

NEWS RELEASE

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Duke Energy Reports Year-End and Fourth Quarter 2006 Results

- 2006 ongoing diluted earnings per share of \$1.81 versus \$1.73 in 2005
- 2006 reported diluted earnings per share of \$1.57 versus \$1.88 in 2005
- Transformational year -
 - Successful completion of merger with Cinergy in 2006
 - Successful completion of Spectra Energy spinoff in January 2007, resulted in two strong pure-play companies

CHARLOTTE, N.C. – Duke Energy today reported ongoing diluted earnings per share (EPS) for 2006, which excludes special items and discontinued operations (with the exception of Crescent Resources), of \$1.81, compared to \$1.73 in 2005.

The higher annual ongoing results reflect the addition of the Midwest assets in Franchised Electric & Gas and Commercial Power, improved performance by Natural Gas Transmission and Field Services, and the impact of tax benefits recorded in the fourth quarter. These results were offset by lower ongoing results at International and Crescent Resources, and the issuance of new shares as a result of the merger with Cinergy.

The company reported 2006 diluted EPS of \$1.57 or approximately \$1.86 billion in net income, compared to \$1.88 per diluted share in 2005, or approximately \$1.82 billion in net income.

"I am proud of what our company has achieved in this transformational year," said Chairman, President and Chief Executive Officer James E. Rogers. "We completed the merger, sold our higher-risk businesses and met our target for completing the spinoff of Spectra Energy on Jan. 2, 2007. These major accomplishments show the resolve and commitment of our employees to position their businesses to grow earnings and dividends in the future."

Rogers added: "In the fourth quarter alone, we completed the sale of the Commercial Marketing and Trading business and we closed on the purchase of the Rockingham Power Plant in North Carolina. We received approval for nearly \$260 million of future federal tax credits related to costs to be incurred for building two advanced coal plants – 1,600 megawatts at Cliffside Steam Station in North Carolina and a 630-megawatt integrated gasification combined cycle (IGCC) plant in Indiana. We reached a settlement in our electric rate case in Kentucky and we announced that we are increasing our ownership in the Catawba Nuclear Station in South Carolina to better serve our customers in the future. Our overriding focus in 2007 is on achieving our employee incentive target of \$1.15 per share on an ongoing diluted basis, which reflects the spinoff of Spectra Energy."

For fourth quarter 2006, ongoing diluted EPS was 43 cents, flat with fourth quarter 2005. The addition of earnings related to the former Cinergy operations, along with the income tax benefits, were offset by impacts due to the sale of an effective 50 percent interest of Crescent in September 2006, lower earnings from Crescent and the issuance of additional shares related to the Cinergy merger.

For the fourth quarter of 2006, the company reported diluted EPS of 31 cents compared to 63 cents in fourth quarter of 2005.

Special items affecting Duke Energy's diluted EPS for the quarter include:

			4Q2006	4Q2005
	Pre-Tax	Tax	EPS	EPS
(In millions, except per-share amounts)	Amount	Effect	Impact	Impact
Fourth quarter 2006				
Settlement reserves	(\$165)	\$58	(\$0.08)	
Adjustment to impairment of Campeche investment	\$5	-		
Impairment of Bolivia investment	(\$28)	\$31		
Costs to achieve Cinergy merger	(\$31)	\$11	(\$0.01)	
Costs to achieve Spectra Energy spinoff	(\$43)	\$6	(\$0.03)	
Tax adjustments		\$8	\$0.01	

Fourth quarter 2005				
Loss on Southeast DENA contract termination	(\$75)	\$28		(\$0.04)
Field Services hedge de-designation, net	\$35	(\$13)		\$0.02
 Mark-to-market change on de-designated Field Services hedges for 2005, net 	\$64	(\$22)		\$0.04
Mark-to-market impact of de-designated Southeast DENA hedges	(\$9)	\$3		(\$0.01)
Tax adjustments		\$12		\$0.01
Total diluted EPS impact			(\$0.11)	\$0.02

Reconciliation of reported to ongoing diluted EPS for the quarter:

	4Q2006	4Q2005
	EPS	EPS
Diluted EPS from continuing operations, as reported	\$0.32	\$0.44
Diluted EPS from discontinued operations, as reported	(\$0.01)	\$0.19
Diluted EPS, as reported	\$0.31	\$0.63
Adjustments to reported EPS:		
Diluted EPS from discontinued operations, excluding Crescent		
Resources, and cumulative effect of change in accounting principle	\$0.01	(\$0.18)
Diluted EPS impact of special items	\$0.11	(\$0.02)
Diluted EPS, ongoing	\$0.43	\$0.43

Reconciliation of reported to ongoing diluted EPS for the annual period:

	2006	2005
	EPS	EPS
Diluted EPS from continuing operations, as reported	\$1.70	\$2.60
Diluted EPS from discontinued operations, as reported	(\$0.13)	(\$0.72)
Diluted EPS, as reported	\$1.57	\$1.88
Adjustments to reported EPS:		
Diluted EPS from discontinued operations, excluding Crescent		
Resources, and cumulative effect of change in accounting principle	\$0.13	\$0.73
Diluted EPS impact of special items	\$0.11	(\$0.88)
Diluted EPS, ongoing	\$1.81	\$1.73

BUSINESS UNIT RESULTS

Franchised Electric

U.S. Franchised Electric & Gas (FE&G) reported fourth quarter 2006 segment EBIT from continuing operations of \$423 million, compared to \$279 million in fourth quarter 2005. The increase over fourth quarter 2005 was due primarily to the addition of the former Cinergy regulated utility operations in the Midwest, expenses from an ice storm in the Carolinas in 2005, which did not reoccur, and reduced regulatory amortization expense during the fourth quarter 2006. The former Cinergy operations contributed EBIT of \$153 million for the quarter, including a \$16 million rate reduction related to merger approval requirements in Ohio, Indiana and Kentucky.

The increase in segment EBIT was partially offset by lower results at Duke Energy Carolinas, which were driven by milder weather and higher purchased power expense due primarily to nuclear refueling outages. Carolinas results were also negatively affected by \$35 million of rate reductions related to merger approval requirements in North Carolina and South Carolina.

As a result of the North Carolina Utilities Commission's reconsideration in December 2006 of an order issued earlier in the fourth quarter 2006, FE&G reversed the \$18 million charge recorded in June 2006 related to a change in methodology for calculating bulk power marketing (BPM) profits to be shared with customers. Despite this favorable regulatory outcome, BPM results were down for the quarter due to lower volumes and pricing in 2006. Comparatively, the 2005 fourth quarter was the strongest fourth quarter in Duke Energy history for BPM.

FE&G added about 64,000 new customers in 2006, a 1.5 percent increase compared to the prior year.

Year-end segment EBIT from continuing operations for FE&G increased to approximately \$1.81 billion in 2006, compared to \$1.50 billion in 2005.

