

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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 PROGRESS ENERGY PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">001</td> </tr> <tr> <td colspan="2">1c Effective date of plan 09/01/1944</td> </tr> </table>	1b Three-digit plan number (PN) ▶	001	1c Effective date of plan 09/01/1944	
1b Three-digit plan number (PN) ▶	001				
1c Effective date of plan 09/01/1944					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) PROGRESS ENERGY, INC. 550 SOUTH TRYON STREET DEC 38A CHARLOTTE, NC 28202	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 56-2155481</td> </tr> <tr> <td>2c Sponsor's telephone number 704-382-5289</td> </tr> <tr> <td>2d Business code (see instructions) 221100</td> </tr> </table>	2b Employer Identification Number (EIN) 56-2155481	2c Sponsor's telephone number 704-382-5289	2d Business code (see instructions) 221100	
2b Employer Identification Number (EIN) 56-2155481					
2c Sponsor's telephone number 704-382-5289					
2d Business code (see instructions) 221100					

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	Filed with authorized/valid electronic signature.	10/15/2014	THOMAS SILINSKI
	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 704-382-2159
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 20023
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		6a 8403
b Retired or separated participants receiving benefits		6b 5512
c Other retired or separated participants entitled to future benefits.....		6c 4713
d Subtotal. Add lines 6a , 6b , and 6c		6d 18628
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e 33
f Total. Add lines 6d and 6e		6f 18661
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 5
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 1E 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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **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>PROGRESS ENERGY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PROGRESS ENERGY, INC.</u>	D Employer Identification Number (EIN) <u>56-2155481</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>2013</u>	
2 Assets:	
a Market value	2a <u>2214011953</u>
b Actuarial value	2b <u>2161435117</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>6963</u> (1) Number of participants <u>836987427</u> (2) Funding Target
b For terminated vested participants.....	3b <u>4613</u> <u>239660617</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>32522396</u>
(2) Vested benefits	3c(2) <u>828384894</u>
(3) Total active.....	3c(3) <u>8447</u> <u>860907290</u>
d Total.....	3d <u>20023</u> <u>1937555334</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>6.21</u> %
6 Target normal cost	6 <u>41172499</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>10/13/2014</u>
Signature of actuary		Date
<u>MICHAEL J. THOMAS, FSA, EA</u>		<u>14-05799</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA INC.</u>		<u>404-365-1933</u>
Firm name		Telephone number (including area code)
<u>3500 LENOX ROAD SUITE 900</u> <u>ATLANTA, GA 30326-4238</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) 2013
v. 130118

Part II Beginning of Year Carryover and 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)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>12.65</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)		185563761
b Interest on (a) using prior year's effective interest rate of <u>6.90</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		185563761
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	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	111.55 %
15 Adjusted funding target attainment percentage	15	111.55 %
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	105.48 %
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
12/30/2013	162200000	0			
			Totals ►	18(b)	162200000 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	152741877
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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 57
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	41172499	
b Excess assets, if applicable, but not greater than line 31a	31b	41172499	
32 Amortization installments:	Outstanding Balance		
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	0	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	152741877	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	152741877	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <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>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan PROGRESS ENERGY PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PROGRESS ENERGY, INC.	D Employer Identification Number (EIN) 56-2155481	

Part I	Service Provider Information (see instructions)
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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)

RUSSELL INVESTMENTS

91-1175091

(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?
28	NONE	658732	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PACIFIC INVESTMENT MANAGEMENT COMPA

33-0629048

(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?
28	NONE	451235	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

T ROWE PRICE STABLE ASSET MGMT INC.

52-0556948

(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?
28	NONE	406799	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)

LSV ASSET MANAGEMENT

23-2772200

(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?
28	NONE	323606	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

AXIOM INTERNATIONAL INVESTORS LLC

13-4021938

(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?
28	NONE	313290	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NORTHERN TRUST COMPANY

36-1561860

(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?
21	NONE	223292	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)

BLACKROCK

94-3112180

(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?
28	NONE	211657	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BOSTON COMPANY INC.

04-1107280

(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?
28	NONE	207785	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ARTISAN PARTNERS LIMITED PARTNERSHI

30-0551775

(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?
28	NONE	190533	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)

NORTHERN TRUST COMPANY

36-1561860

(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?
21	NONE	184030	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRUDENTIAL

22-2540245

(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?
28	NONE	178843	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JP MORGAN INVESTMENT MANAGEMENT INC

13-3200244

(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?
28	NONE	178053	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)

CAPITAL GUARDIAN TRUST COMPANY

95-2553868

(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?
28	NONE	160059	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ROXBURY CAPITAL MANAGEMENT, LLC

95-4686787

(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?
28	NONE	149747	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SOUTHEASTERN ASSET MANAGEMENT INC.

62-0951781

(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?
28	NONE	139806	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)

DODGE & COX

94-1441976

(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?
28	NONE	129224	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

INVESCO CAPITAL MANAGEMENT

58-1707262

(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?
28	NONE	126450	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WESTERN ASSET MANAGEMENT COMPANY

95-2705767

(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?
28	NONE	125097	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)

SPRUCEGROVE INVESTMENT MANAGEMENT L

11-6453953

(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?
28	NONE	120363	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DONALD SMITH & CO INC.

13-2807845

(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?
28	NONE	113802	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TEMPLETON INVESTMENT COUNSEL LLC

94-3385113

(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?
28	NONE	104325	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)

FIDUCIARY MANAGEMENT ASSOCIATES, LL

06-1656168

(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?
28	NONE	93456	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

INTECH INVESTMENT MANAGEMENT LLC

01-0614895

(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?
28	NONE	81458	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DG CAPITAL

04-3324465

(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?
28	NONE	80886	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)

WELLINGTON MANAGEMENT CO. LLP

04-2683227

(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?
28	NONE	76055	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BARROW HANLEY MEWHINNEY & STRAUSS L

75-2403190

(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?
28	NONE	65331	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JOHN HANCOCK MUTUAL LIFE INS CO

04-1414660

(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?
22	NONE	62839	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)

CLIFFWATER LLC

20-1246914

(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?
16	NONE	62716	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CORECOMMODITY MANAGEMENT LLC

65-1211841

(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?
28	NONE	62553	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STATE STREET BANK & TRUST CO.

04-1867445

(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?
28	NONE	61563	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)

MACQUARIE CAPITAL

43-2082900

(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?
28	NONE	61037	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRINCIPAL LIFE INSURANCE CO

42-0127290

(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?
22	NONE	58992	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FRANKLIN TEMPLETON

59-6945808

(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?
49	NONE	56880	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)

RREEF AMERICA L.L.C.

94-2753537

(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?
28	NONE	52859	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THOMPSON, SIEGEL, & WALMSLEY

54-0854396

(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?
28	NONE	49216	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

VOYAGEUR ASSET MANAGEMENT INC.

41-1460668

(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?
28	NONE	43041	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)

TOWERS WATSON INVESTMENT SERVICE IN

52-1868818

(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?
16	NONE	34814	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PHILADELPHIA INTERNATIONAL ADVISORS

23-3095938

(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?
28	NONE	32280	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CLIFTON GROUP

41-0995965

(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?
28	NONE	27567	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)

ARONSON & JOHNSON & ORTIZ, LP

06-1274088

(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?
28	NONE	23769	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ARONSON & JOHNSON & ORTIZ, LP

23-2312104

(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?
28	NONE	18994	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

GENESIS INVESTMENT MANAGEMENT, LLP

98-0425770

(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?
28	NONE	17271	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)

GLOBAL FOREST PARTNERS LP

06-1697119

(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?
28	NONE	12050	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CREDIT SUISSE ASSET MANAGEMENT

13-3580284

(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?
28	NONE	10340	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MELLON ANALYTICAL SOLUTIONS, LLC

42-1542297

(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?
28	NONE	9260	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)

ORACLE AMERICA, INC

94-2805249

(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?
16	NONE	9151	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

SSGA

04-0025081

(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?
28	NONE	8783	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.	

