

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 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 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div> <div style="margin-top: 5px;"> ☒ a single-employer plan <div style="margin-left: 100px;">☐ a DFE (specify) _____</div> </div>
B	This return/report is: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ☒
D	Check box if filing under: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information —enter all requested information									
1a	Name of plan <u>CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1b</td> <td>Three-digit plan number (PN) ▶</td> <td><u>009</u></td> </tr> <tr> <td>1c</td> <td>Effective date of plan</td> <td><u>12/31/1946</u></td> </tr> </table>	1b	Three-digit plan number (PN) ▶	<u>009</u>	1c	Effective date of plan	<u>12/31/1946</u>			
1b	Three-digit plan number (PN) ▶	<u>009</u>								
1c	Effective date of plan	<u>12/31/1946</u>								
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>DUKE ENERGY CORPORATION</u> <u>550 SOUTH TRYON STREET DEC 38A</u> <u>CHARLOTTE, NC 28202</u>									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">2b</td> <td>Employer Identification Number (EIN)</td> <td><u>20-2777218</u></td> </tr> <tr> <td>2c</td> <td>Plan Sponsor's telephone number</td> <td><u>704-382-4703</u></td> </tr> <tr> <td>2d</td> <td>Business code (see instructions)</td> <td><u>221100</u></td> </tr> </table>	2b	Employer Identification Number (EIN)	<u>20-2777218</u>	2c	Plan Sponsor's telephone number	<u>704-382-4703</u>	2d	Business code (see instructions)	<u>221100</u>
2b	Employer Identification Number (EIN)	<u>20-2777218</u>								
2c	Plan Sponsor's telephone number	<u>704-382-4703</u>								
2d	Business code (see instructions)	<u>221100</u>								

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2018	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

3a Plan administrator's name and address ☐ Same as Plan Sponsor DUKE ENERGY BENEFITS COMMITTEE 550 SOUTH TRYON STREET CHARLOTTE, NC 28202	3b Administrator's EIN 20-2777218 3c Administrator's telephone number 704-382-4703
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 3421
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 1223 6a(2) 1109 6b 1421 6c 336 6d 2866 6e 439 6f 3305 6g 6h 2
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: 1A 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
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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) ☐ 0 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

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 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **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>CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ▶ <u>009</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>DUKE ENERGY CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2777218</u>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
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Part I	Basic Information
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1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value	2a	<u>583618721</u>	
b Actuarial value	2b	<u>591568247</u>	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	<u>1902</u>	<u>323081468</u>	<u>323081468</u>
b For terminated vested participants	<u>374</u>	<u>147444447</u>	<u>147444447</u>
c For active participants	<u>1223</u>	<u>149381828</u>	<u>166229603</u>
d Total	<u>3499</u>	<u>487207743</u>	<u>504055518</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>5.78 %</u>	
6 Target normal cost	6	<u>9232167</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		
Signature of actuary <u>MONICA D. MARTIN, FSA, EA</u>	<u>10/04/2018</u>	Date
Type or print name of actuary <u>TOWERS WATSON DELAWARE INC.</u>	<u>17-07271</u>	Most recent enrollment number
Firm name <u>5 CONCOURSE PARKWAY, 18TH FLOOR</u> <u>ATLANTA, GA 30328</u>	<u>678-684-0633</u>	Telephone number (including area code)
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 ☐

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	83782228
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	83782228
10 Interest on line 9 using prior year's actual return of <u>7.56</u> %	0	6333936
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		11832441
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.98</u> %		707580
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		12540021
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	2603435
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	87512729

Part III Funding Percentages

14 Funding target attainment percentage	14	100.00%
15 Adjusted funding target attainment percentage	15	115.83%
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	100.92%
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
Totals ►			18(b)	0	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	0

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
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	9232167	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
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	9232167	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	9232167	9232167
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	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ▶	009
C Plan sponsor's name as shown on line 2a of Form 5500 DUKE ENERGY CORPORATION	D Employer Identification Number (EIN) 20-2777218	

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
NORTHERN TRUST COMPANY
36-1561860

(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)

AON HEWITT

36-3109431

(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	116601	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	44377	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TOWERS WATSON

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?
11	NONE	24282	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)

MCCONNELL & JONES

76-0488832

(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?
10	NONE	17331	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

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
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(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:	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:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ►	<u>009</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>DUKE ENERGY CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2777218</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: DUKE ENERGY CORP MASTER TRUST

b Name of sponsor of entity listed in (a): DUKE ENERGY CORPORATION

c EIN-PN <u>20-2777218-005</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>615600000</u>
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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)
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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)
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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)
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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)
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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)
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN</u>	B Three-digit plan number (PN) ►	<u>009</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DUKE ENERGY CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2777218</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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	8000000	0
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
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)	589100000	615600000
(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)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	597100000 615600000
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	597100000 615600000

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	
	(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)	0
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	
	(F) Other	2b(1)(F)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	0
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	0
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		61100000
(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		61100000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	42200000	
(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)		42200000
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)	41613	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	116601	
(4) Other	2i(4)	241786	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		400000
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		42600000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		18500000
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.)	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.)	4d		X	
e Was this plan covered by a fidelity bond?	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?	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?	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?	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.)	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.)	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?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
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? ☐ Yes ☒ No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4069929. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
A Name of plan CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN		B Three-digit plan number (PN) ▶ 009
C Plan sponsor's name as shown on line 2a of Form 5500 DUKE ENERGY CORPORATION		D Employer Identification Number (EIN) 20-2777218
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 36-3046063		
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 41
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☒ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

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: 28.0% Investment-Grade Debt: 60.0% High-Yield Debt: 0.0% Real Estate: 2.0% 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):

**Cinergy Corp. Union Employees'
Retirement Income Plan**

**Independent Auditors' Report
and Financial Statements**

December 31, 2017 and 2016

Cinergy Corp. Union Employees' Retirement Income Plan

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December 31, 2017 and 2016

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Independent Auditors' Report

To the Duke Energy Benefits Committee and Participants in
the Cinergy Corp. Union Employees' Retirement Income Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cinergy Corp. Union Employees' Retirement Income Plan (the Plan), which comprise the Statements of Net Assets Available for Benefits as of December 31, 2017 and 2016, and the related Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2017, 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.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), Plan management instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Northern Trust Company (Trustee), the trustee of the Plan and the Duke Energy Corporation Master Trust in which the Plan has a beneficial interest, except for comparing such information with the related information included in the financial statements. We have been informed by Plan management that the Trustee holds the investment assets of the Plan in the Duke Energy Corporation Master Trust and executes investment transactions. Plan management has obtained a certification from the Trustee as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to Plan management by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the Trustee, has been audited by us in accordance with US GAAS and, in our opinion, is presented in compliance with DOL Rules and Regulations for Reporting and Disclosure under ERISA.

