

Changing minds.  
Changing habits...



# Annual Shareholders Meeting

2007



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# Safe Harbor Statement

Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy's 2006 Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

## **Reg G Disclosure**

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our Investor Relations website at [www.duke-energy.com](http://www.duke-energy.com).



# Track Record of Achievements

- ✓ Completed the merger integration
- ✓ Reduced business risk
- ✓ Repurchased \$500 million of stock in \$1 billion buyback program
- ✓ Announced plans for new generation
- ✓ Purchased 825-MW Rockingham CT plant near Greensboro
- ✓ Completed the spinoff of natural gas businesses
- ✓ Achieved 2006 employee incentive target for earnings

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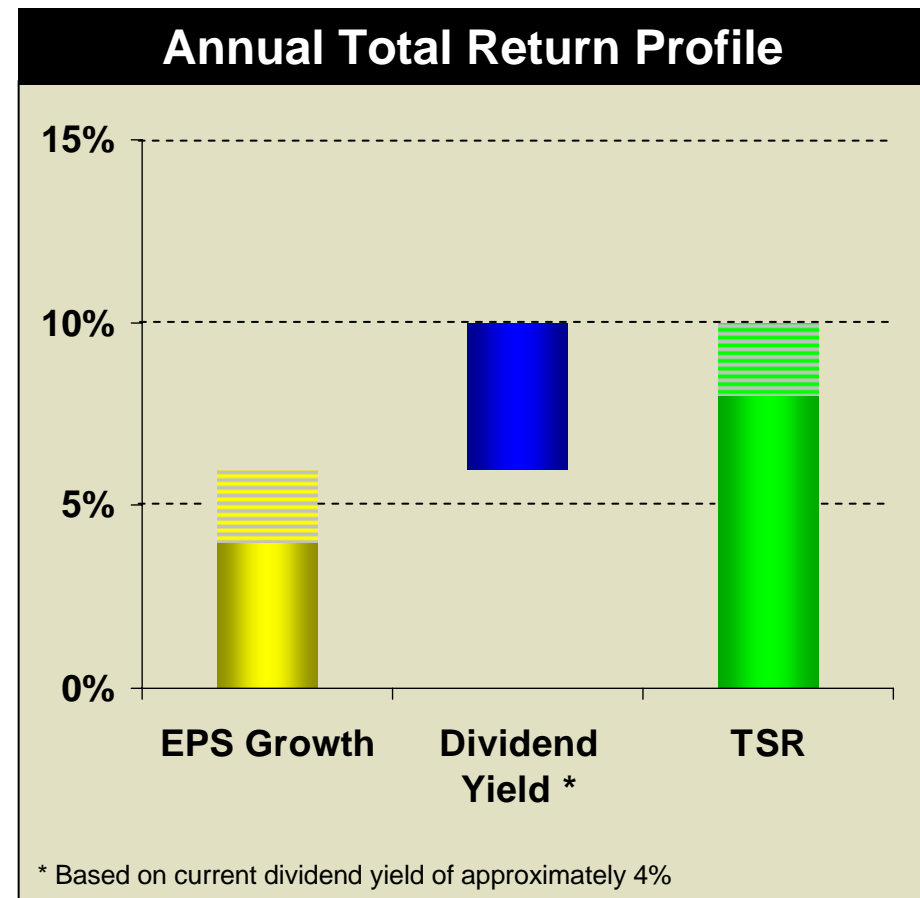
# Preparing for the Future

- Investing to meet growing demand
- Modernizing our grid
- Reducing our environmental footprint
- Creating a regulatory framework

*Leads to - competitive rates, reliable service and high customer satisfaction*

# Value Proposition

- Growth
  - Sales growth
  - Cost reductions
  - Return on capital investments
- Value
  - Proactive regulatory strategy
  - 2007 EPS incentive target of \$1.15 per share, based on ongoing diluted EPS
  - 4-6% ongoing diluted EPS growth through 2009
  - 70-75% dividend payout ratio; expect dividend growth consistent with EPS growth



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**Duke Energy Corporation**  
**Non-GAAP Reconciliation for SEC Regulation G**  
**2007 Annual Meeting of Shareholders**  
**May 10, 2007**

**2007 Employee Earnings per Share (“EPS”) Incentive Target Measure**

The slides and remarks for Duke Energy’s 2007 Annual Meeting of Shareholders include a reference to the company's 2007 Employee EPS incentive target of \$1.15. The EPS measure used for employee incentive bonuses is 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 forecast special items for future periods.

**Ongoing Diluted EPS Growth Rates through 2009**

The slides and remarks for Duke Energy’s 2007 Annual Meeting of Shareholders include a discussion of the expected range of growth in ongoing diluted EPS through 2009. These percentages are based on anticipated ongoing diluted EPS amounts for future periods. This ongoing diluted EPS measure is a non-GAAP financial measure as it represents 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 any special items for future periods.