2006 | 2007 SUSTAINABILITY REPORT

OUR PATH FORWARD

Duke Energy®

2007 DUKE ENERGY
CHARTER

our charter

We are Duke Energy, a leading energy company focused on electric power and gas distribution operations in the Americas. We energize our communities and enhance the quality of life for the people who live there.

Our purpose is to create superior and sustainable value for our customers, employees, communities and investors through the production, delivery and sale of energy and energy services.

To be successful in 2007 and beyond, we must:

- Establish the identity and culture of the new Duke Energy, unifying our people, values, strategy, processes and systems
- Optimize our operations by focusing on safety, simplicity, accountability, inclusion, customer satisfaction, cost management and employee development
- Achieve public policy, regulatory and legislative outcomes that balance our customers' needs for reliable energy at competitive prices with our shareholders' expectation of superior returns
- Invest in energy infrastructure that meets rising customer demands for reliable energy in an energy efficient and environmentally sound manner
- Achieve 2007 financial objectives and position the company to meet future growth targets

In conducting our business, we value:

- **Stewardship** – A commitment to health, safety, environmental responsibility and our communities
- **Integrity** – Ethically and honestly doing what we say we will do
- **Safety** – A relentless commitment to working safely and looking out for the safety of our co-workers and others with whom we do business
- **Respect for the Individual** – Embracing diversity and inclusion, enhanced by openness, sharing, trust, teamwork and involvement
- **High Performance** – Achieving superior business results, stretching our capabilities and valuing the contributions of every employee
- **Win-Win Relationships** – Having relationships which focus on the creation of value for all parties
- **Initiative** – Having the courage, creativity and discipline to lead change and shape the future

We will be successful when:

- Our investors realize a superior return on their investment over time
- Our customers, suppliers and communities benefit from our business relationships
- Every employee starts each day with a sense of purpose, and ends each day safely with a sense of accomplishment

ON THE COVER
Main Image: Path located on the Latta Plantation Nature Preserve near Charlotte, NC.
Photo courtesy of Thomas Wyche.

Inset Images: (Top to bottom)

Michelle Morris, Power Delivery Work Center Dispatcher, enters data into the line crew dispatch system.

Catawba Nuclear Station.

Avery Cockerl, Carolinas Distribution Line Technician, at a substation near the Duke Energy Little Rock Operations Center in Charlotte, NC.

ABOUT THIS REPORT

This is Duke Energy's first sustainability report. It highlights our past progress, presents the challenges and opportunities we face and offers our view of the future.

We based the content of this report on the interests of environmental groups and other non-government organizations, investors, academic institutions and large customers. We believe that our community partners and industry peers will also find this report useful.

To provide an independent assessment of this report, we contracted with Business for Social Responsibility (BSR, at www.bsr.org) to review and comment on its scope and content. BSR's opinion is on page 32.

This document presents our 2006 results within our sustainability framework for the future. We also provide historical information where consistent data for Duke Energy and its recent merger partner, Cinergy, were available.

While this report was not structured to conform to the 2006 Global Reporting Initiative (GRI) guidelines, a broad index to GRI indicators can be found on page 30. A more detailed index to the GRI indicators can be found on our Web site at www.duke-energy.com/environment/sustainability.asp. With the information on our Web site, we believe we meet GRI Application Level B.

The theme of this sustainability report is "Our Path Forward," and we are, indeed, moving ahead. We hope you'll join us as we navigate the important environmental, economic and social issues of our time.

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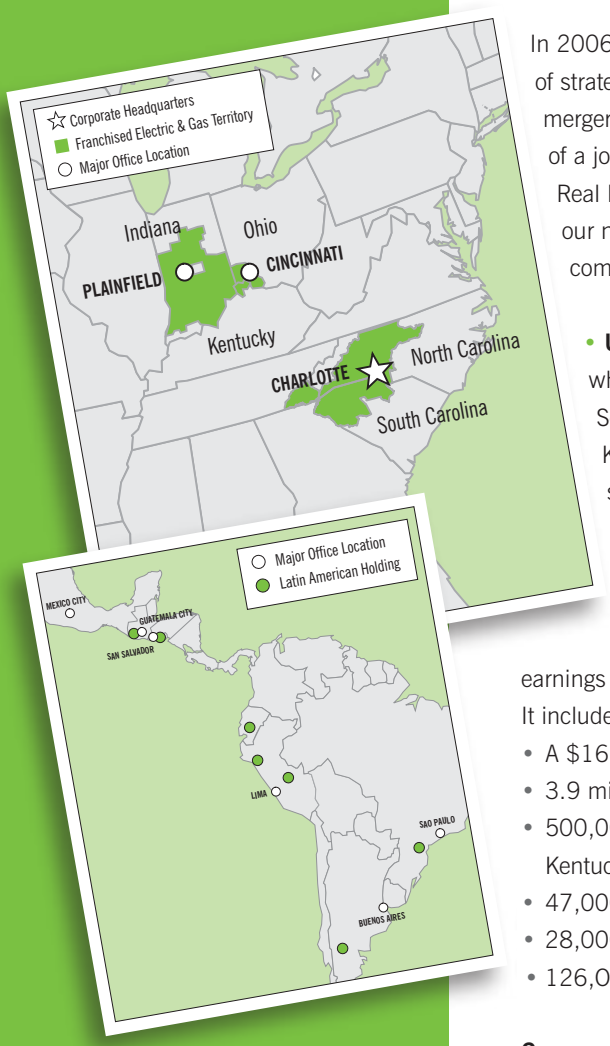
Wetlands at Cayuga Station in Indiana.

DUKE ENERGY
CORPORATE PROFILE



In 2006, Duke Energy completed a number of strategic actions. These included a merger with Cinergy in April, the creation of a joint venture with Morgan Stanley Real Estate Fund and the spinoff of our natural gas pipeline business. The company's current businesses include:

- **U.S. Franchised Electric and Gas –** which operates in North Carolina, South Carolina, Indiana, Ohio and Kentucky. This is our largest business segment and our primary source of earnings growth. We expect this business unit to generate approximately 80 percent of forecasted 2007 ongoing total segment earnings before interest and taxes (EBIT). It includes:
  - A $16 billion retail rate base
  - 3.9 million electric customers
  - 500,000 gas customers in Ohio and Kentucky
  - 47,000 square miles of service territory
  - 28,000 megawatts of regulated generation
  - 126,000 miles of electric lines.

- **Commercial Power** – which owns and operates unregulated power plants, primarily in the Midwest. Almost all of the results for this business come from sales to retail customers in Ohio under that state's Rate Stabilization Plan. Also in this segment is Duke Energy Generation Services (DEGS), which develops, owns and operates electric generation sources that serve large energy consumers, municipalities, utilities and industrial facilities. We expect this business unit to generate approximately 7 percent of forecasted 2007 ongoing total segment EBIT. It includes:
  - 8,100 megawatts of unregulated generation, most of which is dedicated to regulated customers.

- **Duke Energy International** – which encompasses our international electric generation operations located in Central and South America. We expect this business unit to generate approximately 10 percent of forecasted 2007 ongoing total segment EBIT. It includes:
  - 4,000 megawatts of generation, primarily hydroelectric power, in six countries: Argentina, Brazil, Ecuador, El Salvador, Guatemala and Peru.

- **Crescent Resources** – which is an effective joint venture with Morgan Stanley Real Estate Fund, manages land holdings and develops high-quality commercial, residential and multi-family real estate projects in 10 states, primarily in the southeastern and southwestern United States. We expect this business unit to generate approximately 3 percent of forecasted 2007 ongoing total segment EBIT.

KEY TERMS

Actions – not words – are the true measure of a company's character. But words often help put the actions into perspective. We offer this summary of key terms frequently used in this report. More extensive descriptions can be found on our Web site.

Sustainability

Duke Energy has adopted the Dow Jones Sustainability Index definition to describe our approach to sustainability: "Corporate sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."

Greenhouse Gases and Climate Change

The greenhouse effect is a naturally occurring phenomenon, keeping the earth hospitable to life by trapping heat. Carbon dioxide and many other gases exhibit "greenhouse" properties. Some of them occur naturally while others are exclusively man-made.

Recent research – accepted by a growing majority of scientists and policymakers – indicates that human activity has increased the concentrations of these greenhouse gases and contributed to the rise in global average temperatures. To avoid the worst effects of climate change, greenhouse gas concentrations in the atmosphere need to be stabilized, then reduced.

Integrated Resource Planning

One of Duke Energy's greatest challenges is meeting our customers' energy needs in a reliable, cost-effective and environmentally responsible manner. The company's energy planning decisions are guided by a comprehensive Integrated Resource Plan (IRP), which is submitted to our state regulators.

The IRP process evaluates all reasonable resource scenarios, including supply-side options (electric generation) and demand-side options (actions to reduce electric demand). In many states, the IRP process considers the environmental costs and effects of electricity supply and transmission decisions. Cost-effective energy efficiency and renewable energy alternatives are also considered in the IRP process.

PROOF OF PROGRESS

When it comes to sustainability, our path forward is clear. Here are several indicators of our progress:

- We are committed to greatly increasing our spending on energy efficiency programs for customers, subject to appropriate regulatory treatment.
- We are installing pollution controls at our generating stations that will cut sulfur dioxide and nitrogen oxides emissions by 70 percent compared to 1997 levels.
- We are implementing new safe workplace policies and programs.
- We are a significant partner in economic development projects throughout our service areas.
- We continue to deliver electric and gas service at prices below the national average.
- We created value for our investors with a total shareholder return in 2006 that exceeded leading industry indicators.

REPRESENTATIVE AFFILIATIONS AND PARTNERSHIPS

- Alliance to Save Energy
- American Association of Blacks in Energy
- American Red Cross
- Business Roundtable
- Business for Social Responsibility
- Catalyst
- Center for Corporate Citizenship at Boston College
- The Conference Board
- Edison Electric Institute
- Electric Power Research Institute
- EPA Natural Gas Star Program
- Global Environmental Management Initiative
- INROADS
- The Keystone Center
- Massachusetts Institute of Technology: Joint Program on the Science and Policy of Global Change
- National Action Plan for Energy Efficiency
- National Association of Manufacturers
- National Council of Teachers of Mathematics
- National Minority Supplier Development Council
- The Nature Conservancy
- NatureServe
- Pew Center on Global Climate Change
- ORC Worldwide
- Resources for the Future
- TODOS: Mathematics for All
- United Way
- U.S. Climate Action Partnership
- University of Michigan: Graham Environmental Sustainability Institute

A MESSAGE FROM THE CHAIRMAN

Jim Rogers has had a varied career, serving as a reporter, a consumer advocate, an attorney specializing in utility issues and now as a utility executive. Throughout his career, he has been a strong voice for sustainability.

