

**Duke Energy Corporation  
Non-GAAP Reconciliation Schedules  
Third Quarter 2006 Earnings Review**

**2006 Employee Earnings-per-share (“EPS”) Incentive Target Measure**

The slides and prepared remarks for Duke Energy’s November 3, 2006 earnings review include references to the company’s original and expected-to-be-revised 2006 Employee EPS incentive target of \$1.90 and \$1.86, respectively. The EPS measure used for employee incentive bonuses is based on ongoing diluted EPS, adjusted for the actual vs. original anticipated impact of purchase accounting resulting from Duke Energy’s merger with Cinergy Corp. Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any amounts reported as discontinued operations from the company’s Crescent Resources real estate unit, 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 project any special items for the remainder of 2006.

**Ongoing Diluted EPS**

The slides and prepared remarks for Duke Energy’s November 3, 2006 earnings review include references to the anticipated ongoing diluted EPS for 2006 of \$1.78 and the previously announced 2007 aspirational ongoing diluted EPS target of \$2.00. Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effect of any amounts reported as discontinued operations from the company’s Crescent Resources real estate unit, 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 ongoing diluted EPS 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.

## **Anticipated Ongoing Diluted EPS Growth Percentages**

The slides and prepared remarks for Duke Energy's November 3, 2006 earnings review include a discussion of the anticipated growth in ongoing diluted EPS for at least the next three years for post-spinoff Duke Energy and for Spectra Energy, the gas company Duke Energy anticipates spinning off in January 2007. These 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 Duke Energy, the per-share effect of any amounts reported as discontinued operations from the company's Crescent Resources real estate unit, 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 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.

**DUKE ENERGY CORPORATION**  
**After-Tax Proceeds from Creation of Crescent Resources Joint Venture and Sale of CMT**  
**(Dollars in millions)**

Proceeds on Crescent Joint Venture

Net proceeds from issuance of debt by Crescent Resources	\$ 1,187	
Proceeds received from sale of equity interest	415	
Estimated income tax payments resulting from transaction	(136)	
Reduction in reported cash due to deconsolidation of interest in Crescent Resources	(32)	
Net after-tax proceeds	<u>\$ 1,434</u>	(Rounded \$1,400)

Proceeds on Sale of CMT

Net proceeds received (including working capital and base price)	\$ 700	
Estimated income tax payments resulting from transaction	(142)	
Net after-tax proceeds	<u>\$ 558</u>	
Total combined after-tax proceeds	<u><u>\$ 1,992</u></u>	(Rounded \$2,000)

**DUKE ENERGY CORPORATION**  
**Net Cash Balance Reconciliation**  
**(Dollars in millions)**

	<u>9/30/2006</u>	
Cash and Cash Equivalents	\$ 820	
Short-Term Investments	2,097	
Short-Term Commercial Paper Outstanding	(932) (1)	
Net Cash Balance	<u>\$ 1,985</u>	(Rounded \$2,000)

(1) - Excludes approximately \$300 million of commercial paper which is classified as long-term debt at 9/30/2006.

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
September 2005 Quarter-to-date  
(Dollars in millions, except per-share amounts)

	Special Items (Note 1)							Total Adjustments	Reported Earnings
	Ongoing Earnings	Gain on transfer of 19.7% interest in DEFS	Impairment of equity investments	Field Services hedge de- designation, net	MTM change on de-designated Field Services hedges for 2005, net	Initial and Subsequent gain on de- designating Southeast DENA hedges	Discontinued Operations		
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>									
U.S. Franchised Electric & Gas	\$ 606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 606
Natural Gas Transmission	329	-	-	-	-	-	-	-	329
Field Services	87	576 <sup>A</sup>	-	38 <sup>B</sup>	-	-	-	614	701
Commercial Power	(11)	-	-	-	-	-	-	-	(11)
International Energy	83	-	(20) <sup>C</sup>	-	-	-	-	(20)	63
Crescent	120	-	-	-	-	-	-	-	120
<b>Total reportable segment EBIT</b>	<b>1,214</b>	<b>576</b>	<b>(20)</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594</b>	<b>1,808</b>
Other	(178)	-	-	-	(17) <sup>D</sup>	30 <sup>E</sup>	-	13	(165)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 1,036</b>	<b>\$ 576</b>	<b>\$ (20)</b>	<b>\$ 38</b>	<b>\$ (17)</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 607</b>	<b>\$ 1,643</b>
<b>EARNINGS FOR COMMON</b>									
Total reportable segment EBIT and other EBIT	\$ 1,036	\$ 576	\$ (20)	\$ 38	\$ (17)	\$ 30	\$ -	\$ 607	\$ 1,643
Interest expense	(228)	-	-	-	-	-	-	-	(228)
Interest income and other	(7)	-	-	-	-	-	-	-	(7)
Income taxes from continuing operations	(260)	(213)	6	(15)	6	(11)	-	(227)	(487)
Discontinued operations, net of taxes	1	-	-	-	-	-	(884) <sup>F,G</sup>	(884)	(883)
<b>Total Earnings for Common</b>	<b>\$ 542</b>	<b>\$ 363</b>	<b>\$ (14)</b>	<b>\$ 23</b>	<b>\$ (11)</b>	<b>\$ 19</b>	<b>\$ (884)</b>	<b>\$ (504)</b>	<b>\$ 38</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 0.59</b>	<b>\$ 0.39</b>	<b>\$ (0.02)</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.95)</b>	<b>\$ (0.55)</b>	<b>\$ 0.04</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 0.56</b>	<b>\$ 0.38</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.92) <sup>G</sup></b>	<b>\$ (0.52)</b>	<b>\$ 0.04</b>

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

A - Recorded in Gains on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.

B - Third quarter settlements of the 2005 portion of the Field Services de-designated hedges as of 2/22/05, recorded in Impairment and other charges (Operating Expenses) on the Consolidated Statements of Operations.

C - Equity investment impairment, recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

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

E - Recorded in Non-regulated electric, natural gas, natural gas liquids and other (Operating Revenues) on the Consolidated Statements of Operations.

F - Excludes Crescent discontinued operations.

G - Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. Includes asset impairments and mark-to-market hedge losses of approximately \$1,275 million pre-tax (\$794 million after-tax) or approximately \$(0.83) per diluted share. Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	926
Diluted	964

**DUKE ENERGY CORPORATION**  
**ONGOING TO REPORTED EARNINGS RECONCILIATION**  
September 2005 Year-to-date  
(Dollars in millions, except per-share amounts)

	Special Items (Note 1)							Discontinued Operations	Total Adjustments	Reported Earnings
	Ongoing Earnings	Mutual insurance liability adjustment	Gain on transfer of 19.7% interest in DEFS	Gains (Losses) on sales and impairments of equity investments	Field Services hedge de-designation, net	MTM change on de-designated Field Services hedges for 2005, net	Initial and Subsequent gain on de-designating Southeast DENA hedges			
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>										
U.S. Franchised Electric & Gas	\$ 1,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,216
Natural Gas Transmission	1,044	-	-	-	-	-	-	-	-	1,044
Field Services	378	-	576 C	888 A	(58) B	-	-	-	1,406	1,784
Commercial Power	(44)	-	-	-	-	-	-	-	-	(44)
International Energy	237	-	-	(20) F	-	-	-	-	(20)	217
Crescent	210	-	-	-	-	-	-	-	-	210
<b>Total reportable segment EBIT</b>	<b>3,041</b>	<b>-</b>	<b>576</b>	<b>868</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,386</b>	<b>4,427</b>
Other	(390)	(28) D	-	-	-	(64) E	30 G	-	(62)	(452)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 2,651</b>	<b>\$ (28)</b>	<b>\$ 576</b>	<b>\$ 868</b>	<b>\$ (58)</b>	<b>\$ (64)</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 1,324</b>	<b>\$ 3,975</b>
<b>EARNINGS FOR COMMON</b>										
Total reportable segment EBIT and other EBIT	\$ 2,651	\$ (28)	\$ 576	\$ 868	\$ (58)	\$ (64)	\$ 30	\$ -	\$ 1,324	\$ 3,975
Interest expense	(813)	-	-	-	-	-	-	-	-	(813)
Interest income and other	38	-	-	-	-	-	-	-	-	38
Income taxes from continuing operations	(599)	10	(213)	(323)	20	21	(11)	-	(496)	(1,095)
Discontinued operations, net of taxes	1	-	-	-	-	-	-	(895) H,I	(895)	(894)
<b>Total Earnings for Common</b>	<b>\$ 1,278</b>	<b>\$ (18)</b>	<b>\$ 363</b>	<b>\$ 545</b>	<b>\$ (38)</b>	<b>\$ (43)</b>	<b>\$ 19</b>	<b>\$ (895)</b>	<b>\$ (67)</b>	<b>\$ 1,211</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 1.37</b>	<b>\$ (0.02)</b>	<b>\$ 0.39</b>	<b>\$ 0.58</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>	<b>\$ 0.02</b>	<b>\$ (0.96)</b>	<b>\$ (0.08)</b>	<b>\$ 1.29</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 1.32</b>	<b>\$ (0.02)</b>	<b>\$ 0.37</b>	<b>\$ 0.56</b>	<b>\$ (0.04)</b>	<b>\$ (0.04)</b>	<b>\$ 0.02</b>	<b>\$ (0.92)</b>	<b>\$ (0.07)</b>	<b>\$ 1.25</b>

Note 1 - Amounts for special items are presented net of any related 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. Recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

B - De-designation of hedges due to proposed sale of 19.7% interest in DEFS to ConocoPhillips. \$125 million loss reduced by \$67 million of hedge settlements recorded in Impairment and other charges (Operating Expenses) on the Consolidated Statements of Operations.

C - Recorded in Gains on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.

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

E - \$47 million loss recorded in Non-regulated electric, natural gas, natural gas liquids and other (Operating Revenues), and \$17 million loss recorded in Other income and expenses, net (Other Income and Expenses) on the Consolidated Statements of Operations.

F - Equity investment impairment, recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

G - Recorded in Non-regulated electric, natural gas, natural gas liquids and other (Operating Revenues) on the Consolidated Statements of Operations.

H - Excludes Crescent discontinued operations.

I - Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic 936

Diluted 973

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

	Special Items (Note 1)						Total Adjustments	Reported Earnings
	Ongoing Earnings	Gain on Sale of Interest in Crescent	Gain on Sales of Assets	Costs to Achieve, Cinergy Merger	Costs to Achieve, Anticipated Gas Spin-off	Discontinued Operations		
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>								
U.S. Franchised Electric & Gas	\$ 678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 678
Natural Gas Transmission	288	-	15 B	-	-	-	15	303
Field Services	158	-	-	-	-	-	-	158
Commercial Power	57	-	-	-	-	-	-	57
International Energy	68	-	-	-	-	-	-	68
Crescent	54	246 A	-	-	-	-	246	300
<b>Total reportable segment EBIT</b>	<b>1,303</b>	<b>246</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>1,564</b>
Other	(82)	-	-	(19) C	(10) C	-	(29)	(111)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 1,221</b>	<b>\$ 246</b>	<b>\$ 15</b>	<b>\$ (19)</b>	<b>\$ (10)</b>	<b>\$ -</b>	<b>\$ 232</b>	<b>\$ 1,453</b>
<b>EARNINGS FOR COMMON</b>								
Total reportable segment EBIT and other EBIT	\$ 1,221	\$ 246	\$ 15	\$ (19)	\$ (10)	\$ -	\$ 232	\$ 1,453
Interest expense	(337)	-	-	-	-	-	-	(337)
Interest income and other	23	-	-	-	-	-	-	23
Income taxes from continuing operations	(301)	(124)	(5)	7	1	-	(121)	(422)
Discontinued operations, net of taxes	-	-	-	-	-	46 D,E	46	46
<b>Total Earnings for Common</b>	<b>\$ 606</b>	<b>\$ 122</b>	<b>\$ 10</b>	<b>\$ (12)</b>	<b>\$ (9)</b>	<b>\$ 46</b>	<b>\$ 157</b>	<b>\$ 763</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 0.48</b>	<b>\$ 0.10</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>	<b>\$ 0.13</b>	<b>\$ 0.61</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 0.48</b>	<b>\$ 0.09</b>	<b>\$ 0.01</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.04</b>	<b>\$ 0.12</b>	<b>\$ 0.60</b>

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

A - Recorded in Gains on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.

B - Recorded in Gain on sale of subsidiary stock (Other Income and Expenses) on the Consolidated Statements of Operations.

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

D - Excludes Crescent discontinued operations.

E - Primarily DENA discontinued operations. Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic 1,254

Diluted 1,263

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

	Special Items (Note 1)									
	Ongoing Earnings	Gain on Sale of Interest in Crescent	Net Gain on Settlement of Contract	Gain on Sales of Assets	Impairment of Campeche Investment	Costs to Achieve, Cinergy Merger	Costs to Achieve, Anticipated Gas Spin-off	Discontinued Operations	Total Adjustments	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>										
U.S. Franchised Electric & Gas	\$ 1,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,388
Natural Gas Transmission	1,063	-	24 B	15 C	-	-	-	-	39	1,102
Field Services	436	-	-	14 D	-	-	-	-	14	450
Commercial Power	50	-	-	-	-	-	-	-	-	50
International Energy	236	-	-	-	(55) E	-	-	-	(55)	181
Crescent	269	246 A	-	-	-	-	-	-	246	515
<b>Total reportable segment EBIT</b>	<b>3,442</b>	<b>246</b>	<b>24</b>	<b>29</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>244</b>	<b>3,686</b>
Other	(229)	-	-	-	-	(97) F	(17) F	-	(114)	(343)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 3,213</b>	<b>\$ 246</b>	<b>\$ 24</b>	<b>\$ 29</b>	<b>\$ (55)</b>	<b>\$ (97)</b>	<b>\$ (17)</b>	<b>\$ -</b>	<b>\$ 130</b>	<b>\$ 3,343</b>
<b>EARNINGS FOR COMMON</b>										
Total reportable segment EBIT and other EBIT	\$ 3,213	\$ 246	\$ 24	\$ 29	\$ (55)	\$ (97)	\$ (17)	\$ -	\$ 130	\$ 3,343
Interest expense	(925)	-	-	-	-	-	-	-	-	(925)
Interest income and other	75	-	-	-	-	-	-	-	-	75
Income taxes from continuing operations	(748)	(124)	(8)	(10)	-	34	1	-	(107)	(855)
Discontinued operations, net of taxes	-	-	-	-	-	-	-	(162) G,H	(162)	(162)
<b>Total Earnings for Common</b>	<b>\$ 1,615</b>	<b>\$ 122</b>	<b>\$ 16</b>	<b>\$ 19</b>	<b>\$ (55)</b>	<b>\$ (63)</b>	<b>\$ (16)</b>	<b>\$ (162)</b>	<b>\$ (139)</b>	<b>\$ 1,476</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 1.42</b>	<b>\$ 0.10</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ (0.05)</b>	<b>\$ (0.06)</b>	<b>\$ (0.01)</b>	<b>\$ (0.14)</b>	<b>\$ (0.13)</b>	<b>\$ 1.29</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 1.39</b>	<b>\$ 0.10</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ (0.05)</b>	<b>\$ (0.05)</b>	<b>\$ (0.01)</b>	<b>\$ (0.14)</b>	<b>\$ (0.12)</b>	<b>\$ 1.27</b>

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

A - Recorded in Gains on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.

B - \$23 million recorded in Gains on Sales of Other Assets and Other, net and \$1 million recorded in Other income and expenses, net (Other Income and Expenses) on the Consolidated Statements of Operations.

C - Recorded in Gain on sale of subsidiary stock (Other Income and Expenses) on the Consolidated Statements of Operations.

D - Recorded in Equity in earnings of unconsolidated affiliates (Other Income and Expenses) on the Consolidated Statements of Operations. Transaction related to sale of Brookland, Masterscreek and Jasper assets.

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

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

G - Excludes Crescent discontinued operations.

H - Primarily DENA discontinued operations. Recorded in Income (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,141
Diluted	1,162