

Second Quarter Earnings Review



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Safe Harbor Statement



Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy's 2006 Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

Reg G Disclosure

In addition, today's discussion 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 available on our Investor Relations website at www.duke-energy.com.

Earnings Summary



	2Q07	2Q06
DUK Reported Diluted Earnings per Share	\$ 0.23	\$ 0.28
Special Items	0.01	0.08
Discontinued Operations	0.01	(0.12)
DUK Ongoing Diluted Earnings per Share	\$ 0.25	\$ 0.24

- Increase in ongoing earnings due to improved results at FE&G, Commercial Power and International
 - Increase in ongoing EBIT of approximately 30% in these three segments combined compared to 2Q06
- Offset by lower results at Crescent
- 2Q07 special items:
 - Severance costs and costs to achieve Cinergy merger of \$(0.01) per share
- Expect to exceed 2007 employee incentive target of \$1.15 ongoing diluted EPS

U.S. Franchised Electric & Gas



Reported & Ongoing Segment EBIT (\$ millions)		
	2Q07	2Q06
Reported Segment EBIT	\$ 452	\$ 351
Special Items	-	-
Ongoing Segment EBIT	\$ 452	\$ 351

- 2Q07 segment EBIT increased by \$101 million over 2Q06
- Increase due primarily to:
 - Favorable weather
 - Increased wholesale volumes
 - Lower purchased power expenses
 - 2006 results included \$18 million charge due to recalculation of BPM sharing expense and \$12 million donation related to the merger approval in N.C.
- Offset by higher O&M due primarily to plant outages and storm costs and \$22 million more in merger-related rate reductions
- 2Q07 results also include bulk power marketing contribution of \$17 million (net of sharing) and N.C. Clean Air amortization of \$56 million

Commercial Power



Reported & Ongoing Segment EBIT (\$ millions)		
	2Q07	2Q06
Reported Segment EBIT	\$ 35	\$ 20
Special Items	-	-
Ongoing Segment EBIT	\$ 35	\$ 20

- 2Q07 segment EBIT improved \$15 million over 2Q06
- Increase due primarily to
 - Higher retail demand
 - Favorable MTM impact
 - Improved results from Midwest gas-fired generation
 - Current ongoing EBIT projection: ~\$30 million in losses for full year 2007 and break-even by 2009
- Offset by higher O&M costs due primarily to outages and increased synfuel costs (before the benefit of tax credits)

International Energy



Reported & Ongoing Segment EBIT (\$ millions)		
	2Q07	2Q06
Reported Segment EBIT	\$ 97	\$ 24
Special Items	-	55
Ongoing Segment EBIT	\$ 97	\$ 79

- 2Q07 ongoing segment EBIT increased \$18 million compared to 2Q06
- Increase primarily due to increased margins in Latin America
 - 2Q06 included outage in Peru that resulted in higher purchased power costs

Crescent Resources



Reported & Ongoing Segment EBIT (\$ millions)		
	2Q07	2Q06
Reported Segment EBIT	\$ 17	\$ 174
Special Items	-	-
Ongoing Segment EBIT	\$ 17	\$ 174

- 2Q07 segment results declined compared to 2Q06, due primarily to the following:
 - 2Q06 results included gains of \$81 and \$52 million on property and land sales
 - 2Q07 results represent Duke's effective 50% ownership

Other



Reported & Ongoing EBIT	(\$ millions)	
	2Q07	2Q06
Reported EBIT (Loss)	\$ (66)	\$ (151)
Special Items	24	74
Ongoing EBIT (Loss)	\$ (42)	\$ (77)

- 2Q07 ongoing EBIT losses improved by \$35 million compared to 2Q06, due primarily to lower corporate overhead and governance costs
- 2Q07 special items include:
 - Severance costs of \$12 million
 - Cinergy merger costs-to-achieve of \$12 million

Other Items



- Net cash balance of approximately \$900 million on 6/30/07
 - ~\$1.6 billion of cash, cash equivalents and short-term investments
 - Net of ~\$700 million in short-term commercial paper
- Interest expense for the quarter was \$160 million compared to \$185 million for 2Q06
- 2Q07 effective tax rate of 28% compared to 21% in 2Q06
 - 2Q06 tax rate impacted by favorable merger-related adjustments to state income taxes
 - 2Q07 tax rate includes recognition of \$23 million in synfuel credits
- Projected effective tax rate of 27% for 2007
- Share repurchase plan ended June 30, 2007; no shares repurchased

Earnings Growth Drivers



Steady Sales Growth	Enhanced Cost Reductions	Significant Capital Reinvestment
<ul style="list-style-type: none">▪ Annual load growth<ul style="list-style-type: none">▪ 1.5% in Carolinas▪ 1.0% in Midwest▪ ~65,000 new customers per year	<ul style="list-style-type: none">▪ Consistent focus on cost control▪ Creation of continuous improvement team	<ul style="list-style-type: none">▪ Recovery of and on investment▪ Current focus on regulatory and legislative process

Regulatory Update: N.C. Legislation

- Balanced approach to meeting future N.C. energy needs
- Establishes renewable portfolio standard to be phased in
 - 3% by 2012 . . . 12.5% by 2021
 - Provides cost recovery for energy efficiency
- Provides cost recovery for
 - Environmental re-agents
 - Energy component of purchased power
 - Avoided-cost portion of renewables
- Gives Commission enhanced authority to grant recovery of financing costs for new power plants during construction
- Passed by N.C. General Assembly. . . awaits decision from the governor

Regulatory Update cont'd.



N.C. Rate Case	Ohio Gas Rate Case	Ohio RSP
<ul style="list-style-type: none">▪ Requested \$140 million increase in rates (3.6%)▪ Effective January 1, 2008▪ Would be first base rate increase in 16 years▪ Requested rate increase addresses rate parity<ul style="list-style-type: none">▪ Residential: 6.8%▪ General service and industrial: 2.0%▪ Review of Clean Air Act compliance costs	<ul style="list-style-type: none">▪ Requested \$34 million increase in rates (5.8%)▪ Approval to continue tracker for accelerated gas main replacement program▪ If approved, effective in spring of 2008	<ul style="list-style-type: none">▪ RSP expires in 2008▪ 1,500 MW currently needed, 900 MW more by 2013▪ Three options<ul style="list-style-type: none">▪ 10-year extension of RSP▪ Solicit bids for 2009▪ Short-term extension of RSP until long-term plan is finalized

Regulatory Update cont'd.



New Coal and Gas Generation (N.C.)	630 MW IGCC Plant (IN)	Energy Efficiency and Nuclear
<p><u>Cliffside</u></p> <ul style="list-style-type: none"> ▪ \$1.8 billion updated cost estimate (excludes \$600 million AFUDC) ▪ \$62.5 million in tax credits ▪ Air permit expected 3Q07 <p><u>Gas-Fired Generation</u></p> <ul style="list-style-type: none"> ▪ Two 600-800 MW combined-cycle gas plants ▪ Anticipate CPCN filing in 4Q07 	<ul style="list-style-type: none"> ▪ Completed evidentiary hearings in June ▪ Expect order in 4Q07 ▪ Expect \$460 million federal, state and local tax incentives ▪ ~\$2 billion cost estimate <ul style="list-style-type: none"> ▪ Estimate includes ~\$200 million AFUDC ▪ Excludes tax incentives 	<p><u>Energy Efficiency</u></p> <ul style="list-style-type: none"> ▪ Filed save-a-watt plan in May with N.C. Commission <ul style="list-style-type: none"> ▪ Return on and of 90% of avoided costs ▪ Ohio and Kentucky approved enhanced DSM programs <p><u>Nuclear</u></p> <ul style="list-style-type: none"> ▪ Application for COL to be filed by the end of 2007 ▪ Expect to file CPCN in S.C. in 4Q07

Regulatory Update cont'd.



