

Duke Energy Corporation
Non-GAAP Reconciliations
2010 Earnings Review & Business Update
February 17, 2011

Adjusted Diluted Earnings per Share (“EPS”)

The materials for Duke Energy Corporation’s (“Duke Energy”) 2010 Earnings Review and Business Update on February 17, 2011 include a discussion of adjusted diluted EPS for the quarters and years ended December 31, 2010 and 2009. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g., coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted diluted EPS for the quarters and years ended December 31, 2010 and 2009 to the most directly comparable GAAP measures are included below.

2011 Adjusted Diluted EPS Outlook

The materials for Duke Energy’s 2010 Earnings Review and Business Update on February 17, 2011 include a discussion of the forecasted 2011 adjusted diluted EPS outlook range of \$1.35-\$1.40 per share, which is expected to be consistent with the 2011 employee incentive earnings target. The materials also reference the forecasted range of growth of 4%-6% in adjusted diluted EPS (on a compound annual growth rate (“CAGR”) basis) from a base of adjusted diluted EPS for 2009 of \$1.22. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting treatment, used in Duke Energy’s hedging of a portion of the economic value of its generation assets in the Commercial Power segment (as discussed separately under “Adjusted Diluted Earnings per Share (“EPS”)”). The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP

financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

Adjusted Segment EBIT and Other Net Expenses for 2009 and 2010 and Forecasted Adjusted Segment EBIT and Other Net Expenses for 2011

The materials for Duke Energy's 2010 Earnings Review and Business Update on February 17, 2011 include a discussion of adjusted segment EBIT and Other net expenses for the quarters and years ended December 31, 2010 and 2009 and a discussion of forecasted 2011 adjusted segment EBIT and Other net expenses.

The primary performance measure used by management to evaluate segment performance is segment EBIT from continuing operations, which at the segment level represents all profits from continuing operations (both operating and non-operating), including any equity in earnings of unconsolidated affiliates, before deducting interest and taxes, and is net of the income attributable to non-controlling interests. Management believes segment EBIT from continuing operations, which is the GAAP measure used to report segment results, is a good indicator of each segment's operating performance as it represents the results of Duke Energy's ownership interests in continuing operations without regard to financing methods or capital structures. Duke Energy also uses adjusted segment EBIT and adjusted Other net expenses as a measure of historical and anticipated future segment and Other performance. When used for future periods, adjusted segment EBIT and adjusted Other net expenses may also include any amounts that may be reported as discontinued operations or extraordinary items.

Adjusted segment EBIT and Other net expenses are non-GAAP financial measures as they represent reported segment EBIT and Other net expenses adjusted for the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy's hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment (as discussed above under "Adjusted Diluted Earnings per Share ("EPS")"). Management believes that the presentation of adjusted segment EBIT and adjusted Other net expenses provides useful information to investors, as it provides them an additional relevant comparison of a segment's or Other's performance across periods. The most directly comparable GAAP measures for adjusted segment EBIT and Other net expenses are reported segment EBIT and Other net expenses, which represent segment and Other results from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted segment EBIT and Other net expenses for the quarters and years ended December 31, 2010 and 2009 to the most directly comparable GAAP measures are included below. Due to the forward-looking nature of this non-GAAP financial measure for 2011, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

Ohio Customer Switching Impacts to Diluted Earnings per Share

The materials for Duke Energy's 2010 Earnings Review and Business Update on February 17, 2011 include a discussion of the fact that the Midwest Generation component of the Commercial Power segment has had certain customers switch away from Duke Energy Ohio's Electric Security Plan offering to alternative electricity generation providers. Certain of these customers have been acquired by Duke Energy Retail Sales ("DERS"). DERS operates as Duke Energy's competitive retail arm in Ohio. DERS revenue pricing is generally significantly lower than the revenue pricing under the Electric Security Plan. As of December 31, 2010, approximately 65% of Electric Security Plan customer load has switched to alternative energy

providers, and approximately 60% of that switched customer load has been acquired by DERS, for a net switching percentage of approximately 26%. On average for 2011, Duke Energy forecasts that approximately 66% of customer load in Duke Energy Ohio's Electric Security Plan territory will switch to alternative energy providers, a slight increase over levels at December 31, 2010. After consideration of customers forecasted to be acquired by DERS, the net average switching percentage is estimated to be approximately 25%-30% in 2011. The diluted earnings per share impact of net customer switching was approximately \$0.06 per share in 2010, and Duke Energy forecasts an incremental \$0.05-\$0.06 per share impact in 2011 to come from annualizing the impact of the Ohio customer switching that occurred during 2010. The diluted earnings per share impact of net customer switching is primarily calculated by first multiplying lost Electric Security Plan volume in megawatt-hours (MWh) by the difference between the average Electric Security Plan operating revenue amount per MWh less the average expense per MWh for fuel used in electric generation and purchased power ("Electric Security Plan lost margin"). This Electric Security Plan lost margin amount is then offset by the average gross margin (calculated in a similar manner as described above) earned on additional wholesale market sales forecasted as a result of less generation being dedicated to Electric Security Plan customers. Additionally, Electric Security Plan lost gross margin is further offset by DERS gross margin (operating revenues less purchased power costs). DERS gross margin is primarily derived from contracts related to customer load acquired that were historically supplied under the Electric Security Plan offering, but also includes DERS margin from customer contracts outside of Duke Energy's native territory in Ohio. DERS margin is reduced by the amount of its related transmission and other operating expenses. The net of these amounts is then tax affected at an approximate 35% tax rate and divided by weighted-average diluted shares outstanding to determine the estimated impact of customer switching to diluted earnings per share. This calculated estimate of the earnings per share impact of customers switching is meant to approximate the entire impact to diluted earnings per share; however, given the potential indirect effects of customer switching to items such as operation, maintenance and other expenses, management is unable to calculate the exact impact of customer switching to diluted earnings per share.

The impacts of customer switching in 2010 are embedded within the 2010 reported and adjusted diluted earnings per share amounts discussed in the section entitled "Adjusted Diluted Earnings per Share ("EPS")." The forecasted continued impacts of customer switching in 2011, based on current full year levels, are embedded within the 2011 adjusted diluted EPS outlook range of \$1.35-\$1.40 per share, discussed in the section entitled "2011 Adjusted Diluted EPS Outlook."

Dividend Payout Ratio

The materials for Duke Energy's 2010 Earnings Review and Business Update on February 17, 2011 include a discussion of Duke Energy's anticipated long-term dividend payout ratio of 65-70% based upon adjusted diluted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment, as discussed above under "Adjusted Diluted Earnings Per Share ("EPS)". The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
December 2010 Quarter-to-Date
(Dollars in millions, except per-share amounts)

	Special Items (Note 1)							Total Adjustments	Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Voluntary Opportunity Plan/Office Consolidation Costs	Asset Sales	Economic Hedges (Mark-to- Market) *	Discontinued Operations	-		
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									
U.S. Franchised Electric and Gas	\$ 605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605
Commercial Power	54	-	-	-	4	B	-	4	58
International Energy	110	-	-	-	-	-	-	-	110
Total reportable segment EBIT	769	-	-	-	4	-	-	4	773
Other	(121)	(6)	A (8)	C 248	D -	-	-	234	113
Total reportable segment and Other EBIT	\$ 648	\$ (6)	\$ (8)	\$ 248	\$ 4	\$ -	\$ -	\$ 238	\$ 886
Interest Expense	(216)	-	-	-	-	-	-	-	(216)
Interest Income and Other	4	-	-	-	-	-	-	-	4
Income Taxes from Continuing Operations	(156)	2	3	(94)	(2)	-	-	(91)	(247)
Discontinued Operations, net of taxes	-	-	-	-	-	2	E	2	2
Net Income Attributable to Noncontrolling Interests	2	-	-	-	-	-	-	-	2
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 278	\$ (4)	\$ (5)	\$ 154	\$ 2	\$ 2	\$ -	\$ 149	\$ 427
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.21	\$ -	\$ (0.01)	\$ 0.12	\$ -	\$ -	\$ -	\$ 0.11	\$ 0.32
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.21	\$ -	\$ (0.01)	\$ 0.12	\$ -	\$ -	\$ -	\$ 0.11	\$ 0.32

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

A - \$5 million expense recorded in Depreciation and amortization and \$1 million recorded in Operation, maintenance and other (all Operating Expenses) on the Condensed Consolidated Statements of Operations.

B - \$3 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$7 million gain recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.

C - \$7 million recorded in Operation, maintenance and other (all Operating Expenses) and \$1 million recorded in Property and other taxes on the Condensed Consolidated Statements of Operations.

D - \$109 million gain on Q-Comm sale recorded in Gains on sales and impairments of unconsolidated affiliates within Other Income and Expense and \$139 million gain on DukeNet sale recorded in Gains on sales of Other assets and Other, net on the Condensed Consolidated Statements of Operations.

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

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,326
Diluted	1,327

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy Corporation's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
December 2010 Year-to-Date
(Dollars in millions, except per-share amounts)

	Special Items (Note 1)									Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Voluntary Opportunity Plan/Office Consolidation Costs	Goodwill and Other Impairments	Litigation Reserve	Asset Sales	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS										
U.S. Franchised Electric and Gas	\$ 2,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,966
Commercial Power	398	-	-	(660) E	-	-	33 B	-	(627)	(229)
International Energy	486	-	-	-	-	-	-	-	-	486
Total reportable segment EBIT	3,850	-	-	(660)	-	-	33	-	(627)	3,223
Other	(278)	(27) A	(172) D	-	(26) F	248 G	-	-	23	(255)
Total reportable segment and Other EBIT	\$ 3,572	\$ (27)	\$ (172)	\$ (660)	\$ (26)	\$ 248	\$ 33	\$ -	\$ (604)	\$ 2,968
Interest Expense	(840)	-	-	-	-	-	-	-	-	(840)
Interest Income and Other	82	-	-	-	-	-	-	-	-	82
Income Taxes from Continuing Operations	(929)	10	67	58	10	(94)	(12)	-	39	(890)
Discontinued Operations, net of taxes	-	-	-	-	-	-	-	3 C	3	3
Net Income Attributable to Noncontrolling Interests	3	-	-	-	-	-	-	-	-	3
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 1,882	\$ (17)	\$ (105)	\$ (602)	\$ (16)	\$ 154	\$ 21	\$ 3	\$ (562)	\$ 1,320
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.43	\$ (0.01)	\$ (0.08)	\$ (0.46)	\$ (0.01)	\$ 0.12	\$ 0.01	\$ -	\$ (0.43)	\$ 1.00
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.43	\$ (0.01)	\$ (0.08)	\$ (0.46)	\$ (0.01)	\$ 0.12	\$ 0.01	\$ -	\$ (0.43)	\$ 1.00

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

A - \$23 million recorded in Depreciation and amortization and \$4 million recorded in Operation, maintenance and other (all Operating Expenses) on the Condensed Consolidated Statements of Operations.

B - \$6 million gain recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$27 million gain recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.

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

D - \$164 million recorded in Operation, maintenance and other (all Operating Expenses) and \$8 million recorded in Property and other taxes on the Condensed Consolidated Statements of Operations.

E - Recorded in Goodwill and other impairment charges within Operating Expenses on the Condensed Consolidated Statements of Operations.

F - Recorded in Operation, maintenance and other on the Condensed Consolidated Statements of Operations.

G - \$109 million gain on Q-Comm sale recorded in Gains on sales and impairments of unconsolidated affiliates within Other Income and Expense and \$139 million gain on DukeNet sale recorded in Gains on sales of Other assets and Other, net on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,318
Diluted	1,319

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy Corporation's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
December 2009 Quarter-to-Date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>						Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Impairments	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548
Commercial Power	100	-	-	D (32)	B -	(32)	68
International Energy	122	-	(18)	-	-	(18)	104
Total reportable segment EBIT	770	-	(18)	(32)	-	(50)	720
Other	(56)	(2)	A -	-	-	(2)	(58)
Total reportable segment EBIT and Other EBIT	\$ 714	\$ (2)	\$ (18)	\$ (32)	\$ -	\$ (52)	\$ 662
Interest Expense	(191)	-	-	-	-	-	(191)
Interest Income and Other	23	-	-	-	-	-	23
Income Taxes from Continuing Operations	(177)	1	6	12	-	19	(158)
Discontinued Operations, net of taxes	-	-	-	-	12	C 12	12
Net Loss Attributable to Noncontrolling Interests	2	-	-	-	-	-	2
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 367	\$ (1)	\$ (12)	\$ (20)	\$ 12	\$ (21)	\$ 346
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.28	\$ -	\$ -	\$ (0.02)	\$ -	\$ (0.02)	\$ 0.26
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.28	\$ -	\$ -	\$ (0.02)	\$ -	\$ (0.02)	\$ 0.26

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

A - \$4 million credit recorded in Operation, maintenance and other and \$6 million expense recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$7 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$25 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Condensed Consolidated Statements of Operations.

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

D - Recorded in Losses on sales and impairments of unconsolidated affiliates within Other income and expenses on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic 1,306

Diluted 1,307

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
December 2009 Year-to-Date
(Dollars in millions, except per-share amounts)

Special Items (Note 1)

	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Crescent Related Guarantees and Tax Adjustments	International Transmission Adjustment	Goodwill and Other Impairments	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	Reported Earnings
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									
U.S. Franchised Electric and Gas	\$ 2,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,321
Commercial Power	500	-	-	-	(413) D	(60) B	-	(473)	27
International Energy	409	-	-	(26) E	(18) D	-	-	(44)	365
Total reportable segment EBIT	3,230	-	-	(26)	(431)	(60)	-	(517)	2,713
Other	(200)	(25) A	(26) F	-	-	-	-	(51)	(251)
Total reportable segment and Other EBIT	\$ 3,030	\$ (25)	\$ (26)	\$ (26)	\$ (431)	\$ (60)	\$ -	\$ (568)	\$ 2,462
Interest Expense	(745)	-	-	(6)	-	-	-	(6)	(751)
Interest Income and Other	120	-	-	-	-	-	-	-	120
Income Taxes from Continuing Operations	(818)	10	(3)	10	21	22	-	60	(758)
Discontinued Operations, net of taxes	-	-	-	-	-	-	12 C	12	12
Net Income Attributable to Noncontrolling Interests	10	-	-	-	-	-	-	-	10
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 1,577	\$ (15)	\$ (29)	\$ (22)	\$ (410)	\$ (38)	\$ 12	\$ (502)	\$ 1,075
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.22	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.32)	\$ (0.03)	\$ 0.01	\$ (0.39)	\$ 0.83
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.22	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.32)	\$ (0.03)	\$ 0.01	\$ (0.39)	\$ 0.83

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

A - \$5 million recorded in Operation, maintenance and other and \$20 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$2 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$58 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Consolidated Statements of Operations.

C - Recorded in Income from Discontinued Operations, net of tax on the Consolidated Statements of Operations.

D - \$413 million recorded in Goodwill and other impairment charges within Operating Expenses and \$18 million recorded in Losses on sales and impairments of unconsolidated affiliates within Other income and expenses on the Consolidated Statements of Operations.

E - \$30 million recorded in Operations, maintenance and other, \$2 million recorded as a reduction to fuel used in electric generation and purchased power - non-regulated, and \$2 million as a reduction to Net income (loss) attributable to noncontrolling interests on the Consolidated Statements of Operations.

F - Recorded in Other income and expenses, net on the Consolidated Statement of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,293
Diluted	1,294

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge or regulatory accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Duke Energy Corporation provides useful information to investors, as it provides them an additional relevant comparison of Duke Energy Corporation's performance across periods.

