

2003 EBIT

(\$ in millions)

	Franchised Electric	Natural Gas Transmission *	Field Services (Cont Ops)	International (Cont Ops)	Crescent
2003 EBIT	\$1,403	\$1,226	\$192	\$210	\$150

Natural Gas Transmission Reported EBIT *	\$1,317
Gains/(losses) on asset sales	96
Severance and related costs	-29
Total Special Items	\$67
Ongoing Segment EBIT	\$1,250
EBIT generated in 2003 from assets sold in 2003	\$24
Adjusted 2003 EBIT	\$1,226

Debt Reduction Reconciliation

(\$ in millions)

Duke Energy Corporation

Issuances of long-term debt	\$	3,009
Payments for the redemption of long-term debt, guaranteed preferred beneficial interests and preferred member interests and net paydown of commercial paper and notes payable		(4,839)
Assumed debt from asset sales		<u>(387)</u>
Total debt reduction	\$	<u>(2,217)</u>

Duke Capital Corporation

Issuances of long-term debt	\$	216
Payments for the redemption of long-term debt, guaranteed preferred beneficial interests and preferred member interests and net paydown of commercial paper and notes payable		(3,518)
Assumed debt from asset sales		<u>(387)</u>
Total debt reduction	\$	<u>(3,689)</u>

DUKE ENERGY FIELD SERVICES
GAS VOLUME / MARGIN BY CONTRACT TYPE

BASIS OF PRESENTATION:

Margins for POP (Percentage of Proceeds) and Keepwhole contracts are stated on the basis of the natural gas feedstock used in our processing activity.

		2003	2003	2003	2003	2002
		Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
CONTRACT TYPE:						
POP:	Gas Volume - TBtu/d	3.8	3.6	3.5	3.4	3.4
(Long NGL/Long gas)	Margin (Dollars in Millions)	\$ 219.5	\$ 216.8	\$ 220.2	\$ 248.2	\$ 185.3
	Margin/MMbtu	\$ 0.63	\$ 0.66	\$ 0.70	\$ 0.81	\$ 0.59
KEEPWHOLE:	Gas Volume - TBtu/d	1.5	1.7	1.9	2.0	2.3
(Long NGL/Short gas)	Margin (Dollars in Millions)	\$ 34.8	\$ 17.7	\$ 8.9	\$ 6.3	\$ 28.8
	Margin/MMbtu	\$ 0.26	\$ 0.11	\$ 0.05	\$ 0.03	\$ 0.14
FEE: GAS	Gas Volume - TBtu/d	4.6	4.8	4.6	4.5	4.6
(Primarily gathering & transport)	Margin (Dollars in Millions)	\$ 64.3	\$ 62.8	\$ 59.5	\$ 56.9	\$ 54.3
	Margin/MMbtu	\$ 0.15	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.13
FEE: NGL	NGL Volume - MBbl/day (6)	94.1	91.9	87.0	87.5	90.1
(NGL transport & fractionation)	Margin (Dollars in Millions)	\$ 6.2	\$ 6.4	\$ 5.6	\$ 5.9	\$ 5.3
	Margin/Gallon	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
NGL/Propane Marketing	Margin (Dollars in Millions) (7)	\$ 11.3	\$ 4.3	\$ 5.1	\$ 8.4	\$ 7.4
OTHER:	Margin (Dollars in Millions) (4)	\$ 18.1	\$ 24.6	\$ 29.0	\$ (10.8)	\$ 19.9
	TOTAL MARGIN	<u>\$ 354.2</u>	<u>\$ 332.6</u>	<u>\$ 328.2</u>	<u>\$ 315.0</u>	<u>\$ 301.0</u>
	Direct Operating and G&A Expense	\$ (182.3)	\$ (155.3)	\$ (155.0)	\$ (146.9)	\$ (157.9)
	DD&A	\$ (75.2)	\$ (74.8)	\$ (76.3)	\$ (75.8)	\$ (77.9)
	Other Income (5)	\$ (4.2)	\$ 0.5	\$ 0.1	\$ (0.1)	\$ (7.0)
	EBIT - from Continuing Operations 100%	<u>\$ 92.5</u>	<u>\$ 102.9</u>	<u>\$ 96.9</u>	<u>\$ 92.2</u>	<u>\$ 58.1</u>
	Duke Energy ownership percent	69.7%	69.7%	69.7%	69.7%	69.7%
	Duke Energy ownership - DEFS	\$ 64	\$ 72	\$ 68	\$ 64	\$ 40
	Duke Energy 100% Field Svc activities (8)	\$ (12)	\$ (19)	\$ (11)	\$ (33)	\$ 9
	Duke Energy EBIT - from Cont Ops (9)	<u>\$ 52</u>	<u>\$ 53</u>	<u>\$ 56</u>	<u>\$ 31</u>	<u>\$ 49</u>
	Total Gas Volume per above (TBtu/d)	9.9	10.2	10.0	9.9	10.3
	Volumes Doublecounted (TBtu/d)	(2.4)	(2.5)	(2.3)	(2.1)	(2.3)
	Reported Gas Volumes (TBtu/d) (9)	<u>7.5</u>	<u>7.7</u>	<u>7.7</u>	<u>7.8</u>	<u>8.0</u>
	NGL Production (MBbl/d) (9)	<u>365</u>	<u>366</u>	<u>359</u>	<u>372</u>	<u>388</u>
	NYMEX HENRY HUB (1)	\$ 4.58	\$ 4.97	\$ 5.41	\$ 6.59	\$ 3.98
	WGHTD AVG NGL PRICE(2)	\$ 0.54	\$ 0.49	\$ 0.49	\$ 0.58	\$ 0.45
	FRAC SPREAD (3)	\$ 1.81	\$ 0.82	\$ 0.43	\$ 0.26	\$ 1.22

