

Duke Energy Corporation
Non-GAAP Reconciliation Schedules
TEPPCO Sale, DEFS Restructuring, Share Repurchase

2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides for the TEPPCO Sale, DEFS Restructuring and Share Repurchase include a discussion of a forecasted compound annual ongoing segment EBIT growth rate for DEGT of 3-5% through 2007, 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 or credits 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

The Company's slides for the TEPPCO Sale, DEFS Restructuring and Share Repurchase include a discussion of the \$1.60 per ongoing basic share compensation target amount 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 or credits 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 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 2005.