

Lehman Brothers – CEO Energy/Power Conference

September 6, 2007

A photograph of a large industrial power plant interior. The scene is filled with complex machinery, including large metal structures, pipes, and walkways. The lighting is warm and yellow, creating a sense of depth and scale. The floor is made of metal grating, and the overall atmosphere is one of a busy, industrial environment.

David Hauser
Group Executive and Chief Financial Officer

Safe Harbor Statement

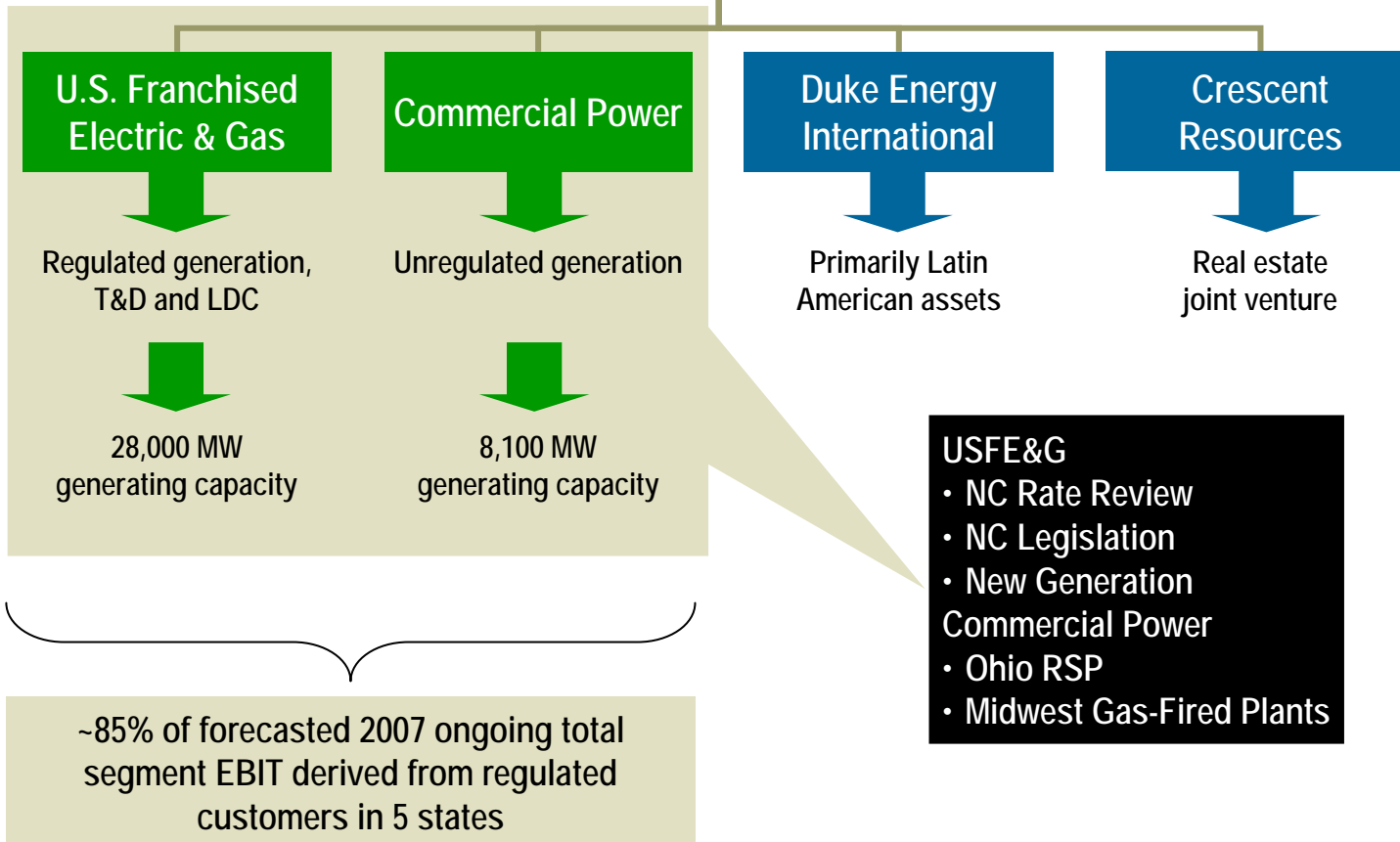


Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy's 2006 Form 10-K filed with the SEC and our 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.

