



DUKE ENERGY – FEBRUARY 2008

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Group Executive and Chief Financial Officer

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SAFE HARBOR STATEMENT

Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy's 2006 Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

REG G DISCLOSURE

In addition, today's discussion 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 available in Appendix A, as well as on our Investor Relations website at www.duke-energy.com.

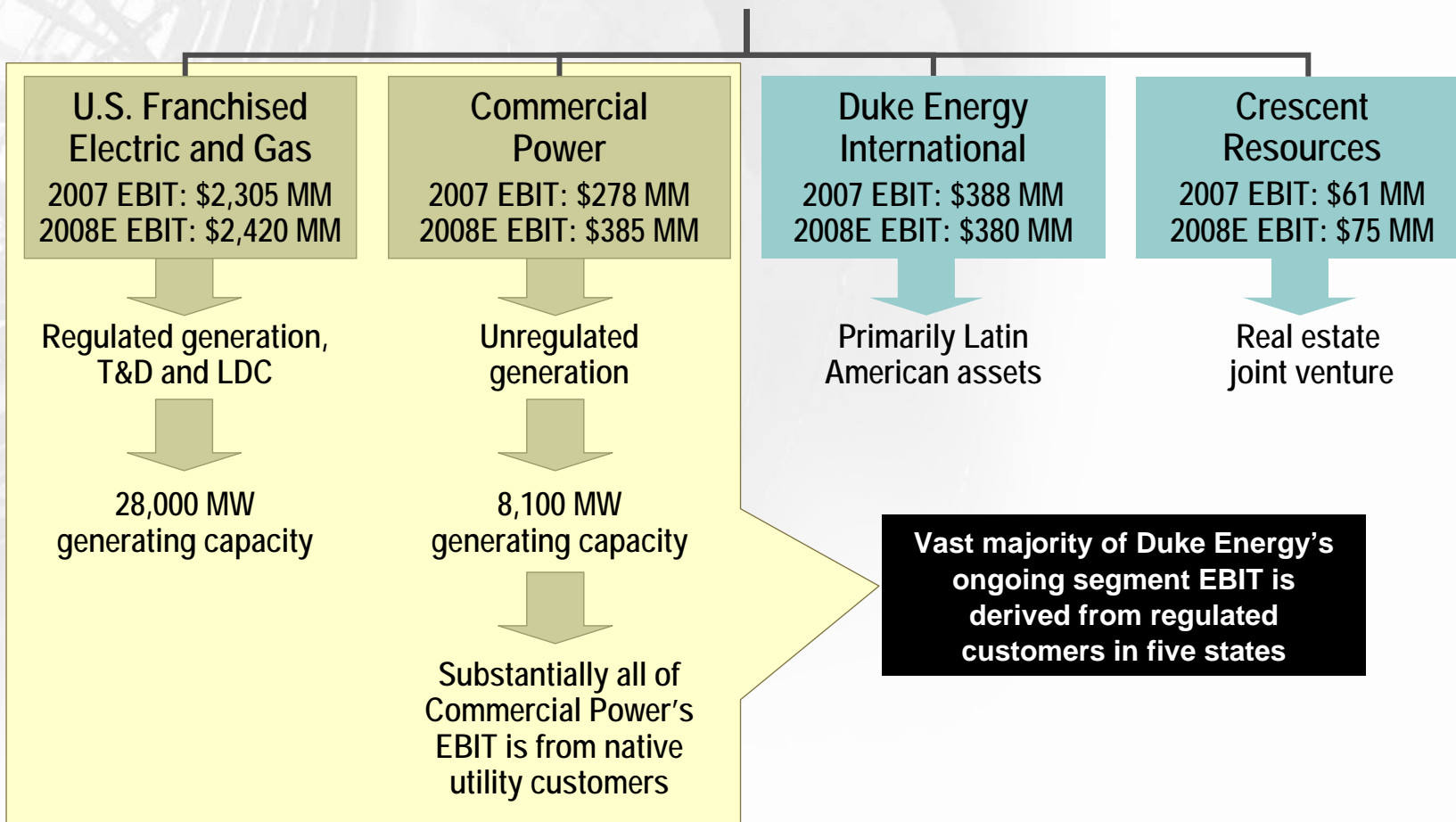
INVESTMENT HIGHLIGHTS

- One of the leading power infrastructure companies in the U.S.
- Low-risk business profile
- Strong operating cash flows
- Solid balance sheet with financial flexibility
- Commitment to strong investment-grade credit ratings
- Significant expansion of generation portfolio (growth in rate base)
- Proactive regulatory strategy and constructive regulatory relationships



