



# Third Quarter 2005 Earnings Review

November 2, 2005

**Paul Anderson**

Chairman and Chief Executive Officer

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Group Vice President and Chief Financial Officer

## Safe Harbor Statement

### Under the Private Securities Litigation Act of 1995

This document contains forward looking information which is subject to risks and uncertainties that could cause actual results to be different than those contemplated, including, but not limited to, changes in state, federal or international regulatory environments; commercial, industrial and residential growth in the Company's service territory; the weather and other natural phenomena; the timing and extent of changes in commodity prices, interest rates, and foreign currency exchange rates; general economic conditions; changes in environmental and other laws and regulations to which Duke Energy and its subsidiaries are subject or other external factors over which Duke Energy has no control; the results of financing efforts; the effect of accounting pronouncements; growth in opportunities for Duke Energy's business units, and other risks described in the Company's third quarter earnings release provided on Form 8-K, the 2004 Form 10-K filed with the Securities and Exchange Commission, along with other Securities and Exchange Commission filings.

### Regulation G

This document 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 included in the printed version of these slides which can be downloaded from our investor relations website at: [www.duke-energy.com/investors/publications/gaap/](http://www.duke-energy.com/investors/publications/gaap/)

# Third Quarter 2005 Earnings per Share

	<i>3Q05</i>	<i>3Q04</i>	<i>YTD 2005</i>	<i>YTD 2004</i>
Reported Basic EPS	\$ 0.04	\$ 0.41	\$ 1.29	\$ 1.22
Reported Basic EPS from Discontinued Operations	(0.95)	0.01	(0.96)	0.20
Reported Basic EPS from Continuing Operations	0.99	0.40	2.25	1.02
Special Items	(0.40)	(0.03)	(0.88)	0.20
Ongoing Basic EPS	<u>\$ 0.59</u>	<u>\$ 0.37</u>	<u>\$ 1.37</u>	<u>\$ 1.22</u>

# Franchised Electric

Segment EBIT from continuing operations  
(\$ millions)

## ■ Third Quarter 2005

- Higher results due to warmer than normal weather, strong bulk power sales and lower Clean Air amortization
- Partially offset by higher O&M expenses

Quarter	3Q05	3Q04
Reported Segment EBIT	\$ 606	\$ 453

## ■ Weather was 19% warmer than normal this quarter

## ■ Ongoing Segment EBIT Guidance

- 2005 ongoing segment EBIT expected to be slightly better than 2004's comparable results

## ■ Additional capital expenditures for 2005 now expected to be approximately \$50 million, revised downward from \$100 million

# Franchised Electric Fuel Supplies



- Coal
  - More than 90% of 2006 coal requirements are under contract
- Uranium
  - 100% of uranium requirements contracted through 2008, including conversion and enrichment services
- Duke Power's generation fleet is primarily coal and nuclear, with limited exposure to rising natural gas prices
- Annual fuel clause adjustment
  - NC: Fuel costs increased residential rates by approximately 3.5%
  - SC: Fuel costs increased residential rates by approximately 6%

# Natural Gas Transmission

## ■ Third Quarter 2005

- Higher earnings from US operations and expansion projects
- Higher earnings from Canadian operations at Union Gas and earnings from recent asset additions from Field Services and Empress
- Favorable Canadian currency translation

## ■ Ongoing Segment EBIT Guidance

- Ongoing annual EBIT growth rate for 2005–2007 period expected in 3 – 5% range
- 2005 ongoing segment EBIT expected to be at the high end of this range

Segment EBIT from continuing operations  
(\$ millions)

Quarter	3Q05	3Q04
Reported Segment EBIT	\$ 329	\$ 269
Special items	--	(7)
Ongoing Segment EBIT	<u>\$ 329</u>	<u>\$ 262</u>

# Field Services

## ■ Third Quarter 2005

- Benefited from higher commodity prices and operating improvements
- Offset by reduced ownership level, higher operating costs related to asset integrity work and lower volumes due to hurricane interruptions
- Special items: \$576 million pre-tax gain on transfer of 19.7% interest to ConocoPhillips bringing partnership to 50/50 and an adjustment of \$38 million which partially offset the original charge taken in 1Q05 related to the de-designation of 2005 hedges

Segment EBIT from continuing operations  
(\$ millions)

Quarter	3Q05	3Q04
Reported Segment EBIT	\$ 701	\$ 63
Special items	(614)	25
Ongoing Segment EBIT	<u>\$ 87</u>	<u>\$ 88</u>

## ■ Ongoing Equity Earnings Guidance

- Ongoing equity earnings for the fourth quarter 2005 are expected to be comparable to third quarter results and could exceed \$120 million, depending on changes in commodity prices. This ongoing estimate includes the adjustment of \$35 million related to the remaining recognition of the first quarter charge for de-designated hedges.

# Duke Energy North America

- Decision to exit DENA's business has changed reporting for this segment
  - Historical 2004 will remain at the reporting segment and has been adjusted for the move of certain assets and contractual positions to Discontinued Operations. The restated segment EBIT amount reported for 2004 was a loss of \$27 million.
  - Current year 2005 results will be split between "Other" and Discontinued Operations
- "Other" includes DENA's Midwest assets and related contracts and corporate allocations. The wind-down of DETM is also included in "Other".
- Discontinued Operations includes approximately 6,300 MW of generation facilities located in the West and Northeast along with certain contracts
  - The exit plan resulted in a net charge of approximately \$1.3 billion, or approximately \$800 million after tax

# Financial Impacts of Exit Decision

<i>(\$ in billions)</i>	Day 1	12 Months Post Day 1*
Assets	\$ (0.6)	\$ 0.0
Derivative Contract Portfolio	(0.7)	0.1
Transaction and Termination Costs and Non-Derivative Contracts	0.0	(0.6) – (0.8)
Pre-tax Charge	(1.3)	(0.5) – (0.7)
Taxes	0.5	0.2 – 0.3
<b>NET INCOME</b>	<b>\$ (0.8)</b>	<b>\$ (0.3) – (0.4)</b>
Pre-tax Sensitivity to \$1 Move in Spark Spreads (as of October 28, 2005)		\$20 million

Notes: Operating results and mark-to-market movements will be recorded in the contract portfolio until the time of final disposition. Impact to equity is approximately \$2 billion as hedges are already included in equity.

\* Includes actual results for the period September 13 – September 30, 2005.

# International Energy

## ■ Third Quarter 2005

- Benefited from solid operations in Argentina and Peru, and favorable valuation of the Brazilian currency
- Benefited from higher margins at National Methanol
- Partially offset by higher expenses in Ecuador and Guatemala and lower margins in Brazil
- Special Item: \$20 million impairment charge related to DEI's investment in Campeche

## ■ Ongoing Segment EBIT Guidance

- Ongoing segment EBIT for 2005 is expected to be about \$300 million

Segment EBIT from continuing operations  
(\$ millions)

Quarter	3Q05	3Q04
Reported Segment EBIT	\$ 63	\$ 64
Special items	20	(1)
Ongoing Segment EBIT	<u>\$ 83</u>	<u>\$ 63</u>

# Crescent Resources

## ■ Third Quarter 2005

- Benefited from gain on sale of an interest in a portfolio of office buildings, the sale of a legacy land tract in South Carolina and higher residential lot sales
- Partially offset by a \$16 million impairment on a residential development located in South Carolina

## ■ Ongoing Segment EBIT Guidance

- 2005 ongoing segment EBIT from continuing operations and discontinued operations is expected to be significantly more than \$250 million
- Current book value of real estate portfolio is \$1.35 billion compared with \$1.1 billion at year-end 2004

Segment EBIT from continuing operations  
(\$ millions)

Quarter	3Q05	3Q04
Reported Segment EBIT	\$ 120	\$ 43

# Other EBIT

## ■ Third Quarter 2005

- A \$104 million loss associated with Field Services de-designated hedges
    - ▶ \$44 million realized deterioration for 2005 hedges
    - ▶ \$43 million mark-to-market loss for 2006 hedges
    - ▶ \$17 million mark-to-market loss on 2005 hedges not settled as of Sept 30; considered special item
  - A negative variance of \$54 million related to the timing of the recognition of losses at our captive insurance company and adjustments to the mutual insurance liability
    - ▶ One-third related to deconsolidation of Field Services
    - ▶ One-third related to Hurricanes Katrina and Rita
    - ▶ One-third related to timing difference on the recognition of captive insurance claims
  - DENA's continuing operations reported earnings of \$11 million, including a \$30 million pre-tax gain on the de-designation of hedges related to the Southeast plants and considered a special item for the quarter
- Ongoing Other EBIT is expected to about \$310 million in net expenses, excluding any changes due to mark-to-market fluctuations on the de-designated hedges. This guidance does not include any insurance impacts associated with hurricane damage.

Other EBIT  
(\$ millions)

Quarter	3Q05	3Q04
Reported EBIT	\$ (175)	\$ (25)
Special Items	(13)	--
Ongoing EBIT	<u>\$ (188)</u>	<u>\$ (25)</u>

# Other Financial Items

- Total debt at September 30th was \$16 billion; \$2.7 billion less than year-end 2004
  - Approximately \$2.3 billion of the debt reduction was due to the deconsolidation of Field Services
- Interest expense
  - Third quarter was \$101 million lower than last year due to the deconsolidation of Field Services and net debt reductions
  - Interest expense for 2005 is expected to be approximately \$1.1 billion
- Cash and cash equivalents and short-term investments totaled approximately \$1.4 billion at the end of third quarter 2005
- Share buybacks
  - Accelerated buyback of 30 million shares; shares retired on March 23, 2005; market purchases were completed on September 19th
  - Additional repurchases under separate agreement totaled 2.6 million shares as of May 6th; this program has been suspended
  - SEC restrictions prohibit the repurchase of any meaningful number of shares until after the shareholder vote on the merger

# Operating Highlights

- Expect to exceed incentive target of \$1.65 per basic share
- Duke Power announced its plan to complete a combined construction and operating license (COL) application to build a nuclear plant
  - Site selection to be completed by year end
  - Decision to build will follow approval of the COL by the Nuclear Regulatory Commission
- Pipeline operations and natural gas storage
  - Two compressor stations are still under repair
  - Gas storage facilities in the Northeast US are 95 – 98% full
  - Gas storage facilities along Gulf Coast are refilling by as much as 500 MMcf/day
  - Closed on acquisition of remaining 50% interest in Saltville gas storage facility
- Decision to exit DENA's remaining business
  - Moving quickly to mitigate the mark-to-market exposure on the contractual positions
  - Short-listed interested parties for both assets and contracts
  - We will complete the exit from this business by September 2006

# Merger Update

- Filed for approvals with all five states
- Settlement proposals with South Carolina and Kentucky
  - SC: Approved \$40 million rate credit for one year; extend profit sharing program for bulk power sales through 2010
  - KY: Seeking approval of \$7.6 million rate credit spread over five-year period; commence profit sharing program for off-system sales
- Granted early termination of the Hart-Scott-Rodino waiting period
- All federal filings have been made
- FERC 203 merger filing – fewer interventions than typical
- In process of restating historical financials related to DENA exit decision in order to make an amended S-4 filing with the SEC
- Shareholder vote targeted for February 2006

# Expectations for 2007

- Ongoing earnings expectation of \$2 per diluted share in 2007
- Variables used in evaluations
  - Combination of Duke's and Cinergy's existing businesses
  - Synergies from the combination
  - Organic growth prospects for gas and power businesses
  - Financial optimization and growth achieved through financing vehicles, such as a master limited partnership or Canadian income trust
  - Commodity prices
  - Share buyback

# Duke Energy Safety Vision

*Duke Energy employees and contractors at every level demonstrate personal commitment to continuous safety improvement resulting in a zero injury and zero work-related illness culture.*

## Safety Principles:

- Safety begins at the top.
- Injuries and work-related illnesses are preventable.
- Identifying and minimizing safety and health risks are a priority.
- Personal ownership for safety and looking out for others are essential.
- Openness, feedback and trust are keys to safety success.
- Safety is good business and a critical aspect of a high performance organization.



# Duke Energy Corporation

## Non-GAAP Reconciliation Schedules

### Third Quarter 2005 Earnings Release



#### 2005 Duke Energy Compensation Target

The Company's slides for the Third Quarter 2005 Earnings Conference Call include a discussion of the revised \$1.65 per share employee incentive target for 2005. This earnings-per-share (EPS) measure, which is the basis used for employee incentive bonuses, should track ongoing basic EPS. Ongoing basic EPS is a non-GAAP financial measure as it represents basic EPS from continuing operations plus the per-share effect of any discontinued operations from the Company's Crescent Resources real estate unit, 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. Management believes that the presentation of ongoing basic EPS provides useful information to investors, as it allows them to more accurately compare the Company's ongoing performance across all periods. The most directly comparable GAAP measure for ongoing basic EPS is reported basic EPS from continuing operations which includes the impact of special items. Due to the forward-looking nature of ongoing basic EPS 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 the Company is unable to forecast any special items for future periods.

#### 2007 Duke Energy Ongoing Earnings Expectation

The Company's slides for the Third Quarter 2005 Earnings Conference Call include a discussion of the ongoing earnings expectation of \$2.00 per diluted share in 2007. This ongoing diluted earnings-per-share (EPS) measure is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effects of any discontinued operations from the Company's Crescent Resources real estate unit, 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. Management believes that the presentation of ongoing diluted EPS provides useful information to investors, as it allows them to more accurately compare the Company's ongoing performance across all periods. 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 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 the Company is unable to forecast any special items for future periods.

# Duke Energy Corporation

## Non-GAAP Reconciliation Schedules

### Third Quarter 2005 Earnings Release



#### 2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

The Company's slides for the Third Quarter 2005 Earnings Conference Call include a discussion of forecasted ongoing EBIT for 2005 for certain segments, including a discussion of ongoing equity earnings for Field Services, and Other, and, for certain segments, a discussion of a forecasted ongoing segment EBIT growth rate, which is based on historical and forecasted ongoing segment EBIT. Ongoing segment or Other EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment or Other EBIT adjusted for "special items," which represent certain charges and credits which management believes will not be recurring on a regular basis. When used for future periods, ongoing segment or Other EBIT may also include any amounts that may be reported as discontinued operations. The most directly comparable GAAP measure for ongoing segment or Other EBIT is reported segment or Other EBIT, which represents EBIT from continuing operations, including any "special items." Due to the forward-looking nature of forecasted ongoing segment or Other EBIT and related growth rates, for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as the Company is unable to project any "special items" or any amounts that may be reported as discontinued operations, for any future periods.

#### 2005 Segment EBIT from Continuing and Discontinued Operations for Crescent

The Company's script for the Third Quarter 2005 Earnings Conference Call include a discussion of Crescent Resources' forecasted segment EBIT from continuing and discontinued operations for 2005. As the Company's segment GAAP measure is EBIT from continuing operations, the combination of segment EBIT from continuing and discontinued operations represents a non-GAAP financial measure. Since selling commercial and multi-family assets is an ongoing part of operations for Crescent, it is likely that Crescent will report discontinued operations on a recurring basis under normal operating conditions. Accordingly, management believes that the presentation of Crescent segment EBIT from continuing and discontinued operations provides useful information to investors, as it allows them to compare Crescent's total performance across all periods. The most directly comparable GAAP measure for Crescent's segment EBIT from continuing and discontinued operations is reported segment EBIT from continuing operations. Information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as the Company is unable to forecast those Crescent operations, if any, which will be discontinued operations during 2005.

Duke Energy Corporation  
Non-GAAP Reconciliation Schedules  
Third Quarter 2005 Earnings Release

2005 Duke Energy Compensation Target

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2007 Duke Energy Ongoing Earnings Expectation

The Company's slides for the Third Quarter 2005 Earnings Conference Call include a discussion of the ongoing earnings expectation of \$2.00 per diluted share in 2007. This ongoing diluted earnings-per-share (EPS) measure is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus the per-share effects of any discontinued operations from the Company's Crescent Resources real estate unit, 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. Management believes that the presentation of ongoing diluted EPS provides useful information to investors, as it allows them to more accurately compare the Company's ongoing performance across all periods. 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 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 the Company is unable to forecast any special items for future periods.

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2005 and Beyond Ongoing Segment EBIT and Related Growth Percentages

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discussion of ongoing equity earnings for Field Services, and Other, and, for certain segments, a discussion of a forecasted ongoing segment EBIT growth rate, which is based on historical and forecasted ongoing segment EBIT. Ongoing segment or Other EBIT, and related growth rates, are non-GAAP financial measures as they represent reported segment or Other EBIT adjusted for “special items,” which represent certain charges and credits which management believes will not be recurring on a regular basis. When used for future periods, ongoing segment or Other EBIT may also include any amounts that may be reported as discontinued operations. The most directly comparable GAAP measure for ongoing segment or Other EBIT is reported segment or Other EBIT, which represents EBIT from continuing operations, including any “special items.” Due to the forward-looking nature of forecasted ongoing segment or Other EBIT and related growth rates, for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as the Company is unable to project any “special items” or any amounts that may be reported as discontinued operations, for any future periods.

#### 2005 Segment EBIT from Continuing and Discontinued Operations for Crescent

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DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
September 2004 Quarter-to-date  
(Dollars in Millions)

	Special Items (Note 1)							Reported Earnings
	Ongoing Earnings	Gains (Losses) on Sale of Assets	Impairment	Gains (Losses) on sales and impairments of equity investments	Tax Benefit from DEA Restructuring	Discontinued Operations, excluding Crescent Resources	Total Adjustments	
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>								
Franchised Electric	\$ 453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453
Gas Transmission	262	2	-	5 A	-	-	7	269
Field Services	88	1	(10) B	(16) C	-	-	(25)	63
Duke Energy North America	(23)	(4) D	-	-	-	-	(4)	(27)
International Energy	63	-	-	1	-	-	1	64
Crescent	43	-	-	-	-	-	-	43
<b>Total reportable segment EBIT</b>	<b>886</b>	<b>(1)</b>	<b>(10)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>(21)</b>	<b>865</b>
Other	(25)	(3)	-	3	-	-	-	(25)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 861</b>	<b>\$ (4)</b>	<b>\$ (10)</b>	<b>\$ (7)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21)</b>	<b>\$ 840</b>
<b>EARNINGS FOR COMMON</b>								
Total reportable segment EBIT and other EBIT	\$ 861	\$ (4)	\$ (10)	\$ (7)	\$ -	\$ -	\$ (21)	\$ 840
Foreign Currency Translation Gains / (Losses)	(3)	-	-	-	-	-	-	(3)
Interest Income	14	-	-	-	-	-	-	14
Interest Expense	(329)	-	-	-	-	-	-	(329)
Minority Interest - Interest Expense	6	-	-	-	-	-	-	6
Income taxes on continuing operations	(203)	1	4	3	48	-	56	(147)
Discontinued operations, net of taxes	4	-	-	-	-	4	4	8
Trust Preferred/Preferred Dividends	(2)	-	-	-	-	-	-	(2)
<b>Total Earnings for Common</b>	<b>\$ 348</b>	<b>\$ (3)</b>	<b>(6)</b>	<b>(4)</b>	<b>\$ 48</b>	<b>\$ 4</b>	<b>\$ 39</b>	<b>\$ 387</b>
<b>EARNINGS PER SHARE, BASIC</b>								
	<b>\$ 0.37</b>	<b>\$ -</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>	<b>\$ 0.01</b>	<b>\$ 0.04</b>	<b>\$ 0.41</b>
<b>EARNINGS PER SHARE, DILUTED</b>								
	<b>\$ 0.36</b>	<b>\$ -</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>	<b>\$ 0.01</b>	<b>\$ 0.04</b>	<b>\$ 0.40</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Millennium Pipeline

B - Includes impairments for Mobile Bay \$(4) million, Patterson \$(3) million, and Offshore Lateral \$(3) million (amounts net of \$12 million of minority interest). Recorded in Impairment and other charges on the Consolidated Statements of Operations.

C - Includes impairments for Mt. Belvieu \$(13) million and Black Lake Pipeline \$(3) million (amounts net of \$7 million of minority interest).

D - Southeast assets

Weighted Average Shares (reported and ongoing) - in millions

Basic	938
Diluted	973

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
September 2005 Quarter-to-date  
(Dollars in Millions)

	Special Items (Note 1)								Reported Earnings
	Ongoing Earnings	Gain on transfer of 19.7% interest in DEFS	Impairment of equity investments	Field Services hedge de-designation, net	MTM change on de-designated Field Services hedges for 2005, net	Initial and Subsequent gain on de-designating Southeast DENA hedges	Discontinued Operations, excluding Crescent Resources	Total Adjustments	
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>									
Franchised Electric	\$ 606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 606
Gas Transmission	329	-	-	-	-	-	-	-	329
Field Services	87	576 A	-	38 B	-	-	-	614	701
Duke Energy North America	-	-	-	-	-	-	-	-	-
International Energy	83	-	(20) C	-	-	-	-	(20)	63
Crescent	120	-	-	-	-	-	-	-	120
<b>Total reportable segment EBIT</b>	<b>1,225</b>	<b>576</b>	<b>(20)</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594</b>	<b>1,819</b>
Other	(188)	-	-	-	(17) D	30 E	-	13	(175)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 1,037</b>	<b>\$ 576</b>	<b>\$ (20)</b>	<b>\$ 38</b>	<b>\$ (17)</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 607</b>	<b>\$ 1,644</b>
<b>EARNINGS FOR COMMON</b>									
Total reportable segment EBIT and other EBIT	\$ 1,037	\$ 576	\$ (20)	\$ 38	\$ (17)	\$ 30	\$ -	\$ 607	\$ 1,644
Foreign Currency Translation Gains / (Losses)	(14)	-	-	-	-	-	-	-	(14)
Interest Income and Other	10	-	-	-	-	-	-	-	10
Interest Expense	(228)	-	-	-	-	-	-	-	(228)
Minority Interest (Expense) Benefit - Interest Expense	(1)	-	-	-	-	-	-	-	(1)
Income taxes on Continuing Operations	(260)	(213)	6	(15)	6	(11)	-	(227)	(487)
Discontinued Operations, net of taxes	1	-	-	-	-	-	(884) F	(884)	(883)
Trust Preferred/Preferred Dividends	(3)	-	-	-	-	-	-	-	(3)
<b>Total Earnings for Common</b>	<b>\$ 542</b>	<b>\$ 363</b>	<b>\$ (14)</b>	<b>\$ 23</b>	<b>\$ (11)</b>	<b>\$ 19</b>	<b>\$ (884)</b>	<b>\$ (504)</b>	<b>\$ 38</b>
<b>EARNINGS PER SHARE, BASIC</b>									
	<b>\$ 0.59</b>	<b>\$ 0.39</b>	<b>\$ (0.02)</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.95)</b>	<b>\$ (0.55)</b>	<b>\$ 0.04</b>
<b>EARNINGS PER SHARE, DILUTED</b>									
	<b>\$ 0.56</b>	<b>\$ 0.38</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.02</b>	<b>\$ (0.92)</b>	<b>\$ (0.52)</b>	<b>\$ 0.04</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations.

B - Third quarter settlements of the 2005 portion of the Field Services de-designated hedges as of 2/22/05, recorded in Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations.

C - Campeche equity investment impairment in anticipation of sale, recorded in (Losses) Gains on sales and impairments of equity investments on the Consolidated Statements of Operations.

D - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

E - Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues on the Consolidated Statements of Operations.

F - Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. Recorded in (Loss) Income From Discontinued Operations on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	926
Diluted	964

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
September 2004 Year-to-date  
(Dollars in Millions)

