

ABOUT THIS REPORT

This is Duke Energy's first sustainability report. It highlights our past progress, presents the challenges and opportunities we face and offers our view of the future.

We based the content of this report on the interests of environmental groups and other non-government organizations, investors, academic institutions and large customers. We believe that our community partners and industry peers will also find this report useful.

To provide an independent assessment of this report, we contracted with Business for Social Responsibility (BSR, at www.bsr.org) to review and comment on its scope and content. BSR's opinion is on page 32.

This document presents our 2006 results within our sustainability framework for the future. We also provide historical information where consistent data for Duke Energy and its recent merger partner, Cinergy, were available.

While this report was not structured to conform to the 2006 Global Reporting Initiative (GRI) guidelines, a broad index to GRI indicators can be found on page 30. A more detailed index to the GRI indicators can be found on our Web site at www.duke-energy.com/environment/sustainability.asp. With the information on our Web site, we believe we meet GRI Application Level B.

The theme of this sustainability report is "Our Path Forward," and we are, indeed, moving ahead. We hope you'll join us as we navigate the important environmental, economic and social issues of our time.

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Wetlands at Cayuga Station in Indiana.