

Duke Energy Corporation Consolidated and Duke Capital Corporation Consolidated
Cash Flow Reconciliation Required by SEC Regulation G

(\$ in Millions)

	Forecasted					
	Duke Energy Corporation			Duke Capital Corporation		
	2003	2004	2005	2003	2004	2005
Excerpts from Monthly Chat Presentation:						
Primary Sources of Cash per Presentation:						
Income	(a) \$ 1,400	\$ 1,400	\$ 1,400	\$ 750	\$ 750	\$ 750
Depreciation and amortization	(a) 1,900	2,100	2,200	1,100	1,100	1,100
NBV of ongoing Crescent inventory sales	(a) 500	400	450	500	400	450
NBV of non-strategic asset sales	(b) 1,300	600	-	1,300	600	-
Deferred income taxes	(a) 200	60	100	200	150	200
Other sources/(uses), net	(a) 250	(75)	200	(50)	(100)	200
Subtotal	5,550	4,485	4,350	3,800	2,900	2,700
Equity (DRIP, mandatory converts)	(c) 250	1,875	250	450	1,000	-
Total Sources	\$ 5,800	\$ 6,360	\$ 4,600	\$ 4,250	\$ 3,900	\$ 2,700
Primary Uses of Cash per Presentation:						
Capital expenditures	(b) (3,000)	(2,400)	(2,400)	(1,800)	(1,300)	(1,300)
Dividends	(c) (1,000)	(1,025)	(1,070)	-	-	-
Pension fund contributions	(a) -	(200)	(130)	-	(100)	(60)
Total Uses	(4,000)	(3,625)	(3,600)	(1,800)	(1,400)	(1,360)
Positive Net Cash	\$ 1,800	\$ 2,735	\$ 1,000	\$ 2,450	\$ 2,500	\$ 1,340
Reconciliations to amounts per U.S. GAAP reporting:						
Operating cash flow components from above [summation of (a)]	\$ 4,250	\$ 3,685	\$ 4,220	\$ 2,500	\$ 2,200	\$ 2,640
Reconciling items to GAAP operating cash flow (1)	(100)	115	130	(125)	150	135
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	\$ 4,150	\$ 3,800	\$ 4,350	\$ 2,375	\$ 2,350	\$ 2,775
Investing cash flow components from above [summation of (b)]	\$ (1,700)	\$ (1,800)	\$ (2,400)	\$ (500)	\$ (700)	\$ (1,300)
Reconciling items to GAAP investing cash flow (2)	225	25	25	250	25	(25)
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	\$ (1,475)	\$ (1,775)	\$ (2,375)	\$ (250)	\$ (675)	\$ (1,325)
Financing cash flow components from above [summation of (c)]	\$ (750)	\$ 850	\$ (820)	\$ 450	\$ 1,000	\$ -
Reconciling items to GAAP financing cash flow (3)	(1,975)	(2,875)	(1,105)	(2,600)	(2,650)	(1,425)
Net cash used by financing activities per GAAP Consolidated Statement of Cash Flows	\$ (2,725)	\$ (2,025)	\$ (1,925)	\$ (2,150)	\$ (1,650)	\$ (1,425)

Notes:

- (1) Amount primarily consists of non-operating cash flow items, such as net distributions to/contributions from minority interest and any gains from asset sales
- (2) Amount primarily consists of other cash flows from investing activities, including any gains from asset sales
- (3) Amount primarily consists of estimated net debt repayments and net distributions to/contributions from minority interests

Duke Energy Corporation Consolidated
Coverage Ratio Reconciliations Required by SEC Regulation G (1)
(\$ in Billions)

