



*MAY 29, 2008*

## DEUTSCHE BANK ENERGY AND UTILITIES CONFERENCE

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Group Executive and Chief Financial Officer

## 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 2007 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).

## DISCUSSION SUMMARY

- Construction / new generation update
- Regulatory initiatives
- Ohio legislative and regulatory summary
- Commercial businesses
- Carbon legislation
- Value proposition

## CONSTRUCTION / NEW GENERATION UPDATE

- Edwardsport IGCC
  - CWIP rider filed in early May
  - Updated cost estimate to \$2.35 billion
  - 2012 anticipated in service date
  
- Lee nuclear
  - COL accepted and docketed for next stage of review
  - State approvals to be filed later this year ... cost estimate to be included with CPCN application
  
- Cliffside
  - Air permit received in January
  - Formal groundbreaking in March - construction proceeding
  - \$125 million in federal tax credits
  - 2012 expected in-service date

## REGULATORY INITIATIVES

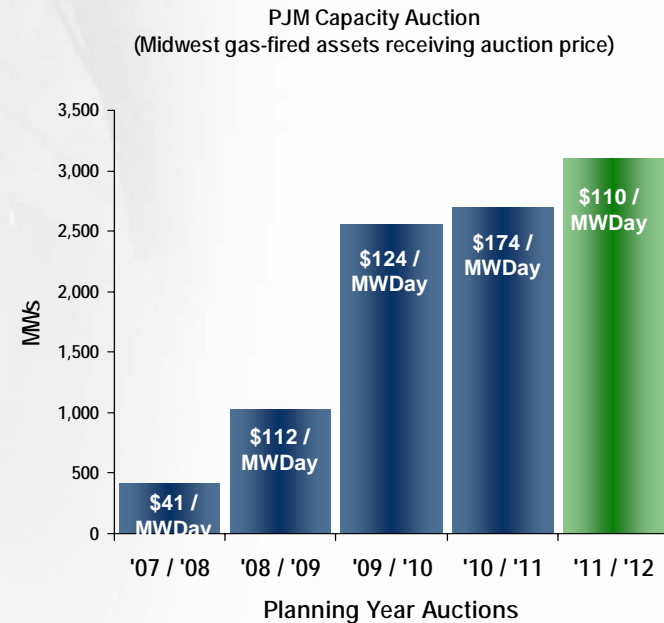
- Energy efficiency
  - Application filed in North Carolina, South Carolina and Indiana
  - Hearings held in S.C. earlier this year, scheduled for N.C. and IN later this summer
  
- Rooftop solar
  - Filing anticipated for summer 2008
  - Anticipate \$100 million investment in Carolinas
  
- N.C. gas-fired generation
  - CPCN applications filed in late 2007
  - Order expected June 2008

## OHIO LEGISLATIVE AND REGULATORY SUMMARY

- Ohio Energy Bill
  - Expect to file Electric Security Plan (ESP) by late summer 2008
  - Allows Duke to maintain current earnings and risk profile
  - Excessive earnings test
    - No anticipated issues
- FERC application to transfer assets
  - Increased financial flexibility
  - Potential new sources of capital
- Ohio transmission and distribution
  - Plan to file for an increase in rates by June 2008

## COMMERCIAL BUSINESSES

- Midwest gas-fired generation
  - 2011 / 2012 PJM capacity auction results
    - \$110 / MWDay
    - ~3,100 MW bid
  - Expect positive adjusted EBIT by 2009
  
- Renewables
  - Wind
    - 240 MW currently under construction
    - 180 MW projected in service in 2008
  
- International
  - \$300 million of committed growth capital in Central and South America to date

