

**KyPSC Staff First Set Data Requests
Duke Energy Kentucky
Case No. 2006-00172
Date Received: May 17, 2006
Response Due Date: June 14, 2006**

KyPSC-DR-01-018

REQUEST:

18. Provide complete details of all early retirement plans for other staff reduction programs Duke Kentucky or its parent holding company have offered or intend to offer its electric employees during either the base period or the forecasted test period. Include all cost-benefit analyses associated with these programs.

RESPONSE:

See Attachment KyPSC-DR-01-018. The costs and benefits of these programs allocable to Duke Energy Kentucky, as projected at the time of the merger, are as follows: estimated labor savings of \$756,500 in 2006 and \$1,226,000 in 2007 and estimated separation costs of \$861,500 in 2006 and \$385,100 in 2007. Although early retirement costs have been incurred as of the current date, none of these costs are reflected in the base or forecasted test year being used in this case.

WITNESS RESPONSIBLE: C. James O'Connor

ADOPTED BY THE CINERGY CORP.
BENEFITS COMMITTEE,
EFFECTIVE JANUARY 1, 2006

CINERGY CORP.
MERGER SEVERANCE PLAN
FOR NON-UNION EMPLOYEES

I. INTRODUCTION

The purpose of the Plan is to provide severance benefits to Eligible Employees in connection with the proposed merger of Cinergy Corp., Duke Energy Corporation and their respective affiliates. The Plan is intended to be, and is to be construed as, a welfare plan for purposes of ERISA.

II. DEFINED TERMS

- A. Definitions. As used in the Plan, the following words and phrases, when capitalized, shall have the meanings set forth below, unless a different meaning is plainly required by the context.

"Annual Base Salary" means, (i) with respect to an Eligible Employee who is paid on a salaried basis, his or her rate of annual base salary as in effect immediately prior to his or her Separation Date, exclusive of any allowances, premiums, bonuses, overtime, benefits, or other forms or types of compensation and (ii) with respect to an Eligible Employee who is paid on an hourly basis, his or her hourly base rate of pay as in effect immediately prior to his or her Separation Date, exclusive of any allowances, premiums, bonuses, overtime, benefits, or other forms or types of compensation, multiplied by 2,080 if he or she is a full-time employee or, if he or she is a part-time employee, multiplied by the number of hours that the Eligible Employee was scheduled to work during the one-year period ending on his or her Separation Date.

"Annual Compensation" has the meaning provided to such term under DOL Regulation 29 C.F.R. Section 2510.3-2(b)(2)(i).

"Annual Target Incentive Amount" means, with respect to an Eligible Employee, the amount of the Eligible Employee's target bonus opportunity (*i.e.*, level two, if applicable), if any, under the applicable Employer's annual incentive plan. Notwithstanding the foregoing, the "Annual Target Incentive Amount" for any Employee who participates in a pool-based annual incentive will be determined by the Company, in its sole discretion in its settlor capacity, using the salary banding methodology used to establish targets under the Cinergy Corp. Annual Incentive Plan.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and interpretative rulings and regulations.

"Company" means Cinergy Corp., a Delaware corporation, and any successor thereto.

"Eligible Employee" means an Employee who is designated by the Company as eligible to participate under the Plan as set forth in Section III.

"Employee" means any person who is employed by an Employer and receives compensation that the Employer initially reports on a federal wage and tax statement (Form W-2). Notwithstanding the foregoing, an Employee shall not include any Employee whose terms and conditions of employment are governed by a collective bargaining agreement that does not provide for participation in the Plan.

"Employer" means the Company and any affiliate that, with the consent of the Company, elects to participate in the Plan, which shall include but not be limited to The Cincinnati Gas & Electric Company, PSI Energy, Inc. and Cinergy Services, Inc. For purposes of this definition, the term "affiliate" shall mean any employer that together with the Company is under common control or a member of an affiliated service group as determined under Code §414(b),(c), (m) and (o).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and interpretative rulings and regulations.

"Formula One" means the severance payment calculation formula described in Section IV, Paragraph B(1).

"Formula Two" means the severance payment calculation formula described in Section IV, Paragraph B(2).

"Pension Plan" means the Cinergy Corp. Non-Union Employees' Pension Plan.

"Plan" means the Cinergy Corp. Merger Severance Plan for Non-Union Employees.

"Plan Administrator" means the Benefits Committee of Cinergy Corp.

"Present Work Location" means the Eligible Employee's normal current work location at the Employer without regard to any special or temporary assignment. For a rotational job, the normal work location shall be the actual work location, and not either the point of demarcation or the Eligible Employee's residence.

"Release Date" means, with respect to an Eligible Employee, the date the Eligible Employee is released by the Employer, in its sole discretion in its settlor capacity, such that on such date the Eligible Employee shall leave his or her position and either choose to terminate employment with the Employer without participating in the Transition Pool or choose to remain employed by the Employer in a temporary assignment to the Transition Pool.

"Separation Date" means the date that an Eligible Employee terminates from his or her employment with the Employer.

"Severance Benefit" means the Severance Payment and any other benefits provided for under the Plan for an Eligible Employee (including an Eligible Employee participating in the Window Enhancement Program).

“Severance Payment” means the lump sum payment calculated in accordance with Section IV, Paragraph B or Section V, Paragraph C, as applicable, and paid as set forth in the Plan to an Eligible Employee.

“Transition Pool” means a temporary job assignment with the Employer that provides an Eligible Employee who no longer has a permanent position with the Employer with the opportunity to remain employed by the Employer while seeking employment opportunities (with the Employer or otherwise) with dedicated Employer assistance.

“Transition Payment” means the Transition Payment, if any, payable to an Eligible Employee pursuant to Section VI of the Plan.

“Voluntary Window” means the limited period(s) designated by the Company, in its sole discretion in its settlor capacity, for a designated Eligible Employee to elect to voluntarily leave employment with the Employer under the Window Enhancement Program.

“Waiver” means a valid Waiver in the form prescribed by the Company, in its sole discretion in its settlor capacity, pursuant to which an Eligible Employee agrees in the manner prescribed by the Company (in the Company's sole discretion in the Company's settlor capacity), to release all employment-related claims in connection with his or her employment with the Employer, other than claims for benefits under the actual terms of an employee benefit plan and workers' compensation. Such Waiver shall be construed to comply with the requirements of the Older Workers' Benefits Protection Act, 29 U.S.C. §626(f).

“Weekly Base Salary” means the Eligible Employee's Annual Base Salary divided by 52.

“Weekly Target Incentive Amount” means the Eligible Employee's Annual Target Incentive Amount divided by 52.

“Window Enhancement Program” means the Window Enhancement Program described in Section V.

“Years of Service” means, with respect to an Eligible Employee, the Eligible Employee's period of employment with the Employer beginning on the Eligible Employee's most recent date of hire with the Employer, or adjusted hire date, if earlier, and ending on the earlier of the Separation Date or Release Date, calculated to the nearest number of full months, divided by twelve (12). An Eligible Employee who has previously received a Severance Benefit from the Employer will have his or her period of employment with the Employer determined beginning with his or her most recent date of rehire with the Employer.

- B. Construction. The uses of singular (or plural) and masculine (or feminine) words are for practical purposes only and will be deemed to include the plural (or singular) and feminine (or masculine), respectively, unless the context plainly indicates a distinction. The headings and subheadings in the Plan are inserted

for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

III. ELIGIBILITY

- A. Eligibility Criteria. An Employee may be an Eligible Employee under the Plan only if the Company, in its sole discretion in its settlor capacity through action of the Cinergy Corp. Benefits Committee, designates the Employee as an Eligible Employee under the Plan, including Employees who, in order to remain employed, are required to relocate more than fifty (50) miles from their Present Work Location and/or incur a decrease of more than ten percent (10%) of their Annual Base Salary. No Employee shall be an Eligible Employee if he or she (i) terminates employment to accept employment with an employer that has or will, directly or indirectly, acquire all or a portion of the business of the Employer or its affiliates, (ii) has executed a Waiver pursuant to another severance plan offered by the Employer and has not been rehired, or (iii) if the Company, in its sole discretion in its settlor capacity, determines that such Employee is an "executive officer" of the Company or has entered into an employment agreement that provides such Employee with eligibility for Severance Benefits.
- B. Window Enhancement Program Eligibility. Notwithstanding Section III, Paragraph A, an Eligible Employee may be eligible for the Window Enhancement Program only if the Company, in its sole discretion in its settlor capacity through action of the Cinergy Corp. Benefits Committee, designates the Eligible Employee as eligible to volunteer to participate in the Window Enhancement Program. An Eligible Employee shall be eligible for the Window Enhancement Program if so designated in accordance with the immediately preceding sentence and the Eligible Employee chooses to volunteer to participate in the Window Enhancement Program during an applicable Voluntary Window, resigns from employment in the manner provided by the Employer, executes a Waiver in the form and manner prescribed by the Company, and meets all other conditions for eligibility under the Plan. Notwithstanding the foregoing, the Company, in its sole discretion in its settlor capacity, retains the right to determine whether a volunteer for the Window Enhancement Program will be accepted for participation in such program.
- C. Transition Payment Eligibility. Notwithstanding Section III, Paragraph A, an Eligible Employee may be eligible for a Transition Payment under Section VI of the Plan only if the Company, in its sole discretion in its settlor capacity through action of the Cinergy Corp. Benefits Committee, designates the Eligible Employee as eligible for such payment.
- D. Waiver and Resignation. Notwithstanding the foregoing provisions of this Section III, an Eligible Employee shall not be eligible for any Severance Benefit under the Plan unless the Eligible Employee resigns from his or her employment on a date determined by the Employer, signs a Waiver within 45 days after its receipt, and does not revoke that Waiver within the period provided for revocation under the Older Workers' Benefit Protection Act, 29 U.S.C. §626(f). The Company, in its sole discretion and in its settlor capacity, may grant an extension of the 45-day period for the execution of the Waiver.

IV. STANDARD SEVERANCE BENEFITS

A. Applicability. The provisions of this Section IV set forth the Severance Benefits for an Eligible Employee other than an Eligible Employee who satisfies the requirements prescribed in Section III, Paragraph B for the Window Enhancement Program. The Severance Benefits for an Eligible Employee participating in the Window Enhancement Program are set forth in Section V.

B. Amount of Severance Payment. Except as otherwise provided herein, the amount of an Eligible Employee's Severance Payment shall be calculated based on the greater of the amount specified below in Paragraph B(1) or Paragraph B(2).

1. Severance Payment Calculation Formula One.

- a. The Eligible Employee's Weekly Base Salary plus the Eligible Employee's Weekly Target Incentive Amount, which sum is multiplied by the Eligible Employee's Years of Service (including partial years) not in excess of 9; plus
- b. The Eligible Employee's Weekly Base Salary plus the Eligible Employee's Weekly Target Incentive Amount, which sum is then multiplied by two times the Eligible Employee's Years of Service (including partial years) in excess of 9; plus
- c. The Eligible Employee's Weekly Base Salary plus the Eligible Employee's Weekly Target Incentive Amount, which sum is multiplied by X, where "X" equals the whole number calculated as the Eligible Employee's Annual Base Salary plus the Eligible Employee's Annual Target Incentive Amount, which sum is then divided by \$10,000 and the resulting quotient is then rounded up to the next highest whole number.
- d. Notwithstanding the foregoing, an Eligible Employee's Severance Payment as calculated under this Paragraph B(1) shall not be (i) less than 12 multiplied by the sum of the Eligible Employee's Weekly Base Salary plus the Eligible Employee's Weekly Target Incentive Amount, nor (ii) more than 104 multiplied by the Eligible Employee's Weekly Base Salary.

2. Severance Payment Calculation Formula Two.

- a. The Eligible Employee's Weekly Base Salary multiplied by two times the Eligible Employee's Years of Service (not including partial years); plus
- b. The Eligible Employee's Weekly Base Salary multiplied by 4.
- c. Notwithstanding the foregoing, an Eligible Employee's Severance Payment as calculated under this Paragraph B(2) shall not be (i) less than 8 multiplied by the Eligible Employee's Weekly Base

Salary, nor (ii) more than 104 multiplied by the Eligible Employee's Weekly Base Salary.

3. Special Rule for General Managers and Certain Other Employees. Notwithstanding the foregoing, Eligible Employees who hold the title "General Manager," that title's equivalent, or a higher level title, and Eligible Employees who participate in the Cinergy Corp. 1996 Long-Term Incentive Compensation Plan, shall receive a Severance Payment equal to the greater of: (a) the amount determined under Severance Payment Calculation Formula One, above, (b) the amount determined under Severance Payment Calculation Formula Two, above, or (c) the Eligible Employee's Weekly Base Salary multiplied by 78. Notwithstanding the foregoing, the Eligible Employee's Severance Payment shall not be more than 104 multiplied by the Eligible Employee's Weekly Base Salary.

C. Other Benefits. Except as otherwise provided herein, an Eligible Employee shall receive other benefits under the Plan as follows:

1. Medical/Dental Benefits. The Employer shall cover the cost of the premium or portion thereof that an Eligible Employee otherwise would be required to pay for six (6) months of medical and dental health care coverage (other than health care flexible spending account coverage) based on the existing coverage of the Eligible Employee if such Eligible Employee either (a) elects to receive such coverage under Part 6 of Subtitle B of Title I of ERISA ("COBRA") or (b) is entitled to post-retirement medical and dental benefits under the Cinergy Corp. Welfare Benefit Program. Notwithstanding the foregoing, the Employer reserves the right to amend, modify or terminate the Cinergy Corp. Welfare Benefit Program at any time in its sole discretion.
2. Educational Reimbursement. The Employer shall reimburse each Eligible Employee, in accordance with its policies and procedures as in effect from time to time, for up to Two Thousand Six Hundred Dollars (\$2,600.00) for educational expenses incurred during the two-year period commencing on the Eligible Employee's Separation Date.
3. Outplacement Assistance. The Employer shall provide, in accordance with its policies and procedures as in effect from time to time, outplacement assistance to Eligible Employees through a vendor selected by the Employer. All such payments shall be made no later than the second anniversary of each Eligible Employee's Separation Date.
4. Reemployment without Repayment. An Eligible Employee who terminates employment with the Employer may be reemployed by the Employer without any requirement to repay the benefits provided under the Plan; provided, however, that such individual shall have no entitlement to reemployment.

5. Redeployment Status Opportunity Provision. Pursuant to the terms of the Traditional Program of the Pension Plan, an Eligible Employee who terminates employment with the Employer is eligible to receive a pension benefit calculated under the appropriate early retirement annual pension formula described in the Pension Plan, but the amount of the pension will not be reduced by the early payment factor that otherwise would be applicable, provided that: (a) as of the Eligible Employee's Separation Date, he or she has attained age 50 and has at least five Years of Service (as such term is defined in the Pension Plan), (b) he or she elects to defer the receipt of his or her pension benefit to at least age 55, and (c) the sum of his or her age, in whole years, as of the date that the pension benefit commences under the Pension Plan, and his or her Service (as such term is defined in the Pension Plan), in whole years, as of his or her Separation Date, equals or exceeds 85.
- D. Severance Benefits When Choosing Not to Accept an Assignment to the Transition Pool. An Eligible Employee shall be eligible to receive the Severance Benefits set forth in Section IV, Paragraphs B and C if the Eligible Employee elects to terminate employment with the Employer without participating in the Transition Pool, provided that the Eligible Employee meets all other eligibility conditions of the Plan.
- E. Severance Benefits When Choosing to Accept an Assignment to the Transition Pool. An Eligible Employee may elect to participate in the Transition Pool in lieu of terminating employment with the Employer and receiving the Severance Benefits set forth in Section IV, Paragraphs B and C.
 1. Employment Status of Pool Participants. An Eligible Employee who elects to accept an assignment to the Transition Pool shall continue to remain employed by the Employer, with all of the rights and privileges of other active Employees except such Eligible Employee shall not be eligible for additional incentive compensation or to receive pay increases. An Eligible Employee shall remain an at-will Employee at all times.
 2. Internal Placement Assistance for Pool Participants. An Eligible Employee participating in the Transition Pool may have access to additional consideration for internal job opportunities, as well as dedicated Employer assistance with internal job placement. An Eligible Employee in the Transition Pool may be eligible for temporary job assignments with the Employer for purposes of skill development and networking.
 3. Severance Payment and Other Benefits for Pool Participants. An Eligible Employee who elects to participate in the Transition Pool shall be entitled to Severance Benefits depending on his or her length of time in the Transition Pool, assuming all other eligibility requirements are met. The Severance Benefits for Eligible Employees who choose to participate in the Transition Pool shall be those set forth in Section IV, Paragraphs B and C, adjusted as follows:

Time in Transition Pool	Severance Payment and Other Benefits
Days 1-30	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 20% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 4 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 4.</p> <p><u>Other Benefits:</u> Remain the same.</p>
Days 31-60	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 40% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 8 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 8.</p> <p><u>Other Benefits:</u> Reduce health care premium payment to three (3) months.</p>
Days 61-90	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 60% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 12 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 12.</p> <p><u>Other Benefits:</u> Reduce health care premium payment to three (3) months.</p>
Days 91-120	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 80% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is</p>

Time in Transition Pool	Severance Payment and Other Benefits
	<p>excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 16 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 16.</p> <p><u>Other Benefits:</u> Reduce health care premium payment to three (3) months.</p>
Days 121-150	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 90% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 20 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 20.</p> <p><u>Other Benefits:</u> Reduce health care premium payment to three (3) months.</p>
Days 151 or more	<p><u>Severance Payment:</u> Reduce (but not below zero) by the greater of either (i) 90% of the Severance Payment or (ii) (a) if the Severance Payment is calculated under Formula One, the amount the Severance Payment would be reduced if the Eligible Employee's Weekly Target Incentive Amount is excluded from the calculation and the new calculation is reduced by the Eligible Employee's Weekly Base Salary multiplied by 24 or (b) if the Severance Payment is calculated under Formula Two, the Eligible Employee's Weekly Base Salary multiplied by 24.</p> <p><u>Other Benefits:</u> Reduce health care premium payment to three (3) months.</p>

4. Minimum Severance Payment for Pool Participants. Notwithstanding the foregoing, the Severance Payment for an Eligible Employee who chooses to participate in the Transition Pool shall not be less than the Eligible Employee's Weekly Base Salary multiplied by 8.
5. Duration of Pool Participation. Eligible Employees who elect to participate in the Transition Pool may remain employed by the Employer in the Transition Pool until the earlier of: (a) December 31, 2006, or (b) the sixth month anniversary of the Eligible Employee's Release Date.

6. Waiver Required for Pool Access. In consideration of his or her continued employment assignment in the Transition Pool, an Eligible Employee who elects to participate in the Transition Pool shall be required to sign and not revoke a Waiver at the commencement of his or her assignment to the Transition Pool.
- F. Limitation on Severance Payment. Notwithstanding any provision of the Plan to the contrary, if the total value of an Eligible Employee's Severance Benefits would exceed two times the Eligible Employee's Annual Compensation, the Severance Payment shall be reduced by an amount equivalent to the excess.
- G. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum payment within thirty (30) days after the expiration period for the Eligible Employee to revoke his or her Waiver under the Older Workers' Benefits Protection Act, or as soon as administratively possible thereafter, but in no event shall such payment be made later than March 15 of the calendar year following the calendar year on which occurs the Eligible Employee's Separation Date.
- H. Relationship to Benefits Provided under Other Plans. Except as otherwise provided herein, participation in the Plan shall not reduce the amounts otherwise payable, or in any way diminish an Eligible Employee's rights as an employee or former employee of the Employer, to any accrued and existing benefit.

V. WINDOW ENHANCEMENT PROGRAM

- A. Window Enhancement Program. The provisions of this Section V set forth the Severance Benefits for an Eligible Employee participating in the Window Enhancement Program (which program is restricted to those Eligible Employees satisfying the requirements of Section III, Paragraph B).
- B. Early Retirement Pension Enhancement. Pursuant to the terms of the Pension Plan, each Eligible Employee who participates in the Window Enhancement Program will be credited with three additional years of age and Service (as such term is defined in the Pension Plan), as of his or her Separation Date, for purposes of determining whether he or she is entitled to an immediate and unreduced pension benefit pursuant to the terms of Section 4.4 of the Pension Plan.
- C. Window Severance Payment. Subject to the Paragraphs below, the amount of the Severance Payment for an Eligible Employee participating in the Window Enhancement Program shall be calculated as follows.
 1. The amount of the Severance Payment shall be the greater of the amount calculated under Formula One or Formula Two pursuant to Section IV, Paragraph B (and without regard to Section IV, Paragraphs D and E); plus

2. Ten percent (10%) of the amount described in Section V, Paragraph C(1).
 3. Notwithstanding the above, with respect to any Eligible Employee described in Section IV, Paragraph B(3) (General Managers and Certain Other Employees), the Severance Payment shall not be less than the Eligible Employee's Weekly Base Salary multiplied by 78.
 4. Notwithstanding the above, the amount determined under Section V, Paragraph C(1), C(2) and C(3) shall be reduced by the actuarial present value of the early retirement pension enhancement, if any, provided to the Eligible Employee under the Pension Plan as described in Section V, Paragraph B. For this purpose, the actuarial present value of the Eligible Employee's early retirement pension enhancement shall be determined using an interest rate of 6% and the RP-2000 Combined Healthy Mortality Table, Unisex Version, Weighted 50% Male.
- D. Other Benefits. An Eligible Employee participating in the Window Enhancement Program shall receive the other benefits described in Section IV, Paragraph C(1), (2), (3) and (4) (and without regard to Section IV, Paragraphs D and E). The benefits described in Section IV, Paragraph C(5) (Redeployment Status Opportunity Provision) shall not be provided to any Eligible Employee who participates in the Window Enhancement Program.
- E. Additional Provisions. Notwithstanding the foregoing, the provisions of Section IV, Paragraphs F, G and H shall apply to an Eligible Employee participating in the Window Enhancement Program with respect to the Eligible Employee's Severance Benefits (including Severance Payment) under this Section V.

VI. TRANSITION PAYMENT FOR OUTSOURCING ARRANGEMENTS

Notwithstanding Sections IV and V hereinabove, an Eligible Employee who accepts an offer of employment with a third party providing services to the Employer through an outsourcing arrangement ("Outsourcing Vendor") shall receive a transition payment ("Transition Payment") equal to the Eligible Employee's Weekly Base Salary multiplied by 8 (or such higher amount as is determined by the Company, in its sole discretion in its settlor capacity). In order to receive a Transition Payment, the Eligible Employee must resign from his or her employment, and sign and not revoke a Waiver. An Eligible Employee who receives an offer of employment with an Outsourcing Vendor and declines the offer shall not be eligible for a Transition Payment, but may be eligible for Severance Benefits if such offer of employment requires the Eligible Employee to relocate more than fifty (50) miles from his or her Present Work Location and/or incur a decrease of more than ten percent (10%) to his or her Annual Base Salary. An Eligible Employee who receives a Transition Payment shall not be eligible for any other benefit under this Plan.

VII. GENERAL PROVISIONS

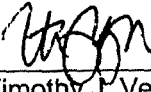
- A. Effective Date. The Plan is established effective January 1, 2006.
- B. Death of Eligible Employee. If an Eligible Employee (including an Eligible Employee participating in the Window Enhancement Program) dies after being designated as an Eligible Employee but before any Severance Payment under the Plan is paid, the Severance Payment under the Plan shall be paid to the Eligible Employee's estate. If an Eligible Employee dies while in the Transition Pool, he or she will be deemed to have elected to terminate employment immediately prior to the date of his or her death for purposes of calculating his or her Severance Benefits. If an Eligible Employee dies during an applicable Voluntary Window, he or she will be deemed to have elected to participate in the Window Enhancement Program immediately prior to the date of his or her death for purposes of calculating his or her Severance Benefits. In the event of an Employee's incapacity, actions may be taken on his or her behalf by his or her legally authorized representative.
- C. Non-Alienation of Benefits. To the fullest extent permitted by law, no Severance Benefits (including the Severance Payment) payable under the Plan shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void.
- D. Exhaustion of Remedies. No legal action under the Plan shall be brought unless and until the aggrieved Employee has:
1. Submitted a written claim for benefits in accordance with the procedure prescribed by the Plan Administrator within twelve (12) months of the date the first payment would have been due the aggrieved Employee under the Plan;
 2. Been notified by the Plan Administrator that the claim has been denied;
 3. Filed a written request for a review of the claim in accordance with the procedure prescribed by the Plan Administrator;
 4. Been notified in writing of an adverse decision on review; and
 5. Filed the legal action within three (3) years of the date the first payment would have been due the aggrieved Employee under the Plan.
- E. Amendment and Termination. The Company may amend or terminate the Plan at any time by written action of the Cinergy Corp. Benefits Committee or any other authorized delegate of the Company.
- F. Legal Construction. The Plan is governed by and shall be construed in accordance with ERISA, and to the extent not preempted by ERISA, in accordance with the laws of the State of Ohio, without regard to any applicable state's choice of law provisions.