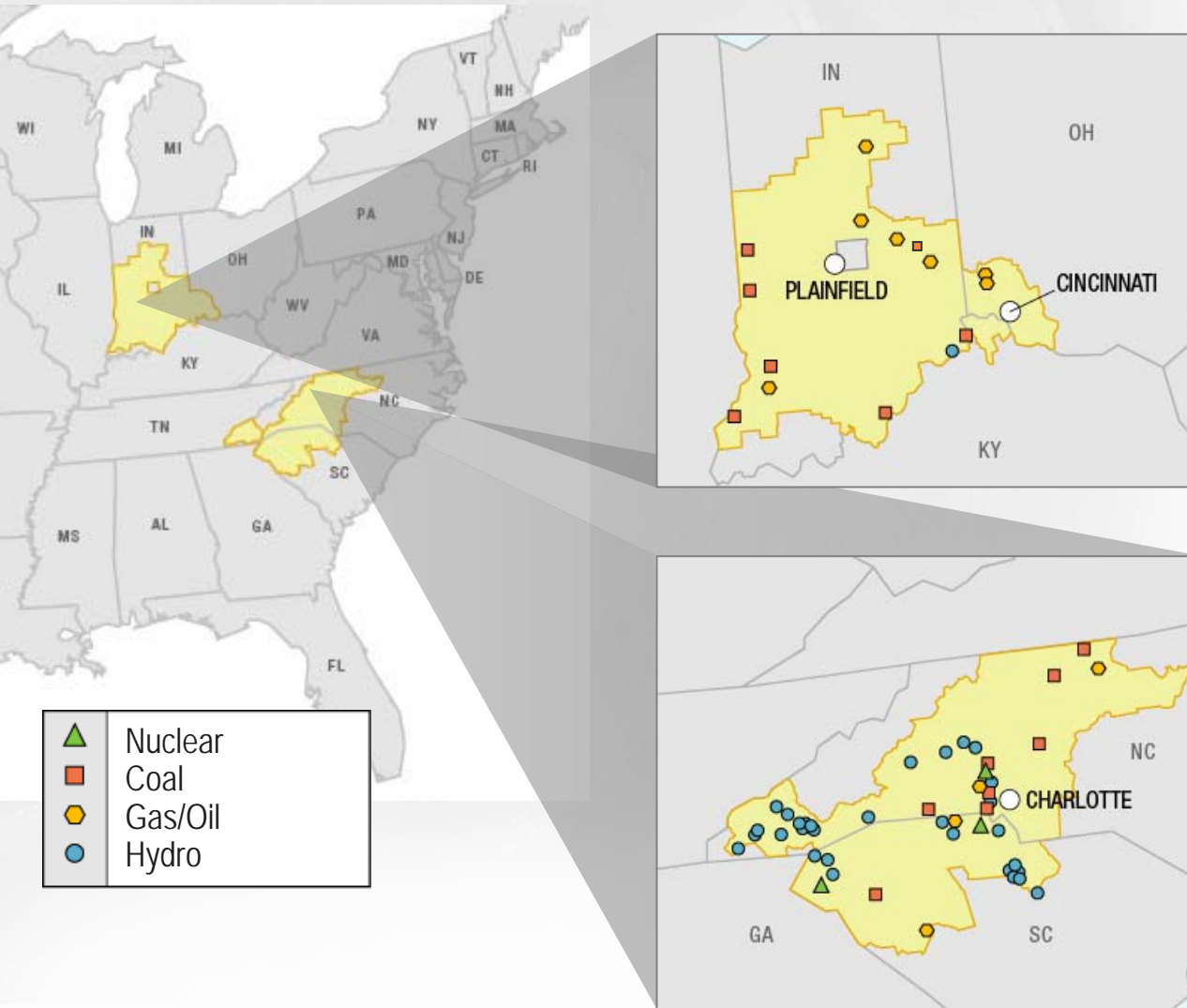
SECTION 1 – BUSINESS UPDATE

LOW-RISK BUSINESS PROFILE



Note: All references to EBIT represent ongoing segment EBIT amounts

OVERVIEW OF U.S. FRANCHISED ELECTRIC & GAS



- 5 States: North Carolina, South Carolina, Indiana, Ohio and Kentucky
- 47,000 square mile service territory
- 28,000 net MW of generating capacity
 - ~5,000 MWs of nuclear
 - ~14,000 MWs of coal
 - ~6,000 MWs of gas / oil
 - ~3,000 MWs of hydro
- 3.9 million retail electric customers
- 500,000 retail gas customers
- Approximately \$17 billion in retail rate base

