Proven History.
Strong Future.





Fred Fowler

President and Chief Operating Officer

RBC Capital Markets
North American Energy and Power Conference

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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 the Company's accounting policies, growth in opportunities for the Company's subsidiaries and diversified operations, and other risks described in the Company's Securities and Exchange Commission filings.

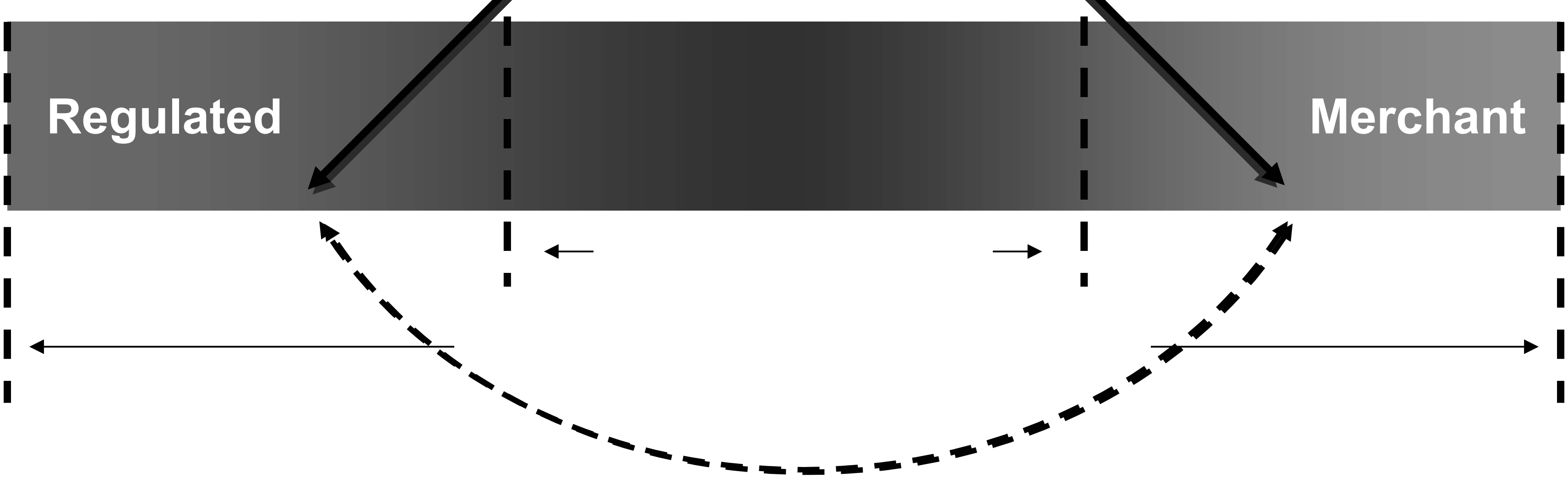
Balanced Strategy and Business Model

Duke Energy's Strategy

- Actively manage a portfolio of strategic energy assets
- Manage and trade energy positions and risks related to our assets
- Deliver energy products and services to retail and wholesale customers

