



NEWS RELEASE

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DUKE ENERGY REPORTS FIRST QUARTER 2004 RESULTS

- ***Ongoing first quarter earnings per share (EPS) of 32 cents versus 42 cents in previous year; reported EPS of 36 cents versus 25 cents in prior year's quarter***
- ***Company expects to exceed full-year asset sales and cash flow targets; debt reduction ahead of schedule***
- ***Proceeds from announced asset sales year-to-date to generate approximately \$1.5 billion***
- ***Field Services posts more than 200-percent increase in EBIT from continuing operations***
- ***Franchised Electric and Natural Gas Transmission continue to post solid earnings and cash flow***
- ***DENA results affected by mark-to-market loss of 6 cents per share***

CHARLOTTE, N.C. – Duke Energy reported net income in the first quarter of 2004 of \$334 million, or \$0.36 per share, compared to net income of \$225 million, or \$0.25 per share in the first quarter of 2003.

Ongoing earnings per share (EPS) for the first quarter of 2004, which excludes special items, was \$0.32 versus \$0.42 for the comparable quarter.

"We have made exceptional progress in executing our 2004 business and financial plan. By closing the sale of our Australian assets, we have already met our asset sales target of \$1.5 billion for 2004," said Paul Anderson, Duke Energy chairman of

the board and chief executive officer. "Overall, ongoing earnings were in line with our expectations except for DENA, which was affected by mark-to-market losses. Thanks to our asset sales and continued solid earnings and cash flow from our franchised electric and natural gas pipeline businesses, Duke Energy's financial strength and flexibility are rapidly improving. As a result, our key businesses are positioned to selectively pursue growth opportunities."

Special items for the quarter include:

(\$ in Millions)	Pre-Tax Amount	Tax Effect	2004 EPS Impact	2003 EPS Impact
First Quarter				
• Gain on sale of Australian assets	\$256	(\$18)	\$0.26	--
• Net loss on sale of DENA assets, primarily anticipated sale of southeast U.S. plants	(322)	119	(0.22)	--
• Gains on sale of other assets, including Caribbean Nitrogen Co.-	14	(5)	0.01	--
• Charge related to planned sale of Cantarell investment	(13)	5	(0.01)	--
First quarter 2003				
• 2003 gain on asset sales	16	(5)	--	\$0.01
• 2003 change in accounting principles	(256)	94	--	(\$0.18)
TOTAL EPS IMPACT			\$0.04	(\$0.17)
EPS, as reported			\$0.36	\$0.25
EPS, ongoing			\$0.32	\$0.42

BUSINESS UNIT RESULTS

Franchised Electric

First quarter 2004 earnings before interest and taxes (EBIT) from Duke Power totaled \$424 million, compared to the first quarter of 2003 EBIT of \$454 million. The decrease for the quarter was driven primarily by reduced wholesale power sales and additional costs for planned nuclear outages compared to the previous year's quarter. Storm repair costs were lower during the quarter than in the prior year's quarter. Storm damages, most notably a wind storm in early March 2004 in North Carolina, cost \$11 million, compared to last year's first quarter ice storm costs of \$35 million.

Favorable weather pushed residential sales up 3.4 percent during the quarter while industrial sales continued to decrease – down 4 percent from last year’s quarter. As part of Duke Power’s 100th anniversary of service, the utility has put a renewed emphasis on economic development in North Carolina and South Carolina to increase commercial and industrial sales.

Natural Gas Transmission

Duke Energy Gas Transmission (DEGT) reported first quarter 2004 EBIT of \$398 million compared to \$423 million in the prior year’s quarter. The decrease is primarily a result of gains of \$16 million from asset sales recorded in the prior year’s quarter, and foregone earnings of \$17 million in this year’s quarter from various assets sold during 2003. Excluding these amounts related to assets sold, EBIT increased \$8 million as a result of contributions from U.S. business expansions and foreign exchange impacts from the strengthening Canadian currency. This was partly offset by warmer weather affecting Union Gas, the Canadian gas distribution business, and project development costs capitalized in the prior year’s period.

The favorable Canadian currency impacts on DEGT’s EBIT were partially offset in Duke Energy’s net income by currency impacts on Canadian interest, taxes and other hedging strategies.