Wind Energy	Climate Change
<ul style="list-style-type: none">▪ Recent acquisition of 1,000+ MW of wind development projects▪ Currently 23 states with renewable portfolio standards▪ Approximately \$400 million in CapEx planned through 2009	<ul style="list-style-type: none">▪ Seven competing bills currently▪ Key economic issue: allowance allocation▪ Duke Energy supports economy-wide cap and trade<ul style="list-style-type: none">▪ Treats all industries equitably▪ Bingaman-Specter bill<ul style="list-style-type: none">▪ Achievable targets

September Analyst Conference

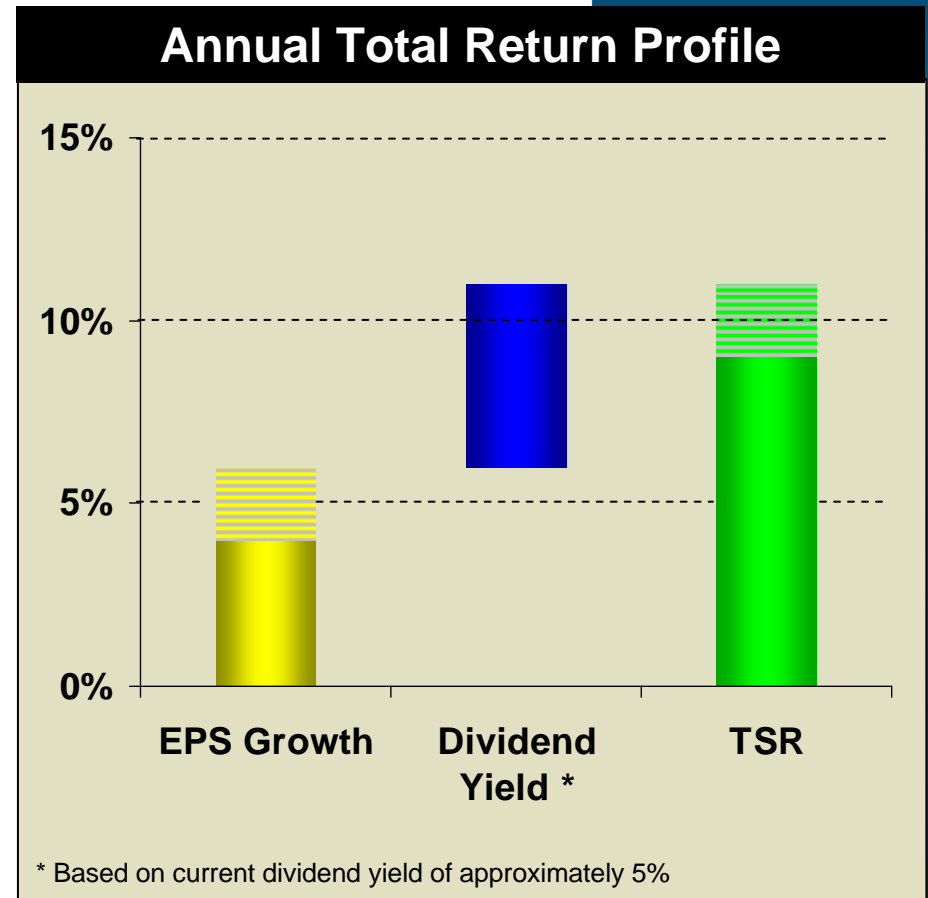


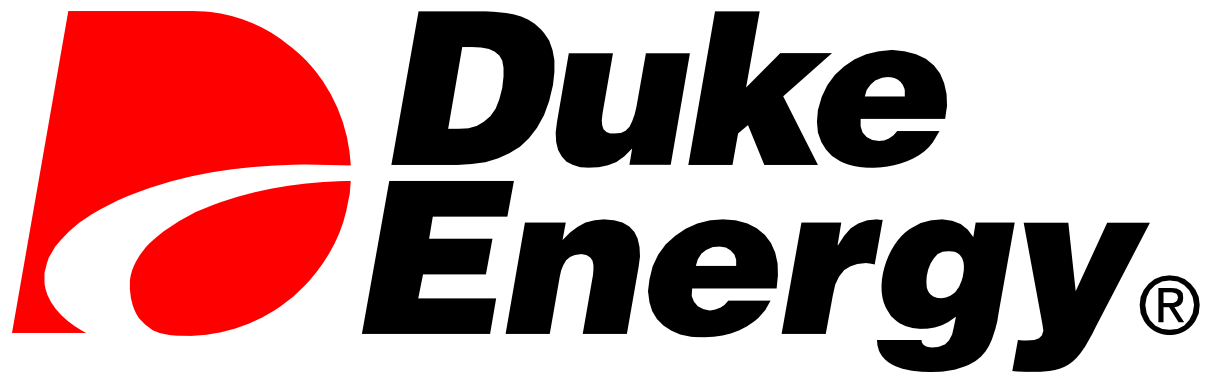
- September 14 in New York City
- Updated five-year CapEx plan
- Update ongoing earnings growth rate
- Regulatory update
- Review of operations by Duke Energy senior management team

Value Proposition



- Growth
 - Sales growth
 - Cost reductions
 - Return on capital investments
- Value
 - Proactive regulatory strategy
 - 2007 EPS incentive target of \$1.15 per share, based on ongoing diluted EPS
 - 4–6% ongoing diluted EPS growth through 2009
 - 70–75% dividend payout ratio target through 2009





Duke Energy Corporation
Non-GAAP Reconciliations
Second Quarter 2007 Earnings Review
August 7, 2007

Ongoing Diluted Earnings per Share (“EPS”)

The slides and prepared remarks for Duke Energy Corporation’s (“Duke Energy”) Second Quarter 2007 Earnings Review include a discussion of ongoing diluted EPS for the three and six month periods ended June 30, 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.

2007 Employee EPS Incentive Target Measure

The slides and prepared remarks for Duke Energy’s Second Quarter 2007 Earnings Review include a discussion of management’s current belief that, given the results for the six months ended June 30, 2007 and with normal weather the rest of the year and a continuing focus on operations and cost management, Duke Energy is in a strong position to exceed 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.

The discussion of the company's 2007 employee EPS incentive target of \$1.15 also includes a reference to management’s expectation for earnings, on a normalized basis, in the second half of the year to be greater than the first half of the year, as well as a reference to the third quarter representing the strongest quarter, contributing roughly one-third of total ongoing earnings for the year. These references are to 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 seasonality expectations regarding ongoing diluted EPS to seasonality expectations for 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 Segment and Other EBIT

The slides and prepared remarks for Duke Energy's Second Quarter 2007 Earnings Review include a discussion of ongoing segment EBIT, including diluted-EPS-equivalent amounts, and ongoing Other EBIT, for certain periods. Also included in the prepared remarks is a reference to management's current expectation that the Midwest gas-fired generation assets will have ongoing EBIT losses of about one-half of the original projected 2007 ongoing EBIT losses of \$60 million for this component of the Commercial Power segment, and the current expectation that the Midwest gas-fired generation assets will reach their break-even point by 2009, on an ongoing EBIT basis. 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.

