

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: 24pt; font-weight: bold;">2017</div> This Form is Open to Public Inspection
---	---	---

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:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>05/01/1951</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>05/01/1951</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>05/01/1951</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>PIEDMONT NATURAL GAS COMPANY, INC.</u> <u>4720 PIEDMONT ROW DRIVE</u> <u>CHARLOTTE, NC 28210</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>56-0556998</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>704-382-4703</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>221210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>56-0556998</u>	2c Plan Sponsor's telephone number <u>704-382-4703</u>	2d Business code (see instructions) <u>221210</u>	
2b Employer Identification Number (EIN) <u>56-0556998</u>					
2c Plan Sponsor's telephone number <u>704-382-4703</u>					
2d Business code (see instructions) <u>221210</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 DEC 38A 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 1823
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) 1164 6a(2) 1104 6b 350 6c 189 6d 1643 6e 88 6f 1731 6g 6h 0
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 1E 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ 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
--	--	---

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>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
---	---

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2017</u>			
2 Assets:			
a Market value	2a	<u>346795255</u>	
b Actuarial value	2b	<u>354712750</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>206</u>	<u>52446519</u>	<u>52446519</u>
b For terminated vested participants	<u>455</u>	<u>24662062</u>	<u>24662062</u>
c For active participants	<u>1164</u>	<u>152919784</u>	<u>158357469</u>
d Total	<u>1825</u>	<u>230028365</u>	<u>235466050</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>5.77 %</u>	
6 Target normal cost	6	<u>9917490</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)	24674996	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	24674996	0
10 Interest on line 9 using prior year's actual return of <u>8.39</u> %	2070232	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		9424360
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>6.16</u> %		580541
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		10004901
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	26745228	0

Part III Funding Percentages

14 Funding target attainment percentage	14	139.28%
15 Adjusted funding target attainment percentage	15	150.64%
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	156.28%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/28/2017	11000000	0			
Totals ▶			18(b)	11000000	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	10389202

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 0
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	9917490
b Excess assets, if applicable, but not greater than line 31a	31b	9917490
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0
	Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0
36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	10389202
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	10389202
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 RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PIEDMONT NATURAL GAS COMPANY, INC.	D Employer Identification Number (EIN) 56-0556998	

Part I	Service Provider Information (see instructions)
---------------	--

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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)

MERCER

13-2834414

(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	ACTUARY	279882	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THOMPSON, SIEGEL & WALMSLEY, LLC

54-0854396

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVST MGR	239506	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FISHER INVESTMENTS, INC

02-0432775

(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	INVST MGR	192346	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)

PACIFIC INVESTMENT MANAGEMENT

33-0629048

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVST MGR	166147	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO

56-1354495

(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?
15 50 63 21 60 64 25 61	TRUSTEE	92898	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(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	74800	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)

BARROW, HANLEY, MEWHINNEY & STRAUSS

75-2403190

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	56811	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DODGE & COX

94-1441976

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVST MGR	32656	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	GARO AGHJAYAN	b EIN:	13-2834414
c Position:	ENROLLED ACTUARY		
d Address:	100 N. TRYON STREET, SUITE 3600 CHARLOTTE, NC 28202-4023	e Telephone:	704-805-7500

Explanation: CHANGE IN RESPONSIBLE FIRM

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	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.
---	--	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</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)
---------------	--

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>376169033</u>
---------------------------------------	-------------------------------	--

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)**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
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>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	9379079	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	11071345	0
	(2) U.S. Government securities.....	1c(2)	51997640	0
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)	47455152	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)	49840608	0
	(5) Partnership/joint venture interests	1c(5)	18745816	0
	(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)	0	376169033
	(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)	133354583	0
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)	67661844	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	389506067	376169033

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	276535	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	35343543	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	35620078	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	353885989	376169033
---	-----------	-----------	-----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	11000000	
(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)		11000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	21950	
(B) U.S. Government securities	2b(1)(B)	2681786	
(C) Corporate debt instruments	2b(1)(C)	1130134	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	1771	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3835641
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	410182	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1783942	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2194124
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	244383811	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	244520321	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-136510
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1575788	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1575788

		(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)		18965322
(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)		12960666
c Other income	2c		5845411
d Total income. Add all income amounts in column (b) and enter total.....	2d		56240442

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	32695069	
(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)		32695069
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)	279882	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	736974	
(4) Other	2i(4)	245473	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1262329
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		33957398

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		22283044
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: MCCONNELL & JONES LLP

(2) EIN: 76-0488832

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		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.			

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 4070014. (See instructions.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under 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). ▶ 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 <u>RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PIEDMONT NATURAL GAS COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>56-0556998</u>

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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>56-1354495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>97</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

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: 34.0% Investment-Grade Debt: 42.0% High-Yield Debt: 2.0% Real Estate: 5.0% Other: 17.0%

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

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

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

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

**Retirement Plan of
Piedmont Natural Gas Company, Inc.**

**Independent Auditors' Report
and Financial Statements**

December 31, 2017 and 2016

Retirement Plan of Piedmont Natural Gas Company, Inc.

Table of Contents December 31, 2017 and 2016

Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5



Independent Auditors' Report

To the Duke Energy Benefits Committee and Participants in the
Retirement Plan of Piedmont Natural Gas Company, Inc.
Charlotte, NC

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan of Piedmont Natural Gas Company, Inc. (the Plan), which comprise the Statement 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 audit 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 5, which was certified by Wells Fargo Bank, N.A. (Wells Fargo) and by Northern Trust Company (Northern Trust), the trustees of the Plan (collectively, the Trustees), except for comparing such information with the related information included in the financial statements. We have been informed by Plan management that Northern Trust held the Plan's investments as of December 31, 2017 and executed investment transactions for the period July 1, 2017 through December 31, 2017, and Wells Fargo held the Plan's investments as of December 31, 2016 and executed investment transactions for the period January 1, 2017 through June 30, 2017. Plan management has obtained certifications from the Trustees as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to Plan management by the Trustees is complete and accurate.

