

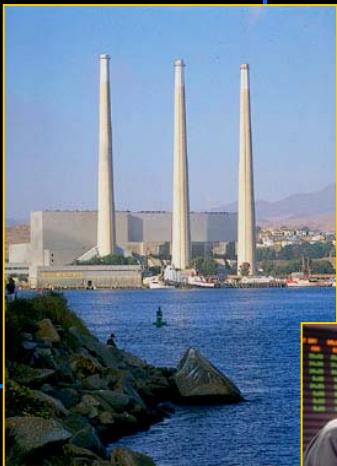


First Quarter Earnings 2003

Rick Priory
Chairman and Chief Executive Officer

Robert Brace
Executive Vice President and
Chief Financial Officer

April 30, 2003

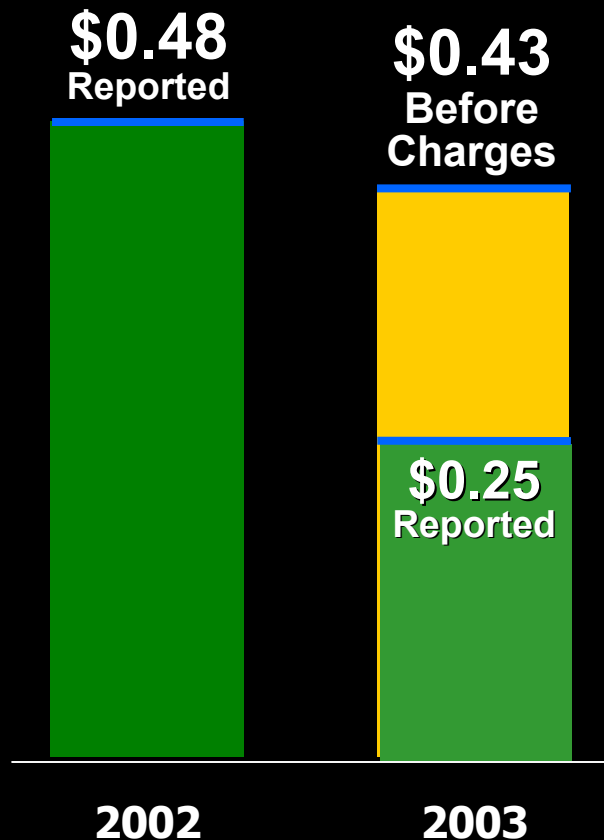


2003 Strategic Directives

Duke Energy is focused on reducing risks and restructuring for future success:

- Focus on positive net cash generation
- Invest in our strongest business sectors
- Size businesses to market realities
- Address merchant energy issues
- Strengthen relationships with customers
- Reduce regulatory and legal risk and uncertainty

