

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

2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides and prepared remarks for the First Quarter 2005 Earnings Review include a discussion of forecasted ongoing EBIT for 2005 for certain segments 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 EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment 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 EBIT may also include any amounts that may be reported as discontinued operations. 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 forecasted ongoing segment 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.

**DUKE ENERGY CORPORATION**  
**REG G RECONCILIATION OF ONGOING EPS CHANGE TO REPORTED EPS CHANGE**  
**MARCH 31, 2005**

	<u>Duke Energy Reported Earnings Per Share, Basic</u>	<u>Duke Energy Ongoing Earnings Per Share, Basic</u>	
Q1 2005	\$ 0.91	\$ 0.44	
Q1 2004	<u>0.34</u>	<u>0.34</u>	
Increase	<u>\$ 0.57</u>	<u>\$ 0.10</u>	
% Change	<u>168%</u>	<u>29%</u>	(nearly 30% increase)

**DUKE ENERGY CORPORATION**  
**REG G RECONCILIATION OF ONGOING EBIT TO REPORTED EBIT**  
**MARCH 31, 2005**

**International Energy**

(Amounts in millions)

	International Energy Reported EBIT from Continuing Ops	International Energy Special Items from Continuing Ops	International Energy Ongoing EBIT from Continuing Ops
Q1 2005	\$ 68	\$ -	\$ 68
Q1 2004	<u>29</u>	13 (a)	<u>42</u>
Increase in EBIT from Continuing Operations	<u>\$ 39</u>		<u>\$ 26</u>
% Change	<u>134%</u>		<u>62%</u> (more than 60%)

(a) - Special item for International Energy in Q1 2004 comprised of the \$13 million charge related to the sale of Cantarell, a nitrogen-production plant in Mexico.

**Duke Energy North America**

(Amounts in millions)

	DENA Reported EBIT from Continuing Ops	DENA Special Items from Continuing Ops	DENA Ongoing EBIT from Continuing Ops
Q1 2005	\$ (35)	\$ (21) (a)	\$ (56)
Q1 2004	<u>(557)</u>	359 (a)	<u>(198)</u>
Increase in EBIT from Continuing Operations	<u>\$ 522</u>		<u>\$ 142</u> (more than \$140 million)

(a) - Special items consist of the following:

	<u>Q1 2005</u>	<u>Q1 2004</u>
Gain on sale of Grays Harbor	\$ (21)	\$ -
Loss on sale of Southeast assets	-	359
	<u>\$ (21)</u>	<u>\$ 359</u>

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
March 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	\$ 336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336
Gas Transmission	407	-	-	-	-	-	-	407
Field Services	151	-	-	888 A	(118) B	-	770	921
Duke Energy North America	(56)	21 C	-	-	-	-	21	(35)
International Energy	68	-	-	-	-	-	-	68
Crescent	52	-	-	-	-	-	-	52
Total reportable segment EBIT	958	21	-	888	(118)	-	791	1,749
Other	(87)	-	(28) D	-	-	(54) E	(82)	(169)
Total reportable segment EBIT and other EBIT	\$ 871	\$ 21	\$ (28)	\$ 888	\$ (118)	\$ (54)	\$ 709	\$ 1,580

**EARNINGS FOR COMMON**

Total reportable segment EBIT and other EBIT	\$ 871	\$ 21	\$ (28)	\$ 888	\$ (118)	\$ (54)	\$ 709	\$ 1,580
Interest Income	15	-	-	-	-	-	-	15
Interest Expense	(293)	-	-	-	-	-	-	(293)
Minority Interest - Interest Expense	12	-	-	-	-	-	-	12
Income taxes on continuing operations	(183)	(8)	10	(329)	44	19	(264)	(447)
Discontinued operations, net of taxes	1	-	-	-	-	-	-	1
Trust Preferred/Preferred Dividends	(2)	-	-	-	-	-	-	(2)
Total Earnings for Common	421	13	(18)	559	(74)	(35)	445	866

**EARNINGS PER SHARE, BASIC**

\$ 0.44	\$ 0.01	\$ (0.02)	\$ 0.59	\$ (0.08)	\$ (0.03)	\$ 0.47	\$ 0.91
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**EARNINGS PER SHARE, DILUTED**

\$ 0.43	\$ 0.01	\$ (0.02)	\$ 0.56	\$ (0.07)	\$ (0.03)	\$ 0.45	\$ 0.88
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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 proposed sell of 19.7% interest in DEFS to ConocoPhillips. \$125 million loss recorded in Impairment and other charges on the Consolidated Statements of Operations, reduced by \$7 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	954
Diluted	990

DUKE ENERGY  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
March 2004 Year-to-Date  
(Dollars in Millions)

Special Items (Note 1)

	Ongoing Earnings	Loss on sale of Southeast assets	Cantarell Charge	Gains (losses) on sales of other assets, net	Gain on sale of Asia Pacific assets	Total	Reported Earnings
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>							
Franchised Electric	\$ 424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424
Gas Transmission	398	-	-	-	-	-	398
Field Services	91	-	-	-	-	-	91
Duke Energy North America	(198)	(359) A	-	-	-	(359)	(557)
International Energy	42	-	(13) B	-	-	(13)	29
Crescent	60	-	-	-	-	-	60
Total reportable segment EBIT	817	(359)	(13)	-	-	(372)	445
Other	(19)	-	-	14 C	-	14	(5)
Total reportable segment EBIT and other EBIT	\$ 798	\$ (359)	\$ (13)	\$ 14	\$ -	\$ (358)	\$ 440

**EARNINGS FOR COMMON**

Total reportable segment EBIT and other EBIT	\$ 798	\$ (359)	\$ (13)	\$ 14	\$ -	\$ (358)	\$ 440
Foreign Currency Translation Losses	(4)	-	-	-	-	-	(4)
Interest Income	7	-	-	-	-	-	7
Interest Expense	(356)	-	-	-	-	-	(356)
Minority Interest - Interest Expense	11	-	-	-	-	-	11
Income taxes on continuing operations	(159)	126	5	(5)	-	126	(33)
Discontinued operations, net of taxes	8	-	-	-	238 D	238	246
Trust Preferred/Preferred Dividends	(2)	-	-	-	-	-	(2)
Total Earnings for Common	303	(233)	(8)	9	238	6	309

**EARNINGS PER SHARE, BASIC**

\$ 0.34	\$ (0.26)	\$ (0.01)	\$ 0.01	\$ 0.26	\$ -	\$ 0.34
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**EARNINGS PER SHARE, DILUTED**

\$ 0.32	\$ (0.24)	\$ (0.01)	\$ 0.01	\$ 0.25	\$ 0.01	\$ 0.33
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Note 1 - Amounts for special items are entered net of minority interest

A - \$(353) million recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations and \$(6) million recorded in Operation, maintenance and other on the Consolidated Statements of Operator

B - Recorded in Operation, maintenance and other on the Consolidated Statements of Operator

C - Primarily gain on sale of Caribbean Nitrogen Co

D - Recorded in Discontinued Operations on the Consolidated Statements of Operator

Weighted Average Shares (reported and ongoing) - in million

Basic	912
Diluted	947

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2005 Duke Energy Compensation Target

The Company's question and answer (Q&A) response for the Q1 2005 Earnings Conference Call included 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.