



New York Analyst Meeting

February 3, 2004



Safe Harbor Statement

Under the Private Securities Litigation Act of 1995

This document contains forward looking information which is subject to risks and uncertainties, including, but not limited to, changes in the utility regulatory environment, the impact of competition from other energy suppliers, industrial, commercial and residential growth in the Company's service territory, the results of financing efforts, the effect of accounting pronouncements, growth in opportunities for the Company's subsidiaries and diversified operations, and other risks described in the Company's Securities and Exchange Commission filings.

Regulation G

This document may include certain non-GAAP financial measures as defined under SEC Regulation G. In such an event, a reconciliation of those measures to the most directly comparable GAAP measures is included in the printed version of these slides which can be downloaded from our investor relations website at:
www.duke-energy.com/investors/financial/gaap/

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In Duke Energy North America's presentation, we discuss sensitivities to gas and power prices. The amounts presented for incremental gross margin represent non-GAAP financial measures as defined under SEC rules. The most directly comparable GAAP measure is DENA segment EBIT, which represents DENA gross margin reduced by operations and maintenance expenses, general and administrative expenses and depreciation and amortization. The corresponding amounts of incremental segment EBIT related to the incremental gross amounts shown are not estimable due to the varying potential impacts on EBIT that would accompany these changes in gross margin.



Duke Energy



Paul M. Anderson
Chairman and CEO



We are Duke Energy, a leading energy company located in the Americas with an affiliated real estate operation.

Our purpose is to create superior value for our customers, employees, communities and investors through the production, conversion, delivery and sale of energy and energy services.

To provide a stable platform for future growth, we must:

- Deliver on our financial plan and preserve the dividend of \$1.10/share.
- Resize and realign our asset portfolio to reflect current and future market realities and to improve return on capital.
- Significantly improve execution of essential management and operating systems, reducing bureaucracy and overhead.
- Build a high performance organization with clear accountabilities in which every individual accepts responsibility and is rewarded for results.
- Restore credibility and earn the trust of employees, customers, suppliers, regulators, legislators, communities and investors.

In conducting our business, we value:

- **Stewardship** – A commitment to health, safety, environmental responsibility and our communities.
- **Integrity** – Ethically and honestly doing what we say we will do.
- **Respect for the Individual** – Embracing diversity and inclusion, enhanced by openness, sharing, trust, teamwork and involvement.
- **High Performance** – The excitement and fulfillment of achieving superior business results and stretching our capabilities.
- **Win-Win Relationships** – Having relationships which focus on the creation of value for all parties.
- **Initiative** – Having the courage, creativity and discipline to lead change and shape the future.

We will be successful when:

- Our investors realize a superior return on their investment.
- Our customers and suppliers benefit from our business relationships.
- The communities in which we operate value our citizenship.
- Every employee starts each day with a sense of purpose and ends each day with a sense of accomplishment.

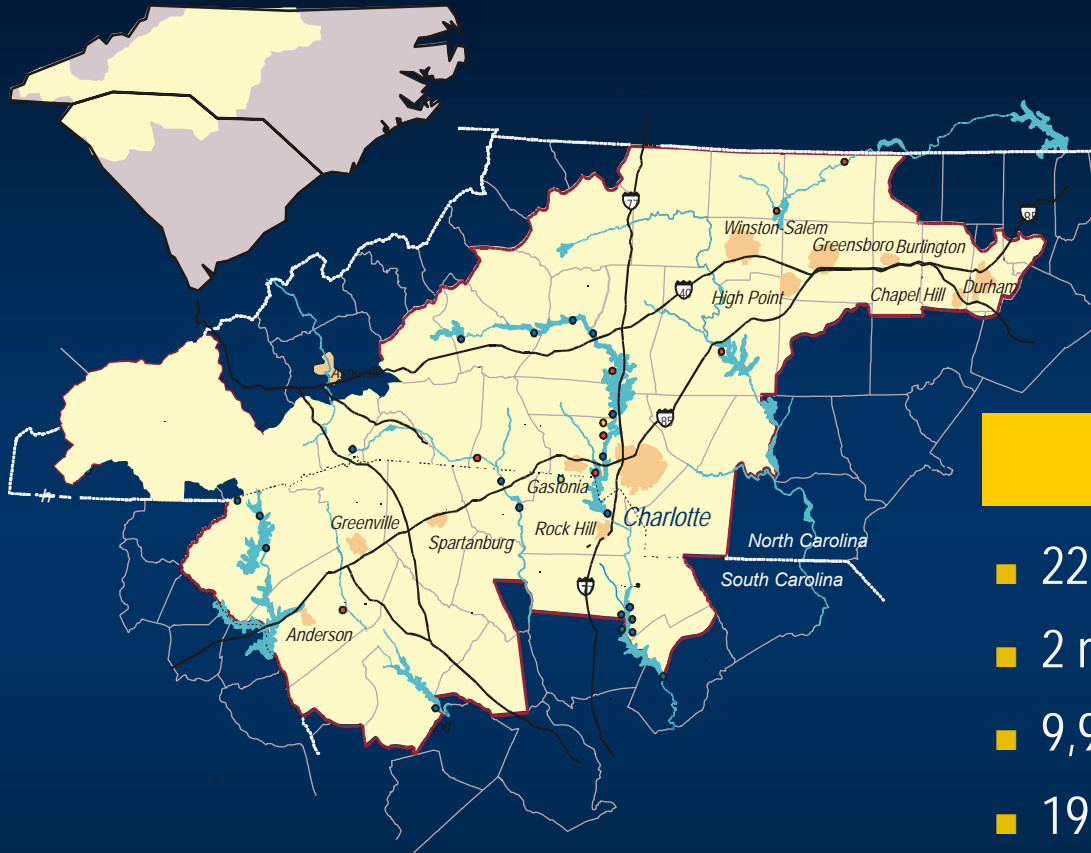




Franchised Electric



Ruth Shaw
President
Duke Power



100 years of service...

- 22,000 square miles of service territory
- 2 million customers
- 9,900 employees
- 19,900 MW total generation capability
- 13,000 miles of transmission lines
- 89,000 miles of distribution lines

Near Term Strategy

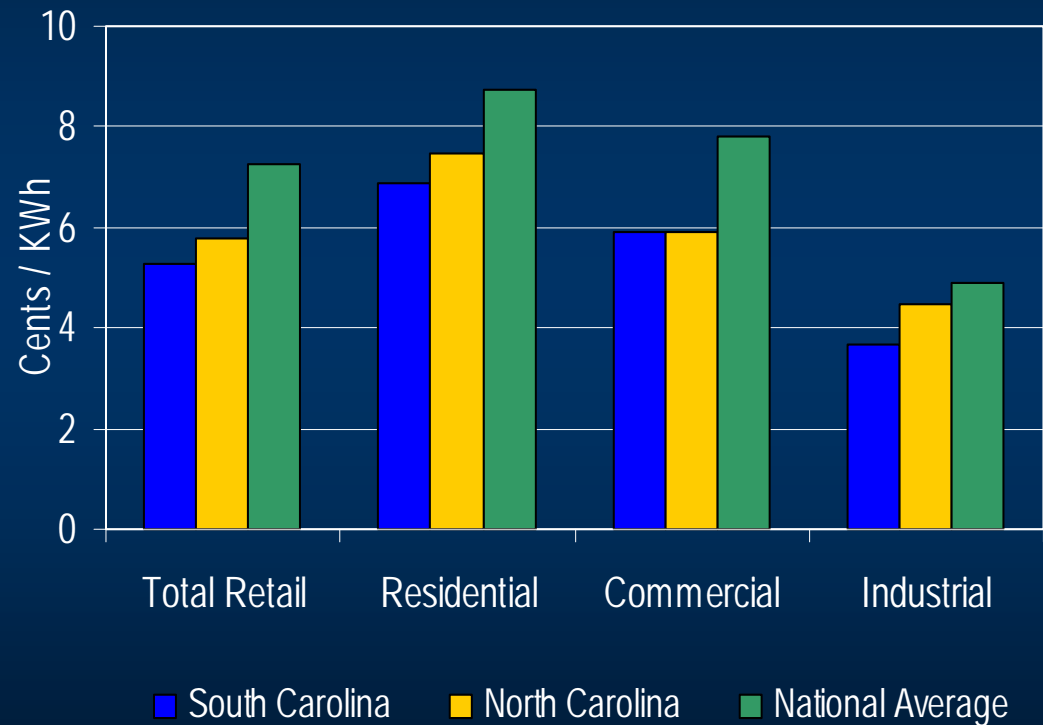
- Deliver on financial plan and win-win regulatory policy
- Operate assets with superior safety, reliability and efficiency
- Improve customer satisfaction and deliver valued products and services
- Create and realize opportunities for sustainable sales growth
- Earn trust and build confidence with stakeholders

Solid Market Environment

Carolinas economy positioned for recovery

- Positive leading indicators
- Increasing business diversity
- Competitive electric rates
- Expanded efforts in economic development

Duke Power Rates vs National Averages



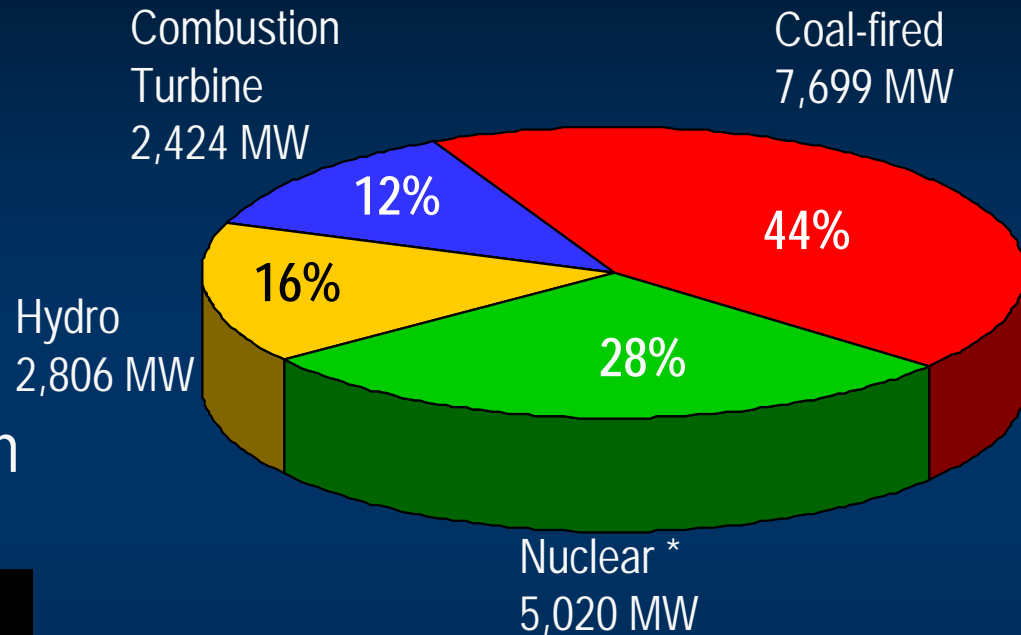
Positive State Regulatory Relationships

- Solid relationships with NC/SC Commissions
 - NC Clean Air Initiative – rate freeze through 2007
 - December 2002 Storm Audit results
 - South Carolina rate rider in 2003



Solid Operational Performance

- Diverse fuel mix
- Superior generation performance
- Long-term stability from nuclear relicensing and NC Clean Air implementation



PERFORMANCE MEASURES	Year-end 2003
Nuclear capacity factor	91%
Fossil-hydro commercial availability index	98%

* Reflects Duke's ownership portion of Catawba

Reliable and Customer-Focused Service

- Reliable service delivery
 - Reliability rate of 99.9%
 - 2003 EEI award for ice storm response
- Customer service and satisfaction
 - Rated second among electric utilities on the American Customer Satisfaction Index
 - Additional efforts launched in 2003 to enhance customer relationships and overall service levels

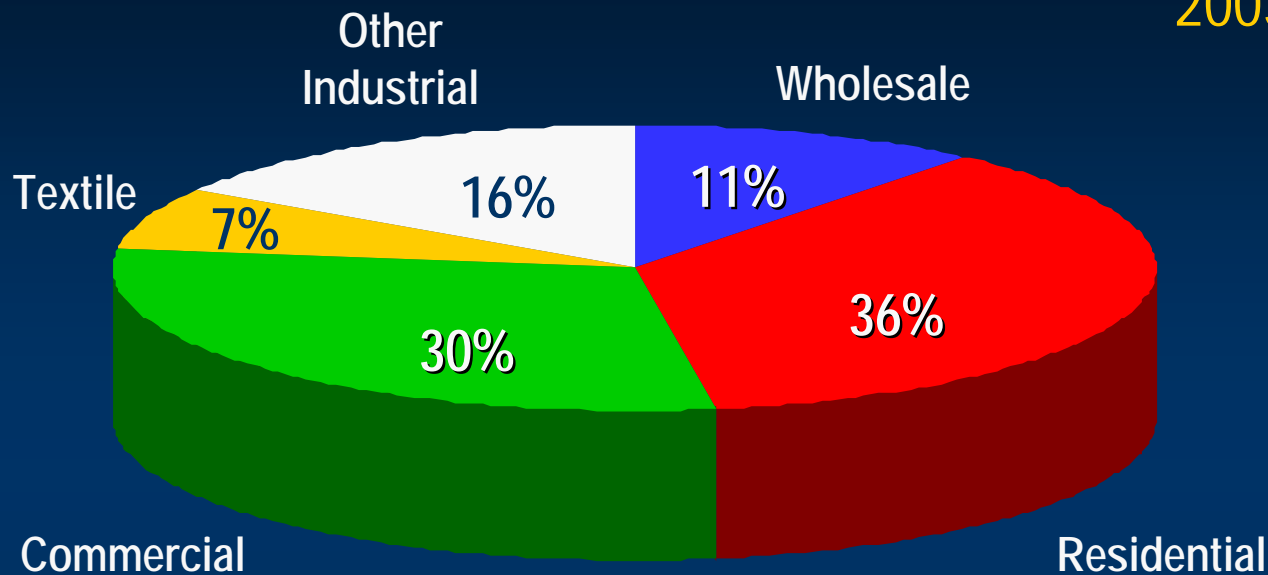


Rate Base Review

Net Rate Base	\$9 - \$10 billion (2/3 NC, 1/3 SC)
Deemed Capital Structure	50 – 55% Equity
Return on Equity	12.50% in NC 12.25% in SC
EBIT	\$1.4 billion