Balanced Business Model

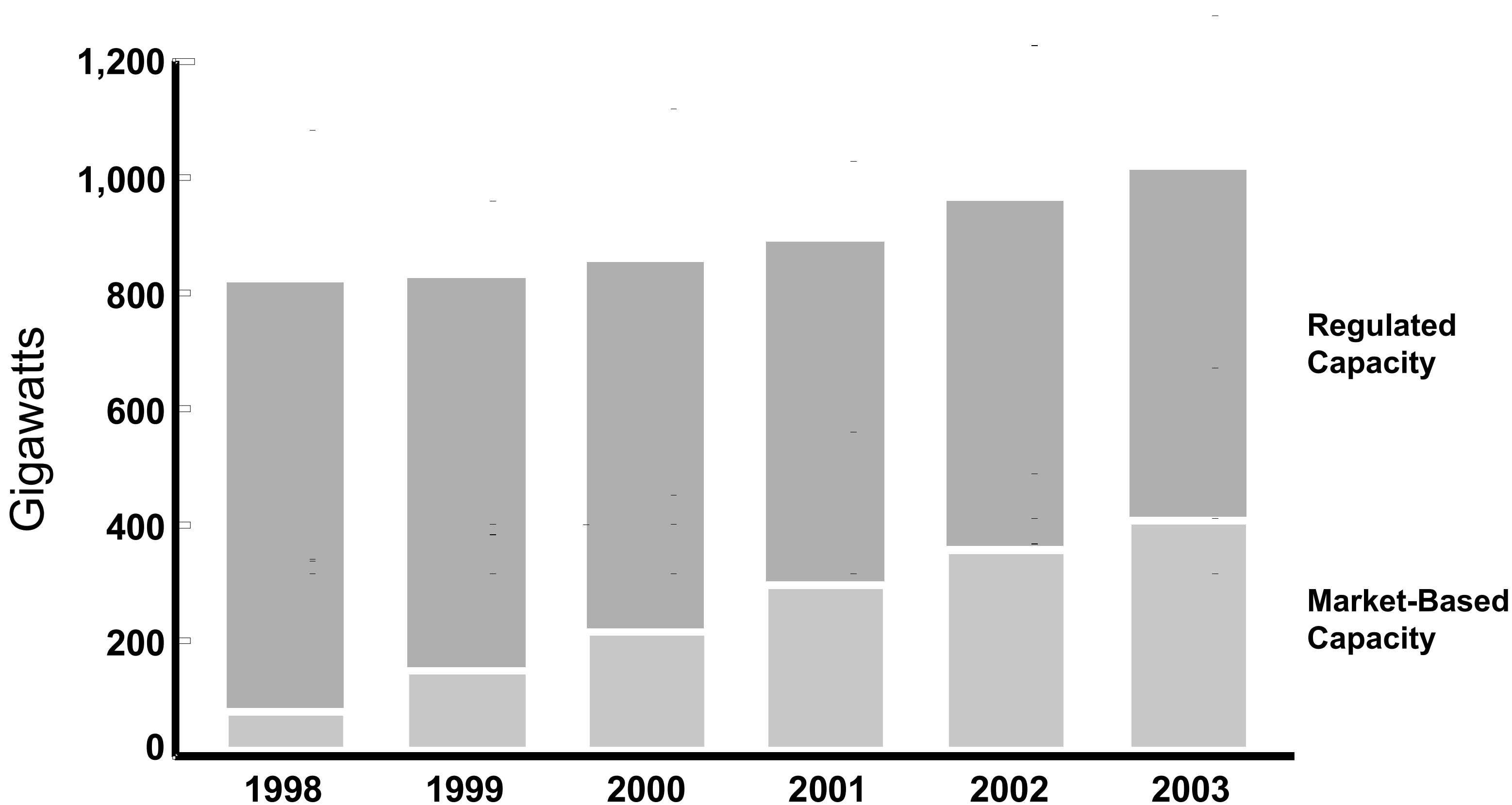
- Regulated / merchant
- Locations
- Commodities
- Risks / returns



