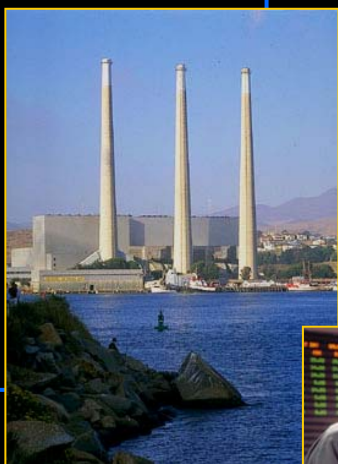
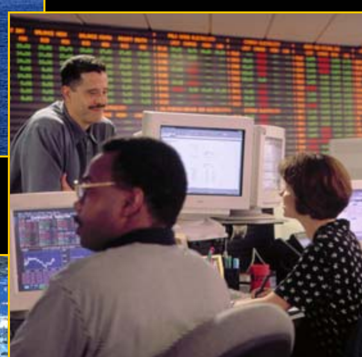


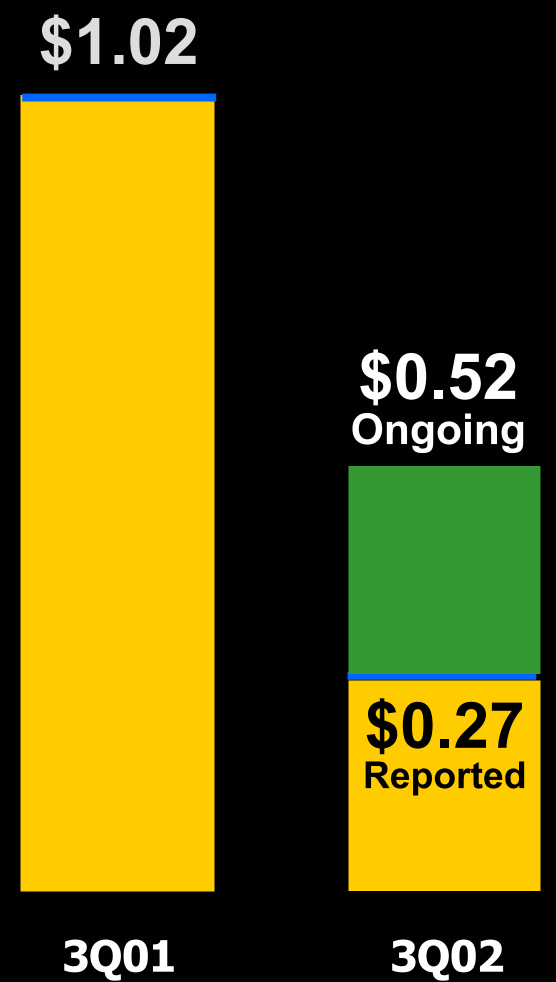


Third Quarter Earnings 2002

Robert Brace
Executive Vice President and
Chief Financial Officer

October 24, 2002

Earnings per Share

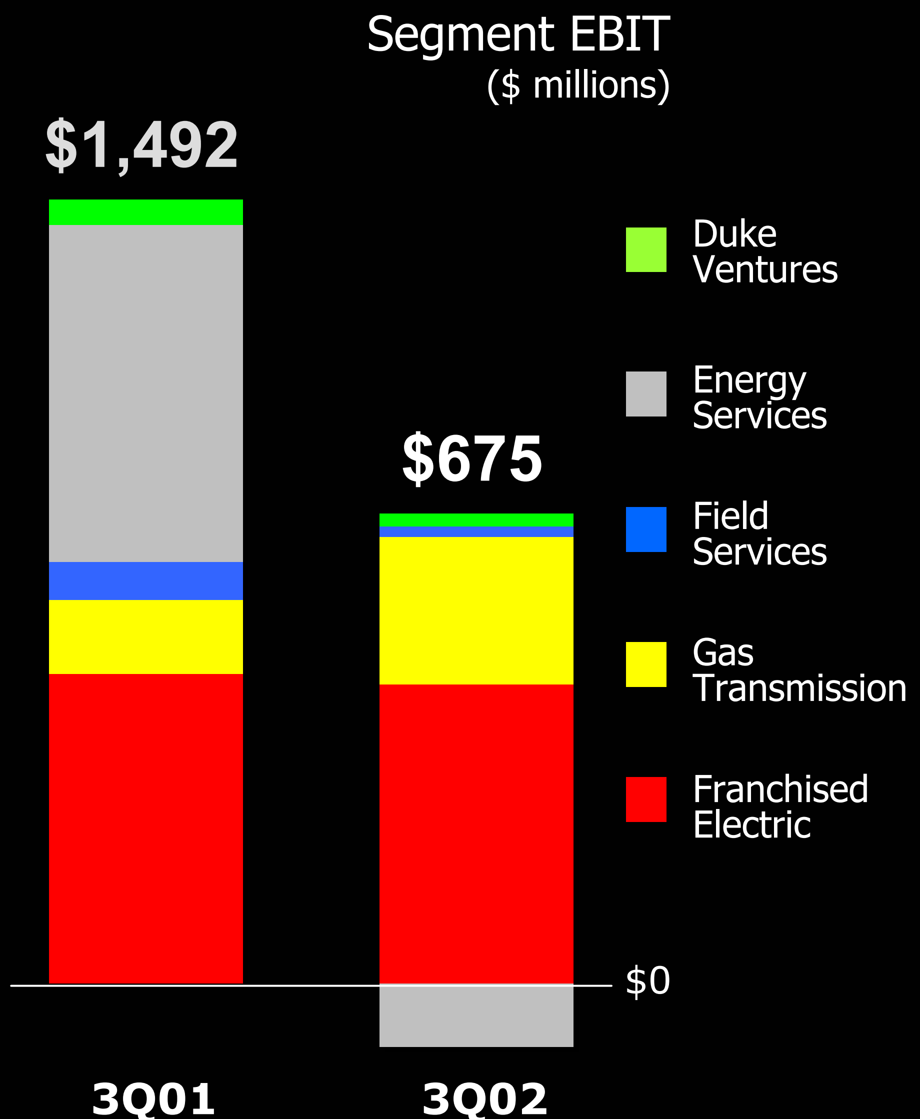


- Primary drivers for 3Q02
  - Lower earnings at DENA due to continued depressed market conditions, lower pricing and volatility
  - 22¢ in one-time charges related to:
    - plant demobilization costs
    - termination obligation on GE turbines
    - write-downs of uninstalled turbines
    - impairment charges
    - write-off of site development costs
  - 3¢ one-time charge for severance costs
