

CORPORATE PARTICIPANTS

Paul Anderson

Duke Energy Corp. - Chairman and CEO

Fred Fowler

Duke Energy Corp. - President and COO

Julie Dill

Duke Energy Corp. - VP Investor Relations

Ed Marsh

Duke Energy Corp. - Deputy General Counsel and Assistant Secretary

Bill Esrey

Duke Energy Corp. - Chairman of the Audit Committee of the Board of Directors

CONFERENCE CALL PARTICIPANTS

Jerry Ratchford

Shareholder

PRESENTATION

Operator

Good morning everyone and welcome to the Duke Energy shareholder meeting. As a reminder this call is being recorded. At this time we will go live to the conference center where it will begin shortly. Thank you for your patience.

Julie Dill - Duke Energy Corp. - VP Investor Relations

Good morning, ladies and gentlemen. My name is Julie Dill and I'm the Vice President of Investor and Shareholder Relations for Duke Energy Corporation. I want to welcome all of you to our 2005 Annual Meeting of Shareholders. The first thing I'd like to do is give you a safety briefing. Our annual meetings are nearly always quiet and orderly but in the unlikely event of an emergency, you should know what to do. The primary exits from this auditorium are the doors on your right. Please exit through those doors, proceed to the left, up Stonewall Street, and we will gather in the parking lot across Church Street, at the corner of Stonewall and Church.

If you must exit through the back doors there will be security and safety agents out there, who you will recognize by their orange vests, to assist you in exiting the building.

Those of you in the atrium area can exit out the front door and also gather at the parking lot across Church Street. If anyone needs assistance in evacuating the auditorium or the atrium, security personnel will be available to assist you. If we have to evacuate,

please do not re-enter the building unless and until security notifies you to do so.

We are pleased this meeting is well attended but because of the sheer number of people in the room, be sure to look around as you move about to be sure there are no obstacles such as handbags or other such items in your way. Thanks for making this a safe meeting for all of us. As you enter the auditorium, you should have received a copy of the meeting agenda. If you do not have one, please raise your hand and someone will bring you one. Does anyone need an agenda?

Okay. Before we begin, I also need to recite the following Safe Harbor Statements. Some of the things we will discuss in today's meeting concerning future company performance will be forward looking statements within the meaning of the security laws. Actual results may materially differ from those discussed in these forward looking statements, and you should refer to the additional information contained in our 2004 Form 10K and other SEC filings, concerning factors that could cause those results to be different than contemplated in today's discussion. 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, will be made available on our investor relations web site at www.duke-energy.com.

With that taken care of, let me review quickly the matter on this morning's agenda. We'll start by introducing the members of Duke Energy's Board of Directors and then we'll move on to the nomination of directors, the proposal to amend the company's articles of incorporation to declassify the Board of Directors and the proposal to ratify the company's independent auditors, all as described in your proxy statement. We'll then vote on each of those matters. Next, Paul Anderson, our Chairman and CEO, will give you an update on our recent progress of the company and our plans for the future. Then Fred Fowler, Duke Energy's President and Chief Operating Officer, will talk to you about our operations and the financial outlook for each of our businesses. Following Fred's remarks, we will receive the voting inspector's reports and move on to your questions.

While we welcome your questions and comments, please save them until that point in the agenda, unless of course they pertain to a subject that we are voting on. As usual and in the interest of time and fairness, I would ask that each shareholder limit their questions or comments to five minutes. Now, let me introduce our chairman and CEO, Paul Anderson.