CAPITAL EXPENDITURES

Capital Expenditures (\$MM)	2008 ⁽¹⁾	2009	2010	2011	2012
U.S. Franchised Electric & Gas					
System Growth	\$ 1,725	\$ 1,950	\$ 2,075	\$ 1,875	\$ 975
Environmental	475	225	125	100	100
Nuclear Fuel	250	200	275	475	450
Maintenance and Other	1,450	1,575	1,650	1,700	1,450
Total U.S. Franchised Electric & Gas	3,900	3,950	4,125	4,150	2,975
Commercial Power	650	275	250	150	125
International	350	250	350	75	25
Corporate and Other	200	225	200	225	225
Total Capital Expenditures	\$ 5,100	\$ 4,700	\$ 4,925	\$ 4,600	\$ 3,350

(1) As announced on our February 5, 2008 earnings call, 2008 cap ex reflects revised projections. Projections for the period 2009 – 2012 have not yet been revised.

EXPECTED RATE ACTIONS BY STATE

- The frequency of rate cases over the next five years will be substantially higher than in prior years to align with our capital intensive business strategy
- Taking measures to minimize rate impact and maintain price competitiveness (modest and gradual price increases relative to the industry overall)
 - Average estimated price increases through 2012
 - Approximately 3% per year in the Carolinas
 - Approximately 5% per year in Indiana
 - Relatively flat in Kentucky

	2008	2009	2010	2011	2012
North Carolina	☑		☑		☑
South Carolina			☑		☑
Indiana					☑
Kentucky		☑ Gas			☑ Electric
Ohio	☑ Gas	☑ Electric		☑ Electric	

☑ Check marks denote timing of projected revenue changes resulting from rate actions