	Actual		Forecast			
	2001	2002	2003	2004	2005	
Funds From Operations (FFO) to Average Total Debt:						
<i>Numerator</i>						
Net cash provided by operating activities per U.S. GAAP Consolidated Statement of Cash Flows (2)	[a]	\$ 4.5	\$ 4.2	\$ 3.8	\$ 4.3	
Adjustments to operating cash flows (3)		(0.4)	(0.7)	(0.2)	(0.5)	
Total FFO per Presentation	[b]	\$ 4.1	\$ 3.5	\$ 3.6	\$ 3.9	
<i>Denominator (average of BOY and EOY)</i>						
Total Debt per U.S. GAAP Balance Sheet	\$	14.2	\$ 22.5	\$ 20.7	\$ 17.9	\$ 16.9
Minority interest in financing subsidiary (4)		1.0	0.0	0.0	0.0	0.0
Other debt adjustments (5)		(5.0)	(6.5)	(6.4)	(4.3)	(3.5)
Adjusted Debt per Presentation		\$ 10.2	\$ 16.0	\$ 14.3	\$ 13.6	\$ 13.3
<i>Averages:</i>						
Adjusted Debt per Presentation	[c]	\$ 13.1	\$ 15.1	\$ 14.0	\$ 13.5	
Debt per U.S. GAAP Balance Sheet	[d]	\$ 18.3	\$ 21.6	\$ 19.3	\$ 17.4	
Ratio of FFO to Average Adjusted Debt per Presentation 2002-2005 Average	[b / c]		31.6%	23.1%	25.6%	28.6%
						27.2%
Ratio of Operating Cash Flows to Average Debt (ratio presented based on U.S. GAAP amounts) 2002-2005 Average	[a / d]		24.7%	19.3%	19.7%	24.9%
						22.2%

Funds From Operations Interest Coverage:

<i>Numerator</i>						
Total FFO per Presentation	[e]	\$ 4.1	\$ 3.5	\$ 3.6	\$ 3.9	
Cash interest paid-per U.S. GAAP financial statements	[f]	1.0	1.3	1.2	1.1	
Adjustments to interest paid (6)		(0.3)	(0.3)	(0.3)	(0.2)	
Adjusted Cash Interest Paid	[g]	0.8	0.9	0.9	0.8	
Total FFO + Interest	[h = e + g]	\$ 4.9	\$ 4.4	\$ 4.4	\$ 4.7	
<i>Denominator</i>						
Interest expense, net-per U.S. GAAP Financial Statements	[i]	\$ 1.1	\$ 1.3	\$ 1.2	\$ 1.1	
Interest expense adjustments (6)		(0.3)	(0.4)	(0.3)	(0.2)	
Adjusted Interest Expense per Presentation	[j]	\$ 0.8	\$ 1.0	\$ 0.9	\$ 0.8	
FFO Interest Coverage Ratio per Presentation 2002-2005 Average	[h / j]		5.8	4.6	4.9	5.5
						5.2
Operating Income Interest Coverage Ratio (ratio presented based on U.S. GAAP amounts) 2002-2005 Average	[(a + f) / i]		5.0	4.1	4.0	4.9
						4.5

Amounts may not foot or recalculate due to rounding

Notes:

- Regulation G of the SEC's rules now requires reconciliations to U.S. GAAP measures for certain publicly disclosed financial information. This schedule is presented to meet the requirements of Regulation G. The ratios presented based on U.S. GAAP amounts are not measures that are normally used by Duke Energy Corporation in assessing performance.
- The Consolidated Statement of Cash Flows also includes amounts for investing and financing activities as follows:

	Actual	Forecast		
	2002	2003	2004	2005
Net cash used in investing activities per Consolidated Statement of Cash Flows	\$ (6.8)	\$ (1.5)	\$ (1.8)	\$ (2.4)
Net cash provided (used) by financing activities per Consolidated Statement of Cash Flows	\$ 2.8	\$ (2.7)	\$ (2.0)	\$ (1.9)

- Adjustments primarily consist of changes in working capital balances and adjustments for off-credit entities.
- 2001 amount consists of adjustment for minority interest in financing subsidiary, which was restructured and recorded as debt in 2002.
- Adjustments primarily consist of Equity Units and off-credit entity debt. In addition, an adjustment to debt was made for available cash
- Adjustments primarily consist of interest paid on Equity Units and off-credit entity debt, as well as capitalized interest, which includes allowance for funds used during construction (AFUDC) interest.

