

Duke Energy Corporation
Non-GAAP Reconciliations
First Quarter 2007 Earnings Review
May 8, 2007

Ongoing Diluted Earnings per Share (“EPS”)

The slides and prepared remarks for Duke Energy Corporation’s (“Duke Energy”) First Quarter 2007 Earnings Review include a discussion of ongoing diluted EPS for the quarters ended March 31, 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.

Ongoing Segment and Other EBIT

The slides and prepared remarks for Duke Energy’s First Quarter 2007 Earnings Review include a discussion of ongoing segment and Other EBIT for certain periods. Ongoing segment and Other EBIT are non-GAAP financial measures as they represent reported segment and Other 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 measures for ongoing segment and Other EBIT are reported segment and Other EBIT, which represent 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 slides and prepared remarks for Duke Energy’s First Quarter 2007 Earnings Review include a reference 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. 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 Diluted EPS Growth Rates through 2009

The slides and prepared remarks for Duke Energy's First Quarter 2007 Earnings Review include a discussion of the expected range of growth in ongoing diluted EPS through 2009. These 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 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.

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

	<u>Special Items (Note 1)</u>				
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS					
U.S. Franchised Electric and Gas	\$ 359	\$ -	\$ -	\$ -	\$ 359
Commercial Power	(26)	-	-	-	(26)
International Energy	86	-	-	-	86
Crescent	42	-	-	-	42
Total reportable segment EBIT	461	-	-	-	461
Other	(49)	(5) ^A	-	(5)	(54)
Total reportable segment EBIT and other EBIT	\$ 412	\$ (5)	\$ -	\$ (5)	\$ 407
Interest Expense	(103)	-	-	-	(103)
Interest Income and Other	7	-	-	-	7
Income Taxes from Continuing Operations	(110)	2	-	2	(108)
Discontinued Operations, net of taxes	-	-	155 ^{B,C}	155	155
Net Income	\$ 206	\$ (3)	\$ 155	\$ 152	\$ 358
EARNINGS PER SHARE, BASIC	\$ 0.22	\$ -	\$ 0.17	\$ 0.17	\$ 0.39
EARNINGS PER SHARE, DILUTED	\$ 0.21	\$ -	\$ 0.16	\$ 0.16	\$ 0.37

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 - Excludes Crescent discontinued operations.

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

Weighted Average Shares (reported and ongoing) - in millions

Basic	928
Diluted	963

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

	<u>Special Items (Note 1)</u>					Reported Earnings
	Ongoing Earnings	Convertible Debt Costs, Gas Spin-off	Costs to Achieve, Cinergy Merger	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS						
U.S. Franchised Electric & Gas	\$ 574	\$ -	\$ -	\$ -	\$ -	\$ 574
Commercial Power	(9)	-	-	-	-	(9)
International Energy	94	-	-	-	-	94
Crescent	2	-	-	-	-	2
Total reportable segment EBIT	<u>661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661</u>
Other	(52)	(21) C	(11) A	-	(32)	(84)
Total reportable segment EBIT and other EBIT	\$ 609	\$ (21)	\$ (11)	\$ -	\$ (32)	\$ 577
Interest Expense	(164)	-	-	-	-	(164)
Interest Income and Other	41	-	-	-	-	41
Income Taxes from Continuing Operations	(109)	-	4	-	4	(105)
Discontinued Operations, net of taxes	-	-	-	8 B	8	8
Total Earnings for Common	<u>\$ 377</u>	<u>\$ (21)</u>	<u>\$ (7)</u>	<u>\$ 8</u>	<u>\$ (20)</u>	<u>\$ 357</u>
EARNINGS PER SHARE, BASIC	<u>\$ 0.30</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ (0.02)</u>	<u>\$ 0.28</u>
EARNINGS PER SHARE, DILUTED	<u>\$ 0.30</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ (0.02)</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 - Recorded in Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

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

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,257
Diluted	1,268

Duke Energy Corporation
Net Cash Balance Reconciliation
As of March 31, 2007
(Dollars in millions)

Cash and Cash Equivalents	\$570	
Short-Term Investments	<u>1,256</u>	
Subtotal	1,826	
Short-term Commercial Paper Outstanding	<u>(424)</u>	
Net Cash Balance	<u><u>\$1,402</u></u>	(Approximately \$1.4 billion)

Note:

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 outstanding commercial paper balances. The most directly comparable GAAP financial measure for net cash is cash and cash equivalents.