Distribution of 2003 Revenues

2003 Revenues
\$4.9 billion

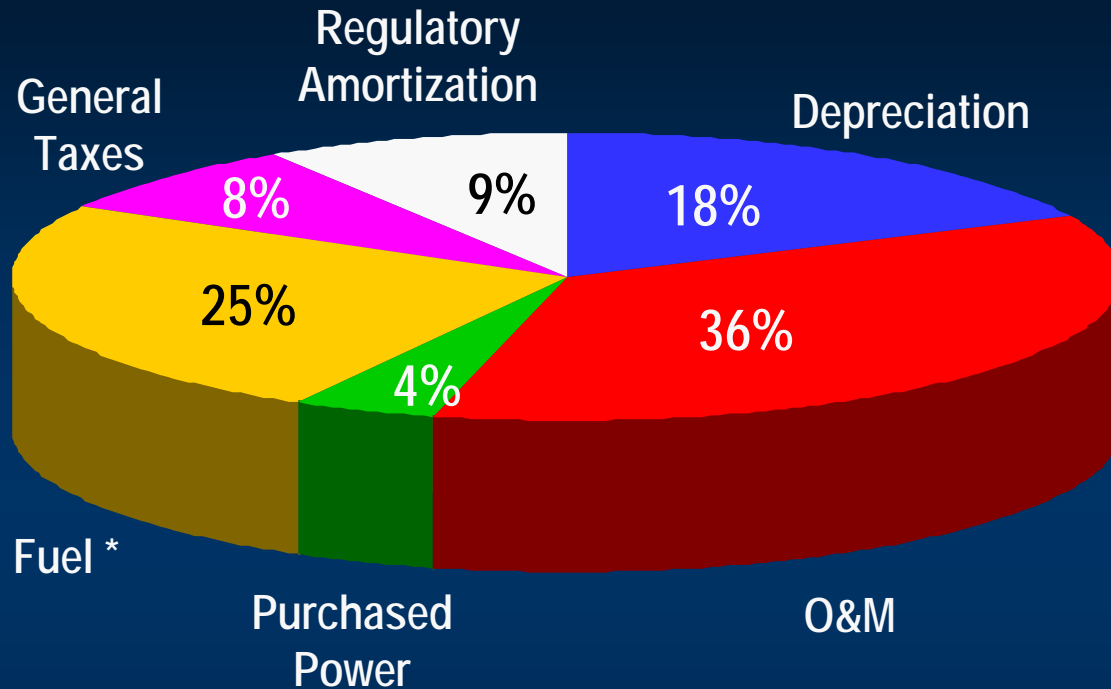


Sensitivities

- Weather
- Economy
- Wholesale market prices

Distribution of 2003 Expenses

2003 Expenses
\$3.5 billion



Sensitivities

- Storms
- Generating unit performance

* Fuel costs are passed through to customers via annual fuel clause proceedings

Delivering Results

Well positioned for the future...

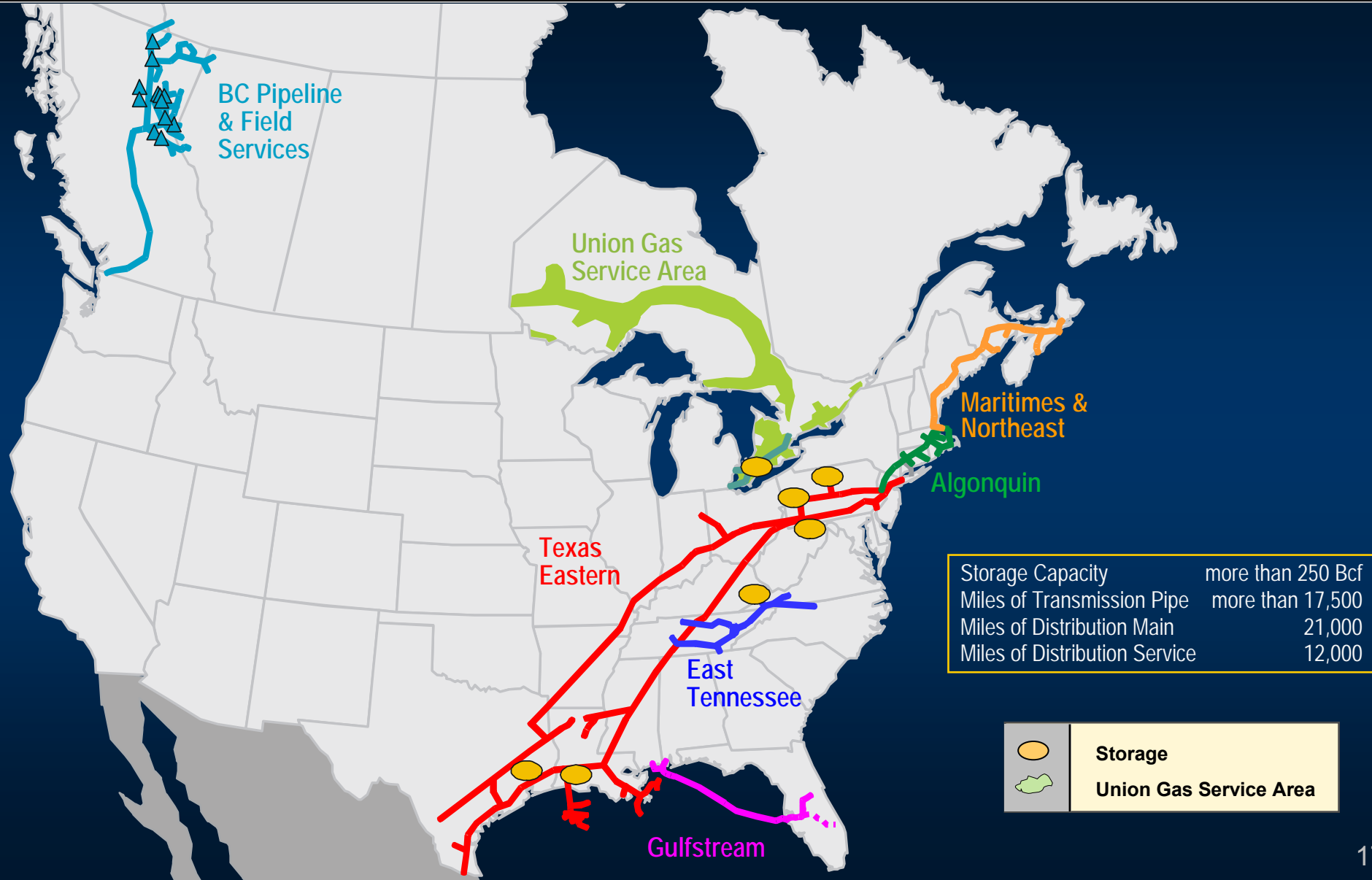
- Medium-term EBIT growth: CAGR – Flat to 2%
- Stable earnings and strong cash flows
- Diversified service territory with growth opportunities
- Favorable regulatory position
- Superior operational performance

Natural Gas Transmission



Tom O'Connor
President
Duke Energy Gas Transmission

Duke Energy Gas Transmission System



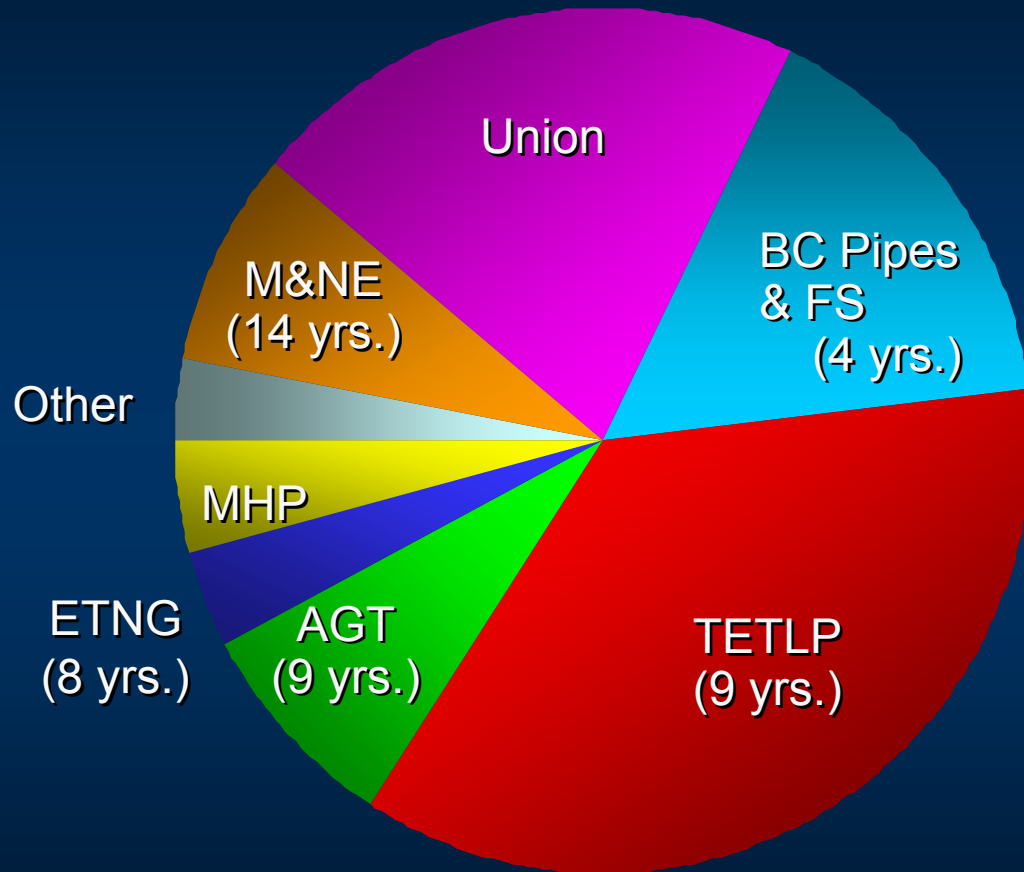
Near-Term Strategy

Produce superior financial results through increased productivity and balanced growth

- Provide superior customer service
- Optimize existing asset portfolio
- Capture efficiencies and control cost
- Develop new high-return expansion projects

2004 Portfolio of Businesses

2004 EBIT Distribution



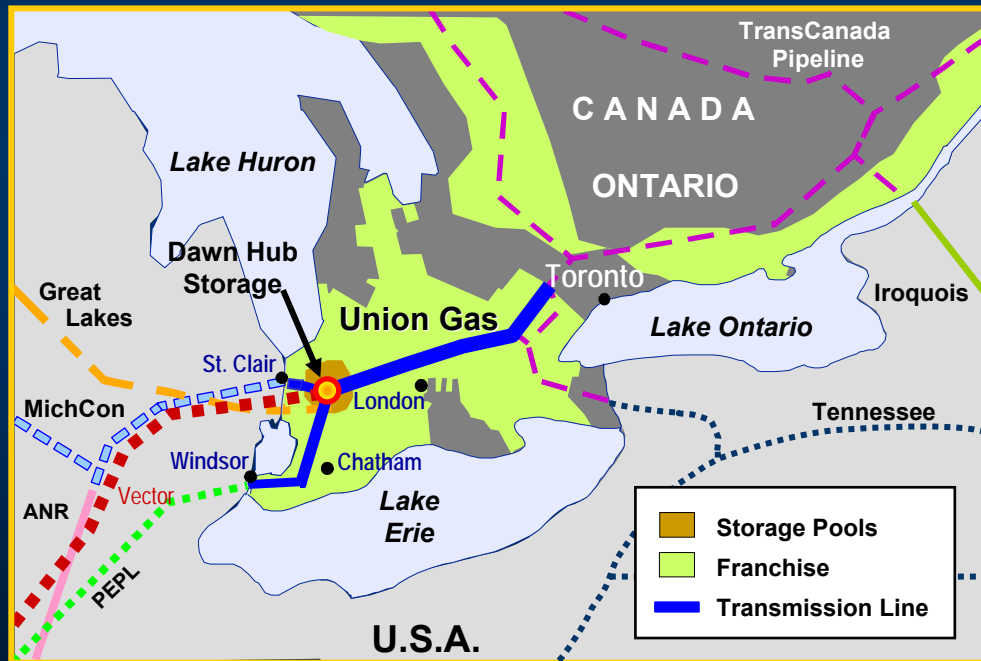
Average Contract Life shown in parentheses

