



FIRST QUARTER EARNINGS REVIEW AND BUSINESS UPDATE

May 5, 2009

Jim Rogers
Chairman, President and Chief Executive Officer

David Hauser
Group Executive and Chief Financial Officer

A photograph of a high-voltage power line tower against a blue sky, positioned in the top left corner of the slide.

SAFE HARBOR STATEMENT

Some of the statements in this document concerning future company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Duke Energy's 2008 Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

REG G DISCLOSURE

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our Investor Relations website at www.duke-energy.com.

1Q 2009 EARNINGS SUMMARY

	1Q09	1Q08
Reported Diluted EPS	\$ 0.27	\$ 0.37
Adjustments to Reported:		
Mark-to-Market Impact of Economic Hedges	(0.01)	(0.03)
Crescent Obligations	0.02	-
Other Adjustments	-	0.01
Discontinued Operations	-	-
Adjusted Diluted EPS	\$ 0.28	\$ 0.35

- After first quarter, on track to achieve 2009 employee incentive target of \$1.20 per share, based on adjusted diluted EPS
- Decrease in adjusted diluted EPS, primarily due to decreased industrial volumes and increased storm restoration costs at U.S. Franchised Electric & Gas, as well as a decreased contribution from National Methanol at International
- Current year adjustments to reported earnings principally include obligations related to Crescent and mark-to-market impacts of economic hedges

U.S. FRANCHISED ELECTRIC & GAS

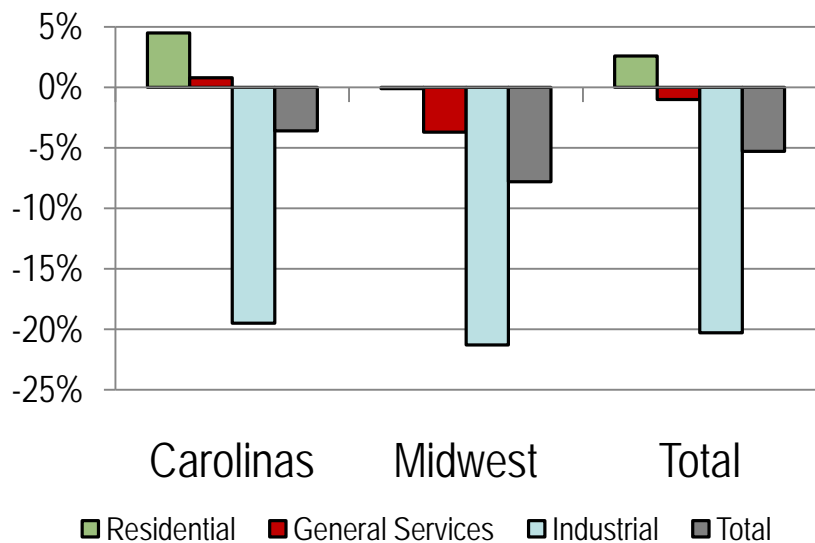
Reported & Adjusted Segment EBIT		
(\$ millions)	1Q09	1Q08
Reported Segment EBIT	\$ 557	\$ 637
Adjustments	-	-
Adjusted Segment EBIT	\$ 557	\$ 637

HIGHLIGHTS

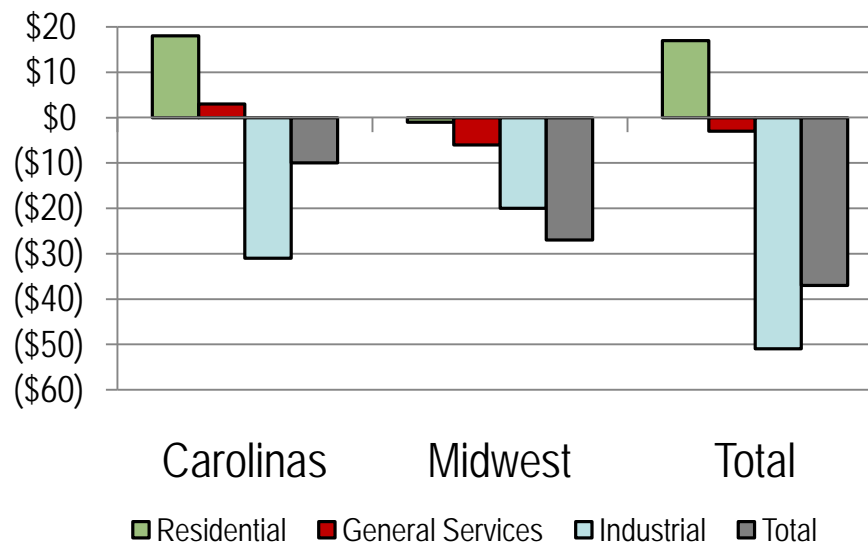
- Adjusted segment EBIT decreased primarily due to
 - \$39 million decrease due to increased storm costs
 - \$37 million decrease due to lower volumes
 - \$14 million decrease as a result of the 2008 incremental rider in North Carolina
- Partially offset by
 - \$31 million increase in Midwest rate riders

