

Duke Energy Corporation  
Non-GAAP Reconciliation Schedules  
Second Quarter 2005 Earnings Release

2005 Duke Energy Compensation Target

The Company's prepared remarks for the Second Quarter 2005 Earnings Conference Call include a discussion of the \$1.60 per ongoing basic share compensation target for 2005. This earnings-per-share measure used for employee incentive bonuses should track ongoing basic earnings per share, which is a non-GAAP financial measure as it excludes the per-share effects 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 is basic earnings per share for 2005. Due to the forward-looking nature of this non-GAAP financial measure, information to reconcile such 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 2005.

2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides for the Second Quarter 2005 Earnings Conference Call include a discussion of forecasted ongoing EBIT for 2005 for certain segments and Other and, for certain segments, a discussion of a forecasted ongoing segment EBIT growth rate, which is based on historical and forecasted ongoing segment EBIT. Ongoing segment or Other EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment or Other EBIT adjusted for "special items," which represent certain charges and credits which management believes will not be recurring on a regular basis. When used for future periods, ongoing segment or Other EBIT may also include any amounts that may be reported as discontinued operations. The most directly comparable GAAP measure for ongoing segment or Other EBIT is reported segment or Other EBIT, which represents EBIT from continuing operations, including any "special items." Due to the forward-looking nature of forecasted ongoing segment or Other EBIT, and related growth rates, for future periods, 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" or any amounts that may be reported as discontinued operations for any future periods.

2005 Segment EBIT from Continuing and Discontinued Operations for Crescent

The Company's prepared remarks for the Second Quarter 2005 Earnings Conference Call include a discussion of Crescent's forecasted segment EBIT from continuing and discontinued operations for 2005. The Company uses segment EBIT from continuing and discontinued operations as a measure of historical and anticipated future segment performance for Crescent. Since selling commercial and multi-family assets is an ongoing part of operations for Crescent, it is likely that Crescent will report discontinued operations on a recurring basis under normal operating conditions. Accordingly, management believes that the presentation of segment EBIT from continuing and

discontinued operations provides useful information to investors, as it allows them to compare Crescent's total performance across all periods. The most directly comparable GAAP measure for Crescent's segment EBIT from continuing and discontinued operations is reported segment EBIT from continuing operations. 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 those Crescent operations, if any, which will be discontinued operations during 2005.

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
June 2004 Quarter-to-date  
(Dollars in Millions)

	Special Items (Note 1)									
	Ongoing Earnings	Gain (Loss) on Sale of Assets	Impairment	Enron Settlement	California Settlement	Interest on SoCal Reserve	Norsk-Hydro True-up	Gain on Sale - Asia Pacific	Total	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>										
Franchised Electric	\$ 335	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 338
Gas Transmission	302	9	-	-	-	-	-	-	9	311
Field Services	94	-	-	1 D	-	-	-	-	1	95
Duke Energy North America	(28)	(10) A	(3) B	108 C,D	(105) D	-	-	-	(10)	(38)
International Energy	68	-	-	-	-	-	-	-	-	68
Crescent	87	-	-	-	-	-	-	-	-	87
<b>Total reportable segment EBIT</b>	<b>858</b>	<b>2</b>	<b>(3)</b>	<b>109</b>	<b>(105)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>861</b>
Other	(40)	(7)	-	21 D	-	-	-	-	14	(26)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 818</b>	<b>\$ (5)</b>	<b>\$ (3)</b>	<b>\$ 130</b>	<b>\$ (105)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17</b>	<b>\$ 835</b>
<b>EARNINGS FOR COMMON</b>										
Total reportable segment EBIT and other EBIT	\$ 818	\$ (5)	\$ (3)	\$ 130	\$ (105)	\$ -	\$ -	\$ -	\$ 17	\$ 835
Foreign Currency Translation Gains / (Losses)	2	-	-	-	-	-	-	-	-	2
Interest Income	30	-	-	-	-	-	-	-	-	30
Interest Expense	(324)	-	-	-	-	(12)	-	-	(12)	(336)
Minority Interest - Interest Expense	9	-	-	-	-	-	-	-	-	9
Income taxes on continuing operations	(132)	2	1	(46)	37	4	-	-	(2)	(134)
Discontinued operations, net of taxes	(3)	-	-	-	-	-	(9)	38	29	26
Trust Preferred/Preferred Dividends	(3)	-	-	-	-	-	-	-	-	(3)
<b>Total Earnings for Common</b>	<b>\$ 397</b>	<b>\$ (3)</b>	<b>\$ (2)</b>	<b>\$ 84</b>	<b>\$ (68)</b>	<b>\$ (8)</b>	<b>\$ (9)</b>	<b>\$ 38</b>	<b>\$ 32</b>	<b>\$ 429</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 0.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.09</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ 0.46</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 0.42</b>	<b>\$ (0.01)</b>	<b>\$ -</b>	<b>\$ 0.09</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>	<b>\$ 0.03</b>	<b>\$ 0.45</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Amount is net of \$6 million of minority interest.