Sensitivities

- Weather
- Firm contracts
- Throughput
- Exchange rate

Union Gas: Regulated Distribution, Storage & Transportation

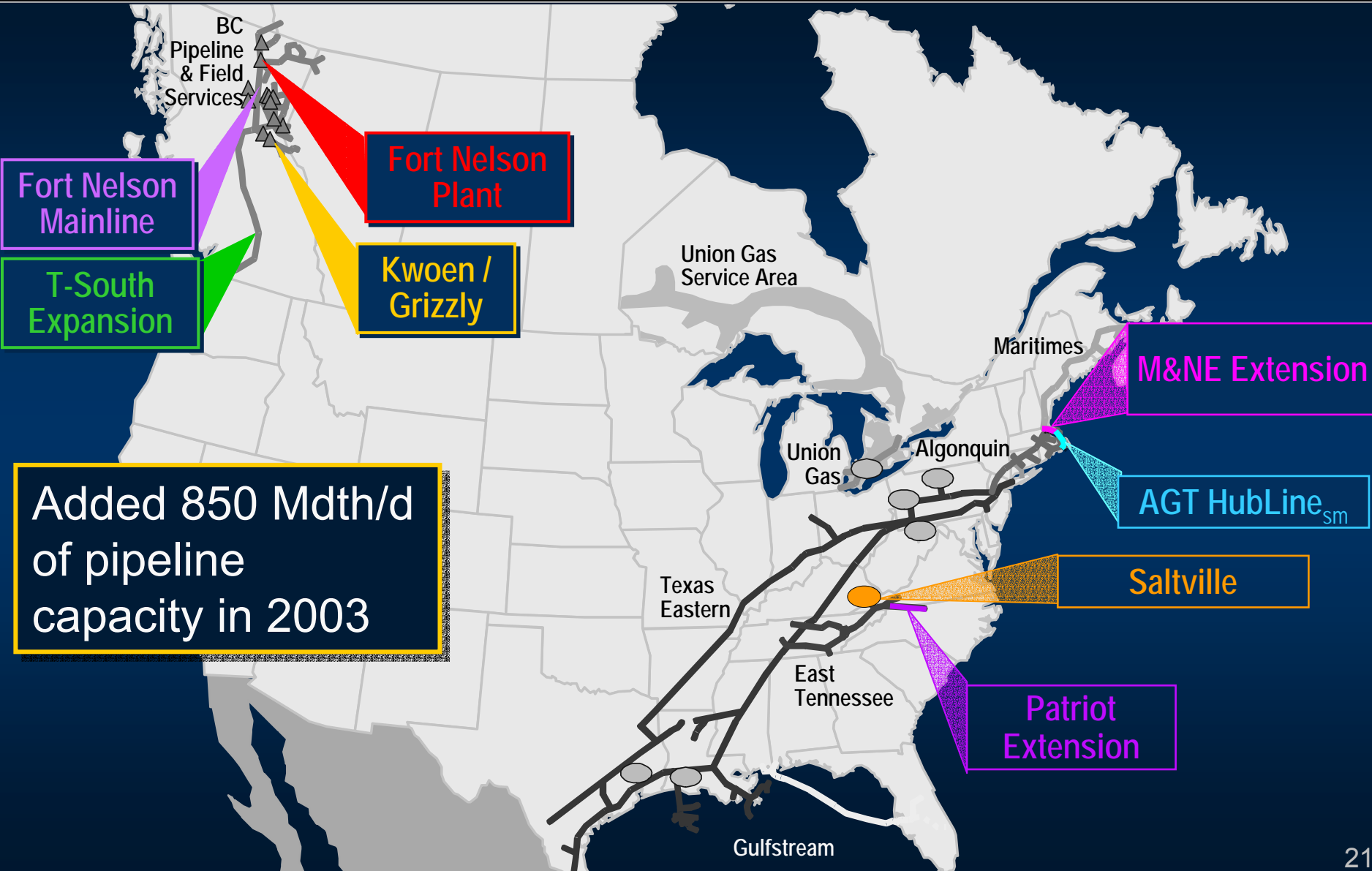
- 1.3 million retail customers
- More than 150 Bcf of gas storage
- Cost of service regulation
- Canadian debt component different than U.S.



Cumulative Distribution Customer Additions Since 1997



Build-Outs Completed In 2003

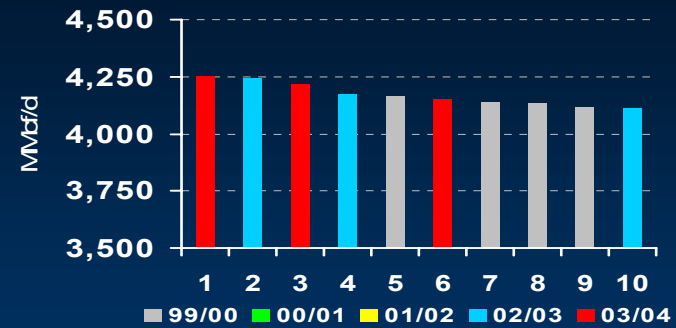


Growth Opportunities / Top Ten Days

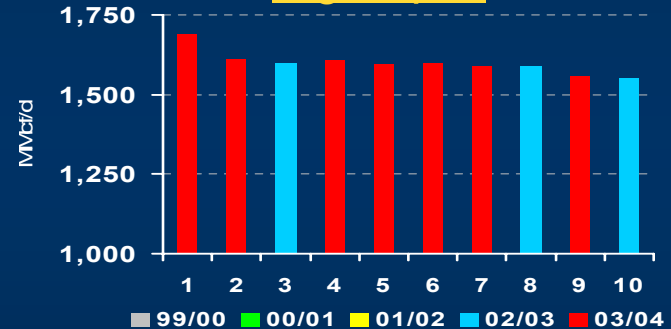
DEGT's strategy and continued high-capacity utilization will produce solid EBIT growth of 3 – 5% per year

- Capital efficient expansions in existing markets
- Optimization of the existing systems
- Organizational efficiencies and cost control