FOOTNOTES:

- (1) Represents last day closing of Nymex Henry Hub.
- (2) Represents monthly average Belvieu and Conway pricing weighted with the Company's NGL component mix.
- (3) Represents the difference between Nymex Henry Hub and the monthly average Belvieu and Conway pricing weighted with the Company's NGL component mix converted to an mmbtu basis.
- (4) "Other" includes Condensate Sales, Helium, DEFS risk management activity, TEPPCO GP and other items.
- (5) "Other Income" includes gain/(loss) on asset sales
- (6) This volume represents equity and third party volumes transported on the Company's liquid pipeline assets and fractionated volumes associated with our 'non-operating' interest in certain facilities at Mont Belvieu.
- (7) Includes NGL Marketing and propane wholesale activity.
- (8) Includes TEPPCO LP/Class B income, allocated risk management activity and gain on sale of TEPPCO Class B units (\$11 million in Q2 2003).
- (9) Prior year amounts have been reclassified to conform to current year presentation.

Duke Energy Corporation
Reg G reconciliation

Crescent EBIT
Full Year 2003

(in millions)

Crescent EBIT, per presentation	\$150
Rounding	2
Less discontinued operations	(18)
Crescent EBIT from continuing operations	<u>134</u>
Remaining portion of "Other Operations"(1)	19
"Other Operations" EBIT from continuing operations	<u><u>\$153</u></u>

(1) Primarily includes DukeNet Communications, Duke/Fluor Daniel, Energy Delivery Services, Duke Energy Merchants

Natural Gas Transmission EBIT
Full Year 2003

Natural Gas Transmission	
Adjusted 2003 EBIT, per presentation	\$1,226
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Duke Energy Corporation Consolidated and Duke Capital Corporation Consolidated
Cash Flow Reconciliation Required by SEC Regulation G

(\$ in Millions)

	2004	
	Duke Energy	Duke Capital
Excerpts from Duke Energy Corporation Analyst Call (January 7, 2004)		
Primary Sources of Cash per Presentation:		
Net income	(a) \$ 1,100	\$ 450
Depreciation and amortization	(a) 2,075	1,050
NBV of ongoing Crescent inventory sales	(a) 550	550
NBV of energy asset sales	(b) 1,500	1,500
Deferred income taxes	(a) 450	475
Other sources/(uses), net	(a) (225)	25
Subtotal	5,450	4,050
Equity (DRIP, mandatory converts, parent infusion)	(c) 1,875	-
Total Sources	<u>\$ 7,325</u>	<u>\$ 4,050</u>
Primary Uses of Cash per Presentation:		
Capital expenditures	(b) (2,225)	(1,300)
Dividends	(c) (1,050)	-
Total Uses	<u>(3,275)</u>	<u>(1,300)</u>
Positive Net Cash	<u>\$ 4,050</u>	<u>\$ 2,750</u>
Reconciliations to amounts per U.S. GAAP reporting:		
Operating cash flow components from above [summation of (a)]	\$ 3,950	\$ 2,550
Reconciling items to GAAP operating cash flow (1)	175	175
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 4,125</u>	<u>\$ 2,725</u>
Investing cash flow components from above [summation of (b)]	\$ (725)	\$ 200
Reconciling items to GAAP investing cash flow (2)	(925)	(925)
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (1,650)</u>	<u>\$ (725)</u>
Financing cash flow components from above [summation of (c)]	\$ 825	\$ -
Reconciling items to GAAP financing cash flow (3)	(3,475)	(2,200)
Net cash used by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (2,650)</u>	<u>\$ (2,200)</u>

Notes:

- (1) Amount primarily consists of non-operating cash flow items, such as net distributions to/contributions from minority interests.
- (2) Amount primarily consists of disposition of debt associated with energy asset sales.
- (3) Amount primarily consists of estimated net debt repayments and net distributions to/contributions from minority interests.