Field Services

The Field Services business segment, which represents Duke Energy’s 70-percent interest in Duke Energy Field Services (DEFS), reported first quarter 2004 EBIT of \$92 million from continuing operations, compared to \$30 million in the first quarter of 2003. The more than 200-percent increase was primarily due to the favorable effects of commodity prices, net of hedging, compared to last year’s quarter and improved results from trading and marketing activities.

During the first quarter of 2004, DEFS declared and paid a \$50 million dividend, of which \$35 million was paid to Duke Energy.

Duke Energy North America

Duke Energy North America (DENA) reported an EBIT loss of \$521 million in the first quarter of 2004, compared to EBIT of \$23 million in the prior year's quarter.

The most significant factors in the loss were: 1) an additional \$325 million non-cash loss associated with the anticipated sale of DENA's southeast U.S. plants, and 2) a mark-to-market loss of \$93 million, \$87 million after minority interest, taken during the quarter as a result of changes in power and gas prices.

Excluding the net loss on the sale of assets and mark-to-market changes, DENA's first quarter 2004 EBIT loss would have been \$106 million.

International Energy

For the first quarter of 2004, Duke Energy International (DEI) reported EBIT from continuing operations of \$29 million, compared to \$40 million in the first quarter of 2003. During the quarter, DEI recorded a \$13 million non-cash charge to EBIT from continuing operations associated with its intention to sell its ownership share of Cantarell, a nitrogen-production plant in Mexico.

Crescent Resources

Crescent Resources, Duke Energy's affiliated real estate company, is now reporting earnings as a separate segment. Crescent reported first quarter 2004 EBIT from continuing operations of \$60 million versus a break-even first quarter 2003, due to increased land and commercial sales.

Other

Other, including DukeNet Communications, Duke/Fluor Daniel, Duke Energy Merchants, Energy Delivery Services and corporate costs, reported an EBIT loss of \$5 million in the first quarter of 2004, compared to an EBIT loss of \$48 million in the first quarter of 2003. This improvement is primarily a result of charges taken in 2003 related to exiting proprietary trading at Duke Energy Merchants and the 2004 gain on the sale of Caribbean Nitrogen Co.

Discontinued Operations

At the end of 2003, in accordance with generally accepted accounting principles, Duke Energy re-classified the results for certain operations to a separate line on the statement of operations called "Income (Loss) from Discontinued Operations." The amounts reported as discontinued operations are reported net of tax. The business units affected by this reclassification are International Energy, Field Services and Other. All reported periods have been restated.

Discontinued Operations generated first quarter 2004 results of \$246 million, compared to a first quarter 2003 loss of \$5 million, as a result of a \$238 million gain, net of tax, on the sale of the Australian assets.

INTEREST EXPENSE

Interest expense was \$356 million for the first quarter of 2004, compared to \$326 million for the first quarter of 2003. Interest increased primarily due to lower capitalized interest of \$14 million, \$16 million of interest associated with the re-classification of certain trust preferred securities from minority interest to long-term debt, an \$11 million charge related to the re-marketing costs associated with the equity units at Duke Capital and \$9 million associated with the Canadian exchange rate. These increases were offset by a \$20 million decrease from net debt reduction, refinancing activities and lower interest cost in Brazil.

LIQUIDITY AND CAPITAL RESOURCES

Duke Energy's consolidated capital structure at the end of first quarter 2004, including short-term debt, was 58 percent debt, 37 percent common equity and 5 percent minority interests.

Under various credit facilities, Duke Energy, Duke Capital and other subsidiaries had the ability to borrow up to \$3.3 billion at the end of the first quarter of 2004. The

companies had borrowings and letters of credit outstanding under these programs of approximately \$1.4 billion as of the end of the first quarter of 2004, resulting in unused capacity of approximately \$1.9 billion. The company also had approximately \$1.5 billion in cash and cash equivalents as of the end of the first quarter of 2004.

ADDITIONAL INFORMATION

Additional information, including EPS reconciliation data and a schedule for Duke Energy Field Services gas volume and margin by contract type, can be obtained at Duke Energy's first quarter 2004 earnings information Web site at:

<http://www.duke-energy.com/investors/financial/latest/default.asp>.