Duke Energy Corporation
Forecasted 2011 Diluted Earnings Per Share ("EPS") Growth Excluding Favorable 2010 Weather Impacts
2010 Earnings Review and Business Update
February 17, 2011
(\$ in millions, except for per share amounts)

	(1)	(1)	(2)	(2)	(2)	(3)	(3)		
	2010 Reported Earnings	Total 2010 Adjustments to Reported Earnings	2010 Adjusted Earnings	2010 Impact of Favorable Weather on Segment EBIT	2010 Weather Normalized Incentive Compensation Expense	2010 Weather Normalized Adjusted Earnings	2011 Forecasted Adjusted EBIT	Forecasted Change 2010 to 2011E	2011 Forecasted After Tax Diluted EPS Effects by Segment
U.S. Franchised Electric and Gas (USFE&G)	\$ 2,966		\$ 2,966	\$ 305	\$ (55)	\$ 2,716	\$ 2,995	\$ 279	\$ 0.14
Commercial Power	(229)	(627)	398	15	(5)	388	215	(173)	(0.09)
International Energy	486		486			486	550	64	0.03
Total reportable segment EBIT	3,223	(627)	3,850	320	(60)	3,590	3,760		
Other	(255)	23	(278)		(5)	(273)	(220)	53	0.03
Total reportable segment and Other EBIT	2,968	(604)	3,572	320	(65)	3,317	3,540	223	0.11
Interest Expense	(840)		(840)			(840)	(920)	(80)	(0.04)
Interest Income and Other	82		82			82	53	(29)	(0.02)
Income Taxes from Continuing Operations	(890)	39	(929)	(106)	21	(845)	(845)	-	-
Discontinued Operations, net of taxes	3	3	-			-	-	-	-
Net Income Attributable to Noncontrolling Interests	(3)		(3)			(3)	(3)	-	-
Net Income(Loss) Attributable to Duke Energy Corporation	\$ 1,320	\$ (562)	\$ 1,882	\$ 214	\$ (44)	\$ 1,711	\$ 1,825	\$ 114	
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 1.00	\$ (0.43)	\$ 1.43	\$ 0.16	\$ (0.03)	\$ 1.30	\$ 1.38		
EPS ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 1.00	\$ (0.43)	\$ 1.43	\$ 0.16	\$ (0.03)	\$ 1.30	\$ 1.38		

Effect of Forecasted Change in Adjusted Effective Tax Rate (see table below) 0.03
Total Forecasted Increase in Weather Normalized Adjusted Diluted EPS \$ 0.08

Weighted Average Outstanding Shares	Weighted Average Outstanding Shares	Effective Tax Rates ("ETR"):	
Year Ended December 31, 2010:	4th Quarter Ended December 31, 2010:	2010 Reported	40%
Basic 1,318	Basic 1,326	2010 Adjusted	33%
Diluted 1,319	(3) Diluted 1,327	2011 Forecasted	32%

(4) **EPS Effect of the Forecasted Change in Adjusted Effective Tax Rate:**

2010 Weather Normalized Adjusted Income Taxes from Continuing Operations, based on 2010 Adjusted ETR of 33%	\$ (845)
2010 Weather Normalized Adjusted Income Taxes from Continuing Operations, based on 2011 Forecasted Adjusted ETR of 32%	(809)
Net Effect	<u>\$ 36</u>
Diluted Adjusted EPS Effect	<u>\$ 0.03</u>

Notes:

- (1) Reported diluted earnings per share for 2010 was \$1.00. Adjusted diluted earnings per share for 2010 was \$1.43. Weather-related and corresponding employee incentive compensation expense EPS impacts are reflected within these reported and adjusted results for 2010. The most directly comparable GAAP measure for adjusted diluted EPS and the diluted EPS impact of the aforementioned weather impacts is reported diluted EPS from continuing operations. A reconciliation of adjusted diluted EPS to reported diluted EPS is included with these materials.
- (2) Management prepares its annual forecast of adjusted diluted earnings per share based in part on normalized weather patterns. In the year ended December 31, 2010, Duke Energy experienced favorable weather in both the summer and winter seasons. For the year, cooling degree days in the Carolinas and the Midwest were more than 30 percent higher than normal and heating degree days were favorable to normal by 16 percent in the Carolinas and 7 percent in the Midwest. Favorable weather resulted in an approximate \$320 million increase in margins (operating revenues less fuel used in electric generation and purchased power). Incentive employee compensation expense was approximately \$65 million higher than budgeted expectations in part due to favorable weather. Additional revenue and expense items that might have been attributable to the above-normal weather conditions in 2010, such as increased operations and maintenance expenses, are not reflected in the calculation of the diluted EPS impact. The adjusted diluted EPS impact of these items is a non-GAAP financial measure. The most directly comparable GAAP measure for the adjusted diluted EPS impact of the aforementioned weather and incentive employee compensation is reported diluted EPS from continuing operations attributable to Duke Energy common shareholders, as discussed in (1) above. In the 2010, given the record-setting nature of the weather conditions, management believes the presentation of weather-normalized adjusted diluted EPS provides useful supplemental information to investors, as it provides them an additional relevant comparison of Duke Energy's performance across periods.
- (3) The primary performance measure used by management to evaluate segment performance is segment EBIT from continuing operations, the GAAP measure used to report segment results, which at the segment level represents all profits from continuing operations (both operating and non-operating), including any equity earnings of unconsolidated affiliates, before deducting interest and taxes, and is net of the income attributable to non-controlling interests. Duke Energy also uses adjusted segment EBIT and adjusted Other net expenses as a measure of historical and anticipated future segment and Other performance. Adjusted segment EBIT and Other net expenses are non-GAAP financial measures as they represent reported segment EBIT and Other net expenses adjusted for the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment, as defined in a separate section of these materials. Management believes that the presentation of adjusted segment EBIT and adjusted Other net expenses provides useful information to investors, as it provides them an additional relevant comparison of a segment's or Other's performance across periods. The most directly comparable GAAP measures for adjusted segment EBIT and Other net expenses are reported segment EBIT and Other net expenses, which represent segment and Other results from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Forecasted adjusted EPS impact by segment and Other is herein used as an illustration tool to assist users in understanding the key adjusted diluted EPS drivers for 2011 versus 2010. The 2011 forecasted adjusted EPS measure by segment and Other is a simplified calculation that excludes interest expense on debt of the individual segments—forecasted interest expense is illustrated separately—and applies a forecasted overall expected 2011 adjusted effective corporate tax rate that may not be directly equivalent to the forecasted tax rates of the individual segments and Other. Weighted average diluted shares outstanding for the quarter ended December 31, 2010, were used in the simplified calculation of forecasted adjusted EPS impact by segment and Other. Due to the forward-looking nature of this non-GAAP financial measure for 2011, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market amounts for future periods.
- (4) The increase in income before income taxes for forecasted changes in segment and Other EBIT, interest expense, and interest income and other is approximately \$114 million. These amounts have been tax affected at the 2011 forecasted adjusted effective tax rate of 32 percent in their respective line items for incremental tax expense of approximately \$36 million reflecting a forecasted reduction from the adjusted effective tax rate of 33 percent for 2010. The reported effective tax rate for 2010 was 40 percent. Excluding goodwill impairment charges of \$500 million in 2010, which are non-deductible for tax purposes, and other special items the effective tax rate would have been approximately 33 percent.

Duke Energy Corporation
2011 Forecasted Cash Flow Reconciliation, Required by SEC Regulation G
2010 Earnings Review and Business Update
February 17, 2011
(\$ in millions)

