

Duke Energy Corporation
Non-GAAP Reconciliation Schedules
Year-end 2004 Earnings Release

2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides for the Year-end 2004 Earnings Review include a discussion of forecasted ongoing EBIT for 2005 for certain segments and, for certain segments, a discussion of a forecasted ongoing segment EBIT growth rate, which is based on historical and forecasted ongoing segment EBIT. Ongoing segment EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment EBIT adjusted for "special items," which represent certain charges which management believes will not be recurring on a regular basis. When used for future periods, ongoing segment EBIT may also include any amounts that may be reported as discontinued operations. The most directly comparable GAAP measure for ongoing segment EBIT is reported segment EBIT, which represents EBIT from continuing operations, including any "special items." Due to the forward-looking nature of forecasted ongoing segment 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" or any amounts that may be reported as discontinued operations for any future periods.

2005 Duke Energy Compensation Target and Minimum

The Company's slides for the Year-end 2004 Earnings Review include a discussion of the \$1.60 and \$1.45 per ongoing basic share compensation target and minimum amounts, respectively, for 2005. This earnings-per-share measure used for employee incentive bonuses should track ongoing basic earnings per share, which is a non-GAAP financial measure as it excludes the per-share effects any "special items," which represent certain charges which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure is basic earnings per share for 2005. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile such non-GAAP financial measures 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 2005.

Duke Energy Corporation
Twelve Months Ended December 31, 2004
Ongoing Basic Earnings per Share
(amounts in millions, except EPS)

	<u>Pre-tax Amount</u>	<u>Tax Effect</u>	<u>Basic EPS Impact</u>
Special Items:			
<u>First Quarter 2004</u>			
- Gain on sale of Australian assets	\$256	(\$18)	\$0.26
- Net loss on sale of DENA assets, primarily anticipated sale of southeast U.S. plants	(359)	134	(0.25)
- Gains on sale of other assets, including Caribbean Nitrogen Co.	14	(5)	0.01
- Charge related to planned sale of Cantarell investment	(13)	5	(0.01)
subtotal first quarter 2004			<u>0.01</u>
<u>Second Quarter 2004</u>			
- Enron settlement (net of minority interest of \$5 million)	130	(46)	0.09
- True up on net gain on sale of International Energy Assets	38	(9)	0.03
- California and western U.S. energy markets settlement	(105)	37	(0.07)
- Net losses on asset sales (net of minority interests of \$6 million)	(8)	3	0.00
Interest on related litigation reserve	(12)	4	(0.01)
subtotal second quarter 2004			<u>0.04</u>
<u>Third Quarter 2004</u>			
- Tax benefit from restructuring	0	48	0.05
- Asset impairments, losses on asset sales and write down of equity investment at DEFS (net of minority interest of \$26 million)	(42)	16	(0.03)
- Net gains on asset sales	4	(2)	0.00
- Tax true up on sale of Australian assets	0	5	0.01
subtotal third quarter 2004			<u>0.03</u>
<u>Fourth Quarter 2004</u>			
- Adjustment to captive insurance reserve	64	(22)	0.04
- Net gain on sales of equity investments	10	(3)	0.01
- Loss on asset exchanges	(7)	2	0.00
- Early contract termination charges	(20)	7	(0.01)
- Net gains on asset sales (net of minority interest of \$20 million)	148	(51)	0.10
subtotal fourth quarter 2004			<u>0.14</u>
Impact of changes in shares outstanding			<u>(0.01)</u>
Total Basic EPS impact of special items year-to-date			0.21
Year-to-date Basic EPS, as reported			1.59
Year-to-date Basic EPS, ongoing			<u>\$1.38</u>

Duke Energy Corporation
Twelve Months Ended December 31, 2003
Ongoing Basic Earnings per Share
(amounts in millions, except EPS)

	<u>Pre-tax Amount</u>	<u>Tax Effect</u>	<u>Basic EPS Impact</u>
Special Items:			
<u>First Quarter 2003</u>			
- Cumulative effect of change in accounting principle	(\$256)	\$94	(\$0.18)
- Net gains on asset sales	16	(5)	0.01
subtotal first quarter 2003			<u>(0.17)</u>
<u>Second Quarter 2003</u>			
- Net gains on asset sales (net of minority interest expense of \$8 million)	229	(83)	0.16
subtotal second quarter 2003			<u>0.16</u>
<u>Third Quarter 2003</u>			
- Tax benefit on 2002 goodwill impairment of International Energy European gas trading	0	52	\$0.06
- Net loss on asset sales	(71)	28	(0.05)
- DENA goodwill write-off	(254)	90	(0.18)
- Severance cost associated with work force reduction	(105)	37	(0.08)
- Settlement with the S. C. Public Service Commission	(46)	18	(0.03)
- Settlement with the Commodity Futures Trading Commission (net of minority interest of \$11 million)	(17)	0	(0.02)
subtotal third quarter 2003			<u>(0.30)</u>
<u>Fourth Quarter 2003</u>			
- DENA plant impairments and DETM charges (net of minority interest of \$51 million)	(2,826)	1,046	(1.97)
- DENA redesignation of hedging contracts to mark-to-market	(262)	97	(0.18)
- Charges and impairments for Australia and Europe	(292)	69	(0.25)
- Severance cost associated with work force reduction	(48)	18	(0.03)
- Tax adjustments	--	23	0.03
- DEI reserves and charges for environmental settlements in Brazil	(26)	10	(0.02)
- Write-off of risk management system	(51)	19	(0.04)
- Net gains on asset sales (net of minority interest of \$1 million)	15	(6)	0.01
subtotal fourth quarter 2003			<u>(2.45)</u>
Total Basic EPS impact of special items year-to-date			(2.76)
Year-to-date Basic EPS, as reported			(1.48)
Year-to-date Basic EPS, ongoing			<u>\$1.28</u>

Duke Energy
Reconciliation of Debt Pay Down to Balance Sheet
(in millions)

	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>Difference</u>
Long-term debt	\$20,622	\$16,932	(\$3,690)
Current maturities of LTD and preferred stock	1,200	1,832	632
Notes payable and commercial paper	<u>130</u>	<u>68</u>	<u>(62)</u>
Total Debt and Trust Preferred Securities	21,952	18,832	(3,120)
Changes due to foreign currency			(300)
Other cash changes			<u>(89)</u>
Sub-Total			(389)
Redeem Australia Debt			(890)
Redeem WEI Preferred Securities			<u>(176)</u>
Total Change			<u><u>(\$4,575)</u></u>
Total Debt Paydown per Slides			<u><u>(\$4,600)</u></u>