Ongoing Diluted EPS Growth Rates through 2009

The slides and prepared remarks for Duke Energy's Second 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
June 2006 Quarter-to-date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Total Adjustments	Reported Earnings
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	Impairment of Campeche Investment	Discontinued Operations			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351
Commercial Power	20	-	-	-	-	-	20
International Energy	79	-	(55) B	-	(55)	(55)	24
Crescent	174	-	-	-	-	-	174
Total reportable segment EBIT	<u>624</u>	<u>-</u>	<u>(55)</u>	<u>-</u>	<u>(55)</u>	<u>(55)</u>	<u>569</u>
Other	(77)	(74) A	-	-	(74)	(74)	(151)
Total reportable segment EBIT and Other EBIT	\$ 547	\$ (74)	\$ (55)	\$ -	\$ (129)	\$ (129)	\$ 418
Interest Expense	(185)	-	-	-	-	-	(185)
Interest Income and Other	14	-	-	-	-	-	14
Income Taxes from Continuing Operations	(77)	26	-	-	26	26	(51)
Discontinued Operations, net of taxes	-	-	-	159 C,D	159	159	159
Net Income	<u>\$ 299</u>	<u>\$ (48)</u>	<u>\$ (55)</u>	<u>\$ 159</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 355</u>
EARNINGS PER SHARE, BASIC	<u>\$ 0.24</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.13</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.29</u>
EARNINGS PER SHARE, DILUTED	<u>\$ 0.24</u>	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.12</u>	<u>\$ 0.04</u>	<u>\$ 0.04</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 - \$38 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in Losses on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

C - Excludes Crescent discontinued operations.

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

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,238
Diluted	1,259

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
June 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	Impairment of Campeche Investment	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS						
U.S. Franchised Electric and Gas	\$ 710	\$ -	\$ -	\$ -	\$ -	\$ 710
Commercial Power	(7)	-	-	-	-	(7)
International Energy	165	-	(55) B	-	(55)	110
Crescent	216	-	-	-	-	216
Total reportable segment EBIT	1,084	-	(55)	-	(55)	1,029
Other	(126)	(78) A	-	-	(78)	(204)
Total reportable segment EBIT and Other EBIT	\$ 958	\$ (78)	\$ (55)	\$ -	\$ (133)	\$ 825
Interest Expense	(288)	-	-	-	-	(288)
Interest Income and Other	21	-	-	-	-	21
Income Taxes from Continuing Operations	(186)	27	-	-	27	(159)
Discontinued Operations, net of taxes	-	-	-	314 C,D	314	314
Net Income	\$ 505	\$ (51)	\$ (55)	\$ 314	\$ 208	\$ 713
EARNINGS PER SHARE, BASIC	\$ 0.47	\$ (0.05)	\$ (0.05)	\$ 0.29	\$ 0.19	\$ 0.66
EARNINGS PER SHARE, DILUTED	\$ 0.46	\$ (0.05)	\$ (0.05)	\$ 0.28	\$ 0.18	\$ 0.64

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 - \$38 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in Losses on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.

C - Excludes Crescent discontinued operations.

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

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,083
Diluted	1,111

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

	<u>Special Items (Note 1)</u>					Total Adjustments	Reported Earnings
	Ongoing Earnings	Costs to Achieve, Cinergy Merger	IT Severance Costs	Discontinued Operations			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452
Commercial Power	35	-	-	-	-	-	35
International Energy	97	-	-	-	-	-	97
Crescent	17	-	-	-	-	-	17
Total reportable segment EBIT	601	-	-	-	-	-	601
Other	(42)	(12) ^A	(12) ^A	-	-	(24)	(66)
Total reportable segment and Other EBIT	\$ 559	\$ (12)	\$ (12)	\$ -	\$ -	\$ (24)	\$ 535
Interest Expense	(160)	-	-	-	-	-	(160)
Interest Income and Other	47	-	-	-	-	-	47
Income Taxes from Continuing Operations	(127)	4	4	-	-	8	(119)
Discontinued Operations, net of taxes	-	-	-	(10) ^B	-	(10)	(10)
Net Income	\$ 319	\$ (8)	\$ (8)	\$ (10)	\$ -	\$ (26)	\$ 293
EARNINGS PER SHARE, BASIC	\$ 0.25	\$ -	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.02)	\$ 0.23
EARNINGS PER SHARE, DILUTED	\$ 0.25	\$ -	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.02)	\$ 0.23