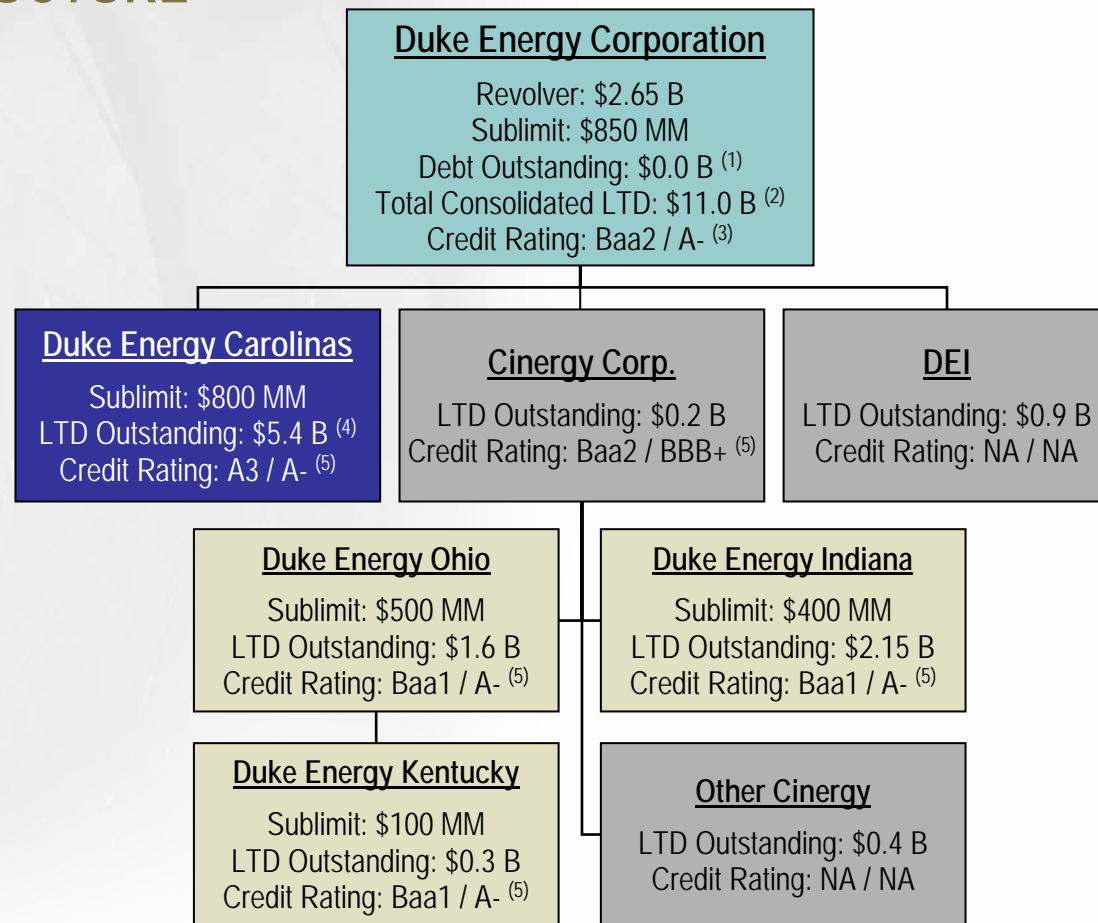
SECTION 2 – FINANCING DISCUSSION

FINANCIAL PLAN HIGHLIGHTS

- Commitment to maintain strong investment-grade credit ratings
 - Financial profile is well positioned for its current ratings
 - Current business plan reflects modest equity issuances through internal plans (e.g., DRIP)
- Holdco-level debt financings
 - Hybrids will likely be issued to provide additional equity content
 - Short-term and medium-term debt may also be issued
- Plan to issue FMBs at utility operating subsidiaries as market conditions warrant

SIMPLIFIED FINANCING STRUCTURE

- Duke maintains a general purpose Master Credit Facility in the amount of \$2.65 billion
 - Commercial Paper programs of \$1.5 billion at DEC and \$700 million at DE Carolinas
- Master Credit Facility provides ample liquidity



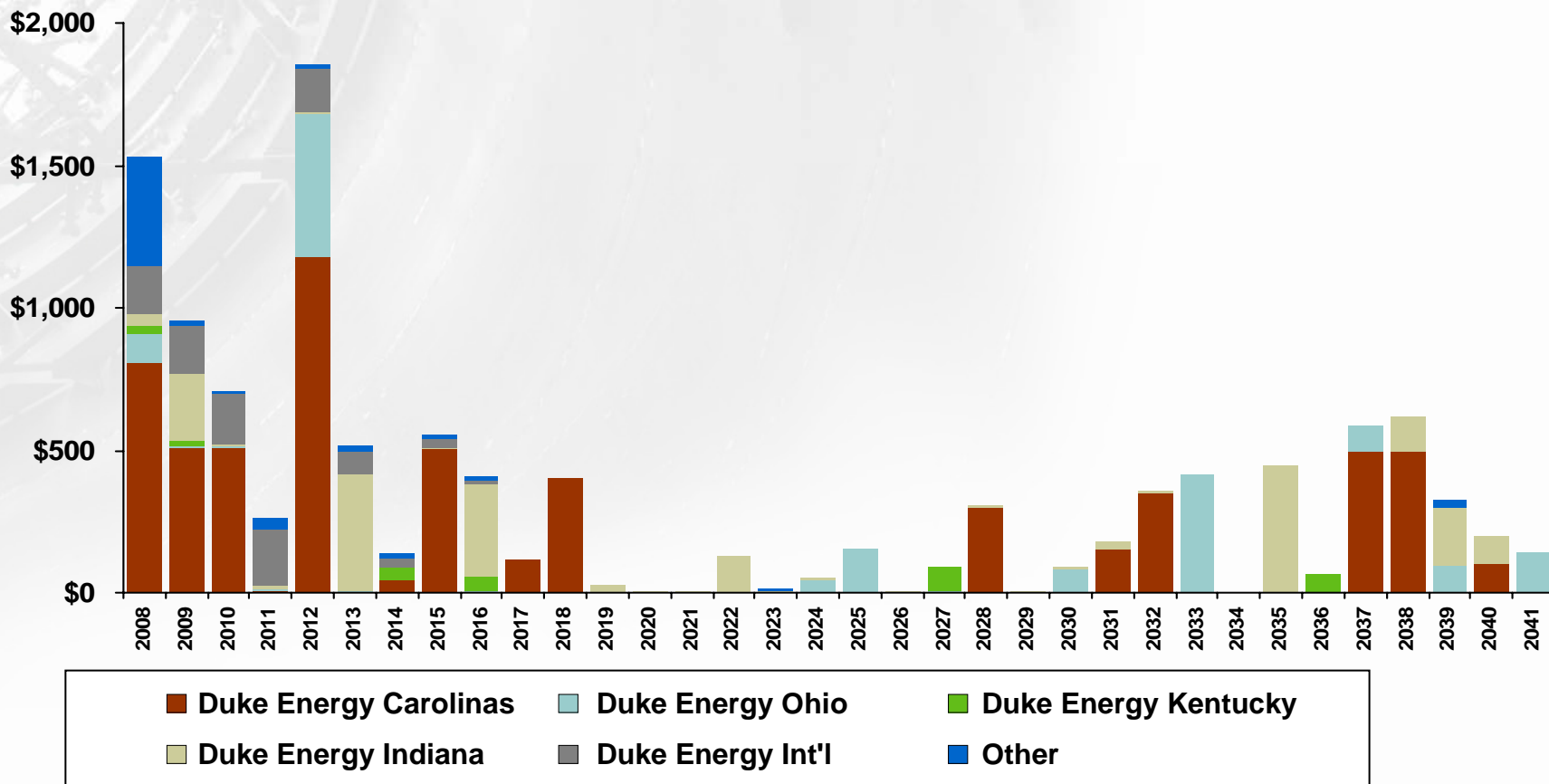
(1) Excludes approximately \$.6 B of commercial paper outstanding
 (2) Excludes approximately \$.75 B of commercial paper outstanding
 (3) Represents Issuer Rating (Moody's) and Corporate Credit Rating (S&P)
 (4) Excludes approximately \$.15 B of commercial paper outstanding
 (5) Represents senior unsecured credit ratings