NON-GAAP FINANCIAL MEASURES

The primary performance measure used by management to evaluate segment performance is EBIT from continuing operations, which at the segment level represents all profits from continuing operations (both operating and non-operating) before deducting interest and taxes, and is net of the minority interest expense related to those profits. Management believes EBIT from continuing operations is a good indicator of each segment's operating performance as it represents the results of our ownership interests in continuing operations without regard to financing methods or capital structures.

EBIT from continuing operations should not be considered an alternative to, or more meaningful than, net income, income from continuing operations, operating income or cash flow as determined in accordance with generally accepted accounting principles (GAAP). Duke Energy's EBIT from continuing operations may not be comparable to a similarly titled measure of another company.

Duke Energy's management uses ongoing EPS, which represents net income adjusted for special items, as one of the measures to evaluate operations of the company. Special items represent certain charges which management believes will

not be recurring on a regular basis. Management believes that the presentation of ongoing EPS provides useful information to investors, as it allows them to more accurately compare the company's ongoing performance across all periods.

Duke Energy is a diversified energy company with a portfolio of natural gas and electric businesses, both regulated and unregulated, and an affiliated real estate company. Duke Energy supplies, delivers and processes energy for customers in North America and selected international markets. In 2004, the company celebrates a century of service with the 100th anniversary of its electric utility Duke Power. Headquartered in Charlotte, N.C., Duke Energy is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: www.duke-energy.com.

An earnings conference call for analysts is scheduled for 10 a.m. ET today. The conference call can be accessed via the investors' section of Duke Energy's Web site <http://www.duke-energy.com/investors/financial/latest/default.asp> or by dialing 800/946-0742 in the United States or 719/457-2650 outside the United States. The confirmation code is 598456. Please call in five to 10 minutes prior to the scheduled start time. A replay of the conference call will be available by dialing 888/203-1112 with a confirmation code of 598456. The international replay number is 719/457-0820, confirmation code 598456. A replay and transcript also will be available by accessing the investors' section of the company's Web site <http://www.duke-energy.com/investors/financial/latest/default.asp>. The presentation may include certain non-GAAP financial measures as defined under SEC rules. In such event, a reconciliation of those measures to the most directly comparable GAAP measures will be available on our investor relations Web site at: <http://www.duke-energy.com/investors/financial/gaap/default.asp>.

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although Duke Energy believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important

factors that could cause actual results to differ materially from those in the forward-looking statements herein are discussed in Duke Energy's filings with the Securities and Exchange Commission.

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MARCH 2004
QUARTERLY HIGHLIGHTS
(unaudited)