		Forecast	
		2011	
Primary Sources:			
Adjusted net income (1)	(a)	\$ 1,825	
Depreciation & amortization	(a)	2,000	
Deferred and accrued taxes	(a)	910	
Other sources / (uses), net	(a)	(600)	
Total Sources		<u>4,135</u>	
Primary Uses:			
Capital and investment expenditures	(b)	(5,000)	
Dividends	(c)	(1,320)	
Pension plan contributions	(a)	(200)	
Total Uses		<u>(6,520)</u>	
Uses in Excess of Sources			
Debt maturities	(c)	(210)	
Required Funding		<u>(2,595)</u>	
Debt issuances	(c),(d)	2,195	
Equity issued from internal plans	(c)	-	
Utilization of cash	(e)	400	
Total Financings and Cash Utilization		<u>\$ 2,595</u>	
Reconciliations to forecasted U.S. GAAP reporting amounts:			
Operating cash flow components, sum of (a) from above		\$ 3,935	
Reconciling items to GAAP cash flows from operating activities	(2),(3)	(75)	▼
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 3,860</u>	
Investing cash flow components, (b) from above		\$ (5,000)	
Reconciling items to GAAP cash flows from investing activities	(2)	70	▼
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ (4,930)</u>	
Financing cash flow components, sum of (c) from above		\$ 665	
Reconciling items to GAAP cash flows from financing activities	(3)	5	
Net cash used in financing activities per GAAP Consolidated Statement of Cash Flows		<u>\$ 670</u>	
<i>Issuances of Debt [(d) from above] includes "Notes payable and commercial paper" which is separately presented per GAAP Consolidated Statements of Cash Flows</i>			
Utilization of cash [(e) from above] is the equivalent of Net decrease in cash and cash equivalents per forecasted GAAP Consolidated Statements of Cash Flows		<u>\$ (400)</u>	

Notes:

(1) The forecasted adjusted net income of \$1,825 million for 2011 is an illustrative amount based on the midpoint of Duke Energy's adjusted diluted EPS outlook range of \$1.35-\$1.40 per share, which is expected to be consistent with the 2011 employee incentive earnings target. The EPS measure used for employee incentive compensation is primarily based on adjusted diluted EPS. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting treatment, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment (as discussed separately under "Adjusted Diluted Earnings per Share ('EPS')"). The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

(2) Amount consists primarily of an adjustment for investing cash flow items (principally sales of equity method investments and other assets) included in the "Other sources/(uses), net", which are combined for the GAAP reconciliation in Operating activities.

(3) Amount consists primarily of net other financing activities including debt issues, debt retirements, changes in amounts of commercial paper outstanding, and other.

Duke Energy Corporation
Available Liquidity Reconciliation
As of December 31, 2010
(\$ in millions)

Cash and Cash Equivalents	\$1,670	
Less: Amounts Held in Foreign Jurisdictions	<u>(724)</u>	
	\$946	
Plus: Remaining Availability under Master Credit and Regional Bank Credit Facilities	<u>2,482</u>	
Total Available Liquidity as of December 31, 2010 (a)	<u><u>\$3,428</u></u>	(Approximately \$3.4 billion)

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents (excluding amounts held in foreign jurisdictions) and remaining availability under the master credit and regional bank credit facilities. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents.

Duke Energy Corporation
Operations and Maintenance Expense
For the Years Ended December 31, 2010 and 2009
(\$ in millions)

	2010	2009
Operation, maintenance and other (a)	\$ 3,825	\$ 3,313
Transfers to capital (b)	108	149
Less:		
Voluntary Opportunity Plan/Office Consolidation Costs (c)	(164)	-
Settlement reserve (c)	-	-
International transmission adjustment (c)	-	(30)
Costs to achieve the Cinergy merger (c)	(4)	(5)
Deferrals, recoverables, and other (d)	(343)	(85)
Adjusted operations and maintenance cost	\$ 3,422	\$ 3,342

(a) As reported in the Consolidated Statements of Operations for the years ended December 31, 2010 and December 31, 2009. 2008 and 2007 operation, maintenance and other expenses were \$3,357 million and \$3,324 million, respectively.

(b) Represents capitalized costs that were included for purposes of calculating the employee Operations and Maintenance target.

(c) Presented as a special item for purposes of calculating adjusted diluted earnings per share.

(d) Primarily represents expenses to be deferred or recovered through rate riders (e.g. impact of regulatory deferrals, reagents, etc).