Part II Service Providers Who Fail or Refuse to Provide Information

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: KELLY BRANHAM	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: CHANGE IN RESPONSIBLE FIRM

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
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)

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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>PROGRESS ENERGY PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PROGRESS ENERGY, INC.</u>	D Employer Identification Number (EIN) <u>56-2155481</u>	

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	0	16700000
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	0	14900000
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(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)	2227834732	2382100000
(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	2227834732	2413700000

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	900000
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	900000

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2227834732	2412800000
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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)	162200000	
(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)		162200000

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)		
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(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)		191565268
(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		353765268

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	160500000	
(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)		160500000
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)	8300000	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8300000
j Total expenses. Add all expense amounts in column (b) and enter total	2j		168800000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		184965268
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		X	
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		X	
e Was this plan covered by a fidelity bond?	X		25000000
4e	X		25000000
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		X	
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		X	
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		X	
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		X	
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		X	
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		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information 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). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>PROGRESS ENERGY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PROGRESS ENERGY, INC.</u>	D Employer Identification Number (EIN) <u>56-2155481</u>

Part I	Distributions
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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	<u>0</u>
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	<u>439</u>

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)
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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
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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
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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.
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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

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: 51.0% Investment-Grade Debt: 39.0% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 10.0%

- 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):

Progress Energy Pension Plan

**Independent Auditors' Report and
Financial Statements**

December 31, 2013 and 2012

Progress Energy Pension Plan
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December 31, 2013 and 2012

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Independent Auditors' Report

To the Participants and Plan Administrator of the
Progress Energy Pension Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Progress Energy Pension Plan (the Plan), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2013, 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, as of and for the year ended December 31, 2013, by the Northern Trust Company, the trustee of the Plan and the Duke Energy Corporation Master Retirement Trust, and as of December 31, 2012, by State Street Bank and Trust Company (collectively referred to as Trustees), the trustee of the Plan and the Progress Energy Pension Plans Master Trust (collectively referred to as Master Trusts), 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 Trustees hold the investment assets of the Plan and the Master Trusts and execute investment transactions. Plan management has obtained a certification from the Trustees as of December 31, 2013 and 2012 and for the year ended December 31, 2013, that the information provided to Plan management by the Trustees 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.

McConnell & Jones LLP

Houston, Texas
October 15, 2014

Progress Energy Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2013 and 2012
(in millions)

	<u>2013</u>	<u>2012</u>
Assets:		
Investments at fair value:		
Plan interest in Duke Energy Corporation Master Retirement Trust	\$ 2,382.1	\$ -
Plan interest in Progress Energy Pension Plan Master Trust	<u>-</u>	<u>2,227.8</u>
Total investments	<u>2,382.1</u>	<u>2,227.8</u>
Receivables:		
Accrued interest and dividend income	12.7	-
Receivables for securities sold	<u>2.2</u>	<u>-</u>
Total receivables	<u>14.9</u>	<u>-</u>
Cash	<u>16.7</u>	<u>-</u>
Total assets	<u>2,413.7</u>	<u>2,227.8</u>
Liabilities:		
Payables for securities purchased	<u>0.9</u>	<u>-</u>
Total liabilities	<u>0.9</u>	<u>-</u>
Net Assets Available for Benefits	\$ <u>2,412.8</u>	\$ <u>2,227.8</u>

Progress Energy Pension Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2013
(in millions)

Additions:

Plan interest in Duke Energy Corporation Master Retirement Trust net income	\$ 191.6
Employer contribution	<u>162.2</u>
Total additions	<u>353.8</u>

Deductions:

Benefits paid directly to participants	160.5
Administrative expenses	<u>8.3</u>
Total deductions	<u>168.8</u>

Net Increase	185.0
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Net Assets Available for Benefits – Beginning of Year	<u>2,227.8</u>
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Net Assets Available for Benefits – End of Year	<u>\$ 2,412.8</u>
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Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

Note 1: Description of the Plan

The following brief description of the Progress Energy Pension 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 sponsored by Progress Energy, Inc. (Progress Energy) covering substantially all non-bargaining employees of Progress Energy and its participating affiliated companies (collectively referred to as the Employing Company) who have completed one year of eligibility service or part-time and temporary employees who have worked 1,000 hours in a twelve-month period. 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. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Pension Benefits

Prior to the adoption of a cash balance formula for benefit accruals on January 1, 1999, normal retirement date was the first day of the month following the employee's 65th birthday, but the Plan permitted a participant to retire with an unreduced benefit at age 62 if the participant had at least 20 years of service at retirement. Upon the adoption of the cash balance formula, normal retirement date was changed to be based on a participant's attainment of age 65 and at least five years of vesting service. Prior to January 1, 2008, a participant would be fully vested after completing five years of vesting service. Effective January 1, 2008, as required by the Pension Protection Act, a participant may be fully vested after completing three years of vesting service. The Plan contains provisions for the payment of early retirement benefits, surviving spouse benefits, disability benefits (for employees disabled prior to December 31, 1977) and normal retirement benefits for vested employees whose employment is terminated for reasons other than retirement or disability. Effective January 1, 1978, disability benefits are covered by a separate long-term disability plan.

The monthly accrued benefit is defined as the actuarial equivalent of the cash balance account based on the 1994 Group Annuity Mortality Table (50/50 blend) and the 30-year Treasury rate for the month of August prior to the start of the Plan year. The Treasury rate is used for ages 65 and older; the Treasury rate plus .5% is used for ages prior to 65.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

Use of Estimates

The preparation of financial statements in conformity with US 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 pension benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities that are exposed to various risks such as interest rates, credit, and overall market volatility. Market values of investments may decline for a number of reasons, including changes in prevailing market and interest rates, increases in defaults and credit rating downgrades. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that some 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 in the near term would be material to the financial statements.

Investment Valuation and Income Recognition

Investments of the Plan are stated at fair value. Fair value is 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. The fair value of the Plan's interest in the Duke Energy Corporation Master Retirement Trust (Master Trust) (see Note 3) is based on the Plan's interest in the underlying assets in the Master Trust. See Note 4 for discussion of fair value measurements.

In accordance with Department of Labor regulations, realized and unrealized gains and losses are based on the value of these investments as of the later of the beginning of the plan year or at the time of purchase, if purchased during the year, and are reflected currently in the accompanying Statements of Changes in Net Assets Available for Benefits. Purchases and sales of securities are recorded on a settlement-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment income from the Master Trust, which includes interest, dividends and realized and unrealized gains and losses, net of administrative expenses, is allocated to each Plan by the trustee on a pro rata basis. Brokerage fees are added to the acquisition cost of assets purchased and subtracted from the proceeds of the assets sold.

