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Analyst Meeting

September 21, 2001
New York, NY



Duke Energy

Richard Priory
Chairman, President &
Chief Executive Officer

Why Westcoast Energy?



- A major step in Duke Energy's growth and evolution
- Westcoast Energy, an industry leader in North America
- A company we respect and know well
- Combining to realize growth potential
- Advances Duke Energy's corporate strategies and financial goals



Westcoast Energy

Michael E. J. Phelps
Chairman & Chief Executive Officer

A Good Deal



- Excellent operational and strategic fit
- Ability to roll into Duke shares, allows Westcoast shareholders to participate in a combined entity with considerable upside & opportunity

Westcoast Brings Opportunities



- Growing North American gas demand
- Increasing need for supply from Canada
- Westcoast uniquely positioned to access Canadian & northern supply:
 - Maritimes & Northeast Pipeline
 - ▲ Scotian Shelf gas to Northeast USA and Atlantic Canada
 - Westcoast Mainline & Field Services
 - ▲ Northeast BC gas to the Pacific Northwest USA and British Columbia
 - Alliance & Vector Pipelines
 - ▲ WCSB & NEBC gas to Chicago and Southern Ontario
 - Dawn Hub / Storage & Transportation
 - ▲ 141 Bcf storage & key interconnects with pipelines to the Midwest & Northeast USA
 - Alaska / Mackenzie Delta

Westcoast Brings Other Strengths



- Union Gas, a large & growing gas distribution, storage & transmission business:
 - 1.1 million customers in southern Ontario
 - 141 Bcf of storage
 - Throughput of 1,263 Bcf in 2000
- Engage Energy
 - An established, successful marketing & trading operation
 - Significant market presence in Canada and the Pacific Northwest



Duke Energy

Fred Fowler
Group President
Energy Transmission

Transaction Terms



- Westcoast equity valuation of \$3.5 billion
- 50% stock/50% cash consideration (subject to pro-ration)
- C\$43.80
 - Cash: Value fixed at C\$43.80 per share
 - Stock: C\$43.80 within a collar of Duke stock prices of \$36.88 to \$46.48
- Collar exchange ratio is .7711 to .6119
- “Mirror-share” or “exchangeable share” structure for Canadian shareholders
 - Provides nontaxable event for Canadian shareholders
 - Exchangeable into Duke Energy common, mandatory after year eight
- Deal subject to Westcoast shareholder approval and customary regulatory approval

- Importance of incremental Canadian natural gas supply to North America
- Increasing importance of gas storage for winter and summer peaking
- Desire to connect diverse new supply to growth markets

Current Duke Energy Energy Transmission System



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Duke Energy Combined Energy Transmission System



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Operational Statistics



	<u>Duke</u>	<u>Westcoast</u>	<u>Combined</u>
● Miles of Gas Transmission Pipeline	12,000	6,900 ⁽¹⁾	18,900
● Transmission Capacity (Bcf/d)	8.4	5.0	13.4
● Bcf's of Storage	100	141	241
● Gas Processing Capacity (Bcf/d)	7.9	2.5	10.4

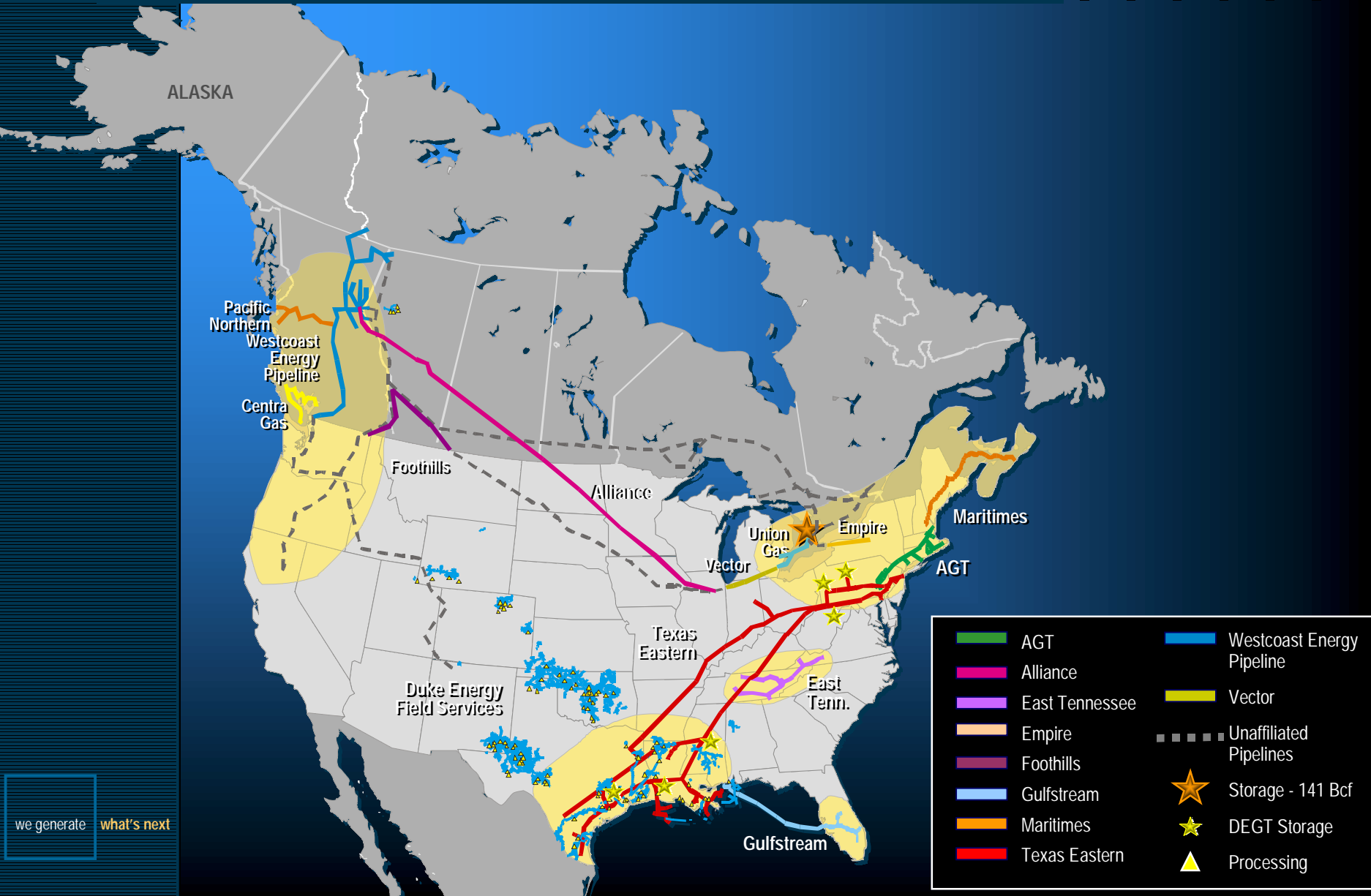
(1) Calculated as Westcoast share of all its pipelines plus the gas transmission component of union gas

