



Strategically Addressing Key Energy Infrastructure Challenges



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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 and Cinergy's 2005 Form 10-Ks filed with the SEC and 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.

Energy Infrastructure Leadership

"Energy infrastructure in the U.S. has been underinvested in for a generation. That means existing infrastructure is that much more valuable, and the demand for energy in this country is only going up. If you think the economy of the U.S. is going to grow, you want to own energy infrastructure."

– *Henry Cornell*
Goldman Sachs

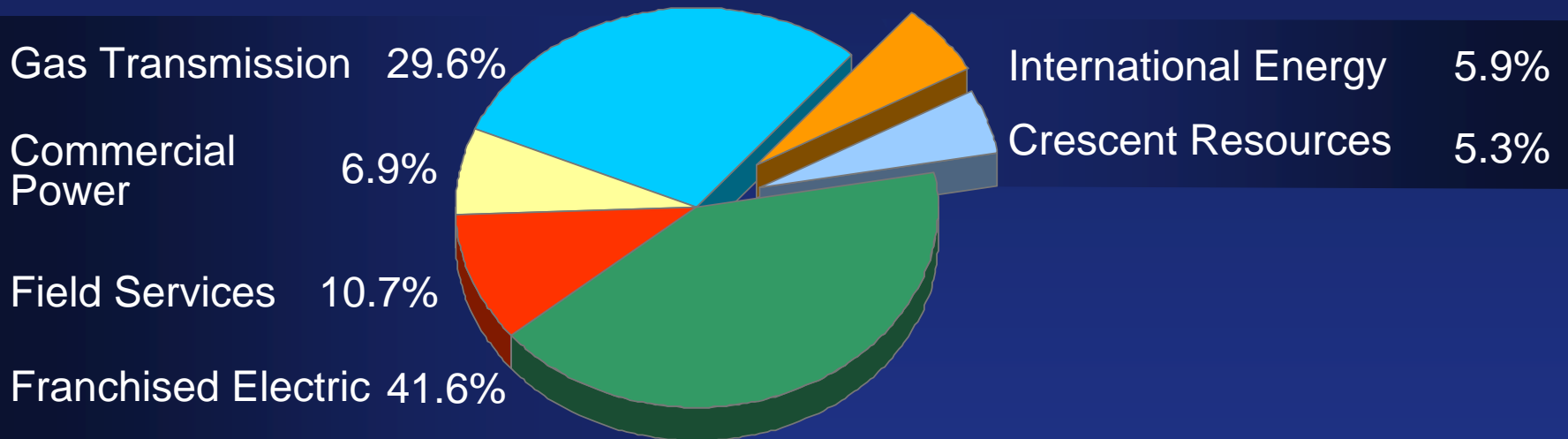
'Wall Street Is Warming Up To Pipelines'
The Wall Street Journal, May 31, 2006

A Leader in Energy Infrastructure in North America



2006 Total Ongoing Segment EBIT*

North American
Infrastructure 88.8%



*Excludes "Other". Graph labels may not reflect exact reporting segment names.

Predictable, Stable Earnings Stream

2006 Total Ongoing Segment EBIT*

Regulated 71.2%

Nonregulated

28.8%

Gas Transmission 29.6%

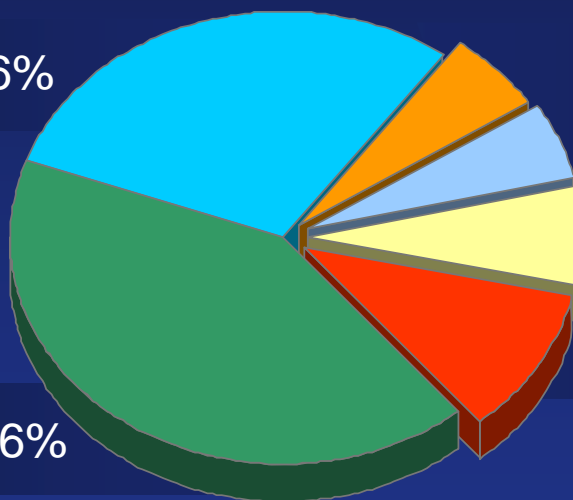
International Energy 5.9%

Crescent Resources 5.3%

Commercial Power 6.9%

Field Services 10.7%

Franchised Electric 41.6%



*Excludes "Other". Graph labels may not reflect exact reporting segment names.