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thank you, Julie and thank you, shareholders. That's a nice way to start the meeting. The meeting will please come to order. First, I have the pleasure of introducing the members of your board of

directors. And as I introduce each of them, I'll ask them to stand and be recognized. First we have Roger Agnelli who is President and Chief Executive Officer of CVRD, the largest mining company in the Americas. Next to him is Alex Bernhardt, Chairman and Chief Executive Officer of Bernhardt Furniture Company; Bill Esrey, Chairman Emeritus of Sprint Corporation; Ann Gray, former President of Diversified Publishing Group of ABC, and Ann by the way is our Lead Director; Dennis Hendrix, retired Chairman of Pan Energy Corp; George Dean Johnson, owner of Johnson Development, and Cofounder and former CEO of Extended Stay America; Max Lennon, President of Education and Research Services; Jim Martin, Corporate Vice President of Carolinas Healthcare System, and former Governor of the great state of North Carolina; Mike Phelps, chairman of Dornoch Capital and of the Duke Energy Canadian Advisory Council; and Jim Rhodes, retired Chairman, President, and Chief Executive Officer of the Institute of Nuclear Power Operations. Bob Brown, Chairman and Chief Executive Officer of B&C Associates and Leo Linbeck, Senior Chairman of Linbeck Corporation were not able to join us today.

As you know from the proxy, Mr. Brown, Mr. Johnson and Mr. Linbeck will be leaving the board of directors at the conclusion of this annual meeting. I would like to take a moment to thank these three gentlemen for their years of service to the company and its shareholders. Among them, they have served the board 49 years and have guided the company through tremendous change and growth. Mr. Brown joined the board in 1994, and has served on numerous board committees during its tenure. Mr. Johnson, who joined the board in 1986, served primarily as Chairman of our Finance and Risk Management committee. Mr. Linbeck is retiring after 19 years of service, having served since 1986 as well, and until recently chaired our Compensation Committee. We thank these gentlemen, and I would like to have a round of applause for them.

I also want to mention that the board is considering the appointment of Mr. Jim Hance to the company's board of directors. Jim, would you please stand. Jim recently retired as vice chairman of the Bank of America, and his appointment would add additional financial expertise to the board. As we stated in the proxy, Mr. Hance's appointment was subject to regulatory approval. We received that approval this week and the board will consider Mr. Hance's appointment at its meeting in June. If the board does appoint Mr. Hance as a director, he would stand for election by the shareholders at next year's annual meeting.

Next, I would like to introduce the members of the company's executive committee, and I will ask each of them to stand as well. First, Fred Fowler, our President and Chief Operating Officer, who you will hear from later on; David Hauser, the company's Group Vice President and Chief Financial Officer; Jim Mogg, Group Vice President and Chief Development Officer; A.R. Mullinax, Group Vice President and Chief Information Officer; Rich Osborne, Group Vice President of Public and Regulatory Policy; and Keith

Trent, Acting Group Vice President, General Counsel, and Secretary Julie Dill, who you heard from earlier. She is Vice President of Investor and Shareholder Relations and acts as Secretary to the Executive Committee. These people will all be available to answer any questions you might have and we would encourage you to chat with them after the meeting.

We also have some key operating executives, who will be introduced by Fred Fowler. Finally, I would like you to meet Gary Sullivan, Greg Aliff, and Carrie Macdonald of Deloitte and Touche, the Company's Independent Auditors. Ed Marsh, Deputy General Counsel and Assistant Secretary of the Company, will serve as the Secretary of the meeting. Mike Frankovich of our Corporate Security Department will serve as Sergeant at Arms.

A record of the shareholders of the company is here and is subject to inspection by any shareholder. As usual, voting inspectors will certify accuracy of the vote tabulation procedures and I appoint Patrick Edwards, a Vice President of Wachovia and Walt Coleman, of the company's law department, as voting inspectors.

I'd like to mention that in addition to providing legal counsel to Duke Power, Walt is a captain in the U.S. Army Reserves and he just returned home in December after 10 months in Iraq, where he commanded a group of forward observers in field artillery. Walt, we're happy you're home and hopefully this will be an easier assignment.

The voting inspectors have been sworn to the faithful performance of their duties before a notary public and their oaths will be attached to the minutes of the meeting. I'll ask Ed Marsh for a report as to whether or not a quorum is present. Ed?

