

Regulation G: Non-GAAP reconciliations

2006 Ongoing Segment EBIT, including Total Segment EBIT for North American Energy Infrastructure and Non-Infrastructure and Regulated and Nonregulated Operations

The slides and prepared remarks for Duke Energy's June 1, 2006, presentation at the Sanford Bernstein & Co Strategic Decisions Conference include a discussion of forecasted ongoing EBIT for 2006 for Duke Energy's North American energy infrastructure operations (Gas Transmission, Commercial Power, Field Services and Franchised Electric) and non-infrastructure operations (International Energy and Crescent Resources), as well as Duke Energy's state and federally regulated operations (Gas Transmission and Franchised Electric) and nonregulated operations (International Energy, Crescent Resources, Commercial Power and Field Services).

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 infrastructure and non-infrastructure operations and 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.

2006 Earnings-per-share ("EPS") Incentive Target Measure

The slides and prepared remarks for Duke Energy's June 1, 2006, presentation at the Sanford Bernstein & Co Strategic Decisions Conference include a discussion of the company's 2006 EPS incentive target of \$1.90. This EPS measure is used for employee incentive bonuses and is based on ongoing diluted EPS, adjusted for the actual vs. original anticipated impact of purchase accounting resulting from Duke Energy's merger with Cinergy Corp. Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any discontinued operations from the company's Crescent Resources real estate unit, 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 the company is unable to project any special items for 2006.

Long-term Ongoing Earnings Growth Percentages – Duke Energy

The slides and prepared remarks for Duke Energy's June 1, 2006, presentation at the Sanford Bernstein & Co Strategic Decisions Conference include a discussion of anticipated long-term ongoing growth percentages for Duke Energy. These ongoing growth percentages are based on anticipated ongoing diluted EPS for future periods and are non-GAAP financial measures, as they represent diluted EPS from continuing operations plus the per-share effects of any discontinued operations from the company's Crescent Resources real estate unit, 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 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 forecast any special items for future periods.

Long-term Ongoing Segment EBIT Growth Percentages – Duke Energy Gas Transmission

The question and answer session of Duke Energy's June 1, 2006, presentation at the Sanford Bernstein & Co Strategic Decisions Conference included a discussion forecasted segment 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.