

Duke Energy Corporation
Non-GAAP Reconciliation for SEC Regulation G

2006 Earnings per Share (“EPS”) Incentive Target Measure

The slides and prepared remarks for the February 1, 2006 Earnings Conference Call include a discussion of the Company's 2006 EPS incentive target of \$1.90 and the minimum payout level of \$1.75. This EPS measure is used for employee incentive bonuses and should track ongoing diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any discontinued operations from the Company's Crescent Resources real estate unit, adjusted for the per-share impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to project any special items for 2006.

2006 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides and prepared remarks for the February 1, 2006 Earnings Conference Call include a discussion of forecasted ongoing EBIT for 2006 for certain segments, including a discussion of ongoing equity earnings for Field Services, Other, and ongoing EBIT contributions for Cinergy's operations post merger, in addition to, for certain segments, a discussion of a forecasted ongoing segment EBIT growth rates, which are based on historical and forecasted ongoing segment EBIT. Ongoing segment or Other EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment or Other EBIT adjusted for “special items,” which represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing segment or Other EBIT is reported segment or Other EBIT, which represents EBIT from continuing operations, including any “special items.” Due to the forward-looking nature of forecasted ongoing segment or Other EBIT and related growth rates, for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as the Company is unable to project any “special items” for any future periods.

2006 Segment EBIT from Continuing and Discontinued Operations for Crescent

The Company's slides and prepared remarks for the February 1, 2006 Earnings Conference Call include a discussion of Crescent Resources' segment EBIT from continuing and discontinued operations for 2006. As the Company's segment GAAP measure is EBIT from continuing operations, the combination of segment EBIT from continuing and discontinued operations represents a non-GAAP financial measure. The most directly comparable GAAP measure for Crescent's segment EBIT from continuing and discontinued operations is reported segment EBIT from continuing operations. Information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to forecast those Crescent operations, if any, which will be discontinued operations during 2006.

Post-2007 Ongoing Diluted EPS Growth

The Company's prepared remarks for the February 1, 2006 Earnings Conference Call include a discussion of the expected range of growth in ongoing diluted EPS after 2007. These percentages are based on anticipated ongoing diluted EPS amounts for future periods. This ongoing diluted EPS measure is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effects of any discontinued operations from the Company's Crescent Resources real estate unit, adjusted for the impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Management believes that the presentation of ongoing diluted EPS provides useful information to investors, as it allows them to more accurately compare the Company's ongoing performance across all periods. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations which includes the impact of special items. Due to the forward-looking nature of ongoing diluted EPS for future periods, information to reconcile such non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to forecast any special items for future periods.

FFO Interest Coverage

The Company's slides and script for the February 1, 2006 Earnings Conference Call include a discussion of expected FFO Interest Coverage Ratios for 2006, which is a non-GAAP financial measure. Funds from Operations (numerator) is defined as net cash provided by operating activities on a GAAP basis. Adjustments to the GAAP number primarily include changes in working capital and adjustments for off-credit entities. Cash interest paid (numerator) and interest expense (denominator) on a GAAP basis are adjusted for interest paid on off-credit entity debt and capitalized interest, which includes AFUDC interest.

Duke Energy Corporation
Field Services Pro-Forma Segment Earnings
Reg G Reconciliation

(Amounts in millions)	<u>Year-Ended</u> <u>12/31/2005</u>	
DEFS LLC Net Income (100%) - Year Ended 12/31/2005	\$ 2,166	
Less Special Items:		
Gain on sale of TEPPCO	<u>(1,134)</u>	
Pro-Forma DEFS LLC Net Income (100%) - Year Ended 12/31/2005	1,032	
Duke Energy ownership %	<u>50%</u>	
Pro-Forma Equity Earnings	516	
Adjustment for 2005 hedge impacts	<u>(238)</u>	
Pro-Forma Pretax Earnings Impact, Net of Hedging	<u>\$ 278</u>	
	<u>Year-Ended</u> <u>12/31/2006</u>	
Projected 2006 DEFS Equity Earnings (50%)	\$ 500	
Pro-Forma Pretax Earnings Impact, Net of Hedging	<u>(278)</u>	
Net Increase	<u>\$ 222</u>	(approximately \$220 million)