	Three Months Ended	
	March 31,	
	2004	2003
<i>(In millions, except where noted)</i>		
COMMON STOCK DATA		
Earnings Per Share (from continuing operations)		
Basic	\$ 0.09	\$ 0.43
Diluted	\$ 0.09	\$ 0.43
Earnings Per Share (from discontinued operations)		
Basic	\$ 0.27	\$ -
Diluted	\$ 0.27	\$ -
Earnings Per Share (before cumulative effect of change in accounting principle)		
Basic	\$ 0.36	\$ 0.43
Diluted	\$ 0.36	\$ 0.43
Earnings Per Share		
Basic	\$ 0.36	\$ 0.25
Diluted	\$ 0.36	\$ 0.25
Dividends Per Share	\$ 0.275	\$ 0.275
Weighted-Average Shares Outstanding		
Basic	912	897
Diluted	915	897
INCOME		
Operating Revenues	<u>\$ 5,845</u>	<u>\$ 6,172</u>
Earnings Before Interest and Taxes (EBIT)	528	963
Interest Expense (a)	356	326
Minority Interest Expense (a)	38	50
Income Tax Expense	46	195
Income (Loss) from Discontinued Operations	246	(5)
Cumulative Effect of Change in Accounting Principle, net of tax and minority interest	-	(162)
Net Income	<u>334</u>	<u>225</u>
Dividends and Premiums on Redemptions of Preferred and Preference Stock	2	3
Earnings Available for Common Stockholders	<u>\$ 332</u>	<u>\$ 222</u>
CAPITALIZATION		
Common Equity	37%	37%
Preferred Stock	0%	1%
Trust Preferred Securities	0%	3%
Total Common Equity and Preferred Securities	<u>37%</u>	<u>41%</u>
Minority Interests	5%	4%
Total Debt	58%	55%
Total Debt	\$ 21,798	\$ 22,357
Book Value Per Share	\$ 15.32	\$ 16.99
Actual Shares Outstanding	914	900
CAPITAL AND INVESTMENT EXPENDITURES		
Franchised Electric	\$ 262	\$ 258
Natural Gas Transmission	154	216
Field Services	25	31
Duke Energy North America	9	160
International Energy	8	25
Crescent (b)	162	54
Other	-	61
Total Capital and Investment Expenditures	<u>\$ 620</u>	<u>\$ 805</u>
EBIT BY BUSINESS SEGMENT		
Franchised Electric	\$ 424	\$ 454
Natural Gas Transmission	398	423
Field Services	92	30
Duke Energy North America	(521)	23
International Energy	29	40
Crescent (b)	60	-
Other	(5)	(48)
Total Segment and Other EBIT	<u>477</u>	<u>922</u>
EBIT Attributable to:		
Minority Interest Expense	50	43
Third Party Interest Income	7	2
Foreign Currency Remeasurement Loss	(5)	(4)
Intercompany EBIT Elimination (c)	(1)	-
Total EBIT	<u>\$ 528</u>	<u>\$ 963</u>

(a) Minority interest includes financing expenses related to securities of subsidiaries of \$27 million for the three months ended March 31, 2003. The expense related to these securities is accounted for in interest expense in 2004.
(b) Beginning in 2004, Crescent, formerly part of Other, is considered a reportable segment.
(c) Amount relates to the elimination of intercompany EBIT that has been reclassified to discontinued operations.

MARCH 2004
QUARTERLY HIGHLIGHTS
(unaudited)

<i>(In millions, except where noted)</i>	Three Months Ended	
	March 31,	
	2004	2003
FRANCHISED ELECTRIC		
Operating Revenues	\$ 1,271	\$ 1,251
Operating Expenses	851	813
Other Income, net of expenses	4	16
EBIT	<u>\$ 424</u>	<u>\$ 454</u>
Sales, GWh	21,963	22,043
NATURAL GAS TRANSMISSION		
Operating Revenues	\$ 1,038	\$ 968
Operating Expenses	638	567
Other Income, net of expenses (e)	6	35
Minority Interest Expense	8	13
EBIT	<u>\$ 398</u>	<u>\$ 423</u>
Proportional Throughput, TBtu	1,089	1,082
FIELD SERVICES (d)		
Operating Revenues	\$ 2,375	\$ 2,550
Operating Expenses	2,249	2,509
Other Income, net of expenses	18	15
Minority Interest Expense	52	26
EBIT	<u>\$ 92</u>	<u>\$ 30</u>
Natural Gas Gathered and Processed/Transported, TBtu/day	7.3	7.7
Natural Gas Liquids Production, MBbl/d	356.7	367.9
Average Natural Gas Price per MMBtu	\$ 5.69	\$ 6.59
Average Natural Gas Liquids Price per Gallon	\$ 0.59	\$ 0.58
DUKE ENERGY NORTH AMERICA		
Operating Revenues	\$ 656	\$ 1,396
Operating Expenses	865	1,382
Loss on Sales of Other Assets, net (a)	(322)	-
Other Income, net of expenses	(4)	9
Minority Interest Benefit	(14)	-
EBIT	<u>\$ (521)</u>	<u>\$ 23</u>
Actual Plant Production, GWh (c)	5,461	5,110
Proportional MW Capacity in Operation	15,821	14,156
INTERNATIONAL ENERGY (d)		
Operating Revenues	\$ 154	\$ 172
Operating Expenses	131	135
Other Income, net of expenses	9	7
Minority Interest Expense	3	4
EBIT	<u>\$ 29</u>	<u>\$ 40</u>
Sales, GWh	4,564	3,969
Proportional MW Capacity in Operation	4,121	4,013
CRESCENT (d)		
Operating Revenues	\$ 195	\$ 23
Operating Expenses	134	23
Minority Interest Expense	1	-
EBIT	<u>\$ 60</u>	<u>\$ -</u>
Residential Developed Lot Sales	\$ 32	\$ 14
Commercial Project Sales	\$ 116	\$ -
Real Estate Land Sales	\$ 1	\$ 2
Land Management Land Sales	\$ 39	\$ 2
OTHER (d)		
Operating Revenues	\$ 344	\$ 517
Operating Expenses	387	582
Gains on Sales of Other Assets, net (b)	14	-
Other Income, net of expenses	24	17
EBIT	<u>\$ (5)</u>	<u>\$ (48)</u>