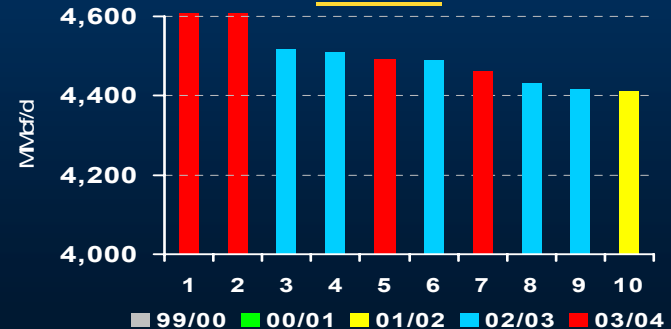
TETLP Market Area



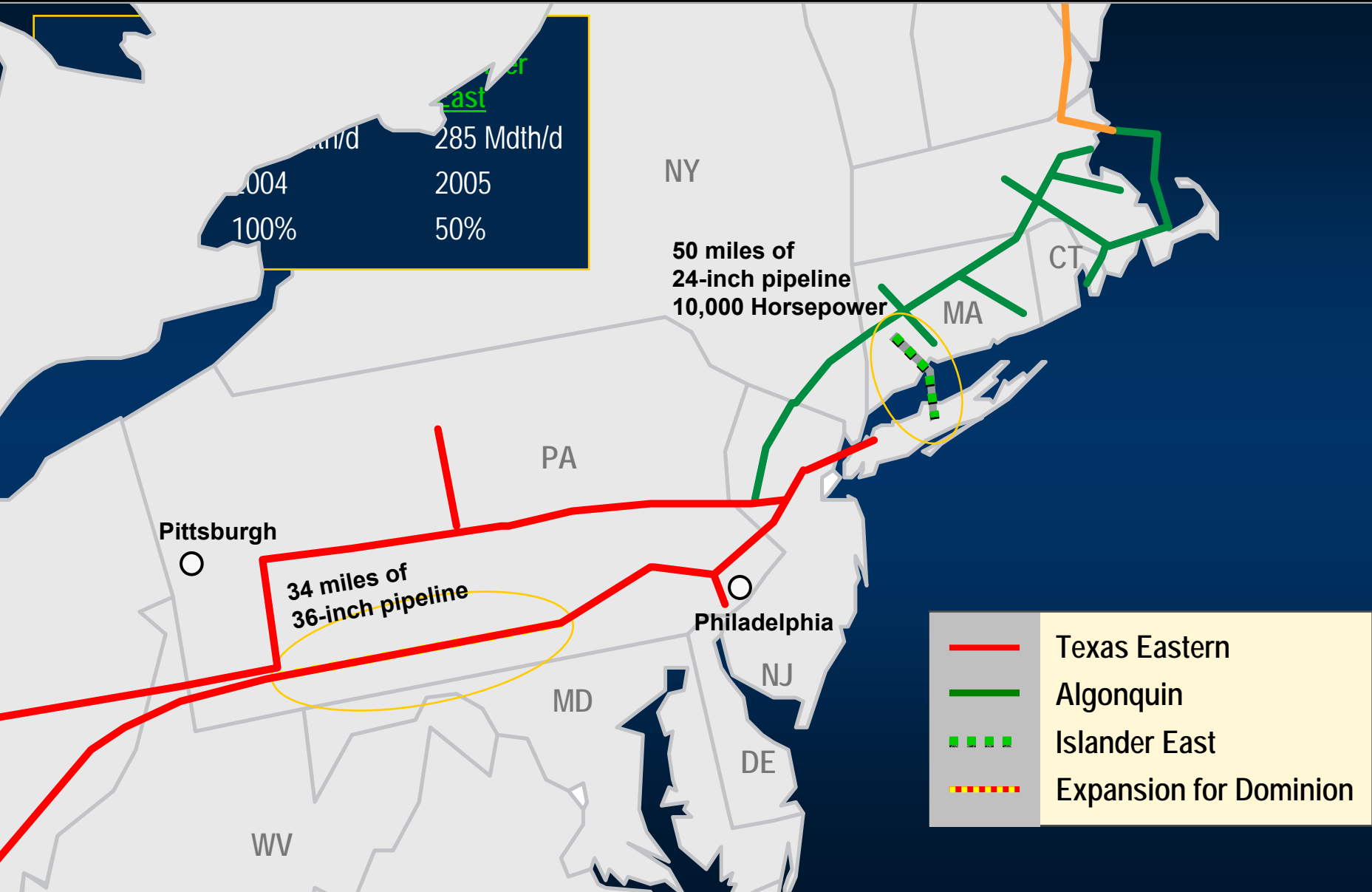
Algonquin



Union



Expansion In the Northeast

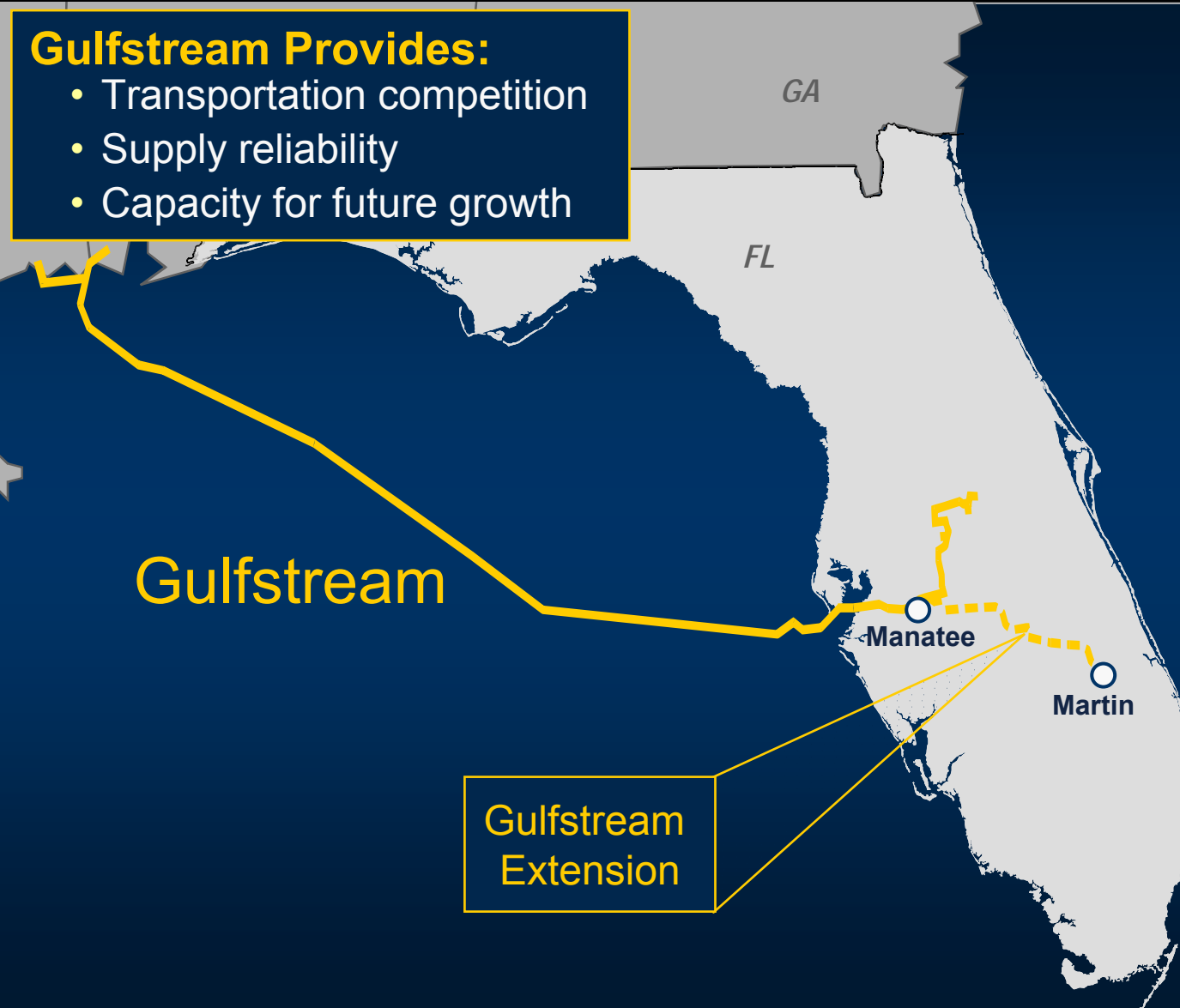


Gulfstream Extension

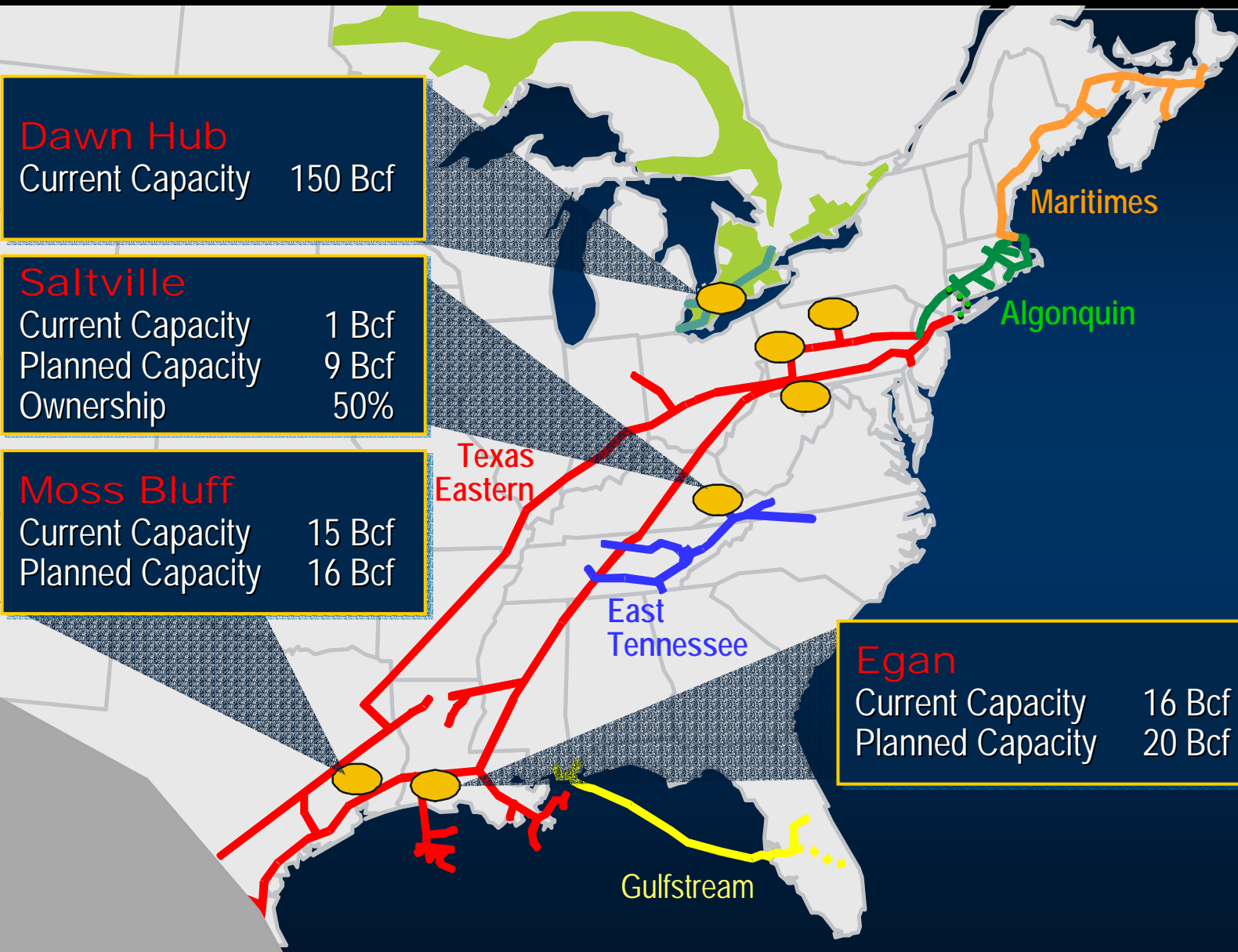
Gulfstream Provides:

- Transportation competition
- Supply reliability
- Capacity for future growth

- FPL to build additional 1,900 MW for 2005
- 23-year firm transportation agreement / 350 Mdth/d
- 110-mile mainline extension to Martin plant, 30-inch pipe



Storage Expansion



Conclusion

DEGT's strategy will provide predictable growth with increasing cash flow. DEGT possesses:

- Exceptional assets attached to high-value markets
- Flexible supply access for choice and reliability
- A portfolio that increases opportunities / reduces risk
- High-return growth projects

Duke Energy Gas Transmission System





International Energy

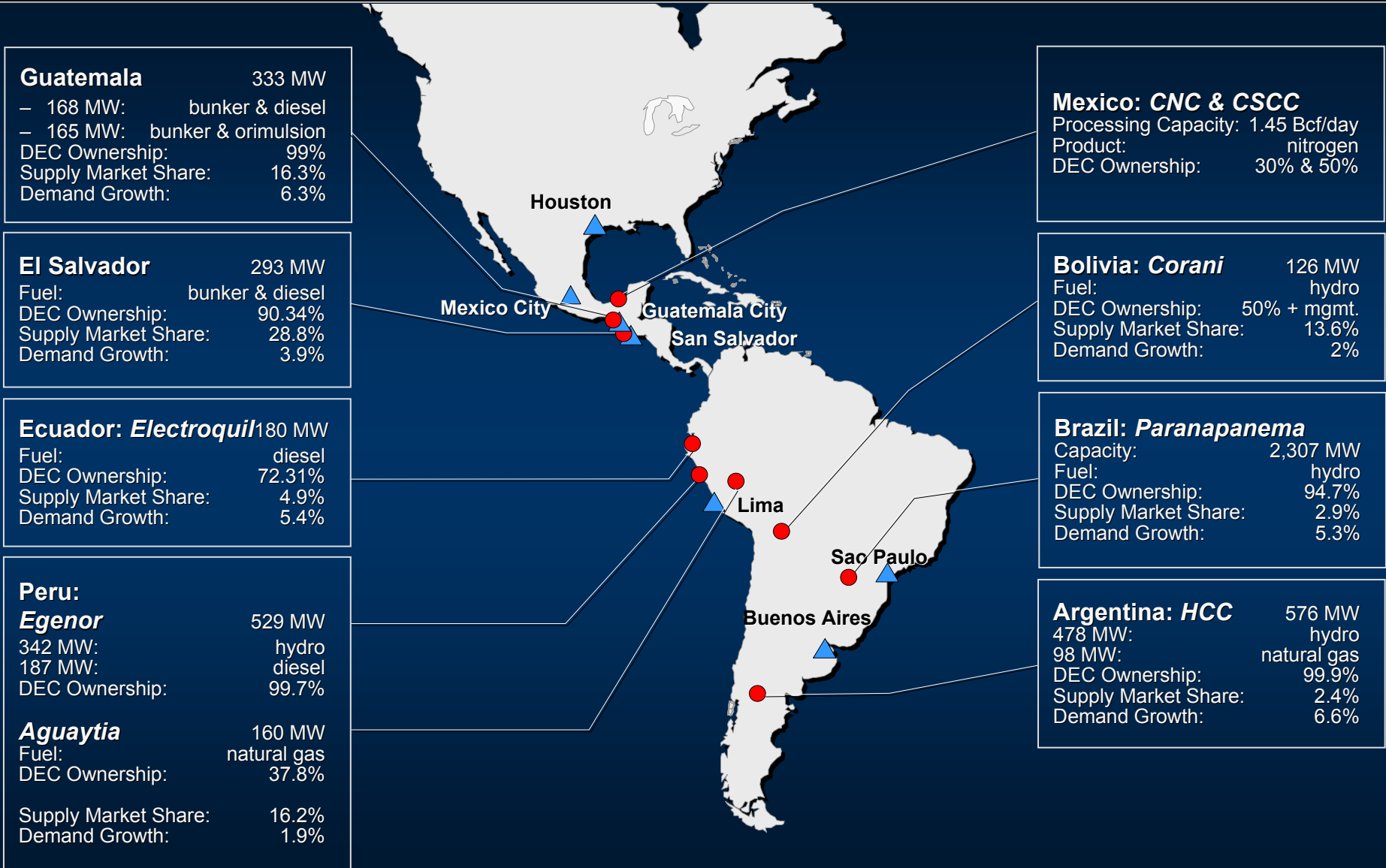


Bobby Evans
President
Duke Energy Americas

Discussion Topics

- Overview of Latin America portfolio
- Latin America portfolio characteristics
- Latin America business environment and market overview
- Financial information and performance drivers
- 2004 strategic priorities

Latin America Portfolio Overview

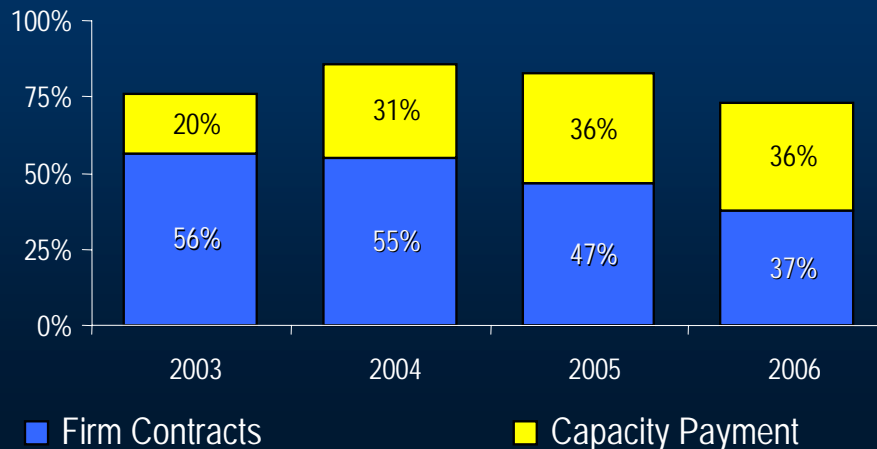


* DEI also has a 25% holding in National Methanol Corporation in Saudi Arabia

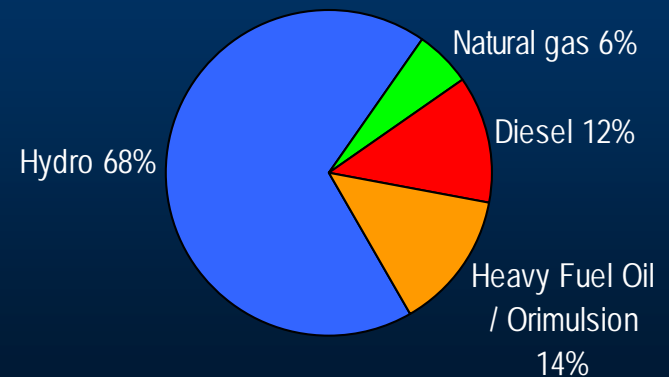
Latin America Portfolio Characteristics

- Focused on wholesale energy business – energy and capacity sales
- High percentage of generating capacity contracted or receiving capacity payments
- Predominantly hydro/baseload generation fleet
- Significant diversity within Latin America – investments in eight countries
- International debt matched with applicable functional currency, market dynamics and/or contracted cash flows
- Significant net positive cash flow contributor

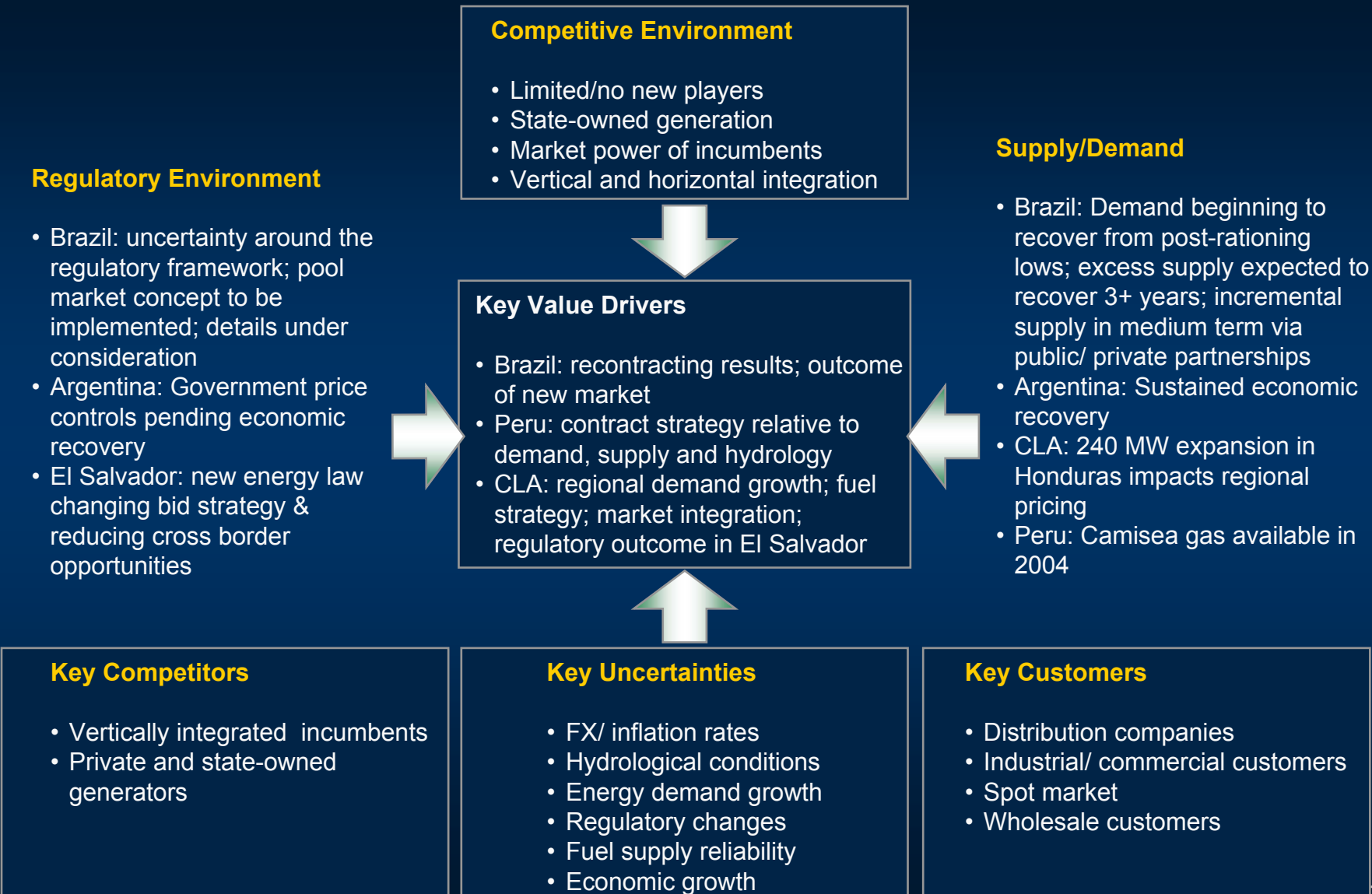
Power Capacity - % Contracted



DEI Fuel Mix



Business Environment & Market Summary



Financial Summary

- Anticipated CAGR of 2 - 3% over planning period ending 2006, assuming no divestitures of remaining assets

