56	0.982	0.906
57	0.979	0.901
58	0.976	0.895
59	0.973	0.890
60	0.969	0.884
61	0.965	0.879
62	0.960	0.873
63	0.955	0.867
64	0.949	0.861
65	0.942	0.856
66	0.935	0.850
67	0.927	0.844
68	0.919	0.838
69	0.910	0.832
70	0.900	0.826
71	0.889	0.820
72	0.877	0.815
73	0.865	0.809
74	0.852	0.804
75	0.837	0.798
76	0.822	0.793
77	0.806	0.787
78	0.789	0.782
79	0.771	0.777
80	0.753	0.772

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Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

i. Ten-Year Certain and Continuous Option

The factors for Option B are used to convert the life annuity value to the ten-year certain and continuous option based on the Participant's age at commencement.

ii. Contingent Annuitant Option

The factors for Option C are for the 100% contingent annuitant option where the Participant and the Contingent annuitant are the same age. The factor for Option C will be increased (decreased) by .005 for each year that the contingent annuitant is older (younger) than the Participant with an upper limit on the factor of 1.000. The factor for any other percentage contingent annuitant option will be calculated from the adjusted 100% factor as follows.

F = adjusted 100% contingent annuitant factor
Z = alternate contingent annuitant option percentage
(write 50% as .5, 66-2/3 as .66667, etc.)

Alternate percentage contingent annuitant factor =
$$\frac{F}{Z + ((1-Z) F)}$$

iii. Social Security Leveling Option

The social security leveling option benefit will be determined on the 417(e) actuarial equivalent basis using the IRS Interest Rate and the IRS Mortality Tables.

iv. Lump Sum Payment for FAP Participant

The lump sum benefit will be determined as larger of the 417(e) actuarial equivalent of (a) the normal retirement benefit or (b) early commencement life annuity benefit. The actuarial equivalent factor shall be determined on the basis of the IRS Interest Rate and the IRS Mortality Table.

Attachment to 2012 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN:	59-2147112
Plan Sponsor's Name:	Duke Energy	PN:	004

Table 2: Optional Factors for CB Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option A 50% Designated Beneficiary		Option B 75% Contingent Annuitant with Life Reversion		Option C 100% Contingent Annuitant with Life Reversion	
	A	B	A	B	A	B
20	0.987	0.001	0.979	0.001	0.973	0.001
21	0.986	0.001	0.978	0.001	0.972	0.001
22	0.985	0.001	0.977	0.001	0.971	0.001
23	0.984	0.001	0.976	0.001	0.970	0.001
24	0.983	0.001	0.975	0.001	0.968	0.001
25	0.982	0.001	0.974	0.001	0.966	0.001
26	0.981	0.001	0.973	0.001	0.964	0.001
27	0.980	0.001	0.972	0.001	0.962	0.001
28	0.979	0.001	0.971	0.001	0.960	0.001
29	0.978	0.001	0.969	0.001	0.958	0.001
30	0.977	0.001	0.967	0.001	0.956	0.001
31	0.976	0.001	0.965	0.001	0.954	0.001
32	0.975	0.001	0.963	0.001	0.951	0.001
33	0.974	0.001	0.961	0.001	0.948	0.001
34	0.972	0.001	0.959	0.001	0.944	0.001
35	0.970	0.001	0.956	0.001	0.940	0.001
36	0.968	0.001	0.953	0.001	0.936	0.002
37	0.966	0.001	0.950	0.001	0.932	0.002
38	0.964	0.001	0.946	0.001	0.928	0.002
39	0.962	0.001	0.942	0.001	0.924	0.002
40	0.960	0.001	0.938	0.002	0.919	0.002
41	0.957	0.001	0.934	0.002	0.914	0.002
42	0.954	0.001	0.930	0.002	0.909	0.002
43	0.951	0.001	0.926	0.002	0.904	0.002
44	0.948	0.001	0.922	0.002	0.899	0.003
45	0.945	0.002	0.918	0.002	0.894	0.003
46	0.942	0.002	0.914	0.002	0.889	0.003
47	0.939	0.002	0.910	0.002	0.884	0.003
48	0.936	0.002	0.906	0.003	0.879	0.004
49	0.933	0.002	0.902	0.003	0.874	0.004

