

Duke Energy Corporation
 Nine Months Ended September 30, 2004
 Ongoing Earnings per Share
 (amounts in millions, except EPS)

	<u>Pre-tax Amount</u>	<u>Tax Effect</u>	<u>EPS Impact</u>
Special Items:			
<u>First Quarter 2004</u>			
- Gain on sale of Australian assets	\$256	(\$18)	\$0.26
- Net loss on sale of DENA assets, primarily anticipated sale of southeast U.S. plants	(359)	134	(0.25)
- Gains on sale of other assets, including Caribbean Nitrogen Co.	14	(5)	0.01
- Charge related to planned sale of Cantarell investment	(13)	5	(0.01)
subtotal first quarter 2004			<u>0.01</u>
<u>Second Quarter 2004</u>			
- Enron settlement (net of minority interest of \$5 million)	130	(46)	0.09
- True up on net gain on sale of International Energy Assets	38	(9)	0.03
- California and western U.S. energy markets settlement	(105)	37	(0.07)
- Net losses on asset sales (net of minority interests of \$6 million)	(5)	2	0.00
Interest on related litigation reserve	(12)	4	(0.01)
subtotal second quarter 2004			<u>0.04</u>
<u>Third Quarter 2004</u>			
- Tax benefit from restructuring	0	48	0.05
- Asset impairments, losses on asset sales and write down of equity investment at DEFS (net of minority interest of \$26 million)	(42)	16	(0.03)
- Net gains on asset sales	4	(2)	0.00
- Tax true up on sale of Australian assets	0	5	0.01
subtotal third quarter 2004			<u>0.03</u>
Total EPS impact of special items year-to-date			0.08
Impact of changes in shares outstanding			(0.01)
Year-to-date EPS, as reported			1.22
Year-to-date EPS, ongoing			<u>\$1.15</u>

Duke Energy Corporation
 Quarters ended September 30, 2004 and 2003
 Ongoing Earnings per Share
 (amounts in millions, except EPS)

<u>Special Items</u>	<u>Pre-tax Amount</u>	<u>Tax Effect</u>	<u>2004 EPS Impact</u>	<u>2003 EPS Impact</u>
<u>Third Quarter 2004</u>				
- Tax benefit from restructuring	\$0	\$48	\$0.05	
- Asset impairments, losses on asset sales and write down of equity investment at DEFS (net of minority interest of \$26 million)	(42)	16	(0.03)	
- Net gains on asset sales	4	(2)	0.00	
- Tax true up on sale of Australian assets	0	5	0.01	
<u>Third Quarter 2003</u>				
- Tax benefit on 2002 goodwill impairment of International Energy European gas trading	0	52		\$0.06
- Net gain/loss on asset sales	(71)	28		(0.05)
- DENA goodwill write-off	(254)	90		(0.18)
- Severance cost associated with work force reduction	(105)	37		(0.08)
- Settlement with the S. C. Public Service Commission	(46)	18		(0.03)
- Settlement with the Commodity Futures Trading Commission (net of minority interest of \$11 million)	(17)	0		(0.02)
Total EPS Impact			0.03	(0.30)
EPS, as reported			0.41	0.05
EPS, ongoing			<u>0.38</u>	<u>0.35</u>

DUKE ENERGY
 REPORTED TO ONGOING SEGMENT EBIT RECONCILIATION
 September 2004 Quarter and Year-to-date
 (Dollars in Millions)

	Special Items							Total	Reported Segment EBIT
	Ongoing Segment EBIT	Gain (Loss) on Sale of Assets	Loss on Sale of SE Plants	Impairment	Gain on Sale of Equity Investment	Enron Settlement	California and Western US Energy Markets Settlement		
EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									
<i>September 2004 Quarter to Date</i>									
Franchised Electric	\$ 453							\$ -	\$ 453
Gas Transmission	258	2			5			7	265
Field Services	92	1		(26) C				(25)	67
Duke Energy North America	(11)	(2)	(4)					(6)	(17)
International Energy	63				1			1	64
Crescent	43							-	43
<i>September 2004 Year to Date</i>									
Franchised Electric	\$ 1,212	\$ 3						\$ 3	\$ 1,215
Gas Transmission	958	11			5			16	974
Field Services	277	1		(26)		1		(24)	253
Duke Energy North America	(240)	(10) B	(365)			108 A	(105)	(372)	(612)
International Energy	172	1		(13)	1			(11)	161
Crescent	190							-	190

