

Regulation G: Non-GAAP reconciliations

2006 Ongoing Segment EBIT, including Total EBIT for Regulated and Nonregulated Operations

The slides and prepared remarks for Duke Energy's May 8, 2006, Analyst Presentation at the AGA Financial Forum include a discussion of forecasted ongoing EBIT for 2006 for Duke Energy Gas Transmission and for Duke Energy's state and federally regulated operations (Gas Transmission and Franchised Electric) and nonregulated operations (Field Services, International Energy, Crescent Resources and Commercial Power).

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 the forecasted ongoing EBIT amounts is segment EBIT, or total EBIT for the respective segments comprising the regulated and nonregulated 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.

Forecasted Future Long-term Segment EBIT Growth Rates

The slides and prepared remarks for Duke Energy's May 8, 2006, Analyst Presentation at the AGA Financial Forum include a discussion of forecasted EBIT growth percentages for Duke Energy Gas Transmission for future years. The long-term segment EBIT growth rates are non-GAAP financial measures, as they reflect segment EBIT, 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 the forecasted ongoing EBIT amounts is segment EBIT, representing EBIT from continuing operations, including any special items. Due to the forward-looking nature of forecasted 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 the company is unable to project any special items for 2007 or for any future periods.

Historical Compound Annual Growth Rates ("CAGR")

The slides and prepared remarks for Duke Energy's May 8, 2006, Analyst Presentation at the AGA Financial Forum include a discussion of CAGR percentages based on ongoing segment EBIT amounts 2002 to 2005 and also based on 2002 to forecasted 2006 ongoing segment EBIT amounts. Ongoing segment EBIT amounts are non-GAAP financial measures, as they represent reported segment EBIT 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 CAGR based on ongoing segment EBIT is CAGR based on reported segment EBIT. For 2002 to 2005, the CAGR based on reported segment EBIT amounts is the same as the CAGR based on ongoing segment EBIT amounts because there were no special items in 2002 or 2005. For 2002 to forecasted 2006 ongoing segment EBIT amounts, the CAGR based on reported segment EBIT cannot be estimated because the company is unable to estimate reported segment EBIT for 2006 due to the inability to estimate any special items for 2006.

Reconciliation of Reported to Ongoing Segment EBIT for Gas Transmission

Duke Energy Gas Transmission Reconciliation of Ongoing Segment EBIT				
(\$ in millions)	2002	2003	2004	2005
Reported Segment EBIT	\$1,170	\$1,333	\$1,329	\$1,388
Special Items:				
Gain on Sale of Assets		(96)	(16)	
Severance and related costs		29		
Gain on Sale of Equity Investments			(16)	
Ongoing Segment EBIT	\$1,170	\$1,266	\$1,297	\$1,388