

Duke Energy, Piedmont Natural Gas seek proposals to build second major natural gas pipeline into North Carolina April 1, 2014

CHARLOTTE, N.C. -

Duke Energy (NYSE: DUK) and Piedmont Natural Gas (NYSE: PNY) this week will jointly issue a solicitation for proposals to build and operate a second major wholesale natural gas pipeline into North Carolina to meet growing demand for the fuel in the Carolinas and possibly surrounding states.

Duke Energy's increasing reliance on natural gas to generate electricity, coupled with Piedmont's growing customer demand, warrant investment in a new pipeline that would bolster reliability and diversity of natural gas supplies, the two companies state in their solicitation.

Currently, North Carolina is served primarily by a single major wholesale interstate natural gas pipeline that runs through the state.

A new pipeline would expand Duke Energy's and Piedmont's "access to competitive, secure, diverse and abundant supplies," and "enhance the reliability of future natural gas deliveries into the state," the solicitation says.

The two companies have "a strong preference" for a new pipeline route that provides geographical diversity relative to the path of North Carolina's existing major wholesale interstate pipeline, the solicitation states. Additionally, the new pipeline should allow for "future low-cost expansions with minimal environmental impact."

This past winter's extremely cold temperatures resulted in high natural gas demand throughout much of the nation, underscoring the need for additional natural gas pipeline capacity, utility industry observers have noted.

In addition, the construction of numerous natural gas-fired power plants nationwide in the wake of coal-fired power plant closures – due to environmental regulations and low natural gas prices – has significantly increased demand for natural gas.

Duke Energy has opened five new, cleaner-burning natural gas-fired power plants in North Carolina since 2011 to replace older, less efficient coal-fired power plants. Piedmont pipelines supply natural gas to all five plants.

Duke Energy also has proposed a new natural gas-fired power plant in South Carolina.

Natural gas-fired power plants release far fewer air emissions than do coal-fired power plants.

Duke Energy since 2005 has reduced company-wide carbon dioxide emissions by 20 percent, sulfur dioxide emissions by 84 percent and nitrogen oxide emissions by 63 percent by building natural gas-fired power plants, closing coal-fired power plants and installing additional emission control equipment.

Meanwhile, Piedmont’s residential, commercial and industrial customer demand for natural gas continues to grow. Piedmont also has become a major supplier of natural gas to power plants operated by Duke Energy and other electric utilities.

Duke Energy and Piedmont both view a new supply of natural gas as a powerful engine for statewide economic development and job growth, potentially helping North Carolina attract new, gas-dependent companies and industries.

The new pipeline would generate a significant number of construction jobs during its building process, as well as new tax revenue for the communities through which it passes.

Duke Energy and Piedmont will consider “a joint venture, ownership interest, strategic partnership or other financial-based arrangement” in support of the selected proposal, the solicitation says.

Specifically, the two companies seek an initial natural gas pipeline capacity of as much as 900 million cubic feet per day, with a target in-service date of late 2018.

The companies expect to select a proposal by late 2014.

About Duke Energy

Headquartered in Charlotte, N.C., Duke Energy is a Fortune 250 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at: www.duke-energy.com^[1].

About Piedmont Natural Gas

Piedmont Natural Gas is an energy services company primarily engaged in the distribution of natural gas to more than one million residential, commercial, industrial and power generation utility customers in portions of North Carolina, South Carolina and Tennessee, including customers served by municipalities who are wholesale customers. Our subsidiaries are invested in joint venture, energy-related businesses, including unregulated retail natural gas marketing, and regulated interstate natural gas transportation and storage, and regulated intrastate natural gas transportation businesses. More information about Piedmont Natural Gas is available on the Internet at <http://www.piedmontng.com/>^[2].

Forward-Looking Statement

This press release contains forward-looking statements. These statements are based on management's current expectations and information currently available and are believed to be reasonable and are made in good faith. However, the forward-looking statements are subject to future events, risks, uncertainties and other factors that could cause actual results to differ materially from those projected in the statements. Factors that may make the actual results differ from anticipated results include, but are not limited to, weather conditions, rate of customer growth, the cost and availability of natural gas, competition from other energy providers, new legislation and regulations and application of existing laws and regulations, economic and capital market conditions, the cost and availability of labor and materials and other uncertainties, all of which are difficult to predict and some of which are beyond our control. For these reasons, you should not place undue reliance on these forward-looking statements when making investment decisions. The words "expect," "believe," "project," "anticipate," "if," "likely," "intend," "should," "could," "assume," "can," "estimate," "forecast," "future," "indicate," "outlook," "plan," "predict," "seek," "target," "would," "may," "guidance," and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise. More information about the risks and uncertainties relating to these forward-looking statements may be found in Piedmont's latest Forms 10-K and 10-Q and in Duke Energy's and its subsidiaries' reports filed with the SEC and available at the SEC's website at www.sec.gov^[3].

Duke Energy media contact: Dave Scanzoni
24-Hour: 800.559.3853

Duke Energy investor contact: Bill Currens
704.382.1603

Piedmont media contact: David Trusty
704.731.4391

david.trusty@piedmontng.com^[4]

Piedmont investor contact: Nick Giaimo

704.731.4952

nicholas.giaimo@piedmontng.com^[5]

Back to News Releases^[6]

1. <http://www.duke-energy.com/>
2. <http://www.piedmontng.com/>
3. <http://www.sec.gov/>
4. <mailto:david.trusty@piedmontng.com>
5. <mailto:nicholas.giaimo@piedmontng.com>
6. <http://www.duke-energy.com/news/default.asp>