RETAIL VOLUMES BY CUSTOMER CLASS

% Change in Weather Normalized Volumes – 1Q09 vs. 1Q08



Net Margin \$ Change in Weather Normalized Volumes – 1Q09 vs. 1Q08
(In millions)



- Key industrial declines by customer class (chemicals, primary metals, and textiles)

COMMERCIAL POWER

Reported & Adjusted Segment EBIT

<i>(\$ millions)</i>	1Q09	1Q08
Reported Segment EBIT	\$ 114	\$ 146
Adjustments	(11)	(47)
Adjusted Segment EBIT	\$ 103	\$ 99

HIGHLIGHTS

- Adjusted segment EBIT increased primarily due to
 - \$20 million of increased native margins from the ESP plan
 - \$13 million in timing of collection of 2008 riders under the RSP
- Partially offset by
 - \$24 million increased plant operating and maintenance expenses due to timing of outages
 - \$11 million higher net purchased accounting expenses due to the completion of the RSP
- Adjustments due to mark-to-market gains on economic hedges
- Midwest gas assets contributed \$2 million of adjusted EBIT in 1Q09

DEI

Reported & Adjusted Segment EBIT

<i>(\$ millions)</i>	1Q09	1Q08
Reported Segment EBIT	\$ 93	\$ 114
Adjustments	-	-
Adjusted Segment EBIT	\$ 93	\$ 114

HIGHLIGHTS

- Adjusted segment EBIT decreased primarily due to
 - \$28 million lower contribution from National Methanol
 - \$20 million unfavorable foreign currency exchange rates

- Partially offset by \$21 million of favorable prices and hydrology in Brazil

OTHER

Reported & Adjusted Net Expense		
(\$ millions)	1Q09	1Q08
Reported Net Expense	\$ 90	\$ 76
Adjustments	(40)	(11)
Adjusted Net Expense	\$ 50	\$ 65

HIGHLIGHTS

- Adjusted Net Expense decreased primarily due to reduced governance expenses
- 2009 adjustments include
 - \$33 million of charges related to Crescent obligations
 - \$7 million costs-to-achieve Cinergy merger

A photograph of a high-voltage electrical transmission tower, also known as a pylon, with power lines extending from it. The image is positioned in the top left corner of the slide.

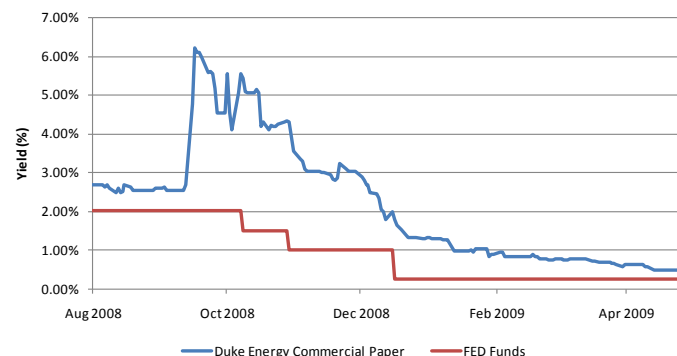
OTHER FINANCIAL ITEMS

- Interest expense, net of debt AFUDC and capitalized interest, for 1Q09 was \$184 million as compared to \$182 million for 1Q08
 - Debt AFUDC and capitalized interest for 1Q09 was \$13 million as compared to \$18 million for 1Q08
- Equity AFUDC for 1Q09 was \$28 million as compared to \$33 million for 1Q08
- Interest income and other was \$35 million during 1Q09 compared to \$47 million in 1Q08
- Effective tax rate of 34% during 1Q09 as compared to 32% during 1Q08