Natural Gas Transmission

Duke Energy Gas Transmission (DEGT) reported fourth quarter 2006 segment EBIT from continuing operations of \$336 million, compared to \$344 million in fourth quarter 2005.

The decrease was primarily due to increased operating and maintenance expenses, primarily in the U.S. and Western Canada pipeline and storage operations, including pipeline integrity and project development expenses. These were partially offset by higher processing margins on the Canadian Empress system.

Year-end segment EBIT from continuing operations for DEGT was approximately \$1.44 billion in 2006, compared to \$1.39 billion in 2005.

Field Services

The Field Services business segment, which represents Duke Energy's 50 percent interest in DCP Midstream LLC (formerly Duke Energy Field Services LLC) (DEFS), reported fourth quarter 2006 equity earnings of \$119 million, compared to \$162 million in fourth quarter 2005. Excluding the impact from settlement of certain dedesignated hedges at Field Services, ongoing EBIT for fourth quarter 2005 was \$127 million. Lower results were primarily due to lower commodity prices.

During the quarter, DEFS paid tax distributions of approximately \$98 million and dividends of \$243 million to Duke Energy.

Year-end 2006 equity earnings were \$569 million, compared to segment EBIT from continuing operations of approximately \$1.95 billion in 2005, which included pre-tax gains from the sale of DEFS' TEPPCO GP of about \$791 million – net of minority interest of about \$343 million; the sale of Duke Energy's TEPPCO LP units of approximately \$97 million; a \$576 million gain on the transfer of a 19.7 percent interest in DEFS to ConocoPhillips; and, unfavorable mark-to-market impacts related to the 2006 de-designated hedges of \$23 million in 2005.

Commercial Power

Commercial Power reported a fourth quarter 2006 segment EBIT loss from continuing operations of \$29 million, compared to a \$74 million loss in fourth quarter 2005.

Prior year quarterly results included a \$75 million charge related to contract terminations in the Southeast. Results for the current year quarter reflected the addition of Cinergy's non-regulated generation in the Midwest, which contributed \$36 million. These results were offset by approximately \$42 million of net purchase accounting charges associated with the merger, a \$13 million loss from the former DENA Midwest operations, and \$10 million of costs associated with our synfuel facilities (before the benefit of associated tax credits).

Year-end segment EBIT from continuing operations for Commercial Power was \$21 million in 2006, compared to a loss of \$118 million in 2005, which included the \$75 million charge related to the contract terminations discussed above.

International Energy

Duke Energy International (DEI), reported a fourth quarter 2006 segment EBIT loss from continuing operations of approximately \$42 million, compared to segment EBIT of approximately \$97 million in fourth quarter 2005. During the quarter, DEI recognized a \$100 million litigation reserve related to the settlement in January 2007 of a contract dispute between Citrus Trading Corp. and Spectra Energy LNG Sales (formerly known as Duke Energy LNG Sales Inc., and now a subsidiary of Spectra Energy), and a \$28 million impairment charge related to the sale of our Bolivian assets. As a result of the Spectra Energy settlement and separation agreements, Duke Energy does not expect any future charges or other obligations related to the Citrus matter.

Additionally, results for the quarter included lower margins at National Methanol due to lower commodity prices.

Year-end segment EBIT from continuing operations for DEI was \$139 million in 2006, which included the previously mentioned litigation reserve and impairment charge as well as a net \$50 million impairment charge related to our investment in Campeche. This compares with \$314 million in 2005, which included a \$20 million impairment charge related to our investment in Campeche.

Crescent Resources

Fourth quarter 2006 equity earnings from Duke Energy's effective 50 percent interest in Crescent Resources, a joint venture partnership with Morgan Stanley Real Estate Fund, was \$17 million, compared with segment EBIT from continuing operations of \$104 million in fourth quarter 2005.

Lower results were due to the change from 100 percent ownership to an effective 50-50 joint venture, which occurred in September 2006, lower sales of residential and commercial properties and lower land sales. Reduced operating expenses, primarily as a result of the lower sales activity, partially offset these lower results.

Year-end segment EBIT from continuing operations for Crescent was \$532 million for 2006, which includes a \$246 million gain on the creation of the joint venture, compared to \$314 million in 2005.

Other

Other primarily includes the cost of corporate governance, costs-to-achieve related to the Cinergy merger, costs-to-achieve associated with the spinoff of Spectra Energy to Duke Energy shareholders, Duke Energy's captive insurance company,

Bison Insurance Co. Limited, and de-designated hedges resulting from the decision in 2005 to transfer a 19.7 percent interest in DEFS to ConocoPhillips.

Other reported a fourth quarter 2006 EBIT loss from continuing operations of \$228 million, compared to a loss of \$64 million in fourth quarter 2005. The increased EBIT loss was primarily due to a \$65 million charge related to contract settlement

negotiations, \$72 million of costs-to-achieve for both the merger and Spectra Energy spinoff, and reduced mark-to-market gains of approximately \$36 million associated with the de-designated Field Services hedges.

Year-end EBIT loss from continuing operations for Other was \$581 million, compared to a \$518 million EBIT loss in 2005.

Discontinued Operations

In fourth quarter 2006, Discontinued Operations had an after-tax loss of \$7 million, compared to fourth quarter 2005 after-tax income of \$180 million. The variance is primarily due to a gain on the disposition of DENA assets recorded during the fourth quarter of 2005.

Discontinued Operations posted an after-tax loss of \$156 million for the year-ended 2006, compared with an after-tax loss of \$701 million in 2005.

INTEREST EXPENSE

Interest expense was \$325 million for the fourth quarter 2006, compared to \$250 million for the fourth quarter 2005. This increase was primarily due to the acquisition of Cinergy in April 2006.

Interest expense was approximately \$1.25 billion for the year-ended 2006, compared to approximately \$1.07 billion for the year-ended 2005. The increase in interest expense was primarily due to the acquisition of Cinergy in April 2006, partially offset by the de-consolidation of DEFS in the third quarter of 2005.

INCOME TAX

Income tax benefit from continuing operations was \$12 million for the fourth quarter 2006, compared to income tax expense from continuing operations of \$187 million for the fourth quarter 2005. The tax benefit in fourth quarter 2006 was primarily due

to favorable tax settlements, tax benefits related to the impairment of the investment in Bolivia, the reversal of previously recognized taxes related to dividends on foreign operations, and tax credits recognized on synfuel operations.

Income tax expense from continuing operations was \$843 million for the year-ended 2006, compared to approximately \$1.28 billion for the year-ended 2005. The effective tax rate for the year-ended 2006 was approximately 29.5 percent, compared to the effective tax rate of approximately 33.6 percent for the year-ended 2005. The lower effective tax rate for the year-ended 2006 was primarily due to the favorable tax matters discussed above.