<i>(\$ in millions)</i>	2003	2006
EBIT from continuing operations ⁽¹⁾	\$ 210	CAGR 2 - 3%

(1) Includes earnings from Latin American portfolio and National Methanol

Primary Performance Drivers for Planning Period

- Brazil
 - FX sensitivities
 - Impact of market fundamentals and regulatory structure on recontracting rates
- Peru
 - Contracting position relative to spot prices, hydrology, and demand
- Central America
 - Orimulsion conversion
 - Contracting position relative to demand, hydrology, and fuel prices
- Other
 - A&G costs
 - NMC – Oil prices & methanol/MTBE demand

2004 Strategic Priorities

- Complete exit of European region
- Sell / IPO Australia assets
- Increase returns for Latin America through continued emphasis on:
 - Organic growth
 - Asset optimization
 - Cost reduction
 - Portfolio/balance sheet management
- Develop long-term strategy for Latin America



Duke Energy North America



Bobby Evans
President
Duke Energy Americas

2003 Key Events

- Major reorganization
 - Consolidation of Houston, Salt Lake and Calgary offices
 - Significant staff reductions
 - New management team and organizational structure
- DETM wind-down
- Pre-tax charges of \$3.3B in 2003 related to Special Items
- Normal weather but depressed sparks
- Market liquidity issues

2004 Focus

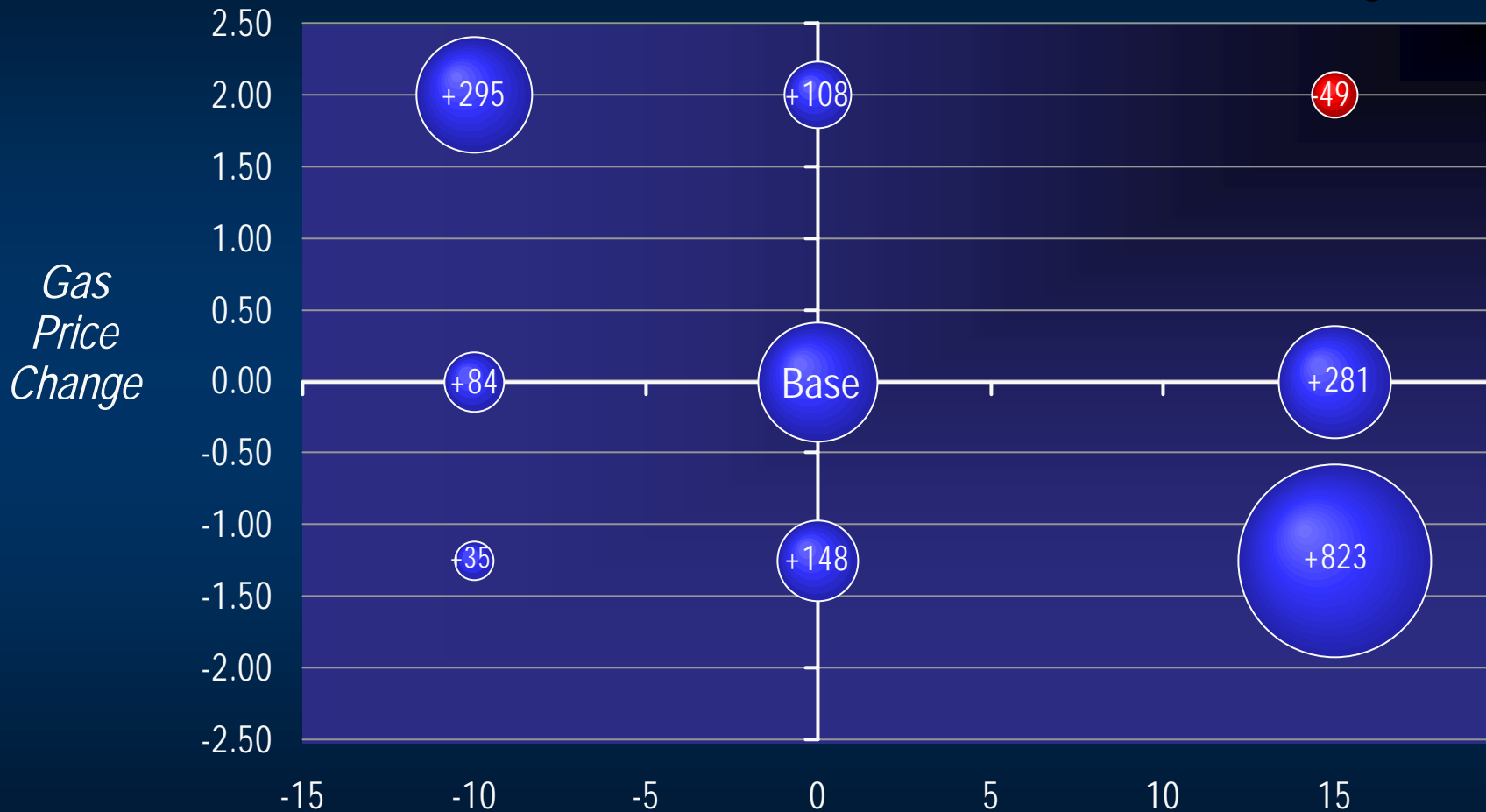
- Selectively reduce merchant energy exposure – Southeast and West regions
- Rationalize natural gas transportation and storage business around generation assets
- Increase profitability of base business as market recovers
- Retain option for future regional growth in wholesale merchant energy

DENA Summary – EBIT

<i>(\$ in millions)</i>	2003 Actuals	2004 Forecast
Low Risk Gross Margin	590	320
Other Sources Gross Margin	63	100
TOTAL Gross Margin	653	420
Plant O&M	(322)	(382)
Depreciation	(237)	(187)
G&A and Other	(210)	(155)
Minority Interest	47	4
Special Items	(3,272)	-
EBIT	(3,341)	(300)

Gas & Power Price Sensitivity

2004 DENA Generation Incremental Gross Margin

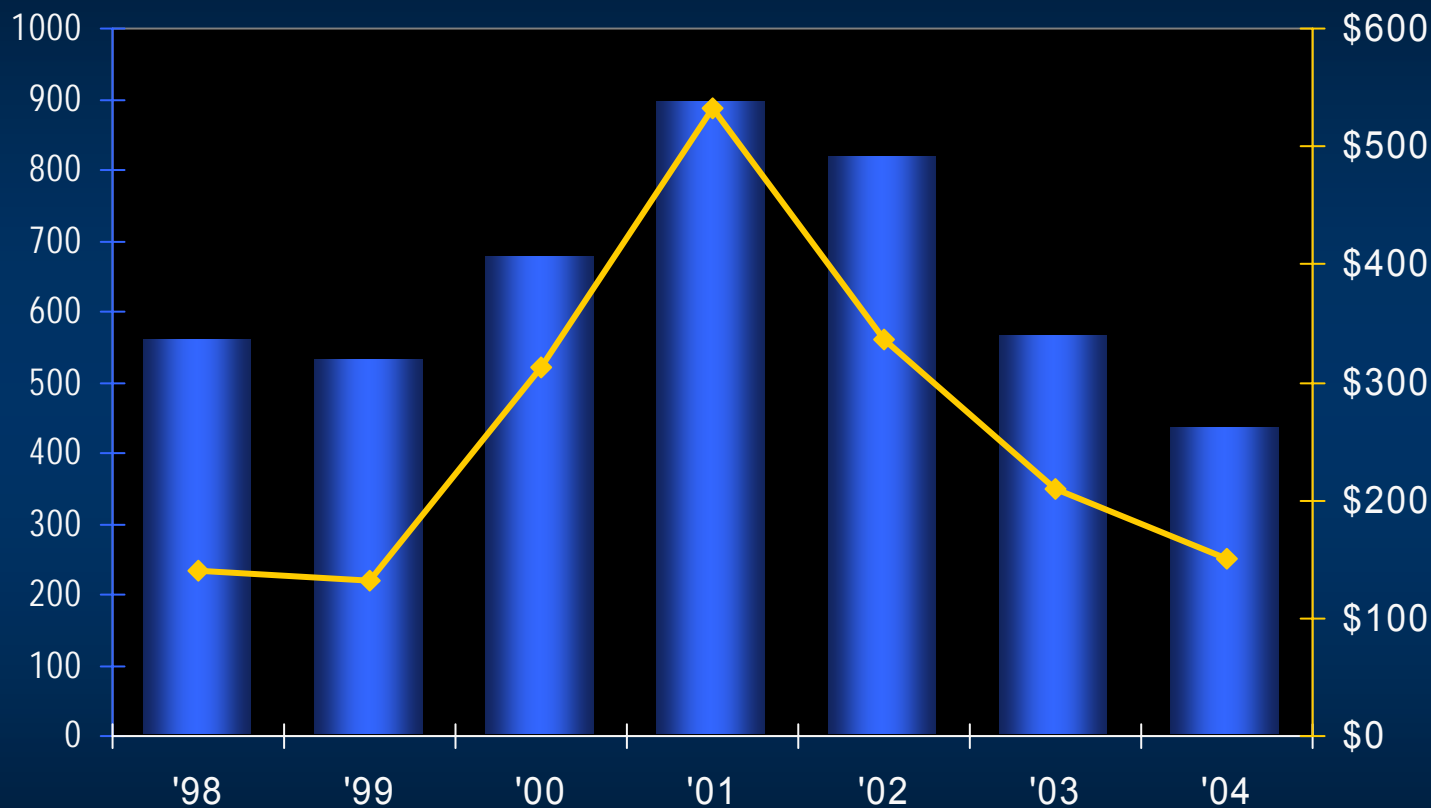


* Generation, spark and hedge sensitivity; excludes non-generation accrual and MTM positions

Power Price Change

DENA – Reduced Scope and Cost Structure

Reductions in Headcount and G&A



Year End Numbers

■ Head Count (# of Employees)** ◆ Normalized G&A (\$MM)*

* G&A represents G&A excluding impacts of minority interest and without unusual items

** Head count excludes secondees and plant operating staff

Smaller, More Focused Merchant Business

- Continuously seek cost reductions, maximize revenue streams, and decrease volatility of returns
- Selectively reduce overall merchant exposure
 - Exit Southeast region
 - Sell and/or solicit funding for completion of West deferred plants
 - Manage MTM exposure
- Retain regional merchant positions in North and West
- Increase profitability of base business as market recovers
 - Rationalize natural gas transportation and storage business around generation assets
 - Maximize tolls on assets with end-use customers

DENA
Appendix



DENA Southeast Asset Position



DENA PLANTS

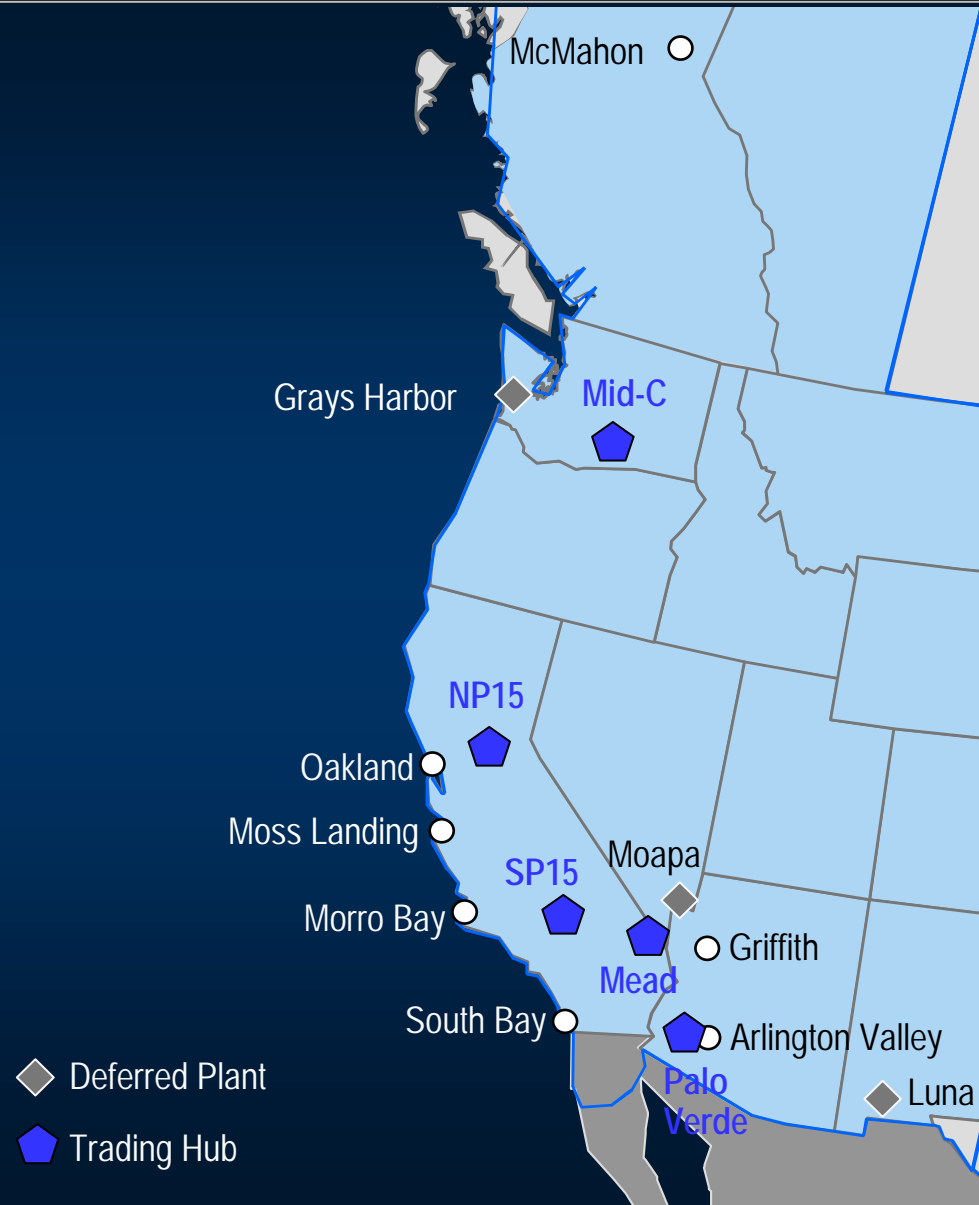
- Combined Cycle (CC)
- Peaker (SC)

