

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><u>(2,217)</u></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><u>(3,689)</u></u>

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.