Disclaimer of Opinion

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

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

The form and content of the information included in the financial statements and supplementary information, other than that derived from the information certified by the Trustees, 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

Retirement Plan of Piedmont Natural Gas Company, Inc.
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Investments at fair value	\$ -	\$ 372,759,719
Plan interest in Duke Energy Corporation Master Retirement Trust	<u>368,063,252</u>	<u>-</u>
Net assets held in 401(h) account	<u>8,105,781</u>	<u>7,367,269</u>
Receivables		
Due from broker for securities purchased	-	8,748,868
Accrued interest and dividends	<u>-</u>	<u>630,211</u>
Total receivables	<u>-</u>	<u>9,379,079</u>
Total assets	<u>376,169,033</u>	<u>389,506,067</u>
Liabilities		
Amounts related to obligation of 401(h) account	8,105,781	7,367,269
Due to broker for securities purchased	-	35,343,543
Accrued administrative expenses	<u>-</u>	<u>276,535</u>
Total liabilities	<u>8,105,781</u>	<u>42,987,347</u>
Net Assets Available for Benefits	<u>\$ 368,063,252</u>	<u>\$ 346,518,720</u>

Retirement Plan of Piedmont Natural Gas Company, Inc.
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2017

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments	\$ 21,035,264
Interest and dividends	4,501,344
Plan interest in Duke Energy Corporation Master Retirement Trust net income	<u>18,965,322</u>
Total investment income	44,501,930

Employer contributions	<u>11,000,000</u>
-------------------------------	-------------------

Total additions	<u>55,501,930</u>
-----------------	-------------------

Deductions from net assets attributed to:

Benefits paid directly to participants	32,695,069
Administrative expenses	<u>1,262,329</u>

Total deductions	<u>33,957,398</u>
------------------	-------------------

Net increase	21,544,532
---------------------	------------

Net assets available for benefits:

Beginning of year	<u>346,518,720</u>
--------------------------	--------------------

End of year	<u><u>\$ 368,063,252</u></u>
--------------------	------------------------------

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

Note 1: Description of the Plan

The following brief description of the Retirement Plan of Piedmont Natural Gas Company, Inc. (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined benefit pension plan covering most employees of Piedmont Natural Gas Company, Inc. (the Company and Plan Sponsor). The Plan is administered by the Duke Energy Benefits Committee (Benefits Committee or Plan Administrator). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2008, the Plan was amended for all employees not covered by the bargaining unit contract in Nashville, Tennessee to close the Plan to employees hired after December 31, 2007 and to modify how benefits are accrued in the future for existing employees. Employees hired prior to January 1, 2008 will continue to participate in the amended traditional defined benefit pension plan. These same amendments were effective on January 1, 2009 for employees covered by the bargaining unit contract in Nashville, Tennessee.

Employees hired or rehired after December 31, 2007 (or December 31, 2008 for employees covered by the bargaining unit contract in Nashville, Tennessee) will not participate in the amended traditional defined benefit pension plan but will be participants in the Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan, a defined contribution pension plan that allows the employee to direct the investments. Effective at the close of business on December 31, 2017, the Piedmont Natural Gas Company, Inc. Money Purchase Pension Plan merged into the Duke Energy Retirement Savings Plan.

Effective as of close of business June 30, 2017 the Retirement Plan of Piedmont Natural Gas assets were transferred to the Duke Energy Corporation Master Retirement Trust (the Master Retirement Trust). Wells Fargo Bank, N.A. (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.

Plan Administration

The Plan is administered by the Duke Energy Benefits Committee. Wells Fargo is responsible for the custody and management of the Plan's assets for the period January 1, 2017 through June 30, 2017 and Northern Trust is responsible for the custody and management of the Plan's assets for the period July 1, 2017 through December 31, 2017.

Pension Benefits

In general, monthly retirement benefits begin at age 65 and are determined based on a participant's year of birth, final average compensation, social security taxable wage base and years of benefit service. The Plan also provides for early retirement and late retirement.

For benefit service earned after December 31, 2007, a consistent rate will be applied to each year of benefit service so that employees accrue benefits more evenly. For benefit service earned prior to January 1, 2008, the rate used in the formula to calculate an employee's pension benefit is greater for

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

the first twenty years of benefit service than it is for the next fifteen years of benefit service. Employees can be credited with up to a total of 35 years of benefit service. When employees leave the Company, their benefit payments will be calculated as the greater of the accrued benefit as of December 31, 2007 under the old formula plus the accrued benefit under the new formula for years of benefit service after December 31, 2007, or the benefits for all years of benefit service up to 35 years under the new formula.

Vesting

The Plan provides full vesting of benefits after five years of vesting service.

Payment of Benefits

Benefits to participants are paid as a straight life annuity, joint and 50%/75%/100% survivor annuity, as 5, 10, and 15-year certain and life options, or as a lump-sum payment. Straight life annuity, period certain options and lump-sum options require the spouse's consent.

Death and Disability Benefits

The Plan contains provisions for the payment of early retirement benefits, disability benefits, and vested benefits at termination for reasons other than retirement or disability.

401(h) Account

A separate account was established and maintained in the Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the Plan year must be transferred out of the account to the pension plan. The related obligations for health benefits are not included in this Plan's obligations in the statement of accumulated plan benefits but are reflected as obligations in the financial statements of the health and welfare benefit plan. Plan participants do not contribute to the 401(h) account. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Company. Certain of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h). The 401(h) assets are held in conjunction with the Retirement Plan assets at Northern Trust.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are 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 financial statements in conformity with US GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net assets available for benefits, 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 and changes therein. Actual results could differ from those estimates.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

Investment Valuation and Income Recognition

The Plan's investments including its interest in the Master Retirement Trust 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. See Note 6 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for investments in the mutual funds and common trust funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Risks and Uncertainties

The Plan and the Master Retirement Trust utilize various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are prepared 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 estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Payment of Benefits

Benefit payments are recorded upon distribution.

Expenses

Administrative expenses of the Plan are paid by the Plan and the Master Trust, as provided by the Plan document.

Recently Adopted Accounting Pronouncements

In February 2017, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

Plan Management's Review of Subsequent Events

In preparing the accompanying financial statements, Plan management has evaluated subsequent events (events occurring after December 31, 2017) through October 15, 2018, the date the financial statements were available to be issued.

The Duke Energy Board has approved the reorganization of pension liabilities for the plans included in the Master Retirement Trust 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 Retirement Cash Balance Plan (PBGC) to a newly-created plan called the Duke Energy Legacy Pension Plan (Legacy Plan); (ii) transfer certain inactive participants from the Cinergy Corp. Union Employees' Retirement Income Plan (RIP) to the Legacy Plan; (iii) merge the RIP into the Plan; and (v) merge the Piedmont Plan into the RCBP.

Note 3: Funding Policy

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan that at least meet the minimum funding requirements but do not exceed the tax deductible limits as determined by the Plan's independent actuary. The Company met the minimum funding requirements of ERISA in 2017 and 2016.

Note 4: 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 (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries.

Benefits under the Plan are based on employees' highest 60 consecutive months of compensation during their last ten years of employment. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent 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 date 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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

The actuarial present value of accumulated plan benefits as of December 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Vested benefits:		
Participants currently receiving payments	\$ 56,120,568	\$ 49,956,088
Active participants	181,577,649	170,775,621
Inactive participants with deferred benefits	<u>20,135,488</u>	<u>25,657,581</u>
Total vested accumulated benefits	257,833,705	246,389,290
Non-vested accumulated benefits:	<u>5,896,444</u>	<u>-</u>
Total actuarial present value of accumulated benefits	\$ <u><u>263,730,149</u></u>	\$ <u><u>246,389,290</u></u>

The change in actuarial present value of the Plan's accumulated plan benefits for the year ended December 31, 2017 is as follows:

Actuarial present value of accumulated plan benefits, beginning of year	\$ <u>246,389,290</u>
Increase (decrease) during year attributable to:	
Interest due to decrease in discount	15,621,199
Benefits accumulated	10,027,034
Actuarial losses	12,122,936
Benefit payments	(32,695,069)
Change in actuarial assumptions	<u>12,264,759</u>
Net increase	<u>17,340,859</u>
Actuarial present value of accumulated plan benefits, end of year	\$ <u><u>263,730,149</u></u>

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

The significant actuarial assumptions utilized in the December 31, 2017 and 2016 valuation of the actuarial present value of accumulated plan benefits were as follows:

Actuarial Cost Method	Standard Unit Credit Cost Method
Interest Rate	2017: 6.50% compounded annually. 2016: 6.75% compounded annually.
Mortality Rate	RP-2017 healthy no collar table for annuitants and non-annuitants projected generationally with scale MP-2017
Assumed Retirement Age	Attainment of age 65

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.

Note 5: Investments and Related Investment Income (Certified by Trustee)

As permitted by 29 CFR 2520.103-8 of the Department of Labor rules under ERISA, information related to investments as of December 31, 2017 and related investment income for the period July 1, 2017 through December 31, 2017 held in the Master Trust were certified by Northern Trust. Information related to investments as of December 31, 2016 and related investment income for the period January 1, 2017 through June 30, 2017 was certified by Wells Fargo.

During 2017, the Plan's assets 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 of the Master Trust as a transfer in. Investments related to this plan are held in the Master Trust.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

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 Statement 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	9,220.8	8,422.7
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>

Retirement Plan of Piedmont Natural Gas Company, Inc.

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>
-------------------------	--	-------------

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		<u>8,361.8</u>
---------------------------------------	--	----------------

Net Assets – End of Year	\$	<u>9,170.1</u>
---------------------------------	----	----------------

Note 6: Fair Value Measurements

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets and liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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.

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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

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

December 31, 2017 (in millions)					
	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
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 fund	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

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

	December 31, 2016		
	(Level 1)	(Level 2)	Total
Investments held in the Plan:			
Cash and cash equivalents	\$ 11,071,345	\$ -	\$ 11,071,345
Common stock	49,840,608	-	49,840,608
Mutual funds	79,239,013	-	79,239,013
Government and agency bonds	-	51,997,640	51,997,640
Corporate bonds and notes	-	42,990,802	42,990,802
Municipal bonds	-	67,892	67,892
Collateralized mortgage-backed	-	4,464,350	4,464,350
Derivatives	-	(240,457)	(240,457)
	<u>140,150,966</u>	<u>99,280,227</u>	<u>239,431,193</u>
Investments measured at net asset value:			
Long duration mutual bond fund			54,115,570
Common trust funds			40,505,127
Hedge fund of funds			19,962,013
Private equity fund of funds			9,128,236
Commodities funds			9,617,580
			<u>133,328,526</u>
Total investments held in the Plan, at fair value			<u>\$ 372,759,719</u>

The following table provides a reconciliation of beginning and ending balances of Master Trust investments measured at fair value on a recurring basis where the determination of fair value includes significant unobservable inputs (Level 3) for the year ended December 31, 2017 (in millions):

	2017
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	<u>\$ 28.4</u>

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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

Note 7: Net Asset Value 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.

