

Duke Energy Corporation
Non-GAAP Reconciliation for SEC Regulation G
Insight & Outlook – A guide to Duke Energy
May 2007

2007 Employee Earnings per Share (“EPS”) Incentive Target Measure

This document includes a reference to the company's 2007 employee EPS incentive target of \$1.15 and the minimum target of \$1.05. 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

This document includes a reference to 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.

Forecasted 2007 Ongoing Segment and Other EBIT

This document includes a reference to the forecast, as of January 2007, of full year 2007 ongoing EBIT for Duke Energy's reportable segments and for Other, which represents the remainder of Duke Energy's operations. Forecasted 2007 ongoing segment and Other EBIT amounts are non-GAAP financial measures, as they reflect segment and Other EBIT, 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 measures for forecasted ongoing segment and Other EBIT are reported segment and Other EBIT from continuing operations, which includes the impact of special items. The most directly comparable GAAP measure for total ongoing segment

and Other EBIT is reported earnings from continuing operations before income taxes, which includes the impact of special items. Due to the forward-looking nature of these non-GAAP financial measures for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast any special items for any future periods.

FFO Interest Coverage Ratios

This document includes a reference to the expected Funds From Operations (“FFO”) interest coverage ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO interest coverage ratio is calculated principally by using forecasted net cash provided by operating activities on a GAAP basis, adjusted for forecasted changes in working capital, plus all forecasted cash interest paid. The denominator is principally GAAP interest expense increased by capitalized interest (including any AFUDC interest). Cash from operations, cash interest paid and interest expense are also adjusted for entities considered off-credit.

Ongoing Diluted EPS for the Quarter Ended March 31, 2007

This document includes a reference to ongoing diluted EPS for the quarter ended March 31, 2007. 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 for the Quarters Ended March 31, 2007 and 2006

This document includes a reference to ongoing segment and Other EBIT for the quarters ended March 31, 2007 and 2006. 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.

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>				Reported Earnings
	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