- G. Benefit Offsets for Overpayments. If an Eligible Employee or anyone claiming benefits through an Eligible Employee receives benefits under the Plan in excess of the amount of benefits to which he or she was entitled under the terms of the Plan, the overpayment shall be offset against future benefit payments until the overpayment is recouped by the Plan. The foregoing provision shall not limit any other remedies available to the Plan and/or the Company, including recovery of the overpayment from the recipient.
- H. No Commitment as to Employment. Nothing herein contained shall be construed as a commitment or agreement upon the part of any person to continue his employment with the Employer, and nothing herein contained shall be construed as a commitment on the part of the Employer to continue the employment or rate of compensation of any person for any period, and all Employees of the Employer shall remain subject to discharge to the same extent as if the Plan had never been put into effect.
- I. No Legal or Equitable Rights. The provisions of the Plan in no event shall be construed as giving any Employee or any other person, firm, or corporation, any legal or equitable right as against the Employer, its officers, Employees, or directors, except such rights as are provided in accordance with the terms and provisions of the Plan.
- J. Severability. If any provision of the Plan or the application thereof to any circumstance or person is invalid, the remainder of the Plan and the application of such provision to other circumstances or persons shall not be affected thereby.
- K. Funding. All benefits under the Plan shall be payable solely out of the general assets of the Employers. Any person's rights to receive benefits under the Plan shall be the same as those of any other unsecured general creditor of the Employers. Expenses of administration of the Plan shall be paid by the Employers.
- L. Compliance with Code Section 409A. This Plan shall be construed, administered, and governed in compliance with Code Section 409A. Any provision that would cause any amount payable or benefit provided under this Plan to be includable in the gross income of an individual under Section 409A of the Code shall have no force and effect unless and until amended to cause such amount or benefit to not be so includable. Such amendment (a) may be retroactive to the extent permitted by Section 409A of the Code and (b) may be made by the Company without the consent of a participant or beneficiary, provided that any such amendment shall preserve to the maximum extent possible the contemplated economic benefits.
- M. Restrictive Covenants and Consulting Arrangements. The Company, in its sole discretion in its settlor capacity, may require as a condition to receiving Severance Benefits under the Plan (and/or any additional benefits) that one or more Eligible Employees enter into a consulting arrangement and/or one or more restrictive covenants, including an agreement not to compete with the Employer and its affiliates.

VIII. PLAN ADMINISTRATION

- A. Administrative Power and Responsibility. The Benefits Committee of Cinergy Corp. shall be the administrator of the Plan for purposes of ERISA and the Plan Administrator for purposes of the Code. The Plan Administrator shall be a named fiduciary that has authority to control and manage the operation of the Plan. The Plan Administrator shall make such rules, regulations, interpretations and computations and shall take such other actions to administer the Plan as it may deem appropriate. The Plan Administrator shall have sole discretion to interpret the provisions of the Plan and to determine eligibility for benefits under the Plan. The Plan Administrator may engage the services of such persons and organizations to render advice and perform services with respect to its responsibilities under the Plan as it shall determine necessary or appropriate. In the event that the Company no longer has a Benefits Committee, any authority provided thereto may be exercised by the position or committee determined by the Company or its successor.
- B. Claims and Appeals. The Plan Administrator shall adopt a procedure for filing claims and a claims procedure, including an appeals procedure. Benefits under the Plan shall be paid only if the Benefits Committee of Cinergy Corp. decides in its discretion that the applicant is entitled to benefits under the provisions of the Plan.

IN WITNESS WHEREOF, Cinergy Corp. has caused this Plan to be executed and approved by its duly authorized officer, effective as of the date set forth herein.

By: 

Timothy J. Verhagen
Vice President, Human Resources

**DUKE ENERGY CORPORATION MERGER SEVERANCE
PLAN FOR EMPLOYEES REPRESENTED BY THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS UNION, LOCAL #1347**
(SUMMARY PLAN DESCRIPTION)

**CINERGY CORP. UNION EMPLOYEES
RETIREMENT INCOME PLAN**
(SUMMARY OF MATERIAL MODIFICATIONS)

Effective May 1, 2006

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INTRODUCTION

The Duke Energy Corporation Merger Severance Plan for Employees Represented by The International Brotherhood of Electrical Workers Union, Local #1347 (the "Severance Plan") provides severance benefits to eligible employees as a result of the merger of Cinergy Corp., Duke Energy Corporation and their respective affiliates (respectively referred to as "Cinergy" and "Duke Energy"). The Severance Plan generally provides lump sum payments, certain continued health benefits and transition assistance for continued or alternative employment.

It is important that you spend the time now to make an informed decision regarding your employment and benefit choices in connection with the merger of Cinergy and Duke Energy.

Purpose of this Summary

This document is a Summary Plan Description of the Severance Plan. Some portions of this document are not descriptions of the Severance Plan, but are included for your convenience to enable you, to some extent, to use this summary without referring to other documents to evaluate your employment and benefit choices.

We have tried to make this summary easy to read. You must read each provision as a part of the whole summary. A single statement, read out of context, may be misleading. In the event of any inconsistency between the terms of this summary and the terms of the respective plan document for the Severance Plan, the terms of the plan document will control.

The date of this summary is May 1, 2006. The Severance Plan replaces any prior arrangement, program, or policy of Cinergy or Duke Energy relating to severance benefits for eligible IBEW #1347 union employees.

Eligibility

You will be eligible to participate in the Severance Plan only if you are an active employee of Duke Energy. Duke Energy, in its sole discretion through action of its Group Executive and Chief HR Officer or his or her delegate, designates you as an eligible employee under the Severance Plan.

You will not be an eligible employee if any of the following applies to you: (i) you are not represented by the IBEW #1347, or (ii) you have already accepted an earlier severance program of Cinergy or Duke Energy but have not yet terminated employment.

You are eligible for benefits under the Severance Plan only if you sign and do not revoke a waiver of claims against Duke Energy in the form and manner prescribed, and only if you terminate employment when designated by Duke Energy.

Notification

You will be notified by Duke Energy if you are designated as eligible for the Standard Severance Program. You will also be provided with estimates of your Severance Benefits and forms to make elections if you are designated as eligible for the Standard Severance Program.

STANDARD SEVERANCE PROGRAM BENEFITS

Benefits under the Standard Severance Program include a lump sum payment, certain continued health benefits, educational expense reimbursement, and outplacement assistance

Standard Severance Payment

The amount of your standard severance payment generally is based on the greater of Formula One or Formula Two described below.

You generally will receive the lump sum amount following your termination of employment and within 30 days after the end of the period in which you may revoke your waiver.

Formula One

The lump sum amount under Formula One is calculated as follows:

- One week of your annual base salary for each year (and partial year) of service up to 9; plus
- Two weeks of your annual base salary for each year (and partial year) of service in excess of 9; plus
- One week of your annual base salary for each \$10,000 (and partial amount) of your annual base salary.

Formula Two

The lump sum amount under Formula Two is calculated as follows:

- Two weeks of your annual base salary for each full year of service; plus
- Four weeks of your annual base salary.

Minimums, Maximums and Definitions

Your lump sum amount will not be less than 12 weeks or more than 104 weeks of your annual base salary. Your lump sum amount will be reduced to the extent necessary to limit your severance benefits, including the lump sum payment, to no more than two times your annual compensation.

For purposes of the calculating the lump sum payment amount:

"Annual base salary" means, Employee's hourly base rate of pay as in effect immediately prior to his or her separation date, exclusive of any allowances, premiums, bonuses, overtime, benefits, or other forms or types of compensation, multiplied by 2,080 if he or she is a full-time employee or, if he or she is a part-time employee, multiplied by the number of hours that the Eligible Employee was scheduled to work during the one-year period ending on his or her separation date.

"Annual compensation" has the meaning provided to such term under DOL Regulation 29 C.F.R. Section 2510.3-2(b)(2)(i).

"Years of service" means, with respect to an Eligible Employee, the Eligible Employee's period of employment with the Employer beginning on the Eligible Employee's most recent date of hire with the Employer, or adjusted hire date, if earlier, and ending on the earlier of the separation date or release date, calculated to the nearest number of full months, divided by twelve (12). An Eligible Employee who has previously received a severance benefit from the employer will have his or her period of employment with the Employer determined beginning with his or her most recent date of rehire with the employer.

An Example – Severance Payment

Here is a closer look at how the standard severance payment could be calculated in actual practice. Assume your annual base salary is \$30,000 and you have 20 years of service with Duke Energy.

1.	Annual base salary	\$30,000
2.	One week of annual base salary (\$30,000/52 weeks)	\$576.92
3.	Formula One benefit for first 9 years of service (\$576.92 x 9)	\$5,192.28
5.	Formula One benefit for years of service over 9 years of service (\$576.92 x 2 x 11)	\$12,692.24
6.	Formula One benefit based on each \$10,000 of annual base salary (\$576.92 x 3 (\$30,000/\$10,000, rounded up to the next whole number))	\$1,730.76
7.	Total Formula One amount (line 4 + line 5 + line 6)	\$19,615.28
8.	Formula Two benefit based on service (\$576.92 x 2 x 20 years)	\$23,076.80
9.	Formula Two benefit based on salary (\$576.92 x 4)	\$2,307.68
10.	Total Formula Two amount (line 8 + line 9)	\$25,384.48
11.	GREATER OF FORMULA ONE OR FORMULA TWO AMOUNTS (greater of line 7 and line 10)	\$25,384.48

In this example, your severance payment would be \$25,384.48.

Continued Health Coverage

Your coverage for medical and dental benefits under the Cinergy Corp. Welfare Benefits Program generally ends on the last day of the month in which your employment with Duke Energy ends. You generally can continue health coverage (i) if you are eligible for post-retirement health benefits or (ii) for 18 months under the Federal law "COBRA" by paying 102% of the full premium. Under the Severance Plan, Duke Energy will cover the cost of the premiums required to continue medical and dental benefits for you and your eligible dependents for six months under COBRA. In the alternative, if you are eligible for post-retirement medical and dental benefits under the Cinergy Corp. Welfare Benefit Program, Duke Energy will cover the cost of the premiums attributable to six months of such benefits for you and your eligible dependents. Duke Energy will not pay the premium for your health care flexible spending accounts.

In all cases, medical and dental coverage under Cinergy's or Duke Energy's plans becomes secondary if you become eligible for coverage under a plan maintained by another employer.

Educational Expense Reimbursement

Duke Energy will reimburse you for up to \$2,600 for educational expenses that you incur within two years of the date you terminate employment with Duke Energy.

Outplacement Assistance

Duke Energy will provide you with outplacement assistance through a vendor selected by Duke Energy, and in accordance with its policies.

Pension Plan – Early Retirement Benefit (Redeployment Provision)

If you are eligible for Standard Severance Program benefits, you will be treated as having redeployment status under the Traditional Program provisions of the Pension Plan. Pursuant to the terms of the Pension Plan, an eligible employee who terminates employment with Duke Energy is eligible to receive a pension benefit calculated under the appropriate early retirement annual pension formula described in the Pension Plan. The amount of the pension will not be reduced by the early payment factor that otherwise would be applicable, provided that: (a) as of the eligible employee's separation date, he or she has attained age 50 and has a vested right under the Pension Plan, (b) he or she elects to defer the receipt of his or her pension benefit to at least age 55, and (c) the sum of his or her age, in whole years, as of the date that the pension benefit commences under the Pension Plan, and his or her Service (as such term is defined in the Pension Plan), in whole years, as of his or her separation date, equals or exceeds 85.

Reemployment Opportunity

Termination of employment and receipt of benefits under the Plan does not preclude your subsequent rehire. If rehired, you will not be required to repay any benefits received under the Plan. You do not have any right to reemployment or any preferential rights for rehire.

TAX INFORMATION

Your severance payment is taxable to you as ordinary income. Distributions from the Pension Plan are also subject to taxes. Federal income tax will be withheld from monthly Pension Plan payments unless you elect no withholding. More information is available in your Pension Plan summary plan description. The forgoing discussion is only a summary. It is not intended to be a complete description of the tax consequences of the Severance Plan or Pension Plan. You are urged to consult with your personal tax advisor before making any decisions.

APPENDIX A

This summary is designed to serve as a Summary Plan Description of the Severance Plan. This Appendix A includes important information that is required by Federal regulations to be included in the Summary Plan Description for the Severance Plan.

Inquiries and Claims

To file a claim, follow the procedures described here.

You should make elections under the Severance Plan in the manner and form prescribed by Duke Energy. Inquiries and questions may be addressed to the Plan Administrator at the address provided below under the "Severance Plan Administration" section. If you disagree with your benefit under the Severance Plan, you must file a claim within 12 months of the date your first payment would have been due under the Severance Plan.

Situations That Can Affect Your Severance Plan Benefits

Some situations could cause a loss or delay of your benefits.

The Severance Plan is designed to provide severance benefits to eligible employees in connection with the merger of Cinergy and Duke Energy. Some situations could affect Severance Plan benefits. These situations include the following:

- Eligibility for the Severance Plan is limited to those employees designated as eligible by the Group Executive and Chief HR Officer. You may be in a position (e.g., because of your value to Duke Energy) that the Severance Plan may not be made available to you.
- Eligibility for benefits under the Severance Plan is subject to strict deadlines. If you do not meet the deadlines, you will not be eligible for Severance Plan benefits.
- Eligibility for benefits under the Severance Plan are conditioned on your signing a valid waiver and terminating employment on a date and in the manner as determined by Duke Energy. If you do not comply with the waiver and employment termination requirements, you will not be eligible for Severance Plan benefits.
- Your benefits under the Severance Plan are paid from the general assets of Duke Energy.
- Your benefits under the Severance Plan may not be transferred, sold, assigned, transferred, pledged, or garnisheed, under most circumstances.
- The Severance Plan is intended to be a welfare plan for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Your benefits under the Severance Plan may be limited to retain the Severance Plan's status as a welfare plan.
- Your benefits under the Severance Plan may be limited so as not to be subject to taxation under Section 409A of the Internal Revenue Code.
- If you die after being designated as eligible under the Severance Plan but before any severance payment under the Severance Plan is paid, the severance payment will be paid to your estate.
- The Severance Plan may be amended or terminated at any time.

- Any overpayments may be recouped from future payments or by other means permitted by law.
- Nothing in the Severance Plan is a commitment of continued employment. Your employment is at-will. Duke Energy Corporation's right to terminate or change the terms of your employment remains the same as if the Severance Plan was not adopted.
- Benefits under the Severance Plan are paid only if the Group Executive and Chief HR Officer decides in his or her discretion that the applicant is entitled to benefits under the provisions of the Severance Plan.
- As a participant in the Severance Plan, you have certain rights under the Employee Retirement Income Security Act (ERISA). Information about your rights and other important information can be found in the Severance Plan Administration section.
- You must file a claim and provide any required information with the claim before benefits can be paid. See "Claim Review Process" of the Severance Plan Administration section for information on claim submissions or the review process.
- Any claim for benefits under the Severance Plan must be filed within 12 months of the date your first payment would have been due under the Severance Plan.
- Any legal action for benefits under the Severance Plan must be brought within three years of the date your first payment would have been due under the Severance Plan.

Changes to the Plan

Duke Energy does not expect to continue the Severance Plan indefinitely as it is designed in connection with the merger of Cinergy and Duke Energy. Further, Duke Energy reserves the right to amend, modify, eliminate, suspend, or terminate all or part of the Severance Plan (and/or any of its other plans) at any time in its sole discretion.

Severance Plan Administration

Here are details about how the Severance Plan is administered.

Severance Plan Name

The Severance Plan's name is the Duke Energy Corporation Merger Severance Plan for Employees Represented by The International Brotherhood of Electrical Workers Union, Local #1347.

Severance Plan Sponsor

The Severance Plan is sponsored by:

Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28202

You may receive from the Severance Plan Administrator, upon written request, information as to whether a particular employer is a participating employer, and the employer's address.

Administrator and Administration

The Severance Plan is administered by:

The Benefits Committee
Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6400

The Benefits Committee is the Severance Plan Administrator and reserves the right to interpret and regulate the Severance Plan, by exercise of discretionary authority. Benefits under the Severance Plan are paid only if the Benefits Committee decides in its discretion that the applicant is entitled to benefits under the provisions of the Severance Plan.

Employer Identification Number and Severance Plan Number

Duke Energy's employer identification number is 20-2777218. The number assigned by Duke Energy to the Severance Plan is 506. The Severance Plan is a component of the Cinergy Corp. Welfare Benefit Program.

Funding

The Severance Plan is not funded and no contributions are made to the Severance Plan. Benefits under the Severance Plan are paid from the general assets of Duke Energy.

Plan Year

The Severance Plan is operated on a calendar-year basis, beginning January 1 and ending December 31.

Agent for Service of Legal Process

Service of legal process may be delivered to:

Executive Vice President and Chief Legal Officer
Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28202

Process may also be served upon the Severance Plan Administrator.

Type of Plan

The Severance Plan is a welfare plan for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Severance Plan provides severance benefits.

Claim Review Process

The Severance Plan has a claim review process that is followed whenever you submit a claim for benefits.

Initial Decision

When you file a claim, the claims administrator reviews the claim and makes a decision to either approve or deny the claim (in whole or in part). You will receive a written notice of the claim

decision within a reasonable period of time - generally not later than 90 days after receipt of your claim. In some situations, the Severance Plan may need an extension of time to make a decision (for example, if the Severance Plan needs additional information). If special circumstances require an extension, the period to make a decision may be extended for an additional 90 days. You'll be notified of the extension within the initial 90 day period following receipt of your claim.

If Your Claim is Denied

If your request or claim is denied, in whole or in part, you will receive a written notice that explains:

- The specific reasons for the denial.
- The Severance Plan provisions on which the denial is based.
- A description of any additional material or information needed and an explanation of why it is necessary.
- An explanation of the plan's claim review procedures, applicable time limits and your rights to bring a civil action under Section 502(a) of ERISA following a denial on review.

Request for Review if Your Claim is Denied

After receiving the notice, you, your beneficiary, or your legal representative may ask for a full and fair review of the decision by writing to the Benefits Committee, Duke Energy Corporation, Duke Energy Corporation, 526 South Church Street, Charlotte, North Carolina 28202. You must make this request within 60 days of the date you receive notice of the denied claim. During the 60-day period, you or your authorized representative will be given reasonable access to all documents and information related to the claim, and you may request copies free of charge. You can also submit written comments, documents, records, and other information to the Benefits Committee.

Final Decision

The Cinergy Corp. Claims Committee will review the claim and make a decision based on all comments, documents, records, and other information you've submitted. You'll receive its final decision within a reasonable period of time - generally not later than 60 days after receiving your request for review. If necessary, the period may be extended for an additional 60 days.

If your request on review is denied, in whole or in part, you will receive a written notice that explains:

- The specific reasons for the denial.
- The Severance Plan provisions on which the denial is based.
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, documents, records, and other information relating to your claim.
- A statement of your right to bring a civil action under Section 502(a) of ERISA.

Your Rights Under ERISA

As a participant in the Severance Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), which are listed below:

Receive Information About Your Plan and Benefits

As a plan participant, you have the right to:

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Prudent Actions By Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Claim Review

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial -- all within certain time schedules. For more information on claim review, see "Claim Review Process" section above.

Enforce Your Rights

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees -- for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Severance Plan, you should contact the plan administrator.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Legal Documents as Final Authority

This summary covers the main points of the Severance Plan in general terms. The summary is not intended to cover every plan detail. Complete Severance Plan details are in the legal documents that govern plan operation and administration. **If any conflict ever should exist between this summary and the provisions of the legal plan documents, the plan documents would govern.** The legal plan documents are available for you to review at your worksite by contacting the Duke Energy Corporation's iPeople Center during regular office hours.

**AMENDMENT AND RESTATEMENT OF
THE DUKE ENERGY CORPORATION 2003-2005
SEVERANCE BENEFITS PLAN (PN: 545)**

DUKE ENERGY CORPORATION hereby amends and restates, effective August 1, 2004, the Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545) as set forth in the attached, amended and restated plan document and summary plan description.

DUKE ENERGY CORPORATION

By: 

Its: VP - Human Resources

Date: 9/2/2004

**THE DUKE ENERGY CORPORATION 2003-2005
SEVERANCE BENEFITS PLAN (PN: 545)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

1. Purpose. The Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by Duke Energy Corporation (the "Corporation") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Corporation. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Corporation. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Corporation" shall mean Duke Energy Corporation, and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Effective Date" shall mean August 1, 2004.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean the Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545) (Amended and Restated Effective August 1, 2004).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's [Vice President – Human Resources] shall appoint or constitute to serve as plan administrator of the Plan.

- h. "Severance Payment" shall mean the benefit payable under Section 5.
 - i. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
 - j. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Corporation or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Corporation as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or

location for which a voluntary termination of employment option is made available by the Corporation, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Corporation, or its designee; and

- c. be permanently laid off by the Corporation on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Corporation; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Corporation pursuant to an operating agreement, which facility is owned by an entity that is neither the

Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Corporation and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on

account of termination of employment, shall not be eligible for benefits under the Plan.

An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Corporation has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be [fourteen (14)] days. The Corporation, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its designee, to be essential to the Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus

- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor).

- 6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.
- 7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation

Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation

period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Corporation or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due

to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Corporation or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan

Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke Energy Corporation 2003-2005 Severance
Benefits Plan (PN: 545)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

Duke Energy Corporation
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Corporation's employer identification number is 56-0205520. The Plan's identification number is 545. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its [Vice President – Human Resources], or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE ENERGY CORPORATION 2003-2005 SEVERANCE BENEFITS PLAN (PN: 545), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE DUKE ENERGY CORPORATION
2003-2005 SEVERANCE BENEFITS PLAN (PN: 545)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the “Plan”), Duke Energy Corporation (the “Corporation”) hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by the Corporation as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Corporation, or its designee, which option has been approved by the Corporation’s Vice President – Human Resources, volunteer and be accepted for layoff by the Corporation, or its designee; and

- c. be permanently laid off by the Corporation on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Corporation; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies.

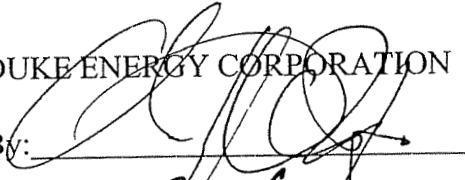
An individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Corporation pursuant to an operating agreement, which facility is owned by an entity that is neither the Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates

employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Corporation and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Corporation on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Corporation and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment,

separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Corporation has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Corporation, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its designee, to be essential to the Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, the amendment to the Plan has been executed in the name of
the Corporation on the date specified below.

DUKE ENERGY CORPORATION
By: 
Its: V.P. H. [Signature]
Date: April 21, 2005

**AMENDMENT AND RESTATEMENT OF
THE DUKE ENERGY CORPORATION 2003-2005
SEVERANCE BENEFITS PLAN (PN: 545)**

DUKE ENERGY CORPORATION hereby amends and restates, effective August 1, 2004, the Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545) as set forth in the attached, amended and restated plan document and summary plan description.

DUKE ENERGY CORPORATION

By: _____

Its: _____

Date: _____

**THE DUKE ENERGY CORPORATION 2003-2005
SEVERANCE BENEFITS PLAN (PN: 545)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

1. Purpose. The Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by Duke Energy Corporation (the "Corporation") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Corporation. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Corporation. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Corporation" shall mean Duke Energy Corporation, and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Effective Date" shall mean August 1, 2004.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean the Duke Energy Corporation 2003-2005 Severance Benefits Plan (PN: 545) (Amended and Restated Effective August 1, 2004).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's [Vice President – Human Resources] shall appoint or constitute to serve as plan administrator of the Plan.

