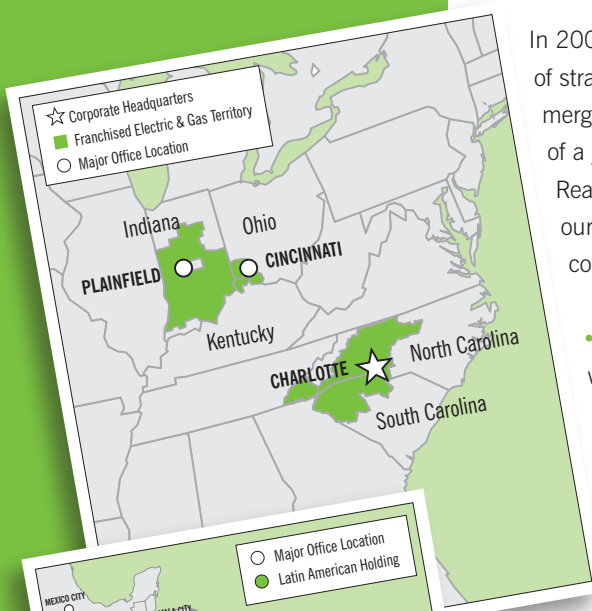


DUKE ENERGY CORPORATE PROFILE



In 2006, Duke Energy completed a number of strategic actions. These included a merger with Cinergy in April, the creation of a joint venture with Morgan Stanley Real Estate Fund and the spinoff of our natural gas pipeline business. The company's current businesses include:

- U.S. Franchised Electric and Gas** – which operates in North Carolina, South Carolina, Indiana, Ohio and Kentucky. This is our largest business segment and our primary source of earnings growth. We expect this business unit to generate approximately 80 percent of forecasted 2007 ongoing total segment earnings before interest and taxes (EBIT).

It includes:

- A \$16 billion retail rate base
- 3.9 million electric customers
- 500,000 gas customers in Ohio and Kentucky
- 47,000 square miles of service territory
- 28,000 megawatts of regulated generation
- 126,000 miles of electric lines.

- Commercial Power** – which owns and operates unregulated power plants, primarily in the Midwest. Almost all of the results for this business come from sales to retail customers in Ohio under that state's Rate Stabilization Plan. Also in this segment is Duke Energy Generation Services (DEGS),

which develops, owns and operates electric generation sources that serve large energy consumers, municipalities, utilities and industrial facilities. We expect this business unit to generate approximately 7 percent of forecasted 2007 ongoing total segment EBIT. It includes:

- 8,100 megawatts of unregulated generation, most of which is dedicated to regulated customers.
- Duke Energy International** – which encompasses our international electric generation operations located in Central and South America. We expect this business unit to generate approximately 10 percent of forecasted 2007 ongoing total segment EBIT. It includes:

- 4,000 megawatts of generation, primarily hydroelectric power, in six countries: Argentina, Brazil, Ecuador, El Salvador, Guatemala and Peru.

- Crescent Resources** – which is an effective joint venture with Morgan Stanley Real Estate Fund, manages land holdings and develops high-quality commercial, residential and multi-family real estate projects in 10 states, primarily in the southeastern and southwestern United States. We expect this business unit to generate approximately 3 percent of forecasted 2007 ongoing total segment EBIT.

KEY TERMS

Actions – not words – are the true measure of a company’s character. But words often help put the actions into perspective. We offer this summary of key terms frequently used in this report. More extensive descriptions can be found on our Web site.

Sustainability

Duke Energy has adopted the Dow Jones Sustainability Index definition to describe our approach to sustainability: “Corporate sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.”

Greenhouse Gases and Climate Change

The greenhouse effect is a naturally occurring phenomenon, keeping the earth hospitable to life by trapping heat. Carbon dioxide and many other gases exhibit “greenhouse” properties. Some of them occur naturally while others are exclusively man-made.

Recent research – accepted by a growing majority of scientists and policymakers – indicates that human activity has increased the concentrations of these greenhouse gases and contributed to the rise in global average temperatures. To avoid the worst effects of climate change, greenhouse gas concentrations in the atmosphere need to be stabilized, then reduced.

Integrated Resource Planning

One of Duke Energy’s greatest challenges is meeting our customers’ energy needs in a

reliable, cost-effective and environmentally responsible manner. The company’s energy planning decisions are guided by a comprehensive Integrated Resource Plan (IRP), which is submitted to our state regulators.

The IRP process evaluates all reasonable resource scenarios, including supply-side options (electric generation) and demand-side options (actions to reduce electric demand). In many states, the IRP process considers the environmental costs and effects of electricity supply and transmission decisions. Cost-effective energy efficiency and renewable energy alternatives are also considered in the IRP process.

PROOF OF PROGRESS

When it comes to sustainability, our path forward is clear. Here are several indicators of our progress:

- We are committed to greatly increasing our spending on energy efficiency programs for customers, subject to appropriate regulatory treatment.
- We are installing pollution controls at our generating stations that will cut sulfur dioxide and nitrogen oxides emissions by 70 percent compared to 1997 levels.
- We are implementing new safe workplace policies and programs.
- We are a significant partner in economic development projects throughout our service areas.
- We continue to deliver electric and gas service at prices below the national average.
- We created value for our investors with a total shareholder return in 2006 that exceeded leading industry indicators.

REPRESENTATIVE AFFILIATIONS AND PARTNERSHIPS

- Alliance to Save Energy
- American Association of Blacks in Energy
- American Red Cross
- Business Roundtable
- Business for Social Responsibility
- Catalyst
- Center for Corporate Citizenship at Boston College
- The Conference Board
- Edison Electric Institute
- Electric Power Research Institute
- EPA Natural Gas Star Program
- Global Environmental Management Initiative
- INROADS
- The Keystone Center
- Massachusetts Institute of Technology: Joint Program on the Science and Policy of Global Change
- National Action Plan for Energy Efficiency
- National Association of Manufacturers
- National Council of Teachers of Mathematics
- National Minority Supplier Development Council
- The Nature Conservancy
- NatureServe
- Pew Center on Global Climate Change
- ORC Worldwide
- Resources for the Future
- TODOS: Mathematics for All
- United Way
- U.S. Climate Action Partnership
- University of Michigan: Graham Environmental Sustainability Institute