McConnell & Jones LLP

Houston, Texas
October 15, 2018

Cinergy Corp. Union Employees' Retirement Income Plan
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016
(in millions)

	<u>2017</u>	<u>2016</u>
Assets		
Investments at Fair Value:		
Plan interest in Duke Energy Corporation Master Retirement Trust	\$ 610.2	\$ 578.1
Net assets held in 401(h) account	<u>5.4</u>	<u>11.0</u>
Total Investments	<u>615.6</u>	<u>589.1</u>
Receivables:		
Employer contributions	<u>-</u>	<u>8.0</u>
Total Receivables	<u>-</u>	<u>8.0</u>
Total Assets	<u>615.6</u>	<u>597.1</u>
Liabilities		
Amounts related to obligation of 401(h) account	<u>5.4</u>	<u>11.0</u>
Total Liabilities	<u>5.4</u>	<u>11.0</u>
Net Assets Available for Benefits	<u>\$ 610.2</u>	<u>\$ 586.1</u>

Cinergy Corp. Union Employees' Retirement Income Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2017
(in millions)

Additions:

Plan interest in Duke Energy Corporation Master Retirement Trust net income	\$ <u>66.7</u>
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Total Additions	<u>66.7</u>
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Deductions:

Benefits paid directly to participants	42.2
Administrative expenses	<u>0.4</u>

Total Deductions	<u>42.6</u>
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Net Increase	24.1
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Net Assets Available for Benefits – Beginning of Year	<u>586.1</u>
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Net Assets Available for Benefits – End of Year	\$ <u><u>610.2</u></u>
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Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

Note 1: Description of the Plan

The following description of the Cinergy Corp. Union Employees' Retirement Income Plan (the Plan), is provided for general information purposes only. Participants should refer to the Summary Plan Description and Plan document for more complete information.

General

The Plan is a noncontributory defined benefit pension plan covering employees of Duke Energy Corporation (Duke Energy) and participating affiliates (collectively referred to as the Employing Company) represented by the following collective bargaining organizations:

- Utility Workers Union of America, Local 600
- International Brotherhood of Electrical Workers, Local 1347
- United Steelworkers of America, Local 12049 and Local 5541-06

The plan is closed to new entrants. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Pension Benefits

Under the Plan's cash balance benefit accrual formula, records are maintained on a notional account basis. For each month that a participant is an eligible employee, the participant's account receives a pay credit based upon the participant's eligible compensation for the month multiplied by a percentage that ranges from 4% to 7% depending upon the sum of the participant's age and years of service. An additional 4% applies to eligible compensation above the annual social security wage base. Annual compensation that may be considered for benefit purposes is limited to a maximum amount (\$270,000 for 2017 and subject to adjustment in subsequent years by the Internal Revenue Service (IRS) for increases in the cost of living). The participant's account also receives monthly interest credits generally based upon a monthly rate of 0.327% on the account's balance. Employees hired on or after January 1, 2003 and who are eligible to participate in the Plan, are required to participate in the cash balance formula of the Plan. Participants become eligible to receive a vested benefit from the Plan upon retirement or termination of employment. Generally, normal retirement requires employment (with Duke Energy and its participating or non-participating affiliated companies) until age 65. If employees terminate before rendering three years of service, they generally forfeit the right to receive their accumulated plan benefits.

Vesting service determines the right to receive a benefit if employment ends before qualifying for normal retirement. An employee becomes vested under the Plan after completion of three years of vesting service or upon death, disability or attainment of age 65 while employed by Duke Energy and its participating and non-participating affiliated companies. Vesting service does not begin before age 18.

Participants in the cash balance formula are eligible to take a distribution of their vested cash balance account in the Plan whenever they leave the Employing Company, at any age, for any reason. Upon retirement, a participant may elect to receive a lump sum distribution or an annuity. Generally, participants must start receiving their benefit no later than April 1 following the later of the year in which they attain age 70½ or terminate employment.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

If before benefit payment has begun, a vested, married participant dies and no designation of a non-spouse beneficiary has been made, the participant's surviving spouse has the option to take the participant's vested benefit immediately as a lump sum or as a single life annuity or defer the benefit until no later than April 1 following the year in which the participant would have attained age 70½. Should the deceased participant be single, the participant's beneficiary must receive the participant's vested benefit immediately as a lump sum. If a participant receiving a benefit dies, a death benefit is only payable if provided by the optional form of payment in effect.

For employees with a traditional formula benefit, the benefit is generally calculated based on the participant's years of participation and final three-year average annual pension-eligible earnings. Annual compensation that may be considered for benefit purposes is limited to a maximum amount (\$270,000 for 2017 and subject to adjustment in subsequent years by the Internal Revenue Service (IRS) for increases in the cost of living). The Plan permits early retirement at age 50 with three years of service. A participant can retire with an unreduced benefit at age 62, or at age 55 if the participant's sum of age plus service equals or exceeds 85 points. Employees may elect to receive their pension benefits in annuity forms, or if eligible, in a lump sum form. If employees terminate before rendering three years of service, they generally forfeit the right to receive their accumulated plan benefits.

401 (h) Account

On September 12, 2007, the Plan was amended to clarify provisions permitting, under Section 401(h) of the Internal Revenue Code (IRC), the funding of postretirement medical benefits in a separate trust account, and, in 2007, the Employing Company commenced such funding. Employing Company contributions are discretionary and are determined annually. No contributions were made by the Employing Company to the Cinergy Union Employees' Retirement Income Plan 401(h) account in 2017. Participants do not contribute to the 401(h) account. Payment of benefits from the 401(h) account, which began in 2015, is limited to healthcare expenses reimbursable under retiree coverage provided by the Duke Energy Retiree Medical Plan, the Connector Program, the Duke Energy Corporation Nuclear Health Reimbursement Account Opportunity Plan, and/or the Duke Energy Corporation Post-Retirement Health Reimbursement Account Program ("Retiree Health and Welfare Plan"). Other Plan assets may not be used to fund postretirement healthcare benefits and the 401(h) account may not be used to fund Plan retirement benefits. The obligations of the Retiree Health and Welfare Plan are not obligations of the Plan. The Retiree Health and Welfare Plan's obligations are reflected in the financial statements of the Retiree Health and Welfare Plan.

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).

Use of Estimates

The preparation of the 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 plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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 undivided interest in the underlying assets in the Master Trust. See Note 4 for discussion of fair value measurements.