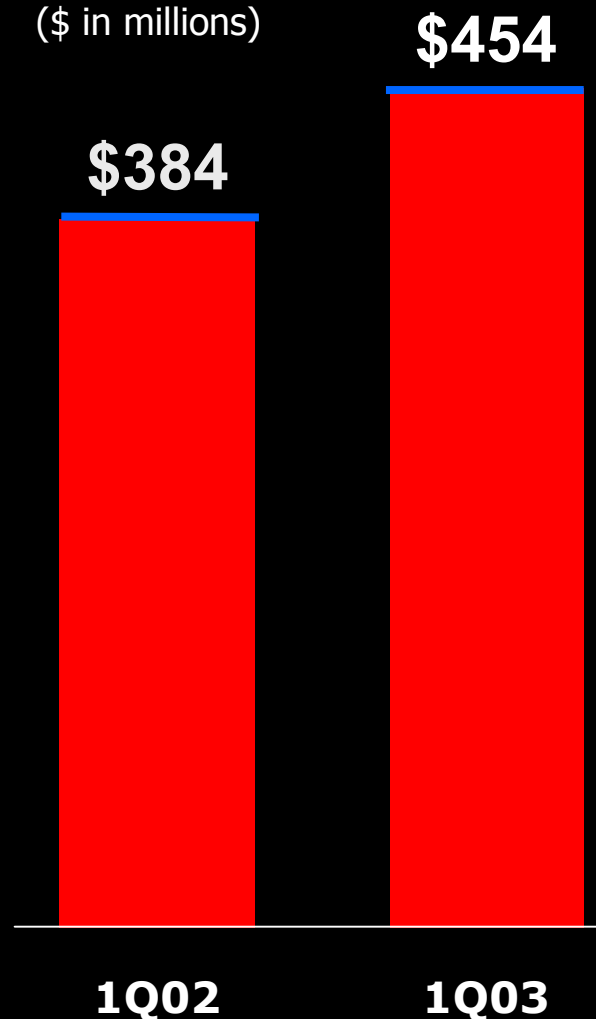
First Quarter 2003 Earnings per Share



- Primary Drivers for First Quarter 2003
 - Upsides
 - ◆ Favorable weather conditions and increased wholesale power sales for Franchised Electric
 - ◆ Additional 2 months of earnings from Westcoast businesses
 - Downsides
 - ◆ Lower earnings at DENA and Other Operations due to exiting of proprietary trading activities
 - 18¢ charge for cumulative effect of changes in accounting principles
 - ◆ Implementation of EITF 02-03 17¢
 - ◆ Adoption of FAS 143 1¢

Franchised Electric

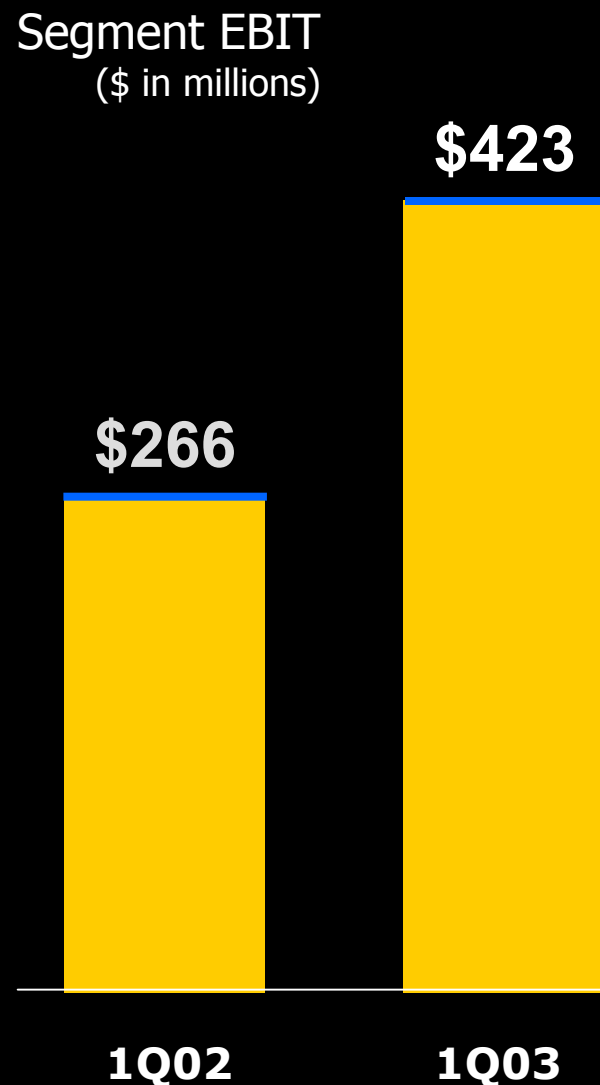
Segment EBIT
(\$ in millions)



- First Quarter 2003
 - Higher residential and commercial sales driven by colder weather
 - Wholesale power sales increased due to favorable weather and higher gas prices in the region
 - Storm costs of \$35 million
 - Clean Air amortization commenced this quarter – \$17 million
- 2003 segment EBIT goal of \$1.6 billion on target