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
December 2004 Quarter-to-date
(Dollars in Millions)

	Special Items (Note 1)						Total Adjustments	Reported Earnings
	Ongoing Earnings	Gains (Losses) on sale of assets	Gains (losses) on sales and impairments of equity investments	Adjustment to Captive Insurance Reserves	Loss on Asset Exchanges	Discontinued Operations, excluding Crescent Resources		
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS								
Franchised Electric	\$ 252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252
Gas Transmission	328	4	11	-	-	-	15	343
Field Services	124	-	-	-	-	-	-	124
Duke Energy North America	(41)	(30) A	-	-	-	-	(30)	(71)
International Energy	64	(3)	-	-	-	-	(3)	61
Crescent	50	-	-	-	-	-	-	50
Total reportable segment EBIT	777	(29)	11	-	-	-	(18)	759
Other	(80)	-	(1)	64 B	(4) C	-	59	(21)
Total reportable segment EBIT and other EBIT	\$ 697	\$ (29)	\$ 10	\$ 64	\$ (4)	\$ -	\$ 41	\$ 738
EARNINGS FOR COMMON								
Total reportable segment EBIT and other EBIT	\$ 697	\$ (29)	\$ 10	\$ 64	\$ (4)	\$ -	\$ 41	\$ 738
Foreign Currency Translation Gains (Losses)	1	-	-	-	-	-	-	1
Interest Income and other	18	-	-	-	-	-	-	18
Interest Expense	(297)	-	-	-	-	-	-	(297)
Minority Interest (Expense) Benefit - Interest/Income Tax Expense	11	-	-	-	-	-	-	11
Income taxes on continuing operations	(154)	10	(3)	(22)	1	-	(14)	(168)
Discontinued operations, net of taxes	1	-	-	-	-	54	54	55
Trust Preferred/Preferred Dividends	(2)	-	-	-	-	-	-	(2)
Total Earnings for Common	\$ 275	\$ (19)	\$ 7	\$ 42	\$ (3)	\$ 54	\$ 81	\$ 356
EARNINGS PER SHARE, BASIC	\$ 0.29	\$ (0.02)	\$ 0.01	\$ 0.04	\$ -	\$ 0.06	\$ 0.09	\$ 0.38
EARNINGS PER SHARE, DILUTED	\$ 0.28	\$ (0.02)	\$ 0.01	\$ 0.04	\$ -	\$ 0.05	\$ 0.08	\$ 0.36

Note 1 - Amounts for special items are entered net of minority interest

A - Net of minority interest of \$20 million.

B - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

C - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	947
Diluted	983

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
December 2005 Quarter-to-date
(Dollars in Millions)