(a) Amount includes DENA Southeast plant impairment of \$325 million and gain on sale of Duke Energy Trading & Marketing contracts.

(b) Primarily represents Duke Energy Merchant's gain on sale of interest in Caribbean Nitrogen Company

(c) Represents 100% of GWh.

(d) Prior year amounts have been reclassified due to discontinued operations.

(e) Prior year includes gain on sale of limited partnership interests in Northern Border Capital L.P. of \$14 million.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In millions, except per-share amounts)

	Three Months Ended	
	March 31,	
	2004	2003
Operating Revenues		
Non-regulated electric, natural gas, natural gas liquids, and other	\$ 3,612	\$ 4,014
Regulated electric	1,251	1,279
Regulated natural gas	982	879
Total operating revenues	<u>5,845</u>	<u>6,172</u>
Operating Expenses		
Natural gas and petroleum products purchased	3,032	3,492
Operation and maintenance	882	674
Fuel used in electric generation and purchased power	564	548
Depreciation and amortization	436	431
Property and other taxes	154	140
Total operating expenses	<u>5,068</u>	<u>5,285</u>
(Losses) Gains on Sales of Other Assets, net	<u>(308)</u>	<u>2</u>
Operating Income	<u>469</u>	<u>889</u>
Other Income and Expenses		
Equity in earnings of unconsolidated affiliates	34	34
Gains on sales of equity investments	-	14
Other income and expenses, net	25	26
Total other income and expenses	<u>59</u>	<u>74</u>
Interest Expense	356	326
Minority Interest Expense	<u>38</u>	<u>50</u>
Earnings From Continuing Operations Before Income Taxes	134	587
Income Tax Expense from Continuing Operations	<u>46</u>	<u>195</u>
Income From Continuing Operations	88	392
Discontinued Operations		
Net operating income, net of tax	7	3
Net income (loss) on dispositions, net of tax	239	(8)
Income (Loss) From Discontinued Operations	<u>246</u>	<u>(5)</u>
Income Before Cumulative Effect of Change in Accounting Principle	334	387
Cumulative Effect of Change in Accounting Principle, net of tax and minority interest	<u>-</u>	<u>(162)</u>
Net Income	334	225
Dividends and Premiums on Redemption of Preferred and Preference Stock	<u>2</u>	<u>3</u>
Earnings Available For Common Stockholders	<u>\$ 332</u>	<u>\$ 222</u>
Common Stock Data		
Weighted-average shares outstanding		
Basic	912	897
Diluted	915	897
Earnings per share (from continuing operations)		
Basic	\$ 0.09	\$ 0.43
Diluted	\$ 0.09	\$ 0.43
Earnings per share (from discontinued operations)		
Basic	\$ 0.27	\$ -
Diluted	\$ 0.27	\$ -
Earnings per share (before cumulative effect of change in accounting principle)		
Basic	\$ 0.36	\$ 0.43
Diluted	\$ 0.36	\$ 0.43
Earnings per share		
Basic	\$ 0.36	\$ 0.25
Diluted	\$ 0.36	\$ 0.25
Dividends per share	\$ 0.275	\$ 0.275

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In millions)