Natural Gas Transmission

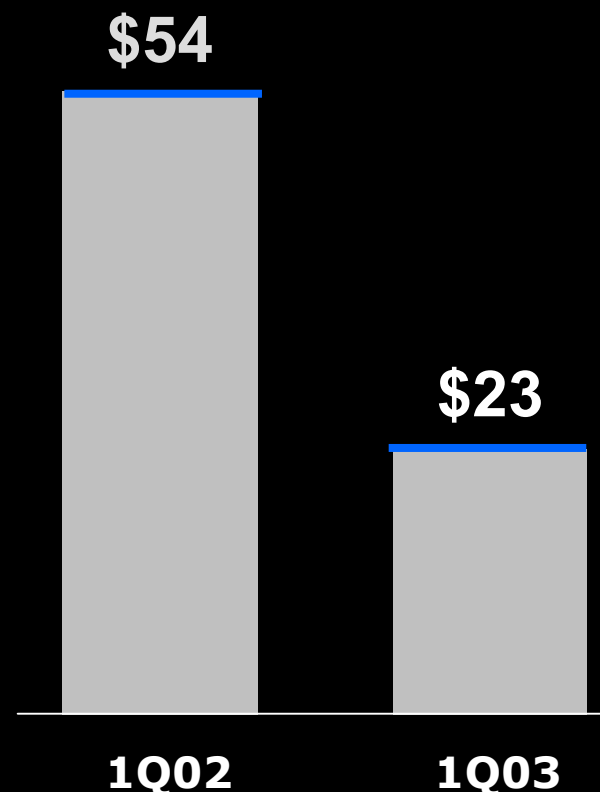
- First Quarter 2003
 - Additional two months of earnings from Westcoast of approximately \$135 million
 - Incremental earnings from business expansion projects
 - Sale of Northern Border units contributed \$14 million in 1Q02 and 1Q03
- 2003 segment EBIT goal of \$1.2 billion on target



Duke Energy North America

Segment EBIT
(\$ in millions)

- First Quarter 2003
 - Lower earnings from proprietary trading
 - ◆ Exiting this business activity
 - ◆ Reducing collateral requirements
 - Increased depreciation due to new plants added during 2002
- Expect to meet 2003 segment EBIT goal of \$200 million
- Full year operating expenses expected to be \$25 million lower



Duke Energy North America Gross Margin

(\$ in millions)

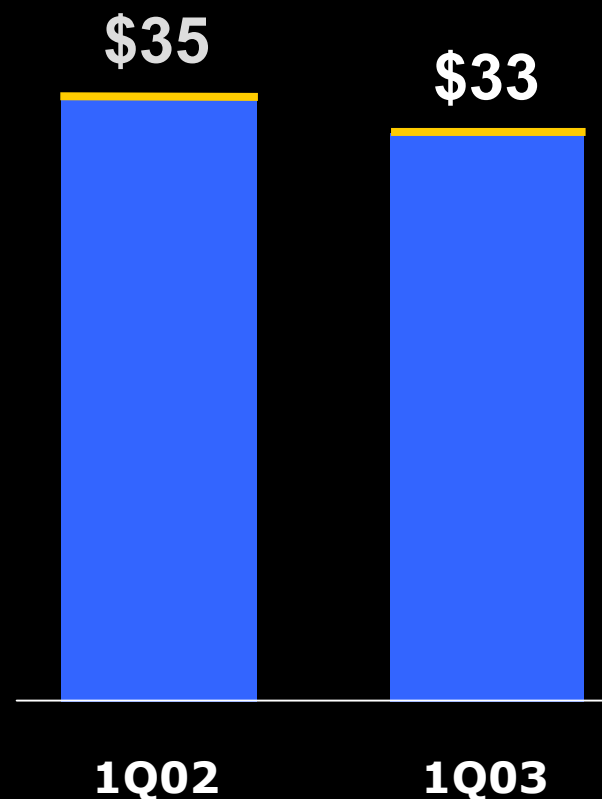
	1Q03	2Q - 4Q03	Total 2003
Total Gross Margin	\$ 193	\$ 832 *	\$ 1,025
Total Operating Expenses	(170)	(655)	(825)
DENA Segment EBIT	\$ 23	\$ 177	\$ 200

* Includes \$470 million of low-risk gross margin

Field Services

Segment EBIT
(\$ in millions)

