First Quarter 2005 Earnings Review

May 4, 2005

Paul Anderson
Chairman and Chief Executive Officer

Fred Fowler
President and Chief Operating Officer

David Hauser
Group Vice President and Chief Financial Officer

Safe Harbor Statement

Under the Private Securities Litigation Act of 1995

This document contains forward looking information which is subject to risks and uncertainties that could cause actual results to be different than those contemplated, including, but not limited to, changes in state, federal or international regulatory environments; commercial, industrial and residential growth in the Company's service territory; the weather and other natural phenomena; the timing and extent of changes in commodity prices, interest rates, and foreign currency exchange rates; general economic conditions; changes in environmental and other laws and regulations to which Duke Energy and its subsidiaries are subject or other external factors over which Duke Energy has no control; the results of financing efforts; the effect of accounting pronouncements; growth in opportunities for Duke Energy's business units, and other risks described in the Company's 2004 Form 10-K filed with the Securities and Exchange Commission and other Securities and Exchange Commission filings.

Regulation G

This document 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 included in the printed version of these slides which can be downloaded from our investor relations website at: www.duke-energy.com/investors/financial/gaap/

Highlights for First Quarter 2005

	1Q05	1Q04
Reported Basic EPS	$ 0.91	$ 0.34
Special Items	(0.47)	--
EPS excluding special items	$ 0.44	$ 0.34

- Regulated businesses delivered solid earnings and strong cash flow
- DENA realized an ongoing segment EBIT loss of $56 million; benefited from higher energy generation margins, lower operating expenses and the lack of mark-to-market (MTM) losses compared to last year
- Field Services delivered another strong quarter benefiting from strong NGL prices
- International Energy reported higher earnings as a result of higher volumes and prices
- Crescent Resources had strong residential lot and land sales
- Interest expense was $63 million lower than last year

Special Items for First Quarter 2005

	Franchised Electric	Natural Gas Transmission	Field Services (Cont Ops)	DENA	International (Cont Ops)	Crescent Resources	Other	Total Segment and Other EBIT
Reported Segment EBIT	$ 336	$ 407	$ 921	$ (35)	$ 68	$ 52	$ (169)	$ 1,580
Special Items:								
Gains on asset sales, net of min interest			888 *	21				909
De-designation of hedges			(118)					(118)
MTM change on 2005 de-designated hedges							(54)	(54)
Mutual insurance liability adjustment							(28)	(28)
Total Special Items	--	--	$ 770	$ (21)	--	--	$ (82)	$ 709
Ongoing Segment and Other EBIT	$ 336	$ 407	$ 151	$ (56)	$ 68	$ 52	$ (87)	$ 871

	Segment & Other EBIT	Interest Income	Interest Expense	Minority Int. – Interest Exp.	Income Taxes (Cont Ops)	Disc Ops, net of tax	Trust Pref/ Pref Div.	Earnings for Common
Reported	$ 1,580	$ 15	$ (293)	$ 12	$ (447)	$ 1	$ (2)	$ 866
Special Items:	709							709
Tax effect of EBIT special items					(264)			(264)
Ongoing	$ 871	$ 15	$ (293)	$ 12	$ (183)	$ 1	$ (2)	$ 421

** Net of $343 million in minority interest*

Franchised Electric

- First Quarter 2005
  - Lower earnings due to warmer weather, higher operating and maintenance expenses related to planned plant maintenance and outages
  - Lower bulk power sales, net of profit sharing which began in 2Q04
  - Higher regulatory amortization of approximately $15 million
  - Customer growth of approximately 2% partially offset the decreases above
- Customer Growth
  - Residential customers increased 2% but sales were down 1.5% due to warmer weather
  - Commercial customers increased more than 2% and sales were up 1.6%
  - Industrial customers were down 1% primarily due to textile closings; higher sales to non-textile businesses outpaced the lower sales to textiles for a net increase of nearly 6%
- Segment EBIT growth expected to be 0 – 2% through 2007 and at the low end of the range for 2005

Segment EBIT

($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ 336	$ 424

Natural Gas Transmission

- First Quarter 2005
  - Earnings benefited from expansion projects completed last year and favorable Canadian currency translation
  - Partially offsetting these increases were lower gas demand and the implementation of a new profit-sharing mechanism at Union Gas
- Ongoing Segment EBIT growth expected to be 3 – 5% through 2007

Segment EBIT
($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ 407	$ 398

Field Services

- First Quarter 2005
  - Earnings benefited from higher commodity prices partially offset by higher operating costs
- Special Items: Asset Sales
  - Sale of TEPPCO GP resulted in a pre-tax gain of $791 million, net of $343 million in minority interest
  - Sale of TEPPCO LP units resulted in a pre-tax gain of $97 million
- Special Items: De-designation of hedges related to anticipated change in ownership with ConocoPhillips
  - $118 million charge was taken for the de-designation of hedges from accrual to mark-to-market accounting
  - Additional changes in mark-to-market valuation of these contracts will be recorded in "Other EBIT"
- Ongoing Segment EBIT for Field Services:
  - Assuming a mid-year close with ConocoPhillips and average crude oil price of $50 per barrel for the year, ongoing segment EBIT for 2005 would be approximately $480 million
  - If oil were to average $40 per barrel for the second half of 2005, ongoing segment EBIT would be reduced by about $15 million

Segment EBIT from continuing operations
($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ 921	$ 91
Special items	(770)	--
Ongoing Segment EBIT	$ 151	$ 91

