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John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT DELIVERY

December 21, 2006

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

DEC 22 2006

**PUBLIC SERVICE
COMMISSION**

Re: Application of Duke Energy Kentucky, Inc. for an Order Authorizing the Issuance of Unsecured Dept and Long-Term Notes, Execution and Delivery of Long-Term Loan Agreement, and Use of Interest Rate Management Instruments
Case No. 2006-00563

and

Application of Duke Energy Kentucky, Inc. for an Order to Enter into up to \$25,000,000 Principal Amount of Capital Lease Obligations
Case No. 2006-00567

Dear Ms. O'Donnell:

Enclosed please find an original and twelve copies of the above-referenced Applications.

Please assign a separate case number for each enclosed Application and file-stamp and return the two extra copies of each in the enclosed over-night envelope.

If you have any questions regarding this filing, please call me at (513) 287-3601.

Sincerely,

John J. Finnigan, Jr.
Associate General Counsel

JJF/sew

cc: Hon. Elizabeth Blackford (via overnight w/encl.)

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DEC 22 2006

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of the Application of Duke Energy)
Kentucky, Inc. for an Order to Enter into up to)
\$25,000,000 Principal Amount of Capital Lease)
Obligations)

Case No. 2006-00567

APPLICATION

Pursuant to KRS 278.300 and 807 KAR 5:001 Sections 8 and 11, Duke Energy Kentucky, Inc. ("DE-Kentucky") respectfully requests that the Commission authorize DE-Kentucky to issue capital leases, and enter into all necessary agreements and other documents relating thereto, as more fully described herein. In support of this Application, DE-Kentucky states as follows:

1. **Address:** DE-Kentucky is a Kentucky corporation with its principal place of business at 1697A Monmouth Street, Newport Shopping Center, Newport, Kentucky 41071. DE-Kentucky's principal executive office is 139 East Fourth Street, Cincinnati, Ohio 45202.

2. **Articles of Incorporation:** Pursuant to 807 KAR 5:001, Section 8(3), DE-Kentucky states that a certified copy of its Articles of Incorporation, as amended, is at Exhibit A.

3. **Statement of Business:** DE-Kentucky is a utility as defined in KRS 278.010(3)(a) and (b), engaged in providing retail gas and electric services to its customers in Northern Kentucky in various municipalities and unincorporated areas of

Kenton, Campbell, Boone, Gallatin, Grant, and Pendleton Counties. DE–Kentucky is thus subject to the Commission’s jurisdiction.

4. **807 KAR 5:001 Section 11(1)(a).** As of September 30, 2006, the original cost of DE–Kentucky’s property was \$1,423,041,000. The Company’s principal properties consist of electric generating plants, and gas and electric distribution facilities.

5. **807 KAR 5:001 Section 11(1)(b).** DE–Kentucky proposes, with the necessary consent and authority of this Commission, to enter into, from time to time over a period ending December 31, 2008, up to \$25 million principal amount of capital lease obligations (“Capital Leases”). DE–Kentucky proposes to utilize Capital Leases purely as another form of financing its capital requirements. The Capital Leases will have structures and terms similar to other forms of debt financing, but with the potential, in certain instances, to lower the overall cost associated with financing property acquisitions.

Capital Leases will be used to finance new property, including construction, or re-finance existing property, in order to optimize the cost of financing commensurate with such property’s expected life (such property being more fully described in “Property Expected to be Leased” below).

Advantages of Leasing. Leasing can allow DE–Kentucky to access lower cost funds. One reason for this is because lessors often have a higher credit rating than DE–Kentucky, and therefore, can secure capital at a lower cost. Capital leasing may also deliver lower cost funds because the lessor may be better able to use the tax depreciation benefits than the lessee, thus lowering the cost of financing. Some portion of this lower

cost may be passed on to DE–Kentucky, along with a spread for profit to the lessor, which usually is at a cost below what DE–Kentucky could have obtained otherwise.

Established financing practices are employed to determine whether ownership or lease (including sale/leaseback) of certain assets is the appropriate method of financing. The impact on earnings and cash flow for available financing alternatives are analyzed.

Capital lease financing is similar to debt except that for certain acquisitions it can be more easily tailored to match the useful life of the acquisition. It is often more effective to enter into a capital lease whose maturity is concurrent with an asset’s useful life than to issue a large amount of bonds for a basket of assets having various useful lives. When compared to bonds, the effective cost of capital lease financing may be lower due to reduced transaction costs. And, in the case of variable rate leases, small interest spreads over short-term borrowing indexes such as LIBOR may be negotiated, thus making Capital Leases a cost-effective source of financing which may lower overall utility costs.

Property Expected to be Leased. The property expected to be leased will consist of equipment used in DE–Kentucky’s operations including, but not limited to, meters, computers and office equipment, and intangible property such as software and site licenses (collectively, the “Property”). The Property may also include land, plant or equipment in service, plant under construction or land, plant or equipment to be acquired or constructed.

Accounting. DE–Kentucky proposes to account for the Capital Leases as prescribed by the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect.

The amount financed under each Capital Lease, excluding transaction costs, is not expected to be more than the net capitalized cost of the property or the appraised value of the Property (in the event more than the capitalized cost is financed).

In accordance with generally accepted accounting principles, the net capitalized cost of property usually includes installation, training, allowance for funds, administrative overhead and other costs capitalized in connection with acquiring and placing the property in service. Such costs are expected to be included in the Property cost financed under a Capital Lease.

Method of Transacting Capital Leases. To effectuate the lease transactions, DE-Kentucky will: (1) obtain third-party lease financing for Property acquisitions; or (2) in the case of existing Property, sell the Property to a third-party finance lessor (“Lessor”), and simultaneously therewith DE-Kentucky will lease the Property back from the Lessor. In connection therewith, the terms of each Capital Lease will be approved by DE-Kentucky’s Board of Directors, or by such persons authorized by the Board, and it is anticipated that an agreement setting forth the terms of each Capital Lease will be executed.

In the case of new Property that is acquired or constructed, the Lessor will either: (a) pay the vendor and DE-Kentucky for their respective costs associated with the acquisition; or (b) reimburse DE-Kentucky for the capitalized cost of the property, with DE-Kentucky concurrently paying the vendor the invoice cost; this latter option being undertaken solely to allow for administrative efficiencies.

Related Agreements. DE-Kentucky may enter into one or more participation agreements with its affiliates and the Lessor in connection with the Capital Leases, with

such agreements defining DE–Kentucky’s role as principal and, as applicable, agent on behalf of its affiliates for billing and payment remittance purposes. Such arrangements will be undertaken solely for administrative efficiencies and convenience of the parties involved.

End of Term Options. At the end of each initial or renewal lease term, it is anticipated that DE–Kentucky will have an option to either: (a) renew each Capital Lease pursuant to arm’s length negotiation with the then existing Lessor or other lessors; (b) purchase the Property; or (c) terminate the Capital Lease.

Pricing Parameters. DE–Kentucky has parameters within which the final negotiated Capital Leases, including sale and leasebacks, and rental obligations will fall, and requests authority to execute Capital Leases of the Property within such parameters. The parameters, as set forth in Exhibit B, would allow DE–Kentucky to consummate transactions when it believes it is prudent to do so provided the terms are within the parameters.

Commission Authorization. DE–Kentucky requests that the Commission issue its order authorizing the Capital Leases now, prior to the time DE–Kentucky reaches specific agreement with respect to the terms of such lease transactions, to provide the Company flexibility in entering into the leases. Such Commission approval will not relieve DE–Kentucky of its responsibility to obtain the best terms available for the structure selected and, therefore, it is appropriate and reasonable for this Commission to authorize DE–Kentucky to agree to such terms and prices consistent with said parameters.

6. **807 KAR 5:001 Section 11(1)(c).** The proceeds from the Capital Lease obligations are expected to be used: (a) for necessary acquisitions of property, and estimated capital expenditures of \$72.5 million in 2007 and \$90.4 million in 2008; (b) for re-financing existing property; (c) for such additional expenditures as contemplated by KRS 278.300; or (d) for other lawful corporate purposes. Therefore, Capital Lease transactions are necessary and appropriate for and consistent with the proper performance by DE–Kentucky of its services to the public, will not impair its ability to perform those services, and are reasonably necessary and appropriate for such purposes.

7. **807 KAR 5:001 Section 11(1)(d).** See Exhibit C concerning estimated capital expenditures, attached hereto, and made a part hereof.

