

Duke Energy Corporation
Non-GAAP Reconciliations for SEC Regulation G
September 11, 2007 Analysts Meeting

Ongoing Diluted Earnings per Share (“EPS”)

The materials for Duke Energy’s September 11, 2007 Analysts Meeting include a discussion of ongoing diluted EPS for the three and six month periods ended June 30, 2007 and 2006. 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.

Anticipated Ongoing Diluted EPS Growth Rates through 2012

The materials for Duke Energy’s September 11, 2007 Analysts Meeting include a discussion of the expected range of growth in ongoing diluted EPS through 2012 (on a compound annual growth rate (“CAGR”) basis) from a 2007 base equal to 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. These growth percentages are based on anticipated ongoing diluted EPS amounts for future periods. This ongoing diluted EPS measure is a non-GAAP financial measure as it represents anticipated diluted EPS from continuing operations, 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, and related growth rates, for future periods, information to reconcile such 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.

2007 Employee EPS Incentive Target Measure

The materials and remarks for Duke Energy’s September 11, 2007 Analysts Meeting may include a reference to 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.

Ongoing Segment EBIT Amounts and Related Growth Rates

The materials for Duke Energy's September 11, 2007 Analysts Meeting include a discussion of management's current expectation that the Midwest gas-fired generation assets will have a 2007 ongoing EBIT loss of approximately \$30 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. Also included in the materials is a reference to management's current expectation that the Commercial Power, International Energy, and Crescent segments, on a combined basis, will grow ongoing EBIT by an estimated 8-10% CAGR through 2012, from the base of their combined forecasted 2008 ongoing segment EBIT results. Also referenced is the forecasted 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 ongoing total segment EBIT. Forecasted 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 ongoing segment EBIT is reported segment EBIT, which represents EBIT from continuing operations, including any 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.

Also included in the materials is management's current expectation that the Midwest gas-fired generation assets will have cash positive results of approximately \$80 million in 2007. This cash positive results amount is a non-GAAP financial measure as it represents management's current expectation of 2007 ongoing EBIT losses of approximately \$30 million for this component of the Commercial Power segment, adjusted to exclude approximately \$110 million of forecasted 2007 depreciation and amortization of previously deferred net mark-to-market losses on derivative instruments. Ongoing segment EBIT is also 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 cash positive results is reported segment EBIT, which represents EBIT from continuing operations, including any special items and including depreciation and amortization of previously deferred net mark-to-market losses on derivative instruments. 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.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's September 11, 2007 Analysts Meeting include a discussion of expected FFO interest coverage and FFO to Total Debt ratios. 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.

**Duke Energy Corporation Consolidated
September 11, 2007 Analyst Meeting
Cash Flow Reconciliation Required by SEC Regulation G**

(\$ in Millions)

	Forecast 2008
Primary Sources:	
Net income (1)	a \$ 1,550
Depreciation & amortization	a \$ 1,850
Total Sources	<u>3,400</u>
Primary Uses:	
Capital and Investment Expenditures	b \$ (4,975)
Dividends	c \$ (1,125)
Other Sources/(Uses), net	a \$ (350)
Total Uses	<u>(6,450)</u>
Net Cash and Short-term Investments Used After Debt Issuances	<u>\$ (3,050)</u>
(representing a net decrease in cash and cash equivalents and short-term investments after forecasted net issuances of long-term debt and commercial paper of approximately \$2,000 million)	

	Forecast 2008
Reconciliations to amounts per U.S. GAAP reporting:	
Operating cash flow components from above [summation of (a)]	\$ 3,050
Reconciling items to GAAP operating cash flow (2)	(50)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 3,000</u>
Investing cash flow components from above [item (b)]	\$ (4,975)
Reconciling items to GAAP investing cash flow (3)	875
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (4,100)</u>
Financing cash flow components from above [item (c)]	\$ (1,125)
Reconciling items to GAAP financing cash flow (4)	2,000
Net cash provided by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 875</u>

Notes:

- (1) Forecasted net income of \$1,550 million for 2008 is based on a 7% growth off of Duke Energy's 2007 employee incentive earnings target of \$1.15 per share. The 2007 measure used for employee incentive bonuses is based on ongoing diluted earnings per share (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 all special items for future periods.
- (2) Amount consists primarily of an adjustment for investing cash flow items included in the "Other Sources/(Uses), net" (principally the release of restricted funds held on deposit).
- (3) Amount consists primarily of net proceeds from the purchase and sale of available-for-sale securities and an adjustment for investing cash flow items included in the "Other Sources/(Uses), net" (principally the release of restricted funds held on deposit).
- (4) Amount consists of net other financing activities including debt issues, debt retirements and changes in amounts of commercial paper outstanding.

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
June 2006 Quarter-to-date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Total Adjustments	Reported Earnings
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	Impairment of Campeche Investment	Discontinued Operations			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351
Commercial Power	20	-	-	-	-	-	20
International Energy	79	-	(55) B	-	(55)	(55)	24
Crescent	174	-	-	-	-	-	174
Total reportable segment EBIT	<u>624</u>	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>(55)</u>	<u>(55)</u>	<u>569</u>
Other	(77)	(74) A	-	-	(74)	(74)	(151)
Total reportable segment EBIT and Other EBIT	\$ 547	\$ (74)	\$ (55)	\$ -	\$ (129)	\$ (129)	\$ 418
Interest Expense	(185)	-	-	-	-	-	(185)
Interest Income and Other	14	-	-	-	-	-	14
Income Taxes from Continuing Operations	(77)	26	-	-	26	26	(51)
Discontinued Operations, net of taxes	-	-	-	159 C,D	159	159	159
Net Income	<u>\$ 299</u>	<u>\$ (48)</u>	<u>\$ (55)</u>	<u>\$ 159</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 355</u>
EARNINGS PER SHARE, BASIC	<u>\$ 0.24</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.13</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.29</u>
EARNINGS PER SHARE, DILUTED	<u>\$ 0.24</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.12</u>	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.28</u>

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - \$38 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in Losses on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

C - Excludes Crescent discontinued operations.