CREDIT AND LIQUIDITY

- Total Available Liquidity at March 31, 2009 - approximately \$2.2 billion⁽¹⁾
 - Master Credit Facility⁽²⁾ - available liquidity of approximately \$1.5 billion
 - Approximately \$750 million⁽¹⁾ of cash, cash equivalents and short-term investments at March 31, 2009
- Commercial Paper
 - Weighted average rate of 1.32% and average maturity of approximately 5 days at March 31, 2009
 - Weighted average rate of 0.63% as of April 30, 2009
 - New issuances of overnight CP are currently 0.63%, down from almost 6.00% in October 2008
- Financings Completed in 2009
 - Duke Energy Corp - \$750 million, 6.3% 5 year fixed-rate unsecured debt issued in January 2009
 - Duke Energy Ohio - \$450 million, 5.45% 10 year fixed-rate first mortgage bonds issued in March 2009
 - Duke Energy Indiana - \$450 million, 6.45% 30 year fixed-rate first mortgage bonds issued in March 2009
- Equity Issuances
 - Through the DRIP and other internal plans we issued approximately \$175 million in 2009 (through March 31, 2009)
- \$500 million pension contribution made in February 2009
- Expect \$400 million positive cash flow in 2009 from stimulus tax incentives

Duke Energy Commercial Paper Program
August 2008 to Present



(1) – Excludes approximately \$500 million of cash, cash equivalents and short-term investments in foreign jurisdictions.
 (2) – \$3.1 billion Master Credit Facility expires in June 2012.

CAPITAL EXPENDITURES

<u>Committed Capital</u>	2009		2010-2013		Cumulative	
USFE&G Nuclear fuel	\$	150	\$	1,250	\$	1,400
USFE&G Environmental		200		100		300
CP Environmental		50		125		175
Edwardsport IGCC		725		1,075		1,800
CC / CT Additions - Carolinas		200		1,000		1,200
Cliffside		550		650		1,200
Lee Nuclear		50		125		175
International		250		300		550
Wind		450		200		650
Total Committed Capital	\$	2,625	\$	4,825	\$	7,450
<u>Ongoing Capital</u>						
USFE&G Maintenance and Other	\$	1,400	\$	7,200	\$	8,600
Power Delivery Customer Connections		300		1,575		1,875
CP Maintenance and other		100		575		675
Corporate and Other		175		850		1,025
Other regulated investments and ADC Debt		75		500		575
Total Ongoing Capital	\$	2,050	\$	10,700	\$	12,750
Total Committed and Ongoing Capital	\$	4,675	\$	15,525	\$	20,200
<u>Discretionary Growth Capital</u>						
Wind	\$	-	\$	2,075	\$	2,075
Smart Grid ⁽¹⁾		25		975		1,000
Biomass		-		250		250
International		50		1,175		1,225
Total Discretionary Growth Capital	\$	75	\$	4,475	\$	4,550
Total Capital Expenditures	\$	4,750	\$	20,000	\$	24,750

(1) Smart Grid approval received in Ohio with ESP resolution.

OPERATIONS SCORECARD

1st Quarter 2009 Scorecard

- Reliability
 - Minimize both the frequency and duration of outages

- Generation fleet performance
 - Availability of assets during periods of high customer demand

Safety	Current	2009 Target	Status
YTD Total Incident Case Rate (TICR) - Employees	1.05	1.15	●
Reliability	Current	2009 Target	Status
YTD – Nuclear Capacity Factor	99.28%	92.50%	●
YTD – Regulated Generation Commercial Availability	88.66%	88.66%	●
YTD – Midwest Commercial Availability	74.19%	84.66%	●
Gas Delivery – Gas outages/1,000 customers	.0018	.045	●
Sys Avg Interrupt Freq Index (SAIFI) (Rolling 12 months)	1.14	1.20	●
Sys Avg Interrupt Duration Index (SAIDI) (Rolling 12 months)	145	148	●