Welcome to Duke Energy's first sustainability report.

Sustainability is shorthand for our business philosophy; simply put, we believe that responsible actions lead to long-term success. Sustainability is more than good corporate citizenship. It's about pursuing our vision of tomorrow while serving our stakeholders well today. It's also about facing challenges honestly and head-on, without sacrificing profitability.

This sustainability report gives you a closer look at some of the broader issues – beyond financial performance and business strategy – that Duke Energy confronts. Here we report on our environmental performance, our safety record, the investments we make in our communities and the values that underlie all of our actions.

LIVING OUR VALUES

Our company's business values are closely linked to performance in all areas. Duke Energy's charter, which precedes this letter, describes our purpose, our objectives, our values and our measures of success. Our Code of Business Ethics, posted on our Web site, guides employees to do the right thing when they contend with tough ethical decisions.

As a company, we face challenging decisions as well:

- How do we meet our customers' growing demand for energy, while reducing our environmental footprint?
- How can we keep our employees and contractors safe?
- How can we attract and retain the right kind of new talent?
- How can we help our communities thrive in a changing economy?
- How can we provide a sustainable return on our shareholders' investments?

THE NEW ENERGY EQUATION

These questions get to the heart of what we call the "new energy equation," which can be solved in part through our focus on sustainability. Achieving the new energy equation will require us to balance the needs of all our stakeholders and challenge conventional wisdom with new thinking and innovation. With that in mind, here's how we're currently addressing each of these complex issues:

Energy and the Environment – Providing the energy we need while protecting the environment is one of the most critical issues of our time. Duke Energy is committed to developing more efficient electric generation with fewer emissions, including the greenhouse gases that contribute to global warming. We are strong advocates for energy efficiency, as shown by our participation in organizations such as the National Action Plan for Energy Efficiency and the Alliance to Save Energy. I am also a founding member of the U.S. Climate Action Partnership, a coalition of business and environmental leaders who advocate taking swift action on federal legislation that will put mandatory limits on greenhouse gas emissions in all economic sectors.

Safety – 2006 was a failure for Duke Energy in this very important area. Four people died due to accidents on the job. The only acceptable goal is zero fatalities – and we have put financial incentives in place for all employees if we reach that goal in 2007. In addition, we have set a goal based on our injury rate, with financial penalties for management if we fall short of that threshold. Employees and contractors will

be safer at work and at home only if we change our mindset and our behavior. We simply must do a better job in this important area.

A Quality Workforce – Employees are the foundation of our company, and they should share in the rewards of our success. The bright, talented people that we hope to attract to Duke Energy expect a company committed to sustainability; they're looking for companies that want to make a real difference in people's lives. Our goal is to have employees of all ages and backgrounds who want to work for an organization that values their contributions, supports their development and helps them find balance in their work and personal lives.

Strong Communities – Helping our communities thrive and grow is important to Duke Energy. We have a long tradition of community support and partnership in the Midwest and Carolinas. Our wide-ranging economic development efforts help create new jobs. Business relations managers throughout our service territory serve as two-way channels of information about community needs and the programs we have in place to meet them. We provide financial support to countless worthwhile causes, and our employees and retirees volunteer in virtually every community we serve.

A Sustainable Return – Our obligation to shareholders means investing their dollars wisely and accepting accountability for achieving our goals. We have reduced much of our company's risk by divesting some of our more volatile businesses, including our trading and marketing operations and much of our wholesale electric generation. Duke Energy's strategy today focuses on our regulated power business, which was greatly expanded in the merger with Cinergy. We are keeping the promises of that merger by achieving economies of scale and sharing those savings with our customers and investors. The company's financial performance, detailed in our Summary Annual Report, is achieved within a broader framework of personal and corporate ethical behavior. We comply with both the letter and the spirit of the laws that govern our operations.

A TEST OF TIME

As a grandfather of seven, I believe there is one sure test of our success: How will our grandchildren view our actions in the future? Years from now, will they know we took the right steps to improve our environment, our communities and our quality of life? Will they believe we made the right ethical decisions, treated our employees fairly and gave customers their money's worth? Or will they wonder why we didn't do more? By anticipating our future generations' answers to those questions, we'll make better decisions that will stand the test of time.

You can find more information about our company's sustainable approach to doing business on our Web site, www.duke-energy.com, where you can also contact us if you have questions or concerns. Thank you for your interest in our ongoing commitment to sustainability.

Sincerely,

Jim Rogers
Chairman, President and Chief Executive Officer
March 26, 2007

OUR RESPONSIBILITY

A child's hand within an adult's symbolizes the responsibility we have to leave our world a better place. The five fingers also help reinforce the five focus areas of our sustainability plan.

A MESSAGE FROM THE VICE PRESIDENT OF SUSTAINABILITY

Roberta Bowman on the campus of the new Charlotte Research Institute at the University of North Carolina – Charlotte. Duke Energy was the lead contributor to the Institute, supporting our commitment to economic development and training workers for the challenges of a global economy.

Jim Rogers' letter outlines the greatest challenges facing our company. Our response to those challenges helps to make the business case for sustainability: Companies that succeed in the long-term are those that effectively manage environmental, economic and social risks and opportunities.

Sustainability issues dominate the competitive landscape wherever we do business. We depend on natural resources to fuel our power plants. The price of electricity and natural gas affects our customers' competitiveness and our regional economies. And, we are a major employer and partner in the communities we serve. For those reasons, we believe that if Duke Energy doesn't have a sustainability plan, we don't have a business plan.

SETTING OUR PATH FORWARD

My responsibility at Duke Energy is to help translate the concept of sustainability into action. Our approach is characterized by research and analysis, integrating sustainability into our business, focusing on what matters most, and establishing clear accountabilities, goals and measures.

In developing the sustainability plan for Duke Energy, we began with our corporate vision and values, our business strategy, and the sustainability commitments of Cinergy and Duke Energy prior to their 2006 merger. We also analyzed the feedback from the Dow Jones Sustainability Index – a leading independent benchmark of excellence in sustainability performance. And, we did a lot of listening. We listened to our many external stakeholders. We listened to leaders in sustainability. We listened to our employees. And we listened to our conscience.

SUSTAINABILITY IS A JOURNEY

Sustainability at Duke Energy is a journey, not a destination. Different parts of our company begin this journey at different mile markers. Some areas have been on the path of sustainability for years, while others are just beginning.

For example, we have long recognized that as we increase power plant efficiency, we reduce costs and emissions per kilowatt-hour. That's why improving power plant efficiency has been an objective of ours for many years. But, as a newly merged company, we are just beginning to bring together our environmental performance data and identify opportunities for improvement. In the future, our goals will be more quantifiable.

ADDING VALUE FOR STAKEHOLDERS

Part of our mission is to make sustainability a core competency at Duke Energy – something that is not only "nice to do," but something that

adds real value. We know that the companies that achieve their sustainability objectives are those that align their words with actions and make sustainability part of the company's operations and culture.

WHAT MATTERS MOST

Sustainability is a big word and its scope can be overwhelming. There are few areas of our business that don't touch on sustainability in some way. Duke Energy's approach is to concentrate our efforts where we have the greatest impact and risk. In financial and legal terms, it's called "materiality." We prefer simpler words: what matters most.

FOCUS AREAS

Our five focus areas were initially shaped by our own priorities, and then refined with external stakeholder input:

- Provide innovative products and services for a carbon-constrained, competitive world
- Reduce our environmental footprint
- Attract and retain a diverse, high-quality workforce
- Help build strong communities
- Be profitable and demonstrate strong governance and transparency

As you'll see on the following pages, each focus area is supported by specific goals and objectives that will guide our actions over the next five years.

REPORTING OUR PROGRESS

This first Duke Energy sustainability report sets the baseline for measuring future performance. Consistent with the company's scope, most of the emphasis in this report is on our U.S. operations. Duke Energy's policies and corporate programs, however, also apply to our international business.

We have placed more information on our Web site at www.duke-energy.com/environment/sustainability.asp, and we intend to add new content throughout the year. I hope you will visit the site for more details and let us know what you think.

Our journey to sustainability follows a path forward. As with any journey, we know we'll encounter some twists and turns along the way, and even an occasional roadblock. But, we also expect that this path forward will lead us to important new discoveries – ideas and innovations that we can't even imagine today. We look forward to reporting our progress in the years ahead.

Sincerely,

Roberta Bowman
Vice President, Sustainability
and Community Affairs
March 26, 2007

Dow Jones Sustainability Indexes
Member 2006/07

Duke Energy has been named one of North America's leading companies in a measurement of financial, environmental and social performance. We are a member of the Dow Jones Sustainability Index for North America (DJSI NA), which tracks leading companies for their sustainable approach to business. The DJSI NA list contains 112 companies selected from the largest 600 North American corporations. Duke Energy was the only "multi-utility" named to the list in 2006.

2007 sustainability plan

This sustainability plan reflects Duke Energy's commitment to conduct our business in a way that creates long-term benefits for our stakeholders, our environment and our company. It recognizes and addresses the key economic, environmental and social opportunities and risks facing our industry today and in the future. This plan expands on the company's business strategy and values. Unless otherwise noted, our intent is to achieve the goals in this plan by 2012. We expect to refine the goals with more quantifiable measures in the future. We have listened to and incorporated feedback from our stakeholders into this plan. The plan does not endeavor to cover every sustainability initiative at Duke Energy – and there are many. Instead, we focus on those areas that matter most from a sustainability risk and opportunity perspective. We will report progress against these goals in this annual sustainability report and other public venues.

Area of Focus	Goals
PRODUCTS & SERVICES Provide innovative products and services for a carbon-constrained, competitive world *Why it matters:* *Our customers want products and services that keep them competitive regionally and globally, yet respond to environmental concerns.*	• Champion energy efficiency as a top industry issue and collaborate with regulators, customers and other key stakeholders to advance innovative policies and programs • Aggressively pursue "smarter grid and meter" technologies that can deliver significant operational and customer benefits • Expand green power options to customers in every state we operate • Keep rates competitive and achieve top quartile customer satisfaction in all markets as measured by national benchmark surveys

ENVIRONMENTAL FOOTPRINT
Reduce our environmental footprint
 	
Why it matters:
As an energy company, we have a large impact on the environment and depend on natural resources for much of our fuel.
	• Diversify our fuel mix and address the climate change issue by:
	  • Promoting U.S. federal policy mandating economy-wide reductions of greenhouse gas emissions
	  • Creating the option to build new nuclear (carbon free) generation
	  • Piloting clean coal and other innovative technologies, e.g., advanced integrated gasification combined cycle technology, geological carbon dioxide sequestration
	  • Securing cost-effective alternative sources of energy
	  • Reducing, avoiding and/or sequestering at least 10 million tons of carbon dioxide equivalents over the next eight years (2007-2014)
	• Continue to focus on safe, reliable and efficient power plant operations
	• Model energy efficiency internally
	• Deliver on our commitment to significantly reduce nitrogen oxides and sulfur dioxide emissions by completing remaining projects to install state-of-the-art emission reduction technologies
	• Develop the next generation of environmental goals in 2007 – considering air, water, waste and land management – to further reduce our footprint

(Left to right) The Energy Explorium is an interactive center located at McGuire Nuclear Station, which allows visitors to learn about energy.