Ed Marsh - Duke Energy Corp. - Deputy General Counsel and Assistant Secretary

The report shows that they are represented in person or by proxy 810,024,595 shares, or approximately 84.55% of the outstanding common stock of the company, which is a quorum. At this time, Mr. Chairman, I would like to present to the meeting a copy of the Notice of Meeting, Proxy Statement and Former Proxy, all of which have been sent to the registered holders of the common stock of the company. I also present an affidavit attesting to the mail-in of these documents in accordance with the laws of North Carolina and the company's by-laws.

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thank you, Ed. Those documents will also become part of the minutes of the meeting. The next order of business is the nomination of four directors, three of whom will constitute class 2 of the board of directors, and one who will be a class 3 director. You will remember that we currently have three classes of directors with overlapping three-year terms.

Today the terms expire for the five directors in class 2: Mr. Agnelli, Mr. Bernhardt, Mr. Hendrix, Dr. Lennon, and Mr. Linbeck. As I mentioned earlier, Mr. Linbeck is retiring from the board and will not be standing for re-election. Mr. Agnelli, Mr. Bernhardt and Mr. Hendrix are now nominated as class 2 directors to hold office until the 2008 annual meeting of shareholders or until their successors are elected and qualified. Dr. Lennon is nominated as a class 3 director, to hold office until the 2006 annual meeting or until his successor is elected and qualified. As I will explain in a minute, their terms will effectively be shortened to one year if shareholders approve today the amendments to the company's articles of incorporation to eliminate classification of the board.

That brings us to the next order of business, which is management's proposal to amend the company's restated articles of incorporation to declassify the board. In 1991, the shareholders approved an amendment to the articles that provided for classification, creating staggered three-year terms. The benefit of staggered terms is that it provides the company protection against unfair treatment in a takeover situation.

It does this by eliminating the threat of abrupt removal of directors and abrupt change in control of the board. Staggered terms also allow for continuity of experience among board members. However, last year the shareholders voted in favor of a proposal to declassify the board. Declassification would result in elected directors serving only one-year terms. The board has considered this issue in light of last year's vote and believes that eliminating the classification ensures maximum accountability to the company's shareholders. It also gives shareholders a way to evaluate and vote on each director's performance every year.

For those reasons, the board believes it would be in the best reason of the shareholders to amend the articles of incorporation to eliminate the classification of the board. If the shareholders approve this proposal, all directors intend to resign effective with the 2006 annual meeting. So instead of a phased-in declassification, all directors would be up for election annually, beginning with next year's annual meeting. I will also note that pursuant to the company's restated articles of incorporation, an affirmative vote by the holders of at least 80% of the company's outstanding common stock is required to approve this proposal. Are there any questions concerning this proposal?

If there are no questions, the next order of business is to consider the proposal to ratify the appointment of the company's auditor. I now ask Bill Esrey, Chairman of the Audit Committee of the Board of Directors, to present the reasons why the directors recommend approval of this proposal. Bill?

Bill Esrey - Duke Energy Corp - Chairman of the Audit Committee of the Board of Directors

Thank you, Mr. Chairman and Shareholders. The comments and observations on the audit committee are very much as they have been in the past. Members of Deloitte and Touche have participated regularly in the meetings of the audit committee and especially since the enactment of the Sarbanes-Oxley Act in 2002. The orders have an integral part of the fulfillment of the audit committee's responsibility to the company and to you, the shareholders.

The committee continues to be very pleased with the quality, the experience and the independence of the audit team and believes that the relationship between the audit team and the company's financial personnel is cooperative and effective without any sacrifice to the independence and objectivity of the audit. Therefore, as described in a report in this year's proxy statement, the audit committee has approved the re-appointment of Deloitte and Touche as the company's Independent Auditor for the 2005 audit and recommends that the shareholders ratify that re-appointment by adopting the following resolution:

Resolved that the shareholders hereby ratify the appointment of the firm of Deloitte and Touche LLP, registered public accountants, as independent auditor to make an examination for the year 2005 of the accounts of the company; the effectiveness of the company's internal control over financial reporting; and management's assessment of internal control over financial reporting.