ADDITIONAL INFORMATION

Additional information about EPS reconciliation data can be obtained at Duke Energy's fourth quarter 2006 earnings information Web site at: www.duke-energy.com/investors/.

NON-GAAP FINANCIAL MEASURES

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 minority interest expense related to those profits. 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 our ownership interests in continuing operations without regard to financing methods or capital structures.

Duke Energy's management uses ongoing diluted EPS, which is a non-GAAP financial measure as it represents diluted EPS from continuing operations plus any

amounts reported as discontinued operations from its Crescent Resources real estate unit, adjusted for the impact of special items, as a measure to evaluate operations of the company. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Management believes that the presentation of ongoing diluted EPS provides useful information to investors, as it allows them to more accurately compare the company's ongoing performance across periods. Ongoing diluted EPS is also used as a basis for employee incentive bonuses.

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 for future periods, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measure is not available at this time as the company is unable to forecast any special items for future periods.

Duke Energy also uses ongoing segment (including ongoing equity earnings for Field Services and Crescent Resources) and Other EBIT as a measure of historical and anticipated future segment and other performance. When used for future periods, ongoing segment and Other EBIT may also include any amounts that may be reported as discontinued operations. Ongoing segment and Other EBIT are non-GAAP financial measures as they represent reported segment and Other EBIT adjusted for special items. Management believes that the presentation of ongoing segment and Other EBIT provides useful information to investors, as it allows them to more accurately compare a segment's or Other's ongoing performance across all periods. The most directly comparable GAAP measure for ongoing segment or Other EBIT is reported segment or Other EBIT, which represents EBIT from continuing operations, including any special items. Due to the forward-looking nature of any forecasted ongoing segment or Other EBIT and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as the company is unable to forecast any special items or any amounts that may be

reported as discontinued operations for future periods.

Duke Energy Corp., one of the largest electric power companies in the United States, supplies and delivers energy to approximately 3.9 million U.S. customers. The company has nearly 37,000 megawatts of electric generating capacity in the Midwest and the Carolinas, and natural gas distribution services in Ohio and Kentucky. In addition, Duke Energy has more than 4,000 megawatts of electric generation in Latin America, and is a joint-venture partner in a U.S. real estate company.

Headquartered in Charlotte, N.C., Duke Energy is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: www.duke-energy.com.

An earnings conference call for analysts is scheduled for 10 a.m. ET today. The conference call can be accessed via the investors's section of Duke Energy's Web site or by dialing (800) 475-3716 in the United States or (719) 457-2728 outside the United States. The confirmation code is 2041180. Please call in five to 10 minutes prior to the scheduled start time. A replay of the conference call will be available until midnight ET, Feb. 15, 2007, by dialing (888) 203-1112 with a confirmation code of 2041180. The international replay number is (719) 457-0820, confirmation code 2041180. A replay and transcript also will be available by accessing the investors's section of the company's Web site. The presentation may include certain non-GAAP financial measures as defined under SEC rules. In such event, a reconciliation of those measures to the most directly comparable GAAP measures will be available on our investor relations Web site at:

http://www.duke-energy.com/investors/publications/gaap/

Forward-looking statement

This release includes statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities

Exchange Act of 1934. One can typically identify forward-looking statements by the use of forward-looking words such as: may, will, could, project, believe, expect, estimate, continue, potential, plan, forecast and other similar words. Those statements represent Duke Energy's intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Duke Energy's control and could cause actual results to differ materially from the results expressed or implied by those forwardlooking statements. Those factors include: state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rate structures, and affect the speed at and degree to which competition enters the electric and natural gas industries; the outcomes of litigation and regulatory investigations, proceedings or inquiries; industrial, commercial and residential growth in Duke Energy's service territories; additional competition in Duke Energy's markets and continued industry consolidation; the influence of weather on company operations, including the economic, operational and other effects of hurricanes, tornados or other natural phenomena; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including any potential effects arising from terrorist attacks and any consequential hostilities; changes in environmental and other laws and regulations to which Duke Energy and its subsidiaries are subject; the results of financing efforts, including Duke Energy's ability to obtain financing on favorable terms, which can be affected by various factors, including Duke Energy's credit ratings and general economic conditions; declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans; the level of creditworthiness of counterparties to Duke Energy's transactions; the amount of collateral required to be posted from time to time in Duke Energy's transactions; growth in opportunities for Duke Energy's business units, including the timing and success of efforts to develop domestic and international power; the performance of electric generation facilities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; the ability to successfully complete merger, acquisition or divestiture plans,

including the prices in which Duke Energy is able to sell assets; and the success of the business following a merger, acquisition or divestiture.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Duke Energy has described. Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained in this release is unaudited, and is subject to change.

DECEMBER 2006 QUARTERLY HIGHLIGHTS (Unaudited)

		Three Mor		ded	Twelve Months Ended December 31,					
(In millions, except per share amounts and where noted)		2006		2005		2006		2005		
COMMON STOCK DATA										
Earnings Per Share (from continuing operations)										
Basic	\$	0.32	\$	0.46	\$	1.73	\$	2.69		
Diluted	\$	0.32	\$	0.44	\$	1.70	\$	2.60		
(Loss) Earnings Per Share (from discontinued operations)										
Basic	\$	(0.01)	\$	0.19	\$	(0.14)	\$	(0.75)		
Diluted	\$	(0.01)	\$	0.19	\$	(0.13)	\$	(0.72)		
Earnings Per Share (before cumulative effect of change in accounting principle)										
Basic	\$	0.31	\$	0.65	\$	1.59	\$	1.94		
Diluted	\$	0.31	\$	0.63	\$	1.57	\$	1.88		
Earnings Per Share										
Basic	\$	0.31	\$	0.65	\$	1.59	\$	1.94		
Diluted	\$	0.31	\$	0.63	\$	1.57	\$	1.88		
Dividends Per Share	\$	0.32	\$	0.31	\$	1.26	\$	1.17		
Weighted-Average Shares Outstanding										
Basic		1,256		928		1,170		934		
Diluted		1,265		962		1,188		970		
INCOME										
Operating Revenues	\$	4,069	\$	3,029	\$	15,184	\$	16,297		
Total Reportable Segment EBIT		824		912		4,510		5,339		
Other EBIT		(228)		(64)		(581)		(518)		
Interest Expense		325		250		1,253		1,066		
Interest Income and Other (c)		(111)		(19)		(186)		(56)		
Income Tax Expense (Benefit) from Continuing Operations		(12)		187		843		1,282		
(Loss) Income from Discontinued Operations		(7)		180		(156)		(701)		
Cumulative Effect of Change in Accounting Principle, net of tax				(4)				(4)		
Net Income		387		606		1,863		1,824		
Dividends and Premiums on Redemption of Preferred and Preference Stock	_	-	_	5	_			12		
Earnings Available for Common Stockholders	\$	387	\$	601	\$	1,863	\$	1,812		
CAPITALIZATION										
Common Equity						55%		50%		
Minority Interests						2%		2%		
Total Debt						43%		48%		
Total Debt					\$	20,173	\$	16,030		
Book Value Per Share					\$	20.77	\$	17.72		
Actual Shares Outstanding						1,257		928		
CAPITAL AND INVESTMENT EXPENDITURES										
US Franchised Electric & Gas	\$	924	\$	403	\$	2,381	\$	1,350		
Natural Gas Transmission		287		216		790		930		
Field Services		-		-		-		86		
Commercial Power (a)		59		-		209		2		
International Energy		15		3		58		23		
Crescent (b)		-		129		507		599		
Other (a)		9	_	16	_	131		29		
Total Capital and Investment Expenditures		1,294	\$	767	\$	4,076	\$	3,019		
EBIT BY BUSINESS SEGMENT										
US Franchised Electric & Gas	\$	423	\$	279	\$	1,811	\$	1,495		
Natural Gas Transmission		336		344		1,438		1,388		
Field Services		119		162		569		1,946		
Commercial Power (a)		(29)		(74)		21		(118)		
International Energy		(42)		97		139		314		
Crescent (d)		17		104		532		314		
		824		912		4,510		5,339		
Total reportable segment EBIT										
Total reportable segment EBIT Other EBIT (a)		(228)		(64)		(581)		(518)		
Total reportable segment EBIT Other EBIT (a) Interest expense		(228) (325)		(250)		(1,253)		(1,066)		
Total reportable segment EBIT Other EBIT (a)	\$	(228)	\$		\$		\$			

