

Duke Energy Corporation
Reconciliation of Consolidated Earnings

	<u>2nd Qtr</u>	<u>YTD</u>
2003 Reported Earnings Per Share	\$ 0.46	\$ 0.71
1Q03 Cumulative Effect of Change in Accounting Principles		0.18
2003 Net gains on asset sales	(0.16)	(0.17)
2003 Ongoing Earnings Per Share	\$ 0.30	\$ 0.72
<u>2004 Reconciling Items:</u>		
Franchised Electric:		
Electric sales, net of fuel and purchased power	0.03	0.03
Bulk power marketing sales sharing program	(0.02)	(0.02)
O&M expenses	0.01	(0.03)
Prior year storm costs	(0.01)	0.01
Gas Transmission:		
Gas distribution earnings	0.01	-
Effect of change in foreign currency, primarily Canada	0.01	0.03
Resolution of ad valorem tax issues	0.01	0.01
Increased earnings from expansion projects	-	0.01
Foregone earnings from divested assets	-	(0.01)
Prior year capitalization of development costs and reserve reversals	(0.01)	(0.03)
Field Services:		
Commodity price impacts (net of hedging)	0.03	0.05
Improved trading and marketing results	-	0.01
Miscellaneous	0.01	0.02
Duke Energy North America:		
Net loss on sale of assets, primarily SE assets and DETM liquidation	(0.01)	(0.26)
MTM results	(0.02)	(0.10)
Decreased energy generation and structured contract earnings	(0.03)	(0.11)
Foregone earnings from divested assets	(0.01)	(0.02)
Enron settlement	0.07	0.07
California and western U.S. energy markets settlement	(0.07)	(0.07)
Depreciation, G&A and O&M costs	0.02	0.03
Miscellaneous	(0.01)	(0.01)
International Energy:		
Earnings from operations	0.01	-
Charge for expected sale of the Cantarell investment	-	(0.01)
Prior year charge related to the timing of revenue recognition at Cantarell	-	0.01
Prior year favorable regulatory audit and early termination of LNG contract	(0.02)	(0.02)
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Crescent Resources:		
Increased residential, commercial and land sales	0.04	0.08
Other:		
Gain on sale of CNC	-	0.01
Corporate governance costs	0.02	0.03
Lower earnings at D/FD due to decreased project activity	-	(0.01)
DEM share of Enron bankruptcy settlement	0.02	0.02
Miscellaneous	(0.01)	0.01
Discontinued operations:		
Net gains from sale of international assets	0.03	0.29
Other operations primarily related to DEI and DEFS	(0.03)	(0.01)
Other Reconciling Items:		
Increase in interest expense	-	(0.02)
Decrease in preferred securities interest	0.02	0.04
Decrease in minority interest share of interest and taxes	-	(0.01)
Effect of increase in weighted average shares	(0.01)	(0.02)
Increase in interest income	0.02	0.02
Interest related to litigation reserve	(0.01)	(0.01)
Tax reserves reversals	0.06	0.06
Miscellaneous	0.02	0.02
2004 Reported Earnings Per Share	\$ 0.46	\$ 0.80
1Q04 Net loss on sale of assets, primarily anticipated sale of DENA southeast US assets	-	0.26
1Q04 Charge for expected sale of Cantarell investment	-	0.01
1Q04/2Q04 Net gains from sale of international assets	(0.03)	(0.29)
2Q04 Settlements related to Enron Bankruptcy and California	(0.02)	(0.02)
2Q04 Interest related to litigation reserve	0.01	0.01
Effect of increase in weighted average shares	-	(0.01)
2004 Ongoing Earnings Per Share	\$ 0.42	\$ 0.76