Credit Facility & CP Issuer
 Sub-Borrower
 Sub-Borrower & CP Issuer

MATURITY PROFILE

- Flexibility in choosing benchmark tenors that best match the long-lived nature of assets

Existing Maturity Profile (\$Millions)



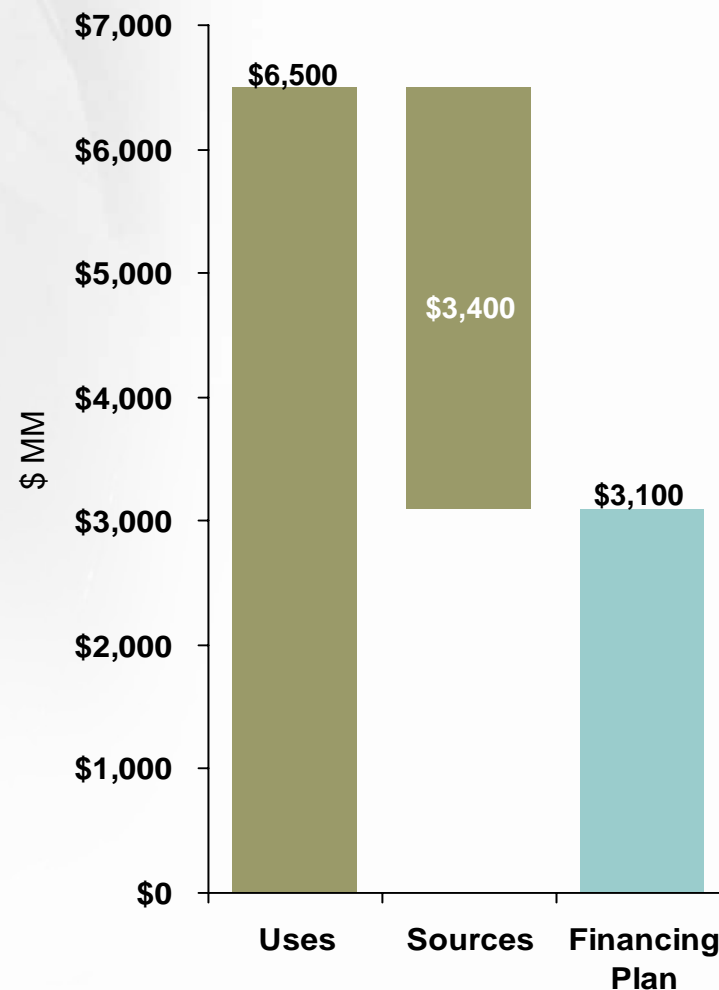
2008 CASH FLOWS

(\$ millions)

