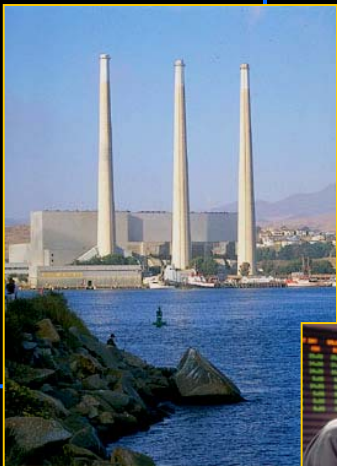




First Quarter Earnings 2002

Robert Brace
Executive Vice President and
Chief Financial Officer

April 17, 2002



Ongoing Earnings per Share



* as adjusted for one-time items

Ongoing earnings per share for the quarter decreased 35%

This quarter's results are consistent with our earnings plans for the year

Primary drivers for 1Q02

- More normal commodity pricing and volatility levels

- Lower earnings at Franchised Electric

- One month of Westcoast earnings

Items excluded from EPS:

- 2001 - 1Q01 \$0.13 charge related to SFAS 133

Ongoing Segment Earnings Before Interest and Taxes

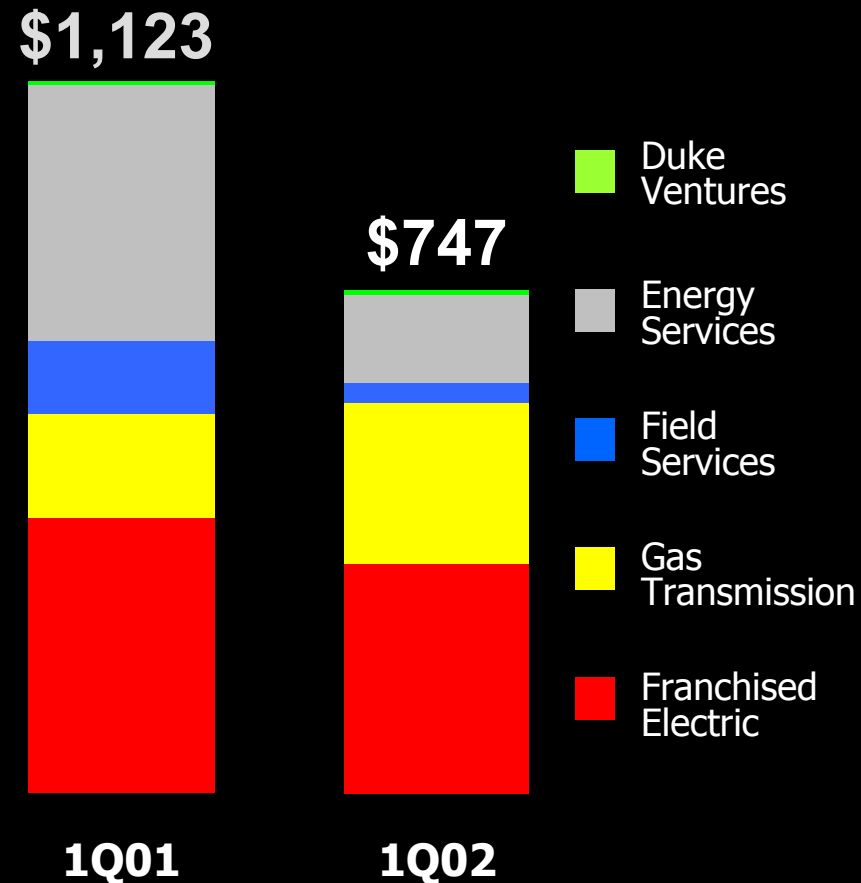


Total segment EBIT decreased 33% in 1Q02

Competitive businesses contributed 59% of total ongoing segment EBIT

Energy Services alone contributed 18% of total ongoing segment EBIT

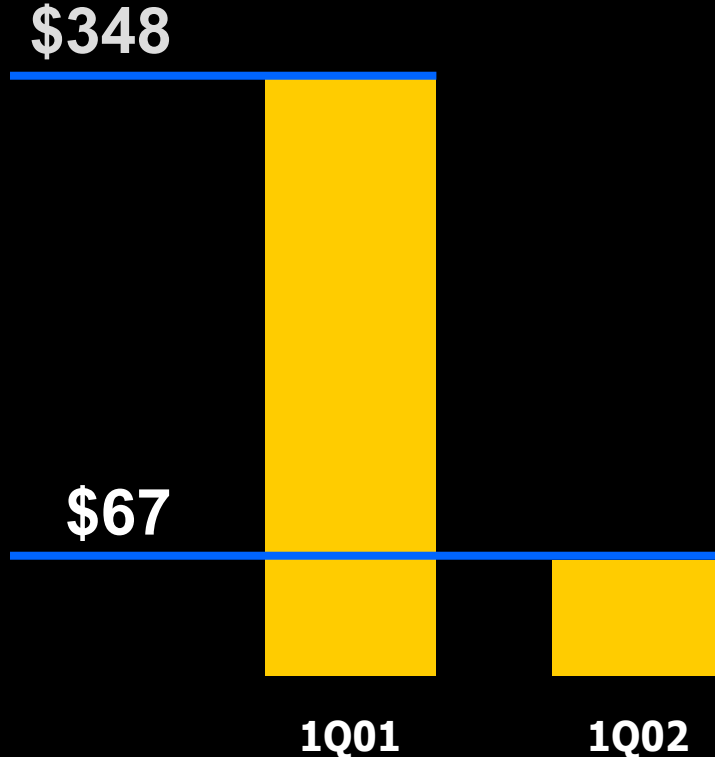
Segment EBIT
(\$ millions)