2003 Strategic Directives

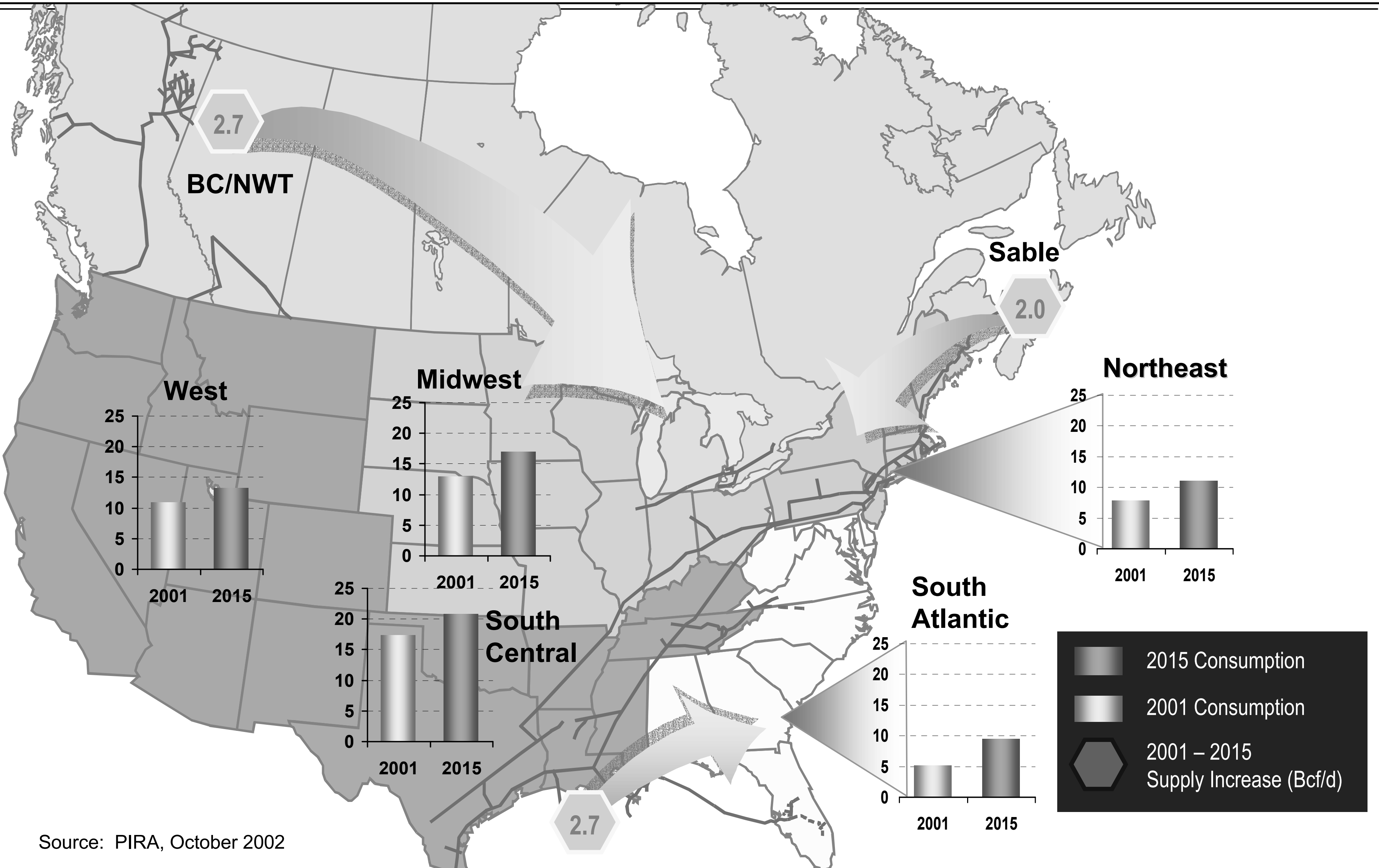
1. Focus on positive net cash generation
2. Invest in our strongest business segments
3. Size businesses to market realities
4. Address merchant energy issues
5. Strengthen relationships with customers
6. Reduce regulatory & legal risk