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 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 US 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 Statement of Changes in Net Assets Available for Benefits.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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.

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, 2017, and through October 15, 2018, the date the financial statements were available to be issued, for inclusion in the financial statements and footnotes.

Effective as of close of business June 30, 2017 the Retirement Plan of Piedmont Natural Gas Company, Inc. (Piedmont Plan) assets were transferred to the Master Retirement Trust. Wells Fargo, the trustee for the Piedmont Plan was replaced by The Northern Trust, for trustee and custodian services. Wells Fargo was maintained as the paying agent for the Piedmont Plan through the end of 2017.

The Duke Energy Board has approved the reorganization of pension liabilities to be effective as of January 1, 2018, which involves the following plan spin-off and merger transactions in the order listed: (i) spin-off certain inactive participants from the Duke Energy Retirement Cash Balance Plan (RCBP) to a newly-created plan called the Duke Energy Legacy Pension Plan (Legacy Plan); (ii) transfer certain inactive participants from the Plan to the Legacy Plan; (iii) merge the Plan into the RCBP; and (v) merge the Piedmont Plan into the RCBP.

New Accounting Pronouncement

In February 2017, FASB issued ASU No. 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) - Employee Benefit Plan Master Trust Reporting (ASU 2017-06). ASU 2017-06 amends the master trust disclosure to require additional disclosures related to the Plan's interest in the master trust. ASU 2017-06 is effective for fiscal years beginning after December 15, 2018, with early application permitted and is required to be applied retrospectively for all comparative periods presented. Plan management elected not to early adopt ASU 2017-06.

Note 3: Investments (Certified by Trustee)

Duke Energy also sponsors the RCBP, which covers certain legacy Duke Energy employees, legacy Cinergy non-union employees, legacy Progress non-union employees, and employees represented by the International Brotherhood of Electrical Workers, Local 1393. Investments of the RCBP are also held in the Master Trust.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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

During 2017, plan assets of the Piedmont Plan and the related 401(h) account were transferred to the Master Retirement Trust. The transfer of \$365.7 million is reflected in the Statement of Changes in Net Assets Available for Benefits as a transfer in. Investments related to this plan are also held in the Master Trust.

The Master Trust has the following Plans and accounts with their respective percentages as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Duke Energy Retirement Cash Balance Plan	80.42	83.74
Duke Energy Retirement Cash Balance Plan 401(h) account	1.68	2.00
Cinergy Corp. Union Employees' Retirement Income Plan	6.65	6.91
Cinergy Corp. Union Employees' Retirement Income Plan 401(h) account	0.06	0.13
Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation	7.09	7.22
Retirement Plan of Piedmont Natural Gas Company, Inc	4.01	-
Retirement Plan of Piedmont Natural Gas Company, Inc 401(h) account	0.09	-
	<u>100.00</u>	<u>100.00</u>

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.

The following presents the Statements of Net Assets Available for Benefits of the Master Trust as of December 31, 2017 and 2016 (in millions):

	<u>2017</u>	<u>2016</u>
Total investments	\$ 9,103.6	\$ 8,312.5
Receivables	<u>117.2</u>	<u>110.2</u>
Total Assets	<u>9,220.8</u>	<u>8,422.7</u>
Liabilities	<u>50.7</u>	<u>60.9</u>
Total Liabilities	<u>50.7</u>	<u>60.9</u>
Net Assets	\$ <u>9,170.1</u>	\$ <u>8,361.8</u>

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

The following presents the Statement of Changes in Net Assets Available for Benefits of the Master Trust for the year ended December 31, 2017 (in millions):

Additions:

Net appreciation in fair value of investments	\$	793.4
Interest		207.5
Dividends		<u>38.6</u>

Total additions 1,039.5

Deductions:

Administrative expenses		<u>20.5</u>
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Net Increase Prior to Transfers: 1,019

Transfer in (Retirement Plan of Piedmont Natural Gas Company, Inc.)		365.7
Transfers in (sponsor contributions)		19.0
Transfers out (benefit payments and administrative expenses)		<u>(595.4)</u>

Net transfers (210.7)

Net Increase After Transfers 808.3

Net Assets – Beginning of Year 8,361.8

Net Assets – End of Year \$ 9,170.1

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 amended guidance of FASB Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* has been early-adopted by management. See Note 2 for information on recent accounting pronouncements.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Equity securities, corporate debt securities and US government securities: Valued at the closing price in the principal active market in which the individual securities are traded. Principal active markets include published exchanges such as NASDAQ, NYSE, NYMEX and Chicago Board of Trade, as well as pink sheets, which is an electronic quotation system that displays quotes for broker-dealers for many over-the-counter securities.

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 as 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 limited partnerships: 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.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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.

The following tables provide by level, within the fair value hierarchy, the Master Trust investments, at fair value as of December 31, 2017 and 2016 (in millions):

	December 31, 2017				
	Total Fair Value	Level 1	Level 2	Level 3	NAV
Equity securities	\$ 2,823.9	\$ 1,976.4	\$ —	\$ —	\$ 847.5
Corporate debt securities	4,693.7	—	4,693.7	—	—
Short-term investment funds	245.9	191.7	54.2	—	—
Partnerships	137.3	—	—	—	137.3
Hedge funds	225.9	—	—	—	225.9
Real estate limited Partnerships	134.7	—	—	—	134.7
US government securities	761.9	—	761.9	—	—
Guaranteed investment contracts	28.4	—	—	28.4	—
Government bonds - foreign	38.3	—	38.3	—	—
Cash	5.5	5.5	—	—	—
Government & commercial mortgage backed securities	1.8	—	1.8	—	—
Net pending transactions and other investments	16.3	14.4	1.7	—	0.2
Total assets	\$ 9,113.6	\$ 2,188.0	\$ 5,551.6	\$ 28.4	\$ 1,345.6

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

December 31, 2016					
	<u>Total</u>				
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Equity securities	\$ 2,334.8	\$ 1,573.6	\$ 1.7	\$ —	\$ 759.5
Corporate debt securities	4,224.6	—	4,224.6	—	—
Short-term investment funds	475.5	210.8	264.7	—	—
Partnerships	156.7	—	—	—	156.7
Hedge funds	211.8	—	—	—	211.8
Real estate limited Partnerships	126.7	—	—	—	126.7
US government securities	708.7	—	708.7	—	—
Guaranteed investment contracts	29.4	—	—	29.4	—
Government bonds - foreign	32.4	—	32.4	—	—
Cash	6.3	6.3	—	—	—
Net pending transactions and other investments	0.9	(1.0)	1.7	—	0.2
Total assets	\$ 8,307.8	\$ 1,789.7	\$ 5,233.8	\$ 29.4	\$ 1,254.9

