

Duke Energy Holding Corp.
Form S-4/A
December 09, 2005

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As Filed with the Securities and Exchange Commission on December 9, 2005

Registration No. 333-126318

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**AMENDMENT NO. 2
TO
FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

DUKE ENERGY HOLDING CORP.

(Exact name of Registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	4931 (Primary Standard Industrial Classification Code Number)	20-2777218 (IRS Employer Identification Number)
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**526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6200**

(Address, including zip code, and telephone number, including area code, of
Registrant's principal executive offices)

B. Keith Trent, Esq.
Group Vice President General Counsel and Secretary
Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28202
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(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,
of Agent for Service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY COPY SUBJECT TO COMPLETION, DATED DECEMBER 9, 2005

MERGERS PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholders:

The boards of directors of Duke Energy Corporation and Cinergy Corp. have approved the merger of Duke Energy and Cinergy. A new company incorporated in Delaware, currently named Duke Energy Holding Corp., will hold what today are Duke Energy and Cinergy's independent businesses. Upon consummation of the merger, the new company will be renamed Duke Energy Corporation.

If the merger is completed, Duke Energy shareholders will receive one share of the new company's common stock for each share of Duke Energy common stock held, and Cinergy shareholders will receive 1.56 shares of the new company's common stock for each share of Cinergy common stock held.

Based on the number of shares of common stock of Duke Energy and Cinergy outstanding on May 6, 2005, the last trading day prior to the public announcement of the merger, former Duke Energy shareholders will own approximately 76% of the common stock of the new company and former Cinergy shareholders will own approximately 24% of the common stock of the new company.

Duke Energy and Cinergy will each hold a special meeting of their shareholders to consider and vote on the mergers. Every vote is important. Whether or not you plan to attend your company's special meeting, please take the time to vote by following the instructions on your proxy card.

The places, dates and times of the special meetings are as follows:

For Duke Energy shareholders:
10:00 a.m., [], [], 2006
O.J. Miller Auditorium in the Energy Center
526 South Church Street
Charlotte, North Carolina 28202

For Cinergy shareholders:
[]

We enthusiastically support this combination of our companies and join with our boards in recommending that you vote **FOR** the approval of the agreement and plan of merger and the mergers.

Sincerely,

Paul M. Anderson
Chairman and Chief Executive Officer
Duke Energy Corporation

Sincerely,

James E. Rogers
Chairman, President and Chief Executive Officer
Cinergy Corp.

For a discussion of risk factors which you should consider in evaluating the mergers, see "RISK FACTORS" beginning on page 19.

Based on the number of Duke Energy and Cinergy shares outstanding on [], 200[], we expect that approximately [] shares of the new company's common stock, no par value per share, will be issued in connection with the mergers and that the new company's common stock will be listed on the New York Stock Exchange.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the mergers and other transactions described in this joint proxy statement/prospectus nor have they approved or disapproved the issuance of the new company's common stock to be issued in connection with the mergers, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 200[], and is first being mailed to shareholders on or about [], 200[].

DUKE ENERGY CORPORATION

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [], 2006**

To the Shareholders of Duke Energy Corporation:

We will hold a special meeting of the shareholders of Duke Energy Corporation, on [], [], 2006 at 10:00 a.m., local time, in the O.J. Miller Auditorium in the Energy Center located at 526 South Church Street in Charlotte, North Carolina, to consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of May 8, 2005, as amended, by and among Duke Energy Corporation, Cinergy Corp., Duke Energy Holding Corp., Deer Acquisition Corp., a wholly-owned subsidiary of Duke Energy Holding that will merge into Duke Energy, and Cougar Acquisition Corp., a wholly-owned subsidiary of Duke Energy Holding that will merge into Cinergy.

We will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of it by the Duke Energy board of directors.

Only holders of record of shares of Duke Energy common stock and Duke Energy preferred stock at the close of business on [], 200[], the record date for the special meeting, are entitled to notice of the special meeting, and only holders of record of shares of Duke Energy common stock at the close of business on the record date are entitled to vote at the special meeting and any adjournments or postponements of the special meeting.

We cannot complete the mergers described above unless holders of a majority of all shares of Duke Energy common stock outstanding that are entitled to vote at the Duke Energy special meeting vote to approve the agreement and plan of merger and thereby approve the mergers.

For more information about the mergers described above and the other transactions contemplated by the agreement and plan of merger, please review the accompanying joint proxy statement/prospectus and the agreement and plan of merger attached to it as Annex A.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by telephone or electronically by following the instructions on your proxy card.

Please do not send any share certificates at this time. If the mergers are consummated, we will notify you of the procedures for exchanging Duke Energy share certificates for shares of Duke Energy Holding Corp.

By Order of the Board of Directors,

Name: B. Keith Trent, Esq.
Title: Group Vice President General Counsel and Secretary

Charlotte, North Carolina
[], 200[]

CINERGY CORP.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [], 2006**

To the Shareholders of Cinergy Corp.:

We will hold a special meeting of the shareholders of Cinergy Corp. on [], [], 2006 at 9:00 a.m., local time, at the [], to consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated as of May 8, 2005, as amended, by and among Cinergy Corp., Duke Energy Corporation, Duke Energy Holding Corp., Deer Acquisition Corp., a wholly-owned subsidiary of Duke Energy Holding that will merge into Duke Energy, and Cougar Acquisition Corp., a wholly-owned subsidiary of Duke Energy Holding that will merge into Cinergy.

We will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement of it by the Cinergy board of directors.

Only holders of record of shares of Cinergy common stock at the close of business on [], 200[], the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

We cannot complete the mergers described above unless holders of a majority of all shares of Cinergy common stock outstanding and entitled to vote at the Cinergy special meeting vote to adopt the agreement and plan of merger and thereby approve the mergers.

For more information about the mergers described above and the other transactions contemplated by the agreement and plan of merger, please review the accompanying joint proxy statement/prospectus and the agreement and plan of merger attached to it as Annex A.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by telephone or electronically by following the instructions on your proxy card.

Please do not send any share certificates at this time. If the mergers are consummated, we will notify you of the procedures for exchanging Cinergy share certificates for shares of Duke Energy Holding Corp.

By Order of the Board of Directors,

Name: Julia S. Janson
Title: Corporate Secretary and Chief Compliance Officer

Cincinnati, Ohio
[], 200[]

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Duke Energy and Cinergy from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the Securities and Exchange Commission's public reference room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, www.sec.gov. You can also obtain those documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28202
(800) 488-3853
Attention: Investor Relations
www.duke-energy.com/investors

Cinergy Corp.
139 East Fourth Street
Cincinnati, Ohio 45202
(800) 262-3000 Ext. 1235
Attention: Investor Relations
www.cinergy.com/investors

If you would like to request documents, please do so by [], 2006 in order to receive them before the special meetings.

See "Where You Can Find More Information" beginning on page 180.

VOTING BY INTERNET, TELEPHONE OR MAIL

Duke Energy shareholders of record may submit their proxies by:

Internet. You can vote over the Internet by accessing the website at www.proxyvote.com and following the instructions on the website. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) or voting instruction card(s).

Telephone. You can vote by telephone by calling the toll-free number (800) 690-6903 in the United States, Canada or Puerto Rico on a touch-tone phone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) or voting instruction card(s).

Mail. You can vote by mail by simply completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

Cinergy shareholders of record may submit their proxies by:

Internet. You can vote over the Internet by accessing the website at www.cesvote.com and following the instructions on the website. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) or voting instruction card(s).

Telephone. You can vote by telephone by calling the toll-free number (888) 693-8683 in the United States, Canada or Puerto Rico on a touch-tone phone. You will then be prompted to enter the control number printed on your proxy card and to follow subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) or voting instruction card(s).

Mail. You can vote by mail by simply completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

If you hold your shares through a bank, broker, custodian or other recordholder, please refer to your proxy card or voting instruction form or the information forwarded by your bank, broker, custodian or other recordholder to see which options are available to you.

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SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the agreement and plan of merger and the mergers fully and for a more complete description of the legal terms of the agreement and plan of merger and the mergers, you should carefully read this entire joint proxy statement/prospectus and the other documents to which we have referred you. See "Where You Can Find More Information" beginning on page 180. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

Except where indicated otherwise, as used in this joint proxy statement/prospectus "Duke Energy" refers to Duke Energy Corporation and its consolidated subsidiaries, and "Cinergy" refers to Cinergy Corp. and its consolidated subsidiaries.

References to "we" or "our" and other first person references and to "Duke Energy Holding" in this joint proxy statement/prospectus refer to Duke Energy Holding Corp. (formerly named Deer Holding Corp.) and are intended, unless otherwise indicated by the context, to refer to Duke Energy Holding Corp. and its consolidated subsidiaries following consummation of the mergers (as described more fully herein).

In this joint proxy statement/prospectus, we refer to the Agreement and Plan of Merger, dated as of May 8, 2005, as amended as of July 11, 2005 and October 3, 2005, including all exhibits and schedules thereto, by and among Duke Energy, Cinergy, Duke Energy Holding Corp. (formerly named Deer Holding Corp.), Deer Acquisition Corp. and Cougar Acquisition Corp. as the "merger agreement."

Questions and Answers About the Mergers

Q: Why am I receiving this document?

A:

We are delivering this document to you because it is a joint proxy statement being used by both the Duke Energy and Cinergy boards of directors to solicit proxies of Duke Energy and Cinergy shareholders in connection with the merger agreement and the mergers. In addition, this document is a prospectus being delivered to Duke Energy and Cinergy shareholders because Duke Energy Holding is offering shares of its common stock to be issued in exchange for shares of Duke Energy common stock and Cinergy common stock if the mergers are completed.

Q: When and where are the meetings of the shareholders?

A:

The special meeting of Duke Energy shareholders will take place at 10:00 a.m., local time, on [], 2006, in the O.J. Miller Auditorium in the Energy Center located at 526 South Church Street in Charlotte, North Carolina.

The special meeting of Cinergy shareholders will take place at 9:00 a.m., local time, on [], 2006, in [].

Additional information relating to the Duke Energy and Cinergy special meetings is set forth on pages 38 and 43, respectively.

Q: What will happen in the proposed transaction?

A:

Prior to entering into the merger agreement, Duke Energy formed a new Delaware corporation, Duke Energy Holding Corp. When the transactions are consummated, Duke Energy Holding's two newly-created wholly-owned subsidiaries, Deer Acquisition Corp. and Cougar Acquisition Corp., will merge with and into Duke Energy and Cinergy, respectively, as a result of which each of Duke Energy and Cinergy will become wholly-owned subsidiaries of Duke Energy Holding. These mergers are referred to in this joint proxy statement/prospectus as the "mergers." The merger of

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Deer Acquisition Corp. with and into Duke Energy is referred to in this joint proxy statement/prospectus as the "Duke Energy merger" and the merger of Cougar Acquisition Corp. with and into Cinergy is referred to in this joint proxy statement/prospectus as the "Cinergy merger."

Immediately following the Duke Energy merger, Duke Energy intends to transfer ownership of Duke Capital LLC to Duke Energy Holding and in connection with such transfer intends to convert to a limited liability company named Duke Power Company LLC (which we refer to as Duke Power). The conversion of Duke Energy to a limited liability company is referred to in this joint proxy statement/prospectus as the "Duke Energy conversion." The Duke Energy merger and the Duke Energy conversion taken together are referred to in this joint proxy statement/prospectus as the "Duke Energy reorganization." After the mergers, the current shareholders of Duke Energy and Cinergy will be the shareholders of Duke Energy Holding. Following the mergers, the structure of the combined company is expected to look like this:

Additional information on the mergers is located beginning on page 48.

Q: What will I receive for my shares?

A:

As a result of the mergers, each Duke Energy shareholder will receive one share of Duke Energy Holding common stock for each share of Duke Energy common stock held. Each Cinergy shareholder will receive 1.56 shares of Duke Energy Holding common stock for each share of Cinergy common stock held, which we refer to in this joint proxy statement/prospectus as the "Cinergy exchange ratio." Shareholders of Duke Energy and Cinergy will receive cash in lieu of fractional shares, except in connection with the rollover of shares held in each of Duke Energy's and Cinergy's dividend reinvestment plans into a new dividend reinvestment plan to be established by Duke Energy Holding, pursuant to which fractional shares will be issued. Immediately following the mergers, based on the number of shares of common stock of Duke Energy and Cinergy outstanding as of May 6, 2005, the last trading day prior to the public announcement of the

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mergers, former Duke Energy shareholders will own approximately 76% of Duke Energy Holding's common stock and former Cinergy shareholders will own approximately 24% of Duke Energy Holding's common stock.

Additional information on the consideration to be received in the mergers is located beginning on page 124.

Q: Why have Duke Energy and Cinergy decided to merge?

A:

Duke Energy and Cinergy believe that the combination will provide substantial strategic and financial benefits to their shareholders, employees and customers, including:

increased financial strength and flexibility;

expanded capacity to generate electricity;

stronger utility business platform;

greater scale and fuel diversity, as well as improved operational efficiencies for the merchant generation and trading and marketing businesses;

broadened electric distribution platform;

improved reliability and customer service through the sharing of best practices;

increased scale and scope of the electric and gas businesses with stand-alone strength;

complementary positions in the midwest;

greater customer diversity; and

combined expertise and significant synergies.

Additional information on the reasons for the mergers is located beginning on page 58 for Duke Energy and on page 84 for Cinergy.

Q: What vote is required to approve the mergers?

A:

For both Duke Energy and Cinergy, the affirmative vote of a majority of their respective shares of common stock outstanding and entitled to vote as of the respective record dates is required to approve or adopt the merger agreement and approve the mergers. Because approval or adoption of the merger agreement and approval of the mergers requires the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote of each of Duke Energy and Cinergy as of the respective record dates, if you abstain or fail to vote your shares in favor of approval or adoption of the merger agreement and approval of the mergers, this will have the same effect as voting your shares against approval or adoption of the merger agreement and approval of the mergers.

At the close of business on [], 200[], the record date for the Duke Energy special meeting, directors and executive officers of Duke Energy beneficially owned less than 1% of the then outstanding shares of Duke Energy common stock. Each Duke Energy director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of Duke Energy common stock owned by him or her for the approval of the merger agreement and the mergers.

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At the close of business on [], 200[], the record date for the Cinergy special meeting, directors and executive officers of Cinergy beneficially owned approximately []% of the then outstanding shares of Cinergy common stock. Each Cinergy director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of Cinergy common stock owned by him or her for the adoption of the merger agreement and approval of the mergers.

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Additional information on the vote required to approve the transactions is located on page 39 for Duke Energy and on page 44 for Cinergy.

Q: What will happen to my future dividends?

A:

As permitted under the merger agreement, Duke Energy increased its regular quarterly cash dividend to \$0.31 per share of common stock beginning with the September 2005 quarterly payment, and its annual dividend accordingly is \$1.24 per share of common stock.

Cinergy may continue to pay its regular quarterly cash dividend not to exceed \$0.48 per share of common stock and does not currently anticipate making any changes to its dividend policies prior to the consummation of the mergers. Pursuant to the merger agreement, Cinergy is not permitted to increase its dividend absent the consent of Duke Energy.

After the mergers, it is currently expected that Duke Energy Holding will continue the dividend policy of Duke Energy in effect at the time of the mergers.

Additional information on Duke Energy Holding's expected dividend policy is located on page 108.

Q: Will Duke Energy Holding's shares be traded on an exchange?

A:

It is a condition to the completion of the mergers that the shares of common stock of Duke Energy Holding that will be issuable pursuant to the mergers be approved for listing on the New York Stock Exchange, or NYSE. We intend to apply to the NYSE prior to the consummation of the mergers to list Duke Energy Holding common stock and intend that shares of Duke Energy Holding common stock will trade under the symbol "DUK."

Q: What do I need to do now?

A:

After carefully reading and considering the information contained in this joint proxy statement/prospectus, please complete and sign your proxy card and return it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented at your special meeting. In order to ensure that your vote is recorded, please vote your proxy as instructed on your proxy card even if you currently plan to attend your special meeting in person. You may also cast your vote by telephone or Internet by following the instructions on your proxy card.

Additional information on voting procedures is located beginning on page 40 for Duke Energy and on page 44 for Cinergy.

Q: How will my proxy be voted?

A:

If you vote by telephone, by Internet, or by completing, signing, dating and returning your signed proxy card, your proxy will be voted in accordance with your instructions. If you sign, date, and send your proxy and do not indicate how you want to vote, your shares will be voted **FOR** the approval or adoption of the merger agreement and approval of the mergers.

Additional information on voting procedures is located beginning on page 40 for Duke Energy and on page 44 for Cinergy.

Q: May I vote in person?

A:

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Yes. If you are a shareholder of record of Duke Energy common stock at the close of business on [], 200[] or of Cinergy common stock at the close of business on [], 200[], you may attend your special meeting and vote your shares in person, in lieu of submitting your proxy by telephone, Internet or returning your signed proxy card.

Q: What must I bring to attend my special meeting?

A: Admittance to the special meetings is limited to shareholders of Duke Energy or Cinergy, as the case may be, or their authorized representatives. If you wish to attend your special meeting, bring your proxy or your voter information form. You must also bring photo identification.

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of both Duke Energy and Cinergy or you own shares of Duke Energy or Cinergy that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own postage-paid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

Q: What do I do if I want to change my vote?

A: Send a later-dated, signed proxy card to your company's Corporate Secretary prior to the date of your special meeting or attend your company's special meeting in person and vote. You may also revoke your proxy card by sending a notice of revocation to your company's Corporate Secretary at the address under "Summary The Companies" beginning on page 12. You may also change your vote by telephone or Internet. You may change your vote by using any one of these methods regardless of the procedure used to cast your previous vote.

Additional information on changing your vote is located on page 41 for Duke Energy and on page 46 for Cinergy.

Q: If my broker holds my shares in "street name," will my broker vote my shares?

A: If you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote them at your special meeting. You should therefore be sure to provide your broker with instructions on how to vote your shares. Shareholders should check the voting form used by their brokers to see if your broker offers telephone or Internet voting.

If you do not give voting instructions to your broker, your shares will be counted towards a quorum at your respective special meeting, but will be treated as voting against the merger agreement and the mergers unless you appear and vote in person at your special meeting. If your broker holds your shares and you plan to attend and vote at your special meeting, please bring a letter from your broker identifying you as the beneficial owner of the shares and authorizing you to vote.

Because approval or adoption of the merger agreement and approval of the mergers require the affirmative vote of a majority of the shares outstanding and entitled to vote of each of Duke Energy and Cinergy as of the respective record dates, if you abstain or fail to vote your shares in favor of approval or adoption of the merger agreement and approval of the mergers, this will have the same effect as voting your shares against approval or adoption of the merger agreement and approval of the mergers.

Additional information on changing how to vote if your shares are held in street name is located on page 41 for Duke Energy and on page 46 for Cinergy.

Q: As a participant in the Duke Energy Retirement Savings Plan, how do I vote shares held in my plan account?

A:

If you are a participant in the Duke Energy Retirement Savings Plan, you have the right to provide voting directions to the plan trustee on any issue properly presented at the Duke Energy special meeting, by submitting your proxy card for those shares of Duke Energy common stock that are held by the plan and allocated to your plan account. Plan participant proxies will be treated confidentially. If you elect not to provide voting directions to the plan trustee, shares of Duke Energy common stock allocated to your plan account are to be voted by the plan trustee in the same proportion as those shares held by the plan for which the plan trustee has received voting directions from plan participants. The plan trustee will follow participants' voting directions and the plan procedure for voting in the absence of voting directions, unless it determines that to do so would be contrary to its fiduciary responsibility. Because the plan trustee must process voting instructions from participants before the date of the Duke Energy special meeting, you are urged to deliver your instructions well in advance of the Duke Energy special meeting so that the instructions are received no later than [], 2006.

Q: As a participant in Cinergy's 401(k) plan, how do I vote shares held in my plan account?

A:

Cinergy sponsors three 401(k) plans that hold shares of Cinergy common stock: the Cinergy Corp. Non-Union Employees' 401(k) Plan, the Cinergy Corp. Union Employees' 401(k) Plan and the Cinergy Corp. Union Employees' Savings Incentive Plan. These plans are collectively referred to in this joint proxy statement/prospectus as the "Cinergy 401(k) Plan." If you are a participant in the Cinergy 401(k) Plan, you have the right to provide voting directions to the plan trustee by submitting your proxy card for those shares of Cinergy common stock that are held by the Cinergy 401(k) Plan and allocated to your plan account on any issue properly presented at the special meeting of Cinergy shareholders. Plan participant voting directions will be treated confidentially. The plan trustee will follow participants' voting directions unless it determines that to do so would be contrary to the Employee Retirement Income Security Act of 1974. If you elect not to provide voting directions, the plan trustee will vote the Cinergy shares allocated to your plan account as it determines in its discretion. Because the plan trustee must process voting instructions from participants before the date of the Cinergy special meeting, you are urged to deliver your instructions well in advance of the Cinergy special meeting so that the instructions are received no later than [], 2006.

Q: Should I send in my share certificates now?

A:

No. If the mergers are completed, we will send former shareholders of both Duke Energy and Cinergy written instructions for exchanging their share certificates. Duke Energy Holding shares will be in uncertificated book-entry form unless a physical certificate is requested by the holder.

Q: When do you expect to complete the mergers?

A:

Duke Energy, Cinergy and Duke Energy Holding are working to complete the mergers by mid-2006 although we cannot assure completion by any particular date.

Additional information on completing the mergers is located beginning on page 124.

Q: Do I have dissenters' or appraisal rights?

A:

Under North Carolina law, holders of shares of Duke Energy common stock who do not vote in favor of the Duke Energy merger and who perfect their dissenters' rights under North Carolina law will have dissenters' rights, also referred to as appraisal rights, as a result of the Duke Energy merger. Under Delaware law, holders of Cinergy common stock will not have dissenters' or appraisal rights as a result of the Cinergy merger.

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Additional information on the Duke Energy shareholders dissenters' rights is located beginning on page 111.

Q: How important is my vote?

A:

Every vote is important. Approval or adoption of the merger agreement and approval of the mergers requires the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote of each of Duke Energy and Cinergy as of the respective record dates. Therefore, if you abstain or fail to vote your Duke Energy or Cinergy shares in favor of approval or adoption of the merger agreement and approval of the mergers, this will have the same effect as voting your Duke Energy or Cinergy shares against approval or adoption of the merger agreement and approval of the mergers.

Q: Who can answer any questions I may have about the special meeting or the mergers?

A:

Duke Energy shareholders may call Innisfree M&A Incorporated toll-free at (877) 825-8906 with any questions they may have. Banks and brokers may call collect at (212) 750-5833.

Cinergy shareholders may call Georgeson Shareholder Communications Inc. toll-free at (866) 729-6803 with any questions they may have. Banks and brokers may call collect at (212) 440-9800.

Other Information Regarding the Mergers

Recommendations by the Boards

Duke Energy

At its meeting on May 7, 2005, after due consideration, the Duke Energy board of directors:

determined that the mergers are advisable, fair to, and in the best interests of, Duke Energy and its shareholders;

adopted the merger agreement and the mergers; and

recommended that Duke Energy shareholders vote for the approval of the merger agreement and the mergers.

Cinergy

At its meeting on May 8, 2005, after due consideration, the Cinergy board of directors:

determined that the mergers are advisable, fair to, and in the best interests of, Cinergy and its shareholders;

approved and adopted the merger agreement and the mergers; and

recommended that Cinergy shareholders vote for the adoption of the merger agreement and approve the mergers.

To review the background and reasons for the mergers in greater detail see page 48, to review the risks related to the mergers, see page 19.

Fairness Opinions Presented to the Boards of Directors

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In connection with the mergers, the Duke Energy board of directors received the opinion of each of UBS Securities LLC, or UBS, its financial advisor, and of Lazard Freres & Co., or Lazard, who was engaged by Duke Energy to provide a fairness opinion with respect to the proposed mergers, as to the fairness, from a financial point of view to Duke Energy of the Cinergy exchange ratio in the mergers as of the date of each opinion. The Cinergy board of directors received the opinion of its financial

advisor, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, or Merrill Lynch, as to the fairness from a financial point of view to the holders of Cinergy common stock of the Cinergy exchange ratio as of the date of the opinion. The opinions of UBS and Lazard were provided to the Duke Energy board of directors in connection with its evaluation of the Cinergy exchange ratio, and the opinion of Merrill Lynch was provided to the Cinergy board of directors in connection with its evaluation of the Cinergy exchange ratio, and the opinions do not address any other aspect of the merger agreement or the mergers and do not constitute a recommendation to any shareholder as to how to vote or act with respect to any matter relating to the merger agreement or the mergers. Each holder of Duke Energy common stock should read the complete opinions of UBS and Lazard carefully and in their entirety, and each holder of Cinergy common stock should read the complete opinion of Merrill Lynch carefully and in its entirety, to understand the assumptions made, procedures followed, matters considered and limitations on the review undertaken, with regard to each of the opinions. Copies of the written UBS, Lazard and Merrill Lynch opinions are attached to this joint proxy statement/prospectus as Annexes B, C and D, respectively.

Interests of Directors and Executive Officers in the Mergers

Shareholders should note that some Duke Energy directors and executive officers and some Cinergy directors and executive officers have interests in the mergers as directors or officers that are different from, or in addition to, the interests of other Duke Energy shareholders or Cinergy shareholders, respectively.

Information relating to the interests of Duke Energy's directors and executive officers in the mergers is located on page 83 and information relating to the interests of Cinergy's directors and executive officers in the mergers is located beginning on page 100.

The Mergers

The merger agreement is attached as Annex A to this joint proxy statement/prospectus. We encourage you to read the merger agreement in its entirety. It is the principal document governing the mergers and the other related transactions.

Conditions to the Completion of the Mergers

The merger agreement contains customary closing conditions, including the following conditions that apply to both Duke Energy and Cinergy:

Duke Energy and Cinergy shareholder approval of the merger agreement and the transactions contemplated by the merger agreement, including the mergers;

the absence of governmental action preventing the consummation of the transactions contemplated by the merger agreement;

the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part;

the approval for listing on the NYSE of the shares of common stock of Duke Energy Holding that will be issuable pursuant to the mergers;

the truth and accuracy of the representations and warranties of the other party, except where the failure to be true and accurate would not have a material adverse effect;

the performance in all material respects of the other party's obligations under the merger agreement;

the receipt by each party of a tax opinion from such party's legal counsel;

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the receipt by each party of all required statutory approvals on terms that would not have a material adverse effect (or to certain specified dispositions) on the combined company and its prospective subsidiaries, on Cinergy and its subsidiaries, or on Duke Energy and its subsidiaries;

the receipt by each party of the required closing certificate from the other party; and

the absence of any change, event, occurrence or development that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on Duke Energy or Cinergy.

See "Conditions to Completion of the Mergers" on page 127.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the completion of the mergers by the mutual written consent of Duke Energy and Cinergy. It can also be terminated by either Duke Energy or Cinergy under certain specified circumstances, including if:

the mergers have not been consummated by the agreed upon termination date (which is 12 months from the date of the merger agreement, subject to possible extension);

the Duke Energy shareholders or the Cinergy shareholders do not approve the merger agreement;

any final and nonappealable government action preventing the mergers is in effect;

any closing condition becomes incapable of satisfaction, provided the terminating party is not responsible for the failure to satisfy the closing condition due to its material breach of the merger agreement;

the non-terminating party materially breaches the merger agreement and such breach is incapable of being or is not timely cured and gives rise to the failure to satisfy a closing condition; or

under certain circumstances the party receives an unsolicited takeover proposal from a third party.

Furthermore, subject to specified conditions, the merger agreement can be terminated by either Duke Energy or Cinergy if the board of directors of the other party:

withdraws or modifies, or proposes publicly to withdraw or modify, its approval or recommendation of the merger agreement or the mergers;

fails to reaffirm its recommendation of the merger agreement within 15 business days of receipt of a request by the other party, if a third-party acquisition proposal with respect to such party has been made and has not been rejected or recinded; or

approves or recommends a third-party takeover proposal.

See "Termination of the Merger Agreement" beginning on page 128.

Termination Fees; Reimbursement of Expenses

Under certain circumstances involving a third-party acquisition proposal or a change in a board of directors' recommendation of the merger agreement and the mergers, Duke Energy or Cinergy, as applicable, may be required, subject to certain conditions, to (i) reimburse the other

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party for its fees and expenses in an amount not to exceed \$35 million and/or (ii) pay a termination fee of \$300 million, in the case of a termination fee payable by Cinergy to Duke Energy, and a termination fee of \$500 million, in the case of a termination fee payable by Duke Energy to Cinergy, provided that any

termination fee payable will be reduced by any amount of any fees and expenses previously reimbursed by such party.

See "Termination Fees, Reimbursement of Expenses" on page 130.

No Solicitation

The merger agreement restricts the ability of each of Duke Energy and Cinergy to solicit or engage in discussions or negotiations with a third-party regarding a proposal to acquire a significant interest in Duke Energy or Cinergy, respectively. If, however, either party receives an unsolicited takeover proposal from a third-party that the party's board of directors determines in good faith, after consultation with its legal and financial advisors, constitutes a superior proposal or would reasonably be expected to lead to a superior proposal, that party may furnish information to the third-party and engage in negotiations regarding a takeover proposal with the third-party, subject to specified conditions. In circumstances other than in connection with a takeover proposal, at any time prior to receipt of a party's shareholder approval, the board of directors of either Duke Energy or Cinergy may withdraw its approval or recommendation of the merger agreement, subject to certain conditions, if such board first determines in good faith, after consulting with outside counsel, that the failure to take such action would be reasonably likely to result in a breach of the board of directors' fiduciary obligations under applicable law.

See "No Solicitation" on page 131.

Legal Proceedings Related to the Mergers

As of the date of this joint proxy statement/prospectus, Duke Energy and Cinergy are aware of one purported class action lawsuit that had been filed against Cinergy and each member of Cinergy's board of directors in connection with the mergers. Among other things, the lawsuit seeks injunctive relief that would prevent the consummation of the Cinergy merger in accordance with the terms of the merger agreement. Cinergy and the individual defendants filed a motion to dismiss this lawsuit in July 2005 which the court granted in November 2005. The plaintiffs have not yet appealed that decision. Both Duke Energy and Cinergy believe that the lawsuit is without merit.

Additional information on legal proceedings is located on page 132.

Accounting Treatment

The Cinergy merger will be accounted for as a purchase by Duke Energy Holding under accounting principles generally accepted in the United States of America. Under the purchase method of accounting, the assets and liabilities of Cinergy will be recorded, as of completion of the Cinergy merger, at their respective fair values and added to those of Duke Energy Holding. The reported financial condition and results of operations of Duke Energy Holding issued after completion of the Cinergy merger will reflect Cinergy's balances and results after completion of the Cinergy merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Cinergy. Following completion of the Cinergy merger, the earnings of the combined company will reflect purchase accounting adjustments, including increased amortization and depreciation expense for acquired assets.

Additional information relating to accounting treatment is located on page 111.

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Material U.S. Federal Income Tax Consequences of the Duke Energy Reorganization and the Cinergy Merger

Assuming the Duke Energy reorganization and the Cinergy merger qualify as reorganizations under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax purposes, as Duke Energy and Cinergy anticipate, holders of Duke Energy common stock whose shares of Duke Energy common stock are exchanged in the Duke Energy reorganization for shares of Duke Energy Holding common stock will not recognize gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of Duke Energy Holding common stock, and holders of Cinergy common stock whose shares of Cinergy common stock are exchanged in the Cinergy merger for shares of Duke Energy Holding common stock will not recognize gain or loss, except to the extent of cash, if any, received in lieu of a fractional share of Duke Energy Holding common stock.

The discussion of material U.S. federal income tax consequences of the Duke Energy reorganization and the Cinergy merger contained in this joint proxy statement/prospectus is intended to provide only a general summary and is not a complete analysis or description of all potential U.S. federal income tax consequences of the Duke Energy reorganization and the Cinergy merger. The discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address the effects of any foreign, state or local tax laws.

Duke Energy and Cinergy shareholders are strongly urged to consult with their tax advisors regarding the tax consequences of the Duke Energy reorganization and the Cinergy merger to them, as applicable, including the effects of U.S. federal, state, local, foreign and other tax laws.

Additional information relating to the material U.S. federal income tax consequences of the Duke Energy reorganization and the Cinergy merger is located beginning on page 108.

Regulatory Matters

The approval of, among others, the following U.S. federal, state and local regulatory authorities must be obtained before the mergers can be completed:

the Federal Energy Regulatory Commission, which we refer to as the FERC;

the Nuclear Regulatory Commission, which we refer to as the NRC;

the regulatory agencies in several of the states in which Duke Energy and/or Cinergy operate electric and/or gas utility businesses; and

the Federal Communications Commission, which we refer to as the FCC.

In addition, prior to completing the mergers, the applicable waiting period under the U.S. federal antitrust law, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or HSR Act, must expire or terminate and certain information must be filed with the Canadian Competition Bureau and the applicable waiting period under the Canadian Competition Act must expire or terminate. On October 3, 2005, the Canadian Competition Bureau determined that it would not oppose, or take other action regarding, the mergers. The Federal Trade Commission, or FTC, and the Department of Justice granted early termination of this waiting period on August 11, 2005. In addition, approvals from the Kentucky and South Carolina public service commissions have been obtained and the FCC has approved six of the seven applications that have been filed as of the date of this joint proxy statement/prospectus.

