

**Duke Energy Corporation**  
Reconciliation of Consolidated Earnings

		<u>3rd Qtr</u>	<u>YTD</u>
<b>2003 Reported Earnings Per Share</b>		<b>\$ 0.05</b>	<b>\$ 0.76</b>
	1Q03 Cumulative Effect of Change in Accounting Principles	-	0.18
	3Q03 DENA Goodwill impairment	0.18	0.18
	3Q03 Severance charges	0.08	0.08
	3Q03 South Carolina Public Service Commission settlement	0.03	0.03
	3Q03 DENA CFTC settlement	0.02	0.02
	3Q03 Tax benefit on goodwill impairment of European gas trading business	(0.06)	(0.06)
	2003 Net (gains) losses on asset sales	0.05	(0.12)
<b>2003 Ongoing Earnings Per Share</b>		<b>\$ 0.35</b>	<b>\$ 1.07</b>
<u>2004 Reconciling Items:</u>			
Franchised Electric:	Electric sales, net of fuel and purchased power	0.04	0.09
	Bulk power marketing sales sharing program	(0.01)	(0.04)
	O&M expenses	(0.06)	(0.09)
	2004 storm costs	(0.01)	(0.01)
Gas Transmission:	Gas distribution earnings	-	0.01
	Effect of change in foreign currency, primarily Canada	0.01	0.04
	Increased earnings from expansion projects	-	0.01
	Foregone earnings from divested assets	-	(0.02)
	Gain on sale of assets	0.01	0.01
	Miscellaneous tax reserve activity	(0.01)	(0.01)
	Resolution of ad valorem tax issues	-	0.01
	Optimization of cushion gas	-	0.01
	Prior year capitalization of development costs and reserve reversals	-	(0.03)
	Miscellaneous	(0.01)	(0.01)
Field Services:	Commodity price impacts (net of hedging)	0.04	0.08
	Asset impairments	(0.02)	(0.02)
	Lower operating and depreciation expenses	-	0.01
	Improved trading and marketing results	-	0.01
	Miscellaneous	(0.01)	-
Duke Energy North America:	Decreased energy generation and structured contract earnings	(0.05)	(0.16)
	MTM results	0.05	(0.05)
	Depreciation, G&A and O&M costs	0.03	0.06
	Change in Minority Interest	-	(0.01)
	Foregone earnings from divested assets	-	(0.02)
	Enron settlement	-	0.08
	California and western U.S. energy markets settlement	-	(0.07)
	Net loss on sale of assets, primarily SE assets and DETM liquidation	-	(0.26)
	Miscellaneous	(0.01)	-
International Energy:	Earnings from operations	0.02	0.02
	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)
	Miscellaneous	(0.01)	(0.01)
Crescent Resources:	Increased residential, commercial and land sales	-	0.09

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Other:	Corporate governance costs	0.01	0.04
	Other corporate activity, non-governance	0.02	0.01
	Lower earnings at D/FD due to decreased project activity	(0.01)	(0.02)
	DEM Current year activity	0.01	0.01
	DEM Gain on sale of CNC	-	0.01
	DEM Share of Enron bankruptcy settlement	-	0.02
	DEM Prior year losses	-	0.02
	Net loss on sale of assets	-	(0.01)
	Miscellaneous	(0.01)	-
Discontinued operations:	Net gains from sale of international assets	0.01	0.30
	Asset impairment (DEFS)	(0.01)	(0.01)
	Other operations primarily related to DEI and DEFS	(0.03)	(0.04)
Other Reconciling Items:	(Increase) decrease in interest expense	0.01	(0.01)
	Decrease in preferred securities interest	-	0.04
	Decrease in minority interest share of interest and taxes	0.01	0.02
	Effect of increase in weighted average shares	-	(0.02)
	Interest related to litigation reserve	-	(0.01)
	Tax restructuring	0.05	0.05
	Tax reserves reversals	-	0.06
	Miscellaneous	-	(0.01)
<b>2004 Reported Earnings Per Share</b>		<b>\$ 0.41</b>	<b>\$ 1.22</b>
	1Q04 Net loss on sale of assets, primarily sale of DENA's southeast generation assets	-	0.26
	1Q04 Charge for expected sale of Cantarell investment	-	0.01
	1Q/2Q/3Q04 Net gains from sale of international assets	(0.01)	(0.30)
	2Q04 Settlements related to Enron Bankruptcy and California	-	(0.02)
	2Q04 Interest related to litigation reserve	-	0.01
	3Q04 DEFS asset impairment	0.02	0.02
	3Q04 Tax restructuring	(0.05)	(0.05)
	3Q04 Disc Ops asset impairment (DEFS)	0.01	0.01
	Effect of increase in weighted average shares	-	(0.01)
<b>2004 Ongoing Earnings Per Share</b>		<b>\$ 0.38</b>	<b>\$ 1.15</b>