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thank you, Mr. Esrey. Are there any questions concerning this proposal? Seeing as there are no questions, we will now vote on the nominees for director and other two matters presented for action at this meeting. If any shareholder present has not voted by proxy and desires to vote, please raise your hand to receive a ballot. If any shareholder present has voted by proxy but now wishes to change that vote, please hold up your hand to receive a ballot. The ballots will be collected as soon as they've been completed. Please raise your hand when you've completed the ballot so that the volunteers can collect them. Once the completed ballots have been collected or if no one needs a ballot, the polls will be closed and I instruct the voting inspectors to conduct a final vote tabulation and inspection at that time. Once again, does anyone here need a ballot? Okay, it appears that no one does need a ballot.

While the voting inspectors conduct the final vote tabulation and inspection, Fred Fowler and I would like to talk to you about the state of the company and what our plans are for the future. What a difference a year makes! Obviously, the big news on your mind today is the deal with Cinergy that we announced on Monday. I hope you are as excited about that as I am and by the fact that it includes raising your annual dividend to \$1.24 per share. Last year I described to you our investor proposition and our commitment to defend the dividend and today we're talking about a 12.7%

increase, beginning with the September payment. The board of directors intends to approve the increase at the June board meeting.

I'll talk to you more about the Cinergy transaction in a minute, but first I want to review the other progress we've made since last year's Annual Meeting. And you can be assured that at the same time we're pursuing the merger, we will keep our eye squarely on the ball of delivering the results we promised you for this year.

I told you last year that our commitment was to run the company to benefit long-term shareholders, and that our actions in the last month should have reconfirmed that. We've worked hard to reward your loyalty and regain your trust. I'm going to hit the high points for our progress and our strategy going forward. Fred Fowler, your Chief Operating Officer, will then talk to you about how our business units are executing their parts of the plan.

We made a lot of promises last year, and I hope that you agree we've delivered on them. In a very real sense, we've regained control of our financial destiny. We exceeded our goals for asset sales and debt reduction, to put Duke Energy back on sound financial footing. You'll recall that we announced earlier this year our plan to buy back approximately \$2.5 billion in common stock over the next three years. The first part of this plan was for 30 million shares with a value of approximately \$830 million. We've already retired these shares, but Merrill Lynch still has over 23 million shares to repurchase, to cover their short position. Under a second arrangement, Merrill Lynch has purchased an additional 2.6 million shares. This part of the plan has been suspended until we re-evaluate the best use of cash in wake of the merger announcement.

We're also seeing positive indicators on our reputation, including more buy recommendations on our stock and higher ratings on reputation surveys. It's great to have nice things said about you, but I'm very conscious of the importance of continued humility. We've been through some very difficult times and we should not lose sight of the lessons of the past. Last year, I shared with you the charter that we would use as a roadmap for turning Duke Energy around. Our company's purpose, values, and the terms on which we would judge success remain the same and are reprinted in your program. We've updated our management imperatives for 2005 to build on the progress we've already made.

I want to cover those imperatives briefly because our strategy and group incentive goals this year are linked directly to them. The first imperative for 2005 is to enhance a high-performance culture by focusing on safety, inclusion and diversity, employee development, business structure, and process simplification.

As I said in my letter to you in the annual report, last year's safety record was our biggest disappointment. We have embarked on a company-wide initiative to retrain every employee on safety and put the focus on achieving a zero illness and injury culture. We've also increased our emphasis on employee development. That's

something that gets short shrift in tough financial times so we're doing some catch-up there.

This year, all 2700 managers and supervisors across the company will participate in leadership development training, and that's a key part of achieving a high performance organization.

Our second imperative for 2005 is to position Duke Energy North America to be a successful merchant operator with a sustainable business model. We believe that to be successful, a merchant operation needs to be larger and have more fuel diversity and more geographic diversity than DENA does today. The transaction with Cinergy will achieve that diversity but we will continue to pursue other options to strengthen the merchant business as well. Fred will talk more about DENA's operations and strategy.