<i>Net MW*</i>	<i>Combined Cycle</i>	<i>Simple Cycle</i>
Hot Spring	620	-
Marshall	-	640
Southaven	-	640
New Albany	-	385
Enterprise	-	640
Hinds	520	-
Murray	1,240	-
Sandersville	-	640
TOTAL	2,380	2,945

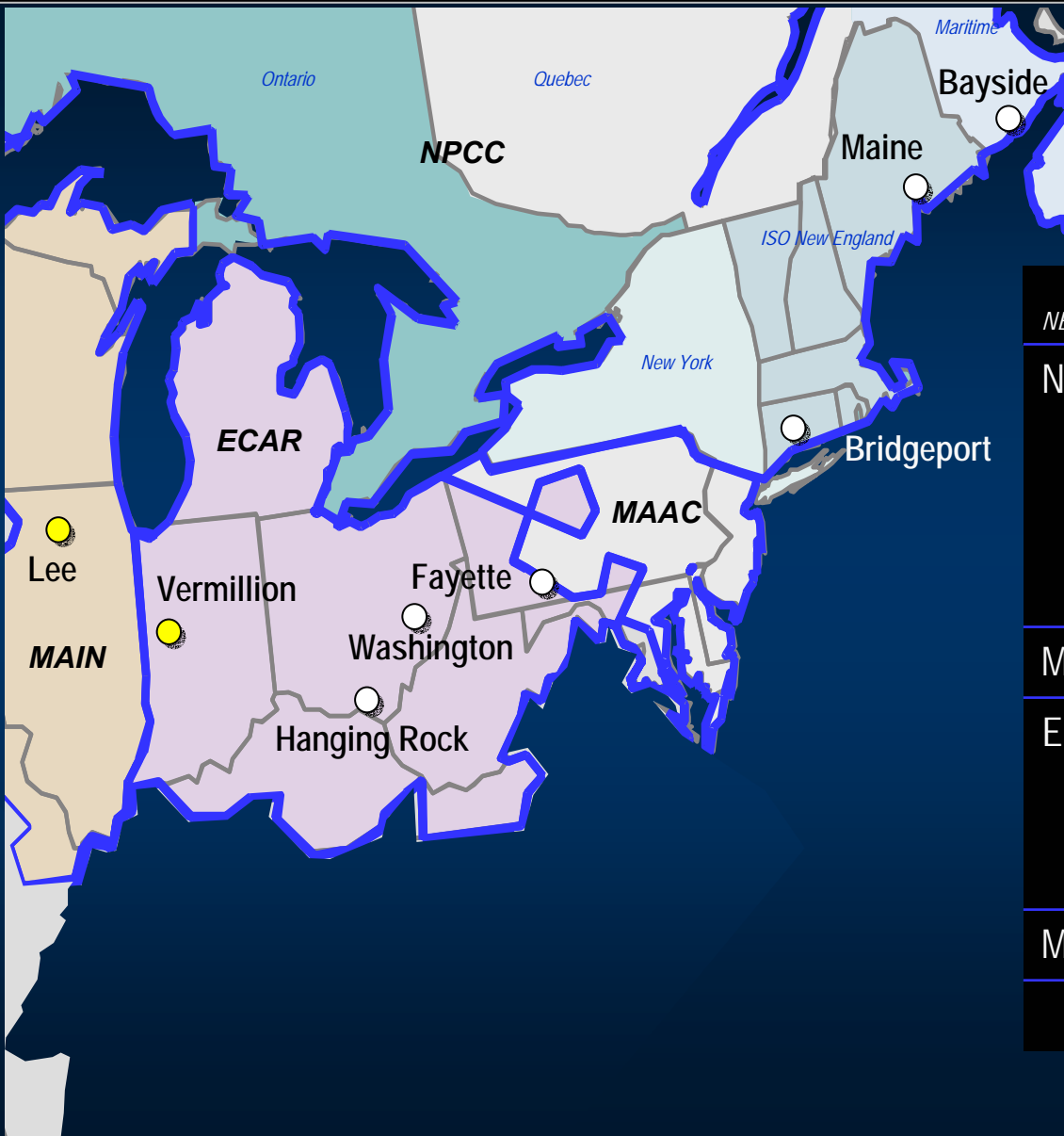
*Excludes 247 net MW contracted from St. Francis facility (operating lease)

DENA Western Generation Positions

<i>Net MW</i>	<i>Combined Cycle</i>	<i>Simple Cycle</i>
McMahon	58	-
Oakland	-	165
Moss Landing	2,538	-
Morro Bay	1,002	-
South Bay	700	-
Griffith	300	-
Arlington Valley	570	-
TOTAL Operating	5,168	165
Grays Harbor	620	-
Moapa	1,220	-
Luna	562	-
TOTAL Deferred	2,402	-



DENA North Asset Position



<i>NERC Region</i>	<i>Plant</i>	<i>Combined Cycle</i>	<i>Simple Cycle</i>
NPCC	Bayside	195	-
	Maine Ind.	520	-
	Bridgeport	327	-
	Ft. Frances	110	-
MAAC	Fayette	620	-
ECAR	Washington	620	-
	Hanging Rock	1,240	-
	Vermillion		640
MAIN	Lee		640
TOTAL		3,632	1,280



Field Services



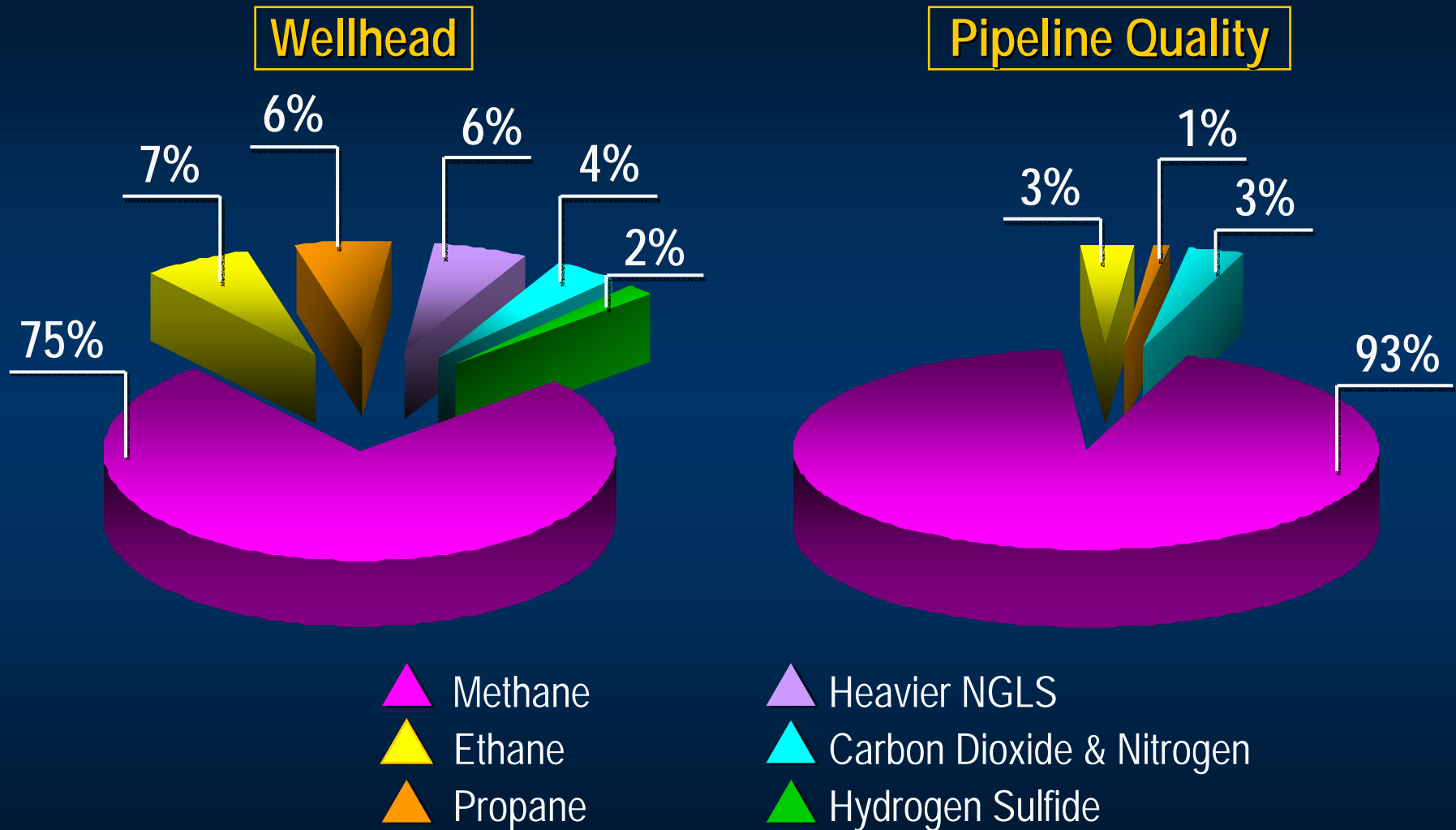
Fred Fowler
President and COO
Duke Energy Corporation

Leading Industry Position



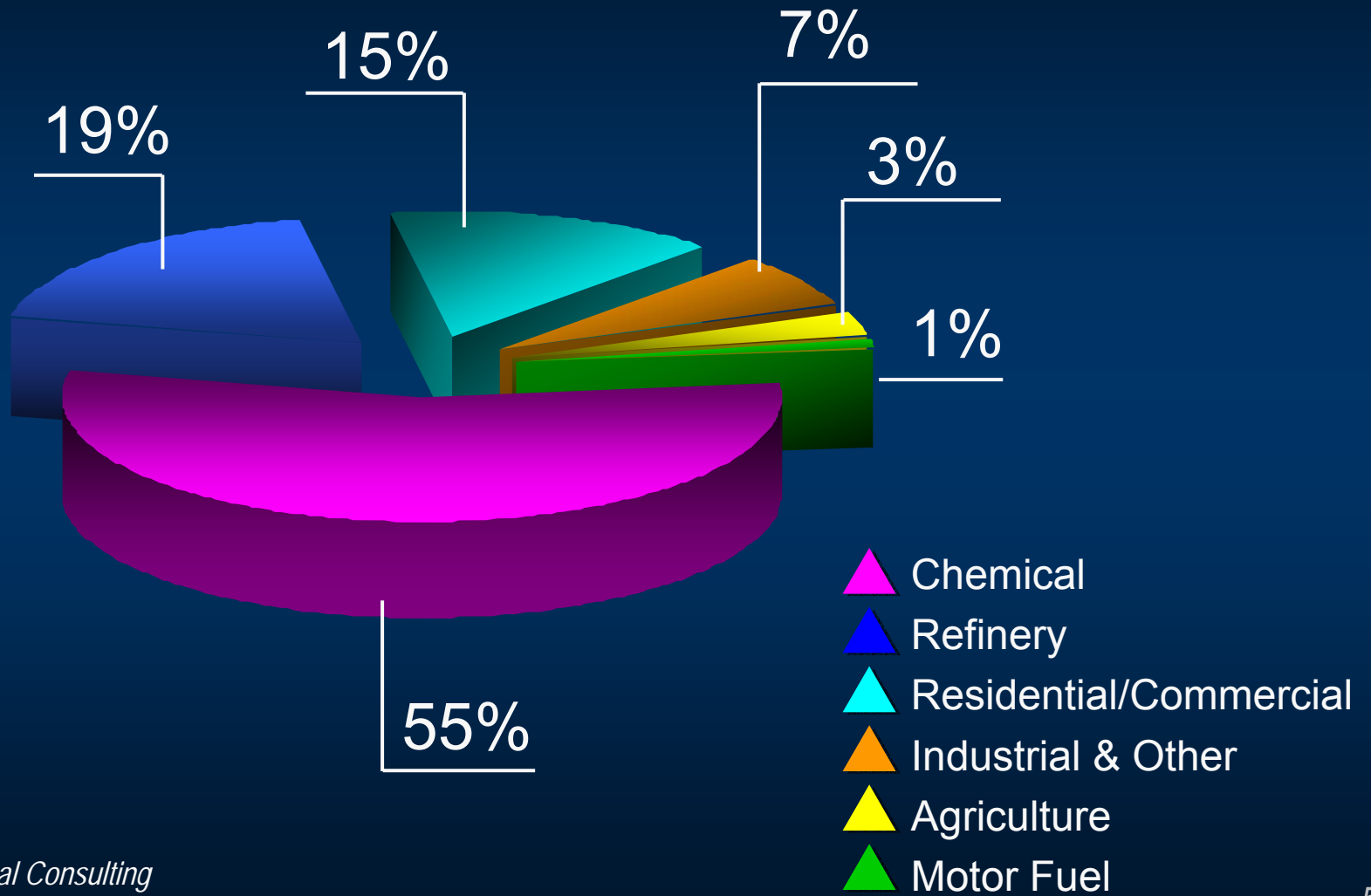
Source: Gas Processors Report - November 17, 2003

"Must Run" Industry



Source: Merrill Lynch Estimate

NGL Demand by End-Use



Source: Petral Consulting

U.S. Rig Count



DEFS Growth Record

Acquire \$2.6 B

- Mitchell - 1994
- Snyder - 1995
- Mobil - 1996
- Transok - 1996
- Roberts Ranch - 1996
- Canrock - 1999
- UPF - 1999
- Koch/S. Texas - 1999
- Conoco/Mitchell - 1999
- Gordondale - 2000
- TECO - 2000
- Canadian Midstream Services - 2001
- GSRI - 2001
- MCNIC - 2001
- Williams - 2002
- Texaco - 2002



Build 1.3 Bcf/d

- Minden - 1998
- SE Texas - 1998
- Wilcox - 1999
- Mobile Bay - 1999
- Roggen - 2000
- Kingfisher - 2001
- Port Arthur - 2001
- Platteville - 2001