As of the date of this joint proxy statement/prospectus, each of Duke Energy, Cinergy and Duke Energy Holding was in the process of obtaining such remaining approvals as are required by applicable law or regulations.

On August 8, 2005, President Bush signed the Energy Policy Act of 2005 which, among other things, repealed the Public Utility Holding Company Act of 1935, which we refer to as PUHCA of 1935. The repeal of PUHCA of 1935 takes effect six months from the date of enactment of the Energy Policy Act of 2005, or February 8, 2006. Although the mergers would require approval under PUHCA of 1935 if they were consummated prior to that date, because the mergers are not expected to close until after that date, Securities and Exchange Commission approval under PUHCA of 1935 is not being sought and will not be required.

Additional information relating to regulatory matters is located beginning on page 119.

The Companies

Duke Energy Holding Corp.

526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6200

Duke Energy Holding (formerly named Deer Holding Corp.) is a Delaware corporation formed on May 3, 2005 for the purpose of holding both Duke Energy and Cinergy as wholly-owned subsidiaries following completion of the mergers. Following the mergers, it will own Duke Energy and Cinergy as wholly-owned subsidiaries and will have no significant assets other than the stock or other voting securities of its subsidiaries. Upon consummation of the mergers, Duke Energy Holding will change its name to Duke Energy Corporation.

Duke Energy Corporation

526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6200

Duke Energy Corporation is a diversified energy company with a portfolio of natural gas and electric businesses, both regulated and non-regulated, and an affiliated real estate company. Duke Energy supplies, delivers and processes energy for customers in the United States and selected international markets.

Duke Power provides safe, reliable and economically-priced electricity to more than 2 million customers in North Carolina and South Carolina.

Duke Energy Gas Transmission (DEGT) serves its customers by processing, transporting and distributing natural gas from North America's major supply areas to growing markets in the northeastern and southeastern United States and in Canada.

Duke Energy North America (DENA) owns and operates merchant power generation facilities and markets electricity, natural gas, energy management and related services to wholesale customers throughout North America. On September 13, 2005, the Duke Energy board of directors approved a plan to pursue the sale or other disposition of substantially all of DENA's physical and commercial assets outside of the Midwestern United States, which include approximately 6,200 megawatts of power generation located primarily in the Northeast and Western United States, as well as forward gas and power, gas transportation, storage, structured power and other contracts. On November 17, 2005, DENA, Duke Energy Marketing America, LLC, Duke Energy Trading and Marketing, L.L.C., Duke Energy Marketing Limited Partnership and Engage Energy Canada, L.P. and Barclays Bank PLC entered into a Master Transaction Agreement with respect to substantially all of the DENA's power and gas derivative contracts settling January 2006 forward. Through contractual arrangements under the Master Transaction Agreement, on November 17, 2005 all economic benefits and burdens under such derivative contracts were transferred by DENA and the other persons described above to Barclays, with DENA and such other persons remaining the legal counterparties under the derivative contracts until they are novated, assigned or terminated. See "Recent Developments" on page 37 for additional information.

Duke Energy International owns and operates power generation facilities and engages in sales and marketing of electric power and natural gas. Its primary focus is on power generation activities in Latin America.

Duke Energy Field Services gathers, processes, transports, markets and stores natural gas and produces, transports and markets natural gas liquids. Duke Energy Field Services has created a master limited partnership through which certain natural gas gathering, processing and transportation assets and certain natural gas liquids transportation assets will be operated. The

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master limited partnership, DCP Midstream Partners, LP, began trading on the New York Stock Exchange on December 2, 2005, under the symbol "DPM."

Crescent Resources manages land holdings and develops high-quality commercial, residential and multi-family real estate projects in nine states.

Duke Energy is headquartered in Charlotte, North Carolina, and, as of September 30, 2005, had approximately 20,750 employees.

Cinergy Corp.

139 East Fourth Street
Cincinnati, Ohio 45202
(513) 421-9500

Cinergy Corp. is a Delaware corporation and a registered holding company under PUHCA of 1935. Cinergy is the parent company of:

PSI Energy, Inc., an operating utility that provides electric service to customers in north central, central and southern Indiana;

The Cincinnati Gas & Electric Company, an operating utility that provides electric and gas service to customers in southwestern Ohio and, through a principal subsidiary, The Union Light, Heat and Power Company, to customers in adjacent areas in Kentucky;

Cinergy Services, Inc., the subsidiary used to provide a variety of centralized administrative, management and support services to Cinergy's companies; and

Cinergy Investments, Inc., the subsidiary that holds most of Cinergy's domestic, non-regulated, energy-related businesses and investments, including Cinergy's natural gas marketing and trading operations.

Cinergy has other subsidiaries, formed for a variety of purposes, including holding Cinergy's interests in international businesses, new technology initiatives and investment opportunities in the telecommunications industry and in energy and power generation. Cinergy's regulated public utilities in Ohio, Indiana, and Kentucky serve approximately 1.5 million electric customers and 500,000 gas customers. Cinergy is headquartered in Cincinnati, Ohio and as of May 31, 2005, had approximately 7,400 employees.

Deer Acquisition Corp.

526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6200

Deer Acquisition Corp. is a wholly-owned subsidiary of Duke Energy. Deer Acquisition Corp. was formed on May 5, 2005, solely for the purpose of engaging in the Duke Energy merger and the other transactions contemplated by the merger agreement. Deer Acquisition Corp. has not conducted any business operations other than incidental to its formation and in connection with the transactions contemplated by the merger agreement.

Cougar Acquisition Corp.

526 South Church Street
Charlotte, North Carolina 28202
(704) 594-6200

Cougar Acquisition Corp. is a wholly-owned subsidiary of Duke Energy. Cougar Acquisition Corp. was formed on May 4, 2005, solely for the purpose of engaging in the Cinergy merger and the other transactions contemplated by the merger agreement. Cougar Acquisition Corp. has not conducted any business operations other than incidental to its formation and in connection with the transactions contemplated by the merger agreement.

Comparative Stock Prices and Dividends

Shares of Duke Energy common stock and Cinergy common stock are listed on the New York Stock Exchange. The following table presents the last reported closing sale price per share of Duke Energy common stock and Cinergy common stock, as reported on the New York Stock Exchange Composite Transaction reporting system on May 6, 2005, the last full trading day prior to the public announcement of the mergers, and on December 8, 2005, the last trading day for which this information could be calculated prior to the filing of this joint proxy statement/prospectus.

	Duke Energy Common Stock	Cinergy Common Stock	Cinergy Common Stock Equivalent Per Share(1)
May 6, 2005	\$ 29.36	\$ 40.38	\$ 45.80
December 8, 2005	\$ 26.37	\$ 40.48	\$ 41.14

- (1) The equivalent per share data for Cinergy common stock has been determined by multiplying the closing market price of a share of Duke Energy common stock on each of the dates by the exchange ratio of 1.56.

The most recent quarterly dividend declared by Duke Energy was \$0.31 per share paid on September 16, 2005. Duke Energy's current dividend is \$1.24 per share of common stock on an annual basis. The most recent quarterly dividend declared by Cinergy was \$0.48 per share paid on November 15, 2005. Cinergy's current dividend is \$1.92 per share of common stock on an annual basis.

Selected Historical Financial Data

Duke Energy and Cinergy are providing the following financial information to aid you in your analysis of the financial aspects of the mergers. This information is only a summary, and you should read it in conjunction with the historical consolidated financial statements of Duke Energy and Cinergy and the related notes contained in the annual reports and other information that each of Duke Energy and Cinergy has previously filed with the Securities and Exchange Commission and which is incorporated herein by reference. See "Where You Can Find More Information" beginning on page 180.

Selected Historical Consolidated Financial Data of Duke Energy

	At or for the nine months ended September 30,		At or for the year ended December 31,(a)				
	2005	2004	2004	2003(c)	2002	2001	2000
	(Millions, except per share amounts)						
Operating revenues	\$ 13,630	\$ 15,007	\$ 20,549	\$ 18,021	\$ 14,752	\$ 15,383	\$ 14,190
Income before discontinued operations and cumulative effect of changes in accounting principles	\$ 2,112	\$ 949	\$ 1,252	\$ 71	\$ 1,145	\$ 1,226	\$ 1,869
Discontinued operations, net of tax	\$ (894)	\$ 183	\$ 238	\$ (1,232)	\$ (111)	\$ 768	\$ (93)
Cumulative effect of changes in accounting principles net of tax				\$ (162)		\$ (96)	
Net income	\$ 1,218	\$ 1,132	\$ 1,490	\$ (1,323)	\$ 1,034	\$ 1,898	\$ 1,776
Earnings per common share (EPS) basic(b):							
Income before discontinued operations and cumulative effect of changes in accounting principles	\$ 2.25	\$ 1.02	\$ 1.33	\$.06	\$ 1.35	\$ 1.58	\$ 2.51
Discontinued operations, net of tax	\$ (.96)	\$.20	\$.26	\$ (1.36)	\$ (.13)	\$ 1.00	\$ (.12)
Before cumulative effect of changes in accounting principles, net of tax	\$ 1.29	\$ 1.22	\$ 1.59	\$ (1.30)	\$ 1.22	\$ 2.58	\$ 2.39
Net income	\$ 1.29	\$ 1.22	\$ 1.59	\$ (1.48)	\$ 1.22	\$ 2.45	\$ 2.39
EPS diluted(b):							
Income before discontinued operations and cumulative effect of changes in accounting principles	\$ 2.17	\$.99	\$ 1.29	\$.06	\$ 1.35	\$ 1.57	\$ 2.50
Discontinued operations, net of tax	\$ (.92)	\$.19	\$.25	\$ (1.36)	\$ (.13)	\$.99	\$ (.12)
Before cumulative effect of changes in accounting principles, net of tax	\$ 1.25	\$ 1.18	\$ 1.54	\$ (1.30)	\$ 1.22	\$ 2.56	\$ 2.38
Net income	\$ 1.25	\$ 1.18	\$ 1.54	\$ (1.48)	\$ 1.22	\$ 2.44	\$ 2.38
Dividends declared per share of common stock(b)	\$.86	\$.825	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10
Total assets	\$ 53,333	\$ 54,739	\$ 55,470	\$ 57,225	\$ 60,122	\$ 49,624	\$ 59,276
Long-term debt(d)	\$ 16,045	\$ 20,428	\$ 18,764	\$ 21,822	\$ 21,552	\$ 12,595	\$ 11,187

(a) Amounts have been retrospectively adjusted to reflect certain operations as discontinued operations (see Note 13 to the Duke Energy Consolidated Financial Statements, "Discontinued Operations and Assets Held for Sale" for the years ended December 31, 2004, 2003 and 2002).

(b)

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Amounts prior to 2001 were restated to reflect the two-for-one common stock split effective January 26, 2001.

- (c) As of January 1, 2003, Duke Energy adopted the remaining provisions of Emerging Issues Task Force (EITF) Issue No. 02-03, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and for Contracts involved in Energy Trading and Risk Management Activities" and SFAS No. 143, "Accounting for Asset Retirement Obligations." In accordance with the transition guidance for these standards, Duke Energy recorded a net-of-tax and minority interest cumulative effect adjustment for change in accounting principles of \$162 million.
- (d) Including amounts due within one year.

Selected Historical Consolidated Financial Data of Cinergy

	At or for the nine months ended September 30,		At or for the year ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(Millions, except per share amounts)						
Operating revenues	\$ 3,824	\$ 3,471	\$ 4,688	\$ 4,416	\$ 4,059	\$ 3,950	\$ 3,752
Income before discontinued operations and cumulative effect of changes in accounting principles	\$ 300	\$ 254	\$ 401	\$ 435	\$ 397	\$ 457	\$ 400
Discontinued operations, net of tax(1)				\$ 9	\$ (25)	\$ (15)	\$ (1)
Cumulative effect of changes in accounting principles, net of tax(2)				\$ 26	\$ (11)		
Net income	\$ 300	\$ 254	\$ 401	\$ 470	\$ 361	\$ 442	\$ 399
Earnings per common share	(EPS) basic:						
Income before discontinued operations and cumulative effect of changes in accounting principles	\$ 1.52	\$ 1.41	\$ 2.22	\$ 2.46	\$ 2.37	\$ 2.87	\$ 2.52
Discontinued operations, net of tax(1)				\$ 0.05	\$ (0.15)	\$ (0.09)	\$ (0.01)
Cumulative effect of changes in accounting principles, net of tax(2)				\$ 0.15	\$ (0.06)		
Net income	\$ 1.52	\$ 1.41	\$ 2.22	\$ 2.66	\$ 2.16	\$ 2.78	\$ 2.51
EPS diluted:	Income before discontinued operations and cumulative effect of changes in accounting principles						
	\$ 1.51	\$ 1.39	\$ 2.18	\$ 2.43	\$ 2.34	\$ 2.84	\$ 2.51
				\$ 0.05	\$ (0.15)	\$ (0.09)	\$ (0.01)
				\$ 0.15	\$ (0.06)		
Net income	\$ 1.51	\$ 1.39	\$ 2.18	\$ 2.63	\$ 2.13	\$ 2.75	\$ 2.50
Dividends declared per share of common stock	\$ 1.92	\$ 1.41	\$ 1.88	\$ 1.84	\$ 1.80	\$ 1.80	\$ 1.80
Total assets	\$ 17,466	\$ 14,243	\$ 14,982	\$ 14,119	\$ 13,832	\$ 12,792	\$ 12,801
Long-term debt(3)	\$ 4,371	\$ 4,156	\$ 4,448	\$ 4,971	\$ 4,188	\$ 3,656	\$ 2,868

(1) See Note 14 of the "Notes to Financial Statements" in "Item 8. Financial Statements and Supplementary Data" of Cinergy's Form 10-K for the fiscal year ended December 31, 2004, filed with the SEC on February 25, 2005 for further explanation.

(2) In 2003, Cinergy recognized a gain/(loss) on cumulative effect of changes in accounting principles of \$39 million (net of tax) and \$(13) million (net of tax) as a result of the reversal of accrued cost of removal for non-regulated generating assets and the change in

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accounting for certain energy related contracts from fair value to accrual. In 2002, Cinergy recognized a cumulative effect of a change in accounting principle of \$(11) million (net of tax) as a result of an impairment charge for goodwill related to certain of its international assets.

(3)

Including amounts due within one year.

Selected Unaudited Pro Forma Condensed Combined Financial Data

The following selected unaudited pro forma condensed combined financial data give effect to the mergers. The information presented below is based on the assumption that the mergers occurred at the beginning of each of the periods presented and reflect only adjustments directly related to the mergers. The pro forma adjustments are based upon available information and assumptions that each company's management believes are reasonable and in accordance with SEC requirements. The selected unaudited pro forma condensed combined financial data are presented for illustrative purposes only and should not be read for any other purpose. The companies may have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the mergers. The selected unaudited pro forma condensed combined financial data (i) have been derived from and should be read in conjunction with the "Unaudited Pro Forma Condensed Combined Financial Information" and the related notes beginning on page 148 in this joint proxy statement/prospectus and (ii) should be read in conjunction with the historical consolidated financial statements of Duke Energy and Cinergy incorporated by reference in this joint proxy statement/prospectus and the Duke Energy Unaudited Pro Forma Condensed Consolidated Financial Information beginning on page 143 in this joint proxy statement/prospectus.

	At or for the nine months ended September 30, 2005	At or for the year ended December 31, 2004
(Millions, except per share amounts)		
Pro Forma Income Statement Data		
Operating revenues	12,337	15,866
Income from continuing operations	1,458	1,643
Earnings per share from continuing operations:		
Basic	1.17	1.35
Diluted	1.14	1.32
Pro Forma Balance Sheet Data		
Total assets	76,814	
Long-term debt (includes current maturities of \$1,332)	20,511	
Unaudited Comparative Per Share Data		

The December 31, 2004 selected comparative per share information of Duke Energy and Cinergy, set forth below, was derived from audited financial statements. The September 30, 2005 selected comparative per share information of Duke Energy and Cinergy set forth below was derived from unaudited financial statements and, in the opinion of the management of Duke Energy and Cinergy, includes all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation for such periods. Due to the effect of seasonal fluctuations and other factors on the operations of Duke Energy and Cinergy, financial results for the nine-month period ended September 30, 2005, are not necessarily indicative of results for the year ending December 31, 2005.

You should read the information in this section along with Duke Energy's and Cinergy's historical consolidated financial statements and accompanying notes for the periods referred to above included in the documents described under "Where You Can Find More Information" beginning on page 180. You should also read the unaudited pro forma condensed financial information and accompanying discussions and notes included in this joint proxy statement/prospectus on pages 143 through 159.