The following table provides a reconciliation of beginning and ending balances of 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, 2017 (in millions):

Balance as of December 31, 2016	\$ 29.4
Total gains/(losses), (realized and unrealized), and other	0.6
Purchases	0.1
Sales	(1.7)
Balance as of December 31, 2017	\$ 28.4

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.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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, 2017 and 2016 (in millions):

	2017	2016	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Equity securities - Common stock funds (a)	\$ 847.5	\$ 759.5	\$ -	Immediate to Monthly	60-120 days
Equity securities - Partnerships (b)	137.3	156.7	41.4	Non- redeemable	N/A
Hedge funds (c)	225.9	211.8	-	Quarterly/Semi -Annual	91-95 days
Real estate limited partnership (d)	134.7	126.7	-	Quarterly	45 days

(a) This category consists of institutional funds. Investments of approximately 84% of the total fair value at December 31, 2017 are redeemable either immediately or monthly. Investments of approximately 16% of this category contain liquidity restrictions and require redemption notices ranging from 60-120 days.

(b) This category consists of private equity partnership funds that invest in private equity limited partnerships. The investments in this category are non-redeemable.

(c) This category consists primarily of investments in privately offered hedge funds managed by unaffiliated investment managers. For approximately 53% of this category, quarterly redemptions in excess of 20% of the final NAV 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 91 days' notice. Investments of approximately 47% of the total fair value are semi-redeemable (at June 30th/December 31st) with 95 days written notice. At its discretion, the general partner may apply a 25% fund-level gate.

(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 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.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

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 employees or their beneficiaries. Traditional benefits under the Plan are based on the participant's years of participation and generally the final three-year average annual pension-eligible earnings. The accumulated plan benefits for active employees are generally based on their average compensation during the three years ending on the date as of which the benefit information is presented (valuation date). Cash balance benefits are based upon the participant's notional account balance as of the valuation date. 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 through the valuation date.

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 for 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 valuations as of January 1, 2018 were:

Discount Rate:	6.50%
Mortality:	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with scale MP-2017, with rates increased by 13%
Interest Crediting:	4.00% per annum

The significant actuarial assumptions used in the valuations as of January 1, 2017 were:

Discount Rate:	6.50%
Mortality:	RP-2014 healthy no collar table for Annuitants and Non-Annuitants projected generationally with scale BB-2D, with rates increased by 13%
Interest Crediting:	4.25% per annum

The foregoing actuarial assumptions are based on the presumption that 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.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

The actuarial present value of accumulated plan benefit information as of January 1, 2018 and 2017 is as follows (in millions):

	<u>January 1, 2018</u>	<u>January 1, 2017</u>
Vested benefits:		
Participants and/or beneficiaries currently receiving benefits	\$ 311.8	\$ 310.7
Other participants	156.3	166.4
Total vested benefits	<u>468.1</u>	<u>477.1</u>
Nonvested benefits	<u>14.4</u>	<u>17.2</u>
Total Actuarial Present Value of Accumulated Plan Benefits	<u>\$ 482.5</u>	<u>\$ 494.3</u>

The computations of the actuarial present value of accumulated Plan benefits were made as of January 1, 2018 and 2017. Had the valuations been performed as of December 31, 2017 and 2016, there would be no material difference.

The changes in the 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, 2017	\$ <u>494.3</u>
Increase (decrease) during the year attributable to:	
Passage of time	31.3
Change in actuarial assumptions	0.6
Benefits accumulated and actuarial experience	(1.5)
Benefits paid	<u>(42.2)</u>
Net decrease	<u>(11.8)</u>
Actuarial Present Value of Accumulated Plan Benefits as of January 1, 2018	\$ <u>482.5</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 were necessary in 2017 to meet the minimum funding requirements of ERISA. The Employing Company made no voluntary contributions related to plan year 2017.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

Note 8: Federal Income Tax Status

The Plan is intended to qualify under section 401(a) of the IRC and the Master Trust is intended to be exempt from tax under section 501(a) of the IRC. The IRS has determined and informed the Employing Company by letter dated April 23, 2014 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The Plan has 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, 2017, 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 2014.

Note 9: 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 approximately \$0.4 million for the year ended December 31, 2017.

Note 10: Plan Changes

An amendment to the Plan, adopted on September 21, 2016, excludes certain Piedmont Company employees from participation and credits certain service with the Piedmont Company under the Plan.

An amendment to the Plan, adopted on December 16, 2016, reflects bargaining changes for USW Locals 5540-06 and 12049, revokes beneficiary designations that are not made through the "Your Benefit Resources" website, and clarifies certain other provisions.

An amendment to the Plan, adopted on December 15, 2017, clarifies certain provisions regarding employee transfers.

The Amendments for Pension Plan Benefit Liability Reorganization, adopted on December 15, 2017, provides for the following plan spin-off and merger transactions in the order listed: (i) spin-off of certain inactive participants from the RCBP to a newly-created plan called the Legacy Plan; (ii) transfer of certain inactive participants from the Plan to the Legacy Plan; (iii) merger of the Plan into the RCBP; and (iv) merger of the Piedmont Plan into the RCBP.

Cinergy Corp. Union Employees' Retirement Income Plan

Notes to Financial Statements

December 31, 2017 and 2016

Note 11: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the Form 5500 to the financial statements as of December 31, 2017 and 2016 (in millions):

	<u>2017</u>	<u>2016</u>
Net assets per the Form 5500	\$ 615.6	\$ 597.1
Less: Net assets held in 401(h) account included as assets in Form 5500	<u>5.4</u>	<u>11.0</u>
Net Assets Available for Benefits per the Financial Statements	\$ <u>610.2</u>	\$ <u>586.1</u>

The following is a reconciliation of the changes in net assets per the Form 5500 to the financial statements for the year ended December 31, 2017 (in millions):

Net income before transfers per Form 5500	\$ 18.5
Less: Net decrease in 401(h) net assets	<u>(5.6)</u>
Net increase before transfers per the Financial Statements	\$ <u>24.1</u>

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan
EIN: 20-2777218/PN: 009
Schedule SB, Line 26 – Schedule of Active Participant Data

[illegible]

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

[illegible]

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

Assumptions and methods for contribution purposes

Economic Assumptions

Interest rate basis:

Applicable month	September 2016
Interest rate basis	Segment rates with a four-month lookback

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.16%	1.52%
Second segment rate	5.72%	3.80%
Third segment rate	6.48%	4.79%
Effective interest rate	5.78%	

Annual rates of increase

Compensation:

Minimum Funding Target Normal Cost	Based on estimated 2017 earnings.
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Maximum Tax Expected Benefit Increase

