

**Duke Energy Corporation**  
**Non-GAAP Reconciliations**  
**March 2008 EEI International Utility Conference**

**Ongoing Segment EBIT for 2007 and Forecasted Ongoing Segment EBIT for 2008**

The materials for Duke Energy's March 2008 EEI International Utility Conference presentation include a discussion of ongoing segment EBIT for the year ended December 31, 2007 and a discussion of forecasted 2008 ongoing segment EBIT. Ongoing segment EBIT is a non-GAAP financial measure as it represents reported segment EBIT adjusted for special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing segment EBIT is reported segment EBIT, which represents segment EBIT from continuing operations, including any special items. Due to the forward-looking nature of forecasted ongoing segment EBIT for future periods, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as management is unable to project special items for future periods. A reconciliation of ongoing segment EBIT for the year ended December 31, 2007 to the most directly comparable GAAP measure is included herein.

**Funds From Operations ("FFO") Ratios**

The materials for Duke Energy's March 2008 EEI International Utility Conference presentation include a discussion of expected FFO interest coverage and FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO interest coverage ratio is calculated principally by using forecasted net cash provided by operating activities on a GAAP basis, adjusted for forecasted changes in working capital, plus all forecasted cash interest paid. The denominator is principally GAAP interest expense increased by capitalized interest (including any AFUDC interest). Cash from operations, cash interest paid and interest expense are also adjusted for entities considered off-credit.

**Anticipated Ongoing Diluted EPS Growth Rates through 2012**

In materials for Duke Energy's March 2008 EEI International Utility Conference presentation, management discussed the expected range of growth of 5-7% in ongoing diluted EPS through 2012 (on a compound annual growth rate ("CAGR") basis). These growth percentages are based on anticipated ongoing diluted EPS amounts for future periods. Ongoing diluted EPS measure is a non-GAAP financial measure as it represents anticipated diluted EPS from continuing operations, adjusted for the impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations which includes the impact of special items. Due to the forward-looking nature of ongoing diluted EPS, and related growth rates, for future periods, information to reconcile such non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast special items for future periods.

**2008 Employee EPS Incentive Target Measure**

The materials for Duke Energy's March 2008 EEI International Utility Conference presentation include a reference to the company's 2008 employee EPS incentive target of \$1.27, with incentive payouts occurring if results fall within a range of \$1.20 to \$1.35 per share. The EPS measures used for employee incentive bonuses are based on ongoing diluted EPS. Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations, adjusted for the per-share impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations, which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items for 2008.

**Duke Energy Corporation**  
**March 2008 EEI International Utility Conference**  
**Cash Flow Reconciliation Required by SEC Regulation G**

(\$ in Millions)

		<b>Forecast 2008</b>
<b>Primary Sources:</b>		
Net income (1)	a	\$ 1,600
Depreciation & amortization	a	1,800
Total Sources		<u>3,400</u>
<b>Primary Uses:</b>		
Capital and Investment Expenditures	b	(5,100)
Dividends	c	(1,150)
Other Sources/(Uses), net	a	(250)
Total Uses		<u>(6,500)</u>
<b>Net Cash, Cash Equivalents, and Short-term Investments Used and Debt Financings</b>		<u>\$ (3,100)</u>

**Reconciliations to amounts per U.S. GAAP reporting:**

Operating cash flow components from above [summation of (a)]	\$ 3,150
Reconciling items to GAAP operating cash flow (2)	(100)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 3,050</u>
Investing cash flow components from above [item (b)]	\$ (5,100)
Reconciling items to GAAP investing cash flow (3)	500
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (4,600)</u>
Financing cash flow components from above [item (c)]	\$ (1,150)
Reconciling items to GAAP financing cash flow (4)	2,575
Net cash provided by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 1,425</u>

Notes:

- (1) Forecasted net income of \$1,600 million for 2008 is based on Duke Energy's 2008 employee incentive earnings target of \$1.27 per share. The 2008 measure used for employee incentive bonuses is based on ongoing diluted earnings per share (EPS). Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations adjusted for the per-share impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing diluted EPS is reported diluted EPS from continuing operations, which includes the impact of special items. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast special items for future periods.
- (2) Amount consists primarily of an adjustment for investing cash flow items included in "Other Sources/(Uses), net" (principally the release of restricted funds held on deposit).
- (3) Amount consists primarily of net proceeds from purchases and sales of available-for-sale securities and an adjustment for investing cash flow items included in "Other sources/(uses), net" (principally the release of restricted funds held on deposit).
- (4) Amount consists primarily of net other financing activities including debt issues, debt retirements and changes in amounts of commercial paper outstanding.

**DUKE ENERGY CORPORATION**  
**ONGOING TO REPORTED EARNINGS RECONCILIATION**  
December 2007 Year-to-Date  
(Dollars in millions, except per-share amounts)

**Special Items (Note 1)**

	Ongoing Earnings	Convertible Debt Costs, Gas Spin-off	Costs to Achieve, Cinergy Merger	IT Severance Costs	Settlement Reserves and Adjustments	Discontinued Operations	Total Adjustments	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>								
U.S. Franchised Electric and Gas	\$ 2,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,305
Commercial Power	278	-	-	-	-	-	-	278
International Energy	388	-	-	-	-	-	-	388
Crescent	38	-	-	-	-	-	-	38
Total reportable segment EBIT	3,009	-	-	-	-	-	-	3,009
Other	(235)	(21) B	(54) A	(12) A	24 A	-	(63)	(298)
Total reportable segment and Other EBIT	\$ 2,774	\$ (21)	\$ (54)	\$ (12)	\$ 24	\$ -	\$ (63)	\$ 2,711
Interest Expense	(685)	-	-	-	-	-	-	(685)
Interest Income and Other	208	-	-	-	-	-	-	208
Income Taxes from Continuing Operations	(726)	-	19	4	(9)	-	14	(712)
Discontinued Operations, net of taxes	-	-	-	-	-	(22) C	(22)	(22)
<b>Net Income</b>	<b>\$ 1,571</b>	<b>\$ (21)</b>	<b>\$ (35)</b>	<b>\$ (8)</b>	<b>\$ 15</b>	<b>\$ (22)</b>	<b>\$ (71)</b>	<b>\$ 1,500</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 1.25</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ -</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ (0.06)</b>	<b>\$ 1.19</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 1.24</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ -</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ (0.06)</b>	<b>\$ 1.18</b>

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - Recorded in Other income and expenses, net (Other Income and Expenses, net) on the Consolidated Statements of Operations.

C - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,260
Diluted	1,266