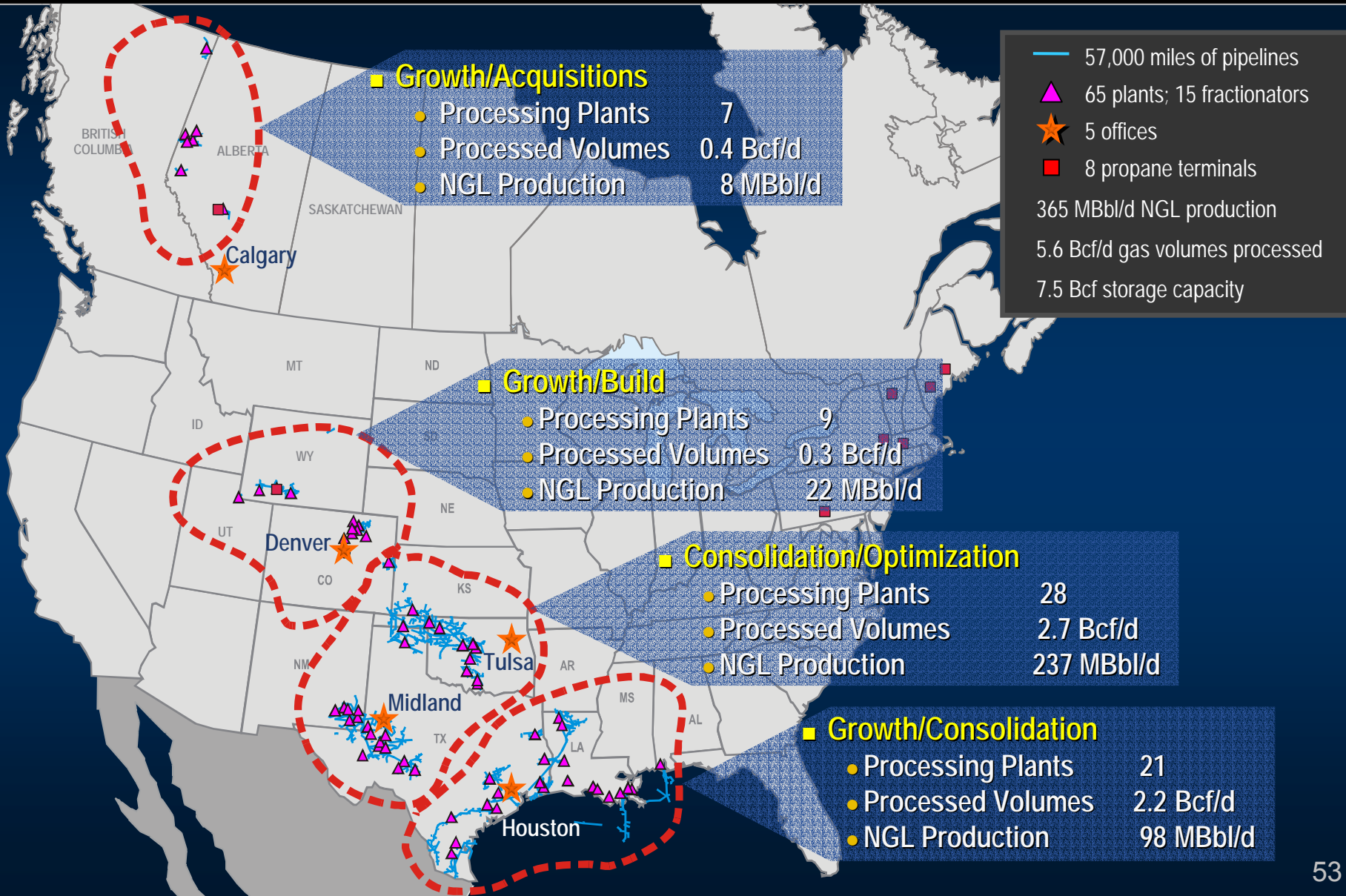
Optimize

- GPM - 2000
- Conoco - 2000
- Weld - 99-01
- Wilcox - 99-01
- SE Texas - 99-01
- Gulf Plains - 99-01

TEPPCO

- Annual cash distribution per unit:
March 2000 = \$1.90
December 2003 = \$2.60
- Annualized GP distribution:
3/00: \$11MM
12/03: \$65MM

Strategically Located



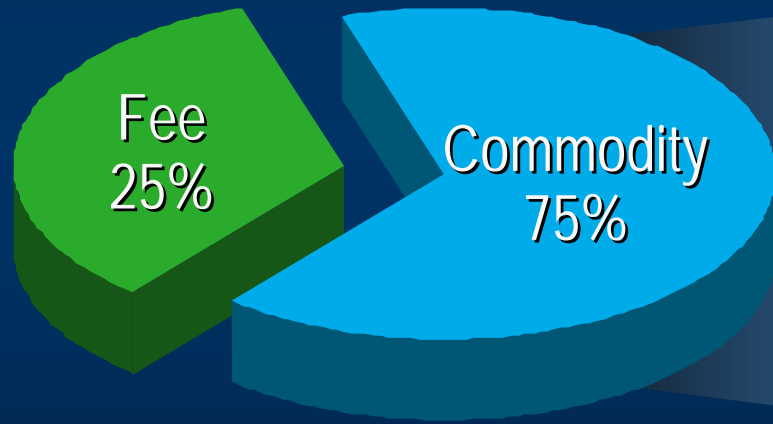
Gathering & Processing Economics

	<i>Fee Based</i>	<i>Percentage of Proceeds</i>	<i>Keep Whole</i>
<i>Description:</i>	Fixed fee for gathering and processing	Retain a fixed percentage of both residue gas and NGLs produced and return remainder to producer	Pay producer for Btu equivalent of extracted NGLs and keep all NGLs produced
<i>Commodity Exposure:</i>	No exposure to NGLs or natural gas	"Long" NGLs and "long" natural gas	"Long" NGLs and "short" natural gas
<i>Percentage of 2003 Total Margin:</i>	19%	67%	7%

Note: Other sources of margin contribute approximately 7% of total margin. These sources would include marketing, transportation and condensate sales.

Commodity Exposure

2003 Margin



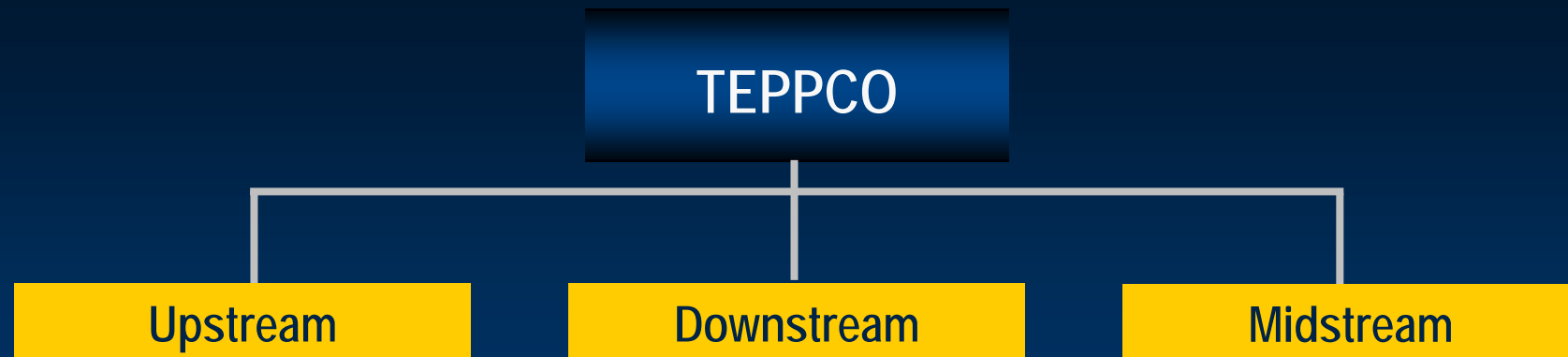
2004 Annual Unhedged Price Sensitivity

Operating Income

NGLs
Natural Gas

$\pm \$0.01 \text{ gal} = \pm \18 MM
 $\pm \$0.10 \text{ MMBtu} = -/+ \1 MM

TEPPCO: Business Diversification and Growth



- Crude oil transportation, marketing and terminaling
- **20% of EBITDA**

- Refined products and LPG transportation, storage and terminaling
- Petrochemicals transportation
- **38% of EBITDA**

- Natural gas gathering
- NGL transportation
- **42% of EBITDA**

<u>Jonah Gas Gathering Acquisition/Expansions:</u>			
• 10/01	- \$360 MM	450	MMcf/d
• 05/02	- \$22 MM	730	MMcf/d
• 11/02	- \$40 MM	880	MMcf/d
• 12/03	- \$65 MM	1,180	MMcf/d
<u>Chaparrel and Quanah Pipelines Acquisition:</u>			
• 03/02	- \$132 MM	130	MBbls/d
<u>Val Verde Gas Gathering Acquisition:</u>			
• 06/02	- \$444 MM	1,000	MMcf/d

Note : EBITDA percentages are based on 2003 projection

DEFS Strategy

- Capitalize on size and focus of our existing operations
- Be a top-3 player in every producing region we have assets
- Optimize / rationalize the asset base
- Focus on operational / commercial excellence
- Maintain our strong financial position / self-funding status
- Grow TEPPCO
- Target EBIT growth of 8 – 10% CAGR from 2003 EBIT of \$192 million



Crescent Resources



Fred Fowler
President and COO
Duke Energy Corporation

Management Philosophy

- Build / develop and sell – turn capital
 - Diversify by region and product type
 - Market and opportunity driven
- Rely on experienced development team
 - Seasoned to the ups and downs of real estate cycles
 - Reputation for quality, integrity, honesty and exceeding expectations
 - Credibility with customers, partners, competitors, regulators and shareholders
- Generate attractive returns

Locations by Product Type

Residential:

- Charlotte; Hilton Head; Atlanta; Austin, Payson, AZ; Jacksonville, FL; Palm Coast, FL; St. Mary's, GA

Commercial - Retail:

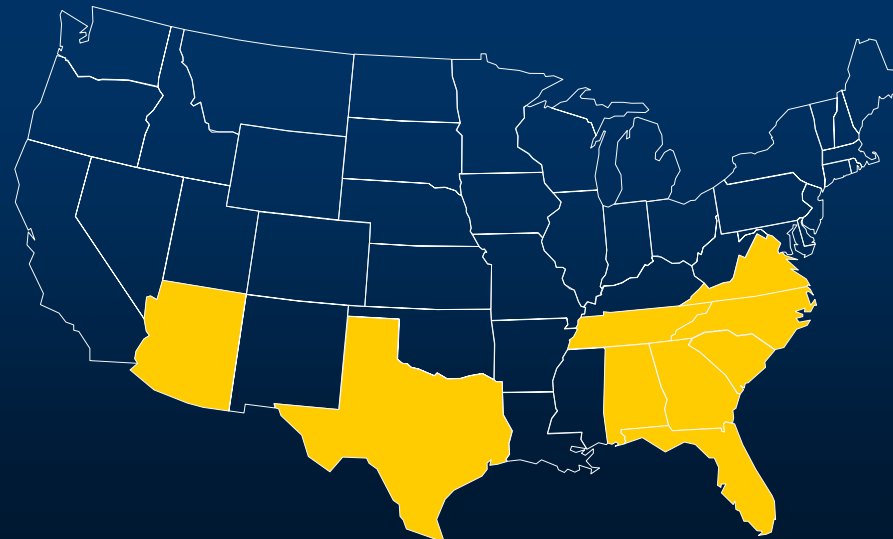
- Charlotte; Durham, NC; Anderson, SC; Hilton Head; Trussville, AL; Port St. Lucie, FL; Tampa; Jacksonville, FL; Orlando, FL

Commercial - Office and Industrial:

- Charlotte; Nashville; Atlanta; Orlando; Tampa; Washington DC

Multi-Family:

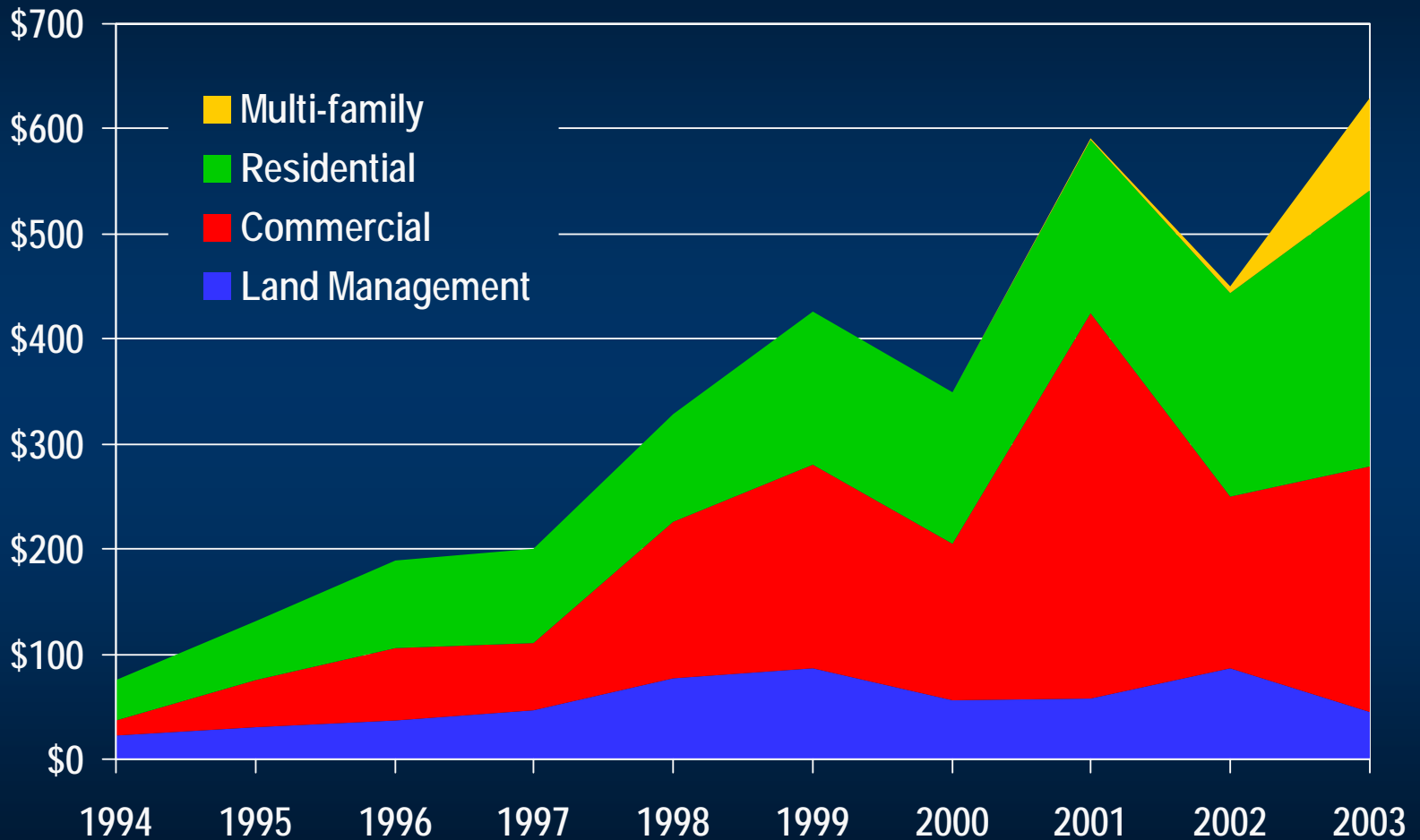
- Charlotte; Tampa; Jacksonville, FL



Not Just a Liquidator of Land, We Create Value

(\$ in millions)

Revenues



Proven Business Plan

Crescent Resources delivers disciplined earnings growth through focus on existing business lines and execution of a proven development strategy without significantly increasing our risk profile. While opportunity-driven, Crescent Resources manages risk and is a consistent provider of earnings and cash flows.

