

Duke Energy Corporation
Reconciliation of Consolidated Earnings

		<u>3rd Qtr</u>	<u>YTD</u>
2002 Reported Earnings Per Share		\$ 0.27	\$ 1.32
	3Q02 Write-off of site development costs, termination obligation on GE turbines, demobilization costs and impairment charges	(0.23)	(0.23)
	3Q02 Severance costs	(0.02)	(0.02)
	3Q02 Net gains (losses) on sale of assets	0.01	0.05
2002 Ongoing Earnings Per Share		\$ 0.51	\$ 1.52
<u>2003 Reconciling Items:</u>			
Franchised Electric:	Electric sales, net of fuel and purchased power	(0.02)	0.03
	Higher D&A, primarily related to North Carolina clean air legislation	(0.04)	(0.07)
	Severance charges	(0.03)	(0.03)
	South Carolina Public Service Commission Settlement	(0.02)	(0.02)
	Decreased O&M expenses	0.02	0.02
	Increased storm costs	-	(0.02)
	Miscellaneous	(0.01)	(0.02)
Gas Transmission:	Gain on sale of assets	0.02	0.05
	Foregone earnings from divested assets	(0.01)	(0.03)
	Severance charges	(0.01)	(0.01)
	Increased earnings from expansion projects	-	0.02
	Q1 earnings attributable to Westcoast Energy acquisition	-	0.10
	Prior year construction completion success fee for Gulfstream Natural Gas system	-	(0.02)
	Miscellaneous	-	0.02
Field Services:	Gain on sale of TEPPCO Class B units and asset sales	-	0.02
	Higher depreciation, operating and G&A costs	-	(0.01)
	Prior year gas imbalance reserve, storage inventory write-down and other misc. charges	0.02	0.03
Duke Energy North America:	Goodwill impairment	(0.18)	(0.18)
	Decreased energy generation	(0.12)	(0.10)
	Net gains (losses) on sale of assets	(0.05)	0.07
	Settlement with Commodities Futures Trading Commission	(0.02)	(0.02)
	Foregone earnings from divested assets	(0.01)	(0.01)
	Proprietary trading results and reduction in mark-to-market earnings	0.02	(0.03)
	Higher depreciation expense related to new generation facilities	-	(0.04)
	Decreased minority interest related to DETM	0.01	0.02
	Prior year change resulting from the application of improved and standardized modeling techniques	-	(0.03)
	Lower than normal general and administrative expenses last year	-	(0.04)
	Miscellaneous	(0.01)	(0.02)
International Energy:	Increased earnings from operations and lower G&A costs	0.01	0.06
	Foregone earnings from divested assets	(0.01)	(0.01)
	Favorable regulatory audit in Brazil and early termination of LNG contract	-	0.02
	Effect of change in foreign currency, primarily Brazil and Mexico	-	(0.01)
	Charge related to the timing of revenue recognition at the Cantarell investment in Mexico	-	(0.02)
Other Operations:	Lower earnings at DF/D due to decreased project activity	(0.02)	(0.05)
	Write down of assets held for sale at Duke Capital Partners	(0.02)	(0.02)
	Increased sales at Crescent Resources	0.02	0.02
	Losses related to exiting proprietary trading and hydrocarbons business at Duke Energy Merchants	-	(0.03)
	Miscellaneous	0.01	(0.02)

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Other Reconciling Items:	Tax benefit on goodwill impairment of International Energy European gas trading	0.06	0.06
	Increase in interest expense	(0.03)	(0.17)
	Corporate severance charges	(0.02)	(0.02)
	Decrease in interest income	(0.02)	(0.05)
	Effect of increase in weighted average shares	(0.01)	(0.08)
	South Carolina Public Service Commission Settlement - debt issuance cost write-off	(0.01)	(0.01)
	Cumulative Effect of Change in Accounting Principles	-	(0.18)
	Prior year tax settlements and other tax items	-	(0.03)
	Prior year elimination of D/FD earnings	0.02	0.06
	Miscellaneous	-	0.04
2003 Reported Earnings Per Share		\$ 0.05	\$ 0.76
	1Q03 Cumulative Effect of Change in Accounting Principles	-	(0.18)
	3Q03 Goodwill impairment	(0.18)	(0.18)
	3Q03 Severance	(0.08)	(0.08)
	3Q03 South Carolina Public Service Commission Settlement	(0.03)	(0.03)
	3Q03 Net gains (losses) on sale of assets	(0.05)	0.12
	3Q03 Settlement with Commodities Futures Trading Commission	(0.02)	(0.02)
	3Q03 Tax benefit on goodwill impairment of International Energy European gas trading	0.06	0.06
2003 Ongoing Earnings Per Share		\$ 0.35	\$ 1.07