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At or for the
nine months ended
September 30, 2005

At or for the
year ended
December 31, 2004

(Millions, except per share amounts)

Duke Energy Historical

Earnings per share (from continuing operations):			
Basic	\$	2.25	\$ 1.33
Diluted	\$	2.17	\$ 1.29
Dividends declared per share of common stock	\$.86	\$ 1.10
Book value per share of common stock	\$	17.19	\$ 17.18

Cinergy Historical

Earnings per share (from continuing operations):			
Basic	\$	1.52	\$ 2.22
Diluted	\$	1.51	\$ 2.18
Dividends declared per share of common stock	\$	1.92	\$ 1.88
Book value per share of common stock	\$	22.32	\$ 21.89

At or for the
nine months ended
September 30, 2005

At or for the
year ended
December 31, 2004

(Millions, except per share amounts)

Duke Energy Holding unaudited pro forma combined amounts:

Earnings per share (from continuing operations):			
Basic	\$	1.17	\$ 1.35
Diluted	\$	1.14	\$ 1.32
Dividends declared per share of common stock ¹	\$.86	\$ 1.10
Book value per share of common stock	\$	20.21	\$

Cinergy per share equivalent based on combination of Duke Energy and Cinergy:

Earnings per share (from continuing operations):			
Basic	\$	1.83	\$ 2.11
Diluted	\$	1.78	\$ 2.06
Dividends declared per share of common stock	\$	1.34	\$ 1.716
Book value per share of common stock	\$	31.53	\$

¹

We expect Duke Energy Holding will continue the dividend policy of Duke Energy in effect at the time of the mergers. On June 29, 2005, the Duke Energy board of directors increased Duke Energy's quarterly dividend to \$0.31 per share of common stock, beginning with the quarterly dividend paid September 16, 2005, and accordingly its annual dividend was increased to \$1.24 per share of common stock.

RISK FACTORS

Risks Relating to the Mergers

In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, Duke Energy and Cinergy shareholders should carefully consider the matters described below to determine whether to approve or adopt the merger agreement and thereby approve the mergers.

The value of the shares of Duke Energy Holding common stock that you receive upon the consummation of the mergers may be less than the value of your shares of Duke Energy common stock or Cinergy common stock as of the date of the merger agreement or on the dates of the special meetings.

The exchange ratios in the Duke Energy merger and the Cinergy merger, respectively, are fixed and will not be adjusted in the event of any change in the stock prices of Duke Energy or Cinergy prior to the mergers. There may be a significant amount of time between the dates when the shareholders of each of Duke Energy and Cinergy vote on the merger agreement at the special meeting of each company and the date when the mergers are completed. The relative prices of shares of Duke Energy common stock and Cinergy common stock may vary significantly between the date of this joint proxy statement/prospectus, the dates of the special meetings and the date of the completion of the mergers. These variations may be caused by, among other things, changes in the businesses, operations, results and prospects of our companies, market expectations of the likelihood that the mergers will be completed and the timing of completion, the prospects of post-merger operations, the effect of any conditions or restrictions imposed on or proposed with respect to the combined company by regulatory agencies and authorities, general market and economic conditions and other factors. In addition, it is impossible to predict accurately the market price of the Duke Energy Holding common stock to be received by Duke Energy and Cinergy shareholders after the completion of the mergers. Accordingly, the prices of Duke Energy common stock and Cinergy common stock on the dates of the special meetings may not be indicative of their prices immediately prior to completion of the mergers and the price of Duke Energy Holding common stock after the mergers are completed.

The integration of Duke Energy and Cinergy following the mergers will present significant challenges that may result in a decline in the anticipated potential benefits of the mergers.

Duke Energy and Cinergy will face significant challenges in consolidating functions, integrating their organizations, procedures and operations in a timely and efficient manner, as well as retaining key Duke Energy and Cinergy personnel. The integration of Duke Energy and Cinergy will be complex and time-consuming, due to the size and complexity of each organization and their many business units. The respective managements of Duke Energy and Cinergy will have to dedicate substantial effort to integrating the businesses. The principal challenges will be integrating the combined regulated electric utility operations, combining each of the unregulated wholesale power generation businesses and combining the energy marketing and trading businesses. All of these businesses are complex, and some of the business units are dispersed. Such efforts could also divert management's focus and resources from other strategic opportunities during the integration process. There can be no assurance that the integration will be completed in a timely manner.

The anticipated benefits of combining the companies may not be realized.

Duke Energy and Cinergy entered into the merger agreement with the expectation that the mergers would result in various benefits, including, among other things, synergies, cost savings and operating efficiencies. Although we expect to achieve the anticipated benefits of the mergers, achieving them, including the synergies, cannot be assured. Moreover, the regulatory agencies, which have jurisdiction over certain of our businesses and operations, will require us to pass some of the achieved cost savings to ratepayers.

The mergers are subject to the receipt of consent or approval from governmental entities that could delay the completion of the mergers or impose conditions that could have a material adverse effect on the combined company or that could cause abandonment of the mergers.

Completion of the mergers is conditioned upon the receipt of consents, orders, approvals or clearances, as required, from the FERC, the NRC, the FCC, and the public utility commissions or similar entities with jurisdiction in North Carolina, South Carolina, Ohio, Kentucky and Indiana. Although, as of the date of this joint proxy statement/prospectus, the parties have received certain of these consents, orders, approvals, and clearances and expect to receive the remainder in a timely and acceptable manner, a substantial delay in obtaining satisfactory approvals or the imposition of unfavorable terms or conditions in connection with such approvals could have a material adverse effect on the business, financial condition or results of operations of Duke Energy or Cinergy and/or may cause the abandonment of the mergers by Duke Energy or Cinergy.

The merger agreement provides that Duke Energy and Cinergy will use their reasonable best efforts to transfer five generating stations located in the midwest from DENA to The Cincinnati Gas & Electric Company. This transfer will require regulatory approval by the FERC and the IURC. There can be no guarantee that such approvals will be obtained or will be obtained on terms or with conditions acceptable to Duke Energy, Cinergy and Duke Energy Holding.

The mergers will combine two companies that are currently affected by developments in the electric and gas utility industries, including changes in regulation and increased competition. A failure to adapt to the changing regulatory environment and increased competition after the mergers could adversely affect the stability of our earnings and could result in the erosion of the combined company's market positions, revenues and profits.

Because Duke Energy and Cinergy and their subsidiaries are regulated in the United States and Canada at the federal level and in a number of provinces, states and municipalities, the two companies, as well as Duke Energy Holding after the mergers, have been and will continue to be impacted by legislative and regulatory developments. After the mergers, we and/or our subsidiaries including Duke Energy and Cinergy will be subject in the United States to extensive federal regulation as well as to state and local regulation in each of the following jurisdictions: North Carolina, South Carolina, Ohio, Kentucky and Indiana. We will also be subject in Canada to extensive federal regulation as well as to provincial and local regulation, most significantly in Ontario. Each of these jurisdictions has implemented, is in the process of implementing or possibly will implement changes to the regulatory and legislative framework applicable to the electric and gas utilities industry. The continuing effects of recent developments such as the end of the market development period in Ohio under its retail electric competition law, the continuing failure of the Department of Energy to take possession of spent nuclear fuel from commercial nuclear reactors, and the implementation of MISO's energy markets tariff, along with the possible effects of changes under consideration and the possible effects of changes that may occur in the future, could have a material adverse effect on Duke Energy, Cinergy and/or Duke Energy Holding.

The costs and burdens associated with complying with the increased number of regulatory jurisdictions may have a material adverse effect on Duke Energy Holding. Moreover, increased competition resulting from potential legislative changes, regulatory changes or otherwise may create greater risks to the stability of utility earnings generally. If Duke Energy Holding is not responsive to the competitive energy marketplace, it could suffer erosion in market position, revenues and profits as competitors gain access to the service territories of its utility subsidiaries.

We must meet credit quality standards. If we or our rated subsidiaries are unable to maintain an investment grade credit rating, we would be required under trading agreements to provide collateral in the form of letters of credit or cash, which may materially adversely affect our liquidity. We cannot be sure that

Duke Energy Holding and its rated subsidiaries will maintain investment grade credit ratings following the mergers and the other contemplated transactions.

Each of Duke Energy's, Duke Capital's and Cinergy's senior unsecured long-term debt is rated investment grade by various rating agencies. We cannot be sure that following the mergers and the other transactions contemplated by the merger agreement the senior unsecured long-term debt of Duke Energy Holding or its rated subsidiaries will be rated investment grade.

If the rating agencies were to rate Duke Energy Holding or its rated subsidiaries below investment grade, the entity's borrowing costs would increase, perhaps significantly. In addition, the entity would likely be required to pay a higher interest rate in future financings, and its potential pool of investors and funding sources would likely decrease. Further, if its short-term debt rating were to fall, the entity's access to the commercial paper market could be significantly limited. Any downgrade or other event negatively affecting the credit ratings of our subsidiaries could make their costs of borrowing higher or access to funding sources more limited, which in turn could increase our need to provide liquidity in the form of capital contributions or loans to such subsidiaries, thus reducing the liquidity and borrowing availability of the consolidated group.

Many of our trading counterparties in our power and gas trading businesses would likely require us to deposit additional collateral if the ratings agencies were to downgrade our ratings below investment grade. Failure to deposit collateral may result in a default under the applicable trading agreement, which could lead to termination of that agreement and require us to pay its termination value. A downgrade below investment grade could also trigger termination clauses in some interest rate and foreign exchange derivative agreements, which would require cash payments. All of these events would likely reduce our liquidity and profitability and could have a material adverse effect on our financial position and results of operations.

Duke Energy and Cinergy will incur significant transaction and merger-related integration costs in connection with the mergers.

Duke Energy and Cinergy expect to incur costs associated with consummating the mergers and integrating the operations of the two companies, as well as approximately \$32 million in transaction fees in the case of Duke Energy and \$35 million in the case of Cinergy. The estimated \$32 million of transaction costs incurred by Duke Energy will be included as a component of the purchase price for purposes of purchase accounting. The amount of transaction fees expected to be incurred by each of Duke Energy and Cinergy are preliminary estimates and are subject to change. Duke Energy currently estimates integration costs associated with the mergers to be approximately \$727 million over a period of five years, with approximately \$464 million being incurred in the first year after completion of the mergers and approximately \$129 million being incurred in the second year after completion of the mergers. Duke Energy is in the early stages of assessing the magnitude of these costs, and, therefore, these estimates may change substantially, and additional unanticipated costs may be incurred in the integration of the businesses of Duke Energy and Cinergy. Although Duke Energy and Cinergy believe that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, will offset incremental transaction and merger-related costs over time, we cannot assure you that this net benefit will be achieved in the near term, or at all.

Duke Energy and Cinergy will be subject to business uncertainties and contractual restrictions while the mergers are pending which could adversely affect their businesses.

Uncertainty about the effect of the mergers on employees and customers may have an adverse effect on Duke Energy and Cinergy and, consequently, on the combined company. Although Duke Energy and Cinergy intend to take steps to reduce any adverse effects, these uncertainties may impair Duke Energy's and Cinergy's ability to attract, retain and motivate key personnel until the mergers are consummated and for a period of time thereafter, and could cause customers, suppliers and others that

deal with Duke Energy and Cinergy to seek to change existing business relationships with Duke Energy and Cinergy. Employee retention may be particularly challenging during the pendency of the mergers, as employees may experience uncertainty about their future roles with the combined company. If, despite Duke Energy's and Cinergy's retention efforts, key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, the combined company's business could be seriously harmed. In addition, the merger agreement restricts Duke Energy and Cinergy, without the other party's consent, from making certain acquisitions and taking other specified actions until the mergers occur or the merger agreement terminates. These restrictions may prevent Duke Energy and Cinergy from pursuing otherwise attractive business opportunities and making other changes to their businesses that may arise prior to completion of the mergers or termination of the merger agreement.

Risks Relating to the Businesses of the Combined Company

After consummation of the mergers, the combined business of Duke Energy Holding will be subject to many risks and uncertainties.

Gas transmission, distribution, gathering, and processing activities involve numerous risks that may result in accidents and other operating risks and costs.

There are inherent in our gas transmission, distribution, gathering, and processing properties a variety of hazards and operating risks, such as leaks, explosions and mechanical problems, that could cause substantial financial losses. In addition, these risks could result in loss of human life, significant damage to property, environmental pollution, impairment of our operations and substantial losses to us. For our pipelines located near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering areas, the level of damages resulting from these risks is greater. We do not maintain insurance coverage against all of these risks and losses, and the insurance coverage we maintain may not fully cover the damages caused by those risks and losses for which we do maintain insurance and therefore could have a material adverse effect on our financial position and results of operations.

Our franchised electric revenues, earnings and results are dependent on state legislation and regulation that affect electric generation, distribution and related activities, which may limit our ability to recover costs.

Our franchised electric businesses are regulated on a cost-of-service/rate-of-return basis subject to the statutes and regulatory commission rules and procedures of North Carolina, South Carolina, Kentucky, Indiana and Ohio. If our franchised electric earnings exceed the returns established by our state regulatory commissions, our retail electric rates may be subject to review by the commissions and possible reduction, which may decrease our future earnings.

We may incur substantial costs and liabilities due to our ownership and operation of nuclear generating facilities.

Our ownership interest in and operation of three nuclear stations subject us to various risks including, among other things: the potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling and disposal of radioactive materials; limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with nuclear operations; and uncertainties with respect to the technological and financial aspects of decommissioning nuclear plants at the end of their licensed lives.

Our ownership and operation of nuclear generation facilities requires us to meet licensing and safety-related requirements imposed by the NRC. In the event of non-compliance, the NRC may increase regulatory oversight, impose fines, and/or shut down a unit, depending upon its assessment of the severity of the situation. Revised security and safety requirements promulgated by the NRC, which

could be prompted by, among other things, events within or outside of our control, such as a serious nuclear incident at a facility owned by a third-party, could necessitate substantial capital and other expenditures at our nuclear plants. In addition, if a serious nuclear incident were to occur, it could have a material adverse effect on our results of operations and financial condition.

Our ownership and operation of nuclear generation facilities also requires us to maintain funded trusts that are intended to pay for the decommissioning costs of our nuclear power plants. Poor investment performance of these decommissioning trusts' holdings and other factors impacting decommissioning costs could unfavorably impact our liquidity and results of operations as we could be required to significantly increase our cash contributions to the decommissioning trusts.

Our sales may decrease if we are unable to gain adequate, reliable and affordable access to transmission and distribution assets.

We depend on transmission and distribution facilities owned and operated by utilities and other energy companies to deliver the electricity and natural gas we sell to the wholesale market, as well as the natural gas we purchase to supply some of our electric generation facilities. FERC's power transmission regulations require wholesale electric transmission services to be offered on an open-access, non-discriminatory basis, however, not all markets are as open and accessible as needed. If transmission is disrupted, or if transmission capacity is inadequate, our ability to sell and deliver products may be hindered. Such disruptions could also hinder our providing electricity or natural gas to our retail electric and gas customers and may materially adversely affect our business.

The different regional power markets have changing regulatory structures, which could affect our growth and performance in these regions. In addition, the independent system operators who oversee the transmission systems in regional power markets, such as California, have imposed in the past, and may impose in the future, price limitations and other mechanisms to address volatility in the power markets. These types of price limitations and other mechanisms may adversely impact the profitability of our wholesale power marketing and trading business.

We may be unable to secure long term power purchase agreements or transmission agreements, which could expose our sales to increased volatility.

In the future, we may not be able to secure long-term power purchase agreements for the unregulated power generation facilities that we expect to retain in our ongoing business. Similarly, we may not be able to secure long-term transportation agreements for our gas transmission business. If we are unable to secure either of these types of agreements, our sales volumes would be exposed to increased volatility. Without the benefit of long-term power purchase and transmission agreements, we cannot assure you that we will be able to sell the power generated by our facilities, that our pipelines will be utilized to transport gas at efficient capacity levels, or that our facilities will be able to operate profitably. The inability to secure these agreements could materially adversely affect our results and our business.

The long-term financial condition of our U.S. and Canadian natural gas transmission, distribution, gathering and processing businesses are dependent on the continued availability of natural gas reserves.

Our natural gas businesses are dependent upon the continued availability of natural gas reserves. Unlike some natural gas companies, we do not generally engage in natural gas exploration and therefore rely on others for exploration and development drilling and the installation of production, gathering, storage, transportation, distribution and other facilities that permit natural gas to be produced and delivered to our pipeline systems. Low prices for natural gas, regulatory limitations, or the lack of available capital for these projects could adversely affect the development of additional reserves and production, gathering, storage and pipeline transmission and import and export of natural gas supplies. Additional natural gas reserves may not be developed in commercial quantities and in

sufficient amounts to fill the capacities of our pipeline systems and the capacities of our gathering systems and plants. The unavailability of natural gas reserves could materially adversely affect our results and our business.