Derivative Financial Instruments

The Master Trust holds various instruments that meet the definition of a derivative under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 815, *Derivatives and Hedging*, (FASB ASC 815) including foreign currency contracts and interest rate

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

swaps. The Plan's primary objective in holding these derivatives is investment appreciation and, accordingly, does not designate such derivatives as hedges of risks. Foreign currency exchange rate movements create a degree of risk by affecting the U.S. dollar value of instruments denominated in foreign currencies. Such derivatives are recorded in the accompanying Statements of Net Assets Available for Benefits at their fair value, and changes in fair value are recorded in the Plan interest in Master Trust net income in the accompanying Statements of Changes in Net Assets Available for Benefits.

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.

Benefit Payments

Benefit payments to participants or their beneficiaries are recorded when paid.

Administrative Expenses

The Plan pays all investment fees related to the Plan and most other administrative costs, as provided in the Plan document.

Transfers Between Plans

Transfers of assets and accumulated plan benefits between the Plan and the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation are actuarially determined and occur as a result of changes in employee status between union and non-union classifications.

Plan Management's Review of Subsequent Events

In preparing the accompanying financial statements, Plan management has reviewed all known events that have occurred after December 31, 2013, and through October 15, 2014, the date the financial statements were available to be issued, for inclusion in the financial statements and footnotes.

Note 3: Investments (Certified by Trustee)

Duke Energy sponsors the following plans, whose investments are held in the Master Trust:

- Cinergy Corp. Union Employees' Retirement Income Plan, which covers hourly, weekly and bi-weekly paid employees of Duke Energy represented by the Utility Workers Union of America Local 600, the International Brotherhood of Electrical Workers, Local 1347 and Local 352, the United Steelworkers of America, Local 12049 and Local 5541-06, Employees' Representation Association, and UNITE Local 1995,
- Duke Energy Retirement Cash Balance Plan, which covers legacy Duke Energy employees, Legacy Cinergy non-union employees, and employees of the International Brotherhood of Electrical Workers, Local 1393.

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

Progress Energy sponsors the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation, which covers bargaining unit employees of the Employing Company. Investments of the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation are also held in the Master Trust.

Prior to January 1, 2013, the Plan's investments and the investments of the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation were held in the Progress Energy Pension Plan Master Trust (Progress Energy Master Trust).

The Master Trust has the following plans and accounts with their respective percentages as of December 31, 2013:

Duke Energy Retirement Cash Balance Plan	54.98
Duke Energy 401(h) account	1.83
Cinergy Corp. Union Employees' Retirement Income Plan	7.53
Cinergy Corp. Union Employees' Retirement Income 401(h) account	0.13
Progress Energy Pension Plan	29.05
Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation	6.48
	<hr/>
	100.00

The Progress Energy Master Trust has the following Plans and accounts with their respective percentages as of December 31, 2012:

Progress Energy Pension Plan	84.00
Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation	16.00
	<hr/>
	100.00

Investment income and administrative expenses relating to the Master Trust are allocated based on average monthly balances invested by each plan, other than items specific to one or the other plan.

Plan investments are received, invested and held by the trustee. The Plan interest in the Master Trust of \$2,382.1 million and the Plan interest in the Progress Energy Master Trust of \$2,227.8 million represent 5% or more of the Plan's net assets available for benefits as of December 31, 2013 and 2012, respectively.

The following presents the Statement of Net Assets Available for Benefits of the Master Trust as of December 31, 2013 (in millions):

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

Investments, at fair value:

Equity securities	\$ 3,129.8
Corporate bonds	2,604.0
Short-term investment funds	1,156.6
U.S. Government securities	926.5
Hedge fund	218.2
Real estate investment trust	94.9
Foreign currency contracts with gains	83.6
Guaranteed investment contracts	33.1
Government bonds – foreign	19.1
Govt. and commercial mortgage backed securities	9.3
Cash margin	5.5
Non-government backed C.M.O.S.	3.1
Other investments	0.9
Asset backed securities	-
Interest rate swaps with losses	(2.5)
Foreign currency contracts with losses	(83.1)
Total investments	<u>8,199.0</u>

Receivables:

Accrued interest and dividend income	43.9
Receivables for securities sold	7.7
Total receivables	<u>51.6</u>

Cash	<u>57.6</u>
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Total Assets	<u>8,308.2</u>
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Liabilities:

Payables for securities purchased	<u>3.2</u>
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Total Liabilities	<u>3.2</u>
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Net Assets	<u>\$ 8,305.0</u>
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The following presents the Statement of Net Assets Available for Benefits of the Progress Energy Master Trust as of December 31, 2012 (in millions):

Investments, at fair value

Common stocks	\$ 529.8
Common/Collective trusts	370.0

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

U.S. government securities	466.6
Other	291.0
Corporate bonds – preferred	253.5
Corporate bonds – all other	178.5
Partnerships	263.1
Mortgages	5.7
103-12 Investments	-
Registered investment companies	172.2
Interest bearing cash	159.9
Total investments	<u>2,690.4</u>
 Securities lending collateral	 8.5
 Receivables:	
Contribution receivable	26.5
Due from broker	15.4
Accrued interest and dividends receivable	10.2
Total receivables	<u>52.1</u>
 Cash	 <u>15.5</u>
 Total Assets	 <u>2,766.5</u>
 Liabilities	
Due to broker	69.2
Securities lending collateral liability	8.5
Accounts payable	0.5
 Total Liabilities	 <u>78.2</u>
 Net Assets	 \$ <u><u>2,688.3</u></u>

The following presents the Statement of Changes in Net Assets Available for Benefits of the Master Trust for the year ended December 31, 2013 (in millions):

Additions:

Net appreciation in fair value of investments:

Equity securities	\$ 649.7
Corporate bonds	(161.7)
U.S. Government securities	(75.4)
Government bonds - foreign	(12.0)
Foreign currency contracts with gains	17.2

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

Fixed income derivatives - futures	(40.7)
Real estate investment trust	11.9
Derivative offsets	127.4
Cash and cash equivalent derivative futures	(5.6)
Pending foreign exchange sales	1.5
Other fixed income	7.5
Commodity futures	(33.5)
Hedge fund	88.2
Other investments	(0.3)
Total net appreciation in fair value of investments	<u>574.2</u>
 Interest	 139.4
Dividends	<u>45.0</u>
 Total additions	 758.6
 Deductions:	
Administrative expenses	<u>38.5</u>
 Total deductions	 <u>38.5</u>
 Net Increase Prior to Transfers	 720.1
 Transfer in from Progress Energy Master Trust	2,688.3
Transfers in	223.2
Transfers out	<u>(582.4)</u>
Total transfers	2,329.1
 Net Increase After Transfers	 3,049.2
 Net Assets – Beginning of Year	 <u>5,255.8</u>
 Net Assets – End of Year	 <u>\$ 8,305.0</u>

The following 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, 2013 (in millions):

Coltv Short Term Investment Fund	\$ 862.4
Blackrock Russell Equity Index FD	528.4

The following table presents the fair value of the Progress Energy Master Trust's individual investments that represent 5% or more of the Progress Energy Master Trust's net assets available for benefits as of December 31, 2012 (in millions):

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

Russell 3000 Index Fund	\$	292.1
Templeton Foreign Equity Series SAF		152.1
Ishares MSCI Emerging Markets Index ETF		138.1

Note 4: Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, (FASB ASC 820) defines fair value, establishes a framework for measuring fair value in US GAAP and expands disclosure requirements about fair value measurements. Under FASB ASC 820, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The fair value definition under FASB ASC 820 focuses on an exit price, which is the price that would be received by the Plan to sell an asset or paid to transfer a liability versus an entry price, which would be the price paid to acquire an asset or received to assume a liability. Although FASB ASC 820 does not require additional fair value measurements, it applies to other accounting pronouncements that require or permit fair value measurements.