Primary Sources	
Net income ⁽¹⁾	\$ 1,600
Depreciation & amortization	1,800
Total Sources	\$ 3,400

Primary Uses	
Capital and investment expenditures	\$ (5,100)
Dividends	(1,150)
Other sources/(uses), net	(250)
Total Uses	\$ (6,500)

Financing Plan	
Cash / Short Term Investments	\$ 525
Net Debt Issuances ⁽²⁾	2,575
Total	\$ 3,100



(1) Illustrative net income based on 2008 employee incentive target of \$1.27 in ongoing diluted earnings per share

(2) Includes debt issuances less debt maturities and reflects projected changes in commercial paper

2008 FINANCING OVERVIEW AND OUTLOOK

(\$Millions)	Duke Energy Carolinas	Duke Energy Ohio	Duke Energy Indiana	Duke Energy Kentucky	DEI ⁽¹⁾	Holdco / Other	Total
2008							
Est. Debt Issuances ⁽²⁾	2,000 ⁽³⁾	450	525	50	600	925 ⁽⁴⁾	4,550
Debt Maturities	(800)	(100)	(50)	(25)	(600)	(400)	(1,975)

- Net debt increase of approximately \$2.6 billion
- Financings planned at each major utility operating subsidiary
 - Index eligible financings with longer-dated tenors
 - Utilize first mortgage bonds as market conditions warrant
 - Senior unsecured debt to be issued at DE Ohio
- Holdco-level debt financings
 - Hybrids will likely be issued to provide additional equity content
 - Short-term and medium-term debt may also be issued

(1) DEI includes potential refinancing of approximately \$550 million of Brazilian debt

(2) Includes projected changes in short-term debt and commercial paper

(3) Includes \$900 million of first mortgage bonds issued in January 2008

(4) Includes issuance of hybrid securities

DUKE ENERGY CORPORATION TARGET FINANCIAL METRICS

- Expect to maintain solid, investment-grade credit metrics
- Debt / capitalization ratio projected to be in the mid-40% range by 2012
- Allows rate base growth with modest equity issuance – approximately \$200 million per year beginning 2010
- S&P Business Risk / Financial Risk : Excellent / Intermediate

2008E – 2012E	Duke Energy
FFO Interest Coverage	~ 5.2x – 4.4x
FFO / Total Debt	~ 22% – 20%
Debt / Total Capitalization	Mid 40% range

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DUKE ENERGY – FEBRUARY 2008

**Duke Energy Corporation
Non-GAAP Reconciliations
February 2008 Financing Plan**

Ongoing Segment EBIT for 2007 and Forecasted Ongoing Segment EBIT for 2008

The materials for Duke Energy's February 2008 Financing Plan presentation include a discussion of ongoing segment EBIT for the year ended December 31, 2007 and a discussion of forecasted 2008 ongoing segment EBIT. Ongoing segment EBIT is a non-GAAP financial measure as it represents reported segment EBIT adjusted for special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for ongoing segment EBIT is reported segment EBIT, which represent segment EBIT from continuing operations, including any special items. Due to the forward-looking nature of forecasted ongoing segment EBIT for future periods, information to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure is not available at this time as management is unable to project special items for future periods. A reconciliation of ongoing segment EBIT for the year ended December 31, 2007 to the most directly comparable GAAP measure is included herein.

Funds From Operations ("FFO") Ratios

The materials for Duke Energy's February 2008 Financing Plan presentation include a discussion of expected FFO interest coverage and FFO to Total Debt ratios. These ratios reflect non-GAAP financial measures. The numerator of the FFO interest coverage ratio is calculated principally by using forecasted net cash provided by operating activities on a GAAP basis, adjusted for forecasted changes in working capital, plus all forecasted cash interest paid. The denominator is principally GAAP interest expense increased by capitalized interest (including any AFUDC interest). Cash from operations, cash interest paid and interest expense are also adjusted for entities considered off-credit.

Anticipated Ongoing Diluted EPS Growth Rates through 2012

In materials for Duke Energy's 2007 Earnings Review and 2008 Outlook presentation, management discussed the expected range of growth of 5-7% in ongoing diluted EPS through 2012 (on a compound annual growth rate ("CAGR") basis). These growth percentages are based on anticipated ongoing diluted EPS amounts for future periods. Ongoing diluted EPS measure is a non-GAAP financial measure as it represents anticipated diluted EPS from continuing operations, 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. 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, and related growth rates, 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 management is unable to forecast special items for future periods.