**Duke Capital Corporation Consolidated
Coverage Ratio Reconciliations Required by SEC Regulation G (1)**

(\$ in Billions)

	Actual		Forecast		
	2001	2002	2003	2004	2005
Funds From Operations (FFO) to Average Total Debt:					
<i>Numerator</i>					
Net cash provided by operating activities per U.S. GAAP Consolidated Statement of Cash Flows (2)	[a]	\$ 3.5	\$ 2.4	\$ 2.3	\$ 2.8
Adjustments to operating cash flows (3)		(0.9)	(0.5)	(0.4)	(0.6)
Total FFO per Presentation	[b]	\$ 2.6	\$ 1.8	\$ 2.0	\$ 2.2
<i>Denominator (average of BOY and EOY)</i>					
Total Debt per U.S. GAAP Balance Sheet		\$ 10.8	\$ 17.5	\$ 15.1	\$ 12.6
Minority interest in financing subsidiary (4)		1.0	-	-	-
Other debt adjustments (5)		(5.6)	(6.5)	(6.4)	(3.5)
Adjusted Debt per Presentation		\$ 6.3	\$ 11.0	\$ 8.8	\$ 7.8
<i>Averages:</i>					
Adjusted Debt per Presentation	[c]	\$ 8.7	\$ 9.9	\$ 8.6	\$ 8.1
Debt per U.S. GAAP Balance Sheet	[d]	\$ 14.2	\$ 16.3	\$ 13.8	\$ 11.9
Ratio of FFO to Average Adjusted Debt per Presentation	[b / c]		29.6%	18.5%	22.9%
2002-2005 Average					24.5%
Ratio of Operating Cash Flows to Average Debt (ratio presented based on U.S. GAAP amounts)	[a / d]		24.7%	14.5%	16.9%
2002-2005 Average					19.9%

Funds From Operations Interest Coverage:

<i>Numerator</i>					
Total FFO per Presentation	[e]	\$ 2.6	\$ 1.8	\$ 2.0	\$ 2.2
Cash interest paid-per U.S. GAAP financial statements	[f]	\$ 0.8	\$ 1.0	\$ 0.9	\$ 0.8
Adjustments to interest paid (6)		(0.3)	(0.4)	(0.3)	(0.3)
Adjusted Cash Interest Paid	[g]	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.5
Total FFO + Interest	[h = e + g]	\$ 3.1	\$ 2.5	\$ 2.6	\$ 2.7
<i>Denominator</i>					
Interest expense, net-per U.S. GAAP Financial Statements	[i]	\$ 0.9	\$ 1.1	\$ 1.0	\$ 0.8
Interest expense adjustments (6)		(0.3)	(0.4)	(0.3)	(0.3)
Adjusted Interest Expense per Presentation	[j]	\$ 0.6	\$ 0.7	\$ 0.6	\$ 0.6
FFO Interest Coverage Ratio per Presentation	[h / j]		5.3	3.7	4.2
2002-2005 Average					4.5
Operating Income Interest Coverage Ratio (ratio presented based on U.S. GAAP amounts)	[(a + f) / i]		4.9	3.2	3.4
2002-2005 Average					4.0

Amounts may not foot or recalculate due to rounding

Notes:

- Regulation G of the SEC's rules now requires reconciliations to U.S. GAAP measures for certain publicly disclosed financial information. This schedule is presented to meet the requirements of Regulation G. The ratios presented based on U.S. GAAP amounts are not measures that are normally used by Duke Capital Corporation in assessing performance.
- The Consolidated Statement of Cash Flows also includes amounts for investing and financing activities as follows:

	Actual	Forecast		
	2002	2003	2004	2005
Net cash used in investing activities per Consolidated Statement of Cash Flows	\$ (5.6)	\$ (0.3)	\$ (0.7)	\$ (1.3)
Net cash provided (used) by financing activities per Consolidated Statement of Cash Flows	\$ 2.7	\$ (2.2)	\$ (1.7)	\$ (1.4)

- Adjustments primarily consist of changes in working capital balances and adjustments for off-credit entities.
- 2001 amount consists of adjustment for minority interest in financing subsidiary, which was restructured and recorded as debt in 2002.
- Adjustments primarily consist of Equity Units and off-credit entity debt. In addition, an adjustment to debt was made for available cash
- Adjustments primarily consist of interest paid on Equity Units and off-credit entity debt, as well as capitalized interest, which includes allowance for funds used during construction (AFUDC) interest.