<i>(\$ in millions)</i>	<u>2003</u>	CAGR
EBIT	\$ 150	0 – 2%
Total Gross CapEx	\$ 290	
Operating Cash Flows	\$ 500	



Financial Review



David Hauser
Group Vice President and CFO
Duke Energy Corporation

Mandatory Convertible Equity Units

The equity units are comprised of (1) a forward purchase contract for Duke Energy common stock and (2) Duke Capital senior debt.

<i>(\$ in billions)</i>	2001 Issuance	2001 - 2004 Holding Period	2004 Remarketing
Debt	+ \$1.625	No change	No change
Equity	No change	No change	+ \$1.625
Cash Proceeds	+ \$1.625	-	+ \$1.625

Cash proceeds will be used to pay down debt

In 2004, the new bondholder buys the debt from the current unit holder. The unit holder uses the cash to fulfill his obligation under the forward purchase contract and receives Duke Energy common stock. Duke Energy may use the cash proceeds to pay down debt at any Duke Energy entity.

2004 Cash Flow

(\$ in millions)

Primary Sources:

	Duke Energy	Duke Capital
Net income	\$ 1,100	\$ 450
Depreciation & amortization	2,075	1,050
NBV of ongoing Crescent inventory sales	550	550
NBV of energy asset sales	1,500	1,500
Deferred income taxes	450	475
Other sources/(uses), net	(225)	25
Subtotal	<u>\$ 5,450</u>	<u>\$ 4,050</u>
Equity (DRIP, mandatory converts)	1,875	--
Total Sources	<u>\$ 7,325</u>	<u>\$ 4,050</u>

Primary Uses:

Capital expenditures	\$ (2,225)	\$ (1,300)
Dividends	(1,050)	--
Total Uses	<u>\$ (3,275)</u>	<u>\$ (1,300)</u>

Positive Net Cash

	<u>\$ 4,050</u>	<u>\$ 2,750</u>
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Benefit of Debt Reduction Beyond 2004

2003 – 2004 debt reduction
Annualized interest savings

Approx. \$6 billion *

Approx. \$300 million

(\$ in billions)	Actual	Projected	
	2003	2004	2005
Interest expense	\$1.4	\$1.3	\$1.1

* Excludes the effect of changes in foreign currency

Benefit of Debt Reduction Beyond 2004

2003 – 2004 debt reduction
Annualized interest savings

Approx. \$6.5 billion *
Approx. \$300 million

(\$ in billions)	Actual	Projected	
	2003	2004	2005
Interest expense	\$1.1	\$1.0	\$0.8

* Excludes the effect of changes in foreign currency

APPENDIX

2003 EBIT

(\$ in millions)

	Franchised Electric	Natural Gas Transmission *	Field Services (Cont Ops)	International (Cont Ops)	Crescent
2003 EBIT	\$1,403	\$1,226	\$192	\$210	\$150

Natural Gas Transmission Reported EBIT *	\$1,317
Gains/(losses) on asset sales	96
Severance and related costs	-29
Total Special Items	\$67
Ongoing Segment EBIT	\$1,250
EBIT generated in 2003 from assets sold in 2003	\$24
Adjusted 2003 EBIT	\$1,226

Debt Reduction Reconciliation

(\$ in millions)

Duke Energy Corporation

Issuances of long-term debt	\$	3,009
Payments for the redemption of long-term debt, guaranteed preferred beneficial interests and preferred member interests and net paydown of commercial paper and notes payable		(4,839)
Assumed debt from asset sales		<u>(387)</u>
Total debt reduction	\$	<u>(2,217)</u>

Duke Capital Corporation

Issuances of long-term debt	\$	216
Payments for the redemption of long-term debt, guaranteed preferred beneficial interests and preferred member interests and net paydown of commercial paper and notes payable		(3,518)
Assumed debt from asset sales		<u>(387)</u>
Total debt reduction	\$	<u>(3,689)</u>

DUKE ENERGY FIELD SERVICES
GAS VOLUME / MARGIN BY CONTRACT TYPE

BASIS OF PRESENTATION:

Margins for POP (Percentage of Proceeds) and Keepwhole contracts are stated on the basis of the natural gas feedstock used in our processing activity.

		2003	2003	2003	2003	2002
		Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
CONTRACT TYPE:						
POP:	Gas Volume - TBtu/d	3.8	3.6	3.5	3.4	3.4
(Long NGL/Long gas)	Margin (Dollars in Millions)	\$ 219.5	\$ 216.8	\$ 220.2	\$ 248.2	\$ 185.3
	Margin/MMbtu	\$ 0.63	\$ 0.66	\$ 0.70	\$ 0.81	\$ 0.59
KEEPWHOLE:	Gas Volume - TBtu/d	1.5	1.7	1.9	2.0	2.3
(Long NGL/Short gas)	Margin (Dollars in Millions)	\$ 34.8	\$ 17.7	\$ 8.9	\$ 6.3	\$ 28.8
	Margin/MMbtu	\$ 0.26	\$ 0.11	\$ 0.05	\$ 0.03	\$ 0.14
FEE: GAS	Gas Volume - TBtu/d	4.6	4.8	4.6	4.5	4.6
(Primarily gathering & transport)	Margin (Dollars in Millions)	\$ 64.3	\$ 62.8	\$ 59.5	\$ 56.9	\$ 54.3
	Margin/MMbtu	\$ 0.15	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.13
FEE: NGL	NGL Volume - MBbl/day (6)	94.1	91.9	87.0	87.5	90.1
(NGL transport & fractionation)	Margin (Dollars in Millions)	\$ 6.2	\$ 6.4	\$ 5.6	\$ 5.9	\$ 5.3
	Margin/Gallon	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
NGL/Propane Marketing	Margin (Dollars in Millions) (7)	\$ 11.3	\$ 4.3	\$ 5.1	\$ 8.4	\$ 7.4
OTHER:	Margin (Dollars in Millions) (4)	\$ 18.1	\$ 24.6	\$ 29.0	\$ (10.8)	\$ 19.9
	TOTAL MARGIN	\$ 354.2	\$ 332.6	\$ 328.2	\$ 315.0	\$ 301.0
	Direct Operating and G&A Expense	\$ (182.3)	\$ (155.3)	\$ (155.0)	\$ (146.9)	\$ (157.9)
	DD&A	\$ (75.2)	\$ (74.8)	\$ (76.3)	\$ (75.8)	\$ (77.9)
	Other Income (5)	\$ (4.2)	\$ 0.5	\$ 0.1	\$ (0.1)	\$ (7.0)
	EBIT - from Continuing Operations 100%	\$ 92.5	\$ 102.9	\$ 96.9	\$ 92.2	\$ 58.1
	Duke Energy ownership percent	69.7%	69.7%	69.7%	69.7%	69.7%
	Duke Energy ownership - DEFS	\$ 64	\$ 72	\$ 68	\$ 64	\$ 40
	Duke Energy 100% Field Svc activities (8)	\$ (12)	\$ (19)	\$ (11)	\$ (33)	\$ 9
	Duke Energy EBIT - from Cont Ops (9)	\$ 52	\$ 53	\$ 56	\$ 31	\$ 49
	Total Gas Volume per above (TBtu/d)	9.9	10.2	10.0	9.9	10.3
	Volumes Doublecounted (TBtu/d)	(2.4)	(2.5)	(2.3)	(2.1)	(2.3)
	Reported Gas Volumes (TBtu/d) (9)	7.5	7.7	7.7	7.8	8.0
	NGL Production (MBbl/d) (9)	365	366	359	372	388
	NYMEX HENRY HUB (1)	\$ 4.58	\$ 4.97	\$ 5.41	\$ 6.59	\$ 3.98
	WGHTD AVG NGL PRICE(2)	\$ 0.54	\$ 0.49	\$ 0.49	\$ 0.58	\$ 0.45
	FRAC SPREAD (3)	\$ 1.81	\$ 0.82	\$ 0.43	\$ 0.26	\$ 1.22

FOOTNOTES:

- (1) Represents last day closing of Nymex Henry Hub.
- (2) Represents monthly average Belvieu and Conway pricing weighted with the Company's NGL component mix.
- (3) Represents the difference between Nymex Henry Hub and the monthly average Belvieu and Conway pricing weighted with the Company's NGL component mix converted to an mmbtu basis.
- (4) "Other" includes Condensate Sales, Helium, DEFS risk management activity, TEPPCO GP and other items.
- (5) "Other Income" includes gain/(loss) on asset sales
- (6) This volume represents equity and third party volumes transported on the Company's liquid pipeline assets and fractionated volumes associated with our 'non-operating' interest in certain facilities at Mont Belvieu.
- (7) Includes NGL Marketing and propane wholesale activity.
- (8) Includes TEPPCO LP/Class B income, allocated risk management activity and gain on sale of TEPPCO Class B units (\$11 million in Q2 2003).
- (9) Prior year amounts have been reclassified to conform to current year presentation.

Duke Energy Corporation
Reg G reconciliation

Crescent EBIT
Full Year 2003

(in millions)

Crescent EBIT, per presentation	\$150
Rounding	2
Less discontinued operations	(18)
Crescent EBIT from continuing operations	<u>134</u>
Remaining portion of "Other Operations"(1)	19
"Other Operations" EBIT from continuing operations	<u><u>\$153</u></u>

(1) Primarily includes DukeNet Communications, Duke/Fluor Daniel, Energy Delivery Services, Duke Energy Merchants

Natural Gas Transmission EBIT
Full Year 2003

Natural Gas Transmission	
Adjusted 2003 EBIT, per presentation	\$1,226
EBIT generated in 2003 from assets sold in 2003	\$24
Ongoing Segment EBIT	<u>\$1,250</u>
Gains/Losses on asset sales	\$96
Severance and related costs	(\$29)
Total Special Items	<u>\$67</u>
Natural Gas Transmission Reported EBIT	<u><u>\$1,317</u></u>

Duke Energy Corporation Consolidated and Duke Capital Corporation Consolidated
Cash Flow Reconciliation Required by SEC Regulation G

(\$ in Millions)

	2004	
	Duke Energy	Duke Capital
Excerpts from Duke Energy Corporation Analyst Call (January 7, 2004)		
Primary Sources of Cash per Presentation:		
Net income	(a) \$ 1,100	\$ 450
Depreciation and amortization	(a) 2,075	1,050
NBV of ongoing Crescent inventory sales	(a) 550	550
NBV of energy asset sales	(b) 1,500	1,500
Deferred income taxes	(a) 450	475
Other sources/(uses), net	(a) (225)	25
Subtotal	5,450	4,050
Equity (DRIP, mandatory converts, parent infusion)	(c) 1,875	-
Total Sources	<u>\$ 7,325</u>	<u>\$ 4,050</u>
Primary Uses of Cash per Presentation:		
Capital expenditures	(b) (2,225)	(1,300)
Dividends	(c) (1,050)	-
Total Uses	<u>(3,275)</u>	<u>(1,300)</u>
Positive Net Cash	<u>\$ 4,050</u>	<u>\$ 2,750</u>
Reconciliations to amounts per U.S. GAAP reporting:		
Operating cash flow components from above [summation of (a)]	\$ 3,950	\$ 2,550
Reconciling items to GAAP operating cash flow (1)	175	175
Net cash provided by operating activities per GAAP Consolidated Statement of Cash Flows	<u>\$ 4,125</u>	<u>\$ 2,725</u>
Investing cash flow components from above [summation of (b)]	\$ (725)	\$ 200
Reconciling items to GAAP investing cash flow (2)	(925)	(925)
Net cash used in investing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (1,650)</u>	<u>\$ (725)</u>
Financing cash flow components from above [summation of (c)]	\$ 825	\$ -
Reconciling items to GAAP financing cash flow (3)	(3,475)	(2,200)
Net cash used by financing activities per GAAP Consolidated Statement of Cash Flows	<u>\$ (2,650)</u>	<u>\$ (2,200)</u>

Notes:

- (1) Amount primarily consists of non-operating cash flow items, such as net distributions to/contributions from minority interests.
- (2) Amount primarily consists of disposition of debt associated with energy asset sales.
- (3) Amount primarily consists of estimated net debt repayments and net distributions to/contributions from minority interests.