DUKE ENERGY CORPORATION
ONGOING TO REPORTED EARNINGS RECONCILIATION
December 2007 Year-to-Date
(Dollars in millions, except per-share amounts)

Special Items (Note 1)

	Ongoing Earnings	Convertible Debt Costs, Gas Spin-off	Costs to Achieve, Cinergy Merger	IT Severance Costs	Settlement Reserve Adjustment	Discontinued Operations	Total Adjustments	Reported Earnings
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS								
U.S. Franchised Electric and Gas	\$ 2,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,305
Commercial Power	278	-	-	-	-	-	-	278
International Energy	388	-	-	-	-	-	-	388
Crescent	61	-	-	-	-	-	-	61
Total reportable segment EBIT	3,032	-	-	-	-	-	-	3,032
Other	(235)	(21) B	(54) A	(12) A	45 A	-	(42)	(277)
Total reportable segment and Other EBIT	\$ 2,797	\$ (21)	\$ (54)	\$ (12)	\$ 45	\$ -	\$ (42)	\$ 2,755
Interest Expense	(685)	-	-	-	-	-	-	(685)
Interest Income and Other	208	-	-	-	-	-	-	208
Income Taxes from Continuing Operations	(735)	-	19	4	(16)	-	7	(728)
Discontinued Operations, net of taxes	-	-	-	-	-	(22) C	(22)	(22)
Net Income	\$ 1,585	\$ (21)	\$ (35)	\$ (8)	\$ 29	\$ (22)	\$ (57)	\$ 1,528
EARNINGS PER SHARE, BASIC	\$ 1.26	\$ (0.02)	\$ (0.03)	\$ -	\$ 0.02	\$ (0.02)	\$ (0.05)	\$ 1.21
EARNINGS PER SHARE, DILUTED	\$ 1.25	\$ (0.02)	\$ (0.03)	\$ -	\$ 0.02	\$ (0.01)	\$ (0.04)	\$ 1.21

Note 1 - Amounts for special items are presented net of any related minority interest.

A - Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.

B - Recorded in Other income and expenses, net (Other Income and Expenses, net) on the Consolidated Statements of Operations.

C - Recorded in (Loss) Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and ongoing) - in millions

Basic	1,260
Diluted	1,266

Duke Energy Corporation
February 2008 Financing Plan
Cash Flow Reconciliation Required by SEC Regulation G

(\$ in Millions)

		Forecast 2008
Primary Sources:		
Net income (1)	a	\$ 1,600
Depreciation & amortization	a	1,800
Total Sources		<u>3,400</u>
Primary Uses:		
Capital and Investment Expenditures	b	(5,100)
Dividends	c	(1,150)
Other Sources/(Uses), net	a	(250)
Total Uses		<u>(6,500)</u>
Net Cash, Cash Equivalents, and Short-term Investments Used and Debt Financings		<u>\$ (3,100)</u>

Reconciliations to amounts per U.S. GAAP reporting:

Operating cash flow components from above [summation of (a)]	\$ 3,150
Reconciling items to GAAP operating cash flow (2)	(100)
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 3,050</u>
Investing cash flow components from above [item (b)]	\$ (5,100)
Reconciling items to GAAP investing cash flow (3)	500
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (4,600)</u>
Financing cash flow components from above [item (c)]	\$ (1,150)
Reconciling items to GAAP financing cash flow (4)	2,575
Net cash provided by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 1,425</u>

Notes:

- (1) Forecasted net income of \$1,600 million for 2008 is based on Duke Energy's 2008 employee incentive earnings target of \$1.27 per share. The 2008 measure used for employee incentive bonuses is based on ongoing diluted earnings per share (EPS). Ongoing diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations adjusted for the per-share impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. 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 this non-GAAP financial measure, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to forecast special items for future periods.
- (2) Amount consists primarily of an adjustment for investing cash flow items included in "Other Sources/(Uses), net" (principally the release of restricted funds held on deposit).
- (3) Amount consists primarily of net proceeds from purchases and sales of available-for-sale securities and an adjustment for investing cash flow items included in "Other sources/(uses), net" (principally the release of restricted funds held on deposit).
- (4) Amount consists primarily of net other financing activities including debt issues, debt retirements and changes in amounts of commercial paper outstanding.