- h. "Severance Payment" shall mean the benefit payable under Section 5.
 - i. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
 - j. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Corporation or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Corporation as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or

location for which a voluntary termination of employment option is made available by the Corporation, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Corporation, or its designee; and

- c. be permanently laid off by the Corporation on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Corporation; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Corporation pursuant to an operating agreement, which facility is owned by an entity that is neither the

Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Corporation and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on

account of termination of employment, shall not be eligible for benefits under the Plan.

An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Corporation has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be [fourteen (14)] days. The Corporation, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its designee, to be essential to the Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:
 - (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus
 - (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus

- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor).

- 6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.
- 7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation

Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation

period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Corporation or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due

to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Corporation or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan

Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke Energy Corporation 2003-2005 Severance
Benefits Plan (PN: 545)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

Duke Energy Corporation
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Corporation's employer identification number is 56-0205520. The Plan's identification number is 545. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its [Vice President – Human Resources], or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE ENERGY CORPORATION 2003-2005 SEVERANCE BENEFITS PLAN (PN: 545), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT AND RESTATEMENT OF
THE DUKE ENERGY BUSINESS SERVICES LLC 2003-2005
SEVERANCE BENEFITS PLAN (PN: 546)**

DUKE ENERGY BUSINESS SERVICES LLC hereby amends and restates, effective August 1, 2004, the Duke Energy Business Services LLC 2003-2005 Severance Benefits Plan (PN: 546) as set forth in the attached, amended and restated plan document and summary plan description.

DUKE ENERGY BUSINESS SERVICES LLC

By: BR Mullinar

Its: President

Date: 2 Sept. 2004

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:
- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
 - b. "Company" shall mean Duke Energy Business Services LLC, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
 - c. "Corporation" shall mean Duke Energy Corporation.
 - d. "Effective Date" shall mean August 1, 2004.
 - e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
 - f. "Other Benefits" shall mean the benefits provided under Section 7.
 - g. "Plan" shall mean the Duke Energy Business Services LLC 2003-2005 Severance Benefits Plan (PN: 546) (Amended and Restated Effective August 1, 2004).

payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and

- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and
- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by,

employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial
nine (9) Years of Service, plus

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:

- a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for

extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the

period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke Energy Business Services LLC 2003-2005 Severance
Benefits Plan (PN: 546)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE ENERGY BUSINESS SERVICES LLC 2003-2005 SEVERANCE BENEFITS PLAN (PN: 546), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE DUKE ENERGY BUSINESS SERVICES LLC
2003-2005 SEVERANCE BENEFITS PLAN (PN: 546)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Duke Energy Business Services LLC. 2003-2005 Severance Benefits Plan (PN: 546) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the "Plan"), Duke Energy Business Services LLC (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and

- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis

(other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or

any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of
the Company on the date specified below.

DUKE ENERGY BUSINESS SERVICES LLC

By: BR Mullins


Its: Group Vice President

Date: April 21, 2005

**AMENDMENT AND RESTATEMENT OF
THE CRESCENT RESOURCES, LLC 2003-2005
SEVERANCE BENEFITS PLAN (PN: 547)**

CRESCENT RESOURCES, LLC hereby amends and restates, effective August 1, 2004, the Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547) as set forth in the attached, amended and restated plan document and summary plan description.

CRESCENT RESOURCES, LLC

By: 

Its: President

Date: October 1, 2004

**THE CRESCENT RESOURCES, LLC 2003-2005
SEVERANCE BENEFITS PLAN (PN: 547)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

1. Purpose. The Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by Crescent Resources, LLC (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean Crescent Resources, LLC, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean August 1, 2004.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.
- g. "Plan" shall mean the Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547) (Amended and Restated Effective August 1, 2004).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's [Vice President – Human Resources] shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active

payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and

- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and
- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by,

irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered

employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment or separation agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount equal to the sum of the following:
 - (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus

- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
- (c) provided the Eligible Employee has at least five (5) full Years of Service, one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than six (6) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. In addition, the Severance Payment amount shall be reduced, but not below zero, by any amount, determined before withholding for taxes and any other lawful purpose, to which the Eligible Employee becomes entitled under the Crescent Resources Long Term Bonus Plan and that is scheduled to be paid following the Eligible Employee's Termination Date. Finally, the Severance Payment amount, including the minimum and maximum set forth above, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the

Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
 - b. Provided the Eligible Employee has at least one (1) full Year of Service, the Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.

- c. Provided the Eligible Employee has at least one (1) full Year of Service, the Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible

Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.
9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan,

including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the

claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Crescent Resources, LLC 2003-2005 Severance
Benefits Plan (PN: 547)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

Crescent Resources, LLC
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 57-0443582. The Plan's identification number is 547. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.

13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the CRESCENT RESOURCES, LLC 2003-2005 SEVERANCE BENEFITS PLAN (PN: 547), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and

updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the

person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE CRESCENT RESOURCES, LLC 2003-2005
SEVERANCE BENEFITS PLAN (PN: 547)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the "Plan"), Crescent Resources, LLC. (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and
 - c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of

- acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or

an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment or separation agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not

qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Company on the date specified below.

CRESCENT RESOURCES, LLC

By: Burtaral Burtaral for Art Field

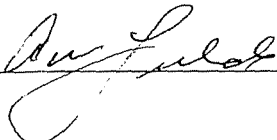
Its: CEO & President

Date: Apr 29, 2005

**AMENDMENT AND RESTATEMENT OF
THE CRESCENT RESOURCES, LLC 2003-2005
SEVERANCE BENEFITS PLAN (PN: 547)**

Pursuant to Section 13 thereof, CRESCENT RESOURCES, LLC hereby amends and restates the Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547) and Summary Plan Description (Amended and Restated Effective August 1, 2004), and as amended by Amendment No. 1 thereto, in its entirety, effective May 1, 2006, as set forth in the attached "THE CRESCENT RESOURCES, LLC 2003-2007 SEVERANCE BENEFITS PLAN (PN: 547) AND SUMMARY PLAN DESCRIPTION (Amended and Restated Effective May 1, 2006.)"

CRESCENT RESOURCES, LLC

By: 

Its: President & CEO

Date: 5-15-2006

**THE CRESCENT RESOURCES, LLC 2003-2007
SEVERANCE BENEFITS PLAN (PN: 547)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective May 1, 2006)**

1. Purpose. The Crescent Resources, LLC 2003-2005 Severance Benefits Plan (PN: 547), was established by Crescent Resources, LLC (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Crescent Resources, LLC 2003-2005 Severance Benefits Plan is amended and restated in its entirety, effective May 1, 2006, as set forth in this amended and restated plan document and summary plan description (the "Plan"), which shall supersede the prior versions of the Plan except for terminations of employment occurring before May 1, 2006. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of May 1, 2006, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits

provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company, or its designee. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean Crescent Resources, LLC, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean May 1, 2006.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.

- g. "Plan" shall mean the Crescent Resources, LLC 2003-2007 Severance Benefits Plan (PN: 547) (Amended and Restated Effective May 1, 2006).
- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Company shall appoint or constitute to serve as plan administrator of the Plan.
- i. "Severance Payment" shall mean the benefit payable under Section 5.
- j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
- k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "Service Date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, or its designee, which procedures shall not result in duplicative counting of service and shall exclude any service occurring (i) before a prior, voluntary termination of employment by the employee, (ii) before a prior, involuntary termination of employment for "cause," as determined by the Company, or its designee, in its sole discretion, or (iii) before a prior termination of employment in connection with which the employee became entitled to severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or became entitled to payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual, who is not otherwise ineligible for benefits under the Plan, must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's Chief Human Resources Officer, volunteer and be accepted for layoff by the Company, or its designee; and
 - c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than December 31, 2007, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, by the Company, or its designee, occurring on or after the Effective Date, and before December 31, 2007, and pursuant to layoff processes implemented by the Company; and
 - d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
 - e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies, or not have been previously

entitled to benefits under the Plan, and an individual shall be considered to be so eligible, or to have been so entitled, even if the individual fails to satisfy a requirement therefor that the individual execute, and not revoke, a release of claims.

For purposes of item b. of the first sentence of Section 4, the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be twenty-one (21) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company, or to any of its operations, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

Notwithstanding the foregoing, the following individuals shall not be eligible for benefits under the Plan:

- a. Any individual who is not classified as an employee on, and paid through, the regular payroll system of the Company.
- b. Any individual (i) who is employed in connection with the provision of property management, or other services, by the Company, pursuant to a management, or

- other services, agreement, (ii) whose employment is terminated by the Company on account of termination of, or failure to renew, such agreement, and (iii) who accepts an offer of employment with the successor provider of such services, or its affiliate, prior to or promptly following, the individual's Termination Date.
- c. Any individual who terminates employment on a voluntary basis (other than under the eligibility provisions of item b. of the first sentence of Section 4), any individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan (including, but not limited to, involuntary termination of employment for "cause," as determined by the Company, or its designee, in its sole discretion, or termination of employment as the result of the individual's death), or any individual who quits work prior to the date specified in the notice, or revised notice, of layoff, or prior to the date released by the Company.
- d. Any individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies.
- e. Any individual who is transferred or reassigned within the Company and its affiliated companies.
- f. Any individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise.
- g. Any individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, (ii) whose

employment is terminated by the Company, and (iii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date.

- h. Any individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, accepts an offer of employment with such contractor, or an affiliate or subcontractor of such contractor.
- i. Any individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
- j. Any individual whose terms and conditions of employment are subject to collective bargaining unless the Company has entered into a collective bargaining agreement that provides that such individual may become eligible for benefits under the Plan.

5. Severance Payment. An Eligible Employee's entitlement to a Severance Payment shall be subject to the provisions of Section 8. The Severance Payment amount shall be determined as follows –

- a. If the Eligible Employee's full, and any partial, Years of Service are two (2) or less – two weeks Base Pay.

- b. If the Eligible Employee's full, and any partial, Years of Service are more than two (2), but less than five (5) – one week Base Pay for each full, and any partial, Year of Service.
- c. If the Eligible Employee's full, and any partial, Years of Service are more than five (5) – the sum of the following:
 - i) one week of Base Pay per Year of Service for the first full, and any partial, nine (9) Years of Service, plus
 - ii) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
 - iii) provided the Eligible Employee has at least five (5) full Years of Service, one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing, the amount of an Eligible Employee's Severance Payment shall not be more than fifty-two (52) weeks of Base Pay. In addition, the Severance Payment amount shall be reduced, but not below zero, by any amount, determined before withholding for taxes and any other lawful purpose, to which the Eligible Employee becomes entitled under the Crescent Resources Long Term Bonus Plan (plan dated 2000) and that is scheduled to be paid following the Eligible Employee's Termination Date. Finally, the Severance Payment amount, including the maximum set forth above, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the first 2½ months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff or of acceptance of the Eligible Employee's volunteer for layoff, by the Company, or its designee.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree

coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies. The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its

affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.
10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is

acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its

delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Crescent Resources, LLC 2003-2007 Severance
Benefits Plan (PN: 547)
Vice President, Human Resources
Duke Energy Business Services
Mail Code ST18C
400 South Tryon Street
Charlotte, NC 28202
980-373-4493

The designated agent for service of legal process upon the Plan is:

Deputy General Counsel, Labor & Employment
Law Department
Duke Energy Corporation
Mail Code EC03T
526 South Church Street
Charlotte, NC 28202
704-382-8124

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

Crescent Resources, LLC
Attn: Vice President, Human Resources
Mail Code ST13A
400 South Tryon Street
Charlotte, NC 28202
704-382-5365

The Company's employer identification number is 57-0443582. The Plan's identification number is 547. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the CRESCENT RESOURCES, LLC 2003-2007 SEVERANCE BENEFITS PLAN (PN: 547), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator's office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan's annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do

not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

ATTACHMENT A

- Waiver and Release Form – Voluntary Layoff
- Waiver and Release Form – Involuntary Layoff

IMPORTANT NOTICE-READ BEFORE SIGNING WAIVER AND RELEASE

Before signing the Waiver and Release in order to receive severance benefits, you should be aware that two proposed class actions have been filed in federal district court in South Carolina. One alleges violations of the Age Discrimination in Employment Act and the Employee Retirement Income Security Act ("ERISA") arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. The plaintiffs seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *George et al. v. Duke Energy Cash Balance Retirement Plan and Duke Energy Corporation*, Case No. 806-cv-00373-RBH ("George"). The other case alleges violations of ERISA arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. Those plaintiffs also seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *Williams, et al. v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-cv-1473-RBH ("Williams"). Please note that if you sign and do not revoke the Waiver and Release within the specified time, the Company will take the position as specified in paragraph 7 of the Waiver and Release that you have waived your potential claims and damages in these lawsuits. **THE COMPANY STRONGLY ADVISES YOU TO CONSULT LEGAL COUNSEL BEFORE SIGNING THE WAIVER AND RELEASE.** The lawyers who filed the proposed class actions are as follows:

For the *George* case:

James R. Gilreath
William M. Hogan
THE GILREATH LAW FIRM, P.A.
110 Lavinia Avenue
P. O. Box 2147
Greenville, SC 29602
864) 242-4727

Charles W. Whetstone, Jr.
Cheryl F. Perkins
TSTONE MYERS PERKINS & YOUNG LLC
1303 Blanding Street (29201)
P. O. Box 8086
Columbia, SC 20202
(893) 799-9400

Mona Lisa Wallace
WALLACE & GRAHAM, P.A.
525 North Main Street

Salisbury, North Carolina 28144
(704) 633-5244

For the *Williams* case:

Carl F. Muller
Andrew B. Cogburn
Wallace Lightsey
WYCHE, BURGESS, FREEMAN
& PARHAM, P.A.
44 East Camperdown Way
Greenville, SC 29601
(864) 242-8200

A. Hoyt Rowell, III
Daniel O. Myers
T. Christopher Tuck
Robert S. Wood
RICHARDSON, PATRICK
WESTBROOK & BRICKMAN, LLC
P.O. Box 1007
Mt. Pleasant, SC 29465
(843) 727-6500

Terry E. Richardson, Jr.
RICHARDSON, PATRICK,
WESTBROOK & BRICKMAN, LLC
1730 Jackson Street
Barnwell, SC 29812
(843) 541-7850

Jack G. Leader
Harold Staley
ELROD LAW FIRM
212 East Black Street
Rock Hill, SC 29730
(803) 324-7200

F. Craig Wilkerson
228 East Black Street
Rock Hill, SC 29730
(803) 324-7200

WAIVER AND RELEASE FORM

Name

Employee iD Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest and Crescent Resources, LLC and all subsidiaries and affiliates of Crescent Resources, LLC. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Crescent Resources, LLC 2003-2007 Severance Benefits Plan (PN: 547)" and Summary Plan Description (Amended and Restated effective May 1, 2006) for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee. I acknowledge that I have notified the Company of my decision to volunteer to terminate my employment with the Company under the Plan, and that the Company accepted my decision.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the

ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621, et seq., "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities

Act; e) the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including but not limited to fiduciary claims; f) (*if applicable, list specific state law*); g) any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to Workers’ Compensation benefits.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan (“Cash Balance Plan”) is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006, and another was commenced on May 12, 2006. Here are the captions of those cases: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-RBH; *Harry Williams, Russell S. Smith, Elliott L. Bollinger, Terry L. Jordan, Ken W. Maree, and John L. Street, Jr. v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation* Case No. 8:06-CV-1473-RBH. Both lawsuits are pending in the United States District Court for the District of South Carolina. This paragraph deals with those lawsuits, and any lawsuit asserting similar claims (the “Cash Balance Plan Litigation”). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the proposed plaintiff classes in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER

AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness

Date received by
the Company

Received by: _____

IMPORTANT NOTICE-READ BEFORE SIGNING WAIVER AND RELEASE

Before signing the Waiver and Release in order to receive severance benefits, you should be aware that two proposed class actions have been filed in federal district court in South Carolina. One alleges violations of the Age Discrimination in Employment Act and the Employee Retirement Income Security Act arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. The plaintiffs seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *George et al. v. Duke Energy Cash Balance Retirement Plan and Duke Energy Corporation*, Case No. 806-cv-00373-RBH ("George"). The other case alleges violations of ERISA arising out of the conversion of the Duke Power Company Employee's Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. Those plaintiffs also seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *Williams, et al. v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-cv-1473-RBH ("*Williams*"). Please note that if you sign and do not revoke the Waiver and Release within the specified time, the Company will take the position as specified in paragraph 7 of the Waiver and Release that you have waived your potential claims and damages in that lawsuit. **THE COMPANY STRONGLY ADVISES YOU TO CONSULT LEGAL COUNSEL BEFORE SIGNING THE WAIVER AND RELEASE.** The lawyers who filed the class action are as follows:

For the *George* case:

James R. Gilreath
William M. Hogan
THE GILREATH LAW FIRM, P.A.
110 Lavinia Avenue
P. O. Box 2147
Greenville, SC 29602
864) 242-4727

Charles W. Whetstone, Jr.
Cheryl F. Perkins
TSTONE MYERS PERKINS & YOUNG LLC
1303 Blanding Street (29201)
P. O. Box 8086
Columbia, SC 20202
(893) 799-9400

Mona Lisa Wallace
WALLACE & GRAHAM, P.A.
525 North Main Street

Salisbury, North Carolina 28144
(704) 633-5244

For the *Williams* case:

Carl F. Muller
Andrew B. Cogburn
Wallace Lightsey
WYCHE, BURGESS, FREEMAN
& PARHAM, P.A.
44 East Camperdown Way
Greenville, SC 29601
(864) 242-8200

A. Hoyt Rowell, III
Daniel O. Myers
T. Christopher Tuck
Robert S. Wood
RICHARDSON, PATRICK
WESTBROOK & BRICKMAN, LLC
P.O. Box 1007
Mt. Pleasant, SC 29465
(843) 727-6500

Terry E. Richardson, Jr.
RICHARDSON, PATRICK,
WESTBROOK & BRICKMAN, LLC
1730 Jackson Street
Barnwell, SC 29812
(843) 541-7850

Jack G. Leader
Harold Staley
ELROD LAW FIRM
212 East Black Street
Rock Hill, SC 29730
(803) 324-7200

F. Craig Wilkerson
228 East Black Street
Rock Hill, SC 29730
(803) 324-7200

WAIVER AND RELEASE FORM

Name

Employee ID Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest, and Crescent Resources, LLC and all subsidiaries and affiliates of Crescent Resources, LLC. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Crescent Resources, LLC 2003-2007 Severance Benefits Plan (PN: 547)" and Summary Plan Description (Amended and Restated effective May 1, 2006) for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621, et seq., "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to fiduciary claims; f) (*if applicable, list specific state law*); g)

any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to Workers' Compensation benefits.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan ("Cash Balance Plan") is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006, and another was commenced on May 12, 2006. Here are the captions of those cases: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-RBH; *Harry Williams, Russell S. Smith, Elliott L. Bollinger, Terry L. Jordan, Ken W. Maree, and John L. Street, Jr. v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation* Case No. 8:06-CV-1473-RBH. Both lawsuits are pending in the United States District Court for the District of South Carolina. This paragraph deals with those lawsuits, and any lawsuit asserting similar claims (the "Cash Balance Plan Litigation"). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection

with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the proposed plaintiff classes in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS

EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness

Date received by
the Company

Received by: _____

**AMENDMENT AND RESTATEMENT OF
THE DUKE PROJECT SERVICES, INC. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 548)**

DUKE PROJECT SERVICES, INC. hereby amends and restates, effective August 1, 2004, the Duke Project Services, Inc. 2003-2005 Severance Benefits Plan (PN: 548) as set forth in the attached, amended and restated plan document and summary plan description.

DUKE PROJECT SERVICES, INC.

By: AR Mullinax

Its: President

Date: 2 Sept. 2004

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean Duke Project Services, Inc., and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean August 1, 2004.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.
- g. "Plan" shall mean the Duke Project Services, Inc. 2003-2005 Severance Benefits Plan (PN: 548) (Amended and Restated Effective August 1, 2004).

- payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and
 - c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
 - d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
 - e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by,

employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
- a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
 - b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
 - c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for

extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the

period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke Project Services, Inc. 2003-2005 Severance
Benefits Plan (PN: 548)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.

15. Statement of ERISA Rights. As a participant in the DUKE PROJECT SERVICES, INC. 2003-2005 SEVERANCE BENEFITS PLAN (PN: 548), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).


PLAN 549

**ESTABLISHMENT OF
THE ENERGY DELIVERY SERVICES, INC. 2003-2004
SEVERANCE BENEFITS PLAN (PN: 549)**

(Approved by the Duke Energy Business Services Compensation Committee 8-7-03)

ENERGY DELIVERY SERVICES, INC. hereby establishes, effective August 1, 2003,
the Energy Delivery Services, Inc. 2003-2004 Severance Benefits Plan (PN: 549) as set forth in
the attached plan document and summary plan description.

ENERGY DELIVERY SERVICES, INC.

By:  _____

Its: PRESIDENT _____

Date: 8/11/03 _____

**THE ENERGY DELIVERY SERVICES, INC. 2003-2004
SEVERANCE BENEFITS PLAN (PN: 549)
AND SUMMARY PLAN DESCRIPTION
(Effective August 1, 2003)**

1. Purpose. The Energy Delivery Services, Inc. 2003-2004 Severance Benefits Plan (PN: 549), as set forth in this plan document and summary plan description (the "Plan"), is established by Energy Delivery Services, Inc. (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2003, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean Energy Delivery Services, Inc., and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean August 1, 2003.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.
- g. "Plan" shall mean the Energy Delivery Services, Inc. Severance Benefits Plan (PN: 549).
- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Senior Vice President --

Strategy, Planning and Human Resources shall appoint or constitute to serve as plan administrator of the Plan.

- i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies occurring on or after the earliest of the employee's (i) adjusted "retiree insurance date", (ii) adjusted "employment date", or (iii) adjusted "seniority date", determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service, from the Company's employment records.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the

Corporation's Senior Vice President – Strategy, Planning and Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and

- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than December 31, 2004, with notification of layoff, or acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2003, and before August 1, 2004, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an unaffiliated company, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor

operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has

entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be twenty-one (21) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group

health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, the benefits provided under the Plan shall either

be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.
10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes

that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and

binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Energy Delivery Services, Inc. 2003-2004 Severance
Benefits Plan (PN: 549)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

Energy Delivery Services, Inc.
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Corporation's employer identification number is 56-0861901. The Plan's identification number is 549. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the ENERGY DELIVERY SERVICES, INC. 2003-2004 SEVERANCE BENEFITS PLAN (PN: 549), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator's office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan's annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do

not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(i)(2).

WAIVER AND RELEASE FORM

Name

Social Security Number

[(Note: the term "Company" in this Waiver and Release Form includes Duke Energy Corporation and all subsidiaries and other affiliates of Duke Energy Corporation, including Energy Delivery Services, Inc. and all subsidiaries and affiliates of Energy Delivery Services, Inc.)]

1. I understand that the Company has established "The Energy Delivery Services, Inc. 2003-2004 Severance Benefits Plan" (PN: 549) (the "Plan") for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign this Waiver and Release, I will receive a Severance Payment in an amount equal to _____, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until _____, 200__, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to _____ by that date _____, 200__. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621, *et seq.*, "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Family and Medical Leave Act; f) (if applicable, list specific state law); g) any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; and i) any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor does it waive any rights and claims which I might have against the Company arising out of my possible exposure during my employment with the Company to asbestos at a facility or facilities owned by the Company.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits under the terms of any employee retirement benefit plan in which I am a participant and in which I have vested. I further understand and acknowledge that any distributions to which I might be entitled by virtue of being vested in any employee retirement benefit plan in which I am a participant shall be made in accordance with the terms of the respective plan.

7. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation.

8. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

9. **I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.**

10. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date signed

Signature

Print Name

Witness

Date received by
Energy Delivery Services, Inc.

Person receiving on behalf of
Energy Delivery Services, Inc.

**AMENDMENT NO. 1 TO
THE ENERGY DELIVERY SERVICES, INC.
2003-2004 SEVERANCE BENEFITS PLAN (PN: 549)**

Pursuant to Section 13 of the Energy Delivery Services, Inc. 2003-2004 Severance Benefits Plan (PN: 549) (the "Plan"), Energy Delivery Services, Inc. (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 8.b. of the Plan, in its entirety, to read as follows:

The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, , or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Company on the date specified below.

ENERGY DELIVERY SERVICES, INC.