B - Charge related to Grays Harbor, recorded in Impairment and other charges on the Consolidated Statements of Operations.

C - Amount is net of \$5 million of minority interest.

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	926
Diluted	961

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
June 2005 Quarter-to-date  
(Dollars in Millions)

	Special Items (Note 1)				
	Ongoing Earnings	Field Services hedge de- designation, net	MTM change on de-designated Field Services hedges for 2005, net	Total	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>					
Franchised Electric	\$ 274	\$ -	\$ -	\$ -	\$ 274
Gas Transmission	302	-	-	-	302
Field Services	144	22 A	-	22	166
Duke Energy North America	(56)	-	-	-	(56)
International Energy	86	-	-	-	86
Crescent	39	-	-	-	39
<b>Total reportable segment EBIT</b>	<b>789</b>	<b>22</b>	<b>-</b>	<b>22</b>	<b>811</b>
Other	(95)	-	7 B	7	(88)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 694</b>	<b>\$ 22</b>	<b>\$ 7</b>	<b>\$ 29</b>	<b>\$ 723</b>

**EARNINGS FOR COMMON**

Total reportable segment EBIT and other EBIT	\$ 694	\$ 22	\$ 7	\$ 29	\$ 723
Foreign Currency Translation Gains / (Losses)	4	-	-	-	4
Interest Income	22	-	-	-	22
Interest Expense	(297)	-	-	-	(297)
Minority Interest - Interest Expense	10	-	-	-	10
Income taxes on continuing operations	(141)	(8)	(2)	(10)	(151)
Discontinued operations, net of taxes	(2)	-	-	-	(2)
Trust Preferred/Preferred Dividends	(2)	-	-	-	(2)
<b>Total Earnings for Common</b>	<b>\$ 288</b>	<b>\$ 14</b>	<b>\$ 5</b>	<b>\$ 19</b>	<b>\$ 307</b>

**EARNINGS PER SHARE, BASIC**

	\$ 0.31	\$ 0.02	\$ -	\$ 0.02	\$ 0.33
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**EARNINGS PER SHARE, DILUTED**

	\$ 0.30	\$ 0.02	\$ -	\$ 0.02	\$ 0.32
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Note 1 - Amounts for special items are entered net of minority interest

A - Second quarter settlements of the 2005 portion of the Field Services de-designated hedges as of 2/22/05, recorded in Non-regulated electric, natural gas liquids and other on the Consolidated Statements of Operations

B - Recorded in Non-regulated electric, natural gas liquids and other on the Consolidated Statements of Operations

Weighted Average Shares (reported and ongoing) - in millions

Basic	927
Diluted	964

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
June 2004 Year-to-date  
(Dollars in Millions)

Special Items (Note 1)

