

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION)
LIGHT, HEAT AND POWER COMPANY)
D/B/A DUKE ENERGY KENTUCKY FOR) CASE NO. 2007-00054
AUTHORITY TO ESTABLISH A)
REGULATORY ASSET FOR DEFERRED)
VACATION EXPENSE)

O R D E R

In Case No. 2001-00092,¹ the Commission directed The Union Light, Heat and Power Company, now Duke Energy Kentucky, Inc., (“Duke Kentucky”) to file a formal application for Commission approval to establish a deferred asset account. On January 22, 2007, Duke Kentucky filed a letter with the Commission requesting approval to establish such an account for deferred vacation expense. Based on our review of Duke Kentucky’s letter, the Commission finds that the letter should be treated as an application and accepted for filing, that additional information is needed in order to properly evaluate Duke Kentucky’s request, and that the Attorney General of the Commonwealth of Kentucky (“AG”), the sole intervenor in Case No. 2001-00092, should be placed on notice of this proceeding.

¹ Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company (Ky. PSC Jan 31, 2002).

IT IS THEREFORE ORDERED that:

1. Duke Kentucky's letter of January 22, 2007 is hereby accepted as an application for approval to establish a deferred asset account for deferred vacation expenses.

2. This case is hereby established to consider the reasonableness of Duke Kentucky's request.

3. The Executive Director shall serve a copy of this Order upon the AG to put him on notice that this case has been established. If the AG wishes to become a party to this proceeding, he shall send written notice to the Commission.

4. The procedural schedule set forth in Appendix A to this Order shall be followed in this proceeding.

5. All interrogatories and requests for production of documents shall be appropriately indexed. Responses shall include the name of the individual responsible for responding to the questions related to the information provided.

6. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

7. All documents that the Commission requires any party to file with the Commission shall also be served upon all parties of record at or before the time of filing.

8. All parties shall respond to any interrogatories and requests for production of documents that Commission Staff submits in accordance with the procedural schedule set forth in Appendix A.

9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

Done at Frankfort, Kentucky, this 15th day of February, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the end, positioned above the text 'Executive Director'.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00054 DATED February 15, 2007

Initial request for information to Duke Kentucky shall
be filed no later than..... 2/23/07

Duke Kentucky shall file responses to initial requests for
information no later than..... 3/05/07

Additional procedure, if any, shall be scheduled at a later date.