By: 

Its: PRESIDENT

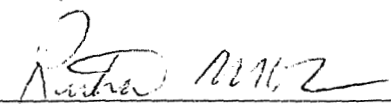
Date: November 7, 2003

PLAIN 200

**AMENDMENT AND RESTATEMENT OF
THE DUKE ENERGY AMERICAS, INC. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 550)**

DUKE ENERGY GLOBAL MARKETS, INC. (prior to July 1, 2004, named "Duke Energy Americas, Inc.") hereby renames, amends and restates, effective August 1, 2004, the Duke Energy Americas, Inc. 2003-2005 Severance Benefits Plan (PN: 550) as set forth in the attached, renamed, amended and restated plan document and summary plan description, which reflects the company name change from Duke Energy Americas, Inc. to Duke Energy Global Markets, Inc. that was effective July 1, 2004, and which supercedes the prior amendment and restatement, which was also effective August 1, 2004, but did not reflect such company name change.

DUKE ENERGY GLOBAL MARKETS, INC.

By: 
R. K. McGee

Its: President

Date: September 1, 2004

**THE DUKE ENERGY GLOBAL MARKETS, INC. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 550)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective August 1, 2004)**

1. Purpose. The Duke Energy Global Markets, Inc. 2003-2005 Severance Benefits Plan (PN: 550), as set forth in this renamed, amended and restated plan document and summary plan description (the "Plan"), is established by Duke Energy Global Markets, Inc., prior to July 1, 2004, named "Duke Energy Americas, Inc.", (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies. The Plan supercedes and replaces the Duke Energy Americas, Inc.

2003-2005 Severance Benefits Plan (PN: 550) and Summary Plan Description (Amended and Restated Effective August 1, 2004).

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean Duke Energy Global Markets, Inc., and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean August 1, 2004.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.

- g. "Plan" shall mean the Duke Energy Global Markets, Inc. 2003-2005 Severance Benefits Plan (PN: 550) (Renamed, Amended and Restated Effective August 1, 2004).
 - h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President – Human Resources shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:

- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and
- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke

Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or

who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has

expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
 - b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
 - c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.
9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan

Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by

submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke Energy Global Markets, Inc. 2003-2005 Severance
Benefits Plan (PN: 550)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

Duke Energy Global Markets, Inc.
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 88-0366429. The Plan's identification number is 550. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.

13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE ENERGY GLOBAL MARKETS, INC. 2003-2005 SEVERANCE BENEFITS PLAN (PN: 550), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and

updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the

person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE DUKE ENERGY GLOBAL MARKETS, INC.
2003-2005 SEVERANCE BENEFITS PLAN (PN: 550)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Duke Energy Global Markets, Inc. 2003-2005 Severance Benefits Plan (PN: 550) and Summary Plan Description (Renamed, Amended and Restated Effective August 1, 2004) (the “Plan”), Duke Energy Global Markets, Inc. (the “Company”) hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation’s [Vice President – Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and

- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis

(other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or

any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of
the Company on the date specified below.

DUKE ENERGY GLOBAL MARKETS, INC.

By: 

Its: DCP President

Date: APRIL 25, 2005

**AMENDMENT AND RESTATEMENT OF
THE DENA ASSET PARTNERS, L.P. 2005-2008
SEVERANCE BENEFITS PLAN (PN: 551)**

DENA ASSET PARTNERS, LP hereby amends and restates, effective November 8,
2005, the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) as set forth
in the attached amended and restated plan document and summary plan description.

DENA ASSET PARTNERS, LP

By: 

As: Group Vice President, Human
Resources

Date: NOVEMBER 9, 2005

**THE DENA ASSET PARTNERS, LP 2005-2008
SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective November 8, 2005)**

1. Purpose. The DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by DENA Asset Partners, LP (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of November 8, 2005, and shall not apply to Termination Dates occurring before that date, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean DENA Asset Partners, LP, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean November 8, 2005.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.
- g. "Plan" shall mean the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) (Amended and Restated Effective November 8, 2005).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President – Human Resources shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been (i) classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day

immediately preceding the Termination Date; or (ii) identified by the Company, or its designee, in its sole discretion, on the day immediately preceding the Termination Date, on a schedule hereto, which it may update, or otherwise revise, from time to time in its sole discretion, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on the active payroll (or on a leave of absence with a reemployment guarantee) of an affiliated company of the Company, whose job's principal duties consist of providing services in support of the Company's business activities, and who is notified of layoff by the Company or its employing affiliated company, or its designee, because such job is being discontinued on account of significant reduction in such activities; and

- b. be notified of layoff by the Company or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, be notified of layoff by the Company or its employing affiliated company, or its designee; pursuant to its acceptance of volunteer; and
- c. be permanently laid off by the Company or its employing affiliated company, with a Termination Date that is no earlier than March 1, 2005, and no later than February 28, 2008, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company or its employing affiliated company; and

- d. be certified in writing by the Company, or its employing affiliated company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies. Any individual identified, on the date immediately preceding the Termination Date, on the schedule referred to in Section 4.a.(ii) shall not be eligible for benefits under any other such plan.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company or its employing affiliated company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company or its employing affiliated company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated by the individual's death, for cause, or otherwise involuntarily, but not

pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment, or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company or its employing affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company or its affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company or its employing affiliated company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:
 - (a) two weeks of Base Pay per full, and any partial, Year of Service, plus
 - (b) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twenty-four (24) weeks of Base Pay, or more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-

rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and then, in no event, (i) if the Termination Date occurs before January 1, 2006, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which such Termination Date occurs, or, (ii) if the Termination Date occurs after December 31, 2005, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance of the Eligible Employee's volunteer for layoff, by the Company or its employing affiliated company, or its designee.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation

Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation

period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff,

reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan

Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
DENA Asset Partners, LP 2005-2008 Severance
Benefits Plan (PN: 551)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

DENA Asset Partners, LP
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 76-0700129. The Plan's identification number is 551. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.

15. Statement of ERISA Rights. As a participant in the DENA ASSET PARTNERS, LP 2005-2008 SEVERANCE BENEFITS PLAN (PN: 551), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

DENA ASSET PARTNERS, LP
2005-2008 Severance Benefits Plan (PN: 551)

Schedule
of Eligible Employees of Affiliated Companies
(Effective, _____, 200__, and revoking any prior version)

Employee's Name

Title

Employing Affiliated Company (Dept./Org. Unit)

**AMENDMENT NO. 2 TO
THE DENA ASSET PARTNERS, LP
2005-2008 SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective March 1, 2005)**

Pursuant to Section 13 of the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) and Summary Plan Description (Renamed, Amended and Restated Effective March 1, 2005) (the "Plan"), DENA Asset Partners, LP (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 6 of the Plan, in its entirety, to read as follows:

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and then, in no event, (i) if the Termination Date occurs before January 1, 2006, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which such Termination Date occurs, or, (ii) if the Termination Date occurs after December 31, 2005, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance

of the Eligible Employee's volunteer for layoff, by the Company or its employing affiliated company, or its designee.

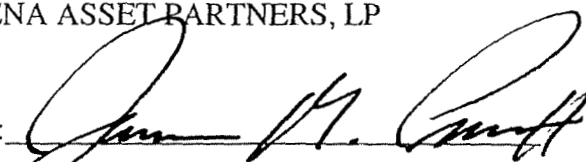
IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Company on the date specified below.

DENA ASSET PARTNERS, LP

By:

Its:

Date:

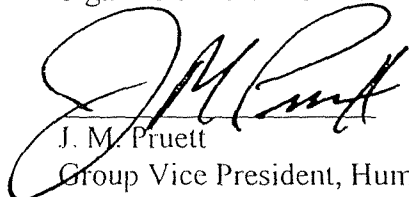

Group Vice President, Human
Resources
November 8, 2005

**SCHEDULE TO THE AMENDED AND RESTATED DENA ASSET PARTNERS,
LP 2005-2008 SEVERANCE BENEFITS PLAN (PN 551)**

Effective January 23, 2006, and revoking any prior version, the following persons are identified pursuant to item (a)(ii) of the first sentence of Section 4 of the Plan:

<u>Employee Name</u>	<u>Employer</u>	<u>Title</u>
Terrence M. Aschbacher	DETMi Management, Inc.	Vice President, Physical Trading
Brent C. Bailey	PanEnergy Service, LP	Vice President, General Counsel & Assistant Secretary
Madeline Coblenz	PanEnergy Service, LP	Associate General Counsel
Kris K. Errickson	DETMi Management, Inc.	Director, Economic Analysis
Joseph Forbes	PanEnergy Service, LP	Assistant General Counsel
Keith Head	PanEnergy Service, LP	Associate General Counsel
Gloria Jimenez	PanEnergy Service, LP	Legal Secretary II
Lisa Lockhart	PanEnergy Service, LP	Assistant General Counsel
Jane Pearson	PanEnergy Service, LP	Associate General Counsel
JoAnn Russell	PanEnergy Service, LP	Associate General Counsel
Christine Schoppe	PanEnergy Service, LP	Legal Secretary II
Gretchen Schott	PanEnergy Service, LP	Assistant General Counsel
Yolanda Steagall	PanEnergy Service, LP	Legal Secretary II
Betty M. Thomas	DETMi Management, Inc.	Senior Scheduler
John D. Thomas	DETMi Management, Inc.	Vice President, Acquisitions & Divestitures
Nancy Chung Truong	DETMi Management, Inc.	Senior Transportation Representative

Signed and dated this 23rd day of January, 2006.

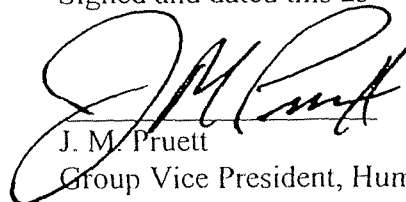

J. M. Pruett
Group Vice President, Human Resources

**SCHEDULE TO THE AMENDED AND RESTATED DENA ASSET PARTNERS,
LP 2005-2008 SEVERANCE BENEFITS PLAN (PN 551)**

Effective January 23, 2006, and revoking any prior version, the following persons are identified pursuant to item (a)(ii) of the first sentence of Section 4 of the Plan:

<u>Employee Name</u>	<u>Employer</u>	<u>Title</u>
Terrence M. Aschbacher	DETMi Management, Inc.	Vice President, Physical Trading
Brent C. Bailey	PanEnergy Service, LP	Vice President, General Counsel & Assistant Secretary
Madeline Coblenz	PanEnergy Service, LP	Associate General Counsel
Kris K. Errickson	DETMi Management, Inc.	Director, Economic Analysis
Joseph Forbes	PanEnergy Service, LP	Assistant General Counsel
Keith Head	PanEnergy Service, LP	Associate General Counsel
Gloria Jimenez	PanEnergy Service, LP	Legal Secretary II
Lisa Lockhart	PanEnergy Service, LP	Assistant General Counsel
Jane Pearson	PanEnergy Service, LP	Associate General Counsel
JoAnn Russell	PanEnergy Service, LP	Associate General Counsel
Christine Schoppe	PanEnergy Service, LP	Legal Secretary II
Gretchen Schott	PanEnergy Service, LP	Assistant General Counsel
Yolanda Steagall	PanEnergy Service, LP	Legal Secretary II
Betty M. Thomas	DETMi Management, Inc.	Senior Scheduler
John D. Thomas	DETMi Management, Inc.	Vice President, Acquisitions & Divestitures
Nancy Chung Truong	DETMi Management, Inc.	Senior Transportation Representative

Signed and dated this 23rd day of January, 2006.



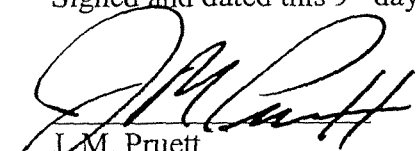
J. M. Pruett
Group Vice President, Human Resources

**SCHEDULE TO THE AMENDED AND RESTATED DENA ASSET PARTNERS,
LP 2005-2008 SEVERANCE BENEFITS PLAN (PN 551)**

Effective January 9, 2006, and revoking any prior version, the following persons are identified pursuant to item (a)(ii) of the first sentence of Section 4 of the Plan:

<u>Employee Name</u>	<u>Employer</u>	<u>Title</u>
Brent C. Bailey	PanEnergy Service, LP	Vice President, General Counsel & Assistant Secretary
Madeline Coblenz	PanEnergy Service, LP	Associate General Counsel
Joseph Forbes	PanEnergy Service, LP	Assistant General Counsel
Keith Head	PanEnergy Service, LP	Associate General Counsel
Gloria Jimenez	PanEnergy Service, LP	Legal Secretary II
Lisa Lockhart	PanEnergy Service, LP	Assistant General Counsel
Jane Pearson	PanEnergy Service, LP	Associate General Counsel
JoAnn Russell	PanEnergy Service, LP	Associate General Counsel
Christine Schoppe	PanEnergy Service, LP	Legal Secretary II
Gretchen Schott	PanEnergy Service, LP	Assistant General Counsel
Yolanda Steagall	PanEnergy Service, LP	Legal Secretary II

Signed and dated this 9th day of January, 2006.



J. M. Pruett

Group Vice President, Human Resources

**AMENDMENT NO. 1 TO
THE DENA ASSET PARTNERS, LP
2005-2008 SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective March 1, 2005)**

Pursuant to Section 13 of the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) and Summary Plan Description (Renamed, Amended and Restated Effective March 1, 2005) (the "Plan"), DENA Asset Partners, LP (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been (i) classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; or (ii) identified by the Company, or its designee, in its sole discretion, on the day immediately preceding the Termination Date, on a schedule hereto, which it may update, or otherwise revise, from time to time in its sole discretion, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on the active payroll (or on a leave of absence with a reemployment guarantee) of an affiliated company of the Company, whose job's principal duties consist of providing services in support of the Company's business activities, and who is notified of

- layoff by the Company or its employing affiliated company, or its designee, because such job is being discontinued on account of significant reduction in such activities; and
- b. be notified of layoff by the Company or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company or its employing affiliated company, or its designee; and
 - c. be permanently laid off by the Company or its employing affiliated company, with a Termination Date that is no earlier than March 1, 2005, and no later than February 28, 2008, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company or its employing affiliated company; and
 - d. be certified in writing by the Company, or its employing affiliated company, or its designee, as eligible for benefits under the Plan; and
 - e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies. Any individual identified, on the date immediately preceding the Termination Date, on the schedule referred to in Section 4.a.(ii) shall not be eligible for benefits under any other such plan.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company or its employing affiliated company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of

employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company or its employing affiliated company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated by the individual's death, for cause, or otherwise involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is

assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company or its employing affiliated company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment, or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location

may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company or its employing affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company or its affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company or its employing affiliated company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Company on the date specified below.

DENA ASSET PARTNERS, LP

By: Arthur H. Davis

Its: GUP Energy Generation

Date: April 21, 2005

**AMENDMENT NO. 2 TO
THE DENA ASSET PARTNERS, LP
2005-2008 SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective March 1, 2005)**

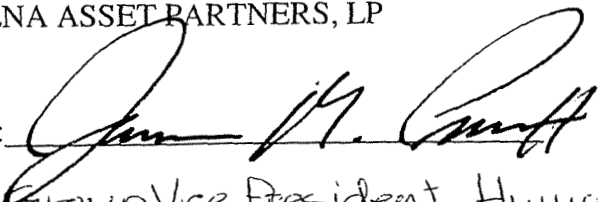
Pursuant to Section 13 of the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) and Summary Plan Description (Renamed, Amended and Restated Effective March 1, 2005) (the "Plan"), DENA Asset Partners, LP (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 6 of the Plan, in its entirety, to read as follows:

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and then, in no event, (i) if the Termination Date occurs before January 1, 2006, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which such Termination Date occurs, or, (ii) if the Termination Date occurs after December 31, 2005, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance

of the Eligible Employee's volunteer for layoff, by the Company or its employing affiliated company, or its designee.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Company on the date specified below.

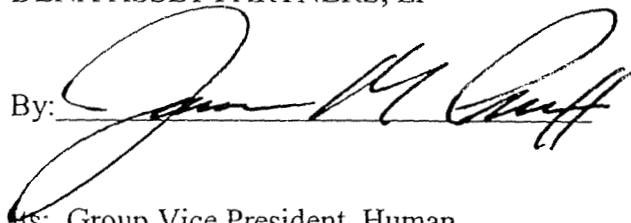
DENA ASSET PARTNERS, LP

By: 
Its: Group Vice President, Human Resources
Date: November 8, 2005

**AMENDMENT AND RESTATEMENT OF
THE DENA ASSET PARTNERS, L.P. 2005-2008
SEVERANCE BENEFITS PLAN (PN: 551)**

DENA ASSET PARTNERS, LP hereby amends and restates, effective November 8, 2005, the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) as set forth in the attached amended and restated plan document and summary plan description.

DENA ASSET PARTNERS, LP

By: 

Its: Group Vice President, Human Resources

Date: NOVEMBER 9, 2005

**AMENDMENT AND RESTATEMENT OF
THE DENA ASSET PARTNERS, L.P. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 551)**

DENA ASSET PARTNERS, LP hereby renames, amends and restates, effective March 1, 2005, the DENA Asset Partners, LP 2003-2005 Severance Benefits Plan (PN: 551) as the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551), all as set forth in the attached, renamed, amended and restated plan document and summary plan description.

DENA ASSET PARTNERS, LP

By: Curtis H. Davis

Its: Gray VP Energy Generat.

Date: 3/14/05

**THE DENA ASSET PARTNERS, LP 2005-2008
SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Renamed, Amended and Restated Effective March 1, 2005)**

1. Purpose. The DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551), as set forth in this renamed, amended and restated plan document and summary plan description (the "Plan"), is established by DENA Asset Partners, LP (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of March 1, 2005, and shall not apply to Termination Dates occurring before that date, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:
- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
 - b. "Company" shall mean DENA Asset Partners, LP, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
 - c. "Corporation" shall mean Duke Energy Corporation.
 - d. "Effective Date" shall mean March 1, 2005.
 - e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
 - f. "Other Benefits" shall mean the benefits provided under Section 7.
 - g. "Plan" shall mean the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) (Renamed, Amended and Restated Effective March 1, 2005).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President – Human Resources shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been (i) classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the

day immediately preceding the Termination Date; or (ii) identified by the Company, or its designee, in its sole discretion, on the day immediately preceding the Termination Date, on a schedule hereto, which it may update, or otherwise revise, from time to time in its sole discretion, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on the active payroll (or on a leave of absence with a reemployment guarantee) of an affiliated company of the Company, whose job's principal duties consist of providing services in support of the Company's business activities, and who is notified of layoff by the Company or its employing affiliated company, or its designee, because such job is being discontinued on account of significant reduction in such activities; and

- b. be notified of layoff by the Company or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company or its employing affiliated company, or its designee; and
- c. be permanently laid off by the Company or its employing affiliated company, with a Termination Date that is no earlier than March 1, 2005, and no later than February 28, 2008, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company or its employing affiliated company; and

- d. be certified in writing by the Company, or its employing affiliated company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies. Any individual identified, on the date immediately preceding the Termination Date, on the schedule referred to in Section 4.a.(ii) shall not be eligible for benefits under any other such plan.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company or its employing affiliated company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company or its employing affiliated company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated by the individual's death, for cause, or otherwise involuntarily,

but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment, or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company or its employing affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company or its affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company or its employing affiliated company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) two weeks of Base Pay per full, and any partial, Year of Service, plus
- (b) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twenty-four (24) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-

rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums

for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall

have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits

provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.
10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt

of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent

provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
DENA Asset Partners, LP 2005-2008 Severance
Benefits Plan (PN: 551)
Director, Employee Resources and Outreach Programs
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

DENA Asset Partners, LP
Attn: Director, Employee Resources and Outreach Programs
Corporate Human Resources
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 76-0700129. The Plan's identification number is 551. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DENA ASSET PARTNERS, LP 2005-2008 SEVERANCE BENEFITS PLAN (PN: 551), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator's office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan's annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do

not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**DENA ASSET PARTNERS, LP
2005-2008 Severance Benefits Plan (PN: 551)**

**Schedule
of Eligible Employees of Affiliated Companies
(Effective, _____, 200__, and revoking any prior version)**

<u>Employee's Name</u>	<u>Title</u>	<u>Employing Affiliated Company (Dept./Org. Unit)</u>
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**THE DENA ASSET PARTNERS, LP 2005-2008
SEVERANCE BENEFITS PLAN (PN: 551)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective November 8, 2005)**

1. Purpose. The DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by DENA Asset Partners, LP (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of November 8, 2005, and shall not apply to Termination Dates occurring before that date, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:
- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
 - b. "Company" shall mean DENA Asset Partners, LP, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
 - c. "Corporation" shall mean Duke Energy Corporation.
 - d. "Effective Date" shall mean November 8, 2005.
 - e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
 - f. "Other Benefits" shall mean the benefits provided under Section 7.
 - g. "Plan" shall mean the DENA Asset Partners, LP 2005-2008 Severance Benefits Plan (PN: 551) (Amended and Restated Effective November 8, 2005).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President – Human Resources shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been (i) classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day

immediately preceding the Termination Date; or (ii) identified by the Company, or its designee, in its sole discretion, on the day immediately preceding the Termination Date, on a schedule hereto, which it may update, or otherwise revise, from time to time in its sole discretion, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on the active payroll (or on a leave of absence with a reemployment guarantee) of an affiliated company of the Company, whose job's principal duties consist of providing services in support of the Company's business activities, and who is notified of layoff by the Company or its employing affiliated company, or its designee, because such job is being discontinued on account of significant reduction in such activities; and

- b. be notified of layoff by the Company or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, be notified of layoff by the Company or its employing affiliated company, or its designee; pursuant to its acceptance of volunteer; and
- c. be permanently laid off by the Company or its employing affiliated company, with a Termination Date that is no earlier than March 1, 2005, and no later than February 28, 2008, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company or its employing affiliated company; and

- d. be certified in writing by the Company, or its employing affiliated company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies. Any individual identified, on the date immediately preceding the Termination Date, on the schedule referred to in Section 4.a.(ii) shall not be eligible for benefits under any other such plan.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company or its employing affiliated company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company or its employing affiliated company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated by the individual's death, for cause, or otherwise involuntarily, but not

pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment, or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company or its employing affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company or its affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company or its employing affiliated company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) two weeks of Base Pay per full, and any partial, Year of Service, plus
- (b) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twenty-four (24) weeks of Base Pay, or more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-

rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and then, in no event, (i) if the Termination Date occurs before January 1, 2006, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which such Termination Date occurs, or, (ii) if the Termination Date occurs after December 31, 2005, shall be made later than the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance of the Eligible Employee's volunteer for layoff, by the Company or its employing affiliated company, or its designee.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:

a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation

Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation

period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff,

reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan

Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
DENA Asset Partners, LP 2005-2008 Severance
Benefits Plan (PN: 551)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

DENA Asset Partners, LP
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 76-0700129. The Plan's identification number is 551. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DENA ASSET PARTNERS, LP 2005-2008 SEVERANCE BENEFITS PLAN (PN: 551), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**DENA ASSET PARTNERS, LP
2005-2008 Severance Benefits Plan (PN: 551)**

**Schedule
of Eligible Employees of Affiliated Companies
(Effective, _____, 200__, and revoking any prior version)**

<u>Employee's Name</u>	<u>Title</u>	<u>Employing Affiliated Company (Dept./Org. Unit)</u>
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PLAN 552

**AMENDMENT AND RESTATEMENT OF
THE PANENERGY SERVICES LIMITED PARTNERSHIP 2003-2005
SEVERANCE BENEFITS PLAN (PN: 552)**

PANENERGY SERVICES LIMITED PARTNERSHIP hereby amends and restates, effective August 1, 2004, the PanEnergy Services Limited Partnership 2003-2005 Severance Benefits Plan (PN: 552) as set forth in the attached, amended and restated plan document and summary plan description.

PANENERGY SERVICES LIMITED PARTNERSHIP

By: _____


J. M. Pruett

Its: _____

Group Vice-President

Date: _____

September 1, 2004

**THE PANENERGY SERVICES LIMITED PARTNERSHIP 2003-2005
SEVERANCE BENEFITS PLAN (PN: 552)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

1. Purpose. The PanEnergy Services Limited Partnership 2003-2005 Severance Benefits Plan (PN: 552), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by PanEnergy Services Limited Partnership (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:
- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
 - b. "Company" shall mean PanEnergy Services Limited Partnership, and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
 - c. "Corporation" shall mean Duke Energy Corporation.
 - d. "Effective Date" shall mean August 1, 2004.
 - e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
 - f. "Other Benefits" shall mean the benefits provided under Section 7.
 - g. "Plan" shall mean the PanEnergy Services Limited Partnership Severance Benefits Plan (PN: 552) (Amended and Restated Effective August 1, 2004).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's [Vice President – Human Resources] shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active

payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and

- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's [Vice President -- Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and
- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by,

irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered

employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus

- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
- a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
 - b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
 - c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for

purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the

extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the

scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such

period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
PanEnergy Services Limited Partnership 2003-2005 Severance
Benefits Plan (PN: 552)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

PanEnergy Services Limited Partnership
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04D
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 76-0522689. The Plan's identification number is 552. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.

15. Statement of ERISA Rights. As a participant in the PANENERGY SERVICES LIMITED PARTNERSHIP 2003-2005 SEVERANCE BENEFITS PLAN (PN: 552), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your

employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department

of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE PAN ENERGY SERVICES LIMITED PARTNERSHIP
2003-2005 SEVERANCE BENEFITS PLAN (PN: 552)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Pan Energy Services Limited Partnership 2003-2005 Severance Benefits Plan (PN: 552) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the "Plan"), Pan Energy Services Limited Partnership (the "Company") hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and

- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis

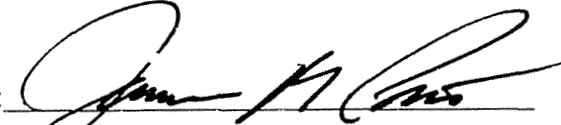
(other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or

any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of
the Company on the date specified below.

PANENERGY SERVICES LIMITED PARTNERSHIP

By: 

Its: Group Vice President, HR

Date: April 29, 2005

**AMENDMENT AND RESTATEMENT OF
THE DUKE ENERGY GAS TRANSMISSION 2003-2005
SEVERANCE BENEFITS PLAN (PN: 553)**

DUKE ENERGY CORPORATION hereby amends and restates, effective August 1, 2004, the Duke Energy Gas Transmission 2003-2005 Severance Benefits Plan (PN: 553) as set forth in the attached, amended and restated plan document and summary plan description, which reflects the company name change from Algonquin Gas Transmission Company to Algonquin Gas Transmission LLC that was effective July 1, 2004, and which supercedes the prior amendment and restatement, which was also effective August 1, 2004, but did not reflect such company name change.

DUKE ENERGY CORPORATION

By: 

Its: VP - Human Resources

Date: 9/2/2004

company name change from Algonquin Gas Transmission Company to Algonquin Gas Transmission LLC, which was effective July 1, 2004.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Corporation. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Corporation" shall mean Duke Energy Corporation, and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Effective Date" shall mean August 1, 2004.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- e. "Other Benefits" shall mean the benefits provided under Section 7.

- a. have been classified by (i) Pan Service Company, (ii) Duke Energy Operating Company, LLC, (iii) Texas Eastern Transmission, LP, (iv) Duke Energy Northeast Transmission Company, or (v) Algonquin Gas Transmission LLC, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
- b. be notified of layoff by the Corporation, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Corporation, or its designee, which option has been approved by the Corporation's Vice President – Human Resources, volunteer and be accepted for layoff by the Corporation, or its designee; and
- c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Corporation, or its employing affiliated company; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and

shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Corporation and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Corporation or its employing affiliated company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan

minimum and maximum set forth is the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree

signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Corporation or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Corporation or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits

of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent

The Corporation's employer identification number is 56-0205520. The Plan's identification number is 553. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its Vice President – Human Resources or other authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE ENERGY GAS TRANSMISSION 2003-2005 SEVERANCE BENEFITS PLAN (PN: 553), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE DUKE ENERGY GAS TRANSMISSION
2003-2005 SEVERANCE BENEFITS PLAN (PN: 553)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the Duke Energy Gas Transmission 2003-2005 Severance Benefits Plan (PN: 553) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the “Plan”), Duke Energy Corporation (the “Corporation”) hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by (i) Pan Service Company, (ii) Duke Energy Operating Company, LLC, (iii) Texas Eastern Transmission, LP, or (iv) Duke Energy Northeast Transmission Company, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Corporation, or its designee, which option has been approved by

- the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Corporation, or its designee; and
- c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Corporation, or its employing affiliated company; and
 - d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
 - e. not be eligible for benefits under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of (i) Pan Service Company, (ii) Duke Energy Operating Company, LLC, (iii) Texas Eastern Transmission, LP, or (iv) Duke Energy Northeast Transmission Company, shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Corporation, or any of its

affiliated companies, pursuant to an operating agreement, which facility is owned by an entity that is neither the Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation, or its employing affiliated company, on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Corporation and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the

Plan. An individual (i) whose employment is terminated by the Corporation, or its employing affiliated company, on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Corporation and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Corporation or its employing affiliated company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days. The Corporation, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its designee, to be essential to the

Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of the Corporation on the date specified below.

DUKE ENERGY CORPORATION

By: 

Its: V.P. H.R.

Date: April 21, 2005



PLAN 554

**AMENDMENT AND RESTATEMENT OF
THE DETMI MANAGEMENT, INC. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 554)**

DETMI MANAGEMENT, INC. hereby amends and restates, effective August 1, 2004,
the DETMI Management, Inc. 2003-2005 Severance Benefits Plan (PN: 554) as set forth in the
attached, amended and restated plan document and summary plan description.

DETMI MANAGEMENT, INC.

By: Robert B. Evans
R. B. Evans

Its: President

Date: September 2, 2004

**THE DETMI MANAGEMENT, INC. 2003-2005
SEVERANCE BENEFITS PLAN (PN: 554)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

1. Purpose. The DETMI Management, Inc. 2003-2005 Severance Benefits Plan (PN: 554), as set forth in this amended and restated plan document and summary plan description (the "Plan"), is established by DETMI Management, Inc. (the "Company") to provide qualifying, eligible employees certain severance payments and other benefits. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Company or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Company and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of August 1, 2004, and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Company. Benefits provided under this Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Company or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words

and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee determined as of the Termination Date in accordance with uniform procedures adopted by the Company. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Company" shall mean DETMI Management, Inc., and "its affiliated companies" shall consist of the Corporation, and any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Company designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Corporation" shall mean Duke Energy Corporation.
- d. "Effective Date" shall mean August 1, 2004.
- e. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- f. "Other Benefits" shall mean the benefits provided under Section 7.
- g. "Plan" shall mean the DETMI Management, Inc. 2003-2005 Severance Benefits Plan (PN: 554) (Amended and Restated Effective August 1, 2004).

- h. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's [Vice President – Human Resources] shall appoint or constitute to serve as plan administrator of the Plan.
 - i. "Severance Payment" shall mean the benefit payable under Section 5.
 - j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Company and all its affiliated companies terminates.
 - k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Company and its affiliated companies, occurring on or after the employee's adjusted "retiree insurance date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Company, which procedures shall not result in duplicative counting of service and shall exclude any service occurring before a prior termination of employment in connection with which the employee became entitled to (i) severance benefits under a severance benefits plan of the Company or any of its affiliated companies, or (ii) payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment.
4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
- a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active

payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and

- b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation's [Vice President – Human Resources], volunteer and be accepted for layoff by the Company, or its designee; and
- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the 2001-2002 Duke Energy Corporation Transition Severance Benefits Plan (PN: 540) or under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by,

irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered

employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days]. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to a Severance Payment in an amount determined as follows:

- (a) one week of Base Pay per Year of Service for the first full, and any partial nine (9) Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of nine (9) full Years of Service, plus
- (c) one week of Base Pay for each full, and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the amount of an Eligible Employee's Severance Payment shall not be less than twelve (12) weeks of Base Pay, nor more than one hundred and four (104) weeks of Base Pay. Finally, the Severance Payment amount, including the minimum and maximum set forth in the preceding sentence, shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full-time employment.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has

expired without an effective revocation, and, in no event, shall be made after the second anniversary of the Termination Date.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:

- a. The Company shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Company shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.
- b. The Company, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Company shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Company or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Company) and shall have timely filed the signed release with the Company, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Company and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Company and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Company or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Company or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.
9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan

Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by

submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
DEMI Management, Inc. 2003-2005 Severance
Benefits Plan (PN: 554)
Director, Employee Relations
Corporate Human Resources
Duke Energy Corporation
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The designated agent for service of legal process upon the Plan is:

Assistant General Counsel, Litigation
Law Department
Duke Energy Corporation
Mail Code PB05E
422 South Church Street
Charlotte, NC 28202
704-382-8122

Legal process may also be served upon the Plan Administrator.

The Company may be contacted at:

DEMI Management, Inc.
Attn: Director, Employee Relations
Corporate Human Resources
Mail Code PB04R
422 S. Church Street
Charlotte, NC 28201-1244
704-382-4586

The Company's employer identification number is 84-1274542. The Plan's identification number is 554. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Company. No trust fund or other segregated fund shall be established for this purpose.

13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Company at any time without notice, by a writing signed by its authorized officer, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DETMI MANAGEMENT, INC. 2003-2005 SEVERANCE BENEFITS PLAN (PN: 554), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and

updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the

person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**AMENDMENT NO. 1 TO
THE DETMI MANAGEMENT, INC.
2003-2005 SEVERANCE BENEFITS PLAN (PN: 554)
AND SUMMARY PLAN DESCRIPTION
(Amended and Restated Effective August 1, 2004)**

Pursuant to Section 13 of the DETMI Management, Inc. 2003-2005 Severance Benefits Plan (PN: 554) and Summary Plan Description (Amended and Restated Effective August 1, 2004) (the “Plan”), DETMI Management, Inc. (the “Company”) hereby amends the Plan, effective as of the date specified below, by restating Section 4 of the Plan, in its entirety, to read as follows:

4. Eligibility. To be entitled to the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual must:
 - a. have been classified by the Company as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), on the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Company, or its designee, which option has been approved by the Corporation’s Vice President – Human Resources, volunteer and be accepted for layoff by the Company, or its designee; and

- c. be permanently laid off by the Company on or after the Effective Date with a Termination Date no later than March 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, occurring on or after August 1, 2004, and before January 1, 2006, and pursuant to workforce reduction(s) or reorganization(s) implemented by the Company; and
- d. be certified in writing by the Company, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Company or any of its affiliated companies.

An individual who is not classified as an employee on, and paid through, the regular payroll system of the Company shall not be eligible for benefits under the Plan. An individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates, including Texas Eastern Products Pipeline Company; (ii) who, immediately before termination of employment is covered by, irrespective of whether the individual becomes entitled to benefits under, the Duke Capital Partners Severance Policy or the Duke Capital Partners Change-in-Control Policy; or (iii) who is employed in connection with the operation of a facility by the Company pursuant to an operating agreement, which facility is owned by an entity that is neither the Company nor any of its affiliated companies, whose employment is terminated by the Company on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date; shall not be eligible for benefits under the Plan. An individual who terminates employment on a voluntary basis

(other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan, or an individual who quits work prior to the date specified in the notice of layoff, shall not be eligible for benefits under the Plan. An individual whose employment terminates and who claims constructive discharge by the Company or any of its affiliated companies shall not be eligible for benefits under the Plan. An individual who is transferred or reassigned within the Company and its affiliated companies shall not be eligible for benefits under the Plan. An individual whose employment with the Company and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Company, by stock sale or otherwise, shall not be eligible for benefits under the Plan. An individual (i) who is assigned to an organizational unit, or other part, of the Company or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Company or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date, shall not be eligible for benefits under the Plan. An individual (i) whose employment is terminated by the Company on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Company and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor, shall not be eligible for benefits under the Plan. An individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Company or

any of its affiliated companies on account of termination of employment, shall not be eligible for benefits under the Plan; provided that, this sentence shall not apply to a payment under any written retention bonus, transition of a business payment or sale of a business payment agreement with the Company. An individual whose terms and conditions of employment are subject to collective bargaining shall not qualify for Plan benefits unless the Company has entered into a collective bargaining agreement that provides that such individual may so qualify.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be fourteen (14) days]. The Company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Company, or its designee, to be essential to the Company and its affiliated companies, will not be accepted for layoff. The decision of the Company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

IN WITNESS WHEREOF, this amendment to the Plan has been executed in the name of
the Company on the date specified below.

DETFI MANAGEMENT, INC.

By: Robert B. Evans

Its: President and CEO

Date: April 22, 2005

**AMENDMENT AND RESTATEMENT OF
THE DUKE/CINERGY MERGER INTEGRATION
SEVERANCE BENEFITS PLAN (PN: 561)**

Pursuant to Section 13 thereof, DUKE ENERGY CORPORATION hereby amends and restates, effective April 1, 2006, the Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) and Summary Plan Description (As Amended and Restated Effective February 7, 2006) as set forth in the attached "THE DUKE/CINERGY MERGER INTEGRATION SEVERANCE BENEFITS PLAN (PN: 561) AND SUMMARY PLAN DESCRIPTION (As Amended and Restated Effective April 1, 2006)."

DUKE ENERGY CORPORATION

By:  _____

Its Vice President, Human Resources

Date: 3-29-2006

**THE DUKE/CINERGY MERGER INTEGRATION
SEVERANCE BENEFITS PLAN (PN: 561)
AND SUMMARY PLAN DESCRIPTION
(As Amended and Restated Effective April 1, 2006)**

- Purpose. The Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) was established by Duke Energy Corporation, and shall be binding upon its successor(s), (the "Corporation") in connection with its pending merger with Cinergy Corp. (referred to as the "Duke/Cinergy Merger") , as well as in connection with the divestment of Duke Project Services Group, Inc. (referred to as the "MOX Divestment"), to provide qualifying, eligible employees certain severance payments and other benefits. The Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) was originally established effective February 1, 2006, was subsequently amended and restated in its entirety, effective February 7, 2006, and is amended and restated in its entirety, effective April 1, 2006, as set forth in this amended and restated plan document and summary plan description (the "Plan"), which amendment and restatement shall supersede the prior versions except for terminations of employment occurring before April 1, 2006. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not

provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.

2. Effective Date. The Plan shall be effective as of February 1, 2006 and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Corporation. Benefits provided under the Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

a. "Base Pay" shall mean the rate of pay of an Eligible Employee, determined as of the Termination Date, or earlier entry into the Transition Pool, for purposes of calculating the Severance Payment amount and determined in accordance with uniform procedures adopted by the Corporation, or its designee. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.

b. "Corporation" shall mean Duke Energy Corporation, or its successor(s), and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company

with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.

- c. "Effective Date" shall mean February 1, 2006.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean the Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President, Human Resources, shall appoint or constitute to serve as plan administrator of the Plan.
- h. "Severance Payment" shall mean the benefit payable under Section 5.
- i. "Target Incentive" shall mean the greater of an Eligible Employee's year-end Short-Term Incentive opportunity at Target, for 2005, or for 2006, if any, which Target Incentive may be expressed as a weekly amount, all as determined in accordance with uniform procedures prescribed by the Corporation, or its designee.
- j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
- k. "Transition Pool" shall mean a program, established and maintained in accordance with procedures prescribed by the Corporation, or its designee, whereby an employee who has not been selected by the Corporation, and its

affiliated companies, for a post-Duke/Cinergy Merger regular position, elects, as an alternative to immediate layoff, continued, but temporary, employment for the purpose of identifying and pursuing opportunities for such a regular position. As a condition for entering the Transition Pool, the Corporation, or its designee, may require an employee to execute, and not revoke, a waiver/release in a form acceptable to the Corporation. While in Transition Pool, Base Pay, and eligibility for regular employee benefits, continues but not eligibility for pay increases, promotions, Short-Term Incentive opportunity service, etc. Employees whose annual rate of Base Pay is \$200,000 or greater, or who were granted a Duke Energy Corporation Long-Term Incentive award for 2005, are not eligible to elect the Transition Pool.

1. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on, or after, the employee's adjusted "Service Date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, or its designee, which procedures shall not result in duplicative counting of service and shall exclude any service while in the Transition Pool, or service occurring (i) before a prior, voluntary termination of employment by the employee, (ii) before a prior, involuntary termination of employment for "cause", as determined by the Corporation, or its designee, in its sole discretion, or (iii) before a prior termination of employment in connection with which, the employee became entitled to severance benefits under the Cinergy Corp. Merger Severance Plan For Non-Union Employees, or under a severance benefits plan of the

Corporation or any of its affiliated companies, or became entitled to payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment.

4. Eligibility. The provision of any benefits under the Plan is expressly contingent upon the Corporation's, or its designee's, determination that the Duke/Cinergy Merger closed successfully before June 1, 2006. In the event such contingency is satisfied, to be eligible for the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual, who is not otherwise ineligible for benefits under the Plan, must:
- a. have been classified by the Corporation, or its employing affiliated company, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), continuously from the Effective Date through the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Corporation, or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President, Human Resources, but which option shall not apply to any individual whose annual rate of Base Pay is \$200,000 or greater, volunteer and be accepted for layoff by the Corporation, or its employing affiliated company, or its designee; and

- c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than December 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, by the Corporation, or its employing affiliated company, or its designee, occurring on or after the Effective Date, and before December 31, 2006, and pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the Duke/Cinergy Merger, or the MOX Divestment; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the DENA Asset Partners, L.P. 2005-2008 Severance Benefits Plan (PN: 551), the DETMI Management, Inc. 2006-2008 Severance Benefits Plan (PN: 554), any other severance benefits plan sponsored by the Corporation or any of its affiliated companies, or under the Cinergy Corp. Merger Severance Plan For Non-Union Employees, or not have been previously entitled to benefits under the Plan, and an individual shall be considered to be so eligible, or to have been so entitled, even if the individual fails to satisfy a requirement therefor that the individual execute, and not revoke, a release of claims.

For purposes of b., above, the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be at least twenty-one (21) days. The Corporation, or its employing

affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its employing affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its employing affiliated company, or its designee, to be essential to the Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

Notwithstanding the foregoing, the following individuals shall not be eligible for benefits under the Plan:

- a. Any employee of DENA Asset Partners, LP; Crescent Resources, LLC; Pan Service Company; Duke Energy Operating Company, LLC; Texas Eastern Transmission, LP; Duke Energy Northeast Transmission Company; DE Operating Services, LLC; Duke Energy Fossil-Hydro California, Inc.; or DETMI Management, Inc.; or of Cinergy Solutions-Demand, Inc.; Cinergy Solutions-Demand-Ltd.; Cinergy Solutions of Rochester; or Vestar, Inc.
- b. Any individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation, or its employing affiliated company.
- c. Any individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates; or (ii) who is employed in connection with the operation of a facility by the Corporation, or any

of its affiliated companies, pursuant to an operating agreement, which facility is owned by an entity that is neither the Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation, or its employing affiliated company, on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date.

- d. Any individual who terminates employment on a voluntary basis (other than under the eligibility provisions of item b. of the second sentence of Section 4.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan (including, but not limited to, termination of employment for "cause," as determined by the Corporation or its employing affiliated company in its sole discretion, or by the individual's death), or an individual who quits work prior to the date specified in the notice, or revised notice, of layoff or prior to the date released by the Corporation, or its employing affiliated company.
- e. Any individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies.
- f. Any individual who is transferred or reassigned within the Corporation and its affiliated companies. However, an individual who, as an alternative to layoff, is offered a position with the Corporation, or any of its affiliated companies, which position carries a Base Pay rate that is at least 10% lower than the individual's current Base Pay rate, or, unless the individual's annual rate of Base Pay is \$200,000 or greater, which position is at a location that would qualify the

individual for relocation assistance under the applicable company relocation program, shall not become ineligible for benefits under the Plan merely on account of declining such offer.

- g. Any individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise.
- h. Any individual whose employment with the Corporation and its affiliated companies terminates pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the MOX Divestment, if the Corporation, or its designee, determines that the MOX Divestment failed to have been successfully completed by December 31, 2006.
- i. Any individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date. However, in the case of an individual (i) whose employment terminates pursuant to a voluntary termination of employment option offered under item b. of the second sentence of Section 4. in connection with the MOX Divestment, or (ii) whose employment terminates pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the MOX Divestment, an offer of employment with The

Shaw Group Inc., or its affiliate, unless accepted by the individual, shall not cause the individual to be ineligible for benefits under the Plan.

- j. Any individual (i) whose employment is terminated by the Corporation, or its employing affiliated company, on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Corporation and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor.
 - k. Any individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment. However, participation in an arrangement that the Plan Administrator determines to be exclusively for purposes of retention, shall not cause the individual to be ineligible for benefits under the Plan.
 - l. Any individual whose terms and conditions of employment are subject to collective bargaining unless the Corporation has entered into a collective bargaining agreement that provides that such individual may become eligible for benefits under the Plan.
 - m. Any individual who is the Chief Executive Officer, or one of the other four most highly compensated executive officers, of the Corporation.
5. Severance Payment. An Eligible Employee's entitlement to a Severance Payment shall be subject to the provisions of Section 8. Severance Payment amounts shall be calculated under the following formulas:

Formula 1 –

- (a) one week of Base Pay, plus one week of Target Incentive, per Year of Service for the first full, and any partial, 9 Years of Service, plus
- (b) two weeks of Base Pay, plus two weeks of Target Incentive, per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay, plus one week of Target Incentive, per each full, and any partial, \$10,000.00 of the sum of annual Base Pay and annual Target Incentive.

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 12 weeks of Base Pay plus 12 weeks of Target Incentive. Finally, the Severance Payment amount shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 2 –

- (a) two weeks of Base Pay per Full Year of Service, plus
- (b) four weeks of Base Pay

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 8 weeks of Base Pay. Finally, the Severance Payment amount shall be prorated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 3 –

- (a) one week of Base Pay per Year of Service for the first full, and any partial, 9 Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay per each full and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 12 weeks of Base Pay. Finally, the Severance Payment amount shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

An Eligible Employee's Severance Payment amount shall be determined as follows:

Pre-Selection Voluntary – Prior to the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee, who pursuant to a voluntary termination of employment option described in item b. of the second sentence of Section 4., which option shall not apply to any individual whose annual rate of Base Pay is \$200,000 or greater, becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to 110% of the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected Executive – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee either

- (a) who is not selected and whose annual rate of Base Pay is \$200,000 or greater (and, therefore, is not eligible to enter the Transition Pool) and who, as a result, becomes an Eligible Employee, or
- (b) an employee who is not selected (and who did not previously decline to volunteer pursuant to a voluntary termination of employment option described in item b. of the second sentence of Section 4. and who was granted a Duke Energy Corporation Long-Term Incentive

award for 2005 (and, therefore, is not eligible to enter the Transition Pool), and who is permanently laid-off by the Corporation, or its employing affiliated company, before May 1, 2006,

shall be eligible for a Severance Payment amount that is equal to 110% of the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected, Declines Transition Pool – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee who is not so selected, who, although eligible to enter the Transition Pool, declines to do so, and who, as a result, becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected, Enters Transition Pool – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee who is not so selected, who enters the Transition Pool, and who subsequently becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to the greater of the Severance Payment amount calculated under Formula 2 or Formula 3, but subject to reduction as follows:

Leaves Transition Pool Within	Reduce by Greater of
1 st month	20% or 4 weeks Base Pay
2 nd month	40% or 8 weeks Base Pay
3 rd month	60% or 12 weeks Base Pay

4 th month	80% or 16 weeks Base Pay
5 th month	90% or 20 weeks Base Pay

In Transition Pool during any part of 6 th month	Reduce to <u>8</u> weeks Base Pay
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An employee may not remain in the Transition Pool beyond the earlier of the completion of 6 months or December 31, 2006, and, in no event, may the Severance Payment amount be reduced below 8 weeks Base Pay. Moreover, an employee is disqualified from remaining in the Transition Pool if the employee declines the offer of a position with the Corporation, or any of its affiliated companies, unless that position is at a location that would qualify the employee for relocation assistance under the applicable company relocation program, or that position carries a Base Pay rate that is at least 10% lower than the employee's current Base Pay rate.