Note: Includes the results of operations for former Cinergy from April 1, 2006 and thereafter.

Note: Certain prior period amounts have been reclassified due to discontinued operations and segment asset transfers.

⁽a) Commercial Power includes amounts related to DENA's midwestern assets, which were previously reflected in Other.
(b) Amounts include capital expenditures for residential real estate included in operating cash flows of \$0 and \$79 million for the three months ended December 31, 2006 and 2005,

and \$322 million and \$355 million for the period from January 1, 2006 through the date of deconsolidation (September 7, 2006) and the twelve months ended December 31, 2005, respectively.

⁽c) Other includes foreign currency transaction gains and losses and additional minority interest not allocated to the segment results.

⁽d) Crescent EBIT for the three and twelve months ended December 31, 2006 includes Duke Energy's 50% of equity in earnings of Crescent's net income from the date of deconsolidation (September 7, 2006) and

DECEMBER 2006 QUARTERLY HIGHLIGHTS (Unaudited)

		Three Mor	Twelve Months Ended December 31,						
(In millions, except where noted) US FRANCHISED ELECTRIC & GAS		2006		2005		2006		2005	
Operating Revenues	\$	2,194	\$	1,314	\$	8,098	\$	5,432	
Operating Expenses		1,776		1,043		6,319		3,959	
Gains (Losses) on Sales of Other Assets and Other, net		(1)		5		-		7	
Other Income and Expenses, net EBIT	\$	423	\$	279	•	32 1,811	\$	15 1,495	
EDII	<u> </u>	423	Ф	219	Ф	1,011	Ф	1,495	
Depreciation and Amortization	\$	327	\$	219	\$	1,280	\$	962	
Duke Energy Carolinas GWh sales Duke Energy Midwest GWh sales		19,373 14,761		19,959		82,652 46,069		85,277	
NATURAL GAS TRANSMISSION									
Operating Revenues	\$	1,199	\$	1,231	\$	4,523	\$	4,055	
Operating Expenses	•	886	•	906	•	3,162	•	2,715	
Gains on Sales of Other Assets and Other, net		16		9		47		13	
Other Income and Expenses, net		17		17		69		65	
Minority Interest Expense EBIT	\$	10 336	\$	7 344	\$	39 1,438	\$	30 1,388	
Depreciation and Amortization	\$	119	\$	119	\$	480	\$	458	
Proportional Throughput, TBtu		850		876		3,248		3,410	
FIELD SERVICES									
Operating Revenues	\$	-	\$	-	\$	-	\$	5,530	
Operating Expenses	•	1	•	4	•	5	•	5,215	
Gains on Sales of Other Assets and Other, net		-		-		-		577	
Other Income and Expenses, net		- 120		- 166		- 574		1,259 292	
Equity in Earnings of Unconsolidated Affiliates (a) Minority Interest Expense		-		-		-		497	
EBIT	\$	119	\$	162	\$	569	\$	1,946	
Depreciation and Amortization	\$		\$		\$		\$	143	
	Ψ		Ψ		Ψ		Ψ		
Natural Gas Gathered and Processed/Transported, TBtu/day (b)		6.7 362		6.9 346		6.8 361		6.8 353	
Natural Gas Liquids Production, MBbl/d (b) Average Natural Gas Price per MMBtu	\$	6.56	\$	12.97	\$	7.23	\$	8.59	
Average Natural Gas Liquids Price per Gallon	\$	0.87	\$	1.00	\$	0.94	\$	0.85	
COMMERCIAL POWER (c)									
Operating Revenues	\$	442	\$	28	\$	1,402	\$	148	
Operating Expenses Losses on Sales of Other Assets and Other, net		467 (14)		35 (70)		1,395 (23)		200 (70)	
Other Income and Expenses, net		10		3		37		(70)	
EBIT	\$	(29)	\$	(74)	\$	21	\$	(118)	
Depreciation and Amortization	\$	46	\$	15	\$	160	\$	60	
Actual Plant Production, GWh		5,661		95		17,640		1,759	
INTERNATIONAL ENERGY									
Operating Revenues	\$	242	\$	209	\$	961	\$	745	
Operating Expenses		300		151		877		536	
Losses on Sales of Other Assets and Other, net Other Income and Expenses, net		- 20		(1) 43		(1) 76		- 117	
Minority Interest Expense		4		3		20		12	
EBIT	\$	(42)	\$	97	\$	139	\$	314	
Description and Association	•	04	•	40	•	77	•	0.4	
Depreciation and Amortization	Þ	21	Ф	16	Ф	"	Ф	64	
Sales, GWh Proportional MW Capacity in Operation		4,709		4,657		20,424 3,995		18,213 3,937	
CRESCENT Consisting Powerland	•		ď	24.4	ď	224	e	405	
Operating Revenues Operating Expenses	\$	2	\$	214 174	\$	221 160	\$	495 399	
Gains on Sales of Investments in Commercial and Multi-Family Real Estate		-		74		201		191	
Gains on Sales of Other Assets and Other, net		-		-		246		-	
Other Income and Expenses, net				-		14		44	
Equity in Earnings of Unconsolidated Affiliates (d)		19		- 10		15		- 17	
Minority Interest Expense EBIT	\$	17	\$	10 104	\$	5 532	\$	17 314	
Depreciation and Amortization	\$	-	\$	-	\$	1	\$	1	
OTHER (c) Operating Revenues	\$	37	\$	42	\$	142	\$	72	
Operating Expenses	Ф	279	φ	153	φ	735	φ	556	
Gains (Losses) on Sales of Other Assets and Other, net		8		1		8		8	
Other Income and Expenses, net		2		56		(5)		(39)	
Minority Interest Expense EBIT	•	(4)	•	10	\$	(9)	•	(518)	
LUII	<u>\$</u>	(228)	\$	(64)	ф	(581)	\$	(518)	
Depreciation and Amortization	\$	13	\$	10	\$	51	\$	40	

Note: Includes the results of operations for former Cinergy from April 1, 2006 and thereafter.