Salary Increase Rates for after 2016

Age	Rate	Age	Rate
15	9.50%	35	4.00%
16	9.50%	36	4.00%
17	9.50%	37	4.00%
18	9.50%	38	4.00%
19	9.50%	39	4.00%
20	9.50%	40	3.50%
21	9.50%	41	3.50%
22	9.50%	42	3.50%
23	9.50%	43	3.50%
24	9.50%	44	3.50%
25	8.50%	45+	3.50%
26	8.50%		
27	8.50%		
28	8.50%		
29	8.50%		

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

30	5.50%
31	5.50%
32	5.50%
33	5.50%
34	5.50%

- | | |
|--|---|
| ▶ Future Social Security wage bases | 3.25% |
| ▶ Cash Balance Interest Crediting Rate | 4.25% |
| ▶ Assumed IRC §417(e) Conversion Basis | Based on the segment rates
described above and the current
§417(e) mortality table. |

Demographic Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Mortality	
Healthy and Disabled	2017 Static Mortality Table for Annuitants and Non-Annuitants Per §430(h)(3).
Termination	Rates vary by age and service.

Representative Termination Rates

Percentage leaving during the year

Years of Service			Years of Service		
Age	0-1	2+	Age	0-1	2+
15	20.00%	15.00%	40	16.00%	2.50%
16	20.00%	15.00%	41	16.00%	2.50%
17	20.00%	15.00%	42	16.00%	2.50%
18	20.00%	15.00%	43	16.00%	2.50%
19	20.00%	15.00%	44	16.00%	2.50%
20	20.00%	15.00%	45	15.00%	2.00%
21	20.00%	15.00%	46	15.00%	2.00%
22	20.00%	15.00%	47	15.00%	2.00%

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

23	20.00%	15.00%	48	15.00%	2.00%
24	20.00%	15.00%	49	15.00%	2.00%
25	19.00%	10.00%	50	14.00%	2.00%
26	19.00%	10.00%	51	14.00%	2.00%
27	19.00%	10.00%	52	14.00%	2.00%
28	19.00%	10.00%	53	14.00%	2.00%
29	19.00%	10.00%	54	14.00%	2.00%
30	18.00%	5.50%	55+	0.00%	0.00%
31	18.00%	5.50%			
32	18.00%	5.50%			
33	18.00%	5.50%			
34	18.00%	5.50%			
35	17.00%	3.50%			
36	17.00%	3.50%			
37	17.00%	3.50%			
38	17.00%	3.50%			
39	17.00%	3.50%			

Disability

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

Percentage becoming disabled during the year

Age	Rate	Age	Rate
15	0.08%	40	0.17%
16	0.08%	41	0.19%
17	0.08%	42	0.20%
18	0.08%	43	0.22%
19	0.08%	44	0.23%
20	0.08%	45	0.25%
21	0.08%	46	0.28%
22	0.08%	47	0.32%
23	0.08%	48	0.35%
24	0.08%	49	0.39%
25	0.08%	50	0.42%
26	0.08%	51	0.49%
27	0.08%	52	0.56%

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

28	0.08%	53	0.62%
29	0.08%	54	0.69%
30	0.10%	55	0.76%
31	0.11%	56	0.91%
32	0.11%	57	1.06%
33	0.12%	58	1.20%
34	0.12%	59	1.35%
35	0.13%	60+	1.50%
36	0.14%		
37	0.15%		
38	0.15%		
39	0.16%		

Retirement

Rates varying by age for terminated vested participants and active Cash Balance participants. Rates varying by age and service for active Traditional participants and active Traditional Choice participants.

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age (and service, if applicable) are shown below.

Retirement Rates – Active Cash Balance Participants

Age	Rate	Age	Rate
50	4%	60	25%
51	4%	61	10%
52	4%	62	30%
53	4%	63	15%
54	4%	64	15%
55	20%	65	75%
56	10%	66	20%
57	10%	67+	100%
58	10%		
59	10%		

Retirement Rates – Traditional Participants and Traditional Choice Participants (Years of Service between 0 and 27)

Age	Years of Service					
	0-22	23	24	25	26	27
50	1%	1%	1%	2%	2%	2%

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

51	1%	1%	1%	2%	2%	2%
52	1%	1%	1%	2%	2%	2%
53	1%	1%	1%	2%	2%	2%
54	1%	1%	1%	2%	2%	2%
55	2%	2%	2%	5%	5%	5%
56	2%	2%	2%	5%	5%	5%
57	5%	5%	5%	5%	5%	5%
58	5%	5%	5%	5%	5%	15%
59	5%	5%	5%	5%	15%	15%
60	10%	10%	10%	15%	15%	15%
61	5%	5%	15%	15%	15%	15%
62	20%	35%	35%	35%	35%	35%
63	15%	15%	15%	15%	15%	15%
64	15%	15%	15%	15%	15%	15%
65	75%	75%	75%	75%	75%	75%
66	20%	20%	20%	20%	20%	20%
67+	100%	100%	100%	100%	100%	100%

**Retirement Rates – Traditional Participants and Traditional Choice
Participants (Years of Service between 28 and 30+)**

Age	Years of Service		
	28	29	30+
50	2%	2%	2%
51	2%	2%	2%
52	2%	2%	2%
53	2%	2%	2%
54	2%	2%	2%
55	5%	5%	30%
56	5%	10%	25%
57	15%	15%	25%
58	15%	15%	30%
59	15%	15%	15%
60	15%	15%	20%

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

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

61	15%	15%	20%
62	35%	35%	20%
63	15%	15%	15%
64	15%	15%	15%
65	75%	75%	75%
66	20%	20%	20%
67+	100%	100%	100%

Retirement Rates – Terminated Vested Participants

Age	Rate	Age	Rate
50	2%	60	20%
51	2%	61	15%
52	2%	62	30%
53	2%	63	15%
54	2%	64	15%
55	20%	65+	100%
56	7%		
57	7%		
58	7%		
	7%		

Retirement Assumption for Future Terminated Vested Participants

- Future Terminated Vested Participants who elect an annuity are assumed to commence their benefit at age 57.
- Future Terminated Vested Participants who elect a lump sum are assumed to commence their benefit immediately.