The Plan determines fair value of financial assets and liabilities based on the following fair value hierarchy, as prescribed by FASB ASC 820, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1

Unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occurs with sufficient frequency and volume to provide ongoing pricing information.

Level 2

Inputs other than quoted market prices included in Level 1 that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates.

Level 3

Unobservable inputs for the asset or liability. Unobservable inputs reflect the Plan's own assumptions about the factors that other market participants would use in pricing an investment that would be based on the best information available in the circumstances.

The following is a description of the valuation methodologies used for investments measured at fair value for the Master Trust and Progress Energy Master Trust. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Equity securities, corporate bonds and government securities: Valued at the closing price in the principal active market in which the individual securities are traded. Principal active markets include

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

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 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.

Government and commercial mortgage backed securities: Valued based on external price data obtained from third party vendors. When position specific external price data are not observable, the valuation is based on comparable securities. When external pricing data is observable, the securities are categorized in Level 2. When the external pricing data is unobservable, the securities are categorized as Level 3.

Short-term investment funds: Valued based on quoted market prices of the securities in the funds.

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

Hedge fund: 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 expect 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.

Interest rate swaps and foreign currency contracts: These instruments are traded in over-the-counter markets. Valuation inputs include interest rate curves, LIBOR yield curve, foreign exchange spot rates, equity prices/equity index prices, volatility and index dividend yields.

Common/collective trusts: These 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.

The following tables provide by level, within the fair value hierarchy, the Master Trust investments at fair value as of December 31, 2013 (in millions):

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

	Total Fair Value	Level 1	Level 2	Level 3
Domestic:				
Equity securities	\$ 2,088.4	\$ 984.5	\$ 796.6	\$ 307.3
Corporate bonds	2,018.4	—	2,018.4	—
Short-term investment funds	1,156.6	252.3	904.3	—
U.S. Government securities	926.5	—	926.5	—
Hedge fund	218.2	—	—	218.2
Real estate investment trust	94.9	—	—	94.9
Foreign currency contracts with gains	83.6	83.6	—	—
Guaranteed investment contracts	33.1	—	—	33.1
Government and commercial mortgage backed securities	9.3	—	9.3	—
Cash margin	5.5	5.5	—	—
Non-government backed C.M.O.S.	3.1	—	3.1	—
Other investments	0.9	1.6	(0.7)	—
Interest rate swaps with losses	(2.5)	(3.3)	0.8	—
Foreign currency contracts with losses	(83.1)	(83.1)	—	—
Total domestic	<u>6,552.9</u>	<u>1,241.1</u>	<u>4,658.3</u>	<u>653.5</u>
Foreign:				
Equity securities	1,041.4	816.9	224.5	—
Corporate bonds	585.6	—	582.7	2.9
Government securities	19.1	—	18.3	0.8
Total foreign	<u>1,646.1</u>	<u>816.9</u>	<u>825.5</u>	<u>3.7</u>
Total Investments at Fair Value	\$ <u>8,199.0</u>	\$ <u>2,058.0</u>	\$ <u>5,483.8</u>	\$ <u>657.2</u>

The following tables provide by level, within the fair value hierarchy, the Progress Energy Master Trust investments at fair value as of December 31, 2012 (in millions):

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Equity securities:				
Common stock	\$ 339.3	\$ 339.3	\$ -	\$ -
Mutual funds	138.1	138.1	-	-
Common/collective trusts	594.7		594.7	
Timber	11.1	-	-	11.1
Private equity	153.7	-	-	153.7
Hedge funds	313.4	-	190.2	123.2
Other equity	21.9	21.9	-	-
Corporate debt	432.0	-	432.0	-
Government debt	471.2	404.8	66.4	-
Municipal debt	49.6	-	49.6	-
Cash and cash equivalents	160.5	113.8	46.7	-
Mortgage backed securities	5.7	-	5.7	-
Total investments at fair value	\$ 2,691.2	\$ 1,017.9	\$ 1,385.3	\$ 288.0
Liabilities:				
Cash	(0.4)	(0.4)	-	-
Options	(0.1)	-	(0.1)	-
Equity securities:				
Mutual funds	(0.3)	-	(0.3)	-
Total investment liabilities	(0.8)	(0.4)	(0.4)	-
Total investments at fair value	\$ 2,690.4	\$ 1,017.5	\$ 1,384.9	\$ 288.0

The following tables provide a reconciliation of beginning and ending balances of Master Trust investments measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3) for the year ended December 31, 2013 (in millions):

	2013
Balance as of December 31, 2012	\$ 446.0
Transfers in from Progress Energy Master Trust	288.0
Total gains, (realized and unrealized), and other	75.5
Purchases, sales, issuances, and settlements:	
Purchases	24.3
Sales	(146.8)
Settlements	(29.8)
Balance as of December 31, 2013	\$ 657.2

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

The Plan's share in gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Master Trust's Statement of Changes in Net Assets Available for Benefits.

Note 5: Net Asset Value (NAV) Per Share

Under the amended guidance of FASB Accounting Standards Update (ASU) No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), entities are permitted, as a practical expedient, to estimate the fair value of investments within its scope using the NAV per share of the investment as of the reporting entity's measurement dates. The amended guidance also requires additional disclosures to better enable users of the financial statements to understand the nature and risks of the reporting entity's investments that fall under these rules. In accordance with ASU 2009-12, the Plan expanded its disclosure to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the NAV per share or its equivalent for which the fair value is not readily determinable. For the Plan, such assets are comprised of an investment in a hedge fund.

The following table sets forth a summary of Master Trust investments with a reported estimated fair value using the NAV per share as of December 31, 2013 (in millions):

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Equity securities - Common stock funds (a)	\$ 1,021.1	\$ -	Immediate to Annual	45-370 days
Equity securities - Partnerships (b)	307.3	81.2	Non/Semi-redeemable	95 days
Hedge funds (c)	218.2	-	Quarterly/Annual	45-91 days
Real estate investment trusts (d)	94.9	0.5	Quarterly	45 days

- (a) This category consists of institutional funds. Investments of approximately 80% of the total fair value at December 31, 2013 are redeemable either immediately or monthly. Investments of the remaining approximately 20% of the total fair value at December 31, 2013 of this category contain liquidity restrictions and require a redemption notice ranging from 45-370 days.
- (b) This category consists of private equity partnership funds that invest in private equity limited partnerships. Investments of approximately 70% of the total fair value at December 31, 2013 in this category are non-redeemable. Investments of the remaining approximately 30% of the total fair value at December 31, 2013 in this category are semi-redeemable (at June 30th/December 31st) with 95 days written notice. At its discretion, the partnership's board of directors may apply a 25% fund-level gate.
- (c) This category consists primarily of investments in privately offered hedge funds managed by unaffiliated investment managers. For approximately 70% of the total fair value at December 31, 2013 of this category, quarterly redemptions in excess of 20% may be partially funded, based on the hedge fund's board of director's decision, on a pro rata basis in proportion to all other hedge fund investees, with 90 days' notice. For the remaining approximately 30% of the total fair value at December 31, 2013 of this category, annual redemptions are allowed with 45 days' notice.
- (d) This category consists of real estate investment funds that invest in portfolios of commercial and residential real estate assets. Fund participants may withdraw from the fund once per quarter subject to available cash, as determined by the fund's trustee. A written withdrawal request is required 45 days prior to quarter end. To the extent that withdrawal requests exceed available cash, distributions are made on a pro rata basis.