8. **807 KAR 5:001 Section 11(1)(e).** This section is not applicable, since no specific discharge of obligations is contemplated at this time from transacting the Capital Leases.

9. In Case No. 2004-00434, the Commission approved up to \$25 million in principal amount of Capital Lease obligations for the period ending December 31, 2006. As of September 30, 2006, there remained approximately \$21 million of available authority. The existing Capital Lease obligations will be counted toward the \$25 million in principal amount authority that the Company seeks in this proceeding.

10. **807 KAR 5:001 Section 6 and Section 11(2)(a).** DE–Kentucky is filing the following information in Exhibit D, which is incorporated herein and made a part of this application:

<u>Exhibit C</u> <u>Page</u>	<u>Description</u>	<u>807 KAR 5:001</u> <u>Section Reference</u>
	Financial Exhibit	6 and 11 (2) (a)

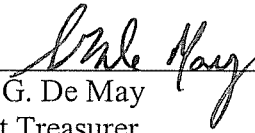
1	Amount and kinds of stock authorized	6 (1)
1	Amount and kinds of stock issued and outstanding	6 (2)
1	Terms of preference or preferred stock	6 (3)
1	Brief description of each mortgage on property of ULH&P	6 (4)
2	Amount of bonds authorized and issued and related information	6 (5)
3	Notes outstanding and related information	6 (6)
3	Other indebtedness and related information	6 (7)
3	Dividend information	6 (8)
3-7	Detailed Income Statement and Balance Sheet	6 (9)

10. **807 KAR 5:001 Section 11(2)(b).** This section is not applicable, as there are no related deeds of trust or mortgage documents relevant to this application.

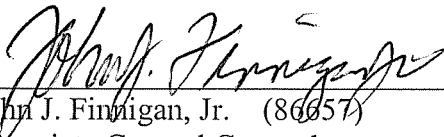
11. **807 KAR 5:001 Section 11(2)(c).** The proposed construction is primarily comprised of installations, improvements and extensions in the ordinary course of business as a utility. It is therefore impractical to submit maps and plans pertaining thereto.

WHEREFORE, DE–Kentucky respectfully requests that the Commission issue an order authorizing DE–Kentucky to enter into up to \$25 million principal amount of Capital Leases, including sale and leasebacks, for the purposes herein stated and in a manner as herein set forth, and authorizing DE–Kentucky to account for such Capital Leases in the manner as herein set forth.

DUKE ENERGY KENTUCKY, INC.

By: 
Stephen G. De May
Assistant Treasurer

Its Attorney:


John J. Finnigan, Jr. (86657)
Associate General Counsel
Duke Energy Kentucky, Inc.
139 East Fourth Street
P.O. Box 960
Cincinnati, Ohio 45201-0960
Phone: (513)287-3601
Fax: (513)287-3810
Email: john.finnigan@duke-energy.com

VERIFICATION

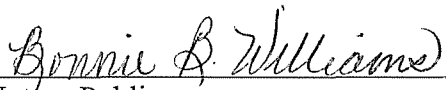
State of North Carolina)
) SS:
County of Mecklenburg)

Stephen G. De May, being first duly sworn, states that he is Assistant Treasurer of Duke Energy Kentucky, Inc.; that he has read the foregoing application; and that the contents are true to the best of his knowledge, information and belief.



Stephen G. De May

Subscribed and sworn to before me, this 7th day of December, 2006.



Notary Public

0052929.09

Wilson
PACA

ARTICLES OF AMENDMENT
BY SHAREHOLDERS

Trey Grayson
Secretary of State
Received and Filed
09/18/2006 12:12:41 PM
Fee Receipt: \$40.00

Pursuant to the provisions of Chapter 271B of the Kentucky Revised Statutes, the undersigned corporation hereby amends its Articles of Incorporation, and for that purpose, submits the following statement:

1. The name of the corporation is The Union Light, Heat and Power Company.
2. On October 1, 2006 the sole shareholder of the corporation unanimously adopted the following amendment of its Articles of Incorporation:

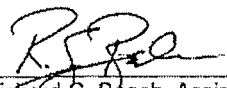
FIRST: The name of the corporation is Duke Energy Kentucky, Inc. (hereinafter referred to as the "Company").

3