	Special Items (Note 1)							Total Adjustments	Reported Earnings
	Ongoing Earnings	Loss on Southeast DENA contract termination	Field Services hedge de-designation, net	MTM change on de-designated Field Services hedges for 2005, net	MTM impact of de-designated Southeast DENA hedges	Tax Adjustments	Discontinued Operations/ Cumulative Effect of Change in Accounting Principle		
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									
Franchised Electric	\$ 279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279
Gas Transmission	344	-	-	-	-	-	-	-	344
Field Services	127	-	35 B	-	-	-	-	35	162
Duke Energy North America	-	-	-	-	-	-	-	-	-
International Energy	97	-	-	-	-	-	-	-	97
Crescent	104	-	-	-	-	-	-	-	104
Total reportable segment EBIT	951	-	35	-	-	-	-	35	986
Other	(130)	(75) A	-	64 C	(9) D	-	-	(20)	(150)
Total reportable segment EBIT and other EBIT	\$ 821	\$ (75)	\$ 35	\$ 64	\$ (9)	\$ -	\$ -	\$ 15	\$ 836
EARNINGS FOR COMMON									
Total reportable segment EBIT and other EBIT	\$ 821	\$ (75)	\$ 35	\$ 64	\$ (9)	\$ -	\$ -	\$ 15	\$ 836
Foreign Currency Translation Gains (Losses)	1	-	-	-	-	-	-	-	1
Interest Income and other	22	-	-	-	-	-	-	-	22
Interest Expense	(249)	-	-	-	-	-	-	-	(249)
Minority Interest (Expense) Benefit - Interest/Income Tax Expense	(1)	-	-	-	-	-	-	-	(1)
Income taxes on Continuing Operations	(196)	28	(13)	(22)	3	12	-	8	(188)
Discontinued Operations, net of taxes	5	-	-	-	-	-	184 E,F	184	189
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	(4)	(4)	(4)
Trust Preferred/Preferred Dividends	(5)	-	-	-	-	-	-	-	(5)
Total Earnings for Common	\$ 398	\$ (47)	\$ 22	\$ 42	\$ (6)	\$ 12	\$ 180	\$ 203	\$ 601
EARNINGS PER SHARE, BASIC									
	\$ 0.43	\$ (0.05)	\$ 0.02	\$ 0.05	\$ (0.01)	\$ 0.01	\$ 0.20	\$ 0.22	\$ 0.65
EARNINGS PER SHARE, DILUTED									
	\$ 0.42	\$ (0.04)	\$ 0.02	\$ 0.04	\$ (0.01)	\$ 0.01	\$ 0.19	\$ 0.21	\$ 0.63

Note 1 - Amounts for special items are entered net of minority interest

A - Recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations.

B - Fourth quarter settlement of the 2005 portion of the Field Services de-designated hedges as of 2/22/05, recorded in Equity in earnings of unconsolidated affiliates on the Consolidated Statements of Operations.

C - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

D - Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues on the Consolidated Statements of Operations.

E - Excludes Crescent discontinued operations.

F - Primarily DENA discontinued operations. Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	928
Diluted	962

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
December 2004 Year-to-date
(Dollars in Millions)

	Special Items (Note 1)										Total Adjustments	Reported Earnings
	Ongoing Earnings	Gains (Losses) on sale of assets	Impairment	Gains (losses) on sales and impairments of equity investments	Enron Settlement	Adjustment to Captive Insurance Reserves	Loss on Asset Exchanges	Tax Benefit from DEA Restructuring	Discontinued Operations, excluding Crescent Resources			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS												
Franchised Electric	\$ 1,464	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 1,467
Gas Transmission	1,297	16	-	16	-	-	-	-	-	-	32	1,329
Field Services	391	1 A	(10) B	(16) C	1 D	-	-	-	-	-	(24)	367
Duke Energy North America	(190)	(403) E	-	-	8 D,F	-	-	-	-	-	(395)	(585)
International Energy	236	(2)	(13) D	1	-	-	-	-	-	-	(14)	222
Crescent	240	-	-	-	-	-	-	-	-	-	-	240
Total reportable segment EBIT	3,438	(385)	(23)	1	9	-	-	-	-	-	(398)	3,040
Other	(164)	4	-	2	21 D	64 D	(4) G	-	-	-	87	(77)
Total reportable segment EBIT and other EBIT	\$ 3,274	\$ (381)	\$ (23)	\$ 3	\$ 30	\$ 64	\$ (4)	\$ -	\$ -	\$ -	\$ (311)	\$ 2,963
EARNINGS FOR COMMON												
Total reportable segment EBIT and other EBIT	\$ 3,274	\$ (381)	\$ (23)	\$ 3	\$ 30	\$ 64	\$ (4)	\$ -	\$ -	\$ -	\$ (311)	\$ 2,963
Foreign Currency Translation Gains (Losses)	1	-	-	-	-	-	-	-	-	-	-	1
Interest Income and other	64	-	-	-	-	-	-	-	-	-	-	64
Interest Expense	(1,281)	-	-	-	-	-	-	-	-	-	-	(1,281)
Minority Interest (Expense) Benefit - Interest/Income Tax Expense	38	-	-	-	-	-	-	-	-	-	-	38
Income taxes on continuing operations	(690)	133	8	-	(11)	(22)	1	48	-	-	157	(533)
Discontinued operations, net of taxes	5	-	-	-	-	-	-	-	-	233	233	238
Trust Preferred/Preferred Dividends	(9)	-	-	-	-	-	-	-	-	-	-	(9)
Total Earnings for Common	\$ 1,402	\$ (248)	\$ (15)	\$ 3	\$ 19	\$ 42	\$ (3)	\$ 48	\$ 233	\$ 79	\$ 1,481	
EARNINGS PER SHARE, BASIC	\$ 1.51	\$ (0.27)	\$ (0.02)	\$ -	\$ 0.02	\$ 0.05	\$ -	\$ 0.05	\$ 0.25	\$ 0.08	\$ 1.59	
EARNINGS PER SHARE, DILUTED	\$ 1.46	\$ (0.25)	\$ (0.02)	\$ -	\$ 0.02	\$ 0.04	\$ -	\$ 0.05	\$ 0.24	\$ 0.08	\$ 1.54	