North American Wholesale Energy



EBIT
(\$ millions)



First Quarter

Significant decrease in EBIT due to:

More normal commodity pricing and volatility as compared to 1Q01

Lower levels of trading and origination earnings compared to 1Q01

Quarterly Highlights

Construction on 6,700 MW of new generation on schedule for summer service

Corporate-Wide Daily Earnings at Risk (DER)

Daily Earnings at Risk: Favorable or unfavorable impact of one day's price movement on the existing portfolio

1Q02 Average DER: \$17 million

1Q01 Average DER: \$30 million

Valuation Measures

as of March 31, 2002

Portfolio Valuation

Mark-to-market \$1.0 billion

Merchant generation (Accrual) \$6.8 billion

Realization Period (cumulative %)

	Mark-to-Market	Accrual
2002	23%	11%
2003	40%	22%
2004	54%	35%

Gross Unrealized Mark-to-Market Margin (Duke Energy)

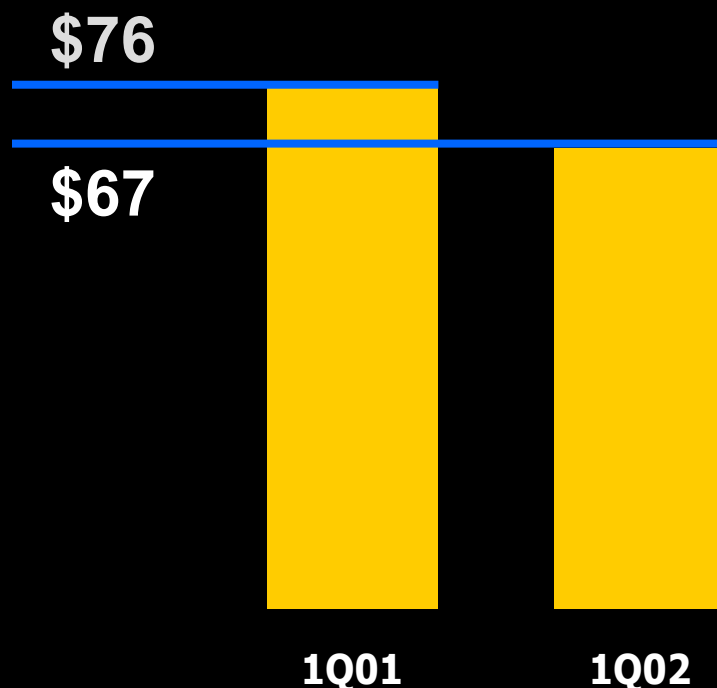
1Q02: \$(68) million 1Q01: \$560 million

Expected Output of Merchant Generation Hedged

2003: 74% 2004: 60% 2005: 59%

International Energy

EBIT
(\$ millions)



First Quarter

12% decrease in EBIT

Slightly lower earnings from Latin American and European regional businesses

Higher revenues and expenses due to increased trading activities in Europe

Quarterly Highlights

Construction continues on Tasmanian Gas Pipeline, in operation later this year

Construction began on 165 MW facility in Guatemala

Field Services

EBIT
(\$ millions)



First Quarter

Significant decrease in EBIT due to unfavorable impact from lower NGL prices

Avg NGL price: 31¢/gal

Gathering volumes up 2%,
NGL production up 5%

Pricing Sensitivities (DEFS 100%)

NGLs: 1¢/gal change
= \$25 mm

Nat. Gas: 10¢/MMcf change
= \$(5) mm

Natural Gas Transmission

EBIT
(\$ millions)