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 investments with a reported estimated fair value using the NAV per share as of December 31, 2016:

December 31, 2017 (in millions)				
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Equity securities - Common stock funds (a)	\$847.5	\$ -	Immediate to Annual	60-120 days
Equity securities - Partnerships (b)	137.3	41.4	Non-redeemable	N/A
Hedge funds (c)	225.9	-	Quarterly/Semi-Annual	91-95 days
Real estate limited partnerships (d)	134.7	-	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.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

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.

Fair Value Estimated Using Net Asset Value per Share December 31, 2016						
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period	
Common trust funds						
International (a)	\$ 25,579,430	\$ -	Monthly	None	30 days	
Global (b)	14,925,697	-	Daily	None	30 days	
Hedge fund of funds (c)	19,962,013	-	Quarterly	None	65 days	
Private equity fund of funds						
US (d)	4,753,826	1,362,000	Limited	**	(1)	
Global (e)	2,346,331	693,000	Limited	**	(1)	
Direct (f)	929,451	87,600	Limited	**	(1)	
Emerging (g)	1,098,628	265,200	Limited	**	(1)	
Mutual funds - long duration bonds (h)	54,115,570	-	Daily	None	Daily	
Commodities fund (i)	9,617,580	-	Monthly	*	35 days	

(1) The investment cannot be redeemed. Distributions are received only through the liquidation of the underlying assets. The assets are expected to be liquidated over the next 10 to 12 years.

* If 95% or more of the balance is requested, 95% of the balance will be paid within 30 days. Any outstanding balance or interest owed will be paid after the annual audit is complete.

** Investors will have only very limited withdrawal rights for specific legal or regulatory reasons, and any transfer of an interest will be subject to approval.

(a) The Fund seeks to outperform the MSCI EAFE Index on average by 2-7% per annum over a full market cycle by investing in securities of issuers domiciled outside the United States.

(b) The Fund seeks to achieve current income by investing primarily in senior secured loans.

(c) The Fund seeks to generate capital appreciation over the long-term through a portfolio having a diversified risk profile with relatively low volatility and a low correlation with traditional equity and fixed income markets.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

(d) The Fund seeks global and regional strategies. Over a three to four-year period, the US strategy typically invests in 60-75 total funds that invest a substantial portion of their assets in North American companies.

(e) The Fund's strategy allocates capital to private equity investments that invest a substantial portion of their assets in companies primarily located in Western Europe with a primary focus on buyout and growth equity.

(f) The Fund's strategy is to leverage relationships with venture, growth, and equity, and buyout general partners around the globe to generate differentiated deal flow.

(g) The Fund's strategy is to invest in a diversified portfolio of private equity partnerships that in turn will invest principally in companies based in emerging markets.

(h) The Fund seeks to maximize total return, consistent with the preservation of capital and prudent investment management.

(i) The Fund seeks to produce attractive long-term risk adjusted returns in excess of traditional commodity index exposure.

Note 8: Federal Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated June 18, 2014, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code. The Company and the Plan administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan and related 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 tax positions taken by the Plan. Plan management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2014.

Note 9: Exempt Party-in-Interest Transactions

Certain Plan investments are shares of a money market fund managed by Wells Fargo as of June 30, 2017. Wells Fargo is the Trustee as defined by the Plan for the period January 1, 2017 through June 30, 2017, and therefore, these transactions qualify as 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 \$1,262,329 for the year ended December 31, 2017.

Retirement Plan of Piedmont Natural Gas Company, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

Note 10: Reconciliation of Financial Statements to Form 5500

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

	<u>2017</u>	<u>2016</u>
Net assets available for benefits as presented in these financial statements	\$ 368,063,252	\$ 346,518,720
Net assets held in 401(h) account included as assets in Form 5500	<u>8,105,781</u>	<u>7,367,269</u>
Net assets per the Form 5500	<u>\$ 376,169,033</u>	<u>\$ 353,885,989</u>

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can only be used to pay retiree health benefits.

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

Net increase per the financial statements	\$ 21,544,532
Net increase in 401(h) net assets	<u>738,512</u>
Net income per Form 5500	<u>\$ 22,283,044</u>

Note 11: Subsequent Events

Effective January 1, 2018, the Plan will be merged into the Duke Energy Retirement Cash Balance Plan.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas Company, Inc.
EIN: 56-0556998/PN: 001
Schedule SB, Line 26 – Schedule of Active Participant Data

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	0		0		6		8		0		0		0		0		0		0	
35 - 39	0		0		9		49	82,998	13		0		0		0		0		0	
40 - 44	0		0		7		79	89,339	42	88,916	20	87,622	0		0		0		0	
45 - 49	0		0		11		74	95,572	63	87,290	51	90,531	26	89,136	1		0		0	
50 - 54	0		0		6		70	88,055	37	85,591	46	94,874	38	89,090	26	82,808	0		0	
55 - 59	0		0		4		93	91,027	25	109,953	24	76,485	52	91,084	85	93,668	6		1	
60 - 64	0		0		2		49	75,472	16		12		10		25	91,785	30	85,950	7	
65 - 69	0		0		2		15		3		2		1		1		4		4	
70 & Over	0		0		0		0		1		3		0		1		0		4	

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

[illegible]

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB

Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

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

Assumptions and methods for contribution purposes

Economic Assumptions

Interest rate basis:

Applicable month January 2017

Interest rate basis 3-Segment rates

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
First segment rate	4.16%	1.57%
Second segment rate	5.72%	3.77%
Third segment rate	6.48%	4.73%
Effective interest rate	5.77%	

Annual rates of increase

Compensation:

Minimum Funding Target Normal Cost Based on estimated 2017 earnings.