U.S. Competitive Generating Capacity



Source: Cambridge Energy Research Associates

Natural Gas Growth Opportunities



Source: PIRA, October 2002

2003 Strategic Directives

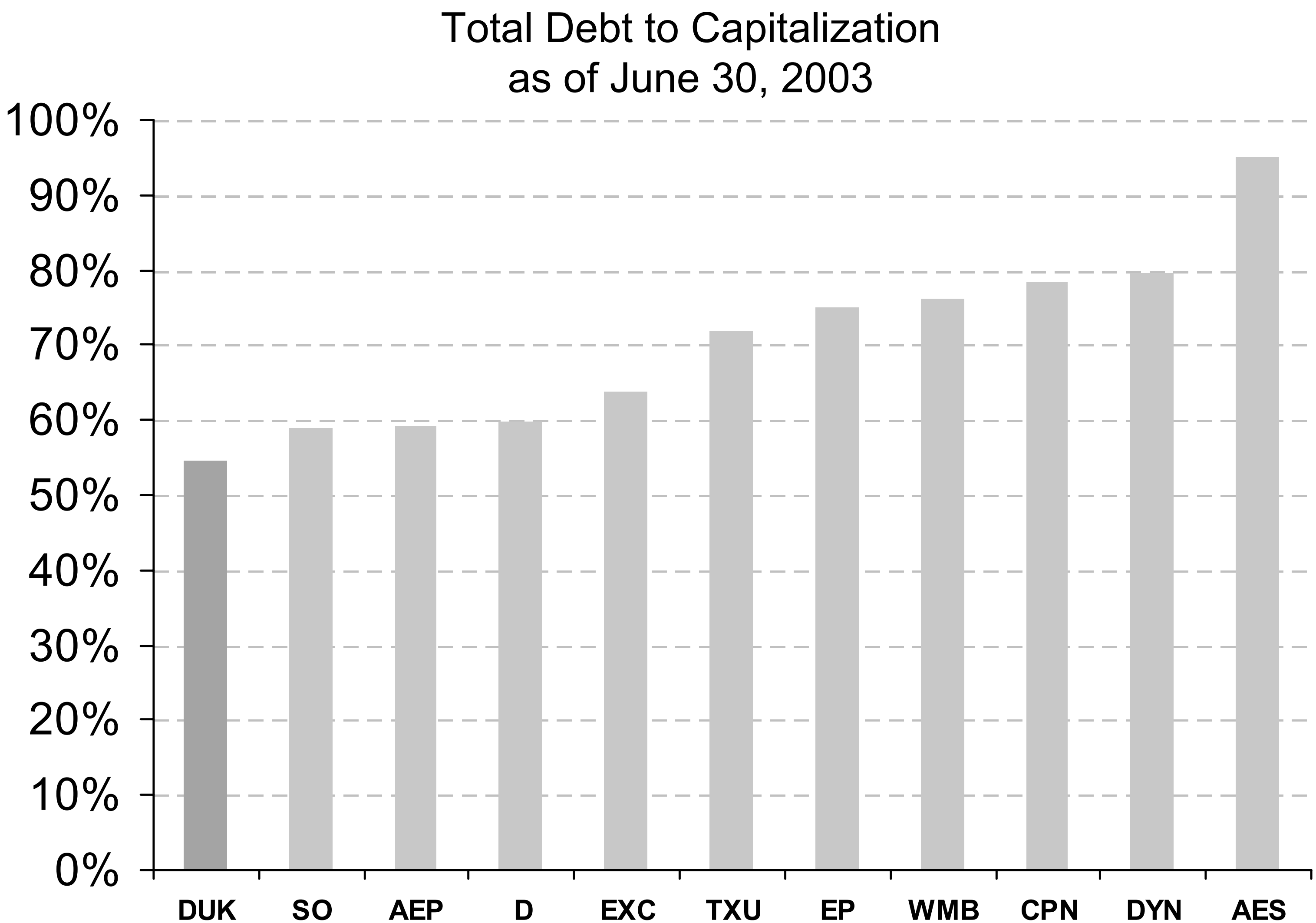
1 Focus on positive net cash generation

- 2003 EPS expected to be at low end of range of $1.35 to $1.60 per share
- Significantly reduced capital and O&M spending
- Realizing approximately $1.6 billion in gross proceeds from non-core, non-strategic asset sales
- Expect to reduce debt and trust preferred securities by at least $1.8 billion in 2003 and by $5.5 billion through 2005