Low-risk Business Profile

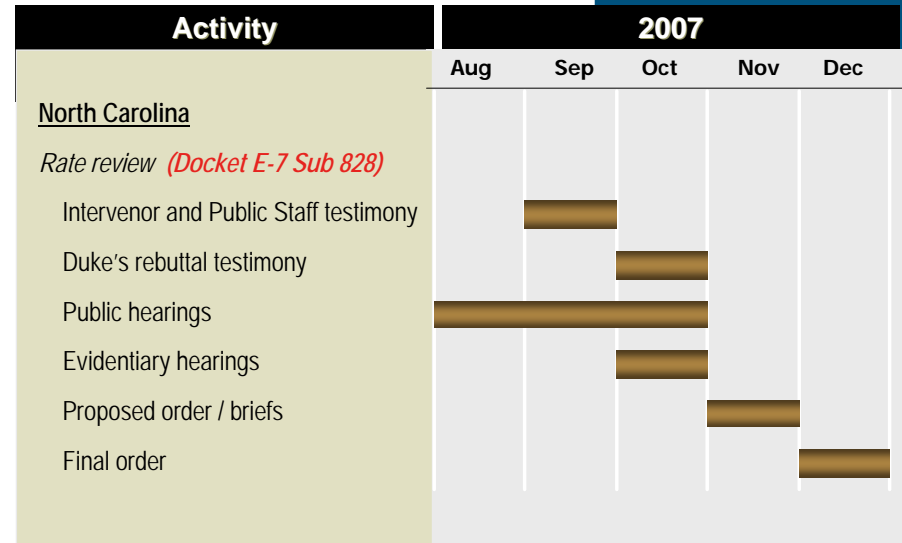


* Ongoing total segment EBIT excludes Other

U.S. FE&G: N.C. Rate Review



- Required by NCUC as part of merger approval
- First general rate review in NC in 16 years
- Current prices approximately 20% below the national average and the lowest in NC
- Filed for a \$140 million dollar rate increase
 - 12.5% ROE / 53% equity ratio
- Proposed to include Clean Air expenditures in excess of \$1.5 billion in rate base
- Requested rate increase addresses rate parity
 - Residential: 6.8% / General service and industrial: 2.0%
- Public Staff testimony due 9/24/2007
- Commission's order expected late 2007, effective 1/1/2008



U.S. FE&G: N.C. Senate Bill 3



- Balanced approach to meeting future N.C. energy needs
- Establishes renewable portfolio standard to be phased in
 - 3% by 2012 ...12.5% by 2021
 - Allows cost recovery for energy efficiency
- Provides cost recovery for:
 - Environmental re-agents
 - Energy component of purchased power
 - Renewables (subject to an annual cap)
- Gives NCUC enhanced authority to grant recovery of financing costs for new power plants during construction
- Signed by Governor on August 20, 2007

U.S. FE&G: New Generation

Cliffside (N.C.)

- \$1.8 billion updated cost estimate (excludes \$600 million AFUDC)
- \$62.5 million in tax credits
- Air permit expected 3Q07

Gas-Fired Generation (N.C.)

- Two 600-800 MW combined-cycle gas plants
- Anticipate CPCN filing in 4Q07

IGCC (IN)

- Completed evidentiary hearings in June
- Expect order in 4Q07
- Expect \$460 million in federal, state and local tax incentives
- ~\$2 billion cost estimate
 - Estimate includes ~\$200 million AFUDC; excludes tax incentives

Nuclear (S.C.)

- Application for COL to be filed by late 2007 - early 2008
- Expect to file CPCN in S.C. by late 2007 - early 2008

Ohio Regulatory and Legislative Update



- Continue to pursue two-track approach
 - Legislative solution – Proposal from Governor Strickland (Aug 29)
 - Regulatory solution – Long-term RSP extension settlement
- Key principles for legislative and regulatory solutions
 - Maintain market-based generation pricing option
 - Ensure reliable recovery mechanisms for new plants
 - Assist with economic development and job retention
 - Encourage economically viable alternative energy products, energy efficiency and demand response programs
 - Maintain predictable prices for customers and predictability for company
 - Provide PUCO with clear and appropriate authority
- Assure adequate generation to meet growing demand
 - Issued RFP for 1,800 MW
 - Immediate need for 1,500 MW
 - Need for additional 900 MW by 2013

Commercial Power: Midwest Gas-Fired Plants



- 3,600 combined cycle and simple cycle generation in the Midwest
 - Primarily PJM
- Original 2007 – 2009 projection
 - \$ (60) million ongoing EBIT loss per year
- Updated projection
 - \$ (30) million ongoing EBIT loss for 2007
 - Break-even by 2009
- Improvement due primarily to
 - PJM capacity sales
 - Improved cost control