Competition in the unregulated markets in which we operate may adversely affect the growth and profitability of our business.

We may not be able to respond in a timely or effective manner to the many changes designed to increase competition in the electricity industry. To the extent competitive pressures increase, the economics of our business may come under long-term pressure.

In addition, regulatory changes have been proposed to increase access to electricity transmission grids by utility and non-utility purchasers and sellers of electricity. These changes could continue the disaggregation of many vertically-integrated utilities into separate generation, transmission, distribution and retail businesses. As a result, a significant number of additional competitors could become active in the wholesale power generation segment of our industry.

We may also face competition from new competitors that have greater financial resources than we do, seeking attractive opportunities to acquire or develop energy assets or energy trading operations both in the United States and abroad. These new competitors may include sophisticated financial institutions, some of which are already entering the energy trading and marketing sector, and international energy players, which may enter regulated or unregulated energy businesses. This competition may adversely affect our ability to make investments or acquisitions.

We rely on access to short-term money markets and longer-term capital markets to finance our capital requirements and support our liquidity needs, and our access to those markets can be adversely affected by a number of conditions, many of which are beyond our control.

Our business is financed to a large degree through debt and the maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from our assets. Accordingly, we rely on access to both short-term money markets and longer-term capital markets as a source of liquidity for capital requirements not satisfied by the cash flow from our operations and to fund investments originally financed through debt instruments with disparate maturities. If we are not able to access capital at competitive rates, our ability to finance our operations and implement our strategy will be adversely affected.

Market disruptions may increase our cost of borrowing or adversely affect our ability to access one or more financial markets. Such disruptions could include: economic downturns; the bankruptcy of an unrelated energy company; capital market conditions generally; market prices for electricity, gas and natural gas liquids; terrorist attacks or threatened attacks on our facilities or unrelated energy companies; or the overall health of the energy industry. Restrictions on our ability to access financial markets may also affect our ability to execute our business plan as scheduled. An inability to access capital may limit our ability to pursue improvements or acquisitions that we may otherwise rely on for future growth.

We maintain revolving credit facilities to provide back-up for commercial paper programs and/or letters of credit at various entities. These facilities typically include financial covenants which limit the amount of debt that can be outstanding as a percentage of the total capital for the specific entity. Some facilities also include targeted EBITDA interest coverage ratios. Failure to maintain these covenants at a particular entity could preclude that entity from issuing commercial paper or letters of credit or borrowing under the revolving credit facility and could require other of our affiliates to immediately pay down any outstanding drawn amounts under other revolving credit agreements.

Our investments and projects located outside of the United States expose us to risks related to laws of other countries, taxes, economic conditions, political conditions and policies of foreign governments. These risks may delay or reduce our realization of value from our international projects.

We currently own and may acquire and/or dispose of material energy-related investments and projects outside the United States. The economic, regulatory, market and political conditions in some of the countries where we have interests or in which we may explore development, acquisition or investment opportunities present risks related to, among others, our ability to obtain non-recourse project or other financing on suitable terms, our customers' ability to honor their obligations with respect to projects and investments, delays in construction, limitations on our ability to enforce legal rights, and interruption of business, as well as risks of war, expropriation, nationalization, renegotiation, trade sanctions or nullification of existing contracts and changes in law, regulations, market rules or tax policy, that are in many instances greater than in the United States. In particular, certain countries in Latin America are implementing changes in their market rules and regulations which could materially and adversely impact our ability to recognize anticipated value from our investments in that region.

Our investments and projects located outside of the United States expose us to risks related to fluctuations in currency rates. These risks, and our activities to mitigate such risks, may adversely effect our cash flows and results of operations.

Our operations and investments outside the United States expose us to risks related to fluctuations in currency rates. As each local currency's value changes relative to the U.S. dollar our principle reporting currency the value of our assets and liabilities in such locality and the cash flows generated in such locality also changes.

We selectively mitigate some risks associated with foreign currency fluctuations by, among other things, indexing contracts to the U.S. dollar and/or local inflation rates, hedging through debt denominated or issued in the foreign currency and hedging through foreign currency derivatives. These efforts, however, may not be effective and, in some cases, may expose us to other risks that could negatively affect our cash flows and results of operations.

Our primary foreign currency rate exposures are expected to be the Canadian Dollar and the Brazilian Real. A 10% devaluation in the currency exchange rate in all of our exposure currencies would result in an estimated net loss on the translation of local currency earnings of approximately \$28 million. The consolidated balance sheets would be negatively impacted by such a devaluation by approximately \$530 million through cumulative currency translation adjustments.

We will be exposed to market risk and may incur losses from the trading operations and/or activities we take to mitigate our commodity exposure.

We have trading operations that primarily consist of contracts to buy and sell commodities, including contracts for electricity, natural gas, natural gas liquids and other commodities that are settled by the delivery of the commodity or cash. Our trading portfolios also include financial derivatives, including swaps, futures and options. If the values of these contracts or derivatives change in a direction or manner that we do not anticipate, we could realize material losses from our trading activities. We believe that the recently announced agreement to sell substantially all of DENA's power and gas derivative contracts will, upon completion, significantly reduce these risks as they relate to DENA.

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In order to manage our financial exposure related to commodity price fluctuations, primarily with respect to power, natural gas and natural gas liquids, our marketing, trading and risk management operations routinely enter into contracts to hedge the value of our assets and operations, including fixed-price, forward, physical purchase and sales contracts, futures, financial swaps and option contracts traded in over-the-counter markets or on exchanges. Duke Energy and Cinergy Commercial both hedge a portion of their expected commodities exposure. We do not, however, cover the entire exposure of our assets or our positions to market price volatility, and our coverage varies over time.

Our risk management systems, however, may not always be implemented properly or may not always function as planned. In particular, if prices of commodities significantly deviate from historical prices or if the price volatility or distribution of those changes deviates from historical norms, our risk management systems may not protect us from significant losses. In addition, adverse changes in energy prices may result in economic losses in our earnings and cash flows and our balance sheet. To the extent we have unhedged positions or our hedging strategies do not work as planned, fluctuating commodity prices could cause our sales, purchases, and net income to be volatile. In addition, certain types of economic hedging activity may not qualify for hedge accounting under generally accepted accounting principles, resulting in increased volatility in net income.

Duke Energy's plan to dispose of DENA's assets may result in additional charges.

On September 13, 2005, the Duke Energy board of directors approved a plan to pursue the sale or other disposition of substantially all of DENA's physical and commercial assets outside the Midwestern United States, including forward gas and power, gas transportation, storage, structured power and other contracts. DENA's assets subject to the disposition plan are expected to be sold or otherwise disposed of within 12 months from the date Duke Energy's board of directors approved the plan.

The disposition plan resulted in a net initial pre-tax charge of approximately \$1.3 billion.

In addition to these initial charges, Duke Energy anticipates recording additional charges of approximately \$600 million to \$800 million related to the disposition plan. These charges will include:

cash expenditures for termination costs for forward gas and power, transportation, storage, structured power and other contracts; and

cash expenditures for transaction costs, including severance, legal and other costs.

It is possible that unforeseen events or circumstances could negatively effect the disposition plan, the assumptions underlying the plan or our calculation of the costs of the plan. Accordingly, we may be required to record additional charges in connection with the disposition plan.

Duke Energy's plan to dispose of DENA's assets may not yield the benefits that we expect.

While Duke Energy's management believes it will be able to execute the announced plan, we cannot be certain that we will be able to dispose of DENA's physical and commercial assets within the expected time frame or, if the assets are sold, at what price they may be sold and the impact that such dispositions may have on our profitability. If the proceeds from the sale of DENA's assets subject to the disposition plan are less than anticipated or if the dispositions are not completed within 12 months from the date Duke Energy's board of directors approved the plan, additional charges or changes to our accounting treatment of DENA could be required, either of which could have an adverse effect on our reported results of operations.

Although the approval of the plan to pursue the sale or other disposition of substantially all of DENA's physical and commercial assets described above is expected to reduce our exposure to market risk and losses from trading operations over time, we will remain subject to significant commodity price risk as we execute this plan.

We are exposed to credit risk of counterparties with whom we do business.

Adverse economic conditions affecting, or financial difficulties of, counterparties we do business with could impair the ability of these counterparties to pay for our services or fulfill their contractual obligations, or cause them to delay such payments or obligations. We depend on these counterparties to remit payments on a timely basis. Any delay or default in payment could adversely affect our cash flows, financial condition or results of operations.

Poor investment performance of pension plan holdings and other factors impacting pension plan costs could unfavorably impact our liquidity and results of operations.

Our costs of providing non-contributory defined benefit pension plans are dependent upon a number of factors, such as the rates of return on plan assets, discount rates, the level of interest rates used to measure the required minimum funding levels of the plans, future government regulation and our required or voluntary contributions made to the plans. While both Duke Energy and Cinergy comply with the minimum funding requirements under the Employee Retirement Income Security Act of 1974, as of September 30, 2004, our combined pro forma pension plan obligations exceeded the value of plan assets by approximately \$900 million. Without sustained growth in the pension investments over time to increase the value of our plan assets and depending upon the other factors impacting our costs as listed above, we could be required to fund our plans with significant amounts of cash. Such cash funding obligations could have a material impact on our liquidity by reducing our cash flows and could negatively affect our results of operations.

Possible changes and developments in the Canadian regulatory environment may have a negative impact on our business and operations.

The majority of our Canadian natural gas assets are subject to various degrees of federal and provincial regulation. Changes in such regulation may impact our capacity to conduct this business effectively and sustain or increase profitability. Furthermore, as the regulatory environment within which we conduct our business and operate our facilities continues to evolve from a traditional cost recovery model to a more competitive, market-based approach, there is increasing competition among pipeline companies. We cannot predict the timing or scope of these changes and developments in the regulatory environment or the impact they may ultimately have on our business and operations.

In connection with the Kyoto Protocol, the Canadian government is developing a greenhouse gas emission plan, which may include caps on emissions and allowance trading programs. If implemented, our Canadian operations would likely be subject to the program beginning in 2008. Compliance could require either a combination of purchasing emission credits or reducing actual emissions. Due to the uncertainty regarding such policies, however, we cannot estimate the potential effects of such a plan on future consolidated results of operations, cash flows or financial position.

Claims have been asserted contesting our right to some of our Canadian properties which could negatively impact our business and operations.

Certain aboriginal groups have claimed aboriginal and treaty rights over a substantial portion of the lands on which our facilities in British Columbia and Alberta and the gas supply areas served by those facilities are located. The existence of these claims, which range from the assertion of rights of limited use up to aboriginal title, has given rise to some uncertainty regarding access to public lands for future development purposes. We cannot predict the outcome of these claims or the impact they may ultimately have on our businesses and operations.

Under our holding company structure, the payment of dividends to shareholders will be subject to the ability of our subsidiaries to pay dividends to us.

We will be a holding company with no material assets other than the stock of our subsidiaries. Accordingly, all of our operations will be conducted by our subsidiaries. Our ability to pay dividends on

our common stock will depend on the payment to us of dividends by our operating subsidiaries. These subsidiaries' payments of dividends to us in turn depend on their results of operations, cash flows and federal and state regulatory constraints.

We may become subject to more market risks and experience more fluctuations in operating results as a result of the mergers, which may have an adverse effect on our operating results, financial performance and/or share price.

Our unregulated businesses include domestic and international gas and power development, operation and ownership, domestic and Canadian gas and power marketing and trading, real estate, telecommunications and midstream gas gathering and processing assets. Our unregulated businesses are more subject to competitive market risks, such as consumer-demand changes, commodity price changes, or market share erosion, than are our traditional utility businesses, which are subject to a regulatory structure that allows an approved rate of return and an exclusive retail franchise service territory. This greater exposure to market risks may lead to more volatile operating performance and results of operations. For the fiscal year ended December 31, 2004, unregulated businesses would have contributed approximately 59% of operating revenues of the combined company on a pro forma basis.

We could incur a significant tax liability and our results of operations and cash flows may be negatively affected if the Internal Revenue Service denies or otherwise makes unusable certain tax credits related to our coal and synthetic fuel business or if such credits are phased out based on crude oil prices.

Cinergy's sale of synthetic fuel intended to qualify for tax credits in accordance with Section 29 of the Code has generated \$271 million in tax credits through June 30, 2005. The IRS is currently auditing Cinergy for the 2002 and 2003 tax years. The IRS has recently challenged certain other taxpayers' Section 29 tax credits. If the IRS were to successfully challenge Cinergy's Section 29 tax credits, this could result in the disallowance of up to all \$271 million in previously claimed Section 29 tax credits and a loss of our ability to claim future Section 29 tax credits for synthetic fuel produced by such facilities. The amount of tax credits we can claim each year is a function of our projected consolidated regular federal income tax liability. Any conditions that reduce our taxable income in a particular year, thus reducing our regular tax liability in such year, could also diminish our ability to utilize Section 29 credits, including those previously generated in such year. In addition, the proposed transaction may require the partial disposition by Cinergy of its ownership interest in one of its synthetic fuel facilities in order for the fuel produced to continue to qualify for the credit.

Section 29 also provides for a phase-out of the credit based on the average price of crude oil during a calendar year. The phase-out is based on a prescribed calculation and definition of crude oil prices. Based on current estimates of crude oil prices and the recent volatility of such prices, we believe it is possible that for 2006 and 2007 the amount of the tax credits could be reduced.

We are currently involved in litigation with the United States and several states and environmental groups regarding certain environmental matters.

Cinergy is currently involved in litigation in which the EPA is alleging various violations of the Clean Air Act (CAA). Specifically, the lawsuit against Cinergy alleges that Cinergy violated the CAA by not obtaining permits for various projects at its owned and co-owned generating stations. Additionally, the Cinergy suit claims that Cinergy violated an Administrative Consent Order entered into in 1998 between the EPA and Cinergy relating to alleged violations of Ohio's state implementation plan provisions governing particulate matter at one of its generating stations. Three northeast states and two environmental groups have intervened in the Cinergy case. In August 2005, the district court ruled that in determining whether a project was projected to increase annual emissions, it would not hold hours of operation constant. However, the district court subsequently certified the matter for interlocutory appeal to the Seventh Circuit Court of Appeals, which has the discretion to accept or not accept the appeal at this time. There are a number of other legal issues currently before the district

court judge, and the case is currently in discovery. A second lawsuit being defended by one of Cinergy's co-owners involves similar allegations and is also pending. Duke Energy is a defendant in similar litigation brought by the EPA in which the presiding court has entered judgment in favor of Duke Energy, which was subsequently affirmed on appeal by the 4th Circuit Court of Appeals. The government's request for a rehearing before the Fourth Circuit to review its decision was denied and the government has decided not to appeal. Some intervenor groups have been granted an extension to file a petition for appeal to the U.S. Supreme Court.

In July 2004, the states of Connecticut, New York, California, Iowa, New Jersey, Rhode Island, Vermont, and Wisconsin and the City of New York brought a lawsuit against Cinergy, American Electric Power Company, Inc., American Electric Power Service Corporation, The Southern Company, Tennessee Valley Authority, and Xcel Energy Inc.; on the same day, a second, similar lawsuit was filed against the same companies. These lawsuits allege that the defendants' emissions of CO₂ from the combustion of fossil fuels at electric generating facilities contribute to global warming and amount to a public nuisance. The complaints also allege that the defendants could generate the same amount of electricity while emitting significantly less CO₂. In September 2005, the district court granted the defendants' motion to dismiss the lawsuit. The plaintiffs have appealed that decision to the Second Circuit Court of Appeals.

We are subject to numerous environmental laws and regulations that require significant capital expenditures, increase our cost of operations, and which may impact or limit our business plans, or expose us to environmental liabilities.

We are subject to numerous environmental regulations affecting many aspects of our present and future operations, including air emissions (such as controlling greenhouse-gas emissions), water quality, wastewater discharges, solid waste and hazardous waste. These laws and regulations can result in increased capital, operating, and other costs, particularly with regard to enforcement efforts focused on power plant emissions obligations. These laws and regulations generally require us to obtain and comply with a wide variety of environmental licenses, permits, inspections and other approvals. Both public officials and private individuals may seek to enforce applicable environmental laws and regulations, and litigation may arise the outcome of which we cannot predict.