	Special Items (Note 1)									Total Adjustments	Reported Earnings
	Ongoing Earnings	Gains (Losses) on Sale of Assets	Impairment	Gains (losses) on sales and impairments of equity investments	Enron Settlement	Interest on SoCal Reserve	Tax Benefit from DEA Restructuring	Discontinued Operations, excluding Crescent Resources			
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>											
Franchised Electric	\$ 1,212	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 1,215
Gas Transmission	970	11	-	5 A	-	-	-	-	-	16	986
Field Services	267	1	(10) B	(16) C	1 D	-	-	-	-	(24)	243
Duke Energy North America	(149)	(373) E	-	-	8 D,F	-	-	-	-	(365)	(514)
International Energy	172	1	(13) G	1	-	-	-	-	-	(11)	161
Crescent	190	-	-	-	-	-	-	-	-	-	190
<b>Total reportable segment EBIT</b>	<b>2,662</b>	<b>(357)</b>	<b>(23)</b>	<b>(10)</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(381)</b>	<b>2,281</b>
Other	(84)	4 H	-	3	21 D	-	-	-	-	28	(56)
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 2,578</b>	<b>\$ (353)</b>	<b>\$ (23)</b>	<b>\$ (7)</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (353)</b>	<b>\$ 2,225</b>
<b>EARNINGS FOR COMMON</b>											
Total reportable segment EBIT and other EBIT	\$ 2,578	\$ (353)	\$ (23)	\$ (7)	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ (353)	\$ 2,225
Foreign Currency Translation Gains / (Losses)	-	-	-	-	-	-	-	-	-	-	-
Interest Income	46	-	-	-	-	-	-	-	-	-	46
Interest Expense	(972)	-	-	-	-	(12)	-	-	-	(12)	(984)
Minority Interest - Interest Expense	27	-	-	-	-	-	-	-	-	-	27
Income taxes on continuing operations	(541)	124	8	3	(11)	4	48	-	-	176	(365)
Discontinued operations, net of taxes	4	-	-	-	-	-	-	179 I	-	179	183
Trust Preferred/Preferred Dividends	(7)	-	-	-	-	-	-	-	-	-	(7)
<b>Total Earnings for Common</b>	<b>\$ 1,135</b>	<b>\$ (229)</b>	<b>\$ (15)</b>	<b>\$ (4)</b>	<b>\$ 19</b>	<b>\$ (8)</b>	<b>\$ 48</b>	<b>\$ 179</b>	<b>\$ -</b>	<b>\$ (10)</b>	<b>\$ 1,125</b>
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 1.23</b>	<b>\$ (0.25)</b>	<b>\$ (0.02)</b>	<b>\$ -</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>	<b>\$ 0.20</b>	<b>\$ -</b>	<b>\$ (0.01)</b>	<b>\$ 1.22</b>
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 1.19</b>	<b>\$ (0.24)</b>	<b>\$ (0.02)</b>	<b>\$ -</b>	<b>\$ 0.02</b>	<b>\$ (0.01)</b>	<b>\$ 0.05</b>	<b>\$ 0.19</b>	<b>\$ -</b>	<b>\$ (0.01)</b>	<b>\$ 1.18</b>

Note 1 - Amounts for special items are entered net of minority interest

A - Millennium Pipeline

B - Includes impairments for Mobile Bay \$(4) million, Patterson \$(3) million, and Offshore Lateral \$(3) million (amounts net of \$12 million of minority interest). Recorded in Impairment and other charges on the Consolidated Statements of Operatic

C - Includes impairments for Mt. Belvieu \$(13) million and Black Lake Pipeline \$(3) million (amounts net of \$7 million of minority interest)

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operation

E - Approximately \$(360) million related to loss on sale of the Southeast assets and approximately \$(9) million related to losses on liquidation of DETM contracts (net of \$5 million of minority interest) \$(363) million recorded in Gains (Losses) on Sales of Other Assets, net (net of \$5 million of minority interest) and \$(6) million recorded in Operation, maintenance and other on the Consolidated Statements of Operatic

F - Amount is net of \$5 million of minority interest

G - Charge related to Cantarell, recorded in Operation, maintenance and other on the Consolidated Statements of Operation

H - Includes \$13 million related to the sale of Caribbean Nitrogen Cc

I - Primarily DENA discontinued operations, net of tax

Weighted Average Shares (reported and ongoing) - in million:

Basic	925
Diluted	960

DUKE ENERGY CORPORATION  
ONGOING TO REPORTED EARNINGS RECONCILIATION  
September 2005 Year-to-date  
(Dollars in Millions)

