

November 29, 2006

Dear Shareholder:

On June 27, 2006, Duke Energy's board of directors approved plans to spin off our natural gas business into a separate company, Spectra Energy Corp. Management recently recommended that Duke Energy shareholders receive one-half share of Spectra Energy for every share of Duke Energy stock they own. In the coming weeks, our board of directors will determine the actual number of Spectra Energy shares to be issued, as well as the record date of the anticipated separation. Duke Energy registered shareholders who own shares of common stock as of the record date will receive shares of Spectra Energy on the separation date, currently targeted for January 2, 2007, and will be notified by The Bank of New York, the transfer agent for Spectra Energy.

A number of schedule changes are necessary during the period between the record date and the expected date of separation. These changes are in accordance with allowances set forth in the InvestorDirect Choice Plan Prospectus, which is available for download from our Web site: [www.duke-energy.com/investors](http://www.duke-energy.com/investors). As always, we will be happy to mail a paper copy to you upon request.

**We will temporarily suspend the Duke Energy InvestorDirect Choice Plan.**

On October 24, 2006, Duke Energy declared a quarterly cash dividend of \$0.32 per share to be paid on December 18, 2006 to shareholders of record at the close of business on November 17, 2006. For InvestorDirect Choice Plan participants who reinvest dividends, the reinvestment will be delayed until after the separation date. As noted, the separation date is currently targeted for January 2, 2007, and the planned reinvestment would be later during the first week in January.

**Other changes relating to the timing of investments and sale requests during December 2006:**

- **Optional Cash Payments:** The last date to receive optional cash payments for investment in December will be December 12 which will be invested on December 13. Any optional cash payments received on or after December 13 will be held until the first investment date following the separation, which is expected to be January 4, 2007. If at any time during this period, you would prefer to have your funds returned, rather than held for the first post-separation investment date, please contact our office at 1-800-488-3853, or outside the United States at 1-704-382-3853.

- **Automatic Bank Draft:** Bank drafts scheduled for December 16 will be delayed until December 29 and will be used for the first post-separation investment date in Duke Energy stock.
- **Sale Requests:** In order to sell shares during the month of December, we must receive your written request by 5:00 p.m. Eastern time on December 7.

**We expect that our normal schedule for investments and sale requests will resume the first week in January.**

**Important Reminder:** If you currently have paper stock certificates issued prior to April 3, 2006, it is important that you return them for exchange to The Bank of New York, our exchange agent. Shareholders holding unexchanged stock certificates will receive neither their entitled Spectra Energy shares nor any dividends until those certificates have been exchanged. For assistance, please call The Bank of New York at 1-866-269-8421, or outside the United States at 1-212-815-3700.

No action is required for shareholders whose shares are currently being held in book entry form by Duke Energy in Direct Registration (DRS) or in the InvestorDirect Choice Plan; in a brokerage account; or individually in paper stock certificates issued after April 3, 2006.

We hope these temporary changes in the InvestorDirect Choice Plan schedule will not cause you any inconvenience. If you have any questions about the information presented, please contact our office and we will be glad to assist you. You can reach our office by telephone at 1-800-488-3853, or outside the United States at 1-704-382-3853; or by mail at Duke Energy Corporation; Investor Relations Department; P.O. Box 1005; Charlotte, North Carolina 28201-1005.

Thank you for your continued investment in Duke Energy Corporation.

Joseph P. Crapster  
*Manager, Shareholder Communications*