The third 2005 imperative is deliver on our financial plans and provide superior shareholder returns. We have an earnings target for employee incentive purposes in 2005 of \$1.60 ongoing basic earnings per share. That's up 33% from last year's target, reflecting again how far we've come.

Our fourth imperative is to establish industry leading positions in our core business and identify new energy-related growth strategies. Obviously the transaction with Cinergy will create an industry leading position for our electric business and when the deal closes about a year from now I'm going to leave it up to Fred to describe our business growth plans beyond that.

Our final 2005 imperative is to "build stakeholder relationships and further shareholder value through effective leadership on key policy issues related to energy, regulation, and the environment." One of the most issues is global climate change and we are committed to playing a leadership role in shaping public policy on that issue.

At the conclusion of our presentation, I'll make a few comments about why I think our merger with Cinergy makes great strategic sense. But first I'll turn the podium over to Fred Fowler, President and Chief Operating Officer, for a report on the company's operations. Fred?

Fred Fowler - Duke Energy Corp. - President and COO

Thanks, Paul. First of all, let me apologize for my voice. I've been fighting a cold for the last few days and today the cold is winning. Hopefully we'll get through it.

Paul shared with you the objectives for the coming year; it's my job to keep our eye on the ball and make sure we do execute on those objectives. No matter how great a plan, without proper follow-through, you won't produce the positive results that you're looking for.

I'm going to describe each of our business units and how, together, they will deliver the value that you expect. Duke Power is our senior business unit and one of the largest employers in the Carolinas. I'm sure that we have more than a handful of Duke Power retirees in the audience today. It's no secret that our industrial sales have been rocked over the past decade by the demise of the textile sector in this region. So for the past two years, Duke Power has focused its efforts on economic development here in the Carolinas, partnering with those local and state governments to attract new industry.

And the results are promising. After a few years of slumping industrial sales, that sector had an increase of almost 6% in the first quarter of 2005. In terms of total numbers, Duke Power continues to add about 45,000 new customers every year, a reflection of the vibrant region that we serve.

In light of this growth, Duke Power is considering potential sources of new generation to meet the increasing power demands. Just yesterday, Duke Power filed preliminary information with the North Carolina Utilities Commission to potentially modernize and expand the Cliffside and Buck Steam stations in North Carolina.

As an abundant domestic fuel, coal will continue to be a part of the U.S. energy mix. And new plants will be very efficient and cleaner burning than the earlier ones. In addition, we're also looking at the nuclear option a little further down the road. The lead time to license and build a nuclear plant is too long to meet the first need for additional power. But I am glad to see the renewed national interest in nuclear energy.

Duke Power has shown that nuclear plants can be built and they can be run efficiently. They can be built right and run efficiently. It's only a matter of time before we see a new generation of nuclear power plants in this country. For our retirees, the Duke Power that you've worked for is still one of the best utilities in the nation. Our rates are 21% below the national average. And we continue to be among the top four in the nation in overall customer satisfaction. Ruth Shaw, Duke Power's President and CEO, continues to make good things happen. Ruth, if you could stand, please. Ruth is the head of the power company. I'd also like to introduce Brew Barron. Brew, would you stand? Brew is our Chief Nuclear Officer. Thanks.

Duke Energy Gas Transmission continues to make important contributions to North America's pipeline infrastructure. In 2004 gas transmission completed a number of projects that are important for future growth at Duke Energy, but also are important for the energy infrastructure for the United States and Canada. Algonquin's expansion for the Distrigas LNG facility in Massachusetts; Texas Eastern's mainline expansion in the Southeastern United States; the Dominion expansion in Pennsylvania; and the Gulfstream extension in Florida, should give you an idea of how active gas transmission has been in the past year.

Today, the Dawn-to-Trafalgar expansion in Ontario and the Egan Hub along the Gulf Coast are among the active projects that gas transmission has in progress for future pipeline and storage growth. Gas Transmission is also following the expected growth of imported liquefied natural gas and is poised to be a major transporter of gas from new LNG terminals as they are completed.