Note 1 - Amounts for special items are entered net of minority interest

A - Net of minority interest of \$1 million.

B - Net of minority interest of \$12 million.

C - Net of minority interest of \$7 million.

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

E - \$(397) million recorded in Gains (Losses) on Sales of Other Assets, net (net of \$25 million of minority interest) and \$(6) million recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

F - Amount is net of \$5 million of minority interest.

G - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	931
Diluted	966

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
December 2005 Year-to-date
(Dollars in Millions)

	Special Items (Note 1)										Total Adjustments	Reported Earnings
	Ongoing Earnings	Loss on Southeast DENA contract termination	Mutual insurance liability adjustment	Gain on transfer of 19.7% interest in DEFS	Gains (losses) on sales and impairments of equity investments	Field Services hedge de-designation, net	Initial gain and subsequent MTM change on de-designated Southeast DENA hedges	Tax Adjustments	Discontinued Operations/Cumulative Effect of Change in Accounting Principle			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS												
Franchised Electric	\$ 1,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,495
Gas Transmission	1,388	-	-	-	-	-	-	-	-	-	-	1,388
Field Services	505	-	-	576 C	888 A	(23) B	-	-	-	-	1,441	1,946
Duke Energy North America	-	-	-	-	-	-	-	-	-	-	-	-
International Energy	334	-	-	-	(20) E	-	-	-	-	-	(20)	314
Crescent	314	-	-	-	-	-	-	-	-	-	-	314
Total reportable segment EBIT	4,036	-	-	576	868	(23)	-	-	-	-	1,421	5,457
Other	(563)	(75) C	(28) D	-	-	-	21 F	-	-	-	(82)	(645)
Total reportable segment EBIT and other EBIT	\$ 3,473	\$ (75)	\$ (28)	\$ 576	\$ 868	\$ (23)	\$ 21	\$ -	\$ -	\$ -	\$ 1,339	\$ 4,812
EARNINGS FOR COMMON												
Total reportable segment EBIT and other EBIT	\$ 3,473	\$ (75)	\$ (28)	\$ 576	\$ 868	\$ (23)	\$ 21	\$ -	\$ -	\$ -	\$ 1,339	\$ 4,812
Foreign Currency Translation Gains (Losses)	(11)	-	-	-	-	-	-	-	-	-	-	(11)
Interest Income and other	57	-	-	-	-	-	-	-	-	-	-	57
Interest Expense	(1,062)	-	-	-	-	-	-	-	-	-	-	(1,062)
Minority Interest (Expense) Benefit - Interest/Income Tax Expense	20	-	-	-	-	-	-	-	-	-	-	20
Income taxes on Continuing Operations	(798)	28	10	(213)	(323)	9	(8)	12	-	-	(485)	(1,283)
Discontinued Operations, net of taxes	7	-	-	-	-	-	-	-	(712) G,H	(712)	(705)	(705)
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	(4)	(4)	(4)	(4)
Trust Preferred/Preferred Dividends	(12)	-	-	-	-	-	-	-	-	-	-	(12)
Total Earnings for Common	\$ 1,674	\$ (47)	\$ (18)	\$ 363	\$ 545	\$ (14)	\$ 13	\$ 12	\$ (716)	\$ 138	\$ 1,812	
EARNINGS PER SHARE, BASIC	\$ 1.79	\$ (0.05)	\$ (0.02)	\$ 0.39	\$ 0.58	\$ (0.01)	\$ 0.01	\$ 0.01	\$ (0.76)	\$ 0.15	\$ 1.94	
EARNINGS PER SHARE, DILUTED	\$ 1.73	\$ (0.04)	\$ (0.02)	\$ 0.37	\$ 0.56	\$ (0.01)	\$ 0.01	\$ 0.01	\$ (0.73)	\$ 0.15	\$ 1.88	

