

Duke Energy Corporation
Reconciliation of Consolidated Earnings

	<i>4th Qtr</i>	<i>YTD</i>
2002 Reported Earnings Per Share	\$ (0.06)	\$ 1.22
3Q02 Write-off of site development costs, termination obligation on GE turbines, demobilization costs and impairment charges	-	(0.23)
4Q02 Write-off of goodwill and other asset impairments	(0.24)	(0.25)
4Q02 Storm Costs	(0.06)	(0.07)
4Q02 Severance and employee related special charges	(0.04)	(0.07)
4Q02 Write-off of information technology system costs	(0.02)	(0.02)
4Q02 Write-off of demobilization costs	(0.01)	(0.01)
4Q02 NCUC and PSCSC settlements	(0.01)	(0.01)
2002 Ongoing Earnings Per Share	\$ 0.32	\$ 1.88
<u>2003 Reconciling Items:</u>		
Franchised Electric:		
Electric sales, net of fuel and purchased power	(0.01)	0.02
Higher D&A, primarily related to North Carolina clean air legislation	(0.02)	(0.09)
Severance and related charges	(0.02)	(0.05)
South Carolina Public Service Commission Settlement	-	(0.02)
O&M expenses	(0.05)	(0.05)
Storm costs	-	(0.02)
Miscellaneous	(0.01)	(0.01)
Gas Transmission:		
Gain on sale of assets	0.01	0.05
Foregone earnings from divested assets	(0.01)	(0.04)
Severance and related charges	(0.01)	(0.02)
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)
Effect of change in foreign currency, primarily Canada	-	0.01
Miscellaneous	0.01	0.01
Field Services:		
Gain on sale of TEPPCO Class B units and asset sales	-	0.01
Commodity price impacts (net of hedging)	0.01	-
Depreciation, operating and G&A costs	(0.01)	(0.02)
Prior year gas imbalance reserve, storage inventory write-down and other misc. charges	0.01	0.04
Miscellaneous	(0.01)	
Duke Energy North America:		
DENA plant impairments and DETM charges	(1.97)	(1.97)
DENA redesignation of power contracts to MTM	(0.18)	(0.18)
Goodwill impairment	-	(0.18)
Decreased energy generation earnings	(0.09)	(0.17)
Net gains on sale of assets	-	0.01
Settlement with Commodities Futures Trading Commission	-	(0.02)
Foregone earnings from divested assets	-	(0.02)
Proprietary trading results and reduction in mark-to-market earnings	-	(0.03)
Higher depreciation expense related to new generation facilities	-	(0.06)
Prior year change resulting from the application of improved and standardized modeling techniques	-	(0.03)
Severance & related charges	-	(0.01)
Miscellaneous	-	0.03
International Energy:		
Increased earnings from operations and lower G&A costs	0.01	0.04
Favorable regulatory audit in Brazil and early termination of LNG contract	-	0.01
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)
DEI reserve and charges for environmental settlements in Brazil	(0.02)	(0.02)
Prior year reserve for supplier non-performance on gas supply contracts	0.02	0.02
Other Operations:		
Lower earnings at DF/D due to decreased project activity	-	(0.05)
Decreased earnings at Crescent Resources due primarily to lower bulk land sales	(0.03)	(0.02)
Prior year losses related to exiting proprietary trading and hydrocarbons business at Duke Energy Merchants	0.03	0.02
Prior year gain on sale of water-related assets and DE&S partially offset by Duke Solutions	-	(0.02)

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Other Reconciling Items:	(Increase) decrease in interest expense	(0.01)	(0.19)
	Decrease in preferred securities interest	0.02	0.05
	Decrease in interest income	(0.01)	(0.06)
	Effect of increase in weighted average shares	-	(0.09)
	South Carolina Public Service Commission Settlement - debt issuance cost write-off	-	(0.01)
	Cumulative Effect of Change in Accounting Principles	-	(0.18)
	Special benefit from tax planning	0.02	(0.03)
	FX Remeasurement	0.02	0.01
	Discontinued operations	(0.19)	(0.15)
	Corporate severance charges	-	(0.02)
	Change in corporate costs	-	0.13
	Miscellaneous	(0.06)	(0.06)

2003 Reported Earnings Per Share

\$ (2.23) \$ (1.48)

1Q03 Cumulative Effect of Change in Accounting Principles	-	(0.18)
3Q03 Goodwill impairment	-	(0.18)
3Q03 South Carolina Public Service Commission Settlement	-	(0.03)
3Q03 Settlement with Commodities Futures Trading Commission	-	(0.02)
3Q03 Tax benefit on goodwill impairment of International Energy European gas trading	-	0.06
4Q03 DENA plant impairments and DETM charges	(1.97)	(1.97)
4Q03 DENA redesignation of power contracts to MTM	(0.18)	(0.18)
4Q03 DEI asset sales and impairment charges for Australia and Europe	(0.25)	(0.25)
4Q03 Tax Adjustments	0.03	0.03
4Q03 Net gains (losses) on sale of assets	0.01	0.13
4Q03 Severance and related charges	(0.03)	(0.11)
4Q03 DEI (Brazil)	(0.02)	(0.02)
4Q03 Write-off of risk management system	(0.04)	(0.04)

2003 Ongoing Earnings Per Share

\$ 0.22 \$ 1.28