A - Net of minority interest of \$5 million.
 B - Net of minority interest of \$5 million.
 C - Net of minority interest of \$18 million

DUKE ENERGY
 REPORTED TO ONGOING SEGMENT EBIT RECONCILIATION
 Sept 2003 Quarter and Year-to-date
 (Dollars in Millions)

	Special Items						Total	Reported Segment EBIT
	Ongoing Segment EBIT	Gain (Loss) on Sale of Assets	DENA goodwill write-off	Severance and related costs associated with work force reduction	Settlement with the S.C. Public Service Commission	Settlement with the Commodity Futures Trading Commission		
EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS								
<i>September 2003 Quarter to Date</i>								
Franchised Electric	\$ 511	\$ 1		\$ (46)	\$ (30)		\$ (75)	\$ 436
Gas Transmission	267	31		(18)			13	280
Field Services	51			-			-	51
Duke Energy North America	(54)	(81)	(254)	(5)		(17) A	(357)	(411)
International Energy	46	1		(3)			(2)	44
Crescent	39			-			-	39
<i>September 2003 Year to Date</i>								
Franchised Electric	\$ 1,280	\$ 2		\$ (46)	\$ (30)		\$ (74)	\$ 1,206
Gas Transmission	950	77		(18)			59	1,009
Field Services	125	11		-			11	136
Duke Energy North America	5	94	(254)	(5)		(17) A	(182)	(177)
International Energy	176	2		(3)			(1)	175
Crescent	61			-			-	61

A - Net of minority interest of \$11 million.

Duke Energy Corporation

Debt reduction reconciliation - Nine months ending September 30, 2004

	(in millions)
Issuances of long-term debt, per condensed cash flow statement	\$ 166
Payments for the redemption of long-term debt, preferred stock of subsidiary and net paydown of commercial paper and notes payable, per condensed cash flow statement	<u>(1,726)</u>
Total debt reduction - GAAP basis	<u>(1,560)</u>
Debt retired by buyer of Australian assets (non-cash transaction)	<u>840</u>
Total debt reduction, per earnings release slides	<u><u>\$ (2,400)</u></u>

Anticipated 2004 cash proceeds from asset sales announced and closed

	(in millions)	
	Pre-tax Cash Proceeds	After-tax Cash Proceeds
Announced/Closed		
Discontinued operations: Australian Assets	\$ 1,237 (1)	\$ 1,223 (1)
Discontinued operations: Waha	62	62
DEGT: Inventory	10 (3)	10
DENA: Southeast Assets	468 (4)	992 (4)
DENA: Moapa	182 *	330
DENA: Vermillion	44	44
DENA: DEEP Equipment	93 (2)	126 (2)
DENA: Energy Delivery	10	8
DETM: Contracts	(78) (3)	(51)
DEI: Cantarell	60	60
Duke Capital Partners contracts	37	37
Other: Caribbean Nitrogen Company	29	24
Other Miscellaneous Sales	103	103
Total Proceeds 2004	<u><u>\$ 2,257</u></u>	<u><u>\$ 2,968</u></u>
	Rounded <u><u>\$2,300</u></u>	<u><u>\$3,000</u></u>

(1) Includes a non-cash debt assumption by the buyer of approximately \$840 million.

(2) Net of \$45 million cash payment to GE.

(3) The cash paid/received for these transactions are included in cash flows from operating activities.

(4) Includes a note receivable of approximately \$48 million

* Closed in October 2004

Duke Energy Corporation
Non-GAAP Reconciliation Schedules
Third Quarter 2004 Earnings Release

2004 DENA Segment EBIT Loss from Continuing Operations

The Company's prepared remarks related to the Third Quarter 2004 Earnings Review include a discussion of DENA's adjusted 2004 segment EBIT loss from continuing operations projection of \$300 million. This measure of DENA's segment EBIT loss from continuing operations is a non-GAAP financial measure as it excludes any mark-to-market (MTM) earnings and "special items", as defined by the Company, occurring during the year. The most directly comparable GAAP measure is DENA reported segment EBIT loss from continuing operations for 2004. Due to the forward-looking nature of this non-GAAP financial measure, 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 the volatility of mark-to-market movements or the value of such movements and we are unable to forecast any future "special items" for the remainder of 2004.