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

The following table sets forth a summary of Progress Energy Master Trust investments with a reported estimated fair value using the NAV per share as of December 31, 2012 (in millions):

	Fair Value ^(a)	Unfunded Commitment	Redemption Frequency ^(b)	Redemption Notice Period
Common/collective trusts ^(c)	\$ 594.7	\$ -	Daily – Monthly	1-15 days
Timber funds ^(d)	11.1	-	Non-redeemable	Non-redeemable
Private equity funds ^(e)	153.7	31.8	Non-redeemable	Non-redeemable
Equity long/equity short hedge funds ^(f)	258.6	-	Quarterly-Annual	30-60 days
Multi-strategy hedge funds ^(g)	54.8	-	Quarterly - Annual	65-370 days

(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 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.

(g) 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, 2013, 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: Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. 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

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

employees or their beneficiaries. The accumulated plan benefits for active employees are based on their completed years of service as of the valuation dates of January 1, 2014 and 2013. Benefits payable under all circumstances (i.e., retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation dates.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary and is that 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 death, disability, withdrawal, or retirement) between the valuation dates and the expected date of payment. The effect of Plan amendments on accumulated plan benefits is recognized during the year in which such amendments become effective.

The significant actuarial assumptions used in the valuation as of January 1, 2014 were:

Interest	6.75%
Mortality	2014 Static Mortality table for Annuitants and Non-Annuitants
Investment Return	4.00%

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

The actuarial present value of accumulated plan benefit information as of January 1, 2014 and 2013 is as follows (in millions):

	<u>1/1/2014</u>	<u>1/1/2013</u>
Vested benefits:		
Participants and/or beneficiaries currently receiving benefits	\$ 791.1	\$ 747.3
Other participants	<u>1,022.0</u>	<u>940.9</u>
Total vested benefits	1,813.1	1,688.2
Nonvested benefits	<u>23.6</u>	<u>23.2</u>
Total Actuarial Present Value of Accumulated Plan Benefits	\$ <u>1,836.7</u>	\$ <u>1,711.4</u>

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

The changes in actuarial present value of the Plan's accumulated plan benefits are as follows (in millions):

Actuarial present value of accumulated plan benefits as of January 1, 2013	\$ <u>1,711.4</u>
Increase (decrease) during the year attributable to:	
Passage of time	127.1
Change in actuarial assumptions	142.9
Benefits accumulated and actuarial experience	1.6
Benefits paid	<u>(146.3)</u>
Net increase	<u>125.3</u>
 Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2014	 \$ <u><u>1,836.7</u></u>

Note 7: Funding Policy

The Employing 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 Employing Company. No contributions by the Employing Company to the Plan were necessary in 2013 or 2012 to meet the minimum funding requirements of ERISA. The Employing Company made voluntary contributions of \$162.2 million and \$198.0 million in 2013 and 2012, respectively.

Note 8: Securities Lending

The trustee of the Progress Energy Master Trust had an agreement with the custodial bank for the Progress Energy Master Trust authorizing the bank to lend securities held in the Progress Energy Master Trust account to third parties. The bank obtained 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 were marked-to-market on a daily basis so all loaned securities were fully collateralized at all times. In the event the loaned securities were not returned by the borrower, the bank would, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Progress Energy Master Trust account with cash equal to the fair value of the loaned securities.

The Progress Energy Master Trust and the bank each received a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Progress Energy Master Trust during 2012 was \$121,541, net of bank fees of \$65,437. The fair value of

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

securities loaned by the Progress Energy Master Trust was approximately \$8.5 million at December 31, 2012.

Note 9: Plan Termination

Although it has not expressed any intention to do so, Progress Energy, Inc. reserves the right through action of Duke Energy or its delegate to discontinue contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event of any termination of the Plan or upon complete or partial discontinuance of contributions, each participant shall become fully vested, and the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations there under and the Plan document, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- c. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- d. All other vested benefits (that is, vested benefits not insured by the PBGC).
- e. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

Note 10: Federal Income Tax Status

The Plan is intended to qualify under section 401(a) of the Internal Revenue Code (IRC) and the Master Trust is intended to be exempt from tax under section 501(a) of the IRC. The Internal Revenue Service (IRS) has determined and informed the Employing Company by a letter dated

Progress Energy Pension Plan

Notes to Financial Statements

December 31, 2013 and 2012

September 5, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has not been amended since receiving the determination letter. The Employing Company and the Plan administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and Master Trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

US GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to 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, 2013, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits 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 2010.

Note 11: Exempt Party-in-Interest Transactions

Northern Trust manages the Master Trust. Northern Trust is also trustee of the Plan. Therefore, these transactions qualify as party-in-interest transactions; however, they are exempt from prohibited transaction rules under ERISA. Administrative expenses paid by the Plan were \$8.3 million for the year ended December 31, 2013.

Total fees paid to Duke Energy by the Progress Energy Master Trust totaled \$253,725 for the year ended December 31, 2012. Of these fees, \$211,039 was allocated to the Plan for the year ended December 31, 2012. These transactions qualified as party-in-interest transactions.

Note 12: Plan Changes

An amendment to the Plan, adopted on May 27, 2014, updates the postretirement medical benefit plans for which payments are made from the 401(h) account.

An amendment and restatement of the Plan, adopted on December 20, 2013, provides for the following:

- Closed participation for new hire and rehired employees on and after January 1, 2014
- Changed interest credit and pay credit provisions under cash balance formula
- Changed to Code section 417(e) rates for actuarial equivalence
- Froze free 50% joint and survivor annuities and certain other optional form subsidies
- Eliminated 24-month restriction on electing lump sum distributions for employees terminating after January 1, 2014
- Modified the military leave provisions (e.g., excluded military leave pay from eligible earnings)
- Discontinued transition credits under the cash balance formula
- Eliminated pay credits for employees who go on LTD
- Provided for full vesting upon disability or death

Progress Energy Pension Plan
Notes to Financial Statements
December 31, 2013 and 2012

- Increased small benefit cash-out amount to \$5,000
- Modified definition of normal retirement age
- Amended methodology for determining lump sum payment
- Modified timing of benefit payments
- Removed suspension of benefits provision for rehires
- Modified definition of spouse
- Revised the employee transfer provisions
- Amended eligibility requirements to provide for eligibility upon hire

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan
EIN: 56-2155481/PN: 001
Schedule SB, Line 26 – Schedule of Active Participant Data