	March 31, 2004	December 31, 2003
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,500	\$ 1,160
Receivables	2,689	2,888
Inventory	878	1,156
Assets held for sale	297	424
Unrealized gains on mark-to-market and hedging transactions	1,320	1,566
Other	1,056	694
Total current assets	7,740	7,888
Investments and Other Assets		
Investments in unconsolidated affiliates	1,365	1,398
Nuclear decommissioning trust funds	960	925
Goodwill	3,932	3,962
Notes receivable	232	260
Unrealized gains on mark-to-market and hedging transactions	1,635	1,857
Assets held for sale	2,119	1,444
Other	887	1,117
Total investments and other assets	11,130	10,963
Property, Plant and Equipment		
Cost	46,719	47,157
Less accumulated depreciation and amortization	12,641	12,171
Net property, plant and equipment	34,078	34,986
Regulatory Assets and Deferred Debits		
Deferred debt expense	326	275
Regulatory assets related to income taxes	1,194	1,152
Other	913	939
Total regulatory assets and deferred debits	2,433	2,366
 Total Assets	 \$ 55,381	 \$ 56,203

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In millions)

	March 31, 2004	December 31, 2003
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2,000	\$ 2,317
Notes payable and commercial paper	275	130
Taxes accrued	293	14
Interest accrued	305	304
Liabilities associated with assets held for sale	883	651
Current maturities of long-term debt	1,489	1,200
Unrealized losses on mark-to-market and hedging transactions	993	1,283
Other	1,396	1,799
Total current liabilities	7,634	7,698
Long-term Debt , including debt to affiliates of \$516 at March 31, 2004 and \$876 at December 31, 2003	20,034	20,622
Deferred Credits and Other Liabilities		
Deferred income taxes	4,290	4,120
Investment tax credit	162	165
Unrealized losses on mark-to-market and hedging transactions	1,556	1,754
Liabilities associated with assets held for sale	305	737
Other	5,541	5,524
Total deferred credits and other liabilities	11,854	12,300
Commitments and Contingencies		
Minority Interests	1,723	1,701
Preferred and preference stock without sinking fund requirements	134	134
Common Stockholders' Equity		
Common stock, no par, 2 billion shares authorized; 914 million and 911 million shares outstanding at March 31, 2004 and December 31, 2003, respectively	9,598	9,519
Retained earnings	4,145	4,060
Accumulated other comprehensive income	259	169
Total common stockholders' equity	14,002	13,748
Total Liabilities and Common Stockholders' Equity	\$ 55,381	\$ 56,203

DUKE ENERGY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Three Months Ended	
	March 31,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 334	\$ 225
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization (including amortization of nuclear fuel)	476	484
Cumulative effect of change in accounting principle	-	162
Net losses (gains) on sales of equity investments and other assets	50	(4)
Net realized and unrealized mark-to-market and hedging transactions	221	(116)
Changes in working capital and other	225	753
Net cash provided by operating activities	1,306	1,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital and investment expenditures, net of refund	(620)	(805)
Net proceeds from the sales of equity investment and other assets, and sales of and collections on notes receivable	166	306
Other	(5)	24
Net cash used in investing activities	(459)	(475)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the		
Issuance of long-term debt	72	824
Issuance of common stock and common stock related to employee benefit plans	59	80
Payments for the redemption of long-term debt, and net paydown of commercial paper and notes payable	(288)	(1,189)
Dividends paid	(265)	(258)
Other	(54)	(234)
Net cash used in financing activities	(476)	(777)
Changes in cash and cash equivalents associated with assets held for sale	(31)	-
Net increase in cash and cash equivalents	340	252
Cash and cash equivalents at beginning of period	1,160	857
Cash and cash equivalents at end of period	\$ 1,500	\$ 1,109

Supplemental Disclosures
Quarter Ended March 31, 2004

Duke Energy Corporation

	1Q04
Mark-to-market Portfolio (in millions)	\$ (264)
Daily Value at Risk (DvaR) (in millions)	
95% Confidence Level, One-Day Holding Period, Two-Tailed Average for the Period	\$ 23

Duke Energy North America

(in millions unless stated otherwise)

