

Non-GAAP Reconciliation for SEC Regulation G Duke Energy Analyst Presentation, June 29, 2006

FFO Interest Coverage Ratios

The slides and prepared remarks for Duke Energy's June 29, 2006, Analyst Presentation include a discussion of expected Funds From Operations (FFO) interest coverage ratios for 2007 - 2010 for "Future Duke Energy" and for "GasCo." These ratios reflect non-GAAP financial measures. The numerator of the FFO interest coverage ratio is calculated principally by using forecasted net cash provided by operating activities on a GAAP basis, adjusted for forecasted changes in working capital, plus all forecasted cash interest paid. The denominator is principally GAAP interest expense increased by capitalized interest (including any AFUDC interest). Cash from operations, cash interest paid and interest expense are also adjusted for entities considered off-credit.

Free Cash Flow

The slides and prepared remarks for Duke Energy's June 29, 2006, Analyst Presentation include a discussion of expected "free cash flow" for 2007 - 2009 for each of "Future Duke Energy" and for "GasCo." Free cash flow represents the combination of (i) operating cash flows, (ii) capital expenditures and (iii) dividends as presented in the GAAP statement of cash flows.

2006 Relative Ongoing Segment EBIT Percentages

The slides and prepared remarks for Duke Energy's June 29, 2006, Analyst Presentation include presentation of forecasted relative ongoing EBIT percentages for "Future Duke Energy" operations (US Franchised Electric and Gas, Crescent, International and Commercial Power), including the total for "Future Duke Energy's" energy infrastructure operations (US Franchised Electric and Gas, International and Commercial Power). These forecasted percentages reflect non-GAAP financial measures, as they are calculated using forecasted reported segment amounts exclusive of any 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 forecasted ongoing segment EBIT amounts is segment EBIT, representing segment EBIT from continuing operations, including any special items. Due to the forward-looking nature of the forecasted ongoing segment 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 management is unable to project special items for 2006.

Anticipated Ongoing Earnings per Share Growth Percentages

The slides and prepared remarks for Duke Energy's June 29, 2006, Analyst Presentation include a discussion of anticipated growth in ongoing earnings per share ("EPS") for "Future Duke Energy" and for "GasCo." 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, for "Future Duke Energy," the per-share effects of any discontinued operations from its 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 management is unable to forecast any special items for future periods.

Long-term Ongoing Segment EBIT Growth Percentages

The slides and prepared remarks for Duke Energy's June 29, 2006, Analyst Presentation include a discussion of forecasted ongoing segment EBIT growth percentages for Duke Energy Gas Transmission for future years and reference to pre-merger expected ongoing segment EBIT growth percentages for Duke Energy Carolinas. Long-term ongoing 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 management is unable to project any special items for any future periods.