Attained Age		Total Years of Credited Service									
		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
<25	Count	101	120	9	-	-	-	-	-	-	-
	Average Earnings	39,553	52,686	-	-	-	-	-	-	-	-
25 to 29	Count	85	227	160	4	-	-	-	-	-	-
	Average Earnings	45,364	63,855	72,272	-	-	-	-	-	-	-
30 to 34	Count	58	192	343	117	3	-	-	-	-	-
	Average Earnings	60,551	73,084	73,831	76,881	-	-	-	-	-	-
35 to 39	Count	43	150	281	259	30	1	-	-	-	-
	Average Earnings	55,794	77,538	75,963	79,334	74,983	-	-	-	-	-
40 to 44	Count	45	145	263	321	100	58	8	-	-	-
	Average Earnings	64,149	81,111	79,603	82,007	92,858	88,462	-	-	-	-
45 to 49	Count	30	132	258	266	156	185	182	16	-	-
	Average Earnings	73,482	85,310	80,452	86,617	91,619	91,876	85,538	-	-	-
50 to 54	Count	25	99	201	253	131	165	459	472	14	-
	Average Earnings	65,516	98,547	81,802	89,718	93,372	88,318	92,231	87,000	-	-
55 to 59	Count	13	47	95	146	87	105	264	479	216	12
	Average Earnings	-	89,663	82,004	85,866	97,579	86,018	86,821	89,164	83,455	-
60 to 64	Count	2	27	62	72	42	43	97	124	116	72
	Average Earnings	-	80,424	76,137	79,995	88,174	83,924	81,855	81,650	85,593	77,709
65 to 69	Count		3	14	18	10	2	7	9	11	15
	Average Earnings	-	-	-	-	-	-	-	-	-	-
70 & up	Count		1	3	2	4	3	1	1	-	2
	Average Earnings	-	-	-	-	-	-	-	-	-	-

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan
EIN: 56-2155481/PN: 001

Schedule SB, Line 26 – Schedule of Active Participant Data for participants with cash balance accounts

Attained Age		Total Years of Credited Service									
		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
<25	Count	100	120	9	-	-	-	-	-	-	-
	Average Cash Balance	450	2,541	-	-	-	-	-	-	-	-
25 to 29	Count	85	227	167	4	-	-	-	-	-	-
	Average Cash Balance	579	5,102	11,315	-	-	-	-	-	-	-
30 to 34	Count	57	192	345	120	3	-	-	-	-	-
	Average Cash Balance	793	7,398	14,260	23,695	-	-	-	-	-	-
35 to 39	Count	42	150	282	264	32	1	-	-	-	-
	Average Cash Balance	792	8,756	16,245	28,734	45,123	-	-	-	-	-
40 to 44	Count	41	145	263	322	100	58	8	-	-	-
	Average Cash Balance	1,078	11,089	20,366	36,554	77,018	84,302	-	-	-	-
45 to 49	Count	30	133	258	268	156	186	185	16	-	-
	Average Cash Balance	1,301	13,838	25,798	47,665	92,198	109,084	138,217	-	-	-
50 to 54	Count	24	99	202	257	132	167	461	475	14	-
	Average Cash Balance	1,561	20,406	32,507	63,831	115,970	127,536	196,847	219,616	-	-
55 to 59	Count	13	47	95	148	87	108	266	480	216	12
	Average Cash Balance	-	23,948	41,599	77,203	159,735	153,805	212,136	267,690	309,623	-
60 to 64	Count	2	27	62	72	42	43	97	124	117	72
	Average Cash Balance	-	21,033	42,508	81,392	144,499	187,487	234,658	287,057	363,615	402,537
65 to 69	Count	-	3	14	18	10	2	8	9	12	15
	Average Cash Balance	-	-	-	-	-	-	-	-	-	-
70 & up	Count	-	1	3	2	4	3	1	1	-	2
	Average Cash Balance	-	-	-	-	-	-	-	-	-	-

**ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan**

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Statement of Actuarial Assumptions and Methods

Assumptions and methods for contribution purposes

Actuarial Assumptions and Methods — Contributions

Economic Assumptions

Interest rate basis:

- | | | |
|---|---------------------|-----------------|
| • | Applicable month | September |
| • | Interest rate basis | 3-Segment Rates |

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.94%	1.75%
• Second segment rate	6.15%	4.62%
• Third segment rate	6.76%	5.72%
• Effective interest rate	6.21%	

Annual rates of increase:

Compensation:	N/A
Cash Balance Interest Crediting Rate	4.00%
Long-term 30-year Treasury Rate Conversion Basis	3.75%
Minimum IRC §417(e) Conversion Basis	§417(e) applicable mortality using Revenue Ruling 2001-62

Demographic Assumptions

Mortality

Healthy and Disabled	2013 Static Mortality Table for Annuitants and Non-Annuitants Per §430(h)(3)
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**ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan**

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Statement of Actuarial Assumptions and Methods

Termination

For all participants, rates vary by age and service, based on representative rates shown below:

Percentage leaving during the year	
Age	Rate
20	8.00%
25	7.40%
30	6.40%
35	5.40%
40	4.55%
45	3.95%
50	3.90%
60	10.40%
65	12.00%
70	12.00%

Disability

Representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year	
Age	Rate
20	0.07%
25	0.08%
30	0.10%
35	0.13%
40	0.22%
45	0.34%
50	0.60%
55	1.16%
60	2.26%

Retirement

The rates at which participants retire by age are shown below.

Percentage retiring during the year – Active & Deferred		
Age	Years of Service	
	<35	>=35
50		15%
51		15%
52		15%
53		15%
54		15%
55	15%	30%
56	10%	30%
57	10%	30%

**ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan**

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Statement of Actuarial Assumptions and Methods

58	10%	20%
59	15%	20%
60	20%	20%
61	20%	20%
62	30%	40%
63	15%	15%
64	35%	25%
65	30%	80%
66	30%	80%
67	30%	80%
68	30%	80%
69	30%	80%
70+	100%	100%

Commencement age

50% of participants are assumed to commence a lump sum immediately upon termination, 50% are assumed to defer to age 65.

All participants who terminated within four months prior to the valuation date are assumed to immediately elect a lump sum.

Form of payment

Retirement

<u>Rate</u>	<u>Form of Payment</u>
70.0%	Lump Sum
23.7%	50% Joint and Survivor Annuity
3.6%	100% Joint and Survivor Annuity with Pop Up
2.7%	Life Annuity

Vested Termination

<u>Rate</u>	<u>Form of Payment</u>
50.0%	Lump Sum
39.5%	50% Joint and Survivor Annuity
6.0%	100% Joint and Survivor Annuity with Pop Up
4.5%	Life Annuity

Disability

<u>Rate</u>	<u>Form of Payment</u>
70.0%	Lump Sum
24.0%	50% Joint and Survivor Annuity
6.0%	Life Annuity

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Statement of Actuarial Assumptions and Methods

Death

<u>Rate</u>	<u>Form of Payment</u>
50.0%	Lump Sum
50.0%	Life Annuity

Percent married	80% of males and 80% of females are assumed to have an eligible spouse.
Spouse age	Males are two years older than their spouses.
Administrative Expenses for 2013	\$1,262,000
Investment Expenses for 2013	\$7,800,000

Methods

Valuation date First day of plan year

Funding target Present value of accrued benefits

Target normal cost Present value of benefits expected to accrue during the plan year plus plan-related administrative and investment expenses expected to be paid from plan assets during the plan year.

Actuarial value of assets Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Statement of Actuarial Assumptions and Methods

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Duke Energy Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in assumptions and methods since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012. Rates have been adjusted to reflect the corridors of MAP-21.

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements

The assumed plan-related expenses added to the target normal cost were changed from \$10,400,000 for 2012 to \$9,062,000 for 2013.