Belews Creek Steam Station, located on the Dan River near Belews Creek, NC is one of our largest coal-fired generating stations.

Annual wood duck banding on wetlands at East Bend Station near Union, KY tracks migration routes and helps provide valuable biological information.

Area of Focus	Goals

QUALITY WORKFORCE
Attract and retain a diverse, high-quality workforce
 	
Why it matters:
Energy companies will be differentiated by the quality, creativity, and customer focus of their employees.
	• Achieve zero fatalities and top decile safety performance in total incident case rate (TICR)
	• Develop a culture of wellness by encouraging, supporting and rewarding improved employee health and well-being
	• Attract, retain and engage a diverse, talented workforce by:
	  • Implementing a more effective employee recruitment and development plan
	  • Developing and implementing innovative employee programs and benefits, e.g., alternative work locations
	  • Launching ways to transfer or retain critical knowledge given that approximately 40 percent of the workforce will be eligible to retire in the next five years
	• Drive understanding of the value of sustainability within the company to inspire ideas and innovation

STRONG COMMUNITIES Help build strong communities *Why it matters:* *Our success is linked to the health and prosperity of the communities we serve.*	• Partner to stimulate economic growth in our communities by attracting 12,500 jobs and $2.4 billion in capital investment in 2007 • Invest over $15 million annually in community programs that improve the quality of life in our communities • Implement tools for our communities to use that will support their long-term planning • Develop and implement strategies to address future water issues that will arise from continued population growth in the Carolinas • Increase spending with diverse suppliers by 5 percent a year • Implement initiatives to support public safety in our communities
GOVERNANCE & TRANSPARENCY Be profitable and demonstrate strong governance and transparency *Why it matters:* *Creating shareholder value and earning the trust and confidence of our many stakeholders keeps us in business.*	• Provide investors a superior and sustainable return on their investment • Assure that we have effective ethics and compliance programs • Regularly benchmark our corporate governance practices against best-in-class and industry peers and recommend revisions as appropriate • Assess our supply chain (services and products) from a sustainability perspective and implement appropriate follow-up actions • Communicate clearly and frequently with our stakeholders

products & services

PRODUCTS & SERVICES

Provide innovative products and services for a carbon-constrained, competitive world

CHALLENGE

- Develop innovative and economical energy efficient products and services to help customers remain competitive in an increasingly global and energy-intensive economy

OPPORTUNITIES

- Build the utility of the future through a combination of innovation, new technology and efficient demand-side management
- Ensure constructive rate treatment for effective approaches that meet customer demand

GOALS

- Champion energy efficiency as a top industry issue
- Collaborate with regulators, customers and other key stakeholders to advance innovative policies and programs
- Pursue "smarter grid and meter" technologies
- Expand green power options for customers
- Keep rates competitive and achieve top quartile customer satisfaction

ENERGY EFFICIENCY – THE FIFTH FUEL

Demand for electricity in the United States is expected to increase by 50 percent by 2030, according to the Department of Energy. In addition to coal, nuclear, natural gas and renewable energy, we believe energy efficiency will become the "fifth fuel" to meet that growing demand.

Relying on finite fossil fuels for all of our energy needs is simply not a sustainable solution. With the right combination of technology, regulatory support and customer acceptance, energy efficiency can benefit our customers, our investors and the environment.

OUR COMMITMENT TO ENERGY EFFICIENCY

In October 2006, Duke Energy created a new department that is focused on energy efficiency. The group is charged with:

- Understanding the many factors that affect electricity usage; and
- Creating energy efficiency programs and services that benefit our stakeholders.

We're also working with state utility commissions, other utility companies and legislative staff to design new laws and regulations that place energy efficiency on an equal footing with investments in power plants. This new regulatory treatment would provide us with an

incentive to explore and invest in new efficiency programs and projects, and give our customers universal access to cost-saving energy efficiency measures.

Our efforts have already been successful in one of the states we serve. Energy efficiency programs approved by the Kentucky Public Utility Commission in 2006 have reduced demand by over 12,800 megawatt-hours, or enough power to serve more than 1,000 homes each year. In our rapidly growing Carolinas region, Duke Energy has committed to invest 1 percent of revenues on energy efficiency programs, once appropriate regulatory treatment is in place.

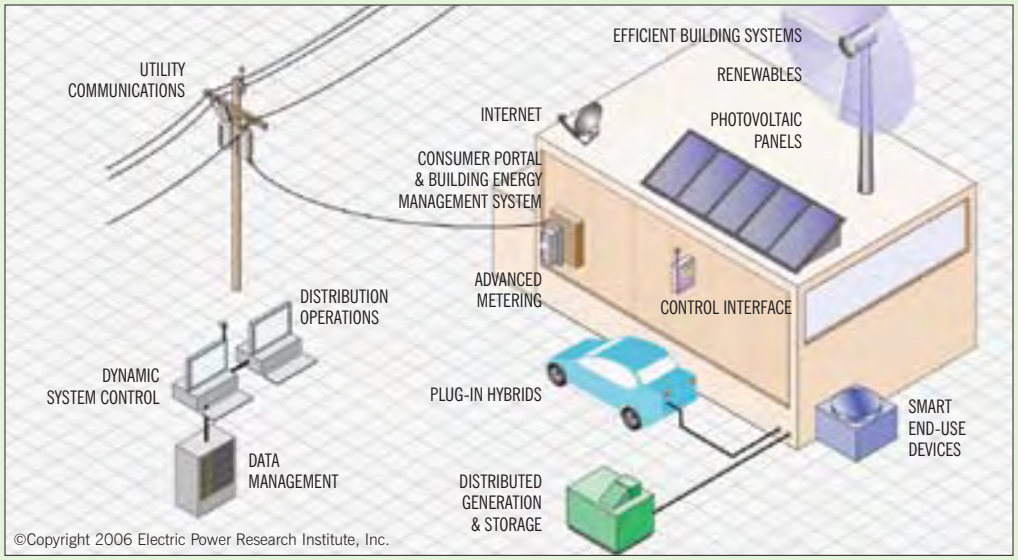
BUILDING A CONSENSUS FOR ENERGY EFFICIENCY

Nationally, Duke Energy is playing a leading role with programs and policies that drive energy efficiency. In 2006, Jim Rogers co-chaired the development of the National Action Plan for Energy Efficiency (NAPEE). Sponsored by the U.S. Environmental Protection Agency and the Department of Energy, NAPEE was the joint effort of 50 gas and electric utilities, utility regulators and other organizations to create a sustainable national commitment to energy efficiency. Visit www.epa.gov/cleanenergy/actionplan/leadership.htm for more information.

We've also taken this national vision to the state level, hosting NAPEE-inspired statewide energy efficiency summits in the states we serve. We conducted collaborative summits in Kentucky and Indiana in 2006 and will hold summits in North Carolina, South Carolina and Ohio in 2007.

ENERGY SAVINGS TIPS

Duke Energy offers a variety of services to help customers reduce their energy bills. Depending on the state of residence, we offer audits in the home or online. Customers can also learn how to use appliances more efficiently, construct an energy efficient home or compare costs of energy efficiency alternatives. Visit www.duke-energy.com for our latest energy savings tips.



PARTNERING WITH THE EPA

The Environmental Protection Agency (EPA) partnered with Duke Energy to complete a complex metering and control system at the agency's Research Triangle Park facility in North Carolina. The agency tried several vendors and technologies, but Duke Energy was the only one to design and deliver a viable solution. The EPA can now monitor energy usage and billing for electricity, natural gas, fuel oil and water at its various buildings on the site, resulting in lower costs and improved understanding of usage patterns.

THE UTILITY OF THE FUTURE

One of the most exciting developments in electricity distribution and use is bundled in what we call the "Utility of the Future." Just as automobiles and manufacturing have been transformed by the digital revolution, we are beginning to apply advanced technology to our electric system.

The graphic above illustrates what the new "digital grid" might look like and how it will serve our customers and communities.

Harnessing New Technology

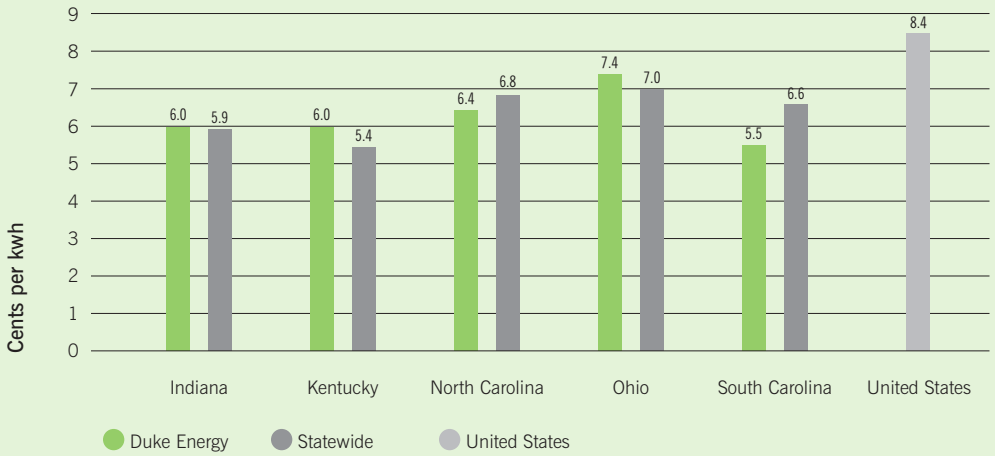
New technologies will drive fundamental changes in the way electricity is generated, priced and used. Customers want to manage their energy use more closely, and "smart meters" will provide real-time price information. These advanced meters will also tell us when, where and how much power our customers use, helping us better tailor our operations and planning to customer demand. We are piloting smart meters in 2007 and expect to have them in nearly all customers' homes and businesses in five to seven years.

Increased Reliability, Decreased Cost

Utility of the Future concepts will make us a more efficient company in many ways. All the various components of the energy delivery system will be linked through real-time communications. State-of-the-art technology will help us pinpoint outages and make repairs more quickly. The ultimate goal is to provide greater reliability – with less environmental impact – at a lower cost to our customers.

Visit the residential or business customer portions of our Web site for more information on energy savings and management.

Comparison of Average Electric Rates*



*Source: EEI Typical Bills and Average Rates, Summer 2006.