(a) Represents the 50% equity in earnings in Duke Energy Field Services LLC from the date of deconsolidation (July 1, 2005) and thereafter.

(b) Represents 100% of joint venture volumes.

(c) Commercial Power includes amounts related to DENA's midwestern assets, which were previously reflected in Other.

(d) Represents the 50% equity in earnings in Crescent from the date of deconsolidation (September 7, 2006) and thereafter.

DUKE ENERGY CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In millions, except per-share amounts)

		Twelve Mo		
		2006	Del 31	2005
Operating Revenues Operating Expenses Gains on Sales of Investments in Commercial and Multi-Family Real Estate Gains on Sales of Other Assets and Other, net Operating Income	\$	15,184 12,493 201 276 3,168	\$	16,297 13,416 191 534 3,606
Other Income and Expenses, net Interest Expense Minority Interest Expense		1,008 1,253 61		1,809 1,066 538
Earnings From Continuing Operations Before Income Taxes Income Tax Expense from Continuing Operations Income From Continuing Operations		2,862 843 2,019		3,811 1,282 2,529
Loss From Discontinued Operations, net of tax Income Before Cumulative Effect of Change in Accounting Principle Cumulative Effect of Change in Accounting Principle, net of tax		1,863		(701) 1,828 (4)
Net Income		1,863		1,824
Dividends and Premiums on Redemption of Preferred and Preference Stock		_		12
Earnings Available For Common Stockholders	\$	1,863	\$	1,812
Common Stock Data Weighted-average shares outstanding Basic Diluted Earnings per share (from continuing operations)		1,170 1,188		934 970
Basic Diluted Loss per share (from discontinued operations)	\$ \$	1.73 1.70	\$ \$	2.69 2.60
Basic Diluted	\$ \$	(0.14) (0.13)	\$ \$	(0.75) (0.72)
Earnings per share (before cumulative effect of change in accounting principle) Basic Diluted Earnings per share	\$ \$	1.59 1.57	\$ \$	1.94 1.88
Basic Diluted Dividends per share	\$ \$	1.59 1.57 1.26	\$ \$ \$	1.94 1.88 1.17

DUKE ENERGY CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited) (In millions)

ASSETS	Dec	2006 ember 31,	Dec	ember 31, 2005
	ф	6.001	Φ.	5 05 5
Current Assets	\$	6,981	\$	7,957
Investments and Other Assets		16,118		15,033
Net Property, Plant and Equipment		41,447		29,200
Regulatory Assets and Deferred Debits		4,243		2,533
Total Assets	\$	68,789	\$	54,723
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY				
Current Liabilities	\$	6,525	\$	8,418
Long-term Debt		18,118		14,547
Deferred Credits and Other Liabilities		17,239		14,570
Minority Interests		805		749
Common Stockholders' Equity		26,102		16,439
Total Liabilities and Common Stockholders' Equity	\$	68,789	\$	54,723

DUKE ENERGY CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (In millions)

(22 2000)			
	Twelve Mo	nths Er	ided
	Decem		
	 2006		2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,863	\$	1,824
Adjustments to reconcile net income to net cash provided by	,		,-
operating activities	1,983		1,019
Net cash provided by operating activities	3,846		2,843
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities	 (1,426)		(151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities	 (1,961)		(2,717)
Changes in cash and cash equivalents included in assets held for sale	 (22)		3
Net increase (decrease) in cash and cash equivalents	437		(22)
Cash and cash equivalents at beginning of period	511		533
Cash and cash equivalents at end of period	\$ 948	\$	511

Duke Energy - Carolinas Quarterly Highlights Supplemental Franchised Electric Information December 31, 2006

Quarter To Date Ended Year To Date December 31 December 31 2006 2005 Inc.(Dec.) 2006 2005 Inc.(Dec.) **GWH Sales** Residential 5,398 5,764 (6.3%) 25,147 25,460 (1.2%)General Service (0.6%) 6,063 25,585 25,236 6,025 1.4% Industrial - Textile 1,329 (14.6%) (11.7%)1,557 5,791 6,561 Industrial - Other 4,500 4,699 (4.2%)18,605 18,800 (1.0%)Total Industrial 5,829 6,256 (6.8%)24,396 25,361 (3.8%)Other Energy Sales 67 65 3.1% 269 266 1.1% Regular Resale 366 378 (3.2%) 1,557 1,501 3.7% Total Regular Sales Billed 17,685 18,526 (4.5%) 76,954 77,824 (1.1%) Special Sales (A) 925 1,072 (13.7%)4,406 6,301 (30.1%)**Total Electric Sales** 18,610 19,598 (5.0%)81,360 84,125 (3.3%)**Unbilled Sales** 412 11 0.0% (31) (153)79.7% Total Electric Sales - Carolinas 19,609 81,329 83,972 19,022 (3.0%)(3.1%)Nantahala Electric Sales 351 350 0.3% 1,323 1,305 1.4% 19,373 19,959 (2.9%)82,652 85,277 Total Consolidated Electric Sales - Carolinas (3.1%) **Average Number of Customers** Residential 1,891,472 1,852,832 2.1% 1,876,946 1,839,759 2.0% General Service 313,293 318,764 1.7% 316,853 310,915 1.9% Industrial - Textile 777 (4.8%) 755 796 (5.2%) 740 Industrial - Other 6,584 6,645 (0.9%)6,609 6,660 (0.8%)Total Industrial 7,324 7,422 (1.3%)7,364 7,456 (1.2%)Other Energy Sales 13,222 13,061 1.2% 13,142 12,998 1.1% Regular Resale 0.0% 15 15 15 15 0.0% **Total Regular Sales** 2,230,797 2,186,623 2.0% 2,214,320 2,171,143 2.0% Special Sales (A) 27 25 8.0% 30 (6.7%) 28 Total Electric Sales - Carolinas 2,230,824 2,186,648 2.0% 2,214,348 2,171,173 2.0% Nantahala Electric Sales 70,601 69,077 2.2% 69,974 68,391 2.3% Total Avg Number of Customers - Carolinas 2,301,425 2,255,725 2.0% 2,284,322 2,239,564 2.0% (A) Excludes sales to Nantahala Power and Light Company **Heating and Cooling Degree Days** Actual 1,161 (11.2%) Heating Degree Days 1,296 (10.4%)2,906 3,272 Cooling Degree Days 17 66 (73.4%)1,457 1,540 (5.4%)Variance from Normal **Heating Degree Days** (7.8%)(8.9%) 2.2% n/a 1.8% n/a