Duke Energy Corporation
First Quarter 2006 Combined Duke Energy and Cinergy Ongoing Results
(in millions, except conversion ratio and per share amounts)

	Q1 2006			Duke Energy Ongoing (b)	Total Ongoing
	Reported	Cinergy Special Items	Ongoing (a)		
Segment EBIT:					
U.S. Franchised Electric & Gas	\$167		\$167	\$359	\$526
Commercial Power	\$120		\$120	(\$26)	\$94
International Energy	\$1		\$1	\$86	\$87
Crescent	\$0		\$0	\$42	\$42
Total Segment EBIT	\$288		\$288	\$461	\$749
Other	(\$128)	\$60 (c)	(\$68)	(\$49)	(\$117)
Total Segment EBIT and Other EBIT	\$160		\$220	\$412	\$632
Interest Expense	(\$84)		(\$84)	(\$103)	(\$187)
Interest Income and Other	\$19		\$19	\$7	\$26
Income Taxes from Continuing Operations	(\$17)	(\$23) (d)	(\$40)	(\$110)	(\$150)
Income from Continuing Operations	\$78	\$37	\$115	\$206	\$321
Weighted Average Shares Outstanding - Diluted:					
Average as reported by Cinergy	201		201		
Merger Conversion Ratio	1.56		1.56		
Duke Energy Equivalent	314		314	963	1,277
Earnings Per Share (EPS) - Diluted:					
Based on Cinergy Shares	\$0.39		\$0.57		
Duke Energy Equivalent	\$0.25		\$0.37	\$0.21	\$0.25

Basis of Presentation

On April 3, 2006, Duke Energy Corporation (Duke Energy) merged with Cinergy Corp. (Cinergy). Each outstanding share of Cinergy common stock was converted into 1.56 shares of Duke Energy common stock, resulting in the issuance of approximately 313 million shares. As Duke Energy's results for first quarter 2007 include the results of the Cinergy operations, but its results for the first quarter of 2006 exclude Cinergy's operations, this presentation is intended to provide a measure of comparability by calculating combined ongoing diluted EPS for Duke Energy and Cinergy for the first quarter of 2006.

The earnings measures used in this schedule are ongoing segment and Other EBIT and ongoing diluted EPS. EBIT for segment and Other reporting purposes represents all profits from continuing operations (both operating and nonoperating), including any equity in earnings of unconsolidated affiliates, before deducting interest and taxes, and is net of minority interest expense related to those profits. Ongoing segment and Other EBIT are non-GAAP financial measures as they represent reported segment and Other 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 measures for ongoing segment and Other EBIT are reported segment and Other EBIT, which represent EBIT from continuing operations, including any special items. Ongoing diluted EPS is a non-GAAP financial measure as it represents reported diluted EPS from continuing operations, adjusted for the per-share impact of special items.

This presentation is not intended to portray pro forma financial information pursuant to either the Securities and Exchange Commission's Regulation S-X Article 11, "Pro Forma Financial Information," or the pro forma disclosure requirements of SFAS No. 141, "Business Combinations." This presentation does not reflect any pro forma adjustments that might be required by either Article 11 of Regulation S-X or SFAS No. 141, including any pro forma adjustments for the Cinergy first quarter 2006 amounts to reflect the impacts of purchase accounting.

Notes

- (a) Cinergy ongoing amounts do not reflect any pro forma adjustments for purchase accounting.
- (b) See the accompanying "Ongoing to Reported Earnings Reconciliation" schedule for reconciliation of the Duke Energy ongoing to reported amounts.
- (c) Represents merger and severance costs.
- (d) Represents the income tax effect of the special items discussed at note (c).