	Ongoing Earnings	Gain (Loss) on Sale of Assets	Impairment	Enron Settlement	California Settlement	Interest on SoCal Reserve	Norsk-Hydro True-up	Gain on Sale - Asia Pacific	Total	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>										
Franchised Electric	\$ 759	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 762
Gas Transmission	700	9	-	-	-	-	-	-	9	709
Field Services	185	-	-	1 D	-	-	-	-	1	186
Duke Energy North America	(226)	(369) A	(3) B	108 C,D	(105) D	-	-	-	(369)	(595)
International Energy	110	-	(13) E	-	-	-	-	-	(13)	97
Crescent	147	-	-	-	-	-	-	-	-	147
<b>Total reportable segment EBIT</b>	<b>1,675</b>	<b>(357)</b>	<b>(16)</b>	<b>109</b>	<b>(105)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(369)</b>	<b>1,306</b>
Other	(59)	7 F	-	21 D	-	-	-	-	28	(31)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 1,616</b>	<b>\$ (350)</b>	<b>\$ (16)</b>	<b>\$ 130</b>	<b>\$ (105)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (341)</b>	<b>\$ 1,275</b>

**EARNINGS FOR COMMON**

Total reportable segment EBIT and other EBIT	\$ 1,616	\$ (350)	\$ (16)	\$ 130	\$ (105)	\$ -	\$ -	\$ -	\$ (341)	\$ 1,275
Foreign Currency Translation Gains / (Losses)	(2)	-	-	-	-	-	-	-	-	(2)
Interest Income	37	-	-	-	-	-	-	-	-	37
Interest Expense	(680)	-	-	-	-	(12)	-	-	(12)	(692)
Minority Interest - Interest Expense	20	-	-	-	-	-	-	-	-	20
Income taxes on continuing operations	(289)	122	5	(46)	37	4	-	-	122	(167)
Discontinued operations, net of taxes	5	-	-	-	-	-	(9)	276	267	272
Trust Preferred/Preferred Dividends	(5)	-	-	-	-	-	-	-	-	(5)
<b>Total Earnings for Common</b>	<b>\$ 702</b>	<b>\$ (228)</b>	<b>\$ (11)</b>	<b>\$ 84</b>	<b>\$ (68)</b>	<b>\$ (8)</b>	<b>\$ (9)</b>	<b>\$ 276</b>	<b>\$ 36</b>	<b>\$ 738</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 0.76</b>	<b>\$ (0.25)</b>	<b>\$ (0.01)</b>	<b>\$ 0.09</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.30</b>	<b>\$ 0.04</b>	<b>\$ 0.80</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 0.74</b>	<b>\$ (0.24)</b>	<b>\$ (0.01)</b>	<b>\$ 0.09</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.29</b>	<b>\$ 0.04</b>	<b>\$ 0.78</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Approximately \$(360) million related to loss on sale of the Southeast assets and approximately \$(9) million related to losses on liquidation of DETM contracts (net of \$5 million of minority interest). \$(363) million recorded in Gains (Losses) on Sales of Other Assets, net (net of \$5 million of minority interest) and \$(6) million recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

B - Charge related to Grays Harbor, recorded in Impairment and other charges on the Consolidated Statements of Operations.

C - Amount is net of \$5 million of minority interest.

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

E - Charge related to Cantarell, recorded in Operation, maintenance and other on the Consolidated Statements of Operations.

F - Includes \$13 million related to the sale of Caribbean Nitrogen Co.

Weighted Average Shares (reported and ongoing) - in millions

Basic	919
Diluted	954

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
June 2005 Year-to-date  
(Dollars in Millions)

Special Items (Note 1)