Maximum Tax Expected Benefit Increase **Salary Increase Rates for after 2016**

Age	Rate
20	7.00%
25	7.00%
30	6.00%
35	5.00%
40	4.50%
45	4.50%
50	4.50%
55	4.00%
60	3.50%
65+	3.00%

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

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB

Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

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

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	Separate generational annuitant and non-annuitant mortality tables based on the RP-2000 mortality tables projected with continued mortality improvement, per §430(h)(3).
Termination	For all participants, rates vary by age based on representative rates shown below:

Percentage leaving during the year

Age	Rate	
	<u>Males</u>	<u>Females</u>
20	7.800%	11.700%
25	5.400%	8.100%
30	3.660%	5.490%
35	2.610%	3.915%
40	2.070%	3.105%
45	1.830%	2.745%
50	1.680%	2.52%
55	1.320%	1.98%
60	1.020%	1.53%
65	0.000%	0.000%

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

Percentage becoming disabled during the year

Age	Rate	
	<u>Males</u>	<u>Females</u>
20	0.029%	0.030%
25	0.038%	0.047%
30	0.048%	0.080%
35	0.069%	0.136%

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB

Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

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

40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60	1.256%	1.159%
65	0.000%	0.000%

Retirement

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

Percentage retiring during the year – Active & Deferred

Age	Rate
Under 55	0%
55	5%
56	5%
57	7.5%
58	7.5%
59	7.5%
60	10%
61	10%
62	40%
63	50%
64	50%
65	60%
66	70%
67	70%
68	70%
69	70%
70+	100%

Benefit commencement date

Preretirement death benefit	Normal Retirement Date.
Deferred vested benefit	Age 60
Disability benefit	Normal Retirement Date.
Retirement benefit	Upon termination of employment.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB

Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

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

Form of payment

Retirement and Future Vested Termination¹

<u>Rate</u>	<u>Form of Payment</u>
85%	Lump Sum
15%	Life Annuity

Current Vested Termination¹

<u>Rate</u>	<u>Form of Payment</u>
70%	Lump Sum
30%	50% Joint and Survivor Annuity

Disability

<u>Rate</u>	<u>Form of Payment</u>
100%	Life Annuity

Death

<u>Rate</u>	<u>Form of Payment</u>
85%	Lump Sum
15%	50% Joint and Survivor Annuity

Percent married

It is assumed that 80% of males and 60% of females have an eligible spouse.

Spouse age

Males are three years older than their spouses.

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 administrative expenses expected to be paid from plan assets during plan year.
Trust expenses included in target normal cost	Provided by Duke Energy Corporation. \$548,146 for 2017.
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including

¹ Former Progress Energy cash balance accounts are assumed to be paid as 50% J&S for married participants, since that form of payment is subsidized.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB

Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

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

discounted contributions receivable (discounted using the effective interest rate for the plan year.) The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years.

Actuarial method

Standard Unit Credit Cost Method.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. The plan provisions provide for a lump sum conversion with the greater of IRC §417(e) or UP-84 mortality at 6%. Since the IRC §417(e) conversion basis is expected to provide a larger lump sum both now and in the near-future, our valuation assumes the UP-84 mortality basis will never apply. 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.

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 January 2016 to January 2017. Rates have also been adjusted to reflect HATFA corridors.

The future Social Security Wage base increase assumption decreased from 3.50% to 3.25%.

The assumed plan-related expenses added to the target normal cost were changed from \$592,260 for 2016 to \$548,146 for 2017.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

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

A Name of plan RETIREMENT PLAN OF PIEDMONT NATURAL GAS COMPANY, INC.		B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PIEDMONT NATURAL GAS COMPANY, INC.		D Employer Identification Number (EIN) 56-0556998	
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	346,795,255	
b Actuarial value		2b	354,712,750	
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		206	52,446,519	52,446,519
b For terminated vested participants		455	24,662,062	24,662,062
c For active participants		1,164	152,919,784	158,357,469
d Total		1,825	230,028,365	235,466,050
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	5.77%	
6 Target normal cost		6	9,917,490	

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

Date

10/4/2018
1707271

Most recent enrollment number

678-684-0633

Telephone number (including area code)

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).....	24,674,996	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....	0	0
9 Amount remaining (line 7 minus line 8).....	24,674,996	0
10 Interest on line 9 using prior year's actual return of <u>8.39%</u>	2,070,232	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		9,424,360
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>6.16%</u>		580,541
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.....		10,004,901
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	26,745,228	0

Part III Funding Percentages

14 Funding target attainment percentage	14	139.28%
15 Adjusted funding target attainment percentage.....	15	150.64%
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	156.28%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/28/2017	11,000,000	0			
Totals ▶			18(b)	11,000,000	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	10,389,202

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

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 0
22 Weighted average retirement age			22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	9,917,490
b Excess assets, if applicable, but not greater than line 31a		31b	9,917,490
32 Amortization installments:		Outstanding Balance Installment	
a Net shortfall amortization installment		0	0
b Waiver amortization installment			
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	0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	10,389,202
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	10,389,202
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
Retirement Plan of Piedmont Natural Gas, Inc.
EIN 56-0556998 PN 001

