



Ernie Fletcher  
Governor

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Commonwealth of Kentucky  
**Public Service Commission**  
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Mark David Goss  
Chairman

John W. Clay  
Commissioner

December 19, 2006

Lawrence W. Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

RE: Case No. 2006-00426

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure



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Honorable John J. Finnigan, Jr.  
Senior Counsel  
The Union Light, Heat and Power Company  
139 East Fourth Street  
Cincinnati, OH 45202

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ANNUAL COST RECOVERY )  
FOR DEMAND-SIDE MANAGEMENT BY )  
THE UNION LIGHT, HEAT AND POWER ) CASE NO. 2006-00426  
COMPANY D/B/A DUKE ENERGY )  
KENTUCKY )

O R D E R

On September 29, 2006, Duke Energy Kentucky ("Duke") submitted its annual status report on its demand-side management ("DSM") programs, its application for continuation of the Energy Education and Bill Assistance Program and the Personalized Energy Report Program and its proposed adjustment of the DSM cost recovery mechanism. In its application, Duke requests permission to continue its current DSM programs and to continue recovering costs for its existing DSM programs under its existing tariffs until the effective date of new tariffs if the Commission is delayed in making its determination until after December 31, 2006. On November 8, 2006, the parties in this case participated in an informal conference at which time Duke indicated that it would be amending its application in order to incorporate certain provisions contained in the settlement agreement filed in its pending rate case.<sup>1</sup> Since Duke has not yet filed its amended application and it appears that a decision cannot be rendered by December 31, 2006, the Commission finds that good cause exists to grant Duke's

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<sup>1</sup> Case No. 2006-00172, The Application of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky to Increase Its Electric Rates.

request to continue the current set of programs and to allow Duke to recover its costs under its existing tariffs until such time as the Commission issues its order in this case.

IT IS THEREFORE ORDERED that Duke's request to continue its current DSM programs and its recovery of costs under its current tariffs after December 31, 2006 until the Commission renders its decision in this case is granted.

Done at Frankfort, Kentucky, this 19th day of December, 2006.

By the Commission

ATTEST:  
  
Executive Director