

Duke Energy Corporation
Reconciliation of Consolidated Earnings

		<u>2nd Qtr</u>	<u>YTD</u>
2002 Reported Earnings Per Share		\$ 0.57	\$ 1.05
<u>2003 Reconciling Items:</u>			
Franchised Electric:	Electric sales, net of fuel and purchased power	(0.01)	0.06
	Higher D&A, primarily related to North Carolina clean air legislation	(0.02)	(0.03)
	Increased O&M expenses	(0.02)	(0.01)
	Increased storm costs	-	(0.02)
Gas Transmission:	Gain on sale of Alliance Pipeline and Aux Sable	0.02	0.02
	Increased earnings from expansion projects	0.01	0.02
	Foregone earnings from divested assets	(0.01)	(0.01)
	Prior year construction success fee for Gulfstream Natural Gas System	(0.02)	(0.02)
	Q1 earnings attributable to Westcoast Energy acquisition	-	0.10
	Gain on sale of LP units in Northern Border Ltd. Partnership	-	0.01
	Prior year gain on sale of LP units in Northern Border Ltd. Partnership	-	(0.01)
Field Services:	Gain on sale of TEPPCO Class B units and asset sales	0.02	0.02
	Higher operating and G&A costs	(0.01)	(0.01)
	Prior year imbalance reserve and storage inventory write-down	0.01	0.01
Duke Energy North America:	Gain on sale of American Ref-Fuel	0.12	0.12
	Gross margins from energy generation	(0.01)	0.02
	Lower proprietary trading results and reduction in mark-to-market earnings	(0.04)	(0.05)
	Decreased minority interest related to DETM	0.01	0.01
	Higher depreciation expense related to new generation facilities	(0.02)	(0.04)
	Prior year change resulting from the application of improved and standardized modeling techniques	(0.03)	(0.03)
	Lower than normal general and administrative expenses last year	(0.01)	(0.04)
International Energy:	Increased earnings from operations and lower G&A costs	0.03	0.05
	Favorable regulatory audit in Brazil and early termination of LNG contract	0.02	0.02
	Effect of change in foreign currency, primarily Brazil and Mexico	(0.01)	(0.02)
	Charge related to the timing of revenue recognition at the Cantarell investment in Mexico	-	(0.01)
Other Operations:	Lower earnings at DF/D due to decreased project activity	(0.03)	(0.03)
	Losses related to exiting proprietary trading and hydrocarbons business at Duke Energy Merchants	-	(0.03)
	Prior year net gains on sale of assets	(0.04)	(0.04)
Other Reconciling Items:	Increase in interest expense	(0.05)	(0.15)
	Effect of increase in weighted average shares	(0.04)	(0.08)
	Decrease in interest income	-	(0.03)
	Prior year tax settlements and other tax items	-	(0.03)
	Prior year elimination of D/FD earnings	0.02	0.03
	Miscellaneous	-	0.04
2003 Earnings Per Share - Before Cumulative Effect of Change in Accounting Principles		\$ 0.46	\$ 0.89
	1Q03 Cumulative Effect of Change in Accounting Principles	-	(0.18)
2003 Reported Earnings Per Share		\$ 0.46	\$ 0.71