

Duke Energy Corporation
Non-GAAP Reconciliations
Annual Meeting of Shareholders
May 7, 2009

Adjusted Diluted Earnings per Share (“EPS”)

Remarks made during Duke Energy Corporation’s (“Duke Energy”) Annual Meeting of Shareholders on May 7, 2009 included a discussion of adjusted diluted EPS for the quarter ended March 31, 2009 and for the year ended December 31, 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 quarter ended March 31, 2009 and for the year ended December 31, 2008 to the most directly comparable GAAP measures are included below.

2009 Employee EPS Incentive Target Measure

Remarks made during Duke Energy’s Annual Meeting of Shareholders on May 7, 2009 included 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 remarks also reference the forecasted range of growth in adjusted diluted EPS through 2013 (on a compound annual growth rate (“CAGR”) basis) from a base of adjusted diluted EPS for 2008 of \$1.21. 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. A reconciliation of adjusted diluted EPS for the year ended December 31, 2008 to the most directly comparable GAAP measure is included below.

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

	<u>Special Items (Note 1)</u>							Total Adjustments	Reported Earnings
	Adjusted Earnings	Costs to Achieve, Cinergy Merger	Crescent Project Impairments	Emission Allowances Impairment	Economic Hedges (Mark-to-Market) *	Discontinued Operations/ Extraordinary Items			
SEGMENT EARNINGS BEFORE INTEREST AND TAXES FROM CONTINUING OPERATIONS									
U.S. Franchised Electric and Gas	\$ 2,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,398
Commercial Power	421	-	-	(82) F	(75) B	-	(157)	264	
International Energy	411	-	-	-	-	-	-	411	
Total reportable segment EBIT	3,230	-	-	(82)	(75)	-	(157)	3,073	
Other	(310)	(44) A	(214) E	-	-	-	(258)	(568)	
Total reportable segment and Other EBIT	\$ 2,920	\$ (44)	\$ (214)	\$ (82)	\$ (75)	\$ -	\$ (415)	\$ 2,505	
Interest Expense	(741)	-	-	-	-	-	-	(741)	
Interest Income and Other	131	-	-	-	-	-	-	131	
Income Taxes from Continuing Operations	(773)	17	83	30	27	-	157	(616)	
Discontinued Operations, net of taxes	-	-	-	-	-	16 C	16	16	
Extraordinary Items, net of taxes	-	-	-	-	-	67 D	67	67	
Net Income	\$ 1,537	\$ (27)	\$ (131)	\$ (52)	\$ (48)	\$ 83	\$ (175)	\$ 1,362	
EARNINGS PER SHARE, BASIC	\$ 1.21	\$ (0.02)	\$ (0.10)	\$ (0.04)	\$ (0.04)	\$ 0.07	\$ (0.13)	\$ 1.08	
EARNINGS PER SHARE, DILUTED	\$ 1.21	\$ (0.02)	\$ (0.10)	\$ (0.04)	\$ (0.04)	\$ 0.06	\$ (0.14)	\$ 1.07	

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

A - \$21 million recorded in Operation, maintenance and other and \$23 million recorded in Depreciation and amortization (all Operating Expenses) on the Consolidated Statements of Operations.

B - \$72 million loss recorded within Non-regulated electric, natural gas, and other (Operating Revenues) and \$3 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 (Loss) From Discontinued Operations, net of tax on the Consolidated Statements of Operations.

D - Recorded in Extraordinary Items, net of tax on the Consolidated Statements of Operations.

E - Recorded in Equity in earnings (loss) of unconsolidated affiliates on the Consolidated Statements of Operations.

F - Recorded in Impairment charges on the Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - in millions

Basic	1,265
Diluted	1,268

* 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 provides useful information to investors, as it allows them to more accurately compare the company's performance across periods.