D - Primarily amounts reclassified to discontinued operations due to the January 2007 spin-off of Spectra Energy, net of amounts for DENA. Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,238
Diluted	1,259

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
June 2006 Year-to-date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Reported Earnings
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	Impairment of Campeche Investment	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS						
U.S. Franchised Electric and Gas	\$ 710	\$ -	\$ -	\$ -	\$ -	\$ 710
Commercial Power	(7)	-	-	-	-	(7)
International Energy	165	-	(55) B	-	(55)	110
Crescent	216	-	-	-	-	216
Total reportable segment EBIT	1,084	-	(55)	-	(55)	1,029
Other	(126)	(78) A	-	-	(78)	(204)
Total reportable segment EBIT and Other EBIT	\$ 958	\$ (78)	\$ (55)	\$ -	\$ (133)	\$ 825
Interest Expense	(288)	-	-	-	-	(288)
Interest Income and Other	21	-	-	-	-	21
Income Taxes from Continuing Operations	(186)	27	-	-	27	(159)
Discontinued Operations, net of taxes	-	-	-	314 C,D	314	314
Net Income	\$ 505	\$ (51)	\$ (55)	\$ 314	\$ 208	\$ 713
EARNINGS PER SHARE, BASIC						
	\$ 0.47	\$ (0.05)	\$ (0.05)	\$ 0.29	\$ 0.19	\$ 0.66
EARNINGS PER SHARE, DILUTED						
	\$ 0.46	\$ (0.05)	\$ (0.05)	\$ 0.28	\$ 0.18	\$ 0.64

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - \$38 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in Losses on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

C - Excludes Crescent discontinued operations.

D - Primarily amounts reclassified to discontinued operations due to the January 2007 spin-off of Spectra Energy, net of amounts for DENA. Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,083
Diluted	1,111

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
June 2007 Quarter-to-date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Total Adjustments	Reported Earnings
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	IT Severance Costs	Discontinued Operations			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452
Commercial Power	35	-	-	-	-	-	35
International Energy	97	-	-	-	-	-	97
Crescent	17	-	-	-	-	-	17
Total reportable segment EBIT	601	-	-	-	-	-	601
Other	(42)	(12) ^A	(12) ^A	-	-	(24)	(66)
Total reportable segment and Other EBIT	\$ 559	\$ (12)	\$ (12)	\$ -	\$ -	\$ (24)	\$ 535
Interest Expense	(160)	-	-	-	-	-	(160)
Interest Income and Other	47	-	-	-	-	-	47
Income Taxes from Continuing Operations	(127)	4	4	-	-	8	(119)
Discontinued Operations, net of taxes	-	-	-	(10) ^B	-	(10)	(10)
Net Income	\$ 319	\$ (8)	\$ (8)	\$ (10)	\$ -	\$ (26)	\$ 293
EARNINGS PER SHARE, BASIC	\$ 0.25	\$ -	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.02)	\$ 0.23
EARNINGS PER SHARE, DILUTED	\$ 0.25	\$ -	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.02)	\$ 0.23

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,260
Diluted	1,267

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
June 2007 Year-to-date
(Dollars in millions, except per-share amounts)

	Special Items (Note 1)						Reported Earnings
	Ongoing Earnings	Convertible Debt Costs, Gas Spin-off	Costs to Achieve, Cinergy Merger	IT Severance Costs	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 1,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026
Commercial Power	26	-	-	-	-	-	26
International Energy	191	-	-	-	-	-	191
Crescent	19	-	-	-	-	-	19
Total reportable segment EBIT	1,262	-	-	-	-	-	1,262
Other	(94)	(21) B	(23) A	(12) A	-	(56)	(150)
Total reportable segment and Other EBIT	\$ 1,168	\$ (21)	\$ (23)	\$ (12)	\$ -	\$ (56)	\$ 1,112
Interest Expense	(324)	-	-	-	-	-	(324)
Interest Income and Other	88	-	-	-	-	-	88
Income Taxes from Continuing Operations	(236)	-	8	4	-	12	(224)
Discontinued Operations, net of taxes	-	-	-	-	(2) C	(2)	(2)
Net Income	\$ 696	\$ (21)	\$ (15)	\$ (8)	\$ (2)	\$ (46)	\$ 650
EARNINGS PER SHARE, BASIC	\$ 0.56	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.04)	\$ 0.52
EARNINGS PER SHARE, DILUTED	\$ 0.55	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.04)	\$ 0.51

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - Recorded in Other income and expenses, net (Other Income and Expenses, net) on the Consolidated Statements of Operations.

C - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,259
Diluted	1,267

Duke Energy Corporation
Net Cash Balance Reconciliation
As of June 30, 2007
(in millions)

Cash and Cash Equivalents	\$611	
Short-Term Investments	<u>1,022</u>	
Subtotal	1,633	
Short-term Commercial Paper Outstanding (a)	<u>(729)</u>	
Net Cash Balance (b)	<u><u>\$904</u></u>	(Approximately \$900)

- (a) Excludes approximately \$300 million of commercial paper that is classified as long-term debt due to Duke Energy's intent and ability to utilize such obligations as long-term financing.
- (b) The net cash balance presented is a non-GAAP financial measure as it represents the net presentation of cash and cash equivalents, short-term investments, and short-term outstanding commercial paper balances. The most directly comparable GAAP financial measure for net cash is cash and cash equivalents.