  - Full quarter of earnings from acquisition of Westcoast Energy
- Year-to-date ongoing EPS was $1.57 for 2002, compared with $2.30 per share in 2001

3Q02 Segment Earnings Before Interest and Taxes

Primary Drivers

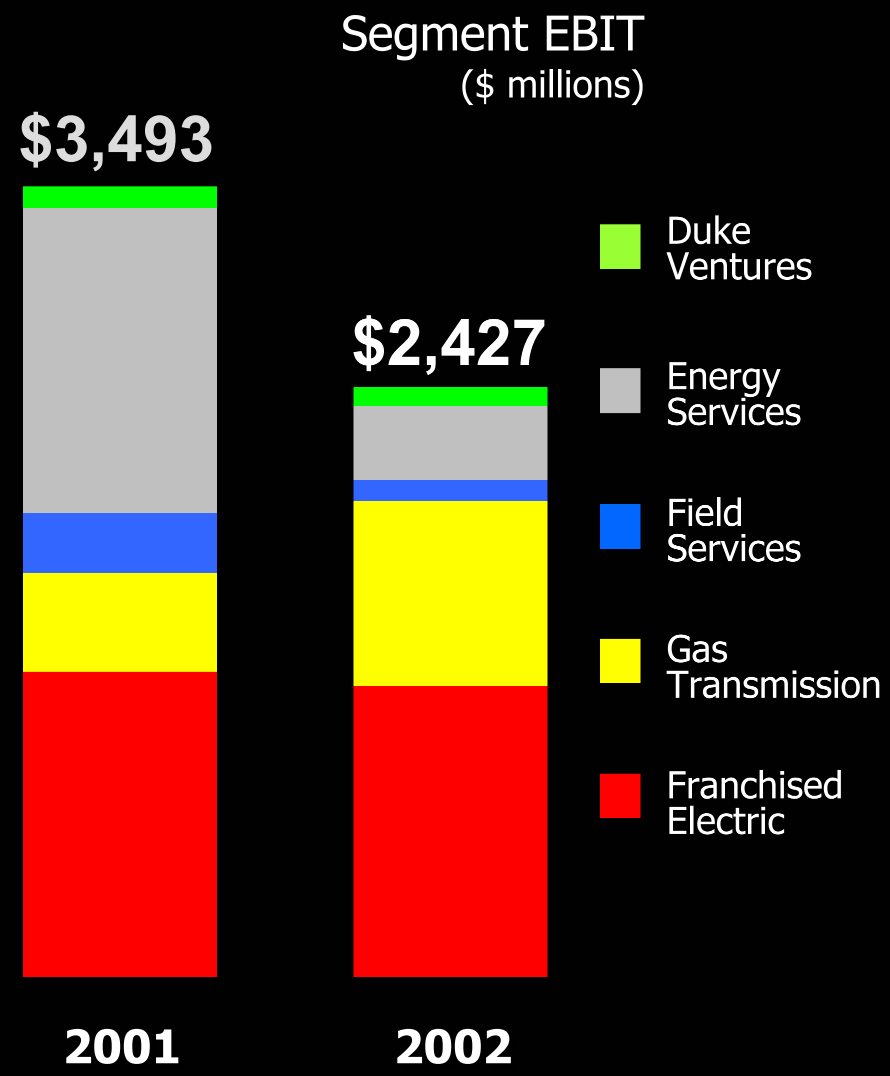
- Full quarter of earnings from acquisition of Westcoast Energy
- Significantly reduced earnings at DENA
  - Continued market downturn
  - Low spark spreads and volatility
- One-time charges of $286 million for write-off of site development costs, termination obligation on GE turbines, write-downs on uninstalled turbines, impairments and plant demobilization costs
- One-time charges of $33 million for severance costs