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

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

Sample Calculation of Retirement Age for Active Participants

Retirement Age (1)	Assumed Rate (2)	Participants At Beginning (3)	Participants Retiring: (2)x(3) (4)	(1)*(4) (5)
55	0.0500	1,000.00	50.00	2,750.00
56	0.0500	950.00	47.50	2,660.00
57	0.0750	902.50	67.69	3,858.33
58	0.0750	834.81	62.61	3,631.38
59	0.0750	772.20	57.92	3,417.28
60	0.1000	714.28	71.43	4,285.80
61	0.1000	642.85	64.29	3,921.69
62	0.4000	578.56	231.42	14,348.04
63	0.5000	347.14	173.57	10,934.91
64	0.5000	173.57	86.79	5,554.56
65	0.6000	86.78	52.07	3,384.55
66	0.7000	34.71	24.30	1,603.80
67	0.7000	10.41	7.29	488.43
68	0.7000	3.12	2.18	148.24
69	0.7000	0.94	0.66	45.54
70	1.0000	0.28	0.28	19.60
			1,000.00	61,052.15
61,052.15 /	1,000 =	61.05		

Rounded for Schedule SB Item 22

61

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

Plan Provisions

The Retirement Plan of Piedmont Natural Gas Company, Inc. was restated January 1, 2013. Effective September 30, 2003, Piedmont Natural Gas Company acquired North Carolina Natural Gas ("NCNG") Corporation. Employees of North Carolina Natural Gas Corporation became covered under the Retirement Plan of Piedmont Natural Gas Company, Inc. on October 1, 2003. The provisions applicable to the benefits these employees earned under the former NCNG program is detailed in a subsequent section and are in addition to those outlined below for affected participants.

Provisions applicable to participants in the Retirement Plan of Piedmont Natural Gas Company, Inc. prior to merger of NCNG.

Participation

Eligible Employees	Individuals employed by Piedmont Natural Gas Company, Inc. or any adopting member of a related group.
Participation Date	<p>Each employee hired prior to January 1, 2008 shall become a participant on the January 1 or July 1 coinciding with or next following the date on which he either:</p> <ul style="list-style-type: none">a) attains age 21 and completes 1,000 hours of service during the 12-month period commencing on his employment date (or completes 1,000 hours of service during a calendar year following his employment date), orb) attains age 30 <p>All participants in the Nashville Gas Company Pension Plan became participants on January 1, 1987</p> <p>Acquired Gaffney employees, formerly in the Atmos plan, became participants on January 1, 2001.</p> <p>Acquired Reidsville employees, formerly in the NUI plan, became participants on October 1, 2002.</p> <p>Former NCNG participants of the Progress Energy Retirement Plan became participants on October 1, 2003.</p>

Definitions

Vesting Service	Plan years during which the employee completes 1,000 or more hours of service, including service with certain acquired groups prior to their acquisition by Piedmont, but excluding years prior to attaining age 22 (age 18 beginning 1985) and years prior to the effective date of the plan.
Credited Service	Each full month and any partial calendar month ending on his employment termination date during which he was a participant.

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

	Nashville Gas Company Pension participants shall be credited with all benefit accrual service under that plan prior to January 1, 1987.
	Progress Energy Pension Plan participants shall begin accruing benefit accrual service at October 1, 2003.
Plan Year	January 1 to December 31
Compensation	Compensation includes base pay, overtime, shift differential, premium pay, most bonuses and commissions paid by the Company, including pre-tax benefits and /or 401(k) deductions taken from pay, but excludes any reimbursement or expense allowances, fringe benefits, severance payments, moving expenses and sign-on bonuses
Final Average Earnings	Average of compensation for the sixty (60) consecutive months of highest earnings during the last ten years of employment immediately preceding the determination date. Excludes compensation earned as a rehire on or after January 1, 2008 or January 1, 2009 for Nashville union participant.
Covered Compensation	The 35-year average of FICA Wage Bases ending in the year before an employee attains his social security retirement age.
Accrued Benefit	Amount payable to a participant as a single life annuity beginning at Normal Retirement Age.
Normal Retirement Age	Age 65.

Eligibility For Benefits

Normal Retirement	Attainment of age 65.
Early Retirement	<p>A participant may retire prior to normal retirement, provided he has attained age 55 and has completed 10 years of service.</p> <p>A Nashville participant may retire after age 50 with 15 years of service and receive only the early retirement benefit accrued as of December 31, 1986, under the Nashville Plan, with the Piedmont Plan portion of the early retirement benefit payable after age 55.</p>
Postponed Retirement	Retirement after normal retirement age.
Vested Termination	The participants terminates employments for reasons other than death or retirement after completing at least 5 years of service.
Disability	A participant who has 5 years of service when his leave of absence begins after December 31, 2007 (December 31, 2008 for Nashville union) that results in a long-term disability.
Preretirement Death Benefit	Death of a participant who has completed 5 years of service.

Benefits Paid Upon the Following Events

Normal Retirement	A lifetime benefit commencing at normal retirement equal to the greater of (a)
-------------------	--

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

plus (b) or (c):

- a) the accrued benefit under the plan in effect December 31, 2007 (December 31, 2008 for Nashville union).
- b) 1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation, times credited service earned after 2007 (2008 for Nashville union) up to 35. (Note the 35 year cap is reduced by the number of years used in the calculation of (a)).
- c) 1.2% of final average earnings plus 0.5% of final average earnings in excess of covered compensation, times credited service up to 35 years.

Early Retirement

For benefits earned prior to 2008 (2009 for Nashville union) a lifetime benefit commencing at early retirement equal to the actuarial equivalent of the accrued benefit, with the actuarial factors being 0.35% per month by which benefit commencement date precedes normal retirement date. The early retirement reduction factor for the excess portion of the benefit equals 5/9 of 1% for the first 60 months which retirement precedes age 65 and 5/18 of 1% for the next 60 months which retirement precedes age 60.

For benefits earned after 2007 (2008 for Nashville union), a lifetime benefit commencing at early retirement reduced by 0.35% for each month that benefit commencement precedes age 65.

Postponed Retirement

A lifetime benefit calculated in the same manner as the normal retirement benefit using final average earnings and credited service at late retirement.

Vested Termination

Participant entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime. The amount of benefit shall be 100% of the accrued benefit provided the participant has completed 5 years of service. The participant who has completed 5 years of service may elect to receive a reduced benefit commencing on the first day of any month following his termination of employment.

Disability

The participant, who has at least 5 years of benefit service and begins a disability leave after December 31, 2007, will continue to accrue pension benefits based on their base rate of pay at the time the disability was approved.

The participant, with at least 10 years of benefit service who became permanently disabled prior to January 1, 2008, stopped accruing additional benefits. The pension could be taken and reduced for early commencement or unreduced if qualified for Social Security disability benefits.

Preretirement Death Benefit

Benefit prior to normal retirement

The death benefit will be equal to what the beneficiary would have received had he elected a 50% J&S annuity prior to death. The death benefit can be paid as a lump sum.

Benefit after normal retirement

Beneficiary shall be entitled to any remaining benefit due under an elected alternate form of payment other than lump sum.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

Other Plan Provisions

Forms of Payment	Single Life Annuity (normal form for single participants). 50% Joint and Survivor Annuity (normal form for married participants). 75% and 100% Joint and Survivor Annuity. 5, 10, and 15-year Certain and Life Annuity. Lump Sum Payment.
Actuarial Equivalence	<u>Optional form conversion except lump sums</u> Mortality: 1984 Unisex Pension Mortality Interest: 6% per annum <u>Lump sums</u> – the greater of the Actuarial Equivalence for optional forms outlined above, or mortality and interest prescribed under IRS Section 417(e). Look back month is November prior to the beginning of the plan year. Early retirement subsidies are generally excluded from the value of the lump sum.
Pension Increases	Retirement benefits are increased or decreased on January 1 each year by an amount equal to the original retirement benefit multiplied by the ratio of the cost-of-living index figure on the preceding November 30 to the cost-of-living index figure at retirement. Changes from one year to the next of less than 1% are ignored and the adjusted benefit will not decrease below the original benefit nor increase above the original benefit increased by compound interest of 3% per year. These cost-of-living increases do not apply to terminated/vested employees or to benefits accrued by non-union employees after December 31, 1992, NC/SC union employees after June 30, 1998, and Nashville union employees after July 31, 1999.
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.

Provisions applicable to legacy benefits of Former Participants of North Carolina Natural Gas Corporation.

Participation

Eligible Employees	All participating employees who, as of September 30, 2003, had an accrued benefit under Transferred Pension Plan For Certain NCNG Division Employees (amended and restated June 7, 2005) became participants on February 13, 2004.
--------------------	--

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

Participation date	<p>No other individuals are or may become eligible to participate in the Plan on or after February 13, 2004.</p> <p>Participation is limited to persons who, as of September 30, 2003, had an accrued benefit under The Progress Energy Pension Plan which includes:</p> <ul style="list-style-type: none">a) "continuing employees" as defined in the Stock Purchase Agreement;b) certain former employees of The Progress Energy Pension Plan who, as of September 30, 2003, were deferred vested participants; andc) certain retired employees as defined in the Stock Purchase Agreement.
--------------------	---

Definitions

Vesting Service	<p>Years of vesting service under The Progress Energy Pension Plan as of September 30, 2003; plus</p> <p>one year of service if credited with at least one hour of service during the period beginning October 1, 2003 and ending December 31, 2003; plus</p> <p>one year of service for each calendar year on or after January 1, 2004 during which the participant is credited with at least 1,000 hours.</p>
Credited Service	<p>Plan year after the employee satisfies eligibility requirements for each full month and any partial calendar month ending on his employment termination date during which he was a participant.</p> <p>Progress Energy Pension Plan participants shall begin accruing benefit accrual services at October 1, 2003.</p>
Compensation	<p>Compensation as defined in the Transferred Pension Plan For Certain NCNG Division Employees.</p> <p>For LTD employees with Progress Energy: For purposes of calculating pay credits and transition credits, members on approved disability shall be imputed with compensation at the annual rate they were earning immediately prior to their cessation of active service.</p>

Eligibility for Benefits

Normal Retirement	Attainment of age 65.
Early Retirement	A participant may retire prior to normal retirement, provided he has attained age 55 and has been credited with 10 or more years of service.
Postponed Retirement	A participant is employed past his Normal Retirement Date.
Vested Termination	The participant terminates employment for reasons other than death or retirement.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

Disability	A participant who, as of September 30, 2003, was eligible to receive disability benefits from a long-term disability program of Progress Energy, Inc. and its predecessors.
Preretirement Death	Upon the death of a married vested participant who has not yet begun receiving benefits, the participant's surviving spouse will receive the survivor portion of a 50% joint & survivor annuity.