Notwithstanding the foregoing determination, the amount of an Eligible Employee's Severance Payment shall not exceed two times the sum of (i) the employee's annual, or annualized, IRS Form W-2 compensation from the Corporation and its affiliated companies for the calendar year immediately preceding the calendar year during which the Termination Date occurs, plus (ii) any compensation that, had it not been contributed or deferred pursuant to the employee's Code Section 401(k) or Code Section 125, or Duke Energy Corporation Executive Savings Plan election, would have been included in such IRS Form W-2 compensation for such year.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance of the Eligible Employee's volunteer for layoff, by the Corporation, or its employing affiliated company, or its designee.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six (6) months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation or any of its affiliated companies (other than under a Medical Spending Account). Should the Eligible

Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing. Notwithstanding for foregoing, if prior to becoming an Eligible Employee, the individual enters the Transition Pool and remains in the Transition Pool beyond one month, the period during which the Corporation pays for such coverage, whether COBRA or retiree premiums, shall be reduced to three (3) months.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation

period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Corporation or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due

to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Corporation or any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan

Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke/Cinergy Merger Integration Severance
Benefits Plan (PN: 561)
Vice President, Human Resources
Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The designated agent for service of legal process upon the Plan is:

Senior Associate General Counsel, Litigation
Law Department
Duke Energy Corporation
526 South Church Street
Mail Code: EC03T
Charlotte, NC 28202

(704) 382-4295

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The Corporation's employer identification number after the Duke/Cinergy Merger becomes effective is 20-2777218, and before the Duke/Cinergy Merger becomes effective is 56-0205520. The Plan's identification number is 561. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its Vice President, Human Resources, or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.

15. Statement of ERISA Rights. As a participant in the DUKE/CINERGY MERGER INTEGRATION SEVERANCE BENEFITS PLAN (PN: 561), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200

Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

ATTORNEYS AT LAW

WAIVER AND RELEASE FORM

Name

Employee ID Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Duke/Cinergy Merger Integration Severance Benefits Plan (PN 561)" (the "Plan") for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee. I acknowledge that I have notified the Company of my decision to volunteer to terminate my employment with the Company under the Plan, and that the Company accepted my decision.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.



3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621, et seq., "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to fiduciary claims; f) *(if applicable, list specific state law)*; g)

any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to Workers' Compensation benefits.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan ("Cash Balance Plan") is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006. Here is the caption of that case: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-HFF, pending in the United States District Court for the District of South Carolina. This paragraph deals with that lawsuit, and any lawsuit asserting similar claims (the "Cash Balance Plan Litigation"). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the plaintiff class in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS

EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness _____ Case No. 000-20

Date received by
the Company

Received by: _____

IMPORTANT NOTICE-READ BEFORE SIGNING WAIVER AND RELEASE

Before signing the Waiver and Release in order to receive severance benefits, you should be aware that a class action has been filed in federal district court in South Carolina alleging violations of the Age Discrimination in Employment Act and the Employee Retirement Income Security Act arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. The plaintiffs seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *George et al. v. Duke Energy Cash Balance Retirement Plan and Duke Energy Corporation*, Case No. 806-cv-00373-HFF (the "class action"). Please note that if you sign and do not revoke the Waiver and Release within the specified time, the Company will take the position as specified in paragraph 7 of the Waiver and Release that you have waived your potential claims and damages in that lawsuit. **THE COMPANY STRONGLY ADVISES YOU TO CONSULT LEGAL COUNSEL BEFORE SIGNING THE WAIVER AND RELEASE.** The lawyers who filed the class action are as follows:

James R. Gilreath
William M. Hogan
THE GILREATH LAW FIRM, P.A.
110 Lavinia Avenue
P. O. Box 2147
Greenville, SC 29602
(864) 242-4727

Charles W. Whetstone, Jr.
Cheryl F. Perkins
TSTONE MYERS PERKINS & YOUNG LLC
1303 Blanding Street (29201)
P. O. Box 8086
Columbia, SC 20202
(893) 799-9400

Mona Lisa Wallace
WALLACE & GRAHAM, P.A.
525 North Main Street
Salisbury, North Carolina 28144
(704) 633-5244

WAIVER AND RELEASE FORM

Name

Employee ID Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Duke/Cinergy Merger Integration Severance Benefits Plan (PN 561)" (the "Plan") for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as

well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. § 621, *et seq.*, "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to fiduciary claims; f) (*if applicable, list specific state law*); g) any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker

Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to Workers' Compensation benefits.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan ("Cash Balance Plan") is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006. Here is the caption of that case: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-HFF, pending in the United States District Court for the District of South Carolina. This paragraph deals with that lawsuit, and any lawsuit asserting similar claims (the "Cash Balance Plan Litigation"). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the

terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the plaintiff class in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE

REVOCAION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness

Date received by
the Company

Received by: _____

**AMENDMENT AND RESTATEMENT OF
THE DUKE/CINERGY MERGER INTEGRATION
SEVERANCE BENEFITS PLAN (PN: 561)**

Pursuant to Section 13 thereof, DUKE ENERGY CORPORATION hereby amends and restates, effective February 7, 2006, the Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) and Summary Plan Description (Established Effective February 1, 2006) as set forth in the attached "THE DUKE/CINERGY MERGER INTEGRATION SEVERANCE BENEFITS PLAN (PN: 561) AND SUMMARY PLAN DESCRIPTION (As Amended and Restated Effective February 7, 2006)."

DUKE ENERGY CORPORATION

By:  _____

Its Vice President, Human Resources

Date: 2/7/06

**THE DUKE/CINERGY MERGER INTEGRATION
SEVERANCE BENEFITS PLAN (PN: 561)
AND SUMMARY PLAN DESCRIPTION
(As Amended and Restated Effective February 7, 2006)**

1. Purpose. The Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) was established by Duke Energy Corporation, and shall be binding upon its successor(s), (the "Corporation") in connection with its pending merger with Cinergy Corp. (referred to as the "Duke/Cinergy Merger") , as well as in connection with the divestment of Duke Project Services Group, Inc. (referred to as the "MOX Divestment"), to provide qualifying, eligible employees certain severance payments and other benefits. The Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561) was originally established effective February 1, 2006, but is amended and restated in its entirety, effective February 7, 2006, as set forth in this amended and restated plan document and summary plan description (the "Plan"), which amendment and restatement shall supersede the original version except for terminations of employment occurring before February 7, 2006. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time, with or without cause, as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly

granted by its provisions and does not provide any benefit absent the release required by Section 8.a.

2. Effective Date. The Plan shall be effective as of February 1, 2006 and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or terminated by the Corporation. Benefits provided under the Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.
3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:
 - a. "Base Pay" shall mean the rate of pay of an Eligible Employee, determined as of the Termination Date, or earlier entry into the Transition Pool, for purposes of calculating the Severance Payment amount and determined in accordance with uniform procedures adopted by the Corporation, or its designee. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
 - b. "Corporation" shall mean Duke Energy Corporation, or its successor(s), and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company

with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.

- c. "Effective Date" shall mean February 1, 2006.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.
- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean the Duke/Cinergy Merger Integration Severance Benefits Plan (PN: 561).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President, Human Resources, shall appoint or constitute to serve as plan administrator of the Plan.
- h. "Severance Payment" shall mean the benefit payable under Section 5.
- i. "Target Incentive" shall mean the greater of an Eligible Employee's year-end Short-Term Incentive opportunity at Target, for 2005, or for 2006, if any, which Target Incentive may be expressed as a weekly amount, all as determined in accordance with uniform procedures prescribed by the Corporation, or its designee.
- j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
- k. "Transition Pool" shall mean a program, established and maintained in accordance with procedures prescribed by the Corporation, or its designee, whereby an employee who has not been selected by the Corporation, and its

affiliated companies, for a post-Duke/Cinergy Merger regular position, elects, as an alternative to immediate layoff, continued, but temporary, employment for the purpose of identifying and pursuing opportunities for such a regular position. As a condition for entering the Transition Pool, the Corporation, or its designee, may require an employee to execute, and not revoke, a waiver/release in a form acceptable to the Corporation. While in Transition Pool, Base Pay, and eligibility for regular employee benefits, continues but not eligibility for pay increases, promotions, Short-Term Incentive opportunity service, etc. Employees whose annual rate of Base Pay is \$200,000 or greater, or who were granted a Duke Energy Corporation Long-Term Incentive award for 2005, are not eligible to elect the Transition Pool.

1. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on, or after, the employee's adjusted "Service Date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, or its designee, which procedures shall not result in duplicative counting of service and shall exclude any service while in the Transition Pool, or service occurring (i) before a prior, voluntary termination of employment by the employee, (ii) before a prior, involuntary termination of employment for "cause", as determined by the Corporation, or its designee, in its sole discretion, or (iii) before a prior termination of employment in connection with which, the employee became entitled to severance benefits under the Cinergy Corp. Merger Severance Plan For Non-Union Employees, or under a severance benefits plan of the

Corporation or any of its affiliated companies, or became entitled to payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment.

4. Eligibility. The provision of any benefits under the Plan is expressly contingent upon the Corporation's, or its designee's, determination that the Duke/Cinergy Merger closed successfully before June 1, 2006. In the event such contingency is satisfied, to be eligible for the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual, who is not otherwise ineligible for benefits under the Plan, must:
 - a. have been classified by the Corporation, or its employing affiliated company, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), continuously from the Effective Date through the day immediately preceding the Termination Date; and
 - b. be notified of layoff by the Corporation, or its employing affiliated company, or its designee, or, if assigned to an organizational unit, classification, function/duty area, or primary skill, and/or location for which a voluntary termination of employment option is made available by the Corporation, or its employing affiliated company, or its designee, which option has been approved by the Corporation's Vice President, Human Resources, but which option shall not apply to any individual whose annual rate of Base Pay is \$200,000 or greater, volunteer and be accepted for layoff by the Corporation, or its employing affiliated company, or its designee; and

- c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than December 31, 2006, with notification of layoff, or of acceptance of volunteer for layoff, as referred to in b. immediately above, by the Corporation, or its employing affiliated company, or its designee, occurring on or after the Effective Date, and before December 31, 2006, and pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the Duke/Cinergy Merger, or the MOX Divestment; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under the DENA Asset Partners, L.P. 2005-2008 Severance Benefits Plan (PN: 551), the DETMI Management, Inc. 2006-2008 Severance Benefits Plan (PN: 554), any other severance benefits plan sponsored by the Corporation or any of its affiliated companies, or under the Cinergy Corp. Merger Severance Benefits Plan For Non-Union Employees, or not have been previously entitled to benefits under the Plan, and an individual shall be considered to be so eligible, or to have been so entitled, even if the individual fails to satisfy a requirement therefor that the individual execute, and not revoke, a release of claims.

Notwithstanding the foregoing, the following individuals shall not be eligible for benefits under the Plan:

- a. Any employee of DENA Asset Partners, LP; Crescent Resources, LLC; Pan Service Company; Duke Energy Operating Company, LLC; Texas Eastern

Transmission, LP; Duke Energy Northeast Transmission Company; DE Operating Services, LLC; Duke Energy Fossil-Hydro California, Inc.; or DETMI Management, Inc.; or of Cinergy Solutions–Demand, Inc.; Cinergy Solutions–Demand-Ltd.; Cinergy Solutions of Rochester; or Vestar, Inc.

- b. Any individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation, or its employing affiliated company.
- c. Any individual (i) who, promptly following termination of employment, is employed by Duke Energy Field Services, LLC, or its affiliates; or (ii) who is employed in connection with the operation of a facility by the Corporation, or any of its affiliated companies, pursuant to an operating agreement, which facility is owned by an entity that is neither the Corporation nor any of its affiliated companies, whose employment is terminated by the Corporation, or its employing affiliated company, on account of termination of, or failure to renew, the operating agreement, and who is offered employment by the successor operator of such facility, or its affiliate, prior to or promptly following, the individual's Termination Date.
- d. Any individual who terminates employment on a voluntary basis (other than under the eligibility provisions of Section 4.b.), an individual whose employment is terminated involuntarily, but not pursuant to the provisions of the Plan (including, but not limited to, termination of employment for "cause," as determined by the Corporation or its employing affiliated company in its sole discretion, or by the individual's death), or an individual who quits work prior to the date specified in

the notice, or revised notice, of layoff or prior to the date released by the Corporation, or its employing affiliated company.

- e. Any individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies.
- f. Any individual who is transferred or reassigned within the Corporation and its affiliated companies. However, an individual who, as an alternative to layoff, is offered a position with the Corporation, or any of its affiliated companies, which position carries a Base Pay rate that is at least 10% lower than the individual's current Base Pay rate, or, unless the individual's annual rate of Base Pay is \$200,000 or greater, which position is at a location that would qualify the individual for relocation assistance under the applicable company relocation program, shall not become ineligible for benefits under the Plan merely on account of declining such offer.
- g. Any individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise.
- h. Any individual whose employment with the Corporation and its affiliated companies terminates pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the MOX Divestment, if the Corporation, or its designee, determines that the MOX Divestment failed to have been successfully completed by December 31, 2006.
- i. Any individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested,

or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date. However, in the case of an individual (i) whose employment terminates pursuant to a voluntary termination of employment option offered under Section 4.b. in connection with the MOX Divestment, or (ii) whose employment terminates pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the MOX Divestment, an offer of employment with The Shaw Group Inc., or its affiliate, unless accepted by the individual, shall not cause the individual to be ineligible for benefits under the Plan.

- j. Any individual (i) whose employment is terminated by the Corporation, or its employing affiliated company, on account of the outsourcing to a contractor of a function or functions which, immediately before such outsourcing, had been performed by the Corporation and its affiliated companies, and (ii) who, prior to, or promptly following, the individual's Termination Date, is offered employment with such contractor, or an affiliate or subcontractor of such contractor.
- k. Any individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment. However, participation in an arrangement that the Plan Administrator determines to be exclusively for purposes of retention, shall not cause the individual to be ineligible for benefits under the Plan.

- l. Any individual whose terms and conditions of employment are subject to collective bargaining unless the Corporation has entered into a collective bargaining agreement that provides that such individual may become eligible for benefits under the Plan.
- m. Any individual who is the Chief Executive Officer, or one of the other four most highly compensated executive officers, of the Corporation.

For purposes of Section 4.b., the period within which an individual within any organizational unit, classification, function/duty area, or primary skill, and/or location may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be at least twenty-one (21) days. The Corporation, or its employing affiliated company, or its designee, retains the sole discretion to determine whether a volunteer for layoff will be accepted for layoff. The Corporation, or its employing affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any organizational unit, classification, function/duty area, primary skill, and/or location. Individuals who by virtue of their position, skills, performance, and other factors are deemed by the Corporation, or its employing affiliated company, or its designee, to be essential to the Corporation and its affiliated companies, will not be accepted for layoff. The decision of the Corporation, or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

5. Severance Payment. An Eligible Employee's entitlement to a Severance Payment shall be subject to the provisions of Section 8. Severance Payment amounts shall be calculated under the following formulas:

Formula 1 –

- (a) one week of Base Pay, plus one week of Target Incentive, per Year of Service for the first full, and any partial, 9 Years of Service, plus
- (b) two weeks of Base Pay, plus two weeks of Target Incentive, per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay, plus one week of Target Incentive, per each full, and any partial, \$10,000.00 of the sum of annual Base Pay and annual Target Incentive.

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 12 weeks of Base Pay plus 12 weeks of Target Incentive. Finally, the Severance Payment amount shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 2 –

- (a) two weeks of Base Pay per Full Year of Service, plus
- (b) four weeks of Base Pay

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 8 weeks of Base Pay. Finally, the Severance Payment amount shall be prorated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 3 –

- (a) one week of Base Pay per Year of Service for the first full, and any partial, 9 Years of Service, plus
- (b) two weeks of Base Pay per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay per each full and any partial, \$10,000.00 of annual Base Pay.

Notwithstanding the foregoing formula, the Severance Payment amount shall not be less than 12 weeks of Base Pay. Finally, the Severance Payment amount shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

An Eligible Employee's Severance Payment amount shall be determined as follows:

Pre-Selection Voluntary – Prior to the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee, who pursuant to a voluntary termination of employment option described in Section 4.b., which option shall not apply to any individual whose annual rate of Base Pay is \$200,000 or greater, becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to 110% of the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected Executive – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee either

- (a) who is not selected and whose annual rate of Base Pay is \$200,000 or greater (and, therefore, is not eligible to enter the Transition Pool) and who, as a result, becomes an Eligible Employee, or
- (b) an employee who is not selected (and who did not previously decline to volunteer pursuant to a voluntary termination of employment option described in Section 4.b.) and who was granted a Duke Energy Corporation Long-Term Incentive award for 2005 (and,

therefore, is not eligible to enter the Transition Pool), and who is permanently laid-off by the Corporation, or its employing affiliated company, before May 1, 2006,

shall be eligible for a Severance Payment amount that is equal to 110% of the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected, Declines Transition Pool – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee who is not so selected, who, although eligible to enter the Transition Pool, declines to do so, and who, as a result, becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to the greater of the Severance Payment amount calculated under Formula 1 or Formula 2.

Unselected, Enters Transition Pool – Following the Corporation, and its affiliated companies, selecting employees for post-Duke/Cinergy Merger regular positions, an employee who is not so selected, who enters the Transition Pool, and who subsequently becomes an Eligible Employee, shall be eligible for a Severance Payment amount that is equal to the greater of the Severance Payment amount calculated under Formula 2 or Formula 3, but subject to reduction as follows:

Leaves Transition Pool Within	Reduce by Greater of
1 st month	20% or 4 weeks Base Pay
2 nd month	40% or 8 weeks Base Pay
3 rd month	60% or 12 weeks Base Pay

4 th month	80% or 16 weeks Base Pay
5 th month	90% or 20 weeks Base Pay
6 th month	24 weeks Base Pay

An employee may not remain in the Transition Pool beyond the earlier of the completion of 6 months or December 31, 2006, and, in no event, may the Severance Payment amount be reduced below 8 weeks Base Pay. Moreover, an employee is disqualified from remaining in the Transition Pool if the employee declines the offer of a position with the Corporation, or any of its affiliated companies, unless that position is at a location that would qualify the employee for relocation assistance under the applicable company relocation program, or that position carries a Base Pay rate that is at least 10% lower than the employee's current Base Pay rate.

Notwithstanding the foregoing determination, the amount of an Eligible Employee's Severance Payment shall not exceed two times the sum of (i) the employee's annual, or annualized, IRS Form W-2 compensation from the Corporation and its affiliated companies for the calendar year immediately preceding the calendar year during which the Termination Date occurs, plus (ii) any compensation that, had it not been contributed or deferred pursuant to the employee's Code Section 401(k) or Code Section 125, or Duke Energy Corporation Executive Savings Plan election, would have been included in such IRS Form W-2 compensation for such year.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for

purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor).

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of layoff, or of acceptance of the Eligible Employee's volunteer for layoff, by the Corporation, or its employing affiliated company, or its designee.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six (6) months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation or any of its affiliated companies (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree premiums for such coverage for up to the first

six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing. Notwithstanding for foregoing, if prior to becoming an Eligible Employee, the individual enters the Transition Pool and remains in the Transition Pool beyond one month, the period during which the Corporation pays for such coverage, whether COBRA or retiree premiums, shall be reduced to three (3) months.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies (or any successor). The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
- b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay. To the extent that any federal, state or local law, including, without limitation, so-called "plant closing" laws, requires the Corporation or any of its affiliated companies to give advance notice or make a payment of any kind to an Eligible Employee because of that employee's involuntary termination of employment due to a layoff, reduction in force, plant, or facility closing, sale of business, change of control, or any other similar event or reason, or to the extent the Corporation or

any of its affiliated companies elects to give such notice or make such payment, even when not required by law to do so, the benefits provided under the Plan shall either be reduced or eliminated to the extent wages have been paid for time during which no duties are performed, excluding vacation and holidays. The benefits provided under the Plan are intended to satisfy any and all statutory obligations that may arise out of an Eligible Employee's involuntary termination of employment for the foregoing reasons, and the Plan Administrator shall so construe and implement the terms of the Plan accordingly.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.
10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is

acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its

delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
Duke/Cinergy Merger Integration Severance
Benefits Plan (PN: 561)
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The designated agent for service of legal process upon the Plan is:

Senior Associate General Counsel, Litigation
Law Department
Duke Energy Corporation
526 South Church Street
Mail Code: EC03T
Charlotte, NC 28202
(704) 382-4295

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The Corporation's employer identification number after the Duke/Cinergy Merger becomes effective is 20-2777218, and before the Duke/Cinergy Merger becomes effective is 56-0205520. The Plan's identification number is 561. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its Vice President, Human Resources, or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in the DUKE/CINERGY MERGER INTEGRATION SEVERANCE BENEFITS PLAN (PN: 561), you are entitled to certain

rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200

Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

**ESTABLISHMENT OF
THE DUKE POWER COMPANY VOLUNTARY
SEPARATION OPPORTUNITY PLAN
FOR EMPLOYEES REPRESENTED BY
IBEW LOCAL UNION 962 (PN: 562)**

DUKE ENERGY CORPORATION hereby establishes, effective March 1, 2006, The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (PN: 562), as set forth in the attached "THE DUKE POWER COMPANY VOLUNTARY SEPARATION OPPORTUNITY PLAN FOR EMPLOYEES REPRESENTED BY IBEW LOCAL UNION 962 (PN: 562) AND SUMMARY PLAN DESCRIPTION (Established Effective March 1, 2006)."

DUKE ENERGY CORPORATION

By:  _____

Its Vice President, Human Resources

Date: _____

3-6-06

**THE DUKE POWER COMPANY VOLUNTARY
SEPARATION OPPORTUNITY PLAN
FOR EMPLOYEES REPRESENTED BY
IBEW LOCAL UNION 962 (PN: 562)
AND SUMMARY PLAN DESCRIPTION
(Established Effective March 1, 2006)**

1. Purpose. The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (PN: 562) (the "Plan") was established, effective March 1, 2006, by Duke Energy Corporation (the "Corporation") in connection with its pending merger with Cinergy Corp. (referred to as the "Duke/Cinergy Merger") to provide qualifying, eligible employees certain severance payments and other benefits. Plan benefits are provided in lieu of recall rights outlined in Section 4.(b), and the notice pay benefits outlined in Section 4.(e), of Article VI, Seniority and Layoffs, of Duke Power Company's labor contract with IBEW Local Union 962. The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of March 1, 2006 and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or

terminated by the Corporation. Benefits provided under the Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee, determined as of the Termination Date for purposes of calculating the Severance Payment amount and in accordance with uniform procedures adopted by the Corporation, or its designee. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Corporation" shall mean Duke Energy Corporation, and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Effective Date" shall mean March 1, 2006.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.

- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (PN: 562).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President, Human Resources, shall appoint or constitute to serve as plan administrator of the Plan.
- h. "Severance Payment" shall mean the benefit payable under Section 5.
- i. "Target Incentive" shall mean the greater of an Eligible Employee's year-end Short-Term Incentive opportunity at Target, for 2005, or for 2006, if any, which Target Incentive may be expressed as a weekly amount, all as determined in accordance with uniform procedures prescribed by the Corporation, or its designee.
- j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
- k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on, or after, the employee's adjusted "date of employment," or, if the Eligible Employee was provided a severance benefit by the Corporation or any of its affiliated companies on account of a prior termination of employment, the employee's "rehire date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, or its designee.

4. Eligibility. The provision of any benefits under the Plan is expressly contingent upon the Corporation's, or its designee's, determination that the Duke/Cinergy Merger closed successfully before June 1, 2006. In the event such contingency is satisfied, to be eligible for the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual, who is not otherwise ineligible for benefits under the Plan, must:
- a. have been classified by the Corporation, or its employing affiliated company, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), continuously from the Effective Date through the day immediately preceding the Termination Date; and
 - b. volunteer and be accepted for layoff by the Corporation, or its employing affiliated company, or its designee; and be assigned by the Corporation, or its employing affiliated company, or its designee, continuously from the date the individual volunteers for layoff through the day immediately preceding the individual's Termination Date, to any of the following specified Duke Power Company groups/classifications of employees represented by IBEW Local Union 962:
 - Vehicle Maintenance Technician
 - Garage Attendants
 - Commodities Service Technician
 - Commodities Distribution Technician
 - Warehouse Aide
 - Fossil Maintenance Technician
 - Equipment Operator (Hydro)
 - Heavy Equipment Operators
 - Hydraulic Maintenance Mechanics
 - Hydro O&M Techs; and

- c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than December 31, 2006, with notification of acceptance of volunteer for layoff, as referred to in b. immediately above, by the Corporation, or its employing affiliated company, or its designee, occurring on or after the Effective Date, and before December 31, 2006, and pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the Duke/Cinergy Merger; and
- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies, and an individual shall be considered to be so eligible, or to have been so entitled, even if the individual fails to satisfy a requirement therefor that the individual execute, and not revoke, a release of claims.