Benefit commencement date

Preretirement death benefit	Date of Death.
Deferred vested benefit	50% of cash balance participants are assumed to commence upon termination of employment and 50% are assumed to defer their commencement until age 65. Annuity participants are assumed to commence at age 57.
Disability benefit	Normal Retirement Date.
Retirement benefit	Upon termination of employment.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan

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

Form of payment	Cash Balance Participants: 100% elect the Lump Sum. Traditional Plan Participants: 65% of married participants elect the 100% Contingent Annuity. 35% of married participants elect the Single Life Annuity. 100% of single participants elect the Single Life Annuity. Traditional Choice Participants: 100% elect the Lump Sum.
Percent married	It is assumed that 85% of males and 85% of females have an eligible spouse.
Spouse age	Males are three years older than their spouses.
Covered pay	
Before 2017	Actual historical pensionable earnings.
2017	2017 pay estimated as the sum of: <ul style="list-style-type: none">▪ Actual earnings through March 31, 2017 (includes bonus and incentive payments made in the first quarter).▪ Expected base pay for the remaining nine months of the year (estimated by using the base pay rate in effect on April 1, 2017).▪ Assumed overtime for the remaining nine months of the year.
2018+	Estimated 2017 pay (for projection purposes) is projected forward using the salary scale, where 2017 pay is estimated as the sum of: <ul style="list-style-type: none">▪ Expected base pay (estimated by using the pay rate in effect on April 1, 2017).▪ Assumed overtime.▪ Assumed target bonus.
Overtime Assumption <i>Applies to non-exempt employees only</i>	The overtime assumption is expressed as a percentage of base pay and varies by pay level: <ul style="list-style-type: none">▪ 12% for those with low base pay (under \$50,000)▪ 24% for those with medium base pay▪ 28% for those with high base pay (over \$67,500)

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

Vacation Bank	The load to average earnings for vacation bank time is based on actual vacation banks accrued to date.
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Methods

Valuation date	January 1, 2017.
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.
Trust expenses included in target normal cost	Provided by Duke Energy Corporation. \$534,226 for 2017.
Actuarial value of assets	<p>Smoothed fair market value of assets over the current and prior three months, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>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.</p>
Actuarial method	Standard Unit Credit Cost Method.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued except prior plan benefits and grandfathered benefits for active employees. Based on discussions with Duke Energy Corporation, such benefits are considered to have a de minimis likelihood of being paid and thus are not required to be valued, and will not be valued. Willis 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.

Assumptions Rationale – Significant Economic and Demographic Assumptions

A separate memo delivered with this report will serve as documentation of the rationale for these valuation assumptions in accordance with our understanding of Actuarial Standards of Practice Nos. 4, 6, 27 and 35. All assumptions were selected based on information known at the valuation date and on the premises that the plan will continue and that no events will occur in 2017 that would cause Duke Energy to select different assumptions.

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

EIN: 20-2777218/PN: 009

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

Changes in Assumptions and Methods

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 2015 to September 2016. Rates have also been adjusted to reflect HATFA corridors.

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 \$541,067 for 2016 to \$534,226 for 2017.

The overtime assumption was updated to reflect experience study results conducted in 2016.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► **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 CINERGY CORP. UNION EMPLOYEES' RETIREMENT INCOME PLAN	B Three-digit plan number (PN) ►	009
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DUKE ENERGY CORPORATION		
D Employer Identification Number (EIN) 20-2777218		
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>2017</u>	
2	Assets:	
	a Market value.....	2a 583,618,721
	b Actuarial value	2b 591,568,247
3	Funding target/participant count breakdown	
	a For retired participants and beneficiaries receiving payment	1,902 323,081,468 323,081,468
	b For terminated vested participants	374 14,744,447 14,744,447
	c For active participants	1,223 149,381,828 166,229,603
	d Total	3,499 487,207,743 504,055,518
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 5.78%
6	Target normal cost	6 9,232,167

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 Monica D. Martin, FSA, EA Type or print name of actuary Towers Watson Delaware Inc. Firm name 5 Concourse Parkway, 18th Floor Atlanta GA 30328 Address of the firm	<u>10/4/2018</u> Date 1707271 Most recent enrollment number 678-684-0633 Telephone number (including area code)
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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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2017

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	83,782,228
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	83,782,228
10 Interest on line 9 using prior year's actual return of <u>7.56%</u>	0	6,333,936
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		11,832,441
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.98%</u>		707,580
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		12,540,021
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	2,603,435
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	87,512,729

Part III Funding Percentages

14 Funding target attainment percentage.....	14	100.00%
15 Adjusted funding target attainment percentage.....	15	115.83%
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	100.92%
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
Totals ▶			18(b)	0	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	0

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: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 60
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	9,232,167										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	0	0	b Waiver amortization installment	0	0
	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	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	9,232,167										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....		0	9,232,167									
			9,232,167									
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	0										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
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 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

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**Schedule SB, Line 15 — Reconciliation of differences between valuation results and
amounts used to calculate AFTAP**

The AFTAP reported on line 15 is the final certified AFTAP for the plan year and does not correspond to the valuation results reported on this SB.

The AFTAP reported on line 15 was certified on September 6, 2017 and only reflects discounted contributions for the prior plan year deposited as of the certification date.

Date of AFTAP certification/ recertification	AFTAP	Description and the amount of each adjustment to the funding target, AVA, carryover balance, prefunding balance	
September 6, 2017	115.83%	Actuarial value of assets at 1/1/2017	\$583,888,212
		Funding standard carryover balance at 1/1/2017	\$0
		Prefunding balance at 1/1/2017	\$90,116,164
		Funding target at 1/1/2017	\$504,055, 518

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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 Active Cash Balance Participants

Retirement Age (1)	Assumed Rate (2)	Participants At Beginning (3)	Participants Retiring: (2)x(3) (4)	(1)*(4) (5)
50	0.0400	1,000.00	40.00	2,000.00
51	0.0400	960.00	38.40	1,958.40
52	0.0400	921.60	36.86	1,916.72
53	0.0400	884.74	35.39	1,875.67
54	0.0400	849.35	33.97	1,834.38
55	0.2000	815.38	163.08	8,969.40
56	0.1000	652.30	65.23	3,652.88
57	0.1000	587.07	58.71	3,346.47
58	0.1000	528.36	52.84	3,064.72
59	0.1000	475.52	47.55	2,805.45
60	0.2500	427.97	106.99	6,419.40
61	0.1000	320.98	32.10	1,958.10
62	0.3000	288.88	86.66	5,372.92
63	0.1500	202.22	30.33	1,910.79
64	0.1500	171.89	25.78	1,649.92
65	0.7500	146.11	109.58	7,122.70
66	0.2000	36.53	7.31	482.46
67	1.0000	29.22	29.22	1,957.74
			1,000.00	58,298.12
58,298.12 /	1,000 =	58.30		