For example, North Carolina enacted clean air legislation that requires North Carolina electric utilities, including Duke Energy, to make significant reductions in emissions of sulfur dioxide and nitrogen oxides from the state's coal-fired power plants by 2013. We estimate the cost of achieving the proposed emission reductions to be approximately \$1.7 billion. Similarly, the EPA recently issued the Clean Air Interstate Rule (CAIR), formerly the Interstate Air Quality Rule, which requires reductions in sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions in order to address alleged contributions to downwind non-attainment with the revised National Ambient Air Quality Standards and established a two-phase, regional cap and trade program for SO₂ and NO_x and issued the Clean Air Mercury Rule (CAMR), which requires reductions in mercury emissions from coal-fired power plants through a similar two phase cap and trade program. Over the 2005-2009 time period, Cinergy expects to spend approximately \$1.8 billion to reduce mercury, SO₂, and NO_x emissions, including estimated costs to comply at plants in which we have partial ownership but do not operate. We believe Duke Energy's compliance with the North Carolina clean air legislation will be sufficient to meet its obligations under the CAIR and CAMR. Although we believe that we are legally entitled to recover these costs, if we cannot recover these costs in a timely manner, or in an amount sufficient to cover our actual costs, our financial conditions and results of operations could be materially and adversely impacted. Revised or additional regulations, which result in increased compliance costs or additional operating restrictions, particularly if those costs are not fully recoverable from our customers, could have a material adverse effect on our results of operations.

The uncertain outcome regarding the timing, creation and structure of regional transmission organizations, or RTOs, may materially impact our results of operations, cash flows or financial condition.

Congress, FERC, and the state utility regulators have paid significant attention in recent years to transmission issues, including the development of a number of regional transmission organizations. For the last several years, the FERC has supported independent RTOs and has indicated a belief that it has the authority to order transmission-owning utilities to transfer operational control of their transmission assets to such RTOs. Many state regulators, including regulators in North and South Carolina, have expressed skepticism over the potential benefits of RTOs and generally disagree with the FERC's interpretation of its authority to mandate participation in RTOs. We cannot predict the timing or content of any final rules that may be implemented regarding RTOs or the effect that they may have on Duke Energy Holding's utilities' transmission operations or on our future consolidated results of operations, cash flows or financial condition.

Deregulation or restructuring in the electric industry may result in increased competition and unrecovered costs that could adversely affect our financial condition, results of operations or cash flows and our utilities' businesses.

Increased competition resulting from deregulation or restructuring efforts, including from the recently enacted Energy Policy Act of 2005, could have a significant adverse financial impact on us and our utility subsidiaries and consequently on our results of operations and cash flows. Increased competition could also result in increased pressure to lower costs, including the cost of electricity. Retail competition and the unbundling of regulated energy and gas service could have a significant adverse financial impact on us and our subsidiaries due to an impairment of assets, a loss of retail customers, lower profit margins or increased costs of capital. We cannot predict the extent and timing of entry by additional competitors into the electric markets. We cannot predict when we will be subject to changes in legislation or regulation, nor can we predict the impact of these changes on our financial condition, results of operations or cash flows.

Ohio has enacted electric generation deregulation legislation. Our Ohio residential customers are in a market development period through 2005, during which rates are frozen. Non-residential customers are under a recently approved rate stabilization plan, or RSP, that runs through December 31, 2008. Residential customers will be under the RSP beginning in 2006, also ending in 2008. At this time, it is difficult to predict how the regulatory environment will look after the rate stabilization period ends.

We are involved in numerous legal proceedings, the outcome of which are uncertain, and resolution adverse to us could negatively affect our cash flows, financial conditions or results of operations.

We are subject to numerous legal proceedings, many of which are discussed in Duke Energy's and Cinergy's periodic reports. Litigation is subject to many uncertainties, and we cannot predict the outcome of individual matters with assurance. For example, we or our subsidiaries are defendants in numerous purported class actions alleging generally that defendants, alone and in concert with others, manipulated the natural gas markets by various means, including, in some suits, engaging in "wash" trades, providing false information to natural gas trade publications, and unlawfully exchanging information, resulting in artificially high energy prices. Similarly, we are involved in numerous arbitration proceedings including with Southern California Edison Company (relating to approximately \$90 million allegedly owed in connection with the termination of bilateral power contracts between the parties in early 2001) and Sonatrach, the Algerian state-owned energy company (regarding approximately \$250 million allegedly owed in connection with shipping obligations under a liquefied natural gas purchase agreement and related transportation agreements).

It is possible that the final resolution of some of the matters in which we are involved could require us to make expenditures, in excess of established reserves, over an extended period of time and

in a range of amounts that could have a material effect on our financial condition, cash flows and results of operations.

Risks Related to the Industry

Our results of operations may be negatively affected by sustained downturns or sluggishness in the economy, including low levels in the market prices of commodities, all of which are beyond our control.

Sustained downturns or sluggishness in the economy generally affect the markets in which we operate and negatively influence our energy operations. Declines in demand for electricity and gas as a result of economic downturns in our franchised electric and gas service territories will reduce overall electricity and gas sales and lessen our cash flows, especially as our industrial customers reduce production and, therefore, consumption of electricity and gas. Our gas transmission and distribution and gas gathering and processing businesses may experience a decline in the volume of natural gas shipped through their pipelines and transport systems or gathered and processed at their plants, resulting in lower revenues and cash flows, as lower economic output reduces energy demand. Although our franchised electric business is subject to regulated allowable rates of return and recovery of fuel costs under a fuel adjustment clause, and our gas transmission business is subject to mandated tariff rates, overall declines in electricity sold or the volume of gas shipped as a result of economic downturn or recession could reduce revenues and cash flows, thus diminishing results of operations.

We also sell electricity into the spot market or other competitive power markets on a contractual basis and enter into contracts to purchase and sell electricity, natural gas and natural gas liquids as part of our energy marketing and trading operations. With respect to such transactions, we are not guaranteed any rate of return on our capital investments through mandated rates, and our revenues and results of operations are likely to depend, in large part, upon prevailing market prices for power, natural gas and natural gas liquids in our regional markets and other competitive markets. These market prices may fluctuate substantially over relatively short periods of time and could reduce our revenues and margins and thereby diminish our results of operations.

Lower demand for the electricity we sell, for the natural gas we gather, process, transport and distribute, and lower prices for electricity, natural gas and natural gas liquids result from multiple factors that affect the markets where we sell electricity or gather, process, transport or distribute natural gas, including:

weather conditions, including abnormally mild winter or summer weather that cause lower energy usage for heating or cooling purposes, respectively, and periods of low rainfall that decrease our ability to generate hydroelectric energy;

supply of and demand for energy commodities, including any decreases in the production of natural gas which could negatively affect our processing business and our gas transmission business due to lower throughput;

illiquid markets including reductions in trading volumes which result in lower revenues and earnings;

general economic conditions, including downturns in the U.S. or other economies which impact energy consumption particularly in which sales to industrial or large commercial customers comprise a significant portion of total sales;

transmission or transportation constraints or inefficiencies which impact our merchant energy operations;

availability of competitively priced alternative energy sources, which are preferred by some customers over electricity produced from coal, nuclear or gas plants, and of energy-efficient equipment which reduces energy demand;

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natural gas, crude oil and refined products production levels and prices;

electric generation capacity surpluses which cause our merchant energy plants to generate and sell less electricity at lower prices and may cause some plants to become non-economical to operate;

capacity and transmission service into, or out of, our markets;

petrochemical demand for natural gas liquids;

natural disasters, acts of terrorism, wars, embargoes and other catastrophic events to the extent they affect our operations and markets; and

federal, state and foreign energy and environmental regulation and legislation.

These factors have led to industry-wide downturns that have resulted in the slowing down or stopping of construction of new power plants and announcements by us and other energy suppliers and gas pipeline companies of plans to sell non-strategic assets, subject to regulatory constraints, in order to boost liquidity or strengthen balance sheets. Proposed sales by other energy suppliers and gas pipeline companies could increase the supply of the types of assets that we are attempting to sell. In addition, recent FERC actions addressing power market concerns could negatively impact the marketability of our electric generation assets.

Our operating results may fluctuate on a seasonal and quarterly basis.

Electric power generation and gas distribution are generally seasonal businesses. In most parts of the United States and other markets in which we operate, demand for power peaks during the hot summer months, with market prices also peaking at that time. In other areas, demand for power peaks during the winter. In addition, demand for gas and other fuels generally peaks during the winter, especially for our natural gas businesses in Canada. Further, extreme weather conditions such as heat waves or winter storms could cause these seasonal fluctuations to be more pronounced. As a result, in the future, the overall operating results of our businesses may fluctuate substantially on a seasonal and quarterly basis and thus make period comparison less relevant.

Our business is subject to extensive regulation that will affect our operations and costs.

We are subject to regulation by FERC and the NRC, by federal, state and local authorities under environmental laws and by state public utility commissions under laws regulating our businesses. Regulation affects almost every aspect of our businesses, including, among other things, our ability to: take fundamental business management actions; determine the terms and rates of our transmission and distribution businesses' services; make acquisitions; issue equity or debt securities; engage in transactions between our utilities and other subsidiaries and affiliates; and pay dividends. Changes to these regulations are ongoing, and we cannot predict the future course of changes in this regulatory environment or the ultimate effect that this changing regulatory environment will have on our business. However, changes in regulation (including re-regulating previously deregulated markets) can cause delays in or affect business planning and transactions and can substantially increase our costs.

FERC has established certain market screens it employs to assess generation market power. Certain of these screens are difficult for a franchised utility such as Duke Power to pass. In an order issued on June 30, 2005 the FERC revoked the authority for Duke Power to make wholesale power sales within its control area at market-based rates based on the FERC's determination that Duke Power fails one of the applicable market screens. Under the FERC's order, Duke Power must pay partial refunds and may prospectively make wholesale power sales within its control area only at cost-based rates.

Certain events in the energy markets beyond our control have increased the level of public and regulatory scrutiny in the energy industry and in the capital markets which could have a negative impact on our financial condition or results of operations or access to capital.

Due to certain events in the energy markets, regulated energy companies have been under increased scrutiny by regulatory bodies, capital markets and credit rating agencies. This increased scrutiny could lead to substantial changes in laws and regulations affecting us, including new accounting standards that could change the way we are required to record revenues, expenses, assets and liabilities. These types of regulations could have a negative impact on our financial condition or results of operations or access to capital.

Our gas transmission and storage operations are subject to government regulations and rate proceedings that could have an adverse impact on our ability to recover the costs of operating our pipeline facilities.

Our U.S. interstate gas transmission and storage operations are subject to FERC's regulatory authority. FERC has taken actions to strengthen market forces in the natural gas pipeline industry, which have led to increased competition throughout the industry. In a number of key markets, interstate pipelines are now facing competitive pressure from other major pipeline systems. Given the extent of FERC's regulatory power, we cannot predict the regulations under which we ultimately will operate our natural gas transmission and storage business in the future or the effect of regulation on our financial position and results of operations.

Some of our interstate gas transmission companies from time to time have in effect rate settlements approved by FERC which prevent those companies or third parties from modifying rates, except for allowed adjustments. These settlements do not preclude FERC from taking action on its own to modify the rates. It is not possible to determine at this time whether any such actions would be instituted or what the outcome would be, but such proceedings could result in rate adjustments.

Our Canadian gas operations are subject to various degrees of regulation by Canadian authorities. The rates charged by our Canadian gas business for the gathering, processing and transmission services provided to shippers and the terms and conditions under which those services are provided are subject to regulation by the National Energy Board (NEB). In addition, the NEB regulates the operation, maintenance and public safety aspects of the gathering, processing and transmission system and the construction of any additional capital facilities. Union Gas Limited is also subject to regulation by the Ontario Energy Board (OEB) with respect to the rates that it may charge its customers with respect to its natural gas storage, transmission and distribution system, facility expansions or facility abandonment, adequacy of service, public safety aspects of pipeline system construction and certain accounting principles. Actions of these regulators may impact our earnings from operations, and changes in the Canadian regulatory framework could impact the ability of our Canadian operations to conduct business effectively and to sustain or increase profitability.

Potential terrorist activities or military or other actions could adversely affect our business.

The continued threat of terrorism and the impact of retaliatory military and other action by the United States and its allies may lead to increased political, economic and financial market instability and volatility in prices for natural gas and oil which could affect the market for our gas operations and may materially adversely affect us in ways we cannot predict at this time. In addition, future acts of terrorism and any possible reprisals as a consequence of action by the United States and its allies could be directed against companies operating in the United States. In particular, nuclear generation facilities such as our nuclear plants could be potential targets of terrorist activities. The potential for terrorism has subjected our operations to increased risks and could have a material adverse effect on our business. In particular, we may experience increased capital and operating costs to implement increased security for our plants, including our nuclear power plants under the NRC's design basis threat requirements, such as additional physical plant security and additional security personnel.

The insurance industry has also been disrupted by these events. As a result, the availability of insurance covering risks we and our competitors typically insure against may decrease. In addition, the insurance we are able to obtain may have higher deductibles, higher premiums and more restrictive policy terms.

Increased environmental regulation and liabilities could subject us to significant compliance and remediation costs that adversely affect our results of operations.

Our operations are subject to extensive environmental regulation pursuant to a variety of U.S., Canadian, and other federal, provincial, state and municipal laws and regulations. Such environmental regulation imposes, among other things, restrictions, liabilities, obligations and potential enforcement in connection with the generation, handling, use, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances into the environment. Environmental legislation also requires that our facilities, sites and other properties associated with our operations be operated, maintained, and reclaimed to the satisfaction of applicable regulatory authorities.

Compliance with environmental regulations can require significant expenditures, including expenditures for clean up costs and damages arising out of contaminated properties, and failure to comply with environmental regulations may result in the imposition of fines and penalties. The steps we take to ensure our facilities are in compliance could be prohibitively expensive, and we may be required to shut down or alter the operation of our facilities, which may cause us to incur losses. Further, our regulatory rate structure and our contracts with clients may not necessarily allow us to recover capital costs we incur to comply with new environmental regulations such as the North Carolina clean air legislation. Also, we may not be able to obtain or maintain from time to time all required environmental regulatory approvals for our development projects. If there is a delay in obtaining any required environmental regulatory approvals, if we fail to obtain and comply with them or if environmental regulations change and become more stringent, the operation of our facilities or the development of new facilities could be prevented, delayed or become subject to additional costs. Should we fail to comply with all applicable environmental laws, we may be subject to penalties and fines imposed against us by regulatory authorities. Although it is not expected that the costs of complying with current environmental regulations will have a material adverse effect on our financial condition or results of operations, no assurance can be made that the costs of complying with environmental regulations in the future will not have such an effect.

In addition, we are generally responsible for on-site liabilities, and in some cases off-site liabilities, associated with the environmental condition of our power generation facilities and natural gas assets which we have acquired or developed, regardless of when the liabilities arose and whether they are known or unknown. In connection with some acquisitions and sales of assets, we may obtain, or be required to provide, indemnification against some environmental liabilities. If we incur a material liability, or the other party to a transaction fails to meet its indemnification obligations to us, we could suffer material losses.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents that are incorporated into this joint proxy statement/prospectus by reference may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You can typically identify forward-looking statements by the use of forward-looking words, such as "may," "will," "could," "project," "believe," "anticipate," "expect," "estimate," "continue," "potential," "plan," "forecast" and other similar words. Those statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In addition to the risk factors described under "Risk Factors Relating to the Mergers," those factors include:

State, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rate structures, and affect the speed at and degree to which competition enters the electric and natural gas industries;

The outcomes of litigation and regulatory investigations, proceedings or inquiries;

Industrial, commercial and residential growth in our service territories;

The weather and other natural phenomena, including the economic, operational and other effects of Hurricanes Katrina and Rita;

The timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates;

General economic conditions, including any potential effects arising from terrorist attacks and any consequential hostilities or other hostilities or other external factors over which we have no control;

Changes in environmental and other laws and regulations to which we and our subsidiaries are subject;

The results of financing efforts, including our ability to obtain financing on favorable terms, which can be affected by various factors, including our credit ratings and general economic conditions;

Declines in the market prices of equity securities and resultant cash funding requirements for our defined benefit pension plans;

The level of creditworthiness of counterparties to our transactions;

The amount of collateral required to be posted from time to time in our transactions;

Growth in opportunities for our business units, including the timing and success of efforts to develop real estate, domestic and international power, pipeline, gathering, processing and other infrastructure projects;

Competition and regulatory limitations affecting the success of our divestiture plans, including the prices at which we are able to sell our assets;

The performance of electric generation, pipeline and gas processing facilities;

The extent of success in connecting natural gas supplies to gathering and processing systems and in connecting and expanding gas and electric markets;

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The effect of accounting pronouncements issued periodically by accounting standard-setting bodies;

Conditions of the capital markets and equity markets during the periods covered by the forward-looking statements; and

The ability to successfully complete merger, acquisition or divestiture plans (including the merger of Duke Energy and Cinergy), regulatory or other limitations imposed as a result of a merger, acquisition or divestiture, and the success of the business following a merger, acquisition or divestiture.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. The areas of risk and uncertainty described above should be considered in connection with any written or oral forward-looking statements that may be made after the date of this joint proxy statement/prospectus by Duke Energy Holding, Duke Energy or Cinergy or anyone acting for any or all of them. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

RECENT DEVELOPMENTS

On September 13, 2005, the Duke Energy board of directors approved a plan to pursue the sale or other disposition of substantially all of DENA's physical and commercial assets outside the Midwestern United States, including forward gas and power, gas transportation, storage, structured power and other contracts. DENA's assets subject to the disposition plan are expected to be sold or otherwise disposed of within 12 months from the date Duke Energy's board of directors approved the plan.