3 Key Energy Industry Challenges

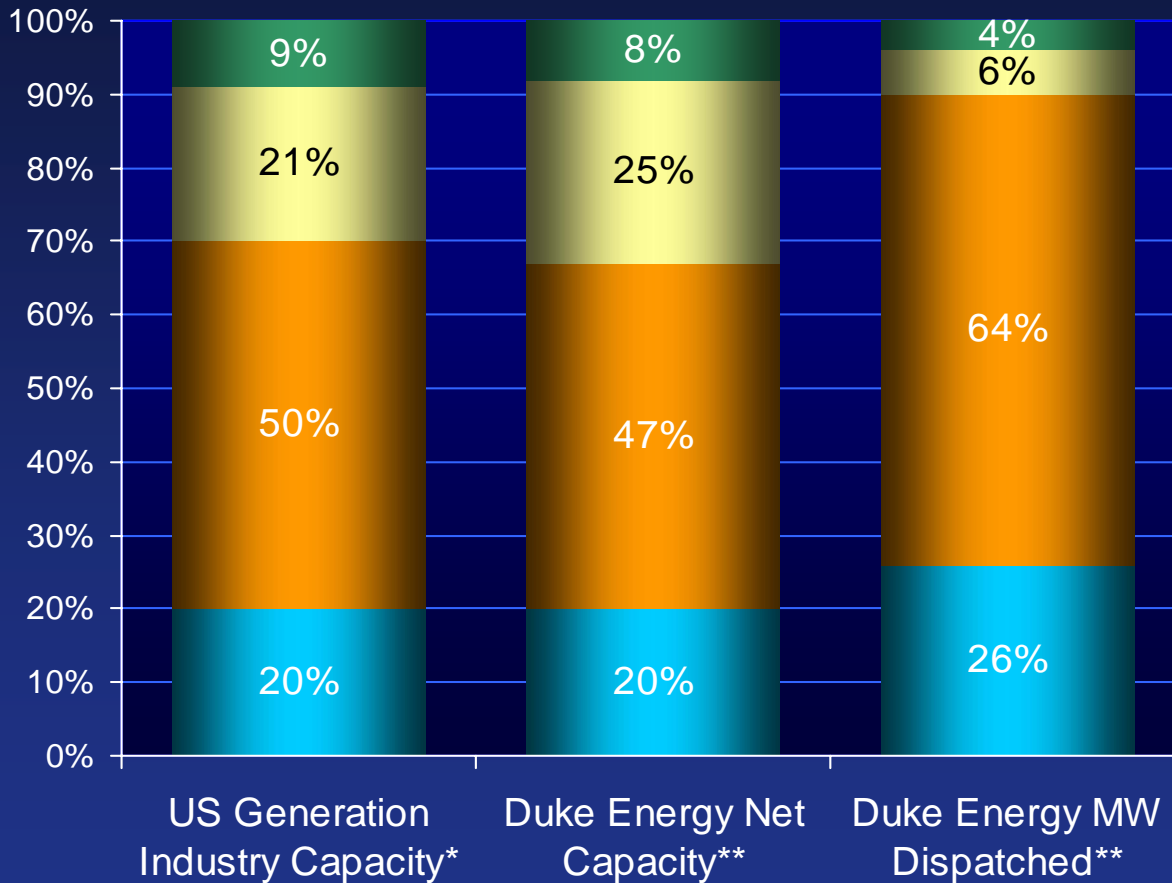
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Price increases

Addressing Industry Challenges – Price Increases



Comparison of Generation Fuel Mix



Duke Energy's diverse fuel mix mirrors the overall industry mix

- Other
- Natural Gas
- Coal
- Nuclear

*Source: EIA

**Includes DENA Midwest assets, does not include DiscOps assets

3 Key Energy Industry Challenges

- 1 Price increases
- 2 Growing need for infrastructure investment

Addressing Industry Challenges – Investing in Infrastructure



Re-investing in Power

- ◆ CapEx for 2006 is expected to be \$2.6 billion
- ◆ Modernizing and expanding older coal-fired units in the Carolinas
- ◆ Exploring replacing an aging coal plant in Indiana with a coal gasification plant
- ◆ Continuing to evaluate new nuclear plant in South Carolina for 2015 – 2016
- ◆ Environmental improvement program
 - Scrubber installation on coal plants
 - Indiana program approved for cost recovery

Addressing Industry Challenges – Investing in Infrastructure



Re-investing in Gas

- ◆ Over next three years, expect to spend approximately \$1 billion per year on CapEx
 - Split 50/50 between expansion & maintenance
- ◆ Long list of potential projects in development – focusing both on increasing market demand and shifting supplies
 - Maritimes & Northeast Pipeline Expansion to connect supplies from Repsol / Irving's Canaport LNG Terminal

3 Key Energy Industry Challenges

- 1 Price increases
- 2 Growing need for infrastructure investment
- 3 Delivering stable earnings & dividend growth

Addressing Industry Challenges – Delivering Stable Earnings Growth



Our diverse mix of assets provides many opportunities for growth:

Organic Growth

Ongoing, steady growth from home markets

Productivity Increases

Working to achieve full benefit of merger-related savings

Project Development

Building new infrastructure when we have customer & regulatory support

Acquisitions

Better positioned today for large and small acquisitions

Commitment to Investors

5 Key Commitments:

- ◆ Growing earnings and dividends over time



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- ◆ Achieving the full value of our portfolio



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- ◆ Developing a strong leadership team with a deep bench



Commitment to Investors

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- ◆ Growing earnings and dividends over time
- ◆ Achieving the full value of our portfolio
- ◆ Reinvesting in the business
- ◆ Developing a strong leadership team with a deep bench
- ◆ Delivering clear and transparent communications



Value Proposition

We are committed to:

- Long-term ongoing earnings growth of 4% - 6%
- Growing the dividend
 - ◆ Current yield at [4.3]%
 - ◆ 70% payout target
- Improving our relative risk profile
 - ◆ Evaluating mix of businesses
 - ◆ Improving credit metrics

Sum-of-the-parts analysis of our portfolio indicates our share price should be higher