Cooling Degree Days

119.2%

n/a

0.4%

6.9%

n/a

(47.1%)

Duke Energy - Midwest Quarterly Highlights Supplemental Franchised Electric Information December 31, 2006

Quarter To Date Ended Post Merger Year To Date December 31 December 31 % 2006 2005 Inc.(Dec.) 2006 2005 Inc.(Dec.) **GWH Sales** 3.930 12,516 Residential 4,155 (5.4%)13,164 (4.9%)General Service 4,251 4,299 (1.1%)13,399 13,444 (0.3%)Industrial 4,489 4,640 (3.3%) 13,887 14,056 (1.2%) Other Energy Sales 44 45 (2.2%)132 133 (0.8%)Total Regular Electric Sales Billed 12,714 13,139 (3.2%) 39,934 40.797 (2.1%) Special Sales 1,898 2,306 (17.7%) 5,723 6,881 (16.8%) Total Electric Sales Billed - Midwest 14,612 15,445 (5.4%) 45,657 47,678 (4.2%) **Unbilled Sales** 149 56 166.1% 412 445 (7.4%)Total Electric Sales - Midwest 14,761 15,501 (4.8%)46,069 48,123 (4.3%)**Average Number of Customers** Residential 1,395,589 1,383,695 0.9% 1,389,816 1,377,475 0.9% General Service 182,800 180,774 1.1% 182,327 180,305 1.1% Industrial 5,721 5,791 (1.2%)5,739 5,812 (1.3%)Other Energy 3,676 3,282 12.0% 3,606 3,253 10.9% Total Regular Sales 1,587,786 0.9% 1,581,488 0.9% 1,573,542 1,566,845 Special Sales (18.9%)(18.4%)30 37 31 38 Total Avg Number Electric Customers - Midwest 1,587,816 1,573,579 0.9% 1,581,519 1,566,883 0.9% Heating and Cooling Degree Days* Actual Heating Degree Days 1,268 1,520 (16.6%)1,482 1,765 (16.0%) Cooling Degree Days 32 (46.9%) 1,028 1,285 (20.0%) 17 Variance from Normal Heating Degree Days (13.2%) 3.4% (11.3%)6.4% n/a n/a

21.4%

128.6%

1.9%

n/a

27.4%

n/a

Cooling Degree Days

^{*} Reflects HDD and CDD for Duke Energy - Indiana, Duke Energy - Ohio and Duke Energy - Kentucky

DUKE ENERGY CORPORATION ONGOING TO REPORTED EARNINGS RECONCILIATION

December 2005 Quarter-to-date

(Dollars in millions, except per-share amounts)

Special Items (Note 1)

		Ongoing Earnings								s on neast ontract nation	Field Services hedge de- designation, net	MTM change on de-designated Field Services hedges for 2005, net		MTM impact of de- designated Southeast DENA hedges		Tax Adjustments		O C Effe in	scontinued perations/ cumulative ct of Change Accounting Principle	Total je Adjustments		eported arnings
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS											_					 						
U.S. Franchised Electric & Gas	\$	279	\$	-	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-	\$ 279						
Natural Gas Transmission		344		-	-		-		-		-		-		-	344						
Field Services		127		-	35 E	3	-		-		-		-		35	162						
Commercial Power		1		(75) A	-		-		-		-		-		(75)	(74)						
International Energy		97		-	-		-		-		-		-		-	97						
Crescent		104		-	-		-		-		-		-		-	104						
Total reportable segment EBIT		952		(75)	35		=		-		-		-		(40)	 912						
Other		(119)					64 C	:	(9) D		<u>-</u>		-		55	 (64)						
Total reportable segment EBIT and other EBIT	\$	833	\$	(75)	\$ 35	\$	64	\$	(9)	\$		\$		\$	15	\$ 848						
EARNINGS FOR COMMON																						
Total reportable segment EBIT and other EBIT	\$	833	\$	(75)	\$ 35	\$	64	\$	(9)	\$	-	\$	-	\$	15	\$ 848						
Interest expense		(250)		-	-		-		-		-				-	(250)						
Interest income and other		14		-	-		-		-				(4) E		(4)	10						
Income taxes from continuing operations		(195)		28	(13)		(22)		3		12			_		(187)						
Discontinued operations, net of taxes		5							-				175_ F ,	G	175	 180						
Total Earnings for Common	\$	407	\$	(47)	\$ 22	\$	42	\$	(6)	\$	12	\$	171	\$	194	\$ 601						
EARNINGS PER SHARE, BASIC	\$	0.44	\$	(0.05)	\$ 0.02	\$	0.05	\$	(0.01)	\$	0.01	\$	0.19	\$	0.21	\$ 0.65						
EARNINGS PER SHARE, DILUTED	\$	0.43	\$	(0.04)	\$ 0.02	\$	0.04	\$	(0.01)	\$	0.01	\$	0.18	\$	0.20	\$ 0.63						

Note 1 - Amounts for special items are entered net of minority interest

- A Recorded in Gains (Losses) on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.
- B Fourth quarter settlement of the 2005 portion of the Field Services de-designated hedges as of 2/22/05, recorded in Equity in earnings of unconsolidated affiliates (Other Income and Expenses) on the Consolidated Statements of Operations.
- C Recorded in Other income and expenses, net (Other Income and Expenses) on the Consolidated Statements of Operations.
- D Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues (Operating Revenues) on the Consolidated Statements of Operations.
- E Cumulative Effect of Change in Accounting Principle.
- F Excludes Crescent discontinued operations.
- G Primarily DENA discontinued operations. 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 928 Diluted 962

DUKE ENERGY CORPORATION ONGOING TO REPORTED EARNINGS RECONCILIATION

December 2005 Year-to-date

(Dollars in millions, except per-share amounts)

Special Items (Note 1)