On Target



Off Target / Year end goal unachievable



Off Target / Year-end goal achievable

REGULATORY INITIATIVES

First Quarter Achievements

State	Activity	
OH	Electric Distribution rate case settlement	✓
NC & SC	Allen Scrubber and Catawba interest deferral approval	✓
IN	Edwardsport cost increase approval	✓

Upcoming Calendar

State	Activity	Docket Number	Status
IN	Smart Grid	• 43501	• Hearings scheduled to begin June 17 th
IN	IGCC CWIP rider	• 43114	• Resolution anticipated 2 nd quarter 2009 for November 2008 filing • Semi-annual filings in May and November
NC	Save-a-Watt	• E-7 Sub 831	• Additional information submitted to commission
OH	Electric Distribution Rate Case	• 08-709	• Settlement reached – subject to commission approval • Anticipating rates effective by mid-2009
NC	Rate Case	• TBD	• Planning to file in mid-2009; rates effective 2010
SC	Rate Case	• TBD	• Planning to file in mid-2009; rates effective 2010

CONSTRUCTION UPDATES

Cliffside Target Milestones

Unit-5 Backfeed Power	January 2010
Unit-5 FGD In Service	September 2010
Unit-6 Backfeed Power	November 2010
Boiler Hydro Complete	March 2011
Turbine on Turning Gear	August 2011
First Fire on Oil	September 2011
First Fire on Coal	November 2011
Unit-6 In Service	Spring 2012

As of March 31, 2009, Cliffside was 35% complete



Edwardsport Target Milestones

Deliver Radiant Syngas Cooler	December 2009
Switchyard Available for Backfeed	April 2010
Gasification Island – Turnover to Startup	November 2010
First Fire Gas Turbine	March 2011
Gasification Island Mechanical Completion	June 2011
Power Island Mechanically Complete	September 2011
In Service	Summer 2012

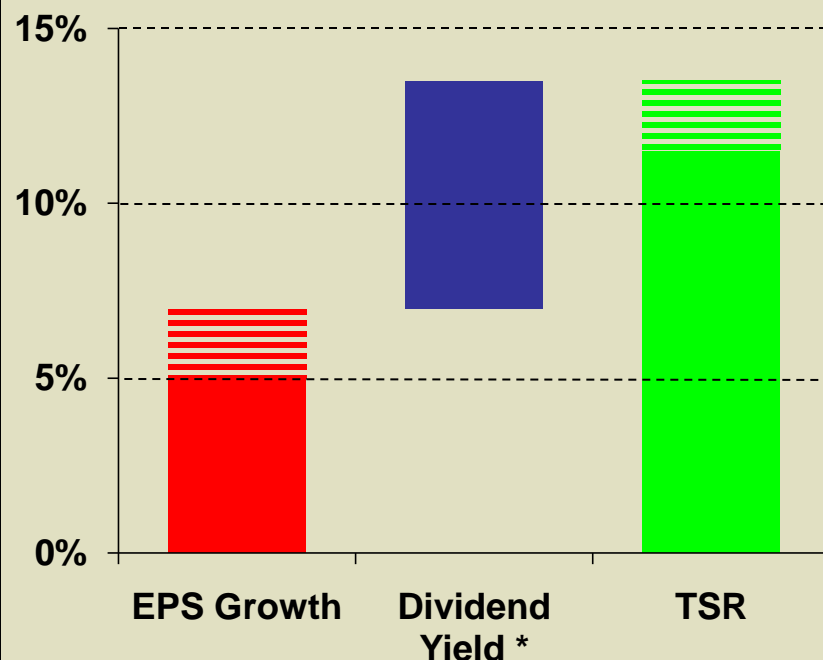
As of March 31, 2009, Edwardsport was 30% complete



VALUE PROPOSITION

- Proactive regulatory strategy
- Forecast 5% to 7% CAGR in adjusted diluted EPS through 2013
- Annual dividend growth
- Strong balance sheet provides flexibility

Annual Total Return Profile



* Based on current dividend yield of approximately 6.5%



FIRST QUARTER EARNINGS REVIEW AND BUSINESS UPDATE

Duke Energy Corporation
Non-GAAP Reconciliations
First Quarter Earnings Review and Business Update
May 5, 2009

Adjusted Diluted Earnings per Share (“EPS”)

The materials for Duke Energy Corporation’s (“Duke Energy”) First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of adjusted diluted EPS for the quarters ended March 31, 2009 and 2008. Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g., coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted diluted EPS for the quarters ended March 31, 2009 and 2008 to the most directly comparable GAAP measures are included below.