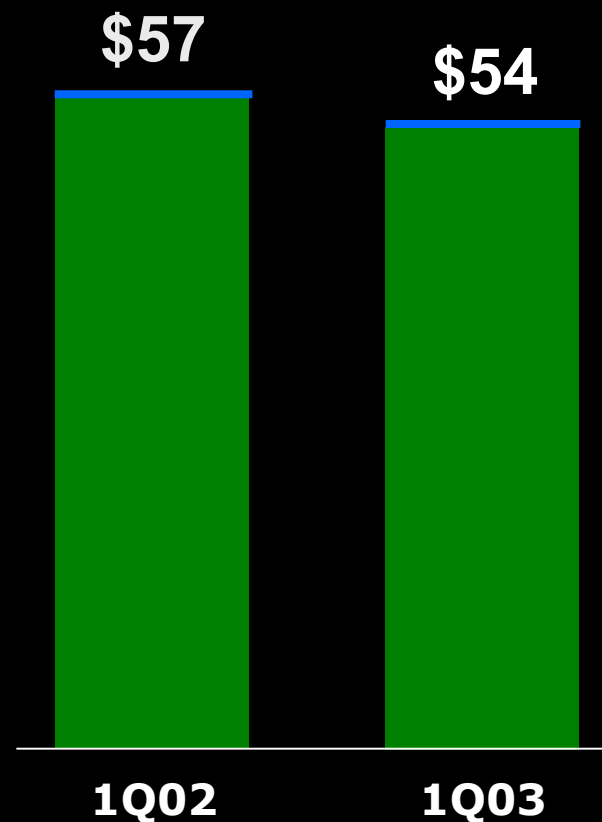
- First Quarter 2003
 - Higher NGL pricing for the quarter of 58¢ compared with 31¢ last year, offset by higher natural gas prices and hedging activities
 - G&A expenses of \$150 million, on target for annual expectation of \$600 million
- Expect to meet 2003 segment EBIT goal of \$200 million



International Energy

- First Quarter 2003
 - Decrease primarily due to non-recurring charge of \$11 million related to timing of revenue recognition associated with the Cantarell project in Mexico
 - Partially offset by lower G&A expenses resulting from cost reduction efforts
- Expect to meet 2003 segment EBIT goal of \$250 million

Segment EBIT
(\$ in millions)