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 (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,260
Diluted	1,267

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

	Special Items (Note 1)						Reported Earnings
	Ongoing Earnings	Convertible Debt Costs, Gas Spin-off	Costs to Achieve, Cinergy Merger	IT Severance Costs	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 1,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026
Commercial Power	26	-	-	-	-	-	26
International Energy	191	-	-	-	-	-	191
Crescent	19	-	-	-	-	-	19
Total reportable segment EBIT	1,262	-	-	-	-	-	1,262
Other	(94)	(21) B	(23) A	(12) A	-	(56)	(150)
Total reportable segment and Other EBIT	\$ 1,168	\$ (21)	\$ (23)	\$ (12)	\$ -	\$ (56)	\$ 1,112
Interest Expense	(324)	-	-	-	-	-	(324)
Interest Income and Other	88	-	-	-	-	-	88
Income Taxes from Continuing Operations	(236)	-	8	4	-	12	(224)
Discontinued Operations, net of taxes	-	-	-	-	(2) C	(2)	(2)
Net Income	\$ 696	\$ (21)	\$ (15)	\$ (8)	\$ (2)	\$ (46)	\$ 650
EARNINGS PER SHARE, BASIC	\$ 0.56	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.04)	\$ 0.52
EARNINGS PER SHARE, DILUTED	\$ 0.55	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ -	\$ (0.04)	\$ 0.51

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

C - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,259
Diluted	1,267

Duke Energy Corporation
Reported and Ongoing Segment EBIT - EPS Equivalents
Second Quarter 2007 vs. 2006
(in millions, except per-share amounts)

Segment	Reported					Ongoing				
	2Q 2007	2Q 2006	Difference	Tax Effect	EPS Impact	2Q 2007	2Q 2006	Difference	Tax Effect	EPS Impact
U.S. Franchised Electric and Gas	\$ 452	\$ 351	\$ 101	\$ (39)	\$0.05	\$ 452	\$ 351	\$ 101	\$ (39)	\$0.05
Commercial Power	35	20	15	(6)	0.01	35	20	15	(6)	0.01
International Energy	97	24	73	(5) (b)	0.05	97	79 (a)	18	(5)	0.01
Subtotal	<u>584</u>	<u>395</u>	<u>189</u>		<u>0.11</u>	<u>584</u>	<u>450</u>	<u>134</u>		<u>0.07</u>
Crescent	17	174	(157)	58	(0.08)	17	174	(157)	58	(0.08)
Total Reportable Segments	<u>\$ 601</u>	<u>\$ 569</u>	<u>\$ 32</u>		<u>\$0.03</u>	<u>\$ 601</u>	<u>\$ 624</u>	<u>\$ (23)</u>		<u>\$ (0.01)</u>

Notes

(a) Different between reported amount of \$24 million and ongoing amount of \$79 million represents 2006 impairment of Campeche investment of \$55 million.

(b) Tax effect reflects non-deductibility of \$55 million Campeche impairment discussed in note (a) above.

Duke Energy Corporation
Net Cash Balance Reconciliation
As of June 30, 2007
(in millions)

Cash and Cash Equivalents	\$611	
Short-Term Investments	<u>1,022</u>	
Subtotal	1,633	
Short-term Commercial Paper Outstanding (a)	<u>(729)</u>	
Net Cash Balance (b)	<u><u>\$904</u></u>	(Approximately \$900)

- (a) Excludes approximately \$300 million of commercial paper that is classified as long-term debt due to Duke Energy's intent and ability to utilize such obligations as long-term financing.
- (b) 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 short-term outstanding commercial paper balances. The most directly comparable GAAP financial measure for net cash is cash and cash equivalents.