2003 Net Debt Reduction

	($ in millions)
2003 Activity thru June 30:	
Reduction of LT Debt, CP and Trust Preferred Securities	$ 2,387
LT Debt Issued	(1,707)
Debt reduction related to sale of Empire Pipeline	58
Net Increase in Cash Balance as of 6/30/03	625
Net Reduction in Debt and Trust Preferreds	$ 1,363

Leverage: Duke Energy vs. Peers

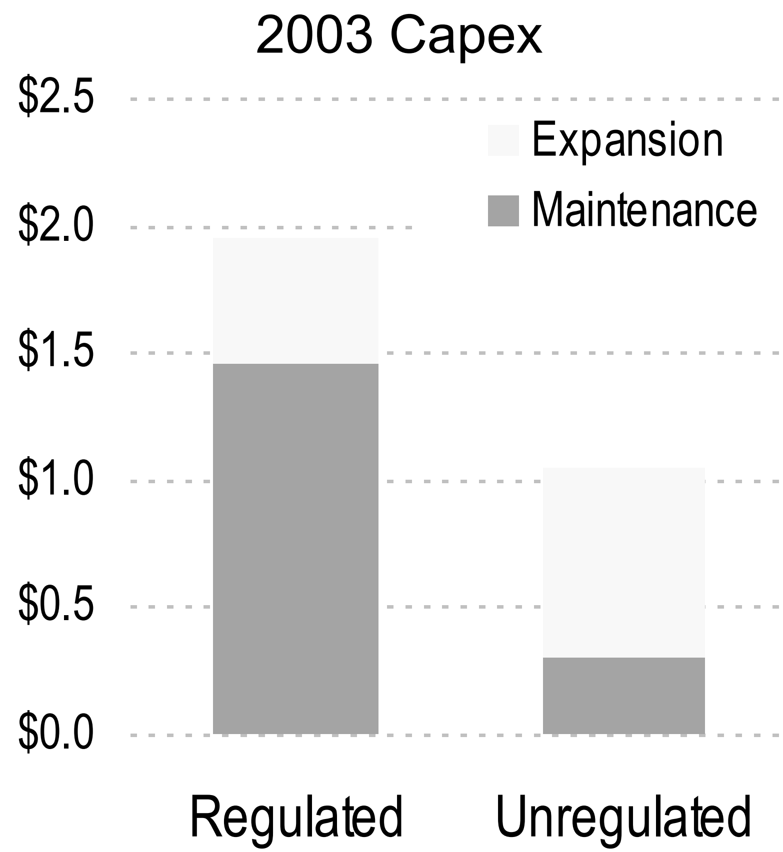


Source: Bloomberg

2003 Strategic Directives

2 Invest in our strongest business segments

- Disciplined approach to capital investment
- Capital expenditures for 2003 expected to be $3 billion; $2.4 billion in 2004 and 2005
- The majority of capital expenditures will go to Duke Energy's regulated operations – both gas and power



2003 Strategic Directives

3 Size businesses to market realities

- Majority of scaling back has been in our merchant businesses
- Focusing on efficient operations, streamlining costs and increasing productivity

4 Address merchant energy issues

- Working through first down cycle in merchant energy; discontinued proprietary trading
- Placing greater emphasis on sales to wholesale customers and maximizing value of merchant generation assets

2003 Strategic Directives

5 Strengthen relationships with customers

- Competitive advantage in reputation for reliability, operational excellence and financial strength
- Continue to reinforce existing customer relationships and pursue new customers

6 Reduce regulatory & legal risk

- Positive outcomes on a number of cases related to California; noted as a "model competitor"
- Favorable ruling related to the New Source Review supporting our view on compliance requirements

Strengths and Competitive Advantages

- Focus on balance sheet improvement, cash flow and liquidity
- Balanced business model – regulated / unregulated
- Strong competitive position: geography, lines of businesses and fuel sources
- “Free” option on merchant energy business
- Management depth and experience