Benefits Paid Upon the Following Events

Normal Retirement	All retirement benefits are 100% vested at all times. A lifetime benefit commencing at normal retirement equal to the sum of (a) and (b) below: a) participant's frozen NCNG accrued benefit as of December 31, 1999, if any, and; b) the participant's frozen Progress Energy accrued benefit equal to the greater of (i) and (ii) below: i. the participant's frozen cash balance account pension benefit as of September 30, 2003; and ii. the participant's frozen Progress Energy final average pay benefit determined as of September 30, 2003.
-------------------	--

Early Retirement	Equal to (1) plus the greater of (2) or (3), where: 1) Is the participant's frozen NCNG accrued benefit, reduced by 1/15 for the first 5 years which retirement precedes age 65 and By 1/30 for the next 5 years which retirement precedes age 60. 2) is the participant's frozen Progress Energy final average pay benefit, multiplied by a percentage in accordance with the following table of factors:
------------------	---

Age at Commencement of Retirement Benefit	At least 10 years but less than 20 Years of Service	20 or More Years of Service
55	75.0	75.0
56	77.5	77.5
57	80.0	80.0
58	82.5	82.5
59	85.0	85.0
60	87.5	87.5

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

61	90.0	90.0
62	92.5	100.0
63	95.0	100.0
64	97.5	100.0

- 3) is the participant's cash balance account pension benefit, multiplied by an adjustment factor in accordance with the plan.

Postponed Retirement

The greater of a lifetime benefit calculated in the same manner as the normal retirement benefit as of the participant's late retirement date and the actuarial equivalent of the benefit earned at Normal Retirement Date based on the 1984 Unisex Pension Mortality table and 6.00% interest.

Vested Termination

All termination benefits are 100% vested at all times. If the participant terminates employment, he shall be entitled to receive a monthly benefit commencing at normal retirement and continuing for the remainder of his lifetime or a lump sum at benefit commencement date. The participant may elect to receive a reduced benefit commencing on the first day of any month following the 55th birthday, provided he had 10 years of service at termination of employment.

Disability

For LTD employees with Progress Energy:

Pay credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See tables of pay credits.

Age at Beginning of Year	Basic Annual Credits	Additional Annual Credit*
Less than 34	3.00%	3.00%
35-39	3.50%	3.50%
40-44	4.25%	4.25%
45-49	5.00%	5.00%
50-54	6.00%	6.00%
55 and over	7.00%	7.00%

*Additional Credit for pay in excess of 80% of Social Security Taxable Wage Base

For LTD employees with Progress Energy:

Transition credits shall be credited to the cash balance account on December 31. This is determined by multiplying the percentage factor by the member's compensation. See tables of transition credits.

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

**NCNG Transition Credits Made at End of each
Plan Year Commencing on or after January 1,
2000**

**Based on Age of Supplement A Participant on
January 1, 2000**

Attained age at beginning of year of Credit				
	Less than 35	35-44	45-54	55-65
Less than 29	0.5%			
29-33	1.0			
34-38	1.5	2.5%		
39-43	2.0	3.5		
44-48	2.5	4.5	6.0%	
49-53	3.0	5.5	8.0	
54	3.5	6.5	11.0	9.5%
55	3.5	6.5	11.0	10.5
56	3.5	6.5	11.0	11.5
57	3.5	6.5	11.0	12.5
58	3.5	6.5	11.0	13.5
59	4.0	6.5	13.5	14.5
60	4.0	7.5	13.5	15.5
61	4.0	7.5	13.5	16.5
62	4.0	7.5	13.5	17.5
63	4.0	7.5	13.5	18.5
64-65	4.0	7.5	13.5	19.5

Preretirement Death

Benefit prior to early
retirement

For participants dying on or before the earliest retirement age the annuity is calculated as if the participant had separated from service on the day of the death, and had died the day after attaining the earliest retirement age.

Benefit after early
retirement

For participants dying after the earliest retirement age, the annuity is calculated as if the participant had begun receiving the annuity the day before he died.

ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas, Inc.

EIN: 56-0556998/PN: 001

Schedule SB, Part V — Summary of plan provisions

Other Plan Provisions

Forms of Payment	<p>Single Life Annuity (normal form for single participants).</p> <p>50% Joint and Survivor Annuity (normal form for married participants). <u>NCNG and Progress Energy benefit</u>: Optional forms of payment include 50%, 75% and 100% joint and survivor options; 10 year certain and life option; lump-sum (once plan was merged with Piedmont Natural Gas plan);</p> <p><u>Progress Energy benefit only</u>: unreduced 50% joint and survivor annuity, Social Security leveling form; refund annuity and 100% survivor annuity with life reversion option.</p>
Actuarial Equivalence	<p><u>Optional form conversion except lump sums</u></p> <p>Mortality: 1984 Unisex Pension Mortality</p> <p>Interest: 6% per annum</p> <p><u>Lump sums</u> – the greater of the Actuarial Equivalence for optional forms outlined above, or mortality and interest prescribed under IRS Section 417(e). Look back month is November prior to the beginning of the plan year.</p>
Maximum On Benefits and Pay	<p>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.</p>

Future Plan Changes

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

Changes in Benefits Valued Since Prior Year

None

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas Company, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Line 25 — Change in Method

The valuation software used to produce the actuarial information submitted on this schedule is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 5% of those values as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Announcement 2010-3.

**ATTACHMENT TO 2017 FORM 5500, SCHEDULE SB
Retirement Plan of Piedmont Natural Gas Company, Inc.**

EIN: 56-0556998/PN: 001

Schedule SB, Line 24 — Change in Assumptions

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

1. The future Social Security Wage base increase assumption decreased from 3.50% to 3.25%.
2. The assumed plan-related expenses added to the target normal cost were changed from \$592,260 for 2016 to \$548,146 for 2017.