September Analyst Conference

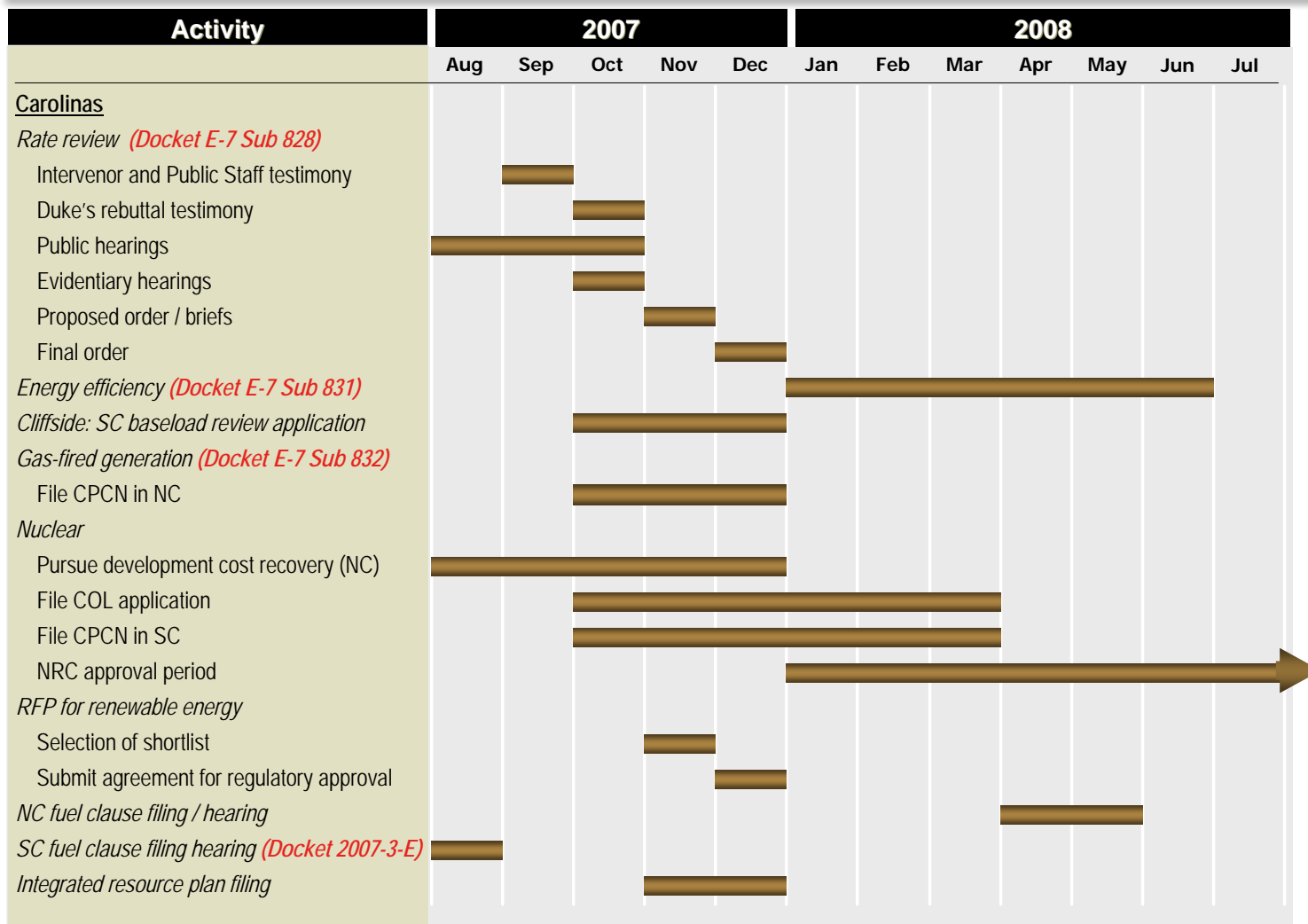


- Financial Update
 - Updated five-year Cap Ex projection
 - Greater detail by category and project
 - Revised earnings growth projection
- Detailed Review of Operations
- Regulatory Update

A photograph of a large industrial facility, likely a power plant, with a blue color overlay. The image shows a long, narrow aisle with a metal grating floor. On the left side, there are large, circular machinery components with handwheels. The ceiling is high and filled with a complex network of pipes, ducts, and structural beams. The lighting is dim, with a few bright spots from overhead fixtures.