Note 1 - Amounts for special items are entered net of minority interest

A - Gain on sale of investment in units of TEPPCO LP, \$97 million, and TEPPCO GP, \$791 million net of \$343 million of minority interest.

B - De-designation of hedges due to the transfer of 19.7% interest in DEFS to ConocoPhillips. \$125 million loss recorded in Impairment and other charges on the Consolidated Statements of Operations, reduced by \$29 million of hedge settlements recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues, and \$73 million of hedge settlements recorded in Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.

C - Recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations.

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

E - Campeche equity investment impairment, recorded in Gains (Losses) on sales and impairments of equity investments on the Consolidated Statements of Operations.

F - Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues on the Consolidated Statements of Operations.

G - Excludes Crescent discontinued operations.

H - Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	934
Diluted	970

Duke Energy Corporation Consolidated Cash Flow Reconciliation Required by SEC Regulation G

(\$ in Millions)

**2006
Estimate**

Primary Sources:

Net income (Based on \$1.90 per ongoing diluted share target) (1)	a	\$	2,225
Depreciation & amortization	a		2,075
NBV of ongoing Crescent sales	a		425
NBV of asset and equity investment sales	b		1,475
Book/Tax timing differences	a		700
Other sources/(uses), net	a		(650)
Total Sources			6,250

Primary Uses:

Capital expenditures	b		(4,325)
Dividends	c		(1,450)
Total Uses			(5,775)

Positive Net Cash

\$ 475

Reconciliations to amounts per U.S. GAAP reporting:

Operating cash flow components from above [summation of (a)]	\$	4,775
Reconciling items to GAAP operating cash flow (2)		(875)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	\$	3,900

Investing cash flow components from above [summation of (b)]	\$	(2,850)
Reconciling items to GAAP investing cash flow (3)		1,400
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	\$	(1,450)

Financing cash flow components from above [summation of (c)]	\$	(1,450)
Reconciling items to GAAP financing cash flow (4)		(1,000)
Net cash used by financing activities per GAAP Consolidated Statement of Cash Flows	\$	(2,450)

Notes:

- (1) Forecast net income of \$2,225 million for 2006 is based on Duke Energy's 2006 employee incentive earnings target of \$1.90 of ongoing diluted earnings per share (EPS). This EPS measure is used for employee incentive bonuses and should track ongoing diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any discontinued operations from the Company's Crescent Resources real estate unit, adjusted for the per-share impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to project any special items for 2006.
- (2) Amount consists primarily of non-operating cash flow items such as proceeds from the sales of commercial and multi-family real estate, and other operating cash flow reductions such as capital expenditures for residential real estate and gain on the sale of other assets and equity investments.
- (3) Amount consists primarily of proceeds from the sales of commercial and multi-family real estate, proceeds from the sale of other assets and equity investments in excess of book value (i.e. gain on sale), capital expenditures for residential real estate, and net proceeds from the purchase and sale of available-for-sale securities.
- (4) Amount consists of estimated net other financing activities.