The interest rate used in converting cash balance accounts to an annuity was updated from 4.50% to 3.75% to better reflect market conditions.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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

2013**This Form is Open to Public
Inspection**For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013▶ **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 PROGRESS ENERGY PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PROGRESS ENERGY, INC.	D Employer Identification Number (EIN) 56-2155481
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>2013</u>			
2 Assets:			
a Market value	2a 2214011953		
b Actuarial value	2b 2161435117		
3 Funding target/participant count breakdown:			
a For retired participants and beneficiaries receiving payment.....	3a 6963	(1) Number of participants	(2) Funding Target
b For terminated vested participants.....	3b 4613		
c For active participants:			
(1) Non-vested benefits	3c(1)		32522396
(2) Vested benefits	3c(2)		828384894
(3) Total active.....	3c(3)	8447	860907290
d Total.....	3d	20023	1937555334
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		6.21%
6 Target normal cost.....	6		41172499

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**

Signature of actuary

10/13/2014

Date

Michael J. Thomas, FSA, EA

1405799

Type or print name of actuary

Most recent enrollment number

Towers Watson Pennsylvania Inc.

404-365-1933

Firm name

Telephone number (including area code)

3500 Lenox Road Suite 900

Atlanta GA 30326-4238

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) 2013

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

21 Discount rate:			
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 57
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	41172499
b Excess assets, if applicable, but not greater than line 31a		31b	41172499
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	0	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	152741877
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	152741877
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
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 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan
EIN 56-2155481 PN 001

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

See Schedule SB, Part V Statement of Actuarial Assumptions / Methods for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Sample Calculation of Retirement Age for Participants with less than 35 years of service

Retirement Age (1)	Assumed Rate (2)	Participants At Beginning (3)	Participants Retiring: (2)x(3) (4)	(1)*(4) (5)
50	0.0000	1,000.00	0.00	0.00
51	0.0000	1,000.00	0.00	0.00
52	0.0000	1,000.00	0.00	0.00
53	0.0000	1,000.00	0.00	0.00
54	0.0000	1,000.00	0.00	0.00
55	0.1500	1,000.00	150.00	8,250.00
56	0.1000	850.00	85.00	4,760.00
57	0.1000	765.00	76.50	4,360.50
58	0.1000	688.50	68.85	3,993.30
59	0.1500	619.65	92.95	5,484.05
60	0.2000	526.70	105.34	6,320.40
61	0.2000	421.36	84.27	5,140.47
62	0.3000	337.09	101.13	6,270.06
63	0.1500	235.96	35.39	2,229.57
64	0.3500	200.57	70.20	4,492.80
65	0.3000	130.37	39.11	2,542.15
66	0.3000	91.26	27.38	1,807.08
67	0.3000	63.88	19.16	1,283.72
68	0.3000	44.72	13.42	912.56
69	0.3000	31.30	9.39	647.91
70	1.0000	21.91	21.91	1,533.70
			1,000.00	56,934.10
56,934.10 /		1,000 =	56.93	

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan
EIN 56-2155481 PN 001

Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Sample Calculation of Retirement Age for Participants with greater than or equal to 35 years of service

Retirement Age (1)	Assumed Rate (2)	Participants At Beginning (3)	Participants Retiring: (2)x(3) (4)	(1)*(4) (5)
50	0.1500	1,000.00	150.00	7,500.00
51	0.1500	850.00	127.50	6,502.50
52	0.1500	722.50	108.38	5,635.76
53	0.1500	614.12	92.12	4,882.36
54	0.1500	522.00	78.30	4,228.20
55	0.3000	443.70	133.11	7,321.05
56	0.3000	310.59	93.18	5,218.08
57	0.3000	217.41	65.22	3,717.54
58	0.2000	152.19	30.44	1,765.52
59	0.2000	121.75	24.35	1,436.65
60	0.2000	97.40	19.48	1,168.80
61	0.2000	77.92	15.58	950.38
62	0.4000	62.34	24.94	1,546.28
63	0.1500	37.40	5.61	353.43
64	0.2500	31.79	7.95	508.80
65	0.8000	23.84	19.07	1,239.55
66	0.8000	4.77	3.82	252.12
67	0.8000	0.95	0.76	50.92
68	0.8000	0.19	0.15	10.20
69	0.8000	0.04	0.03	2.07
70	1.0000	0.01	0.01	0.70
			1000.00	54,277.94
54,277.94 /		1,000 =	54.28	

All Groups

Group	Number of Active Participants	Retirement Age
< 35 years of service	7987	56.93
>= 35 years of service	460	54.28
Average Age		56.79
Rounded for Schedule SB Item 22		57

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Summary of plan provisions

Plan Provisions

Plan was restated effective November 1, 2011.

The last amendment was the third amendment executed in June, 2012.

Eligible Employees	Employees who are age 21 with one year of service, not covered by a collective bargaining agreement. Leased employees are not eligible for the plan. Employees of North Carolina Natural Gas Corporation ("NCNG") automatically became members as of January 1, 2000. Employees of Florida Progress automatically became members as of January 1, 2002.
Participation Date	Employees participate at the later of age 21 and one year of service.

Definitions

Vesting Service	A participant receives vesting service from date of hire. Employees of NCNG who were sold to Piedmont Natural Gas Corporation were fully vested as of December 31, 1999. If an employee terminates and rehired within twelve months, the period of severance will be included in his vesting service.
Plan Year	January 1 to December 31.
Compensation	Base pay plus differential pay plus §401(k), §125, and §132(f) deferrals, less commissions, overtime, bonuses, special payments, fees and allowances, but will include pay supplements solely available to nuclear reactor trainers and operators.
Normal Retirement Age	Age 65 for Employees who become members prior to January 1, 1988, otherwise later of Age 65 and third anniversary of plan participation.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Cash Balance: Age 55 and completing three years of vesting service CP&L FAP: Age 55 and completing 15 years of vesting service, or completed 35 years of vesting service regardless of age. NCNG FAP: Age 55 and completing 20 years of vesting service Florida Progress FAP: Age 55 and completing 15 years of vesting service
Postponed Retirement	Retirement after normal retirement age.

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

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Schedule SB, Part V — Summary of plan provisions

Vested Retirement	Cash Balance: At least three years of vesting service CP&L FAP: At least five years of vesting service. Eligible for early commencement at age 55 if at least 15 years of vesting service. NCNG FAP: At least five years of vesting service. Eligible for early commencement at age 55 if at least 20 years of vesting service. Florida Progress FAP: At least five years of vesting service. Eligible for early commencement at age 55.
Disability	Eligible for Social Security Disability, Duke Energy Disability Plan benefits, or benefits of another Long-Term Disability Plan maintained by Duke Energy
Preretirement Death Benefit	Participants who are vested upon death.

Benefits Paid Upon the Following Events

Normal Retirement	<p>For CP&L employees, the retirement benefit is the greater of (A) the cash balance based on the opening account balance calculated for Progress Energy as of January 1, 1999, and (B) the final average pay formula pension.</p> <p>For Florida Progress and NCNG employees, the retirement benefit is equal to the sum of (A) the cash balance account and (B) a frozen final average pay formula pension prior to the cash balance conversion (January 1, 2000 for NCNG and January 1, 2002 for Florida Progress).</p> <p>(A) The cash balance is increased monthly through the addition of pay credits and an interest adjustment.</p> <p>The pay credit/transition credits (if applicable) are determined by the age of the participant on January 1 of the plan Year, as follows:</p>
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Pay Credit Percentage

<u>Age</u>	<u>Contribution Credit Percentage</u>
<35	3% + 3% of pay over 80% of Social Security Wage Base
35-39	3.5% + 3.5% of pay over 80% of Social Security Wage Base
40-44	4.25% + 4.25% of pay over 80% of Social Security Wage Base
45-49	5% + 5% of pay over 80% of Social Security Wage Base
50-54	6% + 6% of pay over 80% of Social Security Wage Base
>54	7% + 7% of pay over 80% of Social Security Wage Base