		_									,						_					
		ngoing arnings	DENA		Mutual insurance liability adjustment		Gain on transfer of 19.7% interest in DEFS		Gains (Losses) on sales and impairments of equity investments		Field Services hedge de- designation, net		Initial gain and subsequent MTM change on de-designated Southeast DENA hedges		Tax Adjustments		Discontinued Operations/ Cumulative Effect of Change in Accounting Principle		Total Adjustments		Reported Earnings	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									_										-			
U.S. Franchised Electric & Gas	\$	1,495	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,495
Natural Gas Transmission		1,388		-		-		-		-		-		-		-		-		-		1,388
Field Services		505		-		-		576	4	888 C	2	(23) E		-		-		-		1,441		1,946
Commercial Power		(43)		(75) A	A	-		-		-		-		-		-		-		(75)		(118)
International Energy		334		-		-		-		(20))	-		-		-		-		(20)		314
Crescent		314		-		-		-		-		-		-		-		-		-		314
Total reportable segment EBIT		3,993		(75)	-	-		576	-	868	_	(23)		-		-	-	-		1,346		5,339
Other		(511)		-		(28) I	В	<u>-</u>		<u>-</u>				21 F				<u> </u>		(7)		(518)
Total reportable segment EBIT and other EBIT	\$	3,482	\$	(75)	\$	(28)	\$	576	\$	868	\$	(23)	\$	21	\$	-	\$	-	\$	1,339	\$	4,821
EARNINGS FOR COMMON								,														
Total reportable segment EBIT and other EBIT	\$	3,482	\$	(75)	\$	(28)	\$	576	\$	868	\$	(23)	\$	21	\$	-	\$	-	\$	1,339	\$	4,821
Interest expense		(1,066)		-		-		-		-		-		-		-		-		-		(1,066)
Interest income and other		44		-		-		-		-		-		-		-		(4) G		(4)		40
Income taxes from continuing operations		(797)		28		10		(213)		(323)		9		(8)		12		-		(485)		(1,282)
Discontinued operations, net of taxes	_	/	_	-			_		_		_							(708) H,	'	(708)		(701)
Total Earnings for Common	\$	1,670	\$	(47)	\$	(18)	\$	363	\$	545	\$	(14)	\$	13	\$	12	\$	(712)	\$	142	\$	1,812
EARNINGS PER SHARE, BASIC	\$	1.79	\$	(0.05)	\$	(0.02)	\$	0.39	\$	0.58	\$	(0.01)	\$	0.01	\$	0.01	\$	(0.76)	\$	0.15	\$	1.94
EARNINGS PER SHARE, DILUTED	\$	1.73	\$	(0.04)	\$	(0.02)	\$	0.37	\$	0.56	\$	(0.01)	\$	0.01	\$	0.01	\$	(0.73)	\$	0.15	\$	1.88

Note 1 - Amounts for special items are entered net of minority interest.

- A Recorded in Gains (Losses) on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.
- B Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations.
- C Gain on sale of investment in units of TEPPCO LP, \$97 million, and TEPPCO GP, \$791 million net of \$343 million of minority interest. Recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.
- D Equity investment impairment, recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.
- E De-designation of hedges due to the transfer of 19.7% interest in DEFS to ConocoPhillips. \$125 million loss reduced by \$102 million of hedge settlements recorded in Impairments and other charges (Operating Expenses) on the Consolidated Statements of Operations.
- F Recorded in Non-regulated electric, natural gas, natural gas liquids and other revenues (Operating Revenues) on the Consolidated Statements of Operations.
- G Cumulative Effect of Change in Accounting Principle.
- H Excludes Crescent discontinued operations.
- I Primarily the non-cash, after-tax charge related to the planned exit of substantially all of DENA's physical and commercial assets outside the midwestern United States and the reclassification of DENA 2005 operations. 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 934 Diluted 970

DUKE ENERGY CORPORATION ONGOING TO REPORTED EARNINGS RECONCILIATION

December 2006 Quarter-to-date

(Dollars in millions, except per-share amounts)

Special Items (Note 1)

SEGMENT EARNINGS BEFORE INTEREST AND TAXES		going rnings		lement serves	Impai Cam	tment to rment of speche stment	Impairment of Bolivia Investment		Costs to Achieve, Cinergy Merger		Costs to Achieve, Anticipated Gas Spin-off		Tax Adjustments		Discontinued Operations		Total Adjustments			ported rnings
FROM CONTINUING OPERATIONS U.S. Franchised Electric & Gas	\$	423	\$	_	\$		\$		\$		\$		\$		\$		\$		\$	423
	Ф		Ф	-	Ф	-	Φ	-	Φ	-	Ф	- -	•	-	Ф	-	Ф	-	Ф	
Natural Gas Transmission		338		-		-		-		-		(2)	4	-		-		(2)		336
Field Services		119		-				-		-		-		-		-		-		119
Commercial Power		(29)		-		-		-		-		-		-		-		-		(29)
International Energy		81		(100)	A	5 A		(28) E	3	-		-		-		-		(123)		(42)
Crescent		17		-		-		-		-		-		-		-		-		17
Total reportable segment EBIT		949		(100)		5		(28)		-		(2)		-		-		(125)		824
Other		(91)		(65)	Α					(31) A	۹	(41) A	١					(137)		(228)
Total reportable segment EBIT and other EBIT	\$	858	\$	(165)	\$	5	\$	(28)	\$	(31)	\$	(43)	\$		\$		\$	(262)	\$	596
EARNINGS FOR COMMON																				
Total reportable segment EBIT and other EBIT Interest expense Interest income and other Income taxes from continuing operations Discontinued operations, net of taxes	\$	858 (325) 111 (102)	\$	(165) - - 58 -	\$	5 - - - -	\$	(28) - - 31 -	\$	(31) - - 11 -	\$	(43) - - 6	\$	- - - 8	\$	- - - (7) C	\$	(262) - - 114 (7)	\$	596 (325) 111 12 (7)
Total Earnings for Common	\$	542	\$	(107)	\$	5	\$	3	\$	(20)	\$	(37)	\$	8	\$	(7)	\$	(155)	\$	387
EARNINGS PER SHARE, BASIC	\$	0.43	\$	(0.08)	\$	-	\$	-	\$	(0.01)	\$	(0.03)	\$	0.01	\$	(0.01)	\$	(0.12)	\$	0.31
EARNINGS PER SHARE, DILUTED	\$	0.43	\$	(80.0)	\$		\$	-	\$	(0.01)	\$	(0.03)	\$	0.01	\$	(0.01)	\$	(0.12)	\$	0.31

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

Weighted Average Shares (reported and ongoing) - in millions

Basic 1,256

Diluted 1,265

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

B - \$25 million recorded in Impairments and other charges (Operating Expenses) and \$3 million recorded in Impairment of goodwill (Operating Expenses) on the Consolidated Statements of Operations.