CUSTOMER SATISFACTION

What drives customer satisfaction in our business? Our customers tell us it's two things: the cost of our product and the reliability of our service.

Duke Energy's electric rates, on a cents per kilowatt-hour basis, continue to be competitive in our five-state service area. Nationally, as indicated on the chart above, our rates are more than 20 percent below the national average.

Our customer satisfaction results in 2006 were mixed. In surveys of several thousand customers, 82 percent rated their overall satisfaction with Duke Energy as an 8, 9 or 10 on a scale of 1 to 10, exceeding our goal of 76 percent.

There are also several external measures of customer satisfaction, including J.D. Power and Associates' 2006 Electric Utility Residential Customer Satisfaction Study. In that survey, Duke Energy achieved top-quartile performance in the Carolinas and third quartile in the Midwest.

We were not successful in achieving our 2006 reliability goals. Our average service interruption duration and frequency levels were:

2006 Results	Actual	Goal
Average time without power* per customer	164 min.	138 min.
Average number of outages* per customer	1.3	1.2
* Longer than five minutes		

Improving reliability performance is a key objective in 2007.

SHEDDING LIGHT ON ENERGY SAVINGS

Duke Energy partnered with Alexandria and Ludlow, Kentucky mayors and local retailers to help customers save money by purchasing ENERGY STAR® compact fluorescent light bulbs (CFLs). Through a special discount offer, customers were able to buy bulbs that normally cost $5 for as little as 99 cents. Customers will save on energy bills, too: CFLs use up to 75 percent less energy than standard incandescent bulbs.

environmental footprint

Engineered wetland to treat wastewater at Marshall Steam Station, near Terrell, NC.

ENVIRONMENTAL FOOTPRINT

Reduce our environmental footprint

CHALLENGES

- Ensure reliable and cost-effective energy supplies for customers while minimizing our impact on the environment
- Help address and meet the challenge of reducing greenhouse gases

OPPORTUNITY

- Share our expertise, ideas and leadership to demonstrate that the new energy equation can be solved through multiple supply and demand options

GOALS

- Promote U.S. federal policy mandating economy-wide reductions of greenhouse gas emissions
- Create the option to build new nuclear (carbon free) generation
- Pilot clean coal and other innovative technologies
- Secure cost-effective alternative sources of energy
- Reduce, avoid and/or sequester at least 10 million tons of carbon dioxide (CO_2) equivalents over the next eight years (2007-2014)
- Continue to focus on safe, reliable and efficient power plant operations
- Model energy efficiency internally
- Deliver on our commitment to reduce nitrogen oxides and sulfur dioxide emissions
- Develop next generation environmental goals in 2007 to further reduce our footprint

OUR IMPACTS ON THE ENVIRONMENT

Like any business, our operations leave an environmental footprint. We use natural resources such as coal, uranium, natural gas, oil and water to generate electricity for our customers. We also use tens of thousands of gallons of gasoline and diesel fuel for our service trucks and cars. We create waste streams in the process of generating electricity. And, our transmission and distribution systems are made of wood, steel and aluminum. Given our company's reliance on these materials, it is essential that we use natural resources as efficiently as possible.

Duke Energy has developed a comprehensive environmental, health and safety policy and management system to guide our actions. As a result, we:

- Establish processes to ensure compliance with environmental laws and regulations
- Set goals and measure performance
- Engage with stakeholders to advance mutual environmental objectives
- Proactively manage public policy issues such as climate change
- Emphasize environmental stewardship.

REDUCING AIR EMISSIONS

Emissions of sulfur dioxide (SO_2), nitrogen oxides (NOx) and mercury from coal-fired power plants continue to be a major focus area for lawmakers, regulators and the public.

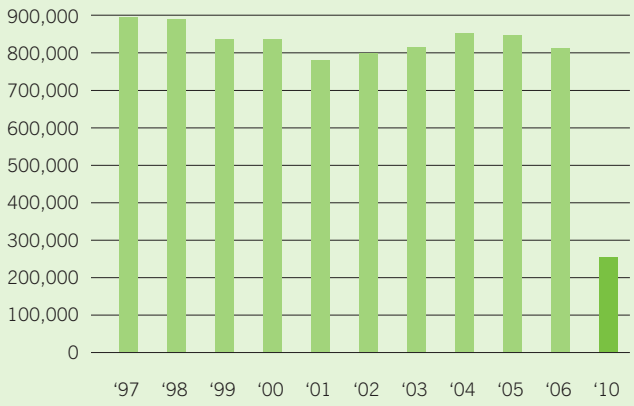
Duke Energy has taken, and continues to take, aggressive action to reduce its emissions:

- Between 1998 and 2011, we are investing nearly $5 billion in controls to reduce our SO_2, NOx and mercury emissions.
- By 2010, we project that both our SO_2 and NOx emissions will be about 70 percent lower than they were in 1997.
- The technologies we're installing to reduce SO_2 and NOx also significantly reduce mercury emissions. Our current estimate places mercury removal at between 70 and 80 percent. We will report further on the effectiveness of these controls to reduce mercury emissions when we have more data.

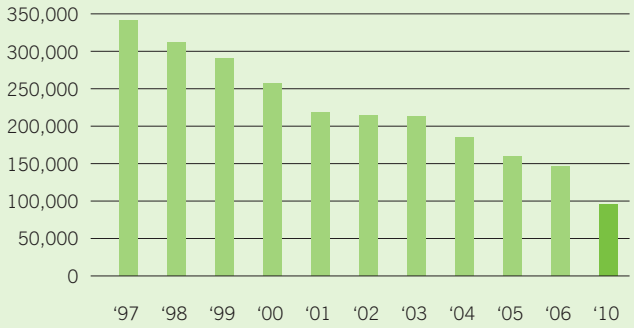
ENVIRONMENTAL PERFORMANCE

We continue to install pollution control equipment on our electric generating plants. NOx emissions have declined sharply as shown below, and SO_2 is expected to show a similar decline as more "scrubbers" come into service. 2010 data is projected.

Sulfur Dioxide Emissions (Tons)



Nitrogen Oxides Emissions (Tons)



SO_2 and NOx reported from electric generation only, and based on ownership share of stations. Combustion turbines not equipped with continuous emission monitors and facilities operated but not owned by Duke Energy Generation Services are not included.

Sulfur Dioxide Emissions (Tons)*	
2005	844,500
2006	812,600
Nitrogen Oxides Emissions (Tons)*	
2005	160,400
2006	148,600

* SO_2 and NOx reported from electric generation only, and based on ownership share of stations. Combustion turbines not equipped with continuous emission monitors and facilities operated but not owned by Duke Energy Generation Services are not included.

Approximately 70 percent of the electricity Duke Energy produces for customers comes from coal, so CO_2 releases are unavoidable. By using nuclear energy instead of coal for a portion of our generation, Duke Energy has avoided the release of approximately 1.1 billion tons of CO_2 since the three nuclear stations entered service.

Carbon Dioxide Emissions (Tons)*	
2005	107,400,000
2006	105,400,000

* Emissions are for U.S. and Latin American electric generation facilities.

Coal Consumption (Tons)	
2006	46,500,000

2006 Coal Combustion Byproducts (Tons)	
Beneficial Reuse	2,870,000
Land Disposal or Pond Stored	1,990,000
Flue Gas Desulfurization (FGD)*	670,000

* FGD material is primarily a mixture of lime, fly ash and calcium sulfite created by the SO_2 scrubber process.

2005 Toxic Release Inventory* (Pounds)	
Releases to Air	80,172,829
Releases to Water	247,542
Releases to Land	15,234,393
Off-Site Transfers	77,123
Total	95,731,887

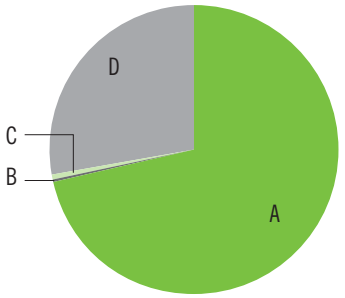
* 2006 data will not be available before July 2007. Data pertains to Duke Energy ownership share of facilities.

2006 Regulatory Citations*
13 Citations with $12,713 paid in fines/penalties

* Includes Notices of Violation and similar infractions of permits or licenses at facilities operated by Duke Energy.

2006 Oil Spills (Gallons)	
75 Spills	3,251

2006 NET MEGAWATT-HOUR GENERATION PERCENTAGES BY FUEL*



A	Coal	104,929,426	70.7%
B	Natural Gas/Oil	2,578,213	1.7%
C	Hydro	867,996	0.6%
D	Nuclear	40,422,697	27.0%

* Data based on Duke Energy's ownership share of all facilities.

More information on our air emissions is available at www.duke-energy.com/environment/air-quality.asp.

CLIFFSIDE STATION

Duke Energy proposed building two new 800-megawatt power plants using supercritical coal technology at our Cliffside Station in North Carolina. This is the most environmentally efficient pulverized coal technology available today, typically burning 10 percent less coal than conventional units and emitting significantly less sulfur dioxide and nitrogen oxides.

In March 2007, we received the formal Order from the North Carolina Utilities Commission, which authorized building one of the two units. The Commission also accepted our commitment to invest 1 percent of our revenues in the Carolinas for energy efficiency, subject to appropriate regulatory treatment, and our plan to retire older, less efficient units.

Cliffside's cost estimates were based on two units, and we still need an air permit for this project. We are studying the economics to determine whether we should proceed with the Cliffside project or consider other alternatives, including natural gas-fired plants. We won't make a decision until we have a clearer understanding of the overall costs, as well as the conditions of the air permit.

THE NEED FOR NEW BASE LOAD GENERATION

It's been many years since Duke Energy has had to build a new "base load" power plant – that is, a plant that operates continuously. In fact, the last base load station built in the Midwest was the Zimmer Station in 1991. In the Carolinas, it has been over two decades since the Catawba Nuclear Station entered service in 1986.

We've been able to meet rising demand for electricity without building new base load power plants by:

- Making our existing stations more efficient at producing power, despite adding pollution control equipment that requires more electricity
- Working closely with large customers to reduce their electric consumption during times of high demand
- Implementing a variety of demand-side measures for large and small customers
- Adding combustion turbines to provide peak power when needed during hot summer days or cold winter mornings
- Buying power from other generators when cost and reliability conditions are favorable.

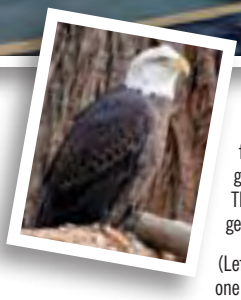
While these measures have delayed the need for new generation, they cannot offset entirely the rising demand for electricity. Regulated utilities are required by law to meet the energy needs of their customers. "Running out of power" simply is not an option. In the fast-growing Carolinas, 40,000 to 60,000 customers join our system each year. Our service areas in Indiana, Kentucky and Ohio are adding 11,000 to 16,000 customers a year.

Forecasts indicate that our customers in the Carolinas will need an additional 2,120 megawatts by 2011, increasing to an additional 6,120 megawatts by 2021. For perspective, Duke Energy Carolinas' generating capacity is currently about 20,000 megawatts.

New Resource Requirements* (Megawatts)

Year	Indiana	Carolinas	Kentucky	Ohio
2011	275	2,120	No new generation is planned at this time	Plans are being reviewed
2016	612	4,180		
2021	797	6,120		

* Figures represent cumulative totals to maintain a 15% reserve margin (Indiana) or 17% reserve margin (Carolinas) that may come from purchases, company-owned assets, and/or additional demand-side management.



(Above) Gibson Station, near Mt. Carmel, IL, shows steam from its SO_2 scrubbers. The cooling pond is in the middle ground and the Cane Ridge Wildlife Area is in the foreground. The two islands provide nesting habitat for the federal endangered Interior Least Tern.

(Left) Cayuga Station, near Cayuga, IN hosts Eagle Viewing Days one weekend each year. This event draws up to 2,000 visitors for an opportunity to see this American icon in its natural setting.

LEVERAGING ALL FIVE FUELS

Even with the aggressive actions our company and customers have taken, we will need all five fuels – coal, nuclear, natural gas, renewables and energy efficiency – to meet customer needs. As an outcome of the Integrated Resource Planning process, we are considering several options, each with its own implications for the company's environmental footprint:

- Constructing a nuclear power plant in South Carolina
- Constructing a modern, state-of-the-art pulverized coal-fired plant at our Cliffside Station in North Carolina
- Constructing an integrated gasification combined cycle (IGCC) plant that transforms coal into a synthetic gas to produce electricity at our Edwardsport Station in Indiana
- Building or buying additional natural gas-fired plants
- Designing additional energy efficiency and conservation measures
- Pursuing renewable (wind, solar or biomass) power plant technologies where feasible.

ENVIRONMENTAL STEWARDSHIP

Every action counts in reducing our environmental footprint; no effort is too small. In addition to improving local habitats, many of our environmental stewardship projects provide our customers and communities with opportunities to experience nature. Here are just two examples:

- **Cane Ridge Wildlife Area** – Over 450 acres adjacent to the Gibson Station cooling pond were converted into an exceptional wildlife habitat, becoming one of the most successful conservation efforts in the Midwest.
- **Nature Trails, Butterfly Gardens and Wildlife Food Plots** – With the help of area garden clubs, civic groups, Boy Scouts and Girl Scouts, all three nuclear stations in the Carolinas – and several other Duke Energy facilities – host natural areas to support local wildlife.

More information is available at www.duke-energy.com/environment.

WIND POWER

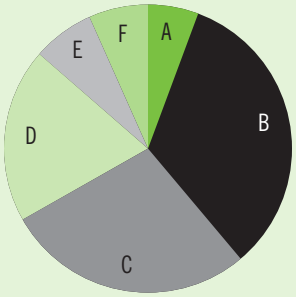
In September 2006, Duke Energy Indiana entered into a 20-year power purchase agreement with Benton County Wind Farm LLC to purchase the electricity produced by a 100 megawatt wind power facility to be constructed in Benton County, Indiana. This project will add a clean, renewable energy source to Duke Energy's portfolio, help boost the local economy and encourage innovative ways to generate power within the state. This agreement paves the way for the first significant wind power project and long-term purchase of wind power in Indiana.

HYBRID BUCKET TRUCKS

Duke Energy is among the first utilities in the nation to test diesel-electric service trucks. Three hybrid trucks are being tested for fuel economy and emissions-reduction benefits. Independent tests show the hybrid trucks may provide 40 to 60 percent fuel savings and reduced air emissions because the vehicles can operate the buckets in electric-only mode.

2004 U.S. GREENHOUSE GAS EMISSIONS

By sector (Million Metric Tons CO_2 Equivalent)*



Residential	391.1	6%
Electricity Generation	2,337.8	32%
Transportation	1,955.1	28%
Industry	1,377.3	20%
Agriculture	491.3	7%
Commercial	459.9	7%

* Source U.S. EPA. Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2004. April 15, 2006.

Greenhouse gas emissions come from many sources. This chart shows that the largest contributors to total U.S. emissions are the electric generation, transportation and industrial sectors.

CLIMATE CHANGE AND DUKE ENERGY'S CALL TO ACTION

As the third largest consumer of coal in the U.S., Duke Energy is taking a leadership role in addressing global climate change.

OUR THREE-PRONGED APPROACH

Our approach to greenhouse gases and climate change has three components:

- Promoting mandatory greenhouse gas reduction regulations
- Voluntarily reducing our greenhouse gas emissions
- Advancing technological innovations

Policy Leadership – Duke Energy supports passage of federal legislation mandating economy-wide regulation of greenhouse gas emissions. We believe Congress should act now to establish a market-based program that would cap greenhouse gases emitted from all U.S. sources, including power generation, industrial and commercial sources and the transportation sector. Climate change is a global issue; therefore, it would be counterproductive for each state in our country to pass its own legislation with different requirements and incentives.

A national cap-and-trade program is our preferred approach. This type of program would set a price for greenhouse gases, thereby establishing necessary price signals for the marketplace. Prices would also provide clear financial incentives to more aggressively develop technologies to reduce greenhouse gases. To permit the economy to adjust to the changes ahead, legislation should first focus on slowing the growth of greenhouse gas emissions and later transition to a declining national cap.

Congress should adopt economy-wide climate change legislation as soon as possible based on the proven cap and trade approach used in the Clean Air Act Amendments of 1990 and more recent regulatory programs. This will provide the necessary regulatory framework our nation needs to ensure utilities like Duke Energy can make the best long-term decisions on behalf of our customers and the environment.

Voluntary CO_2 Reduction – Duke Energy believes it is important to continue reducing greenhouse gas emissions even before these emissions are regulated. Our goal is to reduce, avoid and/or sequester 10 million tons of CO_2 equivalent emissions by 2014. We will be investing $3 million per year on various types of greenhouse gas reduction projects to achieve this goal. In the past, we have invested in wind and solar power demonstrations, reforestation, power plant improvements and lighting upgrades, among other projects.

We are convinced that voluntary actions are not enough – a mandatory policy is needed to address climate change in a fair and economically sound manner. More information about our commitment is at www.duke-energy.com/environment/climate-change.asp.

Technological Innovation – New technology will play an important role in achieving the country's climate change objectives. We are supporting research and development on both supply-side and demand-side options. We have plans to build state-of-the-art coal and nuclear plants, and have been awarded significant federal investment tax credits for our Edwardsport Integrated Coal Gasification project and our Cliffside supercritical pulverized coal project.

In addition, Duke Energy is involved in three of the seven Department of Energy regional carbon sequestration partnerships. Our East Bend Generating Station in Kentucky was chosen as a Phase II geologic sequestration project for the Midwest Regional Carbon Sequestration Partnership. The purpose of the project is to investigate the safety and effectiveness of carbon sequestration.

Because geologic sequestration is not feasible in many parts of the U.S., we are working with other companies and the Electric Power Research Institute (EPRI) to evaluate the use of chilled ammonia to permanently capture and remove CO_2 from flue gas. The goal is to continue using coal as a secure and affordable fuel for electric generation while reducing CO_2 emissions.

Duke Energy is also partnering with Southern Company on a potential new nuclear station in Cherokee County, SC. Additionally, we are actively involved in the NuStart Energy consortium, which will develop first-of-a-kind engineering for new nuclear reactors.

SUPPORT FOR RESEARCH AND DEVELOPMENT

Much of Duke Energy's research is done collaboratively. In 2006, we invested approximately $12.5 million in research on power generation, power delivery and environmental sciences. The largest portion of our research budget – approximately $10 million – went to EPRI. Founded in 1973, EPRI is an independent, nonprofit center for public interest energy and environmental research; its members represent over 90 percent of the electricity generated in the U.S. For every dollar we invest in EPRI, Duke Energy receives about $30 worth of collaborative research and knowledge.

CLIMATE CHANGE POLICY PARTNERSHIP

As a founding corporate sponsor, Duke Energy pledged $2.5 million to support climate change policy research at Duke University. The Climate Change Policy Partnership (CCPP), formed in August 2005, includes corporate partners, the Nicholas School of the Environment and Earth Sciences, the Nicholas Institute for Environmental Policy Solutions and The Center on Global Change. More information is at www.nicholas.duke.edu/institute/ccpp/.

quality workforce

CHALLENGES

- Improve employee and contractor safety
- Compete with other companies and industries for the best talent

OPPORTUNITIES

- Become the leader in safe work practices
- Maintain our reputation as a preferred employer and attract top talent by providing high-quality training, competitive benefits and a safe, satisfying work environment

GOALS

- Achieve zero fatalities and top decile safety performance in total incident case rate (TICR)
- Develop a culture of wellness by encouraging, supporting and rewarding improved employee health and well-being
- Drive understanding of the value of sustainability within the company to inspire ideas and innovation
- Attract, retain and engage a diverse, talented workforce by:
  - Implementing a more effective employee recruitment and development plan
  - Developing and implementing innovative employee programs and benefits
  - Launching ways to transfer or retain critical knowledge

TELL ME

Duke Energy's "Tell Me" program encourages employees to protect each other by identifying risky behavior and immediately stopping those actions. The concept is simple: By wearing the "Tell Me" badge, employees invite others to tell them when they may be performing an unsafe act.

2006 SAFETY REVIEW

Last year was tragic for Duke Energy in one important respect: One employee and three contractors died due to accidents on the job. Of these, two were in U.S. Franchised Electric and Gas' Power Delivery operations, one was at a construction project at Belews Creek Steam Station, and one was at Duke Energy Gas Transmission (now Spectra Energy). Our thoughts continue to be with the families affected by these tragedies.

All major accidents at Duke Energy are rigorously reviewed to understand the root cause and to prevent accidents in the future. Information about the accident and preventative actions are promptly shared within the company (including with the company's board of directors) and, where appropriate, with contractors and other industry partners.

IMPROVING SAFETY

Improving employee and contractor safety is a top priority for our company. Because safety is an objective we share with other companies and industries, Duke Energy hosted a National Safety Summit in Washington, DC in October 2006.

Approximately 80 participants from business, labor and government came to the summit to share data, lessons learned and best practices in contractor safety. In 2007, we are continuing to promote improved contractor safety by maintaining the momentum from the National Safety Summit and convening action within the trade association for investor-owned electric utilities, the Edison Electric Institute.

EMPLOYEE SAFETY DATA

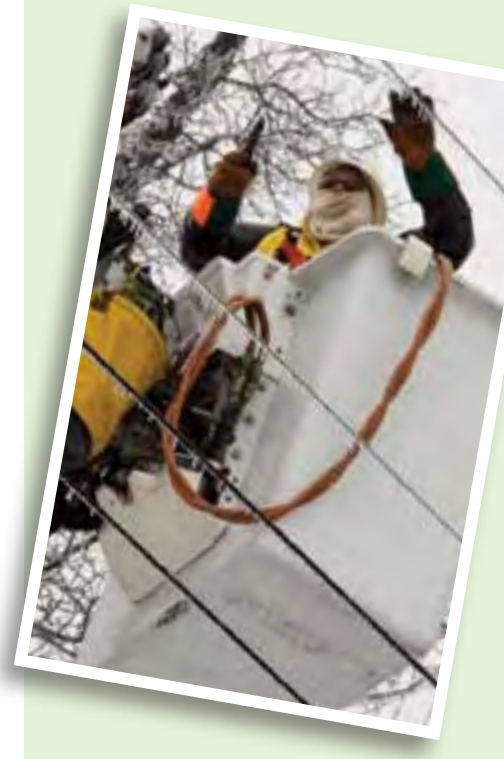
- Based on Occupational Safety and Health Administration criteria, in 2006, we had 302 employee incidents during approximately 40.2 million work hours, a 7 percent decrease from 2005.
- We met our 2006 total incident case rate (TICR) target of 1.50 and achieved a total lost workday case rate of 0.35. Our 2007 target is a 5 percent improvement in the TICR, to 1.43.
- Our natural gas operating unit in Ohio and Kentucky achieved strong improvement in safety performance in 2006, with half the number of personal injuries compared to 2005 and the lowest TICR in 10 years.

NEW SAFETY INCENTIVE

To reinforce the role every employee plays in safety, all employees will receive a 5 percent increase in their short-term incentive payments if Duke Energy has no employee, contractor or sub-contractor fatalities in 2007. This provides an added incentive for vigilance and communication about unsafe working conditions. Additionally, management employees under the long-term incentive plan will lose 5 percent of their bonuses if certain TICR goals are not met.

EHS STEERING TEAM

In 2006, we established an Environmental, Health and Safety Steering Team to reinforce our safety and environmental goals. Comprised of officers representing generating stations, natural gas operations, fleet services, purchasing, legal, human resources and engineering services, the steering team meets regularly to share information about compliance issues and best safety practices. The steering team also ensures consistent policy direction across the company.



Chris Ayers, Line Specialist, works to restore power in Bloomington, IN after an early 2007 ice storm.

QUALITY WORKFORCE

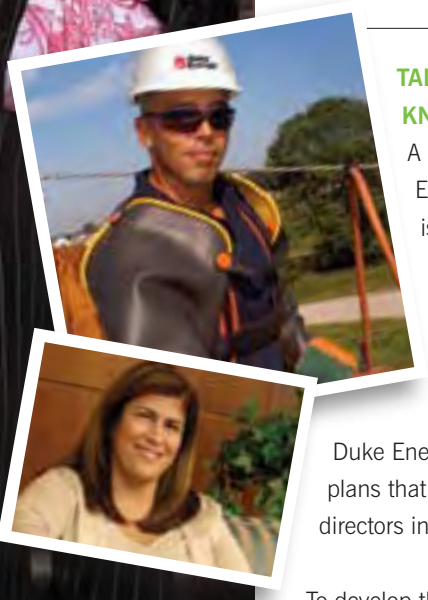
DIVERSITY AND INCLUSION

An inclusive workplace is one where employee differences are valued, where people are trusted to make good decisions and where they are able to connect with others across the company to achieve superior business results. Duke Energy has a number of initiatives to support an inclusive culture. These include regular "Open Forums" with company leaders, extensive training offerings, work/life balance programs and employee resource groups such as the Business Women's Network and Minority Professional Association.

A Diversity Council, comprised of a cross section of company representatives, provides oversight and direction for the company's diversity and inclusion initiatives. Diversity recruitment is aimed at particular segments of the population, such as women and people of color, in areas such as finance, accounting and engineering.

Workforce Diversity Statistics	
Regular full-time employees as of Jan. 31, 2007	17,910
Females as percent of workforce	21.7%
Females as percent of management	17.5%
Ethnic Diversity	
• Caucasian	81.9%
• African American	10.6%
• Hispanic	0.9%
• Asian/Pacific Islander	0.8%
• American Indian/Alaskan Native	0.3%
• Not Identified*	5.5%
Members of a collective bargaining unit	25.8%

* Duke Energy International employees for whom gender and race data are not captured.



TALENT DEVELOPMENT AND KNOWLEDGE TRANSFER

A particular challenge for Duke Energy, like many electric utilities, is that approximately 40 percent of our employees will be eligible to retire within the next five years. To address knowledge transfer and retention, Jim Rogers has charged the top 50 leaders of Duke Energy with developing workforce plans that he will present to the board of directors in August.

To develop the skills of our team, we conducted more than 2,400 training and professional development courses in 2006. In addition, job-rotation programs, apprenticeships, development planning and training in leadership, management and technical areas were held. We also introduced Skillsoft E-learning, a new suite of more than 2,700 computer-based training courses in information technology, business skills and other subject areas. Available via the Internet, Skillsoft provides employees access to training at any time, from any location.

WORK/LIFE BALANCE

We recognize that our employees must balance work, home and community priorities and we offer a number of programs to help. Examples include:

(Top to bottom) Rhonda Toodle, Customer Billing Information System Agent, processes service requests at the Customer Contact Center in Charlotte, NC.

Joseph Garcia, Senior Lineperson A, in full personal protective equipment, works out of our Todhunter district office near Monroe, OH.

Kay Pashos, Vice President of Regulatory Strategy, is a key member of our Franchised Electric and Gas operating unit.

Wellness – Employee wellness programs include: education, medical screenings, risk assessment and behavior modification (if desired). We are also exploring new offerings such as smoking cessation and nutritional counseling. In 2007, Duke Energy will become an entirely smoke-free workplace.

Compensation and Benefits – To compete for the most talented employees, we have compensation and benefits packages that include competitive pay, vacation, a 401(k) retirement savings plan with company match and a retirement cash-balance pension plan.

We also support the volunteer and educational interests of our employees. For example, our Excellence in Education and Communities program gives all full-time employees 10 hours of paid time off each year for activities at schools or to volunteer in their communities.

Duke Energy goes well beyond legal requirements to support employees who serve in the armed forces. All non-unionized, eligible employees on approved military leave of absence are eligible to receive 100 percent of their base pay for up to 52 weeks on a continuous or intermittent basis and 75 percent of base pay for up to an additional 104 weeks.

Employee Opinion Survey – Since 1990, Duke Energy has systematically measured employee opinions about the company. The 2006 survey, conducted after the merger, sampled approximately 40 percent of employees. Here are headlines from the results:

- Most employees expressed a high degree of job satisfaction and saw Duke Energy as a performance-based culture.
- Employees valued diversity to a greater degree than in the past and at a level that continued to exceed national norms.
- Employees' perception of management ethics showed steady improvement.
- But, employees expressed confusion and frustration over merger integration issues and a series of workforce reductions.

Results from the Employee Opinion Survey are shared broadly within the company. For example, two of the 2007 Charter imperatives respond to employee feedback:

- Establish the identity and culture of the new Duke Energy, unifying our people, values, strategy, processes and systems.
- Optimize our operations by focusing on safety, simplicity, accountability, inclusion, customer satisfaction, cost management and employee development.

TOP TO BOTTOM

(Left to right) Marcelo Flores, David Morgan, Bobby Morrison, Reggie Little, Distribution Line Technicians, with the diesel/electric hybrid service truck now being tested at our Matthews, NC operations center.

Sirlene Flores, Customer Service Specialist, uses her bilingual skills to assist customers.

Joe Miller, General Manager of Zimmer Station, near Moscow, OH.

strong communities

CHALLENGE

- Help keep our service regions competitive with other locations so that they can attract and retain the people, services and job opportunities that make a community vibrant

OPPORTUNITY

- Duke Energy's customer and community programs can help differentiate the regions we serve

GOALS

- Partner to stimulate economic growth in our communities by attracting 12,500 jobs and $2.4 billion in capital investment in 2007
- Invest over $15 million annually in community programs that improve the quality of life in our communities
- Implement tools for our communities that will support their long-term planning
- Develop and implement strategies to address future water issues that will arise from continued population growth in the Carolinas
- Increase spending with diverse suppliers by 5 percent a year
- Implement initiatives to support public safety in our communities

2006 ECONOMIC DEVELOPMENT

Duke Energy was a key contributor to the economic growth of its service territories in 2006. The three economic development regions – the Carolinas, Indiana and Greater Cincinnati – were instrumental in attracting new industry, helping existing customers expand and working with local communities to promote a favorable business environment.

Our team of experienced business and economic developers had an extraordinary year and helped create more than 17,000 new jobs and attract $5.1 billion in new capital investment across our service areas.

Citigroup, GSI Commerce Solutions, Pfizer, Poly-America and Fidelity are among the companies that chose Duke Energy-served sites for their expansion and relocation needs. Driven by efforts from our economic development staff and state and local economic development professionals, we continued to diversify our economy by attracting high-wage and technology-intensive businesses.

SUPPLIER DIVERSITY

Duke Energy's commitment to diversity extends beyond its employees to include suppliers, community organizations and our customers. We have a focused effort to identify and support businesses owned by women, minorities and veterans. Our philosophy is that with a more diverse supplier base, we have stronger competition, which benefits our company and our communities.

2006 Diversity Expenditure* (in millions)		
2005	2006	Increase over 2005
$132.1	$143.2	8.4%

* "Diversity" means women-, minority-, and veteran-owned businesses.

ENERGY ASSISTANCE

Duke Energy offers a number of initiatives to assist low-income customers, including programs that help customers reduce costs by improving energy efficiency, as well as programs and policies supporting energy assistance.

In 2006, over $10 million was contributed by Duke Energy, its customers, and the Duke Energy Foundation to energy assistance programs in the communities we serve. We partner with social service agencies to administer the programs in order to make energy assistance part of an integrated response to customers in need. In some cases, our customers and our Foundation also contribute funds for energy assistance.

The programs for energy assistance go by different names in the regions we serve:

- North and South Carolina: Share the Warmth, Fan Relief and Cooling Assistance
- Ohio: HeatShare
- Kentucky: WinterCare
- Indiana: Helping Hand

CONTRIBUTING TO OUR COMMUNITIES

In addition to providing safe and reliable energy and serving as a major employer, Duke Energy also contributes to its communities with charitable grants and volunteerism.

In 2006, charitable contributions totaled over $19 million. Adding in other company contributions, in-kind donations, employee and retiree volunteer time and their contributions through company programs and campaigns, Duke Energy – and its people – contributed close to $29 million in 2006.

PUBLIC SAFETY

Duke Energy has a number of programs to educate the public about electric and gas safety. In 2006, we organized, updated and expanded our public safety information on a number of topics, including:

- Call Before You Dig
- Report a Power Outage
- Report a Gas Leak
- Right of Way Management
- Electric Safety
- Gas Safety
- Nuclear Emergency Preparedness
- Contractors & First Responders Safety
- Kids Safety
- Identifying a Duke Energy Employee

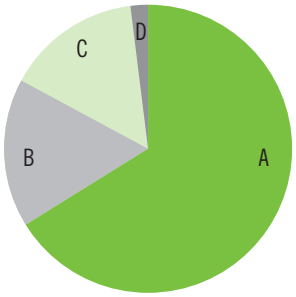
To learn more about any of these topics, please visit our Web site at: www.duke-energy.com/safety/.

Duke Energy concentrates its electric and natural gas safety messages on four main audience groups: contractors, emergency first responders, school children and customers. We offer English and Spanish language booklets, videos, decals, trainers' guides and other materials upon request.

We also continued radio, television and newspaper safety messages, bill inserts and natural gas and electric safety demonstrations in our service areas.

2006 CONSOLIDATED GIVING

Each year, we aggregate all of the contributions made by Duke Energy, including Foundation and other cash contributions; in-kind gifts and services; and the contributions and volunteerism of our employees and retirees. In 2006, Duke Energy giving totaled close to $29 million.



A	Foundation Charitable Donations	65%
B	Employee/Retiree Volunteer Time	16%
C	Employee/Retiree Giving	15%
D	Cash & In-Kind Goods/Services	4%

In addition, Duke Energy Carolinas continues to share its Bulk Power Marketing (BPM) profits through programs with industrial customers, the economic development community and public assistance agencies in the Carolinas. Charitable contributions from BPM profits to non-profit organizations in 2006 totaled over $6.4 million. These grants benefitted energy assistance programs, the North Carolina Community College Grant Program and AdvanceSC for education in South Carolina.

UNITED WAY SUMMIT AWARD

United Way of America honored Duke Energy in 2006 with its Summit Award, recognizing the company's commitment to improving local communities.

(Left to right) Vincent Davis, Director of Customer Operations, helps build a handicapped-accessible ramp and deck in Cincinnati, OH.

Eileen Olofson and Stephanie Liles, Office and Communications Services, help at a local food bank.

Joe Needham, Senior Applications Systems Analyst, installs a new computer system at a youth camp near Indianapolis, IN.

DUKE ENERGY FOUNDATION

The Duke Energy Foundation concentrates its grants in three areas:

- **Environment and Energy Efficiency** – *Grants for conservation, training, research and energy efficiency services.*
  - People Working Cooperatively is a non-profit organization in the Greater Cincinnati area that provides critical home repairs and energy conservation services to low-income and elderly residents. In addition to Foundation funding, Duke Energy employees volunteer their time and energy to repair homes in the community.
- **Economic Development** – *Funding for skills development; pre-K-12 education focused on math, science and technology; higher education; government or other non-profit programs supporting innovative solutions for business, industry and workforce challenges.*
  - The Duke Energy Foundation provided the lead gift to create the Charlotte Research Institute (CRI) at the University of North Carolina – Charlotte. CRI offers advanced engineering and technical training to help transform our regional economy.
- **Community Vitality** – *Contributions supporting health and human services through United Way; arts and culture; energy assistance; public safety; and community leadership development.*
  - In 2006, Duke Energy employees, retirees and The Duke Energy Foundation pledged over $4.5 million to the United Way

chapters in the communities we serve. We also partner with the American Red Cross to provide storm preparedness kits and disaster assistance.

We recognize that every community is unique, with different challenges and strengths. Requests for company resources are received and evaluated locally by our network of 70 business relations managers. By listening and responding to the varied needs of our communities, these managers help match company resources with regional needs and share best practices across our service areas. Guidelines and an application for grant funding are available at www.duke-energy.com/community/foundation.asp.

VOLUNTEERISM

Volunteerism and civic leadership are important attributes of Duke Energy's history and culture. It is part of what defines us as a company. Here are some statistics on the strength and impact of our volunteer efforts in 2006:

- Total volunteer projects: 530
- Volunteers participating: 8,000 (estimated)
- Employee and retiree volunteer hours: 268,800 (estimated)
- Number of charitable organizations reached: 375
- Number of communities helped: 167

While volunteerism is a year-round commitment at Duke Energy, we conduct an annual Global Service Event (GSE) to recognize and encourage volunteerism. In 2007, we will celebrate the 10th GSE in April and May.

GSE has become a popular way for us to show the power of our teamwork, inspire volunteerism and build our brand. During the 2006 GSE, employees and retirees spent approximately 15,000 hours planning and participating in nearly 400 volunteer projects in almost 140 communities in the U.S. and Latin America. Their efforts touched more than 290 different nonprofit organizations.

COMMUNITY PLANNING

Sustainability is a concept that is good for business *and* communities. In partnership with Global Community Initiatives (www.global-community.org), we offer a Web-based tool to help civic leaders evaluate the "sustainable health" of their communities. Participants respond to a series of questions about their local governance practices and social, economic and environmental conditions, and then receive feedback on their performance based on best practices in community planning. They also receive a list of resources to further improve their performance. This tool is available on our Web site at www.duke-energy/environment/sustainability.asp.

Be profitable and demonstrate strong governance and transparency

governance & transparency

CHALLENGE

- Earn the trust of our stakeholders

OPPORTUNITIES

- Differentiate Duke Energy for its strong governance practices
- Achieve synergies and competitive advantages from the Cinergy merger

GOALS

- Provide investors a superior and sustainable return on their investment
- Assure that we have effective ethics and compliance programs
- Regularly benchmark our corporate governance practices against best-in-class and industry peers and recommend revisions as appropriate
- Assess our supply chain (services and products) from a sustainability perspective and implement appropriate follow-up actions
- Communicate clearly and frequently with our stakeholders

PROFITABILITY AND SUSTAINABILITY

Duke Energy believes that profitability is a prerequisite for sustainability. A business that isn't profitable simply won't be in business for long.

In 2006, we transformed ourselves into a more sustainable company by unlocking our inherent value and reducing the risk in our business. Four actions contributed to this change:

- The completion of our merger with Cinergy to grow the electric side of our business
- The spinoff of our natural gas transmission and related business lines into Spectra Energy
- The formation of a joint venture to manage our real estate business
- The reduction in our risk profile by selling our unregulated power plants outside of the Midwest and by selling our Commercial Marketing and Trading business.

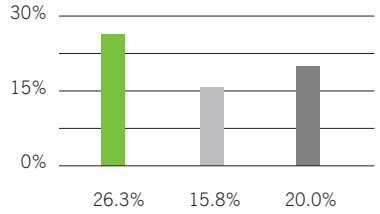
Financial Highlights (In millions except for per share data)*		
	2006	2005
Operating Revenues	$15,184	$16,297
Operating Expenses	$12,493	$13,416
Net Income	$1,863	$1,824
Earnings per Share, Diluted	$1.57	$1.88
Dividends per Share	$1.26	$1.17
Total Assets	$68,700	$54,723

* Includes natural gas operations spun off to become Spectra Energy in January 2007.

INVESTORS' RETURN

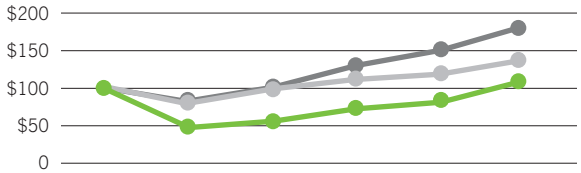
2007 is the 81st consecutive year that Duke Energy has paid a quarterly cash dividend.

Comparison of 2006 Total Return



- Duke Energy Corporation (pre-spinoff of Spectra Energy)
- S&P 500 Index
- Philadelphia Stock Exchange Utility Sector Index

Comparison of Five-Year Cumulative Total Return*



	Dec. 01	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06
	$100.00	$51.80	$57.98	$75.50	$85.39	$107.81
	$100.00	$77.90	$100.25	$111.15	$116.61	$135.02
	$100.00	$81.65	$101.95	$128.57	$151.99	$182.44

* Assumes $100 was invested on December 31, 2001 in company common stock and each index. Values are as of December 31 assuming dividends are reinvested.

AN INDEPENDENT BOARD OF DIRECTORS

An effective board of directors is considered one of the strongest indicators of shareholder value and good governance.

Elected annually, the board consists of nine outside members in addition to Jim Rogers, Duke Energy's chairman, president and CEO. Ann Maynard Gray serves as lead director. None of the outside directors has a material relationship with Duke Energy or its subsidiaries, so the board is independent under the listing standards of the New York Stock Exchange and the rules of the U.S. Securities and Exchange Commission. Additional members, expected to be named in 2007, will bring broader and more diverse perspectives to the board.

Although all employees are subject to our Code of Business Ethics, Duke Energy's board of directors adopted a Code of Business Conduct and Ethics to address the issues unique to their responsibilities. That code is available at www.duke-energy.com/investors/corporate-governance.asp.

COMMUNICATING WITH THE BOARD

Shareholders and other stakeholders can communicate with the lead director or any board member by writing to the corporate secretary, who forwards correspondence to the appropriate director. In addition, the Audit Committee has established a protocol for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

ETHICS INVESTIGATIONS

Duke Energy strives to provide an environment where employees feel free to raise work-related concerns without fear of intimidation or retaliation. The company has also retained an independent provider to take concerns from employees who are not comfortable with internal reporting options or who prefer to use the confidential Ethics Line to report anonymously. All allegations are investigated and the results are reported to the Audit Committee of the board of directors.

CONTACT INFORMATION

Board of directors:
Julia Janson, Corporate Secretary
Duke Energy, EA 025
221 East Fourth Street
Cincinnati, OH 45202

Members of the public may also contact the company or the board through the Duke Energy Web site, www.duke-energy.com/contact/, or by phone: 704.594.6200 / 800.873.3853.

GLOBAL REPORTING INITIATIVE: BROAD INDEX TO INDICATORS

Standard Disclosures
Pages 1-7, 28-31

Economic Indicators
Pages 18, 24-28

Environmental Indicators
Pages 11,12, 14-19

Product Responsibility Indicators
Pages 13,15

Labor Practices and Decent Work Indicators
Pages 20-23

Human Rights Indicators
Pages 7, 29

Society Indicators
Pages 4, 10-12, 18, 20, 25

A much more detailed index to all indicators is available at www.duke-energy.com/environment/sustainability.asp.

OUR GOVERNANCE PERFORMANCE

Several organizations rate the quality and performance of a corporation's governance practices. We monitor the ratings of these three organizations as benchmarks for Duke Energy:

Rating Organization	Duke Energy Score	Scale
The Corporate Library (Feb. 15, 2007)[1]		
TCL Rating	B	A-F (No E)
Governance Risk Assessment	Low	Low or High
Governance Practices Compliance	93%	0%-100%
Institutional Shareholder Services – Corporate Governance Quotient (Feb. 15, 2007)[2]		
Index Ranking	13.8	0-100
Industry Ranking	30.7	0-100
GovernanceMetrics International (Dec. 2, 2006)[3]		
Overall Global	9.0	0-10

1 The TCL Rating, Governance Risk Assessment and Governance Practices Compliance Score values are published by permission from The Corporate Library, LLC. For further explanation and information, go to www.thecorporatelibrary.com.

2 The ISS CGQ scores are published by permission from Institutional Shareholder services. For further information, go to www.issproxy.com.

3 The GovernanceMetrics International score is published by permission from GovernanceMetrics International. For further information, go to www.gmiratings.com.

SUPPLY CHAIN

Duke Energy adopted a Supplier Code of Conduct in 2006 to clearly establish our expectations of the companies we do business with. We expect our suppliers to conduct their business with the same regard for fair dealing, respect for the individual and the environment and quality service standards that we expect of ourselves. The Code is available at www.duke-energy.com/suppliers/code-of-conduct.asp.

STAKEHOLDER EXPECTATIONS

Duke Energy is committed to balancing the interests of our stakeholders. We have several pathways and programs to hear and respond to stakeholders' needs.

Stakeholders	Expectations	Fulfillments
Customers	• Reasonable costs • Reliable supply • Good customer service • Safe operations • Minimal air and water emissions • Energy efficiency advice • Community involvement	• Strong management systems • Efficient cost control practices • Business relations managers' accessibility • Customer satisfaction surveys • Environmental compliance • Customer communication and Web site information • Volunteerism
Employees	• Safe workplace • Competitive pay and benefits • Open communications • Career development opportunities • Fair and consistent treatment • Strong corporate reputation	• Safe work practice policies and training • The Portal (online corporate information resource) • Career training and development • Benchmarking with industry peers • Open Forums with executives • Confidential ethics hotline • Community involvement
Communities	• Community development • Involvement with local initiatives • Public safety • Employment opportunities • Volunteerism • Rapid service restoration	• Business relations managers' involvement in communities • Economic development assistance • Global Service Event and other volunteer efforts • Duke Foundation grants • Cooperative service restoration agreements with other utilities
Suppliers	• Fair dealing • Timely payment • Opportunities to grow their businesses	• Supplier Code of Conduct • Competitive bidding process • Confidential ethics hotline • Minority/women/veterans business procurement practices
Investors	• Competitive returns • Strong board governance • Management accountability • Regulatory compliance • Strong corporate reputation • Transparent reporting	• Strong financial performance • 81 years of cash dividends • Comprehensive management and ethics policies • www.duke-energy.com/investors • Investment grade credit ratings • Strong balance sheet
Regulators	• Reasonable cost and reliable supply • Regulatory compliance • Transparent reporting • Collaborative policy debates • Community involvement	• Effective management policies and systems • "No surprises" practices • Policy leadership
Non-Government Organizations	• Transparent reporting • Accessibility • Engage in problem-solving • Research and policy leadership	• Partnerships and collaboratives on several issues and at various levels • Annual sustainability and financial reports • Joint research projects • Stakeholder dialogues

CASE STUDY IN COLLABORATION: CATAWBA-WATEREE HYDRO RELICENSING

Duke Energy's Catawba-Wateree Hydroelectric Project is the backbone of the company's generation portfolio in the Carolinas, consisting of 13 hydro plants, 11 reservoirs and 225 river miles. The Catawba-Wateree system is also an important resource to the residents of the Piedmont Carolinas, touching 14 counties in North Carolina and South Carolina.

With its license for the Catawba-Wateree system approaching renewal, Duke Energy collaborated with regional stakeholders to develop recommendations to improve, balance and sustain the power and non-power uses of the Catawba system for the next 40 to 50 years.

The relicensing agreement took more than three years to develop. More than 160 representatives from over 80 organizations in the Carolinas participated in the process, attending more than 300 meetings and analyzing over 2,100 interests in the river. The Comprehensive Relicensing Agreement, filed with the Federal Energy Regulatory Commission in August 2006, was signed by 70 parties.

This collaboration is a powerful example of stakeholders finding common ground to protect and preserve the Catawba River. We've developed a summary case study of the process and its outcomes at: www.duke-energy.com/pdfs/cw-brochure.pdf

Business for Social Responsibility

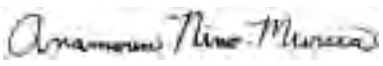
Business for Social Responsibility (BSR) reviewed Cinergy's 2004 and 2005 Sustainability Reports prior to the merger with Duke Energy, and our annual review has continued with the new Duke Energy. This year, we commented on an early report outline, facilitated a series of stakeholder discussions on report content, and prepared this independent review of the final report. It should be noted that our review neither verifies nor expresses an opinion on the accuracy, materiality or completeness of the information provided in this report.

This year, we are particularly impressed with the:

- **Sustainability Context** –The CEO letter succinctly identifies the most pressing societal issues for Duke Energy and links these issues to the company's operations and activities. Of these, the company's aggressive stance on climate change policy distinguishes it as a sustainability leader among American utilities.
- **Balance** – In addition to highlighting successes, Duke Energy speaks frankly about failures in sustainability performance – for example, in the area of safety – and clearly outlines how it plans to rectify these failures. The company also shares ongoing challenges associated with the merger, including employee frustration and the need for stronger measures of sustainability performance in the future.
- **Response to Stakeholder Feedback** – Since BSR reviewed earlier versions of the report, we can highlight Duke Energy's efforts to respond to stakeholder feedback in the final version, including:
  - More coverage of policy and technological responses to climate change.
  - More information about the company's investment in research and development, particularly clean technologies.
  - More thorough and more explicit goal definition in the area of "strong communities."

In looking ahead to future reports, we encourage Duke Energy to strive for the following:

- Demonstrate progress on the goals set out in this report. We readily acknowledge the limitations Duke Energy faced this year in integrating the sustainability performance of two previously separate companies, and the need for better, more quantitative measurements moving forward. In future reports, we look forward not only to a careful review of Duke Energy's performance against existing and soon-to-be-created benchmarks, but also insightful examples of how the goals are being achieved across business units and at the front-lines with customers, employees and communities.
- Address how the company will respond to stakeholder concerns about coal and nuclear generation. In this year's report, Duke Energy articulated the case for increasing base load generation and identified the various alternatives it is considering. These decisions are clearly complex and potentially very contentious for stakeholders. While we know that Duke Energy does engage with stakeholders on these issues, we want to hear more in next year's report about the process and the results of engagement, as well as the steps Duke Energy is taking to respond to any health, safety, and environmental concerns associated with coal and nuclear generation.



Anamaria Nino-Murcia
Manager, Energy & Extractives Program
Business for Social Responsibility
March 23, 2007

FORWARD-LOOKING STATEMENT

This report includes statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. One can typically identify forward-looking statements by the use of forward-looking words such as: may, will, could, project, believe, expect, estimate, continue, potential, plan, forecast and other similar words. Those statements represent Duke Energy's intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Duke Energy's control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Those factors include: state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rate structures, and affect the speed at and degree to which competition enters the electric and natural gas industries; the outcomes of litigation and regulatory investigations, proceedings or inquiries; industrial, commercial and residential growth in Duke Energy's service territories; additional competition in Duke Energy's markets and continued industry consolidation; the influence of weather on company operations, including the economic, operational and other effects of hurricanes, tornados or other natural phenomena; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including any potential effects arising from terrorist attacks and any consequential hostilities; changes in environmental and other laws and regulations to which Duke Energy and its subsidiaries are subject; the results of financing efforts, including Duke Energy's ability to obtain financing on favorable terms, which can be affected by various factors, including Duke Energy's credit ratings and general economic conditions; declines in the market prices of equity securities and resultant cash funding requirements for Duke Energy's defined benefit pension plans; the level of creditworthiness of counterparties to Duke Energy's transactions; the amount of collateral required to be posted from time to time in Duke Energy's transactions; growth in opportunities for Duke Energy's business units, including the timing and success of efforts to develop domestic and international power; the performance of electric generation facilities; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies; the ability to successfully complete merger, acquisition or divestiture plans, including the prices at which Duke Energy is able to sell assets; and the success of the business following a merger, acquisition or divestiture.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Duke Energy has described. Duke Energy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained in this report is unaudited, and is subject to change.

NON-GAAP FINANCIAL MEASURE

FORECASTED 2007 ONGOING SEGMENT AND TOTAL SEGMENT EBIT

This report includes a discussion of forecasted 2007 ongoing EBIT for each of Duke Energy's reportable segments as a percentage of forecasted 2007 ongoing total segment EBIT. Forecasted 2007 ongoing segment and total segment EBIT amounts are non-GAAP financial measures, as they reflect segment and total segment EBIT, adjusted for the impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis. The most directly comparable GAAP measure for forecasted ongoing segment EBIT is reported segment EBIT from continuing operations, which includes the impact of special items. The most directly comparable GAAP measure for ongoing total segment EBIT is reported total segment EBIT, which includes the impact of special items. Due to the forward-looking nature of these non-GAAP financial measures for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time, as management is unable to forecast any special items for any future periods.

CONTACT INFORMATION

We welcome your comments and questions about this report. Send any feedback to:

Roberta Bowman, Vice President,
Sustainability and Community Affairs
526 South Church Street
Mail Code: EC03H
Charlotte, NC 28202
rbowman@duke-energy.com

INSIDE BACK COVER
Path at Riverbend Park in Catawba County, NC. Photo courtesy of Thomas Wyche.

ON THE BACK COVER (Top to bottom)
Bobby Morrison, Distribution Line Technician, installs new equipment.

In conjunction with People Working Cooperatively, Rachelle Caldwell, Public and Community Affairs Manager, and Kim Glenn, Distribution Design Supervisor, prepare to landscape the home belonging to a low-income customer.

Duke Energy line crews prepare to leave in response to a call for mutual assistance for storm damage repair.

PRINTING INFORMATION:
This report was printed in the USA on Neenah Environment paper. At least 20 percent of the fiber content is certified to have come from responsibly managed forests and is elemental chlorine free. The remaining 80 percent is composed of post-consumer fiber and is process chlorine free.

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