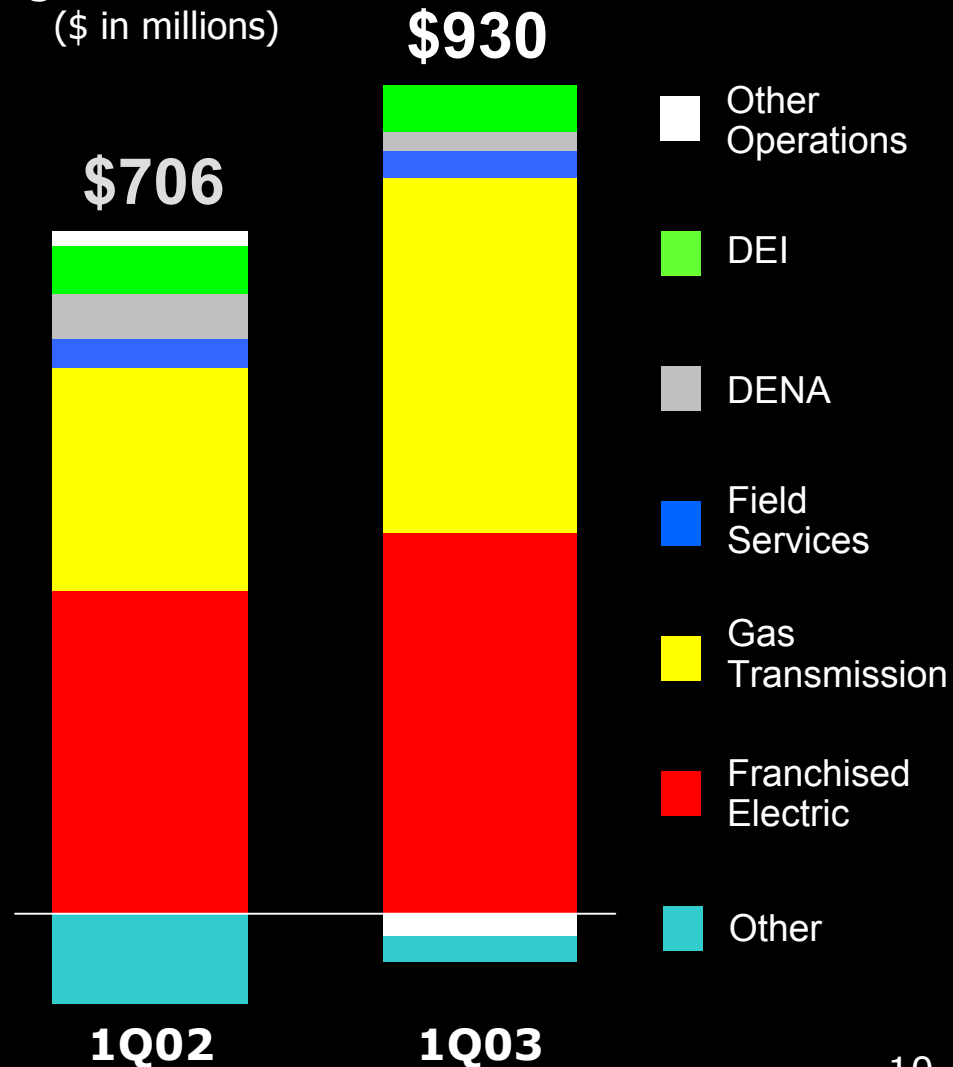


1Q03 Segment Earnings Before Interest and Taxes






- Other Operations is comprised of:
 - Ongoing – Crescent Resources, Duke/Fluor Daniel and DukeNet
 - Exiting – Duke Energy Merchants, Duke Capital Partners
- Fully expect to reach total segment EBIT goal for 2003
 - Regulated business will provide 80% of total segment EBIT

Segment EBIT
(\$ in millions)



2003 Non-Strategic Asset Sales

(\$ in millions)

	Gross Proceeds	After-tax Cash Proceeds	Annual EBIT Reduction	Annual Operating Cash
<i>Announced/Closed</i>				
Empire Pipeline	\$ 240 (1)			
American Ref-Fuel	306			
Alliance/Aux Sable	245			
Northern Border units	24			
TEPPCO units	114			
DCP loan monetization	198			
<i>Total</i>	\$ 1,127	\$ 935	\$ 130	\$ 100
<i>Add'l Potential Sales</i>	\$ 400	\$ 400	\$ 25	\$ 30
<i>Total Asset Sales for 2003</i>	\$ 1,527	\$ 1,335	\$ 155	\$ 130

(1) Includes \$58 million of debt assumed

Note: For the purposes of this presentation, EBIT and Operating Income are the same

Liquidity Position

(as of April 21, 2003)

	Duke Energy	Duke Capital	Other *
Credit Facilities	\$950 million	\$1.9 billion	\$1.45 billion
LOC Facilities	n/a	\$790 million	n/a
TOTAL CAPACITY		\$5.1 billion	
CP Outstanding	\$450 million	\$475 million	\$300 million
LOC Outstanding	n/a	\$550 million	n/a
Other Borrowings	n/a	n/a	\$250 million
TOTAL OUTSTANDING		\$2.0 billion	
TOTAL UNUSED CAPACITY		\$3.1 billion	
Cash and Cash Equivalents		\$1.3 billion	

* Includes Westcoast, Union Gas, Field Services and Australia

Trading Disclosures

as of March 31, 2003

- Daily Value at Risk (DVaR): Favorable or unfavorable impact of one day's price movement on the existing portfolio
 - 95% confidence level, one-day holding period, two-tailed
 - Average DVaR for 1Q03: \$21 million
 - Increase due to natural gas price spikes in February and March
- Owned Assets – Merchant Plant Production and Hedging Information

(in millions of MWh, unless stated otherwise)	2003 *	2004	2005
Total Estimated Available Capacity	69	99	108
Estimated Production			
Combined Cycle	21	33	36
Peaker	1	3	4
Total Estimated Production	22	36	40
Estimated Production Hedged	96%	76%	63%
Average Price Hedged (\$/MWh)	\$50	\$43	\$41

* 2003 information is for the remaining nine months of the year (April – December). Actual production for the first quarter of 2003 totaled 5.1 million MWh.

Summary

- Solid progress toward achieving 2003 goals
 - Regulated businesses will provide strong earnings and cash flows
 - Debt reductions expected to reach \$1.8 billion
 - Continued focus on reducing capex and operating expenses
 - Exiting proprietary trading
- Remain confident and committed to 2003 EPS of \$1.35 to \$1.60 per share, before impact of changes in accounting principles

Q&A

