



August 31, 2006

NEWS RELEASE

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Duke Energy Committing \$2.5 million for Clean Coal Technology Research

INDIANAPOLIS AND PLAINFIELD, Ind. – Indiana clean coal technology research is getting a major boost from Duke Energy Indiana over the next five years.

As part of its merger commitments, Duke Energy Indiana is investing \$2.5 million over five years in clean coal technology research. The company recently made the first of five, \$500,000 contributions to the Indiana Center for Coal Technology Research, based at Purdue University.

The funds are part of a merger-related agreement reached in December 2005, with the Indiana Office of Utility Consumer Counselor (OUCC), the staff of the Indiana Utility Regulatory Commission (IURC) and the PSI Industrial Group.

Indiana state regulators approved the agreement in March and Cinergy and Duke Energy completed their merger in April.

The agreement specified that Duke Energy Indiana would make an annual contribution of \$500,000 for five years to the Center for Coal Technology Research. The contributions continue until 2010. Also part of the agreement was \$40 million in rate credits over one year to Duke Energy Indiana customers. Customers started receiving those credits in June.

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“The combination of customer rate credits and a contribution to this worthy fund helps get our merger off to the right start,” said Duke Energy Indiana President Kay Pashos. “Because of merger savings and benefits, we expect future customer rates to be about 3 percent lower than they would have been without the merger.”

“The development of new coal technologies is a critical component in our state’s economic engine,” said Indiana Utility Consumer Counselor Susan L. Macey. “Indiana will benefit greatly from Purdue’s research – both in the short-term and in generations to come.”

Created in 2002 by the Indiana state legislature, the Center for Coal Technology Research at Purdue supports research into technologies that can use Indiana coal in a way that is environmentally and economically sound.

Duke Energy is a diversified energy company with a portfolio of natural gas and electric businesses, both regulated and unregulated, and an affiliated real estate company. Duke Energy supplies, delivers and processes energy for customers in the Americas, including 28,000 megawatts of regulated generating capacity in the United States. Duke Energy’s Indiana operations provide 7,200 megawatts of safe, reliable and competitively priced electricity to more than 750,000 electric customers, making it the state’s largest electric supplier. Headquartered in Charlotte, N.C., Duke Energy is a Fortune 500 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: <http://www.duke-energy.com>.

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency that represents the interests of Indiana’s residential, commercial and industrial utility consumers in state and federal regulatory proceedings. More information regarding the agency – along with a wide range of free consumer publications on utility services and issues – can be found online at www.IN.gov/OUCC.

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