I believe all of our business units have opportunities for growth, but due to the demand for new natural gas infrastructure, gas transmission will likely be the most active in the near term. Leading all that expansion is Martha Wyrsh, President and CEO of Duke Energy Gas Transmission.

Martha took the reins at DEGT in March of this year. Last year she was the group Vice President and General Counsel. Now she's tackling a very different aspect of the business but one that's just as busy. Thank you, Martha.

Duke Energy Field Services is the nation's premier midstream natural gas gatherer and producer of natural gas liquids like propane and butane. Field Services was in the news recently when we announced we would transfer 19.7% of our stake in the company to our partner, Conoco-Phillips. This transaction is targeted to close the end of June and will result in a 50-50 partnership with Conoco-Phillips.

Field Services has been a real success story for Duke Energy over the past decade. We built the business from the ground up through mergers and acquisitions and in 2004 posted revenues of more than \$10 billion. Our reduction in ownership allows us to extract value from Field Services at a positive time in the market's cycle, while still leaving us with 50% of a strong company with a healthy outlook.

I think that most of you know that Field Services results depend very heavily on commodity prices, particularly the price of oil. Needless to say, the high oil prices over the past year have driven Field Services' record results. We made a conscious decision to hedge our output in Field Services to capture the attractive commodity prices that we've seen in the market, but also to limit our exposure to price swings. In 2005 we've locked in our prices and that should be good news for the remainder of this year.

The objective for Field Services going forward is to build on its market leading position. Bill Easter, who cannot be with us today, continues to handle the job as President and CEO of Field Services.

Crescent Resources is a leading commercial and residential real estate developer in the southeast and southwestern United States. Crescent turned in record profits in 2004 and is off to a very strong start in 2005. It has a balanced portfolio of commercial, residential, and multi-family assets that positions it very well for the future, regardless of real estate market conditions. In 2004, Crescent reached an all-time record by selling \$413 million in individual

home site sales. Crescent continues to be an asset to this region. In January, it closed on a sale in a multi-million dollar gift to the State of North Carolina to expand Lake James State Park in Burke and McDowell counties by almost 3,000 acres, preserving the lake environment for wildlife and recreation. Art Fields continues to provide strong leadership at Crescent as President and CEO. Art, would you please stand? Thank you.

Duke Energy Americas is made up of two business units. The first is Duke Energy International, which has narrowed its focus to Latin America over the past few years. We do have meaningful scale in South and Central America and our portfolio has been yielding positive operational results. Bobby Evans continues to lead Duke Energy Americas as President and CEO. Bobby also oversees the other half of Duke Energy Americas, which is Duke Energy North America, our merchant generation arm. This business has suffered over the past few years with overcapacity and the lack of continued unbundling of the wholesale merchant market here in the U.S. In 2004 we took a number of steps to reduce our exposure in the merchant generation business. We decreased our position by more than a third with the sale of our southeast assets and our three deferred power plants in Nevada, New Mexico and Washington State.

We also took steps to reduce the volatility and fluctuating value of our sales contracts associated with those projects. In the first quarter of last year we took an earnings hit of \$87 million on that of a \$6 million minority interest, due to these market to market changes. By the first quarter of 2005, these market to market movements had effectively been neutralized. We still have work to do at DENA. We expect to lose up to \$150 million in ongoing EBIT in 2005. That's about half of as much as last year's ongoing EBIT loss, but still clearly unacceptable. I'm sure some of you are thinking why don't we pull the plug on the entire merchant operation and I think that's probably a pretty legitimate question. And although Paul will give you many reasons why the Duke Energy - Cinergy merger works, just let me say that this is a major step forward with DENA.

We've talked about getting DENA back to cash positive and profitable, and the combination of DENA's and Cinergy's own regulated assets will do just that. DENA has a fleet of state of the art plants in the key growth markets in the United States. Cinergy has unregulated coal fire plants to complement our gas-fired generation. The electric wholesale market is showing signs of improvement in certain regions of the country. We're now well positioned to take advantage of future opportunities as those regional markets rebound. So although it's been tough for DENA these past three years, we feel we're through the worst and we'll be leaving considerable value on the table by selling at this time.