Attachment to 2012 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN:	59-2147112
Plan Sponsor's Name:	Duke Energy	PN:	004

Table 2 (Contd): Conversion Factors for CB Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option A Free		Option B 75% Contingent Annuitant with Life Reversion		Option C 100% Contingent Annuitant with Life Reversion	
	50% Designated Beneficiary					
	A	B	A	B	A	B
50	0.930	0.003	0.898	0.003	0.869	0.004
51	0.927	0.003	0.894	0.004	0.864	0.004
52	0.924	0.003	0.890	0.004	0.859	0.005
53	0.921	0.003	0.886	0.004	0.854	0.005
54	0.918	0.003	0.882	0.005	0.848	0.005
55	0.914	0.003	0.877	0.005	0.842	0.006
56	0.911	0.004	0.872	0.005	0.836	0.006
57	0.908	0.004	0.867	0.005	0.830	0.006
58	0.904	0.004	0.862	0.006	0.824	0.007
59	0.900	0.005	0.857	0.006	0.818	0.007
60	0.896	0.005	0.852	0.006	0.812	0.007
61	0.892	0.005	0.847	0.007	0.806	0.007
62	0.888	0.005	0.842	0.007	0.800	0.008
63	0.884	0.006	0.836	0.007	0.793	0.008
64	0.880	0.006	0.830	0.008	0.786	0.008
65	0.875	0.006	0.824	0.008	0.779	0.009
66	0.871	0.006	0.819	0.008	0.773	0.009
67	0.867	0.007	0.814	0.009	0.767	0.009
68	0.863	0.007	0.809	0.009	0.761	0.010
69	0.859	0.007	0.803	0.009	0.754	0.010
70	0.854	0.008	0.797	0.010	0.747	0.011
71	0.851	0.008	0.793	0.010	0.742	0.011
72	0.848	0.008	0.789	0.011	0.737	0.011
73	0.845	0.009	0.785	0.011	0.732	0.012
74	0.841	0.009	0.780	0.011	0.727	0.012
75	0.837	0.009	0.775	0.012	0.722	0.013

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1. Fifty Percent Designated Beneficiary Option (Option A)

The plan offers a free fifty percent joint and survivor contingent annuitant option which is equivalent to the life annuity option. The factors listed in Option A are used only for the purposes of converting to other optional joint and survivor options.

2. Seventy Five Percent Survivor Annuity with Life Reversion (Option B)

The factor in column A is reduced/increased by the factor in column B for each full year that the Employee is older/younger than the spouse. The resulting factor cannot exceed 1.000. The resulting factor is then divided by age equivalent fifty percent designated beneficiary option factor calculated from the factors listed in Option A.

3. One Hundred Percent Survivor Annuity with Life Reversion (Option C)

The factor in column A is reduced/increased by the factor in column B for each full year that the Employee is older/younger than the spouse. The resulting factor cannot exceed 1.000. The resulting factor is then divided by age equivalent fifty percent designated beneficiary option factor calculated from the factors listed in Option A.

4. Modified Cash Refund (Option D)

The benefit amount under this form shall be 95% of the life annuity amount

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Summary of Changes from the January 1, 2011 Valuation

The following plan amendments have been adopted within the last plan year:

- a) The annual interest credit on each active participant's cash balance account was increased to 5.0% for 2012.

Attachment to 2012 Form 5500

Schedule SB, Line 24 – Change in Actuarial Assumptions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Duke Energy</u>	PN:	<u>004</u>

Describe any change in non-prescribed actuarial assumptions and justify any such change

Expected administrative and investment expenses of \$1,500,000 were assumed for the current year compared to \$1,300,000 that was assumed for the prior year.

The 30-year Treasury rate assumption for the cash balance to annuity conversions at age 65 was decreased from 5.0% to 4.5% per annum to better reflect the projected 30-year treasury rates.

The wage base increase assumption was decreased by 0.5% per year from 4.0% to 3.5% to better reflect expected future increases in wage base.

The CPI increase assumption was decreased by 0.5% per year from 3.0% to 2.5% to better reflect expected future increases in CPI.

The salary scale decreased by 0.5% per year at each age to better reflect actual experience.

The expected return on plan assets was reduced from 8.50% to 8.25% per annum to better reflect anticipated experience.