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

Sample Calculation of Retirement Age for Active Traditional Participants

Retirement Age (1)	Assumed Rate (2)	Participants At Beginning (3)	Participants Retiring: (2)x(3) (4)	(1)*(4) (5)
50	0.0100	1,000.00	10.00	500.00
51	0.0100	990.00	9.90	504.90
52	0.0100	980.10	9.80	509.60
53	0.0100	970.30	9.70	514.10
54	0.0100	960.60	9.61	518.94
55	0.0200	950.99	19.02	1,046.10
56	0.0200	931.97	18.64	1,043.84
57	0.0500	913.33	45.67	2,603.19
58	0.0500	867.66	43.38	2,516.04
59	0.0500	824.28	41.21	2,431.39
60	0.1000	783.07	78.31	4,698.60
61	0.0500	704.76	35.24	2,149.64
62	0.2000	669.52	133.90	8,301.80
63	0.1500	535.62	80.34	5,061.42
64	0.1500	455.28	68.29	4,370.56
65	0.7500	386.99	290.24	18,865.60
66	0.2000	96.75	19.35	1,277.10
67	1.0000	77.40	77.40	5,185.80
			1,000.00	62,098.62
62,098.62 /	1,000 =	62.1		

All Groups

Group	Number of Active Participants*	Retirement Age
Cash Balance Participants	535	58.30
Traditional Participants	653	62.10
Average Age		60.39
Rounded for Schedule SB Item 22		60

*There are 35 other active employees with different retirement decrement patterns not reflected above.

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Cinergy Corp. Union Employees' Retirement Income Plan**

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Schedule SB, Part V — Summary of plan provisions

Plan Provisions

Plan was restated effective January 1, 2014, and last amended January 16, 2016 (Amendment 5)

Eligible Employees	<p>Legacy Cinergy employees (other than leased employees) covered by a collective bargaining agreement which provides for participation in the plan.</p> <p>If an IBEW 1347 employee terminates employment and is rehired after December 31, 2014, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>IBEW 1347 employees hired on or after January 1, 2015 are not eligible to participate in the plan.</p> <p>If an UWUA employee terminates employment and is rehired after December 31, 2015, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>UWUA employees hired on or after January 1, 2016 are not eligible to participate in the plan.</p> <p>If an USW Local 5541-06 or USW Local 12049 employee terminates employment and is rehired after December 31, 2016, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire.</p> <p>USW Local 5541-06 or USW Local 12049 employees hired on or after January 1, 2017 are not eligible to participate in the plan.</p>
Participation Date	Later of Employment Commencement Date, or age 18.

Definitions

Service	Employees (other than intermittent or temporary employees) generally earn one month of Service for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Earnings	Generally equal to total salary or wages, including overtime and bonuses, before any reductions under §401(k), §125 and §132(f), but exclusive of any Company contributions to employee benefit plans and additional remuneration or expense reimbursement. Compensation considered for benefit purposes is limited based upon the provision of the IRC Section 401(a)(17). Excludes military leave pay from eligible earnings.
Highest Average Earnings	Highest Average Annual Earnings for any three consecutive calendar years during the last 10 years of Participation, increased by average annual Accrued Vacation Pay, if applicable.
Covered Compensation	35-year average of Social Security Wage Bases based on Year-of-Birth Table.

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Schedule SB, Part V — Summary of plan provisions

Participation	Employees (other than intermittent or temporary employees) generally earn one month of Participation for each calendar month in which he/she is a participant in the Plan and is credited with at least one hour of service. Other rules may apply prior to January 1, 1998.
Normal Retirement Age	Age 65.

Eligibility for Benefits

Normal Retirement	Retirement at normal retirement age.
Early Retirement	Age 50 and three years of service. (Five years of service prior to January 1, 2007).
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	Three years of service. (Five years of service prior to January 1, 2007.)
Disability	Participants are immediately vested upon disability. (Five years of service were required prior to January 1, 2007.)
Preretirement Death Benefit	
Traditional Program	Married participants. (Five years of service prior to January 1, 2007.)
Cash Balance Program	All participants are immediately vested upon death and the benefit will be paid to the spouse, beneficiary, or estate.

Benefits Paid Upon the Following Events

Normal Retirement	Participant's retirement formula is either based on a final average pay formula ("Traditional Program"), a cash balance plan account ("Cash Balance Program"), or a combination of both ("Traditional Choice" or "Traditional Frozen").
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USW Employees

On January 1, 2008, active participants governed by a collective bargaining agreement with the United Steelworkers of America, Local 12049 and Local 5541-06 (a "USW Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program USW participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit, effective January 1, 2008. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2012, participants who elected to stay in the Traditional Program in 2008 who are not age 50 with 25 years of service were automatically moved into the Duke Energy Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report.

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Schedule SB, Part V — Summary of plan provisions

Participants who meet the age 50 and 25 years of service requirement were allowed another choice to move to the Duke Energy Cash Balance program effective January 1, 2012.

IBEW 352 (inactive group)

Balanced and Investor Cash Balance Program participants governed by a collective bargaining agreement with the International Brotherhood of Electrical Workers, Local 352 (an "IBEW 352 Employee") were moved to the Duke Energy Cash Balance Program on July 1, 2008.

ERA (inactive group)

Balanced and Investor Cash Balance Program participants governed by a collective bargaining agreement with the Employees' Representation Association (an "ERA Employee") were moved to the Duke Energy Cash Balance Program on January 1, 2009.

UWUA

On January 1, 2009, active participants governed by a collective bargaining agreement with the Utility Workers of America, Local 600 (a "UWUA Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program UWUA participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit effective January 1, 2009. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2013, participants who elected to stay in the Traditional Program in 2009 who are not age 50 with 25 years of service will automatically be moved into the Duke Energy Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report. Participants who meet the age 50 and 25 years of service requirement were allowed another choice to move to the Duke Energy Cash Balance program effective January 1, 2013.

IBEW 1347

On January 1, 2010, active participants governed by a collective bargaining agreement with Local Union 1347 of the International Brotherhood of Electrical Workers (an "IBEW 1347 Employee") in the Balanced and Investor Cash Balance Programs were moved to the Duke Energy Cash Balance Program. Traditional Program IBEW 1347 participants were given the choice to stay in the Traditional Program and continue to accrue benefits or to enter the Duke Energy Cash Balance Program with a \$0 opening account balance and a soft freeze (frozen credited service and increasing final average pay) on their Traditional Benefit effective January 1, 2010. These participants are included as part of the Traditional Choice group in the descriptions provided in this report.

Effective January 1, 2014, participants who elected to stay in the Traditional

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Schedule SB, Part V — Summary of plan provisions

Program in 2010 whose age plus service is less than 75 were automatically moved into the Cash Balance Program with a hard freeze on their Traditional Benefit. These participants are included as part of the Traditional Frozen group in the descriptions provided in this report.