	Special Items (Note 1)								Total Adjustments	Reported Earnings	
	Ongoing Earnings	Mutual insurance liability adjustment	Gain on transfer of 19.7% interest in DEFS	Gains (Losses) on sales and impairments of equity investments	Field Services hedge de- designation, net	MTM change on de-designated Field Services hedges for 2005, net	Initial and Subsequent gain on de- designating Southeast DENA hedges	Discontinued Operations, excluding Crescent Resources			
<b>SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS</b>											
Franchised Electric	\$ 1,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,216
Gas Transmission	1,044	-	-	-	-	-	-	-	-	-	1,044
Field Services	378	-	576 C	888 A	(58) B	-	-	-	1,406	1,784	
Duke Energy North America	-	-	-	-	-	-	-	-	-	-	-
International Energy	237	-	-	(20) F	-	-	-	-	(20)	217	
Crescent	210	-	-	-	-	-	-	-	-	210	
<b>Total reportable segment EBIT</b>	<b>3,085</b>	<b>-</b>	<b>576</b>	<b>868</b>	<b>(58)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,386</b>	<b>4,471</b>	
Other	(433)	(28) D	-	-	-	(64) E	30 G	-	(62)	(495)	
<b>Total reportable segment EBIT and other EBIT</b>	<b>\$ 2,652</b>	<b>\$ (28)</b>	<b>\$ 576</b>	<b>\$ 868</b>	<b>\$ (58)</b>	<b>\$ (64)</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ 1,324</b>	<b>\$ 3,976</b>	
<b>EARNINGS FOR COMMON</b>											
Total reportable segment EBIT and other EBIT	\$ 2,652	\$ (28)	\$ 576	\$ 868	\$ (58)	\$ (64)	\$ 30	\$ -	\$ 1,324	\$ 3,976	
Foreign Currency Translation Gains / (Losses)	(12)	-	-	-	-	-	-	-	-	(12)	
Interest Income and Other	34	-	-	-	-	-	-	-	-	34	
Interest Expense	(813)	-	-	-	-	-	-	-	-	(813)	
Minority Interest (Expense) Benefit - Interest Expense	22	-	-	-	-	-	-	-	-	22	
Income taxes on Continuing Operations	(599)	10	(213)	(323)	20	21	(11)	-	(496)	(1,095)	
Discontinued Operations, net of taxes	1	-	-	-	-	-	-	(895) H	(895)	(894)	
Trust Preferred/Preferred Dividends	(7)	-	-	-	-	-	-	-	-	(7)	
<b>Total Earnings for Common</b>	<b>\$ 1,278</b>	<b>\$ (18)</b>	<b>\$ 363</b>	<b>\$ 545</b>	<b>\$ (38)</b>	<b>\$ (43)</b>	<b>\$ 19</b>	<b>\$ (895)</b>	<b>\$ (67)</b>	<b>\$ 1,211</b>	
<b>EARNINGS PER SHARE, BASIC</b>	<b>\$ 1.37</b>	<b>\$ (0.02)</b>	<b>\$ 0.39</b>	<b>\$ 0.58</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>	<b>\$ 0.02</b>	<b>\$ (0.96)</b>	<b>\$ (0.08)</b>	<b>\$ 1.29</b>	
<b>EARNINGS PER SHARE, DILUTED</b>	<b>\$ 1.32</b>	<b>\$ (0.02)</b>	<b>\$ 0.37</b>	<b>\$ 0.56</b>	<b>\$ (0.04)</b>	<b>\$ (0.04)</b>	<b>\$ 0.02</b>	<b>\$ (0.92)</b>	<b>\$ (0.07)</b>	<b>\$ 1.25</b>	

Note 1 - Amounts for special items are entered net of minority interest

A - Gain on sale of investment in units of TEPPCO LP, \$97 million, and TEPPCO GP, \$791 million net of \$343 million of minority interest

B - De-designation of hedges due to proposed transfer of 19.7% interest in DEFS to ConocoPhillips. \$125 million loss recorded in impairment and other charges on the Consolidated Statements of Operations, reduced by \$29 million of hedge settlements recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues, and \$38 million of hedge settlements recorded in Equity in Earnings of Unconsolidated Affiliates on the Consolidated Statements of Operations

C - Recorded in Gains (Losses) on Sales of Other Assets, net on the Consolidated Statements of Operations

D - Recorded in Operation, maintenance and other on the Consolidated Statements of Operations

E - \$47 million loss recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues, and \$17 million loss recorded in Other income and expenses, net on the Consolidated Statements of Operations

F - Campeche equity investment impairment in anticipation of sale

G - Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues on the Consolidated Statements of Operations

H - Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. Recorded in (Loss) Income From Discontinued Operations on the Consolidated Statements of Operations

Weighted Average Shares (reported and ongoing) - in million

Basic	936
Diluted	973