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

DUKE ENERGY CORPORATION ONGOING TO REPORTED EARNINGS RECONCILIATION December 2006 Year-to-date

(Dollars in millions, except per-share amounts)

Special Items (Note 1)

	Ongoing Earnings		ettlement Reserves		on Sales Assets	Sa Inter	in on le of rest in scent	Settle	Gain on ement of entract	0	mpairment of Bolivia ovestment	of Car	irment npeche stment	Ac Ci	osts to hieve, nergy erger	Ant	osts to chieve, icipated Spin-off		Tax ustments		scontinued perations		Fotal estments		oorted nings
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS																									
U.S. Franchised Electric & Gas	\$ 1,811	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,811
Natural Gas Transmission	1,401		-		15 E	3	-		24	E	-		-		-		(2) A	١	-		-		37		1,438
Field Services	555		-		14 (:	-		-		-		-		-		-		-		-		14		569
Commercial Power	21		-		-		-		-		-		-		-		-		-		-		-		21
International Energy	317		(100)	A	-		-		-		(28) F		(50) C	3			-		-		-		(178)		139
Crescent	286		-		-		246 I)	-		-		-		-		-		-		-		246		532
Total reportable segment EBIT	4,391		(100)		29		246	-	24		(28)		(50)		-	-	(2)		-	-	-		119	-	4,510
Other	(330	<u> </u>	(65)	Α	-				-						(128) A	۱ <u></u>	(58) A	١			-		(251)		(581)
Total reportable segment EBIT and other EBIT	\$ 4,061	\$	(165)	\$	29	\$	246	\$	24	\$	(28)	\$	(50)	\$	(128)	\$	(60)	\$	-	\$	-	\$	(132)	\$	3,929
EARNINGS FOR COMMON																									
Total reportable segment EBIT and other EBIT Interest expense	\$ 4,061 (1,253		(165)	\$	29	\$	246	\$	24	\$	(28)	\$	(50)	\$	(128)	\$	(60)	\$	-	\$	-	\$	(132)	\$	3,929 (1,253)
Interest income and other Income taxes from continuing operations	186 (850		- 58		(10)		(124)		(8)		31		-		45		7		- 8		-		7		186 (843)
Discontinued operations, net of taxes					-				-						-		-				(156) H,	I	(156)		(156)
Total Earnings for Common	\$ 2,144	\$	(107)	\$	19	\$	122	\$	16	\$	3	\$	(50)	\$	(83)	\$	(53)	\$	8	\$	(156)	\$	(281)	\$	1,863
EARNINGS PER SHARE, BASIC	\$ 1.83	\$	(0.09)	\$	0.02	\$	0.10	\$	0.02	\$		\$	(0.04)	\$	(0.07)	\$	(0.05)	\$	0.01	\$	(0.14)	\$	(0.24)	\$	1.59
EARNINGS PER SHARE, DILUTED	\$ 1.81	\$	(0.09)	\$	0.02	\$	0.10	\$	0.01	\$		\$	(0.04)	\$	(0.07)	\$	(0.05)	\$	0.01	\$	(0.13)	\$	(0.24)	\$	1.57

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 Gain on sale of subsidiary stock (Other Income and Expenses) on the Consolidated Statements of Operations.
- C Recorded in Equity in earnings of unconsolidated affiliates (Other Income and Expenses) on the Consolidated Statements of Operations.
- D Recorded in Gains (Losses) on Sales of Other Assets and Other, net on the Consolidated Statements of Operations.
- E \$23 million recorded in Gains (Losses) on Sales of Other Assets and Other, net and \$1 million recorded in Other income and expenses, net (Other Income and Expenses) on the Consolidated Statements of Operations.
- F \$25 million recorded in Impairments and other charges (Operating Expenses) and \$3 million recorded in Impairment of goodwill (Operating Expenses) on the Consolidated Statements of Operations.
- G \$33 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in (Losses) gains on sales and impairments of equity investments (Other Income and Expenses) on the Consolidated Statements of Operations.
- H Excludes Crescent discontinued operations.
- I Primarily DENA and CMT discontinued operations. 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 1,170

Diluted 1,188

Special items affecting Duke Energy's year-to-date diluted EPS (as summarized in this earnings release) include:

Special items affecting buke Effergy's year-to-date diluted EFS (as summarized in this ea			2006	2005
	Pre-Tax	Tax	EPS	EPS
(In millions, except per share amounts)	Amount	Effect	Impact	Impact
Year-ended 2006		•		
DEGT gain on contract settlement	\$24	(\$8)	\$0.01	-
Duke Energy portion of gain on DEFS asset sale	\$14	(\$5)	\$0.01	-
Costs to achieve Cinergy merger	(\$128)	\$45	(\$0.07)	
Costs to achieve gas spinoff	(\$60)	\$7	(\$0.05)	•
Impairment of Campeche investment	(\$50)	-	(\$0.04)	•
Gain on sale of interest in Crescent	\$246	(\$124)	\$0.10	•
Gain related to the issuance of units of DEGT's Canadian income fund	\$15	(\$5)	\$0.01	•
Settlement reserves	(\$165)	\$58	(\$0.09)	•
Impairment of Bolivia investment	(\$28)	\$31		•
Tax adjustment	-	\$8	\$0.01	-
Year-ended 2005				
Gain on sale of TEPPCO GP, net of minority interest of \$343 million	\$791	(\$293)	-	\$0.51
Gain on sale of TEPPCO LP units	\$97	(\$36)	-	\$0.06
Loss on de-designation of Field Services' hedges, net of settlements on 2005 positions	(\$23)	\$9	-	(\$0.01)
Mutual insurance liability adjustment	(\$28)	\$10	-	(\$0.02)
Gain on transfer of 19.7 percent interest in DEFS to ConocoPhillips	\$576	(\$213)	-	\$0.37
Impairment of DEI's investment in Campeche	(\$20)	\$6	-	(\$0.01)
Initial and subsequent net mark-to-market gains on de-designating Southeast DENA hedges	\$21	(\$8)	-	\$0.01
Loss on Southeast DENA contract termination	(\$75)	\$28	-	(\$0.04)
Tax adjustments	-	\$12	-	\$0.01
TOTAL DILUTED EPS IMPACT			(\$0.11)	\$0.88

GAAP Reconciliation:

EPS from discontinued operations excluding Crescent Resources, and cumulative effect of change in accounting principle

(In millions, except per share amounts)

	4Q 2	006	4Q 2	005		
		Diluted		Diluted		
	Amount	EPS	Amount	EPS		
(Loss) income from discontinued operations, net of tax	(\$7)	(\$0.01)	\$180	\$0.19		
Income from Crescent Resources discontinued operations, net of tax	-	-	(5)	-		
Cumulative effect of change in accounting principle, net of tax	-	-	(4)	-		
Discontinued operations excluding Crescent Resources, and						
cumulative effect of change in accounting principle	(\$7)	(\$0.01)	\$171	\$0.18		
	YTD 2	2006	YTD 2	2005		
		Diluted		Diluted		
	Amount	<u>EPS</u>	Amount	EPS		
Loss from discontinued operations, net of tax	(\$156)	(\$0.13)	(\$701)	(\$0.72)		
Income from Crescent Resources discontinued operations, net of tax	-	-	(7)	-		
Cumulative effect of change in accounting principle, net of tax			(4)			
Discontinued operations excluding Crescent Resources, and						
cumulative effect of change in accounting principle	(\$156)	(\$0.13)	(\$712)	(\$0.73)		