The disposition plan resulted in a net initial pre-tax charge of approximately \$1.3 billion. Going forward, the forward power and gas contracts that were historically accounted for as cash flow hedges will be marked to market, which could result in increased volatility in earnings until the contracts are settled, sold or otherwise disposed of.

In addition to these initial charges, Duke Energy anticipates recording additional charges of approximately \$600 million to \$800 million related to the disposition plan. These charges will include:

cash expenditures for termination costs for forward gas and power, transportation, storage, structured power and other contracts; and

cash expenditures for transaction costs, including severance, legal and other costs.

Pursuant to this plan, on November 17, 2005, Duke Energy Marketing America, LLC, Duke Energy North America, LLC (DENA), Duke Energy Trading and Marketing, L.L.C., Duke Energy Marketing Limited Partnership and Engage Energy Canada, L.P. (together, the "Duke Energy Entities") and Barclays Bank PLC entered into a Master Transaction Agreement with respect to substantially all of such Duke Energy Entities' power and gas derivative contracts settling January 2006 forward. Excluded from the master transaction agreement are derivative contracts associated with the near-term value of DENA's West and Northeast generation assets and with remaining gas transportation and structured power contracts. Among other things, the Master Transaction Agreement provides that:

The parties will use reasonable efforts to obtain counterparty consents to novate or assign all derivative contracts to Barclays;

Through contractual arrangements under the Master Transaction Agreement, on November 17, 2005, all economic benefits and burdens under the derivative contracts subject to the Master Transaction Agreement were transferred by the Duke Energy Entities to Barclays, with the Duke Energy Entities remaining the legal counterparties under such derivative contracts until they are novated, assigned or terminated;

The Duke Energy Entities will pay Barclays cash consideration of approximately \$700 million by January 3, 2006;

Collateral requirements under the derivative contracts subject to the Master Transaction Agreement on and after January 3, 2006 will be funded by Barclays.

The novation or assignment of physical power contracts is subject to FERC approval. Barclays is a party to various credit facilities with Duke Energy and its affiliates.

THE DUKE ENERGY SPECIAL MEETING

General

The Duke Energy board of directors is using this joint proxy statement/prospectus to solicit proxies from the holders of shares of Duke Energy common stock for use at the Duke Energy special meeting. Duke Energy is first mailing this joint proxy statement/prospectus and accompanying proxy card to its shareholders on or about [], 200[].

Date, Time and Place of the Duke Energy Special Meeting

Duke Energy will hold its special meeting of shareholders on [], 2006, at 10:00 a.m. local time in the O.J. Miller Auditorium in the Energy Center located at 526 South Church Street in Charlotte, North Carolina.

Purpose of the Duke Energy Special Meeting

At the Duke Energy special meeting, holders of Duke Energy common stock will be asked to:

approve the merger agreement and thereby approve the mergers; and

consider and take action upon any other business that may properly come before the Duke Energy special meeting or any reconvened meeting following an adjournment or postponement of the Duke Energy special meeting.

The Duke Energy board of directors has adopted the merger agreement and approved the mergers and recommends that Duke Energy shareholders vote **FOR** the approval of the merger agreement and the mergers.

Duke Energy Record Date; Shares Entitled to Vote

The Duke Energy board of directors has fixed the close of business on [], 200[] as the record date for determination of shareholders entitled to notice of and to vote at the Duke Energy special meeting. Only holders of record of shares of Duke Energy common stock and Duke Energy preferred stock at the close of business on the record date are entitled to notice of the special meeting, and only holders of record of shares of Duke Energy common stock at the close of business on the record date are entitled to vote at the special meeting and any adjournments or postponements of the Duke Energy special meeting. Under the North Carolina Business Corporation Act, or NCBCA, a North Carolina corporation cannot vote its own shares because North Carolina law does not recognize the concept of treasury shares. Therefore, if a North Carolina corporation acquires its own shares, such shares automatically revert to the status of authorized but unissued shares. Accordingly, Duke Energy will vote no shares at the Duke Energy special meeting.

Each shareholder is entitled to one vote at the Duke Energy special meeting for each share of Duke Energy common stock held by that shareholder at the close of business on the record date. Duke Energy's common stock is its only voting security for the Duke Energy special meeting.

As of [], 200[], the record date for the Duke Energy special meeting, there were approximately [] shares of Duke Energy common stock outstanding and held by approximately [] holders of record.

Quorum

In order to conduct the special meeting, holders of a majority of the outstanding shares of common stock must be present in person or represented by proxy so that there is a quorum. It is important that you vote promptly so that your shares are counted toward the quorum.

All shares of Duke Energy common stock represented at the Duke Energy special meeting, including abstentions and "broker non-votes," will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. "Broker non-votes" are shares held by a broker or other nominee that are represented at the meeting, but with respect to which such broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal, and the broker does not have discretionary voting power on such proposal. Under NYSE rules, your broker or bank does not have discretionary authority to vote your shares of Duke Energy common stock on the proposal to approve the merger agreement. Without voting instructions on such proposal, a broker non-vote will occur.

Vote Required

Approval of the merger agreement and the mergers requires that at least a majority of the outstanding shares of Duke Energy common stock vote **FOR** the approval of the merger agreement and the mergers. Abstentions and broker non-votes have the same effect as shares voted against the proposal to approve the merger agreement and the mergers.

Recommendation of the Board of Directors

As discussed elsewhere in this joint proxy statement/prospectus, Duke Energy's board of directors has adopted and approved the merger agreement and the transactions contemplated by the merger agreement, including the mergers, and has determined that the transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Duke Energy and its shareholders. The Duke Energy board of directors recommends that Duke Energy shareholders vote **FOR** the approval of the merger agreement and the mergers.

Duke Energy shareholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the mergers. In particular, Duke Energy shareholders are directed to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

Voting by Duke Energy's Directors and Executive Officers

As of the record date, Duke Energy's directors and executive officers had the right to vote less than 1% of the Duke Energy common stock outstanding and entitled to vote at the special meeting. Each Duke Energy director and executive officer has indicated his or her present intention to vote, or cause to be voted, the Duke Energy common stock owned by him or her for the approval of the merger agreement.

Voting of Proxies

All shares represented by properly executed proxies received in time for the Duke Energy special meeting will be voted at the Duke Energy special meeting in the manner specified by the shareholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted **FOR** the approval of the merger agreement and the mergers.

Only shares affirmatively voted for the approval of the merger agreement and mergers or properly executed proxies that do not contain voting instructions will be counted as favorable votes for the proposals. Accordingly, an abstention or failure to vote will have the same effect as a vote against approval of the merger agreement and mergers. Also, under NYSE rules, brokers and banks who hold Duke Energy common stock in "street name" for customers who are the beneficial owners of those shares may not give a proxy to vote those shares without specific instructions from those customers.

How to Vote

If you own shares of Duke Energy common stock in your own name, you are an "owner of record." This means that you may use the enclosed proxy card(s) to tell the persons named as proxies how to vote your shares of Duke Energy common stock. If you fail to vote, the proxies cannot vote your shares of Duke Energy common stock at the Duke Energy special meeting. You have four voting options:

Internet. You can vote over the Internet by accessing the website at www.proxyvote.com and following the instructions on the website. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) or voting instruction card(s).

Telephone. You can vote by telephone by calling the toll-free number (800) 690-6903 in the United States, Canada or Puerto Rico on a touch-tone phone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) or voting instruction card(s).

Mail. You can vote by mail by simply completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

In Person. You may come to the Duke Energy special meeting and cast your vote there. The Duke Energy board of directors recommends that you vote by proxy even if you plan to attend the Duke Energy special meeting. If your shares of Duke Energy common stock are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the Duke Energy special meeting.

If you hold shares of Duke Energy common stock in street name, please follow the voting instructions provided by that entity. With respect to the proposal relating to the approval of the merger agreement and mergers, if you do not instruct your bank, broker or other nominee how to vote your shares of Duke Energy common stock, those shares will not be voted at the Duke Energy special meeting, and such bank, broker or other nominee will not be authorized to vote.

A number of banks and brokerage firms participate in a program that also permits shareholders whose shares are held in street name to direct their vote over the Internet or by telephone. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this joint proxy statement/prospectus. If your shares are held in an account at a bank or other brokerage firm that participates in such a program, you may direct the vote of these shares by the Internet or telephone by following the voting instructions enclosed with the proxy form from the bank or brokerage firm.

The Internet and telephone proxy procedures are designed to authenticate shareholders identities, to allow shareholders to give their proxy voting instructions and to confirm that these instructions have been properly recorded. Votes directed by the Internet or telephone through such a program must be received by 11:59 p.m., eastern daylight saving time, on [], 2006. Directing the voting of your Duke Energy shares will not affect your right to vote in person if you decide to attend the Duke Energy special meeting.

The named proxies will vote all shares at the meeting that have been properly voted (whether by Internet, telephone or mail) and not revoked. If you sign and return your proxy card(s) but do not mark your card(s) to tell the proxies how to vote your shares on the proposal, your proxy will be voted **FOR** the proposal.

Duke Energy 401(k) Plan Participants

If you are a participant in the Duke Energy Retirement Savings Plan, you have the right to provide voting directions to the plan trustee on any issues properly presented at the special meeting, by submitting your proxy card, for those shares of Duke Energy common stock that are held by the plan and allocated to your plan account. Plan participant proxies will be treated confidentially. If you elect not to provide voting directions to the plan trustee, shares of Duke Energy common stock allocated to your plan account are to be voted by the plan trustee in the same proportion as those shares held by the plan for which the plan trustee has received voting directions from plan participants. The plan trustee will follow participants' voting directions and the plan procedure for voting in the absence of voting directions, unless it determines that to do so would be contrary to its fiduciary responsibility. Because the plan trustee must process voting instructions from participants before the date of the Duke Energy special meeting, you are urged to deliver your instructions well in advance of the Duke Energy special meeting so that the instructions are received no later than [], 2006.

Revoking Your Proxy

You may revoke your proxy at any time after you give it, and before it is voted, in one of the following ways:

by notifying Duke Energy's Corporate Secretary that you are revoking your proxy by written notice that bears a date later than the date of the proxy and that is received prior to the Duke Energy special meeting and states that you revoke your proxy;

by signing another proxy card(s) or voting instruction card(s) bearing a later date and mailing it so that it is received prior to the special meeting;

by voting again using the telephone or Internet voting procedures; or

by attending the Duke Energy special meeting and voting in person, although attendance at the Duke Energy special meeting alone will not, by itself, revoke a proxy.

If your shares are held in street name by a broker, bank or other nominee you will need to contact your broker to revoke your proxy.

Other Voting Matters

Electronic Access to Proxy Material

This joint proxy statement/prospectus, Duke Energy's Form 10-K for the fiscal year ended December 31, 2004 (Items 6, 7, 7a, 8 and Exhibit 12 of which were revised by the Current Report on Form 8-K filed December 9, 2005), Duke Energy's Form 10-Q for the quarters ended March 31, June 30 and September 30, 2005 (Part I Items 1, 2, and 3 of which were also revised by the Current Report filed on December 9, 2005), and the Current Report on Form 8-K filed December 9, 2005 (which revises the Form 10-K for the fiscal year ended December 31, 2004 and the Form 10-Q's as described above) are available on the Duke Energy website, www.duke-energy.com.

People with Disabilities

Duke Energy can provide you with reasonable assistance to help you participate in the Duke Energy special meeting if you inform Duke Energy of your disability. Please contact Investor Relations by telephone at (800) 488-3853; by electronic correspondence through "Contact Investor Relations" at www.duke-energy.com/investors; or by mail at P.O. Box 1005, Charlotte, N.C. 28201-1005, at least two weeks before the Duke Energy special meeting.

Proxy Solicitations

Duke Energy is soliciting proxies for the Duke Energy special meeting from Duke Energy shareholders. Duke Energy will bear the entire cost of soliciting proxies from Duke Energy shareholders, except that Duke Energy and Cinergy will share equally the expenses incurred in connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part. In addition to this mailing, Duke Energy's directors, officers and employees (who will not receive any additional compensation for their services) may solicit proxies personally, electronically or by telephone.

Duke Energy has engaged the services of Innisfree M&A Incorporated for a fee of approximately \$20,000, plus reimbursement of expenses, to assist in the solicitation of proxies.

Duke Energy and its proxy solicitors will request that banks, brokerage houses and other custodians, nominees and fiduciaries send proxy materials to the beneficial owners of Duke Energy common stock and will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in doing so. The extent to which these proxy-soliciting efforts will be necessary depends upon how promptly proxies are submitted.

Other Business; Adjournment

The Duke Energy board of directors is not aware of any other business to be acted upon at the special meeting and the NCBCA provides that no business other than that stated in the notice may be transacted at any special meeting.

The persons named as proxies by a Duke Energy shareholder may propose and vote for one or more adjournments of the Duke Energy special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposal to approve the merger agreement will be voted in favor of any adjournment of the Duke Energy special meeting.

Any adjournment may be made from time to time by approval of the Duke Energy shareholders holding a majority of the voting power present in person or by proxy at the Duke Energy special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the Duke Energy special meeting. If a quorum is not present at the Duke Energy special meeting, shareholders may be asked to vote on a proposal to adjourn the Duke Energy special meeting to solicit additional proxies. If a quorum is present at the Duke Energy special meeting but there are not sufficient votes at the time of the Duke Energy special meeting to approve the merger proposal, holders of Duke Energy common stock may also be asked to vote on a proposal to approve the adjournment of the Duke Energy special meeting to permit further solicitation of proxies. Abstentions and broker non-votes will be treated as votes against any such proposal.

Representatives of Deloitte & Touche LLP

Representatives of Deloitte & Touche LLP are expected to be present at the Duke Energy special meeting. The representatives of Deloitte & Touche LLP will have the opportunity to make a statement regarding the proposed mergers if they desire to do so, and they are expected to be available to respond to appropriate questions from Duke Energy shareholders at the Duke Energy special meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding Duke Energy's special meeting, please contact Innisfree M&A Incorporated toll-free at (877) 825-8906. Banks and brokers may call collect at (212) 750-5833.

THE CINERGY SPECIAL MEETING

General

The Cinergy board of directors is using this joint proxy statement/prospectus to solicit proxies from the holders of shares of Cinergy common stock for use at the special meeting of Cinergy shareholders. Cinergy is first mailing this joint proxy statement/prospectus and accompanying proxy card to its shareholders on or about [], 200[].

Date, Time and Place of the Cinergy Special Meeting

Cinergy will hold its special meeting of shareholders at 9:00 am, eastern standard time, on [], 2006 at [].

Purpose of Cinergy Special Meeting

At the Cinergy special meeting, holders of shares of Cinergy common stock will be asked to:

adopt the merger agreement and thereby approve the mergers; and

consider and take action upon any other business that may properly come before the Cinergy special meeting or any reconvened meeting following an adjournment or postponement of the Cinergy special meeting.

The Cinergy board of directors has adopted the merger agreement and the transactions contemplated thereby, including the mergers, and recommends that Cinergy shareholders vote **FOR** the adoption of the merger agreement and the mergers.

Cinergy Record Date; Outstanding Shares; Shares Entitled to Vote

The Cinergy board of directors has fixed the close of business on [], 200[] as the record date for determination of shareholders entitled to notice of and to vote at the Cinergy special meeting.

As of [], 200[], the record date for the Cinergy special meeting, there were approximately [] shares of Cinergy common stock outstanding and held by approximately [] holders of record. Each shareholder is entitled to one vote at the Cinergy special meeting for each share of Cinergy common stock held by that shareholder at the close of business on the record date. Cinergy's common stock is its only voting security, and shares of Cinergy common stock held by Cinergy in its treasury are not voted.

Quorum

In order to conduct the special meeting, holders of a majority of the outstanding shares of common stock must be present in person or represented by proxy so that there is a quorum. It is important that you vote promptly so that your shares are counted toward the quorum.

