

Duke Energy Corporation
Non-GAAP Reconciliations
First Quarter Earnings Review and Business Update
May 5, 2009

Adjusted Diluted Earnings per Share (“EPS”)

The materials for Duke Energy Corporation’s (“Duke Energy”) First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of adjusted diluted EPS for the quarters ended March 31, 2009 and 2008. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g., coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted diluted EPS for the quarters ended March 31, 2009 and 2008 to the most directly comparable GAAP measures are included below.

2009 Employee EPS Incentive Target Measure

The materials for Duke Energy’s First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of the 2009 EPS incentive target of \$1.20 per share. The EPS measure used for employee incentive bonuses is primarily based on adjusted diluted EPS. The materials also reference the forecasted range of growth in adjusted diluted EPS through 2013 (on a compound annual growth rate (“CAGR”) basis). Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s

hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment (as discussed above under “Adjusted Diluted Earnings per Share (‘EPS’)”). The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, 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 or mark-to-market adjustments for future periods.

Adjusted Segment EBIT and Other Net Expenses

The materials for Duke Energy’s First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of adjusted segment EBIT and Other net expenses for the quarters ended March 31, 2009 and 2008. In addition, the materials include a reference to management’s current expectation that the Midwest gas-fired generation assets (a component of the Commercial Power segment), will be EBIT positive for 2009, on an adjusted EBIT basis. Additionally, reference is made to Duke Energy’s equity method investment in National Methanol Company (a component of the International Energy segment), and its equity method earnings contribution as a percentage on International Energy’s segment EBIT, on an adjusted basis. Adjusted segment EBIT and Other net expenses are non-GAAP financial measures as they represent reported segment EBIT and Other net expenses adjusted for the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment (as discussed above under “Adjusted Diluted Earnings per Share (‘EPS’)”). The most directly comparable GAAP measures for adjusted segment EBIT and Other net expenses are reported segment EBIT and Other net expenses, which represent segment and Other results from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted segment EBIT and Other net expenses for the quarters ended March 31, 2009 and 2008 to the most directly comparable GAAP measures are included below. Due to the forward-looking nature of this non-GAAP financial measure for 2009, 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 or mark-to-market adjustments for future periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
March 2008 Year-to-Date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS						
U.S. Franchised Electric and Gas	\$ 637	\$ -	\$ -	\$ -	\$ -	\$ 637
Commercial Power	99	-	47 B	-	47	146
International Energy	114	-	-	-	-	114
Total reportable segment EBIT	850	-	47	-	47	897
Other	(65)	(11) A	-	-	(11)	(76)
Total reportable segment and other EBIT	\$ 785	\$ (11)	\$ 47	\$ -	\$ 36	\$ 821
Interest Expense	(182)	-	-	-	-	(182)
Interest Income and Other	47	-	-	-	-	47
Income Taxes from Continuing Operations	(209)	4	(17)	-	(13)	(222)
Discontinued Operations, net of taxes	-	-	-	2 C	2	2
Less: Net Income attributable to non-controlling interests	1	-	-	-	-	1
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 440	\$ (7)	\$ 30	\$ 2	\$ 25	\$ 465
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.35	\$ (0.01)	\$ 0.03	\$ -	\$ 0.02	\$ 0.37
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.35	\$ (0.01)	\$ 0.03	\$ -	\$ 0.02	\$ 0.37

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

A - \$7 million recorded in Operation, maintenance and other and \$4 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$11 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$58 million gain recorded within Fuel used in electric generation and purchased power - non-regulated (Operating Expenses) on the Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,266
Diluted	1,268

* Represents the mark-to-market impact of derivative contracts, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Controlling Interest provides useful information to investors, as it allows them to more accurately compare the company's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
March 2009 Year-to-Date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>						<u>Reported Earnings</u>
	<u>Adjusted Earnings</u>	<u>Costs to Achieve, Cinergy Merger</u>	<u>Crescent Related Guarantees</u>	<u>Economic Hedges (Mark-to-Market) *</u>	<u>Discontinued Operations</u>	<u>Total Adjustments</u>	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557
Commercial Power	103	-	-	11 B	-	11	114
International Energy	93	-	-	-	-	-	93
Total reportable segment EBIT	753	-	-	11	-	11	764
Other	(50)	(7) A	(33) D	-	-	(40)	(90)
Total reportable segment and Other EBIT	\$ 703	\$ (7)	\$ (33)	\$ 11	\$ -	\$ (29)	\$ 674
Interest Expense	(184)	-	-	-	-	-	(184)
Interest Income and Other	35	-	-	-	-	-	35
Income Taxes from Continuing Operations	(191)	3	13	(4)	-	12	(179)
Discontinued Operations, net of taxes	-	-	-	-	3 C	3	3
Less: Net Income Attributable to Non-Controlling Interests	5	-	-	-	-	-	5
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 358	\$ (4)	\$ (20)	\$ 7	\$ 3	\$ (14)	\$ 344
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.28	\$ -	\$ (0.02)	\$ 0.01	\$ -	\$ (0.01)	\$ 0.27
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.28	\$ -	\$ (0.02)	\$ 0.01	\$ -	\$ (0.01)	\$ 0.27

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

A - \$4 million recorded in Operation, maintenance and other and \$3 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$19 million gain recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$8 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Consolidated Statements of Operations.

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

D - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,282
Diluted	1,283

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Controlling Interest provides useful information to investors, as it allows them to more accurately compare the company's performance across periods.

Duke Energy Corporation
Available Liquidity Reconciliation
As of March 31, 2009
(In millions)

Cash and Cash Equivalents	\$1,201	
Short-Term Investments	<u>51</u>	
Subtotal	1,252	
Less: Amounts Held in Foreign Jurisdictions	<u>(492)</u>	
	\$760	
Plus: Remaining Availability under Master Credit Facility	<u>1,457</u>	
Total Available Liquidity as of March 31, 2009 (a)	<u><u>\$2,217</u></u>	(approximately \$2.2 billion)

- (a) The available liquidity balance presented is a non-GAAP financial measure as it represents the aggregated presentation of cash and cash equivalents and short-term investments (excluding amounts held in foreign jurisdictions), and remaining availability under the master credit facility. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents.