



Committed to Customers and Communities

U.S. Regulated Business Overview

Duke Energy serves approximately 2.2 million electric customers in a 22,000-square-mile area of North Carolina and South Carolina. In Ohio, Kentucky and Indiana, 1.6 million electric customers and about 500,000 gas customers are served in a 25,000-square-mile service territory. The total franchised electric system generating capability is approximately 28,000 megawatts.

Service & Reliability

- Experienced approximately 25% reduction in the number of outages over the last 10 years in the Carolinas
- Two-time winner of Edison Electric Institute Emergency Response Award in the Carolinas; two-time Midwest winner of the Emergency Assistance Award for hurricane relief efforts in the Gulf Coast
- Consistently perform better than Public Utilities Commission of Ohio standards for customer reliability
- Consistently excel in emergency planning and service restoration after major storms

Customer Satisfaction

- Duke Energy ranked "Highest in Customer Satisfaction With Business Electric Service in the Southern U.S." and also earned the highest score overall in the nation in J.D. Power and Associates 2006 Electric Utility Business Customer Satisfaction Studysm
- Ranked highest in customer satisfaction with residential electric service in the Southern U.S. in J.D. Power and Associates 2005 electric utility residential customer satisfaction study*
- The only utility call centers certified by J.D. Power and Associates for providing an outstanding customer service experience (2005, 2006)*
- Ranked No.1 in the Southeast and No. 3 nationally for customer satisfaction with large manufacturing and institutional customers in the 2005 TQS Research Key Account National Benchmark Survey
- Ranked in top five out of 30 electric and gas utilities by the American Customer Satisfaction Index

Economic Development

- Offer economic development incentive rider rates
- Included in top 10 utility list in Economic Development by Site Selection Magazine
- Provided more than \$5.5 million to support economic development efforts in 136 counties in the Carolinas, Ohio, Kentucky and Indiana, including
 - \$500,000 to local economic development organizations
 - \$50,000 in marketing assistance to North Carolina and South Carolina
 - \$25,000 to help host the Midwest U.S., Japan Conference in Cincinnati
 - \$977,000 to the Carolinas Investment Fund
 - \$415,000 over a two-year period to the Indiana Economic Development Corp.
 - \$3.4 million to community and technical colleges in the Carolinas for economic development-related work force training
 - \$200,000 in foundation support given for economic development projects in Ohio, Kentucky and Indiana

Energy Assistance

- Sponsor signature heating and cooling assistance programs for low-income customers that began in the 1980s with the Share the Warmth program in the Carolinas, HeatShare in Ohio, Helping Hand in Indiana and WinterCare in Kentucky
- Support customer-funded demand-side management programs such as home weatherization

Philanthropy in the Carolinas and the Midwest

	<u>2005 Corporate Giving</u> (rounded numbers)		<u>Employee Giving</u>	
Foundation Disbursements	\$18.8 million	Arts/Science Fund Contributions	\$520,000	
Arts/Science Fund Contributions	\$432,000	United Way Contributions	\$5.2 million	
United Way Contributions	\$3 million	<i>Employees also donate significantly to their communities through their volunteer efforts</i>		
Public Assistance (e.g., heating and cooling programs)	\$4 million			

Electric Rate Comparison

<u>Duke Energy Customer Average Electric Rates</u> (per kilowatt-hour)		<u>U.S. Average Electric Rates</u> (per kilowatt-hour) ³	
Residential	7.48 cents	Residential	9.27 cents
General ¹	6.39 cents	General	8.25 cents
Industrial	4.45 cents	Industrial	5.26 cents
Retail ²	6.10 cents	Retail	7.79 cents

¹ General Service Rates are for a single enterprise located entirely on a single contiguous premise. These rates are not available to customers that qualify for Residential or Industrial rates.

² Retail includes Residential, General Service, Industrial, Lighting and Other Rates, but excludes Resale Rates.

³ U.S. Average Rates Source: Edison Electric Institute - Typical Bills and Average Rates Report - Summer 2005, Duke Energy and Cinergy (based on 2005 consolidated data).

* For more information about J.D. Power and Associates 2005 Electric Utility Residential Customer Satisfaction Studysm or J.D. Power and Associates Certified Call Centersm information, visit www.jdpower.com or call 1-866-842-7548.