All shares of Cinergy common stock represented at the Cinergy special meeting, including abstentions and "broker non-votes," will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum. "Broker non-votes" are shares held by a broker or other nominee that are represented at the meeting, but with respect to which such broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal, and the broker does not have discretionary voting power on such proposal.

Vote Required

Adoption of the merger agreement and thereby approval of the mergers, requires that at least a majority of outstanding shares of Cinergy common stock vote **FOR** the adoption of the merger agreement and the mergers. Abstentions and broker non-votes will be treated as shares voted against the proposal to adopt the merger agreement and approve the mergers.

Recommendation of the Board of Directors

As discussed elsewhere in this joint proxy statement/prospectus, Cinergy's board of directors has approved and adopted the merger agreement and the transactions contemplated by the merger agreement, including the mergers, and has determined that the transactions contemplated by the merger agreement are advisable, fair to and in the best interests of Cinergy and its shareholders. The Cinergy board of directors recommends that Cinergy shareholders vote **FOR** the adoption of the merger agreement and approval of the mergers.

Cinergy shareholders should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the mergers. In particular, Cinergy shareholders are directed to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

Voting by Cinergy's Directors and Executive Officers

As of the record date for the Cinergy special meeting, Cinergy's directors and executive officers had the right to vote approximately []% of the Cinergy common stock outstanding and entitled to vote at the meeting. Each Cinergy director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of Cinergy common stock owned by him or her for the adoption of the merger agreement and approval of the mergers.

Voting of Proxies

All shares of Cinergy common stock represented by properly executed proxies received in time for the Cinergy special meeting will be voted at the Cinergy special meeting in the manner specified by the shareholders giving such proxies. Properly executed proxies that do not contain voting instructions will be voted **FOR** the adoption of the merger agreement and approval of the mergers.

How to Vote

If you own common stock in your own name, you are an "owner of record." This means that you may use the enclosed proxy card(s) to tell the persons named as proxies how to vote your shares of Cinergy common stock. If you fail to vote, the proxies cannot vote your shares of Cinergy common stock at the Cinergy special meeting. You have four voting options:

Internet. You can vote over the Internet by accessing the website at www.cesvote.com and following the instructions on the website. Internet voting is available 24 hours a day. If you vote over the Internet, do not return your proxy card(s) or voting instruction card(s).

Telephone. You can vote by telephone by calling the toll-free number (888) 693-8683 in the United States, Canada or Puerto Rico on a touch-tone phone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day. If you vote by telephone, do not return your proxy card(s) or voting instruction card(s).

Mail. You can vote by mail by simply completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

In Person. You may come to the Cinergy special meeting and cast your vote there. The Cinergy board of directors recommends that you vote by proxy even if you plan to attend the Cinergy special meeting. If your Cinergy shares are held in street name, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the Cinergy shares and authorizing you to vote such shares at the special meeting.

If you hold shares of Cinergy common stock in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, please follow the voting instructions provided by that entity. If you do not instruct your bank, broker or other nominee how to vote your shares with respect to the proposal relating to the adoption of the merger agreement and approval of the mergers, those shares will not be voted at the Cinergy special meeting, and such bank, broker or other nominee will not be authorized to vote.

A number of banks and brokerage firms participate in a program that also permits shareholders whose shares are held in street name to direct their vote over the Internet or by telephone. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this joint proxy statement/prospectus. If your Cinergy shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these Cinergy shares by the Internet or telephone by following the voting instructions enclosed with the proxy form from the bank or brokerage firm.

The Internet and telephone proxy procedures are designed to authenticate shareholders identities, to allow shareholders to give their proxy voting instructions and to confirm that these instructions have been properly recorded. Votes directed by the Internet or telephone through such a program must be received by 11:59 p.m., eastern standard time, on [], 2006. Directing the voting of your Cinergy shares will not affect your right to vote in person if you decide to attend the Cinergy special meeting.

The named proxies will vote all Cinergy shares at the meeting that have been properly voted (whether by Internet, telephone or mail) and not revoked. If you sign and return your proxy card(s) but do not mark your card(s) to tell the proxies how to vote your Cinergy shares on the proposal, your proxy will be voted **FOR** the proposal.

Cinergy 401(k) Plan Participants

If you are a participant in any of the Cinergy Corp. Non-Union Employees' 401(k) Plan, the Cinergy Corp. Union Employees' 401(k) Plan or the Cinergy Corp. Union Employees' Savings Incentive Plan (these plans are collectively referred to in this joint proxy statement/prospectus as the "Cinergy 401(k) Plan"), you have the right to provide voting directions to the plan trustee by submitting your proxy card for those shares of Cinergy common stock that are held by the Cinergy 401(k) Plan and allocated to your plan account on any issues properly presented at the special meeting of Cinergy shareholders. Plan participant voting directions will be treated confidentially. The plan trustee will follow participants' voting directions unless it determines that to do so would be contrary to the Employee Retirement Income Security Act of 1974. If you elect not to provide voting directions, the plan trustee will vote Cinergy shares allocated to your plan account as it determines in its discretion. Because the plan trustee must process voting instructions from participants before the date of the Cinergy special meeting, you are urged to deliver your instructions well in advance of the Cinergy special meeting so that the instructions are received no later than [], 2006.

Revoking Your Proxy

You may revoke your proxy at any time after you give it, and before it is voted, in one of the following ways:

by notifying Cinergy's Corporate Secretary that you are revoking your proxy by written notice that bears a date later than the date of the proxy and that is received prior to the Cinergy special meeting and states that you revoke your proxy;

by signing another proxy card(s) or voting instruction card(s) bearing a later date and mailing it so that it is received prior to the special meeting;

by voting again using the telephone or Internet voting procedures; or

by attending the Cinergy special meeting and voting in person, although attendance at the Cinergy special meeting alone will not, by itself, revoke a proxy.

If your Cinergy shares are held in street name by a broker, bank or other nominee you will need to contact your broker to revoke your proxy.

Other Voting Matters

Electronic Access to Proxy Material

This joint proxy statement/prospectus, Cinergy's Form 10-K for the fiscal year ended December 31, 2004, and Cinergy's Form 10-Q for the quarters ended March 31, June 30 and September 30, 2005 are available on the Cinergy website, www.cinergy.com.

People with Disabilities

Cinergy can provide you with reasonable assistance to help you participate in the Cinergy special meeting if you inform Cinergy of your disability. Please write to or call Julia S. Janson, Corporate Secretary and Chief Compliance Officer at Cinergy Corp., 139 East Fourth Street, Cincinnati, Ohio 45202, (513) 287-3025, at least two weeks before the Cinergy special meeting.

Proxy Solicitations

Cinergy is soliciting proxies for the Cinergy special meeting from Cinergy shareholders. Cinergy will bear the entire cost of soliciting proxies from Cinergy shareholders, except that Cinergy and Duke Energy will share equally the expenses incurred in connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part. In addition to this mailing, Cinergy's directors, officers and employees (who will not receive any additional compensation for such services) may solicit proxies personally, electronically or by telephone.

Cinergy has also engaged the services of Georgeson Shareholder Communications, Inc. for a fee of approximately \$20,000, plus reimbursement of expenses, to assist in the solicitation of proxies.

Cinergy and its proxy solicitors will also request that banks, brokerage houses and other custodians, nominees and fiduciaries send proxy materials to the beneficial owners of Cinergy common stock and will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in doing so. The extent to which these proxy-soliciting efforts will be necessary depends upon how promptly proxies are submitted.

Other Business; Adjournment

The Cinergy board of directors is not aware of any other business to be acted upon at the Cinergy special meeting.

The persons named as proxies by a Cinergy shareholder may propose and vote for one or more adjournments of the Cinergy special meeting, including adjournments to permit further solicitation of proxies. No proxy voted against the proposal to adopt the merger agreement will be voted in favor of any adjournment of the Cinergy special meeting. Approval of adjournments of the Cinergy special meeting, if necessary, to permit further solicitation of proxies, requires the affirmative vote of at least a majority of the shares of Cinergy common stock present (in person or by proxy) at the Cinergy special meeting. Abstentions and broker non-votes will be treated as votes against such a proposal.

Any adjournment may be made from time to time by approval of Cinergy shareholders holding a majority of the voting power present in person or by proxy at the Cinergy special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the Cinergy special meeting. If a quorum is not present at the Cinergy special meeting, Cinergy shareholders may be asked to vote on a proposal to adjourn the Cinergy special meeting to solicit additional proxies. If a quorum is present at the Cinergy special meeting but there are not sufficient votes at the time of the special meeting to approve the merger proposal, holders of shares of Cinergy common stock may also be asked to vote on a proposal to approve the adjournment of the special meeting to permit further solicitation of proxies.

Representatives of Deloitte & Touche LLP

Representatives of Deloitte & Touche LLP are expected to be present at the Cinergy special meeting. The representatives of Deloitte & Touche LLP will have the opportunity to make a statement regarding the proposed mergers if they desire to do so, and they are expected to be available to respond to appropriate questions from Cinergy shareholders at the Cinergy special meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding Cinergy's special meeting, please contact Georgeson Shareholder Communications Inc. toll-free at (866) 729-6803. Banks and brokers may call collect at (212) 440-9800.

THE MERGERS

The discussion in this joint proxy statement/prospectus of the mergers and the principal terms of the merger agreement are subject to, and are qualified in their entirety by reference to, the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A and is incorporated into this joint proxy statement/prospectus by reference.

General Description of the Mergers

The mergers are structured as all-stock transactions. Under the terms of the merger agreement, Duke Energy will first reorganize into a holding company structure. Prior to entering into the merger agreement, Duke Energy formed a new Delaware corporation, Duke Energy Holding Corp., which in turn formed two wholly-owned subsidiaries, Deer Acquisition Corp. and Cougar Acquisition Corp. The merger agreement contemplates that Deer Acquisition Corp. will merge with and into Duke Energy with Duke Energy as the surviving corporation. In such merger, holders of Duke Energy common stock will receive the right to receive one share of Duke Energy Holding common stock for each share of Duke Energy common stock held. As a result, the current holders of Duke Energy common stock will become, temporarily, the holders of all of the outstanding shares of Duke Energy Holding common stock, and Duke Energy will become a wholly-owned subsidiary of Duke Energy Holding. We refer to this merger throughout this document as the "Duke Energy merger."

Immediately following the Duke Energy merger, Duke Energy intends to transfer ownership of Duke Capital LLC to Duke Energy Holding and in connection with such transfer intends to convert to a limited liability company. The conversion of Duke Energy to a limited liability company is referred to in this joint proxy statement/prospectus as the "Duke Energy conversion." The Duke Energy merger and the Duke Energy conversion taken together are referred to in this joint proxy statement/prospectus as the "Duke Energy reorganization." After the mergers, the former shareholders of Duke Energy and Cinergy will be the shareholders of Duke Energy Holding.

Following the Duke Energy reorganization, the merger agreement contemplates that Cougar Acquisition Corp. will merge with and into Cinergy, with Cinergy as the surviving corporation. In such merger, holders of Cinergy common stock will receive the right to receive 1.56 shares of Duke Energy Holding common stock for each share of Cinergy common stock held (the Cinergy exchange ratio). As a result, the current holders of Cinergy common stock will become holders of Duke Energy Holding common stock, and Cinergy will become a wholly-owned subsidiary of Duke Energy Holding. We refer to this merger throughout this document as the "Cinergy merger."

We refer to the Duke Energy merger and the Cinergy merger together throughout this document as the "mergers." Immediately following completion of the mergers, based on the number of shares of common stock of each of Duke Energy and Cinergy outstanding as of May 6, 2005, the last trading day prior to the public announcement of the mergers, former Duke Energy shareholders will own approximately 76% of Duke Energy Holding's common stock, and former Cinergy shareholders will own approximately 24% of Duke Energy Holding's common stock. We intend to apply to the NYSE prior to the consummation of the mergers to list Duke Energy Holding common stock and intend that shares of Duke Energy Holding common stock will trade under the symbol "DUK."

In connection with the execution of the merger agreement, Duke Energy's shareholder rights plan was amended to exempt the merger agreement and the transactions contemplated by the merger agreement from Duke Energy's shareholder rights plan.

Background of the Mergers

For the past several years, the energy industry, including Duke Energy, has experienced a number of challenges, including a substantial imbalance between supply and demand for electricity, the slow pace of economic recovery, and regulatory and legal uncertainties. In response to these challenges, Duke Energy's focus has been to reduce risks and restructure its business to better focus on its core

assets. To this end, in 2004, Duke Energy's merchant generation business (DENA) sold eight natural gas-fired merchant power plants in the southeastern United States, and Duke Energy International, LLC disposed of its Asia-Pacific power generation and natural gas transmission business. These and other asset sales provided cash proceeds allowing Duke Energy to reduce debt and strengthen its balance sheet. In addition, in February 2005 Duke Energy Field Services, LLC, or DEFS, sold its subsidiary Texas Eastern Products Pipeline Company, LLC for approximately \$1.1 billion, and Duke Energy agreed to transfer a 19.7% interest in DEFS to ConocoPhillips for consideration of approximately \$1.1 billion, which transaction closed in the third quarter of 2005.

Prior to the commencement of the discussions between Duke Energy and Cinergy described below, an important goal of Duke Energy's restructuring efforts was to position DENA to be a successful merchant operator. In this regard, Duke Energy considered various options to create a sustainable business model for DENA, including consideration of business combinations with third parties. At such time, Duke Energy considered criteria for a sustainable business model for DENA to include fuel and customer diversity and sufficient size and scope for a substantial market presence to enable DENA to withstand the cyclical nature of its industry.

Duke Energy believes that its progress with respect to the asset sales described above resulted in a company better positioned to pursue growth strategies. The board of directors and management of Duke Energy regularly evaluate options for achieving long-term strategic goals and enhancing shareholder value, and Duke Energy began reviewing potential opportunities for business combinations within the utility industry with increased focus in mid-2004.

From time to time, the board of directors and management of Cinergy examine possible strategic opportunities in an effort to assure that the company is well positioned for future growth in light of industry developments. In this regard, in the course of a telephone conversation in late September 2004 regarding unrelated matters, James E. Rogers, Chairman and Chief Executive Officer of Cinergy, suggested to Paul M. Anderson, Chairman and Chief Executive Officer of Duke Energy, that the two companies might consider the possibility of a joint venture involving DENA or a similar strategic transaction involving the two companies. Mr. Rogers discussed the possibility of such a transaction involving Cinergy and Duke Energy with the Cinergy board of directors as part of his overall review of possible strategic opportunities at the Cinergy board retreat on October 1, 2004. On October 26, 2004, at a regularly scheduled meeting of the Duke Energy board of directors, Mr. Anderson provided a brief review of companies that had expressed an interest in potential business combinations with Duke Energy, including a review of Cinergy's interest in a potential transaction involving DENA.

In early November 2004, Mr. Rogers and one other Cinergy executive and Mr. Anderson and one other Duke Energy executive met in person in Charlotte, North Carolina to discuss further the possibility of a transaction involving Cinergy and DENA, as well as to discuss whether there were other possible mutually beneficial strategic opportunities for the two companies. During this meeting, the parties discussed a merger of the two companies as one possible alternative. On November 10, 2004, Duke Energy and Cinergy entered into a confidentiality agreement covering the discussions between the companies and any material that might be exchanged by the parties. During the next month, Mr. Rogers and Mr. Anderson met one time and spoke by telephone on one additional occasion to discuss a business combination involving the entirety of the two companies. In addition, an executive officer of Duke Energy and an executive officer of Cinergy spoke by telephone on two occasions to discuss a potential transaction. On December 9, 2004, Mr. Rogers updated the Cinergy board of directors on matters relating to discussions with Duke Energy, as well as other possible strategic opportunities. On December 16, 2004, at a regularly scheduled meeting of the Duke Energy board of directors, Mr. Anderson reviewed the discussions with Mr. Rogers and other Cinergy executives and provided a general review of Cinergy as a potential partner for a business combination. Mr. Anderson discussed other potential candidates for a business combination with Duke Energy at the meeting.

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During December 2004, Duke Energy and Cinergy began to exchange confidential financial information, including at a meeting between executives of Duke Energy and Cinergy in McLean, Virginia on December 21, 2004. This information included a high level overview of each company's businesses and projected financial information, including, among other things, Duke Energy's most recent ratings agency presentation and related supplemental financial information.

On January 7, 2005, executives of each of Duke Energy and Cinergy met in Atlanta, Georgia to discuss, among other things, an overview of DENA and Cinergy's Commercial Business Unit and the combination of their operations in the context of a business combination involving the entirety of the two companies.

On January 11, 2005, Mr. Rogers and Mr. Anderson discussed proceeding with the exploration of a potential business combination. This call was followed by a meeting on January 17, 2005 in North Carolina involving Mr. Rogers, Mr. Anderson and executives of each company to discuss matt