Duke Energy North America

- First Quarter 2005
  - Improved results were driven by higher energy generation margins and lower operating expenses
- Prior year's first quarter included a $87 million mark-to-market loss, net of $6 million in minority interest

Segment EBIT
($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ (35)	$ (557)
Special Items	(21)	359
Ongoing Segment EBIT	$ (56)	$ (198)

- Special Items: Asset Sales
  - Sale of Grays Harbor facility resulted in a pre-tax gain of approximately $21 million
- Ongoing Segment EBIT loss for 2005 is expected to be approximately $150 million; additional improvements of $15 – $20 million could come from strong summer weather

International Energy

- First Quarter 2005
  - Earnings benefited from strong operations in Brazil, Guatemala and Peru
  - National Methanol also reported higher earnings as a result of increased volumes and prices
- Special Item in 1Q04
  - Last year's results included a $13 million charge related to the sale of DEI's interest in the Cantarell facility
- Ongoing Segment EBIT growth expected to be 2 – 3% through 2007

Segment EBIT from continuing operations
($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ 68	$ 29
Special Items	--	13
Ongoing Segment EBIT	$ 68	$ 42

Crescent Resources

- First Quarter 2005
  - Lower commercial sales were partially offset by increased sales of residential lots and land
- Ongoing Segment EBIT is expected to exceed $150 million in 2005

Segment EBIT
($ millions)

Quarter	1Q05	1Q04
Reported Segment EBIT	$ 52	$ 60

Other EBIT

- Special Items for First Quarter 2005
  - A $28 million charge related to a mutual insurance liability adjustment
  - A $54 million charge related to the change in mark-to-market valuation of the 2005 hedges which were de-designated on February 22nd at Field Services
- Ongoing Other EBIT is expected to be approximately $200 million in net expenses for the year but will now also be affected by the change in mark-to-market valuation of the de-designated hedges for 2006

Other EBIT
($ millions)

Quarter	1Q05	1Q04
Reported EBIT	$ (169)	$ (5)
Special Items	82	(14)
Ongoing EBIT	$ (87)	$ (19)

Other Items

- Interest expense was $63 million lower than last year due to the debt reductions over the last year
- Effective tax rate was approximately 34%
- Cash and cash equivalents and short-term investments totaled approximately $2.07 billion at the end of first quarter 2005
- Duke Energy announced the accelerated buyback of 30 million shares
  - Duke Energy retired these shares on March 23, 2005
  - Merrill Lynch is purchasing the shares from the market through mid-November
  - Current repurchases stand at 6.6 million shares as of April 30th
- Additional arrangement to repurchase up to 20 million shares
  - This arrangement can be cancelled at any time
  - Current repurchases stand at 1.6 million shares as of April 30th

Operations Review

- Franchised Electric
  - Economic development efforts are generating new business
  - Capital expenditures expected to increase by about $100 million this year
  - Evaluating regulatory options as we approach the end of our rate freeze in 2007
- Natural Gas Transmission
  - Various open seasons resulted in strong customer interest for future gas supplies
  - Evaluating the possibility to form a Canadian income trust
- Field Services
  - Evaluating the opportunity to launch another MLP later this year
- DENA: Work continues on developing a sustainable business model
- International Energy
  - Returns are improving
  - Success in contracting additional capacity for 2006
  - Outstanding environmental and safety records

Duke Energy 2005 Charter

We are Duke Energy, a leading energy company located in the Americas with an affiliate real estate operation

Our purpose is to create superior value for our customers, employees, communities and investors through the production, conversion, delivery and sale of energy and energy services

To provide a stable platform for future growth, we must:

- Enhance a high-performance culture by focusing on safety, inclusion and diversity, employee development, business structure and process simplification
- Position DENA to be a successful merchant operator with a sustainable business model
- Deliver on our financial plan and provide superior total shareholder return
- Establish industry-leading positions in core businesses and identify new energy-related growth strategies
- Build stakeholder relationships and future shareholder value through effective leadership on key policy issues related to energy, regulation and the environment

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

	Duke Energy Reported Earnings Per Share, Basic	Duke Energy Ongoing Earnings Per Share, Basic	
Q1 2005	$ 0.91	$ 0.44	
Q1 2004	0.34	0.34	
Increase	$ 0.57	$ 0.10	
% Change	168%	29%	(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	29	13	(a)	42	
Increase in EBIT from Continuing Operations	$ 39			$ 26	
% Change	134%			62%	(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	(557)	359	(a)	(198)	
Increase in EBIT from Continuing Operations	$ 522			$ 142	(more than $140 million)

(a) - Special items consist of the following:	Q1 2005	Q1 2004
Gain on sale of Grays Harbor	$ (21)	$ -
Loss on sale of Southeast assets	-	359
	$ (21)	$ 359

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
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS								
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**
EARNINGS PER SHARE, DILUTED	**$ 0.43**	**$ 0.01**	**$ (0.02)**	**$ 0.56**	**$ (0.07)**	**$ (0.03)**	**$ 0.45**	**$ 0.88**

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)

	Ongoing Earnings	Special Items (Note 1): 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
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
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**
EARNINGS PER SHARE, DILUTED	**$ 0.32**	**$ (0.24)**	**$ (0.01)**	**$ 0.01**	**$ 0.25**	**$ 0.01**	**$ 0.33**

Note 1 - Amounts for special items are entered net of minority interes

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

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

C - Primarily gain on sale of Caribbean Nitrogen Co

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

Weighted Average Shares (reported and ongoing) - in million

Basic	**912**
Diluted	**947**