Q-T-D March 31, 2004

	Proprietary Trading	Structured Contracts	Owned Assets	Total
Merchant Energy Gross Margin				
Mark-to-market gross margin (loss)	\$ 3	\$ (95)	\$ (1)	\$ (93)
Accrual gross margin (loss)	n/a	(11)	65	54
Total Gross Margin	\$ 3	\$ (106)	\$ 64	(39)
Reconciliation to Segment EBIT:				
Plant depreciation				(47)
Plant operating and maintenance expenses				(79)
General and administrative and other expenses				(48)
Minority interest				14
Gain (loss) on sale of other assets				(322)
DENA Segment EBIT				\$ (521)

**Owned Assets - Merchant Plant Production
and Hedging Information ^a**

	2004 ^b	2005	2006
Estimated available production (millions of MWh)	48	64	64
Combined cycle	42	56	56
Peaker units	6	8	8
Estimated production (millions of MWh)	15	24	27
Combined cycle	15	23	26
Peaker units	-	1	1
Hedges			
Estimated production sold	95%	70%	63%
Average price sold (\$/MWh)	\$ 46	\$ 45	\$ 42

^a All figures exclude Southeast plants.

^b Information for 2004 is for the remainder of the year only (April - December).

Supplemental Disclosures
Quarter Ended March 31, 2004

Duke Energy North America (continued)
(in millions)

Maturity/Source of Carrying Value of Energy Contract Net Assets	2004	2005	2006	2007	Over 4 Years	Total Fair Value
Proprietary Trading						
Actively quoted prices and other external sources	\$ 109	\$ 6	\$ 28	\$ (9)	\$ (19)	\$ 115
Modeled	(4)	13	8	7	10	34
	<u>\$ 105</u>	<u>\$ 19</u>	<u>\$ 36</u>	<u>\$ (2)</u>	<u>\$ (9)</u>	<u>\$ 149</u>
Structured Contracts						
Actively quoted prices and other external sources	\$ 47	\$ 36	\$ (70)	\$ (62)	\$ (87)	\$ (136)
Modeled	(48)	(22)	(31)	(7)	(23)	(131)
	<u>\$ (1)</u>	<u>\$ 14</u>	<u>\$ (101)</u>	<u>\$ (69)</u>	<u>\$ (110)</u>	<u>\$ (267)</u>
Owned Assets						
Actively quoted prices and other external sources	\$ 260	\$ 213	\$ 149	\$ 74	\$ 53	\$ 749
Modeled	-	-	-	-	21	21
	<u>\$ 260</u>	<u>\$ 213</u>	<u>\$ 149</u>	<u>\$ 74</u>	<u>\$ 74</u>	<u>\$ 770</u>
Total Fair Value of Energy Contract Net Assets *						<u>\$ 652</u>

* Total Carrying Value of Energy Contract Net Assets represents the combination of amounts presented as assets and (liabilities) related to unrealized gains or losses on mark-to-market and hedging transactions for Duke Energy North America.

Terms of Reference

Estimated Available Production

Represents the amount of electric power capable of being generated from owned merchant assets, after adjusting for scheduled maintenance and outage factors. For simple cycle facilities, only peak demand periods were included in this calculation.

Estimated Production

Represents the amount of power expected to be sold in a future period. This figure is based on economic projections modeled by Duke Energy personnel.

Estimated Production Sold

Represents the portion of estimated production which has been hedged, primarily through firm physical contracts.

Owned Assets

Represents activity around energy assets owned or leased, including hedges of power sales and fuel purchase requirements and tolls, transmission, transportations and storage contracts that hedge owned assets. Normal purchases and sales associated with such assets are included in the Merchant Energy Gross Margin table, yet excluded from the Maturity/Sources of Fair Value of Energy Contract Net Assets table. Economic hedges of Owned Assets that do not meet hedge accounting standards will still be classified as Owned Assets in the Merchant Energy Gross Margin table.

Proprietary Trading

Standardized contracts entered into to take a market view, capture market price changes or put capital at risk.

Structured Contracts

Non-standard contracts not associated with owned or leased assets and involving significant tailoring of terms to meet customer needs, and associated hedges. This category includes tolls, transmission contracts, transportation contracts and storage contracts, except those that hedge Owned Assets. Economic hedges of Structured Contracts that do not meet hedge accounting standards will still be classified as Structured Contracts in the Merchant Energy Gross Margin table.