That's a brief overview of our business unit activities. I think the one asset that they all have in common is quality management and a talented workforce, and they have proven that they can execute

whether it's building a power plant, constructing a pipeline, or building an office complex.

So let me turn the podium back over to Paul to further explain the positive aspects of our proposed merger with Cinergy. Paul?

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thanks and thanks for coming in today. We've pretty much exhausted the management team getting to this point - getting to the announcement on Monday and going through everything that leads up to an annual meeting. Now I'd like to look ahead and tell you why I'm so excited about the Cinergy merger. Most important, this transaction will create immediate and long term shareholder value. You'll see it in the dividends, increases associated with the deal, and just as important, the transaction will be accreted to Duke Energy's earnings in the first full year of operation. Over the longer term, we expect to see savings of about \$400 million a year, thanks to efficiencies gained through the combined operations. A portion of those savings from regulated earnings will be shared between shareholders and customers. The transaction will position us well to participate in the continued consolidation of the utility and the merchant energy sectors.

In the combined company, both our electric and gas operations will have the scale and the scope to stand alone. This will increase our options for future restructuring, which could include separating the gas and electric business after the merger closes. We will be evaluating options to determine what structure makes the best sense and creates the greatest shareholder value.

As Fred discussed, in the medium term this transaction improves Duke Energy North America's current situation and future prospects. And just as important as the strong strategic fit of our companies is the cultural fit. Duke Energy and Cinergy share compatible values, operating philosophies, and views of the future. Jim Rogers is a successful and visionary leader with a 16- year record of creating shareholder value. He will be a great CEO of this combined company. I have committed to stay on as chairman for at least a year after the merger closes and look forward to working with him.

I also look forward to hearing your thoughts about all this during the question and answer session, after the report of the voting inspectors. The voting inspectors have returned and we have their report. Ed Marsh, will you please summarize the report.

Ed Marsh - Duke Energy Corp. - Deputy General Counsel and Assistant Secretary

With respect to the election of directors, the report shows the three class 2 nominees have been elected as class 2 directors of the company, and one class 3 nominee has been elected in the class 3 director of the company. Regarding the proposal to approve

amendments to the company's restated articles of incorporation to eliminate classification of the company's board of directors, the report shows that 81.86% of the outstanding common stock of the company voted in favor of the proposal and holders of 1.65% of the outstanding common stock voted against it.

Regarding the proposal to ratify the appointment of the auditor, the report shows that 97.74% of the shares of common stock voted at the meeting in favor of appointment and 1.39% voted against it.

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thank you, Ed. Since the shareholders have voted to approve the amendment to the company's articles to declassify the board, all directors will be up for election beginning next year, as a result of the director resignation that I mentioned earlier.

Now I'd like to move on to the question and answer period. The meeting is now open for any questions. Again we ask that you limit your comments to 5 minutes so that all shareholders who wish to address the meeting have the opportunity to do so. Please raise your hand or stand or go to a microphone and wait to be recognized or wait until a microphone has been brought to you. Then give your full name so that the minutes of the meeting may be properly kept.

Do we have any questions? This is a shy group.

Jerry Ratchford Shareholder

My name is Jerry Ratchford. I want to thank Duke Energy for the dividend reinvestment program. My wife and I have been members since 1990 and have purchased shares on a monthly basis. Thank you for that program.

Paul Anderson - Duke Energy Corp. - Chairman and CEO

Thank you for the thanks. Is there anyone else that would like to make a comment or ask a question? Hearing none, we thank you for your attention and your concerns that you have passed on to me other than this forum are our concerns. We are listening. I do get a lot of feedback in other areas so we will take that into consideration as we go ahead too.

I would just like to end by saying that all of us at Duke Energy appreciate the confidence you've shown us over the years. On that note we stand adjourned, thank you.