

Duke Energy Corporation
Reconciliation of Consolidated Earnings

		<u>4th Qtr</u>	<u>YTD</u>
2003 Reported Earnings Per Share		\$ (2.23)	\$ (1.48)
	1Q03 Cumulative Effect of Change in Accounting Principles	-	0.18
	3Q03 DENA Goodwill impairment	-	0.18
	3Q03 South Carolina Public Service Commission settlement	-	0.03
	3Q03 DENA CFTC settlement	-	0.02
	3Q03 Tax benefit on goodwill impairment of European gas trading business	-	(0.06)
	4Q03 DENA plant impairments and DETM charges	1.97	1.97
	4Q03 DENA redesignation of power contracts to MTM	0.18	0.18
	4Q03 DEI asset sales and impairment charges for Australia and Europe (Disc Ops)	0.25	0.25
	4Q03 Tax adjustments	(0.03)	(0.03)
	4Q03 DEI (Brazil)	0.02	0.02
	4Q03 Write-off of risk management system	0.04	0.04
	2003 Severance and related charges	0.03	0.11
	2003 Net (gains) losses on asset sales	(0.01)	(0.13)
2003 Ongoing Earnings Per Share		\$ 0.22	\$ 1.28
<u>2004 Reconciling Items:</u>			
Franchised Electric:	Electric sales, net of fuel, purchased power and Clean Air amortization	0.01	0.08
	Bulk power marketing sales sharing program	(0.01)	(0.05)
	(Increase) decrease in O&M and D&A expenses	0.02	(0.06)
Gas Transmission:	Effect of change in foreign currency (Canada)	0.02	0.06
	Gain on sale of assets	0.01	0.02
	Higher operating costs	(0.01)	-
	Increased earnings from expansion projects	-	0.02
	Foregone earnings from divested assets	-	(0.02)
	Optimization of cushion gas	-	0.01
	Prior year capitalization of development costs and reserve reversals	-	(0.03)
	Miscellaneous	-	(0.02)
Field Services:	Commodity price impacts, net of hedging	0.03	0.12
	Lower operating and depreciation expenses	0.01	0.01
	Improved marketing results	0.01	0.02
	Asset impairments	-	(0.02)
Duke Energy North America:	Lower depreciation, G&A and O&M costs	0.06	0.12
	Increase (decrease) in mark-to-market earnings	0.01	(0.04)
	Lower margins from energy generation and structured contracts	(0.06)	(0.21)
	Net gain (loss) on sale of assets - primarily SE assets, DETM liquidation and deferred plants	0.10	(0.16)
	Early contract termination charges	(0.01)	(0.01)
	Change in minority interest expense	-	(0.02)
	Foregone earnings from divested assets	-	(0.02)
	2Q04 Enron settlement	-	0.08
	2Q04 California and western U.S. energy markets settlement	-	(0.07)
	Miscellaneous	0.01	0.01
International Energy:	Earnings from operations	-	0.02
	Higher operating costs	-	(0.01)
	Net impairment related to the sale of the Cantarell facility	-	(0.01)
	Prior year charge related to the timing of revenue recognition at Cantarell	-	0.01
	Prior year favorable regulatory audit and early termination of LNG contract	-	(0.02)
	Miscellaneous	(0.01)	(0.01)

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Crescent Resources:	Increased residential, commercial and multi-family sales	0.02	0.10
	Lower legacy land sales	(0.01)	0.01
	Impairment and other charges for residential properties in Arizona and Texas	(0.03)	(0.03)
	Higher operating expenses	-	(0.01)
Other:	Corporate governance costs	0.01	0.05
	Other corporate activity, non-governance	(0.03)	(0.02)
	Adjustment to captive insurance reserves	0.04	0.04
	Lower earnings at D/FD due to decreased project activity	(0.01)	(0.04)
	DEM operations	-	0.01
	DEM gain on sale of CNC	-	0.01
	DEM's share of Enron bankruptcy settlement	-	0.02
	Net loss on sale of assets	-	(0.01)
	Miscellaneous	-	0.02
Discontinued operations:	Net gains from sale of international assets	-	0.29
	Asset impairment (DEFS)	-	(0.01)
	Other operations primarily related to DEI and DEFS	(0.01)	(0.04)
Other Reconciling Items:	Decrease in interest expense	0.03	0.02
	Decrease in preferred securities interest	-	0.04
	Decrease in minority interest share of interest and taxes	-	0.02
	Tax reserves reversal	-	0.06
	2Q04 Interest related to litigation reserve	-	(0.01)
	3Q04 Tax restructuring	-	0.05
	4Q04 Tax repatriation	(0.05)	(0.05)
	Effect of increase in weighted average shares	(0.01)	(0.05)
	Miscellaneous	0.02	0.04

2004 Reported Earnings Per Share

\$ 0.38 \$ 1.59

2004 Net gain on asset sales	(0.10)	(0.14)
1Q04 Charge for anticipated sale of Cantarell investment	-	0.01
2Q04 Settlements related to Enron Bankruptcy and California	-	(0.02)
2Q04 Interest related to litigation reserve	-	0.01
3Q04 DEFS asset impairment	-	0.02
3Q04 Tax restructuring	-	(0.05)
3Q04 Disc Ops asset impairment (DEFS)	-	0.01
4Q04 adjustment to captive insurance reserves	(0.04)	(0.04)
Effect of increase in weighted average shares	-	(0.01)

2004 Ongoing Earnings Per Share

\$ 0.24 \$ 1.38