Appendix

Current Regulatory Calendar



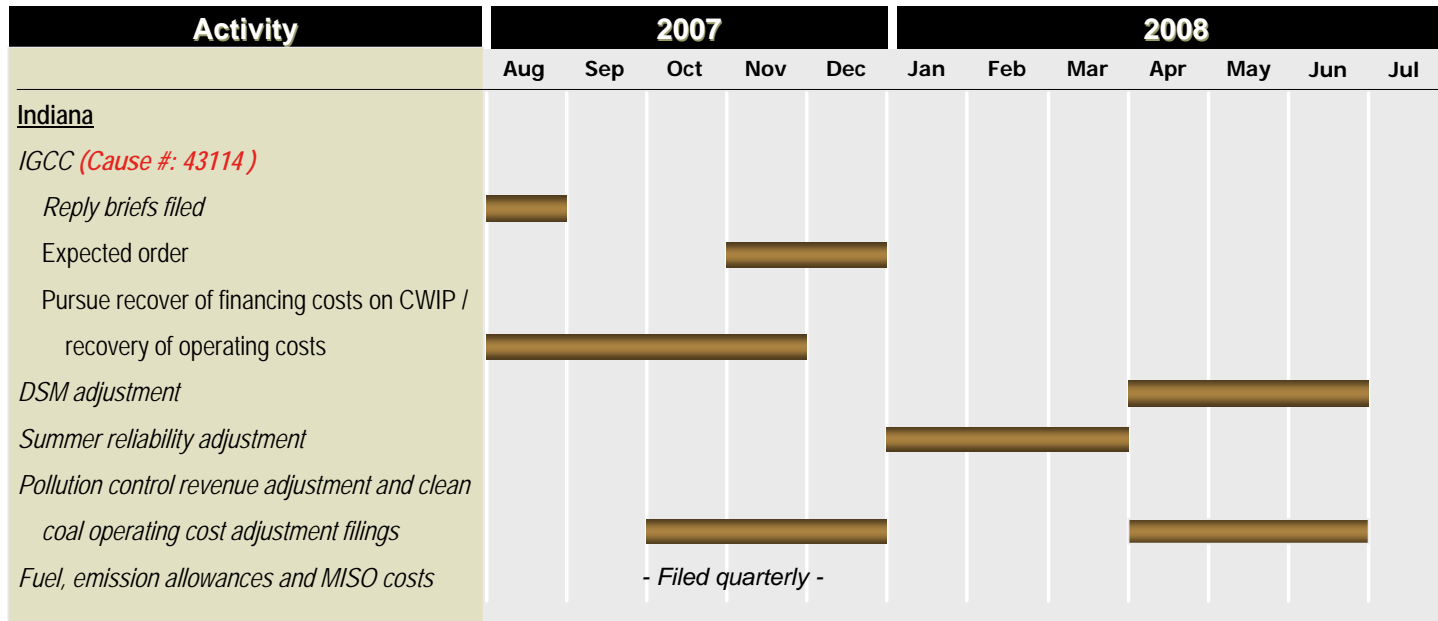
Current Regulatory Calendar cont'd

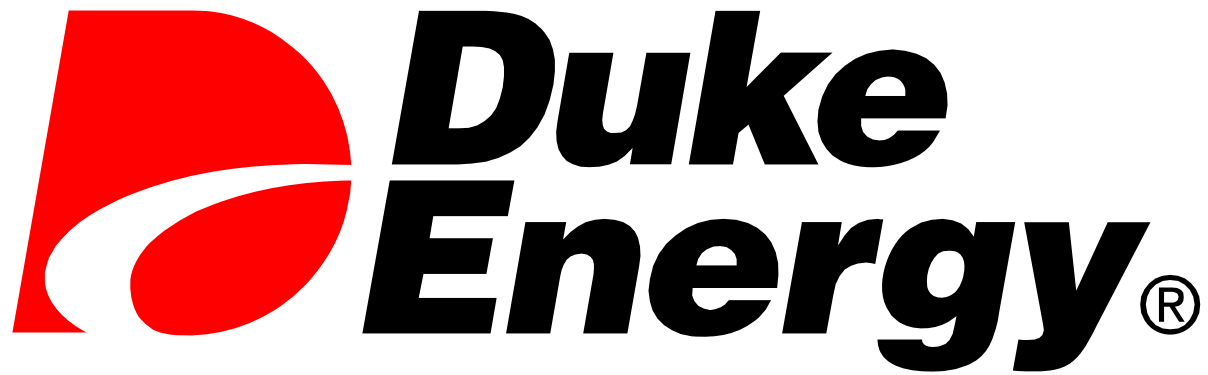


Activity	2007					2008						
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Ohio												
<i>RSP (Remand: Docket 03-93; Extension: Docket 06-986)</i>												
PUCO order expected		■	■	■								
<i>Gas Rate Case (Docket: 07-589)</i>												
Testimony	■											
PUCO staff report					■							
Hearings						■						
Expected order									■	■	■	
<i>Transmission cost recovery filing</i>												
<i>Fuel & purchased power and SRT filing</i>												
<i>Gas cost adjustment</i>												
<i>AMRP – Gas</i>											■	■
Kentucky												
<i>Fuel clause</i>												
<i>Power / emission allowance sharing</i>												
<i>AMRP – Gas*</i>									■	■	■	
<i>Gas cost adjustment</i>												

*Kentucky AMRP filing could be impacted by recent litigation related to riders; we received a stay which will permit the continuation of fuel filings

Current Regulatory Calendar cont'd





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.