Combined Energy Transmission System Incremental Supply Growth



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Combined Energy Transmission System Major Growth Markets

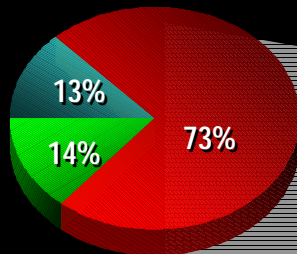


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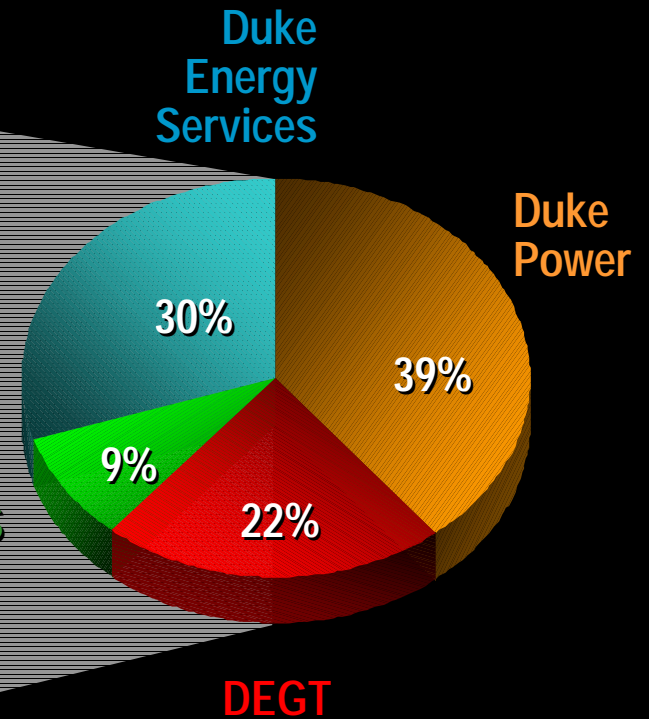
EBIT Contribution of Competitive Energy Businesses Will Increase



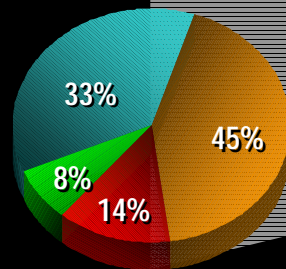
Westcoast
\$0.6 Billion



Pro Forma - \$4.4 Billion



Duke Energy
\$3.8 Billion



- Gas Pipelines & Storage
- Field Services
- Energy Services
- Franchised Electric

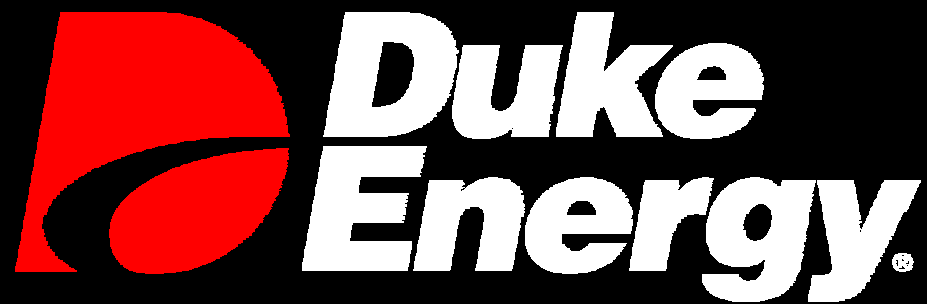
12 months ended 12/31/00

- Immediately accretive to EPS
- Balances business risk profile and sustainability of earnings
- Supports targeted EPS growth rate
- Maintains strong balance sheet and financial flexibility

Strategic Benefits



- Extends North American integrated network of energy businesses
- Greatly increases the portfolio of growth opportunities
- Connects key supply sources and markets
- Adds storage and transportation assets at a growing, Eastern supply hub
- Increases percentage of competitive businesses
- Provides significant opportunities to leverage Duke's merchant expertise



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