YTD Segment Earnings Before Interest and Taxes

Primary Drivers

- Seven months of earnings from acquisition of Westcoast Energy
- Significantly reduced earnings at DENA
  - Continued market downturn
  - Low spark spreads and volatility
- One-time charges of $286 million for write-off of site development costs, termination obligation on GE turbines, write-downs on uninstalled turbines, impairments and plant demobilization costs
- One-time charges of $33 million for severance costs



Financial Liquidity

As of September 30, 2002

	Duke Energy	Duke Capital
Credit Facilities	$950 million	$1,392 million
LOC Facility	n/a	$1,038 million
TOTAL CAPACITY	**$3,380 million**	
CP Program	$1,215 million	$549 million
LOC Facility	n/a	$103 million
TOTAL OUTSTANDING	**$1,867 million**	
TOTAL UNUSED CAPACITY	**$1,513 million**	
Bank Facility	**$500 million**	
Cash on Hand	**$473 million**	

Corporate-Wide Daily Earnings at Risk

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

Average Daily Earnings at Risk

3Q02	$12 million
3Q01	$16 million

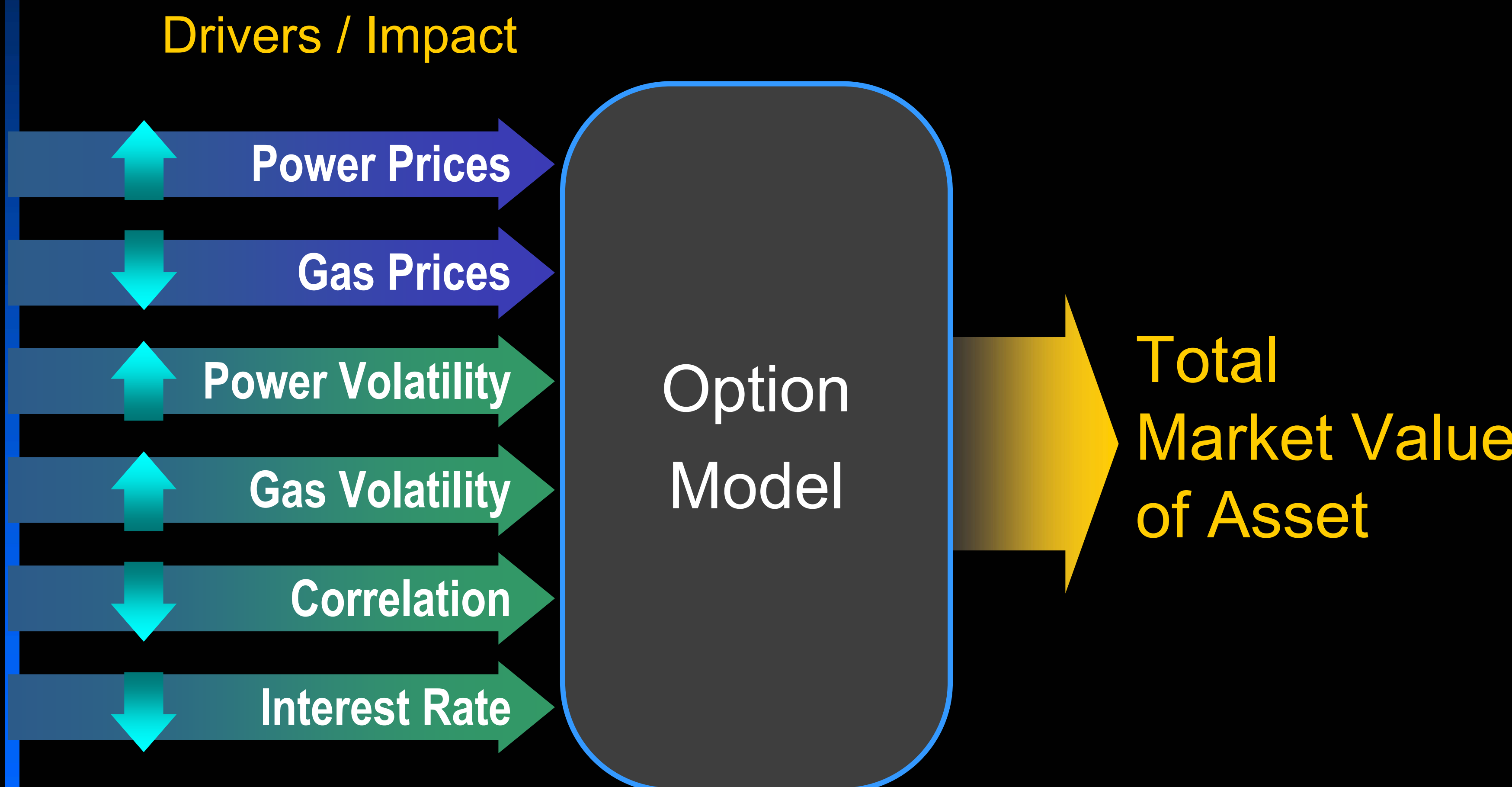
Valuation Measures
as of September 30, 2002