2009 Employee EPS Incentive Target Measure

The materials for Duke Energy’s First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of the 2009 EPS incentive target of \$1.20 per share. The EPS measure used for employee incentive bonuses is primarily based on adjusted diluted EPS. The materials also reference the forecasted range of growth in adjusted diluted EPS through 2013 (on a compound annual growth rate (“CAGR”) basis). Adjusted diluted EPS is a non-GAAP financial measure as it represents diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, adjusted for the per-share impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s

hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment (as discussed above under “Adjusted Diluted Earnings per Share (‘EPS’)”). The most directly comparable GAAP measure for adjusted diluted EPS is reported diluted EPS from continuing operations attributable to Duke Energy Corporation common shareholders, which includes the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

Adjusted Segment EBIT and Other Net Expenses

The materials for Duke Energy’s First Quarter Earnings Review and Business Update presentation on May 5, 2009 include a discussion of adjusted segment EBIT and Other net expenses for the quarters ended March 31, 2009 and 2008. In addition, the materials include a reference to management’s current expectation that the Midwest gas-fired generation assets (a component of the Commercial Power segment), will be EBIT positive for 2009, on an adjusted EBIT basis. Additionally, reference is made to Duke Energy’s equity method investment in National Methanol Company (a component of the International Energy segment), and its equity method earnings contribution as a percentage on International Energy’s segment EBIT, on an adjusted basis. Adjusted segment EBIT and Other net expenses are non-GAAP financial measures as they represent reported segment EBIT and Other net expenses adjusted for the impact of special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. Mark-to-market adjustments reflect the mark-to-market impact of derivative contracts, which is recognized in GAAP earnings immediately as such derivative contracts do not qualify for hedge accounting or regulatory accounting, used in Duke Energy’s hedging of a portion of the economic value of certain of its generation assets in the Commercial Power segment (as discussed above under “Adjusted Diluted Earnings per Share (‘EPS’)”). The most directly comparable GAAP measures for adjusted segment EBIT and Other net expenses are reported segment EBIT and Other net expenses, which represent segment and Other results from continuing operations, including any special items and the mark-to-market impacts of economic hedges in the Commercial Power segment. Reconciliations of adjusted segment EBIT and Other net expenses for the quarters ended March 31, 2009 and 2008 to the most directly comparable GAAP measures are included below. Due to the forward-looking nature of this non-GAAP financial measure for 2009, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items or mark-to-market adjustments for future periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
March 2008 Year-to-Date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>					Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Economic Hedges (Mark-to-Market) *	Discontinued Operations	Total Adjustments	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS						
U.S. Franchised Electric and Gas	\$ 637	\$ -	\$ -	\$ -	\$ -	\$ 637
Commercial Power	99	-	47 B	-	47	146
International Energy	114	-	-	-	-	114
Total reportable segment EBIT	850	-	47	-	47	897
Other	(65)	(11) A	-	-	(11)	(76)
Total reportable segment and other EBIT	\$ 785	\$ (11)	\$ 47	\$ -	\$ 36	\$ 821
Interest Expense	(182)	-	-	-	-	(182)
Interest Income and Other	47	-	-	-	-	47
Income Taxes from Continuing Operations	(209)	4	(17)	-	(13)	(222)
Discontinued Operations, net of taxes	-	-	-	2 C	2	2
Less: Net Income attributable to non-controlling interests	1	-	-	-	-	1
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 440	\$ (7)	\$ 30	\$ 2	\$ 25	\$ 465
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.35	\$ (0.01)	\$ 0.03	\$ -	\$ 0.02	\$ 0.37
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.35	\$ (0.01)	\$ 0.03	\$ -	\$ 0.02	\$ 0.37

Note 1 - Amounts for special items are presented net of any related non-controlling interest.

A - \$7 million recorded in Operation, maintenance and other and \$4 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$11 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$58 million gain recorded within Fuel used in electric generation and purchased power - non-regulated (Operating Expenses) on the Consolidated Statements of Operations.