**Duke Cash
Balance Formula**

A cash balance benefit with monthly pay credits based on the following schedule:

Pay Credit by Points for Duke Energy Corporation Cash Balance Formula

Points	Contribution Credit Percentage
<35	4%, plus 4% of pay over Social Security Wage Base
35-49	5%, plus 4% of pay over Social Security Wage Base
50-64	6%, plus 4% of pay over Social Security Wage Base
>64	7%, plus 4% of pay over Social Security Wage Base

A participant's points as of any January 1 (or date of participation) equal the sum of the attained age and creditable service on such date, with the sum truncated to drop less than full points.

The monthly interest adjustment is a percentage increase in the account balance. The rate of monthly increase is the average yield on 30-year Treasury bonds for the end of the third full business week of the month prior to the beginning of the calendar quarter in which the particular month occurs. The interest factor will not be greater than an annual percentage rate of 9% and not less than 4%.

For IBEW 1347 pay credits accrued on or after January 1, 2015, the monthly interest credit is fixed based on an annual percentage rate of 4%.

For UWUA pay credits accrued on or after January 1, 2016, the monthly interest credit is fixed based on an annual percentage rate of 4%.

For USW Local 5541-06 or USW Local 12049 pay credits accrued on or after January 1, 2017, the monthly interest credit is fixed based on an annual percentage rate of 4%.

Traditional Program

Effective January 1, 2007, the plan was amended to adopt a minimum benefit formula on benefit accruals beginning January 1, 2005. The benefit is the greater of Formula A or Formula B.

Formula A: 1.10% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years); plus 1.55% of FAP multiplied by service over 35 years.

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Schedule SB, Part V — Summary of plan provisions

Formula B: Lesser of 1.12% of FAP plus 0.50% of FAP in excess of Covered Compensation multiplied by service (maximum 35 years) or 1.163% of FAP multiplied by service (maximum 35 years); plus 1.492% of FAP multiplied by service over 35 years.

Early Retirement

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Years of Participation and Highest 3-Year Average Earnings at the date of termination. If payments begin before age 62, the payments are reduced by 6.67% per year for the first five years, 3.33% per year for the next four years, and by varying percentages thereafter.

No reductions apply if a participant attains age 55 and, as of his termination date, the sum of his age (in whole years) and service (in whole years) equals or exceeds 85

Cash Balance Program

Participants are always entitled to their entire vested cash balance at termination or retirement.

Postponed Retirement

Monthly pension benefit determined as of actual retirement date.

Vested Termination

Traditional Program

A monthly benefit equal to the Normal Retirement benefit based on Highest Average Earnings and years of Participation at the date of termination. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Vested Termination benefits that begin before Normal Retirement will be reduced 5% per year from age 65.

Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.

Cash Balance Program

Participants are always entitled to their entire vested cash balance at termination or retirement.

Disability

Traditional Program

Normal Retirement benefit based on Highest Average Earnings at the date of disability and years of Participation at the date of retirement. Payments may begin after the eligibility requirements for Early Retirement have been satisfied. Disability benefits that begin before Normal Retirement will be reduced using the same reductions used for Early Retirement.

Traditional Choice participants can receive this benefit as a lump sum any time after separation from the company.

Cash Balance Program

Participants are always entitled to their entire vested cash balance upon disability.

For IBEW 1347 participants as of January 1, 2015, disability occurring on or after July 1, 2015, pay credits will cease upon disability.

For UWUA participants as of January 1, 2016, disability occurring on or after July 1, 2016, pay credits will cease upon disability.

For USW Local 5541-06 or USW Local 12049 participants who become disabled on or after July 1, 2017, pay credits will cease upon disability.

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Schedule SB, Part V — Summary of plan provisions

Preretirement Death

Traditional Program	<p>Under age 50: 100% of Normal Retirement benefit as of the participant's date of death, reduced actuarially for 100% Contingent Annuitant option, and reduced for payment at the participant's earliest retirement eligibility.</p> <p>Traditional Choice participants can receive this benefit as a lump sum immediately.</p> <p>Age 50 and older: 100% of Normal Retirement benefit as of the participant's date of death, payable immediately, reduced as applicable for early payment.</p>
Cash Balance Program	<p>The participant's beneficiary is entitled to the entire vested cash balance upon the participant's death.</p>

Other Plan Provisions

Normal Form of Annuity

Without Spouse	Life Annuity.
Cash Balance Participants with Spouse	100% Contingent Annuitant option.
Traditional Participants with Spouse	100% Contingent Annuitant option actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 100% of reduced benefit continued to surviving spouse. If spouse dies before participant, benefit increases to life annuity value. This "pop-up" is free.

Optional Forms of Annuity

Employees hired after the Coverage Effective Date (as defined by the plan that varies for each particular union group): Life Annuity; Lump Sum; Contingent Annuitant (50% or 100%).

Employees hired before the Coverage Effective Date: Life Annuity; Contingent Annuitant with "pop-up" (50%, 66 2/3% or 100%); 10-year Certain and Life; Life Annuity Level Income Option; 100% Contingent Annuitant Level Income Option with pop-up.

A Lump Sum option is available on the Cash Balance program benefits for all participants. A Lump Sum option is available on the Traditional Program benefit for Traditional Choice participants. Traditional Frozen participants are not eligible for a Lump Sum on their Traditional Program benefit.

Actuarial Equivalence

Mortality	Applicable mortality under IRC Section 417(e).
Interest	Applicable interest under IRC Section 417(e). Look back month is August prior to the beginning of the Plan Year during which the Annuity Starting Date falls.

Pension Increases	None.
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Schedule SB, Part V — Summary of plan provisions

Plan Participants' Contributions	None required or allowed.
Maximum on Benefits and Pay	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 minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

For USW Local 5541-06 or USW Local 12049 participants as of January 1, 2017 who become disabled on or after July 1, 2017, pay credits will cease upon disability.

If an USW Local 5541-06 or USW Local 12049 employee terminates employment and is rehired after December 31, 2016, the employee will continue to receive interest credits on any undistributed cash balance account, but will not receive cash balance pay credits following rehire. USW Local 5541-06 or USW Local 12049 employees hired on or after January 1, 2017 are not eligible to participate in the plan.

For USW Local 5541-06 or USW Local 12049 pay credits accrued on or after January 1, 2017 the monthly interest credit is fixed based on an annual percentage rate of 4%.

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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 \$541,067 for 2016 to \$534,226 for 2017.
2. The overtime assumption was updated to reflect experience study results conducted in 2016.