\$268

\$175



1Q01

1Q02

First Quarter

Increased EBIT by 53%

Throughput: 759 TBtu

Quarterly Highlights

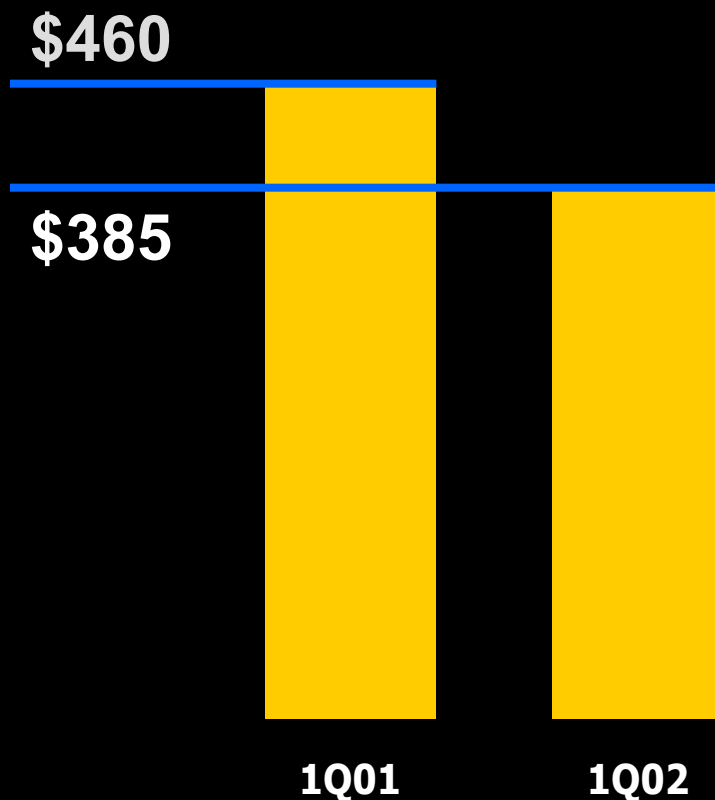
Closed on acquisition of Westcoast Energy

Gulfstream on schedule for June 2002 in-service

Preliminary FERC approvals on Patriot, Maritimes and Algonquin HubLine projects

Franchised Electric

EBIT
(\$ millions)



First Quarter

EBIT decreased 16%

GWh sales up 0.8%

Residential down 6%

General Service down 1%

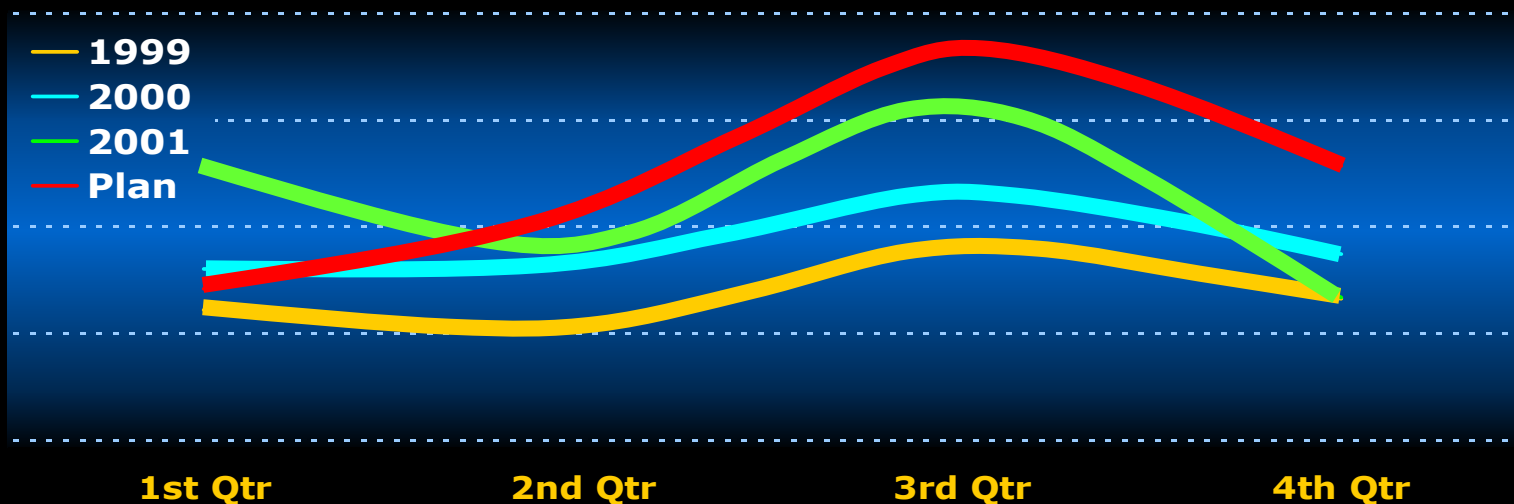
Industrial down 10%

Offset by higher
Bulk Power Sales

Total customers up 1.3%

95% capacity utilization
on nuclear facilities

Seasonality of Earnings



Duke Energy's earnings stream is seasonal by nature, with the strongest quarter being the third quarter

DENA: another 6,700 MW of merchant generation added this summer

Earnings range of \$75 - \$120 per kw (upper end for 2002)

Merchant generation ramps up for the cooling season (May - Sept)

- Earnings during season: CCGT: 60-65% Peaker: 95%

DEGT: Additional earnings from Westcoast acquisition; earnings for Union Gas concentrated in winter months

Looking Ahead

Duke Energy's diversified portfolio and strong balance sheet provide a stable platform for earnings growth

Duke Energy is well-positioned to take advantage of market-driven opportunities

Earnings targets remain on track for 2002 and beyond

10-15% CAGR from a base of \$2.10 in 2000

Expect results for 2002 to be toward the higher end of the target range

Q&A