- Portfolio Valuation – Gross Margin
  - Merchant generation (Accrual) $5.3 billion
  - Mark-to-market $0.7 billion
- Realization Period (cumulative %)

	Mark-to-Market	Accrual
2002	17%	3%
2003	35%	14%
2004	50%	23%

- Expected Economic Output of Merchant Generation Hedged (DENA)
  - 2003: 94% 2004: 64% 2005: 65%
- Gross Unrealized Mark-to-Market Margin (Duke Energy)
  - 3Q02: $(161) million 2Q02: $103 million

Asset and Option Valuation

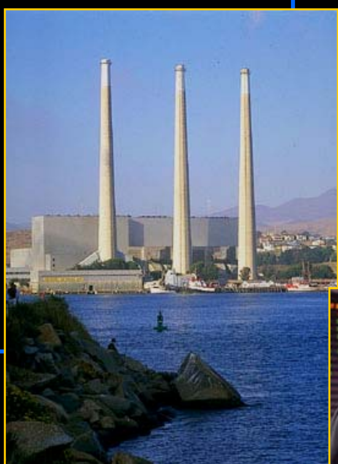


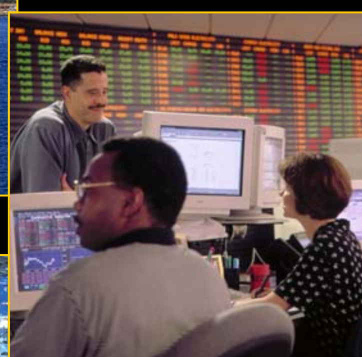
Note: Direction of arrow represents positive impact on portfolio valuation.

Franchised Electric

Grant Thornton Audit

- On October 22, 2002
  - Grant Thornton audit report was filed with the NCPUC and PSCSC, along with Duke Energy's response to the report
  - A proposed settlement developed by the commissions' staffs and Duke Energy was also filed
- The proposed settlement will be considered next week
  - October 28 – NCPUC   October 29 – PSCSC
- If approved, the settlement will conclude the audit and all related issues and Duke Energy will record a $19 million charge in the fourth quarter of 2002





Q&A