For purposes of b., above, the period within which an individual within any specified group/classification may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be at least twenty-one (21) days. The Corporation, or its employing affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any specified group/classification. In the case of excess volunteers, the Corporation, or its employing affiliated company, or its designee, shall determine which volunteer(s) are accepted for layoff, generally, on the basis of greater service. However, individuals who by virtue of their special skills are deemed by the Corporation, or its employing affiliated company, or its designee, to be necessary to

the orderly operations of Duke Power Company, will not be accepted for layoff. The decision of the Corporation, or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

Notwithstanding the foregoing, the following individuals shall not be eligible for benefits under the Plan:

- a. Any individual who is not assigned by the Corporation, or its employing affiliated company, or its designee, to a Duke Power Company group/classification of employees represented by IBEW Local Union 962 that is specified in item b. of the second sentence of Section 4.
- b. Any individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation, or its employing affiliated company.
- c. Any individual who terminates employment on a voluntary basis, but not pursuant to the provisions of the Plan, any individual whose employment is terminated involuntarily (including, but not limited to, termination of employment for “cause,” as determined by the Corporation or its employing affiliated company in its sole discretion, or by the individual’s death), or any individual who quits work prior to the date specified in the notice, or revised notice, of layoff or prior to the date released by the Corporation, or its employing affiliated company.
- d. Any individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies.
- e. Any individual who is transferred or reassigned within the Corporation and its affiliated companies.

- f. Any individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise.
 - g. Any individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date.
 - h. Any individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment. However, participation in an arrangement that the Plan Administrator determines to be exclusively for purposes of retention, shall not cause the individual to be ineligible for benefits under the Plan.
 - i. Any individual whose terms and conditions of employment are subject to collective bargaining unless the Corporation has entered into a collective bargaining agreement that provides that such individual may become eligible for benefits under the Plan.
5. Severance Payment. An Eligible Employee's entitlement to a Severance Payment shall be subject to the provisions of Section 8. An Eligible Employee shall be eligible for a Severance Payment in an amount determined to be equal to 110% of the greater of the amount calculated under Formula 1 or Formula 2:

Formula 1 –

- (a) one week of Base Pay, plus one week of Target Incentive, per Year of Service for the first full, and any partial, 9 Years of Service, plus
- (b) two weeks of Base Pay, plus two weeks of Target Incentive, per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay, plus one week of Target Incentive, per each full, and any partial, \$10,000.00 of the sum of annual Base Pay and annual Target Incentive.

Notwithstanding the foregoing, the amount calculated under Formula 1 shall not be less than 12 weeks of Base Pay plus 12 weeks of Target Incentive. Finally, the amount calculated under Formula 1 shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 2 –

- (a) two weeks of Base Pay per Full Year of Service, plus
- (b) four weeks of Base Pay

Notwithstanding the foregoing, the amount calculated under Formula 2 shall not be less than 8 weeks of Base Pay. Finally, the amount calculated under Formula 2 shall be prorated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Notwithstanding the foregoing determination, the amount of an Eligible Employee's Severance Payment shall not exceed two times the sum of (i) the employee's annual, or annualized, IRS Form W-2 compensation from the Corporation and its affiliated companies for the calendar year immediately preceding the calendar year during which the Termination Date occurs, plus (ii) any compensation that, had it not been contributed

or deferred pursuant to the employee's Code Section 401(k) or Code Section 125 election, would have been included in such IRS Form W-2 compensation for such year.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies.

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of acceptance of the Eligible Employee's volunteer for layoff, by the Corporation, or its employing affiliated company, or its designee.

7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:

a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six (6) months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation or any of its affiliated

companies (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan, the Corporation shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies. The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.
 - b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay.
9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an

extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was

incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
The Duke Power Company Voluntary Separation
Opportunity Plan For Employees Represented
By IBEW Local Union 962 (PN: 562)
Vice President, Human Resources
Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The designated agent for service of legal process upon the Plan is:

Senior Associate General Counsel, Litigation
Law Department
Duke Energy Corporation
526 South Church Street
Mail Code: EC03T
Charlotte, NC 28202
(704) 382-4295

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

[Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276]

The Corporation's employer identification number is 56-0205520. The Plan's identification number is 562. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.

13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its Vice President, Human Resources, or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.
14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.
15. Statement of ERISA Rights. As a participant in THE DUKE POWER COMPANY VOLUNTARY SEPARATION OPPORTUNITY PLAN FOR EMPLOYEES REPRESENTED BY IBEW LOCAL UNION 962 (PN: 562), you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S.

Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

IMPORTANT NOTICE-READ BEFORE SIGNING WAIVER AND RELEASE

Before signing the Waiver and Release in order to receive severance benefits, you should be aware that a class action has been filed in federal district court in South Carolina alleging violations of the Age Discrimination in Employment Act and the Employee Retirement Income Security Act arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. The plaintiffs seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *George et al. v. Duke Energy Cash Balance Retirement Plan and Duke Energy Corporation*, Case No. 806-cv-00373-HFF (the "class action"). Please note that if you sign and do not revoke the Waiver and Release within the specified time, the Company will take the position as specified in paragraph 7 of the Waiver and Release that you have waived your potential claims and damages in that lawsuit. **THE COMPANY STRONGLY ADVISES YOU TO CONSULT LEGAL COUNSEL BEFORE SIGNING THE WAIVER AND RELEASE.** The lawyers who filed the class action are as follows:

James R. Gilreath
William M. Hogan
THE GILREATH LAW FIRM, P.A.
110 Lavinia Avenue
P. O. Box 2147
Greenville, SC 29602
864) 242-4727

Charles W. Whetstone, Jr.
Cheryl F. Perkins
TSTONE MYERS PERKINS & YOUNG LLC
1303 Blanding Street (29201)
P. O. Box 8086
Columbia, SC 20202
(893) 799-9400

Mona Lisa Wallace
WALLACE & GRAHAM, P.A.
525 North Main Street
Salisbury, North Carolina 28144
(704) 633-5244

WAIVER AND RELEASE FORM

Name

Employee ID Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Duke Power Company Voluntary Separation Opportunity Plan for Employees Represented by IBEW Local Union 962 (PN: 562)" (the "Plan") for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee. I understand that the severance payment and other benefits of the Plan are being provided to me in place of the notice pay under Article VI of the union contract, and that the layoff provisions set out in Article VI of the contract, as well as the notice pay provisions, including the two weeks notice of layoff, will not apply to me. Further, I understand that I will have no recall rights under the union contract. I acknowledge that I have notified the Company of my decision to volunteer to terminate my employment with the Company under the Plan, and that the Company accepted my decision.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered

by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in

Employment Act of 1967, as amended (29 U.S.C. § 621, et seq., "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to fiduciary claims; f) (*if applicable, list specific state law*); g) any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to workers' compensation benefits or any pending or future rights and claims which I might have arising out of my possible exposure during my employment with the Company to asbestos at a facility or facilities owned by the Company.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan ("Cash Balance Plan") is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006. Here is the caption of that case: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-HFF, pending in the United States District Court for the District of South Carolina. This paragraph deals with that lawsuit, and any lawsuit asserting similar claims (the "Cash Balance Plan Litigation"). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the plaintiff class in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on

my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness

Date received by
the Company

Received by: _____

**ESTABLISHMENT OF
THE DUKE POWER COMPANY VOLUNTARY
SEPARATION OPPORTUNITY PLAN
FOR EMPLOYEES REPRESENTED BY
IBEW LOCAL UNION 962 (TRANSPORTATION) (PN: 563)**

DUKE ENERGY CORPORATION hereby establishes, effective March 1, 2006, The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (Transportation) (PN: 563), as set forth in the attached "THE DUKE POWER COMPANY VOLUNTARY SEPARATION OPPORTUNITY PLAN FOR EMPLOYEES REPRESENTED BY IBEW LOCAL UNION 962 (TRANSPORTATION) (PN: 563) AND SUMMARY PLAN DESCRIPTION (Established Effective March 1, 2006)."

DUKE ENERGY CORPORATION

By:  _____

Its Vice President, Human Resources

Date: 3-6-06

**THE DUKE POWER COMPANY VOLUNTARY
SEPARATION OPPORTUNITY PLAN
FOR EMPLOYEES REPRESENTED BY
IBEW LOCAL UNION 962 (TRANSPORTATION) (PN: 563)
AND SUMMARY PLAN DESCRIPTION
(Established Effective March 1, 2006)**

1. Purpose. The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (Transportation) (PN: 563) (the "Plan") is established, effective March 1, 2006, by Duke Energy Corporation (the "Corporation") in connection with its pending merger with Cinergy Corp. (referred to as the "Duke/Cinergy Merger") to provide qualifying, eligible employees certain severance payments and other benefits. Plan benefits are provided in lieu of recall rights outlined in Section 18., Reduction in Force and Recall, and the service pay benefits outlined in Section 19., Service Pay, of Duke Power Company's labor contract with IBEW Local Union 962 (Transportation). The Plan does not constitute inducement or consideration for the employment of any employee, nor is it a contract between any employee and the Corporation or any of its affiliated companies. The Plan does not give any employee any right to continued employment, and the Corporation and its affiliated companies retain the right to hire and discharge any employee at any time as if the Plan had never been established. The Plan is intended to be a "welfare plan" under, and, as such, subject to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan does not provide eligible employees with any right not expressly granted by its provisions and does not provide any benefit absent the release required by Section 8.a.
2. Effective Date. The Plan shall be effective as of March 1, 2006 and shall continue in effect until all benefits due under the Plan have been paid, or until amended, suspended or

terminated by the Corporation. Benefits provided under the Plan shall be in lieu of benefits provided under any other severance arrangement sponsored by the Corporation or any of its affiliated companies.

3. Definitions. Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender, the singular includes the plural, and the following words and phrases shall have the meanings specified and set forth opposite such terms for the purposes of this Plan:

- a. "Base Pay" shall mean the rate of pay of an Eligible Employee, determined as of the Termination Date for purposes of calculating the Severance Payment amount and in accordance with uniform procedures adopted by the Corporation, or its designee. Base Pay may be expressed as either a weekly, monthly or annual rate of pay as the context requires. Base Pay shall not include bonuses, shift differentials, benefits, overtime, incentive premiums, lump sum pay, or similar supplements.
- b. "Corporation" shall mean Duke Energy Corporation, and "its affiliated companies" shall consist of any other corporation, or other entity, in which the Corporation holds, directly or indirectly, an 80% or greater ownership interest, or which the Corporation designates, in writing, as its affiliated company with respect to the Plan, but only as long as such ownership interest is maintained or such designation is in effect.
- c. "Effective Date" shall mean March 1, 2006.
- d. "Eligible Employee" shall mean an individual who meets the eligibility requirements of Section 4.

- e. "Other Benefits" shall mean the benefits provided under Section 7.
- f. "Plan" shall mean The Duke Power Company Voluntary Separation Opportunity Plan For Employees Represented By IBEW Local Union 962 (Transportation) (PN: 563).
- g. "Plan Administrator" shall mean the individual identified as such in Section 11, or such other individual or committee as the Corporation's Vice President, Human Resources, shall appoint or constitute to serve as plan administrator of the Plan.
- h. "Severance Payment" shall mean the benefit payable under Section 5.
- i. "Target Incentive" shall mean the greater of an Eligible Employee's year-end Short-Term Incentive opportunity at Target, for 2005, or for 2006, if any, which Target Incentive may be expressed as a weekly amount, all as determined in accordance with uniform procedures prescribed by the Corporation, or its designee.
- j. "Termination Date" shall mean the date on which an Eligible Employee's employment relationship with the Corporation and all its affiliated companies terminates.
- k. "Year of Service" for an Eligible Employee shall mean a consecutive, 12-month period of service with the Corporation and its affiliated companies, occurring on, or after, the employee's adjusted "date of employment," or, if the Eligible Employee was provided a severance benefit by the Corporation or any of its affiliated companies on account of a prior termination of employment, the employee's "rehire date," determined as of the Termination Date in accordance with uniform procedures prescribed by the Corporation, or its designee.

4. Eligibility. The provision of any benefits under the Plan is expressly contingent upon the Corporation's, or its designee's, determination that the Duke/Cinergy Merger closed successfully before June 1, 2006. In the event such contingency is satisfied, to be eligible for the Severance Payment described in Section 5 and the Other Benefits described in Section 7, an individual, who is not otherwise ineligible for benefits under the Plan, must:
- a. have been classified by the Corporation, or its employing affiliated company, as a regular full-time or regular part-time, U.S.-based employee (and not in a temporary or fixed-term status) on its active payroll (or on a leave of absence with a reemployment guarantee), continuously from the Effective Date through the day immediately preceding the Termination Date; and
 - b. volunteer and be accepted for layoff by the Corporation, or its employing affiliated company, or its designee; and be assigned by the Corporation, or its employing affiliated company, or its designee, continuously from the date the individual volunteers for layoff through the day immediately preceding the individual's Termination Date, to any of the following specified Duke Power Company groups/classifications of employees represented by IBEW Local Union 962 (Transportation):
 - Vehicle Maintenance Technician
 - Garage Attendants
 - Commodities Service Technician; and
 - c. be permanently laid off by the Corporation, or its employing affiliated company, on or after the Effective Date with a Termination Date no later than December 31, 2006, with notification of acceptance of volunteer for layoff, as referred to in b. immediately above, by the Corporation, or its employing affiliated company, or its

designee, occurring on or after the Effective Date, and before December 31, 2006, and pursuant to layoff processes implemented by the Corporation, and its affiliated companies, for the Duke/Cinergy Merger; and

- d. be certified in writing by the Corporation, or its designee, as eligible for benefits under the Plan; and
- e. not be eligible for benefits under any other severance benefits plan sponsored by the Corporation or any of its affiliated companies, and an individual shall be considered to be so eligible, or to have been so entitled, even if the individual fails to satisfy a requirement therefor that the individual execute, and not revoke, a release of claims.

For purposes of b., above, the period within which an individual within any specified group/classification may be offered an opportunity to volunteer for layoff in order to become eligible for Plan benefits shall be at least twenty-one (21) days. The Corporation, or its employing affiliated company, or its designee, may limit the number of volunteers who are accepted for layoff within any specified group/classification. In the case of excess volunteers, the Corporation, or its employing affiliated company, or its designee, shall determine which volunteer(s) are accepted for layoff, generally, on the basis of greater service. However, individuals who by virtue of their special skills are deemed by the Corporation, or its employing affiliated company, or its designee, to be necessary to the orderly operations of Duke Power Company, will not be accepted for layoff. The decision of the Corporation, or its employing affiliated company, or its designee, with respect to volunteers who are accepted for layoff shall be conclusive.

Notwithstanding the foregoing, the following individuals shall not be eligible for benefits under the Plan:

- a. Any individual who is not assigned by the Corporation, or its employing affiliated company, or its designee, to a Duke Power Company group/classification of employees represented by IBEW Local Union 962 (Transportation) that is specified in item b. of the second sentence of Section 4.
- b. Any individual who is not classified as an employee on, and paid through, the regular payroll system of the Corporation, or its employing affiliated company.
- c. Any individual who terminates employment on a voluntary basis, but not pursuant to the provisions of the Plan, any individual whose employment is terminated involuntarily (including, but not limited to, termination of employment for "cause," as determined by the Corporation or its employing affiliated company in its sole discretion, or by the individual's death), or any individual who quits work prior to the date specified in the notice, or revised notice, of layoff or prior to the date released by the Corporation, or its employing affiliated company.
- d. Any individual whose employment terminates and who claims constructive discharge by the Corporation or any of its affiliated companies.
- e. Any individual who is transferred or reassigned within the Corporation and its affiliated companies.
- f. Any individual whose employment with the Corporation and its affiliated companies terminates because the employing company ceases to be an affiliated company of the Corporation, by stock sale or otherwise.

- g. Any individual (i) who is assigned to an organizational unit, or other part, of the Corporation or any of its affiliated companies, that is sold or otherwise divested, or who has duties in connection with assets or businesses of the Corporation or any of its affiliated companies that are sold, or otherwise divested, and (ii) who is offered employment with the purchaser/other transferee, or its affiliate, prior to, or promptly following, the individual's Termination Date.
 - h. Any individual who is entitled to a payment or other benefit under an employment, separation or other agreement with the Corporation or any of its affiliated companies on account of termination of employment. However, participation in an arrangement that the Plan Administrator determines to be exclusively for purposes of retention, shall not cause the individual to be ineligible for benefits under the Plan.
 - i. Any individual whose terms and conditions of employment are subject to collective bargaining unless the Corporation has entered into a collective bargaining agreement that provides that such individual may become eligible for benefits under the Plan.
5. Severance Payment. An Eligible Employee's entitlement to a Severance Payment shall be subject to the provisions of Section 8. An Eligible Employee shall be eligible for a Severance Payment in an amount determined to be equal to 110% of the greater of the amount calculated under Formula 1 or Formula 2:

Formula 1 –

- (a) one week of Base Pay, plus one week of Target Incentive, per Year of Service for the first full, and any partial, 9 Years of Service, plus

- (b) two weeks of Base Pay, plus two weeks of Target Incentive, per full, and any partial, Year of Service in excess of 9 full Years of Service, plus
- (c) one week of Base Pay, plus one week of Target Incentive, per each full, and any partial, \$10,000.00 of the sum of annual Base Pay and annual Target Incentive.

Notwithstanding the foregoing, the amount calculated under Formula 1 shall not be less than 12 weeks of Base Pay plus 12 weeks of Target Incentive. Finally, the amount calculated under Formula 1 shall be pro-rated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Formula 2 --

- (a) two weeks of Base Pay per Full Year of Service, plus
- (b) four weeks of Base Pay

Notwithstanding the foregoing, the amount calculated under Formula 2 shall not be less than 8 weeks of Base Pay. Finally, the amount calculated under Formula 2 shall be prorated by the Plan Administrator, in its sole discretion, to reflect less than full time employment.

Notwithstanding the foregoing determination, the amount of an Eligible Employee's Severance Payment shall not exceed two times the sum of (i) the employee's annual, or annualized, IRS Form W-2 compensation from the Corporation and its affiliated companies for the calendar year immediately preceding the calendar year during which the Termination Date occurs, plus (ii) any compensation that, had it not been contributed or deferred pursuant to the employee's Code Section 401(k) or Code Section 125 election, would have been included in such IRS Form W-2 compensation for such year.

The Severance Payment shall be subject to withholding for taxes and any other lawful purpose. The Severance Payment shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies

6. Payment of Severance Payment. The Severance Payment shall be paid in a lump sum, less any applicable withholding, as soon as administratively practicable after the Termination Date; provided, however, that payment shall not be made before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be made after the first 2-1/2 months of the calendar year immediately following the calendar year during which the Eligible Employee is notified of acceptance of the Eligible Employee's volunteer for layoff, by the Corporation, or its employing affiliated company, or its designee.
7. Other Benefits. Subject to the provisions of Section 8, an Eligible Employee shall be entitled to the following additional benefits:
 - a. The Corporation shall pay all premiums for health care continuation coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for up to the first six (6) months of continuation coverage, provided the Eligible Employee and/or his eligible dependents have elected and continuously remain eligible for COBRA continuation coverage, under any group health plan sponsored by the Corporation or any of its affiliated companies (other than under a Medical Spending Account). Should the Eligible Employee terminate employment with retiree coverage under any such group plan,

the Corporation shall pay all retiree premiums for such coverage for up to the first six (6) months of such coverage in lieu of paying such COBRA premiums, unless the Eligible Employee otherwise elects in writing.

- b. The Corporation, at its cost, shall make available outplacement assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, to the Eligible Employee.
- c. The Corporation shall make available educational assistance, in accordance with such program as it, in its sole discretion, shall provide and under which assistance need not be uniform among Eligible Employees, but shall be subject to an individual assistance limit of \$2,600.00, to the Eligible Employee.

The benefits provided for under this Section shall be subject to withholding for taxes or any other lawful purpose and shall not be considered as eligible compensation for purposes of determining any benefits provided under any pension, savings, or other benefit plan maintained by the Corporation or any of its affiliated companies. The benefits provided for under this Section shall not be provided before such date as the release described in Section 8.a. has become effective and any revocation period has expired without an effective revocation, and, in no event, shall be provided after the second anniversary of the Termination Date.

8. Requirement of Effective Release; Integration with Statutory Benefits or Notice Requirements.

- a. In addition to the requirements of Section 4, it shall be a condition of eligibility for a Severance Payment and Other Benefits that the Eligible Employee shall have

signed a release in the form set forth in Attachment A (or such other form acceptable to the Corporation) and shall have timely filed the signed release with the Corporation, and such release shall have become effective in accordance with its terms and any revocation period has expired without an effective revocation. The failure or refusal of an Eligible Employee to sign such a release, or the revocation of such a release (to the extent permitted by its terms), shall disqualify the Eligible Employee from receiving any benefits under the Plan. If an Eligible Employee files a lawsuit, charge, complaint, or other claim asserting any claim or demand within the scope of the release, the Corporation and each of its affiliated companies, whether or not such claim is valid, shall retain all rights and benefits of the release to the extent permitted by law.

b. The Severance Payment and Other Benefits provided under the Plan are the maximum benefits that the Corporation and its affiliated companies will pay.

9. Plan Administrator. The Plan Administrator shall have all powers necessary to determine, in its sole discretion, all questions concerning the administration of the Plan, including determinations of fact, questions of eligibility and the amount of any benefits payable under the Plan. In addition, the Plan Administrator shall have full authority to interpret and apply the provisions of the Plan, including authority to correct any defects or omissions or to reconcile any inconsistencies herein, in such a manner and to such an extent as it shall deem necessary or desirable to effectuate the Plan. The Plan Administrator may make such rules and regulations for the administration of the Plan as it deems necessary or desirable. Any determination by the Plan Administrator within the scope of its authority and any action taken thereon in good faith shall be conclusive and

binding on all persons. The Plan Administrator may delegate any of its powers or duties to others.

10. Claims Procedure. Any claim for benefits under the Plan shall be made in writing to the Plan Administrator by the respective Eligible Employee (or the Eligible Employee's authorized representative upon providing documentation of such authority that is acceptable to the Plan Administrator) within sixty (60) days of the date of the alleged occurrence giving rise to the claim. If the Plan Administrator (or its delegatee) believes that the claim should be denied, the claimant shall be notified in writing of the denial of the claim within thirty (30) days after the Plan Administrator's (or its delegatee's) receipt of the claim, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. Such notice shall (a) set forth the specific reason or reasons for the denial, making reference to the pertinent provisions of the Plan on which the denial is based; (b) describe any additional material or information that should be received before the claim may be acted upon favorably and explain the reason why such material or information, if any, is needed; and (c) inform the claimant of his or her right pursuant to this Section 10 to request review of the denial by the Plan Administrator (or its delegatee), including a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review. A claimant who believes that the denial of the claim was incorrect may obtain the Plan Administrator's (or its delegatee's) review of the denial by submitting a written request for the review to the Plan Administrator (or its delegatee) within sixty (60) days after the date on which the notice of denial was received. Such period may be extended by the Plan Administrator (or its delegatee) for good cause. The

claimant making the request for review may examine the Plan documents and shall submit in writing any information or argument that the claimant wishes the Plan Administrator (or its delegatee) to consider. The Plan Administrator (or its delegatee) shall decide whether or not to grant the claim within thirty (30) days after receipt of the request for review, but this period may be extended by the Plan Administrator (or its delegatee) for up to an additional thirty (30) days in special circumstances. The Plan Administrator's (or its delegatee's) decision shall be in writing and shall be conclusive and binding on all persons. In the case of an adverse benefit determination, the written decision, (a) shall include specific reasons for the decision, (b) shall refer to pertinent provisions of the Plan on which the decision is based, (c) shall include a statement that the claimant is entitled to receive, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and (d) shall include a statement of the claimant's right to bring an action under ERISA Section 502(a).