Opening Balance and Transition Credit Percentage	<ul style="list-style-type: none">▶ An opening cash balance based on the pre-1999 plan was provided based on the existing accrued benefit and age at conversion for CP&L employees.▶ Transition credits were also added to cash balance accounts for the next 10 years based on service. A separate transition credit schedule was provided to NCNG and FPC employees based on attained age and service at conversion.▶ Additional special credits were provided to 11 individuals upon attainment of age 65.
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ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Summary of plan provisions

Interest adjustment as determined by the Board of Directors is given at the end of each plan year. Beginning January 1, 2011, the interest rate will be no more than a market rate of interest as described in Code Section 411(b)(5)(B)(i)(I). The rate of interest is as follows:

Interest Credit Rate Schedule

<u>Year</u>	<u>Annual Interest Rate</u>
1999	7.5%
2000-2004	6.0%
2005-2007	5.0%
2008-2010	5.5%
2011-2012	5.0%
2013+	4.0%

B) The final average pay formula pension is as follows:

- 1.70% of Average Final Compensation multiplied by Benefit Service (to a maximum of 60% of Average Final Compensation), less
- 1.43% of Social Security Benefit multiplied by Benefit Service (to a maximum of 50% of the Social Security Benefit)

Part B is Frozen as of December 31, 2003 for CP&L employees.

Early Retirement

Cash Balance: Cash balance account converted to the actuarially equivalent life annuity (subject to prior plan minimum reduced for early retirement for former CP&L participants)

CP&L FAP:

- For participants with less than 15 years of service (used only in prior plan minimum), annuity benefit reduced using actuarial equivalence reduction factors as outlined in Table 5 of the plan document
- For participants between 15 and 20 years of service, annuity benefit reduced by 2.5% per year which precedes the normal retirement date
- For participants with at least 20 years of service, annuity benefit is reduced from age 62 using more favorable reduction factors as outlined in the plan document

NCNG FAP: 6-2/3 percent reduction from age 65 for first five years and 3-1/3 percent reduction for next five years from age 60

Florida Progress FAP:

- For participants between 15 and 20 years of service, annuity benefit reduced 6% per year from age 62 to 57 and 5% per year from age 57 to 55
- For participants between 20 and 35 years of service, annuity benefit reduced 7% per year from age 60
- For participants with at least 35 years of service, no reduction in annuity benefit

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

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Schedule SB, Part V — Summary of plan provisions

Postponed Retirement	Benefit is based on greater of actuarially increased normal retirement benefit or late retirement benefit based on service and pay through late retirement date.
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Vested Retirement	<p>Cash Balance: Cash balance account converted to the actuarially equivalent life annuity</p> <p>CP&L FAP:</p> <ul style="list-style-type: none">• For participants with less than 15 years of service, benefit payable at Normal Retirement• For participants with at least 15 years of service, benefit payable at Early Retirement, subject to vested termination early retirement reduction factors (not generally subsidized) <p>NCNG FAP:</p> <ul style="list-style-type: none">• For participants with less than 20 years of service, benefit payable at Normal Retirement• For participants with at least 20 years of service, benefit payable at Early Retirement <p>Florida Progress FAP:</p> <ul style="list-style-type: none">• For participants between 5 and 15 years of service, benefit payable at Early Retirement, subject to vested termination early retirement reduction factors (not generally subsidized)• For participants with at least 15 years of service, benefit payable at Early Retirement• Note: QPSA charges are imposed on the calculation of the above Vested Retirement benefit for the period of coverage, subject to the following schedule:
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Participant's Age While Coverage is in Effect	Percent Reduced for Each Year of Coverage
Less than 40	0.10%
40-49	0.25%
50-54	0.45%
55-59	0.65%
60-64	0.80%
65 or older	0.00%

Disability	Upon disability, a participant will continue to earn pay credits based on pre-disability income. These credits will continue until the earlier of the participant's annuity starting date, or ineligibility.
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ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

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Schedule SB, Part V — Summary of plan provisions

Preretirement Death

Cash Balance: The benefit based on the account balance at date of death.

- The surviving spouse may elect to take the benefit immediately in the form of a lump sum or single life annuity, or defer the benefit to a later date.
- The beneficiary of a single participant who dies must receive the benefit as a lump sum as soon as administratively possible.

CP&L and NCNG FAP: For married participants, 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement. No death benefit is payable to single participants.

Florida FAP:

- For married participants between 5 and 10 years of service, 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable at the participant's normal retirement date.
- For married participants with at least 10 years of service, the greater of A) 50% of the reduced 50% J&S benefit the participant would have received had he/she died immediately prior to retirement, payable immediately, or B) A death benefit payable immediately based on the following schedule:

Participant's Age at Death	Death Benefit, as a % of Normal Retirement Benefit*
Less than 35	10%
35 – 39	15%
40-44	20%
45-49	25%
50-54	30%
55-59	35%
60 or older	40%

*Note: any age difference between the spouse and participant that is more than five years will be reduced/increased by 1.50%

Other Plan Provisions

Forms of Payment (Cash Balance Benefits)

Single Life Annuity (normal form for single participants)

50% Joint and Survivor Annuity with "free" pop-up (normal form for married participants)

75% and 100% Joint and Survivor Annuity (with pop-up)

10-Year Certain and Life Annuity (only if eligible for CP&L prior plan FAP)

Lump Sum Payment

Partial Lump Sum (25%, 50%, 75%), if age 50 or older, minimum annuity of \$500 per month

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB

Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Part V — Summary of plan provisions

Optional forms of payment are converted from a Single Life Annuity using specified tables in the plan document.

Other optional forms are available for NCNG and Florida FAP benefits.

Actuarial Equivalence	Used to convert Cash Balance Account to Single Life Annuity
Mortality	Applicable mortality under IRC Section 417(e) in effect on December 31, 2007
Interest	30-year treasury rate from August of the prior plan year for ages after 65, and that rate plus 0.5% at ages prior to 65.
Pension Increases	None.
Plan Participants' Contributions	None required or allowed.
Minimum Benefit	A participant, who was actively employed immediately before the effective date of the cash balance plan, receives the greater of the cash balance account or the actuarial value of the prior plan protected benefit.

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The compensation limit for qualified pension plans under 401(a)(17) was increased from \$250,000 in 2012 to \$255,000 for 2013 to reflect the updated limit published by the IRS.

The benefit limit for qualified defined benefit plans under 415(b) was increased from \$200,000 in 2012 to \$205,000 for 2013 to reflect the updated limit published by the IRS.

Effective January 1, 2013, the plan provisions were amended to clarify that the annual cash balance interest crediting rate will be 4.0% in future years. This amendment had no impact on the valuation because 4.0% was already the assumed rate.

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Line 25 — Change in Method

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 2% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

ATTACHMENT TO 2013 FORM 5500, SCHEDULE SB
Progress Energy Pension Plan

EIN: 56-2155481/PN: 001

Schedule SB, Line 24 — Change in Assumptions

In addition to the prescribed changes in the discount rate and mortality, the following assumptions were changed from the prior valuation:

1. The assumed plan-related expenses added to the target normal cost were changed from \$10,400,000 for 2012 to \$9,062,000 for 2013.
2. The interest rate used in converting cash balance accounts to an annuity was updated from 4.50% to 3.75% to better reflect market conditions.