	Ongoing Earnings	Gain on sale of Grays Harbor	Mutual insurance liability adjustment	Gains on sales of equity investments	Field Services hedge de-designation, net	MTM change on de-designated Field Services hedges for 2005, net	Total	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>								
Franchised Electric	\$ 610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 610
Gas Transmission	709	-	-	-	-	-	-	709
Field Services	295	-	-	888 A	(96) B	-	792	1,087
Duke Energy North America	(112)	21 C	-	-	-	-	21	(91)
International Energy	154	-	-	-	-	-	-	154
Crescent	91	-	-	-	-	-	-	91
<b>Total reportable segment EBIT</b>	<b>1,747</b>	<b>21</b>	<b>-</b>	<b>888</b>	<b>(96)</b>	<b>-</b>	<b>813</b>	<b>2,560</b>
Other	(182)	-	(28) D	-	-	(47) E	(75)	(257)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 1,565</b>	<b>\$ 21</b>	<b>\$ (28)</b>	<b>\$ 888</b>	<b>\$ (96)</b>	<b>\$ (47)</b>	<b>\$ 738</b>	<b>\$ 2,303</b>
<b>EARNINGS FOR COMMON</b>								
Total reportable segment EBIT and other EBIT	\$ 1,565	\$ 21	\$ (28)	\$ 888	\$ (96)	\$ (47)	\$ 738	\$ 2,303
Foreign Currency Translation Gains / (Losses)	3	-	-	-	-	-	-	3
Interest Income	37	-	-	-	-	-	-	37
Interest Expense	(590)	-	-	-	-	-	-	(590)
Minority Interest - Interest Expense	23	-	-	-	-	-	-	23
Income taxes on continuing operations	(323)	(8)	10	(329)	36	16	(275)	(598)
Discontinued operations, net of taxes	(1)	-	-	-	-	-	-	(1)
Trust Preferred/Preferred Dividends	(4)	-	-	-	-	-	-	(4)
<b>Total Earnings for Common</b>	<b>\$ 710</b>	<b>\$ 13</b>	<b>\$ (18)</b>	<b>\$ 559</b>	<b>\$ (60)</b>	<b>\$ (31)</b>	<b>\$ 463</b>	<b>\$ 1,173</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 0.75</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.59</b>	<b>\$ (0.05)</b>	<b>\$ (0.03)</b>	<b>\$ 0.50</b>	<b>\$ 1.25</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 0.73</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.57</b>	<b>\$ (0.06)</b>	<b>\$ (0.03)</b>	<b>\$ 0.47</b>	<b>\$ 1.20</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Gain on sale of investment in units of TEPPCO LP, \$97 million, and TEPPCO GP, \$791 million net of \$343 million of minority interest

B - De-designation of hedges due to the anticipated transfer of a 19.7% interest in DEFS to ConocoPhillips. \$125 million loss recorded in Impairment and other charges on the Consolidated Statements of Operations, reduced by \$29 million of hedge settlements recorded in Non-regulated electric, natural gas liquids and other on the Consolidated Statements of Operations

C - Recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations

E - Recorded in Non-regulated electric, natural gas liquids and other on the Consolidated Statements of Operations

Weighted Average Shares (reported and ongoing) - in millions

Basic	941
Diluted	977

**Duke Energy Corporation**  
**Anticipated Impact of DEFS Transaction to Consolidated Cash**  
**As Of June 30, 2005**

(Amounts in millions)

Actual Cash, Cash Equivalents & Short-Term Investments @ 6/30/2005	\$ 2,049
DEFS Cash, Cash Equivalents & Short-Term Investments @ 6/30/2005 (due to deconsolidation)	(896)
19.7% Interest in DEFS, LLC (cash portion of consideration) (1)	
Proceeds from COP as originally contemplated in sale	207
Proceeds from COP for Empress Asset not yet transferred (3)	233
Proceeds from COP for TEPPCO GP Sale (30.3% * \$1.1B)	<u>333</u>
	773
Cash from Canadian assets distributed from DEFS (in US\$)	43
Final "Excess Cash" Distribution from DEFS, LLC (2)	<u>171</u>
Net Impact to Cash	<u>\$ 91</u>
Pro-Forma Cash, Cash Equivalents & Short-Term Investments @ 6/30/2005	<u><u>\$ 2,140</u></u>

Notes:

- (1) Cash proceeds are on a pre-tax basis and do not include transaction costs.
- (2) Excess cash intended to true-up cash position at DEFS to \$280 post 50/50 transaction. Most of this cash would have been distributed irrespective of the cash true-up as a second quarter dividend to the parents.
- (3) Assumes Duke does not exercise its option to purchase the Empress Assets on July 31, 2005. If Duke exercises this option, cash will be decreased by the net of the \$233 purchase price less the "Restoration Period" adjustment and any cash acquired.