11. Important Information. The Plan Administrator is:

Plan Administrator
The Duke Power Company Voluntary Separation
Opportunity Plan For Employees Represented
By IBEW Local Union 962 (Transportation) (PN: 563)
Vice President, Human Resources
Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The designated agent for service of legal process upon the Plan is:

Senior Associate General Counsel, Litigation
Law Department
Duke Energy Corporation
526 South Church Street
Mail Code: EC03T
Charlotte, NC 28202
(704) 382-4295

Legal process may also be served upon the Plan Administrator.

The Corporation may be contacted at:

Duke Energy Corporation
Attn.: Workforce Transition Team
400 South Tryon Street
Mail Code: ST18C
Charlotte, NC 28202
Phone: (704) 382-2276

The Corporation's employer identification number is 56-0205520. The Plan's identification number is 563. The Plan's plan year is the calendar year.

12. Funding. Benefits payable under the Plan shall be paid from the general funds of the Corporation. No trust fund or other segregated fund shall be established for this purpose.
13. Amendment and Termination. This Plan may be amended, suspended, or terminated by the Corporation at any time without notice, by a writing signed by its Vice President, Human Resources, or other authorized representative, but such action may not adversely affect any benefits payable under the Plan on account of a termination of employment occurring before such amendment, suspension or termination of the Plan. Otherwise, no communication, whether written or oral, may modify, supercede or void the terms of the Plan as set forth herein.

14. Assignment or Alienation. Assignment or alienation of any severance benefits provided by the Plan will not be permitted or recognized except as otherwise authorized by applicable law.

15. Statement of ERISA Rights. As a participant in THE DUKE POWER COMPANY VOLUNTARY SEPARATION OPPORTUNITY PLAN FOR EMPLOYEES REPRESENTED BY IBEW LOCAL UNION 962 (TRANSPORTATION) (PN: 563), ... you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all employee benefit plan participants shall be entitled to —

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

Examine, without charge, at the plan administrator’s office or at other specified locations, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

Receive a summary of the plan’s annual financial report.

Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan and a copy of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in

the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan documents or the latest annual report from the plan, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact

the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave. N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

29 C.F.R. §2520.102-3(t)(2).

IMPORTANT NOTICE-READ BEFORE SIGNING WAIVER AND RELEASE

Before signing the Waiver and Release in order to receive severance benefits, you should be aware that a class action has been filed in federal district court in South Carolina alleging violations of the Age Discrimination in Employment Act and the Employee Retirement Income Security Act arising out of the conversion of the Duke Power Company Employees' Retirement Plan into the Duke Power Company Retirement Cash Balance Plan and the administration of the Duke Energy Cash Balance Retirement Plan. The plaintiffs seek to represent a proposed class defined as "all present and/or former employees of Duke Energy who participated in the Duke Energy Retirement Cash Balance Plan on or after January 1, 1997." The case is entitled *George et al. v. Duke Energy Cash Balance Retirement Plan and Duke Energy Corporation*, Case No. 806-cv-00373-HFF (the "class action"). Please note that if you sign and do not revoke the Waiver and Release within the specified time, the Company will take the position as specified in paragraph 7 of the Waiver and Release that you have waived your potential claims and damages in that lawsuit. **THE COMPANY STRONGLY ADVISES YOU TO CONSULT LEGAL COUNSEL BEFORE SIGNING THE WAIVER AND RELEASE.** The lawyers who filed the class action are as follows:

James R. Gilreath
William M. Hogan
THE GILREATH LAW FIRM, P.A.
110 Lavinia Avenue
P. O. Box 2147
Greenville, SC 29602
864) 242-4727

Charles W. Whetstone, Jr.
Cheryl F. Perkins
TSTONE MYERS PERKINS & YOUNG LLC
1303 Blanding Street (29201)
P. O. Box 8086
Columbia, SC 20202
(893) 799-9400

Mona Lisa Wallace
WALLACE & GRAHAM, P.A.
525 North Main Street
Salisbury, North Carolina 28144
(704) 633-5244

WAIVER AND RELEASE FORM

Name

Employee ID Number

[Note: The term "Company" in this Waiver and Release Form includes Duke Energy Corporation ("Duke Energy") and all of its affiliated companies ("Affiliates"), which shall consist of any other corporation, or other entity in which Duke Energy Corporation holds, directly or indirectly, an 80% or greater ownership interest. "Company" also includes any employee benefit plan established or maintained by Duke Energy or any of its Affiliates, and any administrator, trustee, fiduciary, or service provider of any such plan.]

1. I understand that the Company has established "The Duke Power Company Voluntary Separation Opportunity Plan for Employees Represented by IBEW Local Union 962 (Transportation) (PN: 563)(the "Plan") for eligible employees who satisfy all of the Plan's requirements for entitlement to Plan benefits, including the execution of this Waiver and Release (or other waiver form acceptable to the Company). The Severance Payment and other benefits of this Plan will be provided at Company expense and are in addition to the regular salary and benefits package to which I am otherwise entitled as an employee. I understand that the severance payment and other benefits of the Plan are being provided to me in place of the service pay under Part I Section 19 of the union contract, and that the layoff provisions set out in Part I Section 18 of the contract, as well as the service pay provisions, will not apply to me. Further, I understand that I will have no recall rights under the union contract. I acknowledge that I have notified the Company of my decision to volunteer to terminate my employment with the Company under the Plan, and that the Company accepted my decision.

2. I acknowledge that I have received and read a copy of the Plan document and Summary Plan Description. I also acknowledge that the Company has provided me with written information identifying: a) any class, unit, or group of individuals covered

by the Plan, any eligibility factors for the Plan, and any time limits applicable to the Plan; and b) the job titles and ages of all individuals eligible or selected for the Plan, and the ages of all individuals in the same job classification or organizational unit who are not eligible or selected for the Plan.

3. I understand that, under the terms of the Plan, if I sign and do not revoke this Waiver and Release, I will receive a Severance Payment in an amount equal to *****, subject to withholding for taxes and other lawful purposes, as well as outplacement services, up to Two Thousand Six Hundred Dollars (\$2,600.00) in education reimbursements, and I will be eligible for COBRA or retiree group health premium payments made on my behalf for up to six (6) months. I understand that in order to receive the Severance Payment, as well as the other benefits described in this paragraph, I must enter into and sign this Waiver and Release.

4. I understand that I have until *****, 2006, a date that is at least forty-five (45) days from the date I received this form, in which to consider whether to sign and enter into this Waiver and Release. I understand that I may not sign and enter into this Waiver and Release before the termination of my employment with the Company. I understand that in order to become entitled to the benefits under the Plan, I must return this signed Waiver and Release to *****, by that date, *****, 2006. I FURTHER UNDERSTAND THAT THIS SIGNED WAIVER AND RELEASE WILL NOT BE ACCEPTED AFTER THIS DATE.

5. In exchange for my becoming entitled to receive the Severance Payment and other benefits under the Plan, I voluntarily and knowingly waive any and all claims and rights which I might have arising out of or related to my employment with the Company and/or the termination of my employment with the Company. I also voluntarily and knowingly release the Company, its directors, officers, employees, agents, and other representatives from any and all liability and damages, including but not limited to liquidated damages, arising in any manner whatsoever out of my employment and the termination of that employment. This Waiver and Release includes, but is not limited to, claims and rights under: a) the Civil Rights Act of 1991 and Title VII of the Civil Rights Act of 1964, as amended; b) the Age Discrimination in

Employment Act of 1967, as amended (29 U.S.C. § 621, et seq., "ADEA"); c) the Older Workers Benefit Protection Act of 1990, as amended; d) the Americans with Disabilities Act; e) the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to fiduciary claims; f) (*if applicable, list specific state law*); g) any other federal, state, or local law or regulation, including any law or regulation concerning discrimination based on race, sex, color, religion, national origin, citizenship, age, handicapped or disabled status, and Vietnam era veteran's status; h) the Worker Adjustment and Retraining Notification Act or any other federal, state, or local law or regulation relating to notification of any plant or business closing or employee layoff; i) and any express or implied term or condition of my employment with the Company, including any claim for wrongful discharge, breach of contract, or claim for compensation. This Waiver and Release does not waive rights and claims that may arise after the date I sign this form, nor any pending or future claims to workers' compensation benefits or any pending or future rights and claims which I might have arising out of my possible exposure during my employment with the Company to asbestos at a facility or facilities owned by the Company.

6. I understand that by signing this Waiver and Release, I do not waive and release any rights and claims to any benefits due to me under the terms of any employee retirement benefit plan maintained by the Company in which I am a participant. The specific application of the Waiver and Release to my benefits under the Duke Energy Retirement Cash Balance Plan ("Cash Balance Plan") is explained in paragraph 7 below.

7. SPECIAL PARAGRAPH RELATING TO CLASS ACTION LITIGATION. You may or may not know that a class action lawsuit was commenced on February 6, 2006. Here is the caption of that case: *Kenneth Walton George, Dennis Reed Bowen, Clyde Freeman, George Moyers, Jim Matthews, and Henry Miller, on their own behalf and on behalf of a class of persons similarly situated v. Duke Energy Retirement Cash Balance Plan and Duke Energy Corporation*, Case No. 8:06-CV-00373-HFF, pending in the United States District Court for the District of South Carolina. This paragraph deals with that lawsuit, and any lawsuit asserting similar claims (the "Cash Balance Plan Litigation"). The Cash Balance Plan Litigation seeks additional benefits under the Cash Balance Plan, and other relief.

The Company and the Cash Balance Plan intend to defend themselves vigorously in the Cash Balance Plan Litigation and take the position that no damages should result from the litigation. You should consider the Cash Balance Plan Litigation in connection with this Waiver and Release, because the Company and the Cash Balance Plan will take the position that this Waiver and Release completely releases your rights in the Cash Balance Plan Litigation.

In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release you are entitled to some recovery of benefits under the terms of the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling. In the event that a court in the Cash Balance Plan Litigation should rule that despite this Waiver and Release the Company or the Cash Balance Retirement Plan must pay damages other than benefits under the Cash Balance Plan, you agree that you will get only the difference, if any, between what you have been paid under this Waiver and Release and what you would get under that ruling.

You are free to consult with counsel representing the plaintiff class in the Cash Balance Plan Litigation whose names and addresses are set forth on the attached Notice. You may, of course, contact any other lawyer. You are encouraged to discuss this matter with the lawyer of your own choosing.

8. I understand that nothing in this Waiver and Release prohibits me from reporting any suspected instance of illegal activity of any nature, any nuclear safety concern, any workplace safety concern, or any public safety concern to the United States Nuclear Regulatory Commission, the United States Department of Labor, or any other federal or state governmental agency. I further understand that this Waiver and Release does not prohibit me from participating in any way in any state or federal administrative, judicial, or legislative proceeding or investigation or filing a charge of discrimination with an administrative agency. I understand that should an agency pursue any claims on

my behalf, by signing and not revoking this Waiver and Release, I have waived my right to any monetary recovery.

9. FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THIS WAIVER AND RELEASE, YOU MAY REVOKE THE WAIVER AND RELEASE, AND THE WAIVER AND RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL A PERIOD OF SEVEN (7) DAYS FOLLOWING THE SIGNING BY YOU OF THE WAIVER AND RELEASE HAS EXPIRED. YOU MAY REVOKE THIS WAIVER AND RELEASE BY DELIVERING A WRITTEN NOTICE OF REVOCATION TO _____ AT THE ADDRESS IN PARAGRAPH 4 OR FAX NUMBER _____. FOR THE REVOCATION TO BE EFFECTIVE, IT MUST BE RECEIVED NO LATER THAN THE SEVENTH (7th) CALENDAR DAY AFTER YOU SIGN THE WAIVER AND RELEASE. IF YOU REVOKE THE WAIVER AND RELEASE AFTER SIGNING IT, IT WILL BE NULL AND VOID, AND YOU WILL NOT RECEIVE THE SEVERANCE PAYMENT AND OTHER BENEFITS UNDER THE PLAN.

10. I UNDERSTAND THAT SIGNING THIS WAIVER AND RELEASE IS AN IMPORTANT LEGAL ACT, AND THAT BY SIGNING IT IN ORDER TO RECEIVE THE SEVERANCE PAYMENT AND ADDITIONAL BENEFITS UNDER THE PLAN, I MIGHT FORFEIT CERTAIN LEGAL RIGHTS. I ACKNOWLEDGE THE COMPANY IS ADVISING ME IN WRITING TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS WAIVER AND RELEASE.

11. It is understood by you and the Company that if any part of this Waiver and Release is held by a court to be invalid, the remaining portions shall not be affected.

12. I sign this form signifying my agreement with the understandings and acknowledgments listed and with the intent to be bound by this Waiver and Release and with the intent that this Waiver and Release will be binding upon me, my executors, administrators, heirs, successors, and assigns.

Date Signed

Signature

Print Name

Witness

Date received by
the Company

Received by: _____

KyPSC Staff First Set Data Requests
Duke Energy Kentucky
Case No. 2006-00172
Date Received: May 17, 2006
Response Due Date: June 14, 2006

KyPSC-DR-01-019

REQUEST:

19. Concerning employee fringe benefits:
- a. Provide a detailed list of all fringe benefits available to Duke Kentucky electric employees and the expected cost of each benefit in the base period and the forecasted test period. Indicate which fringe benefits, if any, are limited to management employees.
 - b. Provide comparative cost information for the 2 years preceding the base period and the base period. Explain any changes in fringe benefits occurring over this period.

RESPONSE:

- a. All fringe benefits available to Duke Energy Kentucky electric employees are: 401(k), dental, medical, pension, post retirement, life & disability, other miscellaneous (tuition assistance, work/life, wellness, EAP). See Attachment KyPSC-DR-01-019 (a) for the expected cost of each benefit in the base period and forecasted period.

Participation in the following fringe benefits included in the cost pool budget is limited to management employees and above, in fact, only general manager and above: the Cinergy Corp. Excess Pension Plan, Cinergy Corp. Supplemental Executive Retirement Plan, Cinergy Corp. Executive Life Insurance Plan, Cinergy Corp. 401(k) Excess Plan, Cinergy Corp. Excess Profit Sharing plan and employer-paid supplemental LTD coverage.

- b. See Attachment KyPSC-DR-01-019 (b) for the comparative cost for the two years preceding the base period and for the base period. Changes in fringe benefits occurring over this period applicable to either all or select employee groups are:
- Dental – consolidated dental plans to achieve greater discounts and reduced administration, redesigned plans by increasing employee out-of-pocket costs, increased employee premium contributions.
 - Life insurance - renegotiated more aggressive life insurance rates; implemented additional employee-paid buy-up options.
 - Disability program – redesigned program to encourage return-to-work.

- Medical – consolidated plan offerings to achieve greater discounts and reduce administration, redesigned plans by increasing employee out-of-pocket costs, increased employee premium contributions, implemented improved incentives for employees to opt-out of coverage or to reduce level of coverage, implemented a disease management program to better manage chronic conditions; implemented three tier Rx copays, mandatory mail order, renegotiated more aggressive contract with pharmacy benefit manager.
- Post-retirement medical – began unblending active employee and retiree claims experience to reduce company liability for retiree healthcare, implemented post retirement health reimbursement accounts (“HRA”) for new hires and gave current employees a one-time opportunity to choose between the traditional post-retirement healthcare subsidy and the HRA.
- Pension – changed traditional pension plan formula, implemented cash balance programs for new hires and gave current employees a one-time opportunity to choose between the traditional pension plan and the new cash balance programs.
- Tuition assistance – changed from paying tuition upfront to reimbursing upon completion of the course, capped benefit to \$5,250/year.
- Wellness – implemented a wellness program to motivate employees to live healthier lifestyles and to improve the overall health of the workforce.
- Relocation – redesigned the program to reduce costs.
- Resource and Referral/EAP – consolidated vendors to reduce costs.
- Benefits administration – consolidated vendors and renegotiated more aggressive contract.
- Redesigned the vacation and vacation bank policy resulting in cost reductions, including accrual in current year and pro-rating unused payout upon termination.
- Implemented voluntary benefits at employee cost and adoption assistance for groups who did not previously have it.

WITNESS RESPONSIBLE: C. James O’Connor

Duke Energy Kentucky

Fringe Benefit Costs for the Base Period
 September 2005 - February 2006 and March 2006 - August 2006
 Electric Operations

<u>Year</u>	<u>Operation & Maintenance</u>	<u>Construction & Retirement</u>	<u>Total</u>
Base Period	6,865,856	\$ 2,215,182	\$ 9,081,038

	<u>Base Period</u>
401(k)	9.1%
Dental	2.3%
Life & Disability Insurance	1.6%
Medical	24.8%
Post Retirement	19.6%
Pension	40.2%
Other Miscellaneous	2.4%
Total	<u>100.0%</u>

Operation & Maintenance

	<u>Base Period</u>
401(k)	\$ 624,793
Dental	157,915
Life & Disability Insurance	109,854
Medical	1,702,732
Post Retirement	1,345,708
Pension	2,760,074
Other Miscellaneous	164,781
Total	<u>\$ 6,865,856</u>

Construction & Retirement

	<u>Base Period</u>
401(k)	\$ 201,582
Dental	50,949
Life & Disability Insurance	35,443
Medical	549,365
Post Retirement	434,176
Pension	890,503
Other Miscellaneous	53,164
Total	<u>\$ 2,215,182</u>

Total

	<u>Base Period</u>
401(k)	\$ 826,374
Dental	208,864
Life & Disability Insurance	145,297
Medical	2,252,097
Post Retirement	1,779,883
Pension	3,650,577
Other Miscellaneous	217,945
Total	<u>\$ 9,081,038</u>

Duke Energy Kentucky

Fringe Benefit Costs for the Forecasted Period
 January - December 2007
 Electric Operations

<u>Year</u>	<u>Operation & Maintenance</u>	<u>Construction & Retirement</u>	<u>Total</u>
Base Period	\$ 9,410,155	\$ 2,406,838	\$ 11,816,993

<u>Forecasted Period</u>	
401(k)	9.4%
Dental	2.3%
Life & Disability Insurance	1.7%
Medical	25.5%
Post Retirement	18.6%
Pension	40.2%
Other Miscellaneous	2.3%
Total	100.0%

Operation & Maintenance

<u>Forecasted Period</u>	
401(k)	\$ 884,555
Dental	216,434
Life & Disability Insurance	159,973
Medical	2,399,590
Post Retirement	1,750,289
Pension	3,782,882
Other Miscellaneous	216,434
Total	\$ 9,410,155

Construction & Retirement

<u>Forecasted Period</u>	
401(k)	\$ 226,243
Dental	55,357
Life & Disability Insurance	40,916
Medical	613,744
Post Retirement	447,672
Pension	967,549
Other Miscellaneous	55,357
Total	\$ 2,406,838

Total

<u>Forecasted Period</u>	
401(k)	\$ 1,110,797
Dental	271,791
Life & Disability Insurance	200,889
Medical	3,013,333
Post Retirement	2,197,961
Pension	4,750,431
Other Miscellaneous	271,791
Total	\$ 11,816,993

The Union Light, Heat and Power Company

Fringe Benefit Costs for the Years Ended December 31, 2003 - 2005
Electric Operations

<u>Year</u>	<u>Operation & Maintenance</u>	<u>Construction & Retirement</u>	<u>Total</u>
2003	\$ 2,192,841	\$ 1,898,248	\$ 4,091,089
2004	\$ 2,372,688	\$ 1,505,710	\$ 3,878,398
2005	\$ 3,124,822	\$ 1,554,862	\$ 4,679,684

	<u>2003</u>	<u>2004</u>	<u>2005</u>
401(k)	10.3%	10.0%	8.8%
Dental	2.6%	2.7%	2.3%
Life & Disability Insurance	1.1%	1.7%	1.5%
Medical	28.4%	27.3%	25.3%
Post Retirement	21.1%	20.4%	21.8%
Pension	31.7%	34.7%	37.8%
Other Miscellaneous	4.8%	3.2%	2.5%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>
401(k)	\$ 225,863	\$ 237,269	\$ 274,984
Dental	57,014	64,063	71,871
Life & Disability Insurance	24,121	40,336	46,872
Medical	622,767	647,744	790,580
Post Retirement	462,689	484,028	681,211
Pension	695,131	823,323	1,181,183
Other Miscellaneous	105,256	75,926	78,121
	<u>\$ 2,192,841</u>	<u>\$ 2,372,688</u>	<u>\$ 3,124,822</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>
401(k)	\$ 195,520	\$ 150,571	\$ 136,828
Dental	49,354	40,654	35,762
Life & Disability Insurance	20,881	25,597	23,323
Medical	539,102	411,059	393,380
Post Retirement	400,530	307,165	338,960
Pension	601,745	522,481	587,738
Other Miscellaneous	91,116	48,183	38,872
	<u>\$ 1,898,248</u>	<u>\$ 1,505,710</u>	<u>\$ 1,554,862</u>

Total	<u>2003</u>	<u>2004</u>	<u>2005</u>
401(k)	\$ 421,382	\$ 387,840	\$ 411,812
Dental	106,368	104,717	107,633
Life & Disability Insurance	45,002	65,933	70,195
Medical	1,161,869	1,058,803	1,183,960
Post Retirement	863,220	791,193	1,020,171
Pension	1,296,875	1,345,804	1,768,921
Other Miscellaneous	196,372	124,109	116,992
	<u>\$ 4,091,089</u>	<u>\$ 3,878,398</u>	<u>\$ 4,679,684</u>

**KyPSC Staff First Set Data Requests
Duke Energy Kentucky
Case No. 2006-00172
Date Received: May 17, 2006
Response Due Date: June 14, 2006**

KyPSC-DR-01-020

REQUEST:

20. List separately the budgeted and actual numbers of the electric operation's full- and part-time employees by employee group, by month and by year, for the 5 years immediately preceding the base period, the base period, and the forecasted test period.

RESPONSE:

See Attachment KyPSC-DR-01-020. Beginning January 2006 through the forecasted test period, Duke Energy Kentucky estimated the number of employees for the Union, Exempt and Non-exempt employee groups based on the number of labor hours budgeted in 2006, less any hours budgeted to the gas lines of business, and deemed that these were all full-time employees.

WITNESS RESPONSIBLE: Brian P. Davey

DUKE ENERGY KENTUCKY
 Number of Employees by Employee Group

Total Electric Operations

<u>Month</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Base Period</u>	<u>Forecasted Period</u>
January	174	173	160	164	163	235	235
February	174	174	159	162	162	242	242
March	175	173	156	162	162	231	231
April	174	172	157	156	159	232	232
May	174	171	155	157	161	227	227
June	171	169	160	154	160	226	226
July	173	167	161	157	161	218	218
August	175	165	159	160	161	213	213
September	174	164	163	164	160	160	226
October	176	164	165	166	161	161	230
November	174	163	163	166	161	161	226
December	174	159	162	165	163	163	225

Exempt

<u>Month</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Base Period</u>	<u>Forecasted Period</u>
January	16	17	13	13	12	32	32
February	15	17	13	13	11	32	32
March	17	17	12	13	11	32	32
April	17	17	12	13	10	31	31
May	16	16	12	13	10	30	30
June	16	14	12	13	10	29	29
July	16	13	12	12	10	27	27
August	16	13	12	12	10	27	27
September	16	13	12	13	10	10	29
October	17	13	13	13	10	10	31
November	17	13	13	12	10	10	30
December	17	13	13	12	10	10	29

DUKE ENERGY KENTUCKY
 Number of Employees by Employee Group

Union

<u>Month</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Base Period</u>	<u>Forecasted Period</u>
January	157	155	146	150	151	202	202
February	159	156	146	148	149	209	209
March	158	156	143	147	150	198	198
April	157	155	144	142	147	200	200
May	157	154	142	143	149	192	192
June	154	153	147	140	149	191	191
July	156	153	148	144	150	185	185
August	158	151	146	147	150	181	181
September	157	150	149	150	149	149	194
October	158	150	151	152	150	150	198
November	156	148	148	152	150	150	195
December	156	145	148	151	151	151	194

Non-Exempt

<u>Month</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Base Period</u>	<u>Forecasted Period</u>
January	1	1	1	1	1	1	1
February	0	1	1	1	1	1	1
March	1	1	1	1	1	1	1
April	1	1	1	1	1	1	1
May	1	1	1	1	1	5	5
June	1	2	1	1	1	5	5
July	1	2	1	1	1	5	5
August	1	1	1	1	1	5	5
September	1	1	1	1	1	1	2
October	1	1	1	1	1	1	1
November	1	1	1	1	1	1	1
December	1	1	1	1	1	1	1