

## **Non-GAAP Reconciliation for SEC Regulation G Duke Energy Analyst Presentation, April 3, 2006**

### 2006 Earnings-per-share Incentive Target Measure

The slides and prepared remarks for Duke Energy's April 3, 2006, Analyst Presentation include a discussion of the company's 2006 EPS incentive target of \$1.90. This EPS measure is used for employee incentive bonuses and should track ongoing diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any discontinued operations from the company's Crescent Resources real estate unit, 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 the company is unable to project any special items for 2006.

### 2006 Ongoing Consolidated and Segment EBIT

The slides and prepared remarks for Duke Energy's April 3, 2006, Analyst Presentation include a discussion of forecasted ongoing EBIT for 2006 for the following:

- Duke Energy consolidated
- Nine-month EBIT contribution from Cinergy
- State and federally regulated operations
- Each reportable segment and Other

These forecasted ongoing EBIT amounts are non-GAAP financial measures, as they represent forecasted reported amounts adjusted for "special items," which represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing Duke Energy consolidated EBIT is reported net income. The most directly comparable GAAP measure for the other forecasted ongoing EBIT amounts is segment or Other EBIT, or a combination of such amounts for the appropriate segments or operations, representing EBIT from continuing operations, including any "special items." Due to the forward-looking nature of forecasted 2006 ongoing EBIT amounts, 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" for any future periods.

### FFO Interest Coverage

The slides and prepared remarks for Duke Energy's April 3, 2006, Analyst Presentation include a discussion of expected Funds From Operations (FFO) interest coverage ratios for 2006 for Duke Energy Corp., Duke Capital LLC, Duke Power LLC and Cinergy Corp. These ratios reflect non-GAAP financial measures. The numerator of the FFO interest coverage ratio is calculated principally by using net cash provided by operating activities on a GAAP basis, adjusted for changes in working capital, plus all cash interest paid. The denominator is principally GAAP interest expense increased by capitalized interest (including AFUDC interest). Cash from operations, cash interest paid and interest expense are also adjusted for entities considered off-credit.

### 2007 Ongoing Diluted EPS and Related Future Growth Percentages

The slides and prepared remarks for Duke Energy's April 3, 2006, Analyst Presentation include a discussion of forecasted 2007 ongoing diluted EPS and related forecasted growth percentages thereafter. Ongoing diluted EPS and related growth rates are non-GAAP financial measures, as they represent diluted EPS from continuing operations plus the per-share effects of any discontinued operations from the company's Crescent Resources real estate unit, 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 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 the company is unable to forecast any special items for 2007 or for any future periods.

### Cash Flow Information for 2007 and 2008

The transcript from the question-and-answer session at Duke Energy's April 3, 2006, Analyst Presentation contains the following, in response to a question regarding expected future "free cash flow":

"In '07 and '08, if we spend exactly the money in the CapEx budget today, and we do not do anything like construction-work-in-progress in rate base, so if you don't do any of that, then we are about \$0.5 billion cash flow negative after the dividend, after everything in '07 and '08."

The \$0.5 billion for each of 2007 and 2008 is a non-GAAP financial measure, as it represents approximate forecasted amounts from ongoing cash flows from operating and investing activities less forecasted dividend payments. Ongoing cash flows from operating and from investing activities represent reported cash flows from operating and investing activities, adjusted for the cash 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 the cash flows referenced above would be reported cash flows from operating and investing activities, which include the cash impact of special items, less dividend payments. Due to the forward-looking nature of estimated operating and investing cash flow amounts for 2007 and 2008, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time, as the company is unable to forecast any special items for 2007 or 2008.