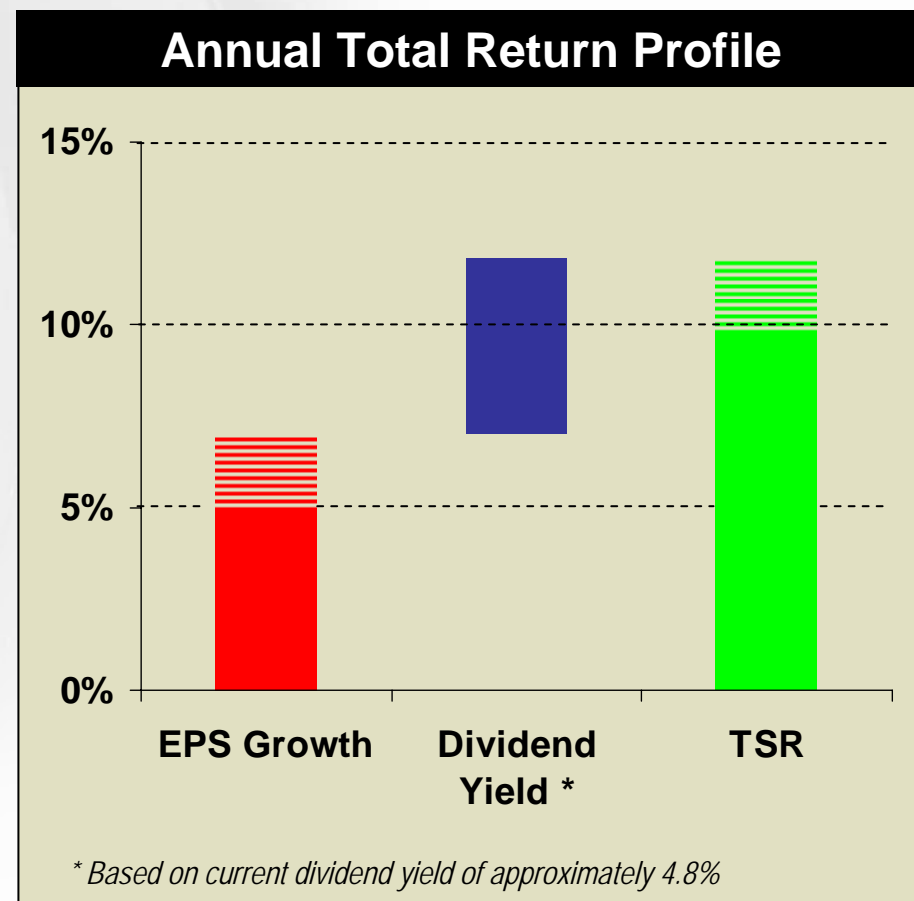


## CARBON LEGISLATION

- Duke supports climate change legislation
  - R&D funding for new technology
  - Cap-and-trade
  - Allocations at no charge
  - Allocation formula based on historical emissions
    - This method has been successful in reducing sulfur dioxide and nitrogen oxide
  
- Warner – Lieberman
  - Establishes cap-and-trade
  - Requires companies to purchase a significant number of allowances
    - Would result in significant rate increases to customers in states relying on coal-fired generation

## VALUE PROPOSITION

- Proactive regulatory strategy
- 5% to 7% CAGR in adjusted diluted EPS through 2012
- Annual dividend growth
- No anticipated equity offerings through 2012 excluding internal plans (e.g., dividend reinvestment plan "DRIP")
- Strong balance sheet provides flexibility





DEUTSCHE BANK ENERGY AND UTILITIES CONFERENCE

**Duke Energy Corporation**  
**Non-GAAP Reconciliations**  
**Deutsche Bank Energy & Utilities Conference**  
**May 29, 2008**

**Anticipated Adjusted Diluted EPS Growth Rates through 2012**

The materials for Duke Energy's Deutsche Bank Energy & Utilities Conference Presentation on May 29, 2008 include a discussion of the expected range of growth of 5-7% in adjusted diluted EPS through 2012 (on a compound annual growth rate ("CAGR") basis). These growth percentages are based on adjusted diluted EPS amounts for future periods. Adjusted 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 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, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations, 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 these non-GAAP financial measures, information to reconcile them 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.

**Anticipated Adjusted Segment EBIT Growth Rates through 2012 for the Commercial Power and International Energy Segments**

The materials for Duke Energy's Deutsche Bank Energy & Utilities Conference Presentation on May 29, 2008 reference management's current expectation that the Commercial Power and International Energy segments, on a combined basis (referred to as "Commercial Businesses"), will grow adjusted EBIT by an estimated 8-10% CAGR through 2012, from the base of their 2007 combined adjusted segment EBIT results. These growth percentages are based on Commercial Power and International Energy's combined adjusted segment EBIT amounts for future periods. The materials for this presentation also include a discussion regarding Management's current expectation that the Midwest gas-fired generation assets (a component of the Commercial Power segment), will be EBIT positive by 2009, on an adjusted EBIT basis.

Adjusted segment EBIT is a non-GAAP financial measure as it represents reported segment EBIT 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, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power. The most directly comparable GAAP measure for adjusted segment EBIT is reported segment EBIT, which represents segment results from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of forecasted adjusted segment EBIT for future periods, information to reconcile forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as management is unable to project special items or mark-to-market adjustments for future periods.