C - Recorded in Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,266
Diluted	1,268

* Represents the mark-to-market impact of derivative contracts, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Controlling Interest provides useful information to investors, as it allows them to more accurately compare the company's performance across periods.

DUKE ENERGY CORPORATION
ADJUSTED TO REPORTED EARNINGS RECONCILIATION
March 2009 Year-to-Date
(Dollars in millions, except per-share amounts)

	<u>Special Items (Note 1)</u>						<u>Reported Earnings</u>
	<u>Adjusted Earnings</u>	<u>Costs to Achieve, Cinergy Merger</u>	<u>Crescent Related Guarantees</u>	<u>Economic Hedges (Mark-to-Market) *</u>	<u>Discontinued Operations</u>	<u>Total Adjustments</u>	
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS							
U.S. Franchised Electric and Gas	\$ 557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557
Commercial Power	103	-	-	11 B	-	11	114
International Energy	93	-	-	-	-	-	93
Total reportable segment EBIT	753	-	-	11	-	11	764
Other	(50)	(7) A	(33) D	-	-	(40)	(90)
Total reportable segment and Other EBIT	\$ 703	\$ (7)	\$ (33)	\$ 11	\$ -	\$ (29)	\$ 674
Interest Expense	(184)	-	-	-	-	-	(184)
Interest Income and Other	35	-	-	-	-	-	35
Income Taxes from Continuing Operations	(191)	3	13	(4)	-	12	(179)
Discontinued Operations, net of taxes	-	-	-	-	3 C	3	3
Less: Net Income Attributable to Non-Controlling Interests	5	-	-	-	-	-	5
Net Income (Loss) Attributable to Duke Energy Corporation	\$ 358	\$ (4)	\$ (20)	\$ 7	\$ 3	\$ (14)	\$ 344
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, BASIC	\$ 0.28	\$ -	\$ (0.02)	\$ 0.01	\$ -	\$ (0.01)	\$ 0.27
EARNINGS PER SHARE ATTRIBUTABLE TO DUKE ENERGY CORPORATION, DILUTED	\$ 0.28	\$ -	\$ (0.02)	\$ 0.01	\$ -	\$ (0.01)	\$ 0.27

Note 1 - Amounts for special items are presented net of any related non-controlling interest.

A - \$4 million recorded in Operation, maintenance and other and \$3 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$19 million gain recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$8 million loss recorded within Fuel used in electric generation and purchased power-non-regulated (Operating Expenses) on the Consolidated Statements of Operations.

C - Recorded in Income From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

D - Recorded in Other income and expenses, net on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,282
Diluted	1,283

* Represents the mark-to-market impact of derivative contracts in the non-native portfolio, which is recognized in earnings immediately as such derivative contracts do not qualify for hedge accounting, used in Duke Energy's hedging of a portion of the economic value of its generation assets in the Commercial Power segment. The economic value of the generation assets is subject to fluctuations in fair value due to market price volatility of the input and output commodities (e.g. coal, power) and, as such, the economic hedging involves both purchases and sales of those input and output commodities related to the generation assets. Because the operations of the generation assets are accounted for under the accrual method, management believes that excluding the impact of mark-to-market changes of the economic hedge contracts from adjusted earnings until settlement better matches the financial impacts of the hedge contract with the portion of the economic value of the underlying hedged asset. Management believes that the presentation of adjusted diluted EPS Attributable to Controlling Interest provides useful information to investors, as it allows them to more accurately compare the company's performance across periods.

Duke Energy Corporation
Available Liquidity Reconciliation
As of March 31, 2009
(In millions)

Cash and Cash Equivalents	\$1,201	
Short-Term Investments	<u>51</u>	
Subtotal	1,252	
Less: Amounts Held in Foreign Jurisdictions	<u>(492)</u>	
	\$760	
Plus: Remaining Availability under Master Credit Facility	<u>1,457</u>	
Total Available Liquidity as of March 31, 2009 (a)	<u><u>\$2,217</u></u>	(approximately \$2.2 billion)

- (a) The available liquidity balance presented is a non-GAAP financial measure as it represents the aggregated presentation of cash and cash equivalents and short-term investments (excluding amounts held in foreign jurisdictions), and remaining availability under the master credit facility. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents.