

**Duke Energy Corporation**  
**Non-GAAP Reconciliations**  
**Lehman Brothers CEO Energy/Power Conference**  
**September 6, 2007**

**Forecasted 2007 Ongoing Segment EBIT**

The materials for Duke Energy's presentation at the Lehman Brothers CEO Energy/Power Conference reference the forecasted 2007 ongoing EBIT from the company's sales to regulated customers in the U.S. Franchised Electric and Gas and Commercial Power segments as a percentage of forecasted 2007 ongoing total segment EBIT. Forecasted 2007 ongoing segment and total segment EBIT amounts are non-GAAP financial measures, as they reflect segment and total 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 forecasted ongoing segment EBIT is reported segment EBIT from continuing operations, which includes the impact of special items. The most directly comparable GAAP measure for ongoing total segment EBIT is reported total segment EBIT, which includes the impact of special items. Due to the forward-looking nature of these non-GAAP financial measures 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 management is unable to forecast any special items for future periods.

**Ongoing Segment EBIT**

The materials for Duke Energy's presentation at the Lehman Brothers CEO Energy/Power Conference include a discussion of management's current expectation that the Midwest gas-fired generation assets will have ongoing EBIT losses of about one-half of the original projected 2007 ongoing EBIT losses of \$60 million for this component of the Commercial Power segment, and the current expectation that the Midwest gas-fired generation assets will reach their break-even point by 2009, on an ongoing EBIT basis. Ongoing segment EBIT is a non-GAAP financial measure as it represents reported segment EBIT adjusted for 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 segment EBIT is reported segment EBIT, which represents segment EBIT from continuing operations, including any special items. Due to the forward-looking nature of this non-GAAP financial measure for any future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast special items for future periods.

## **2007 Employee EPS Incentive Target Measure**

The materials for Duke Energy's presentation at the Lehman Brothers CEO Energy/Power Conference include a discussion of management's current belief that, given the results for the six months ended June 30, 2007 and with normal weather the rest of the year and a continuing focus on operations and cost management, Duke Energy is in a strong position to exceed the company's 2007 employee EPS incentive target of \$1.15. The EPS measure used for employee incentive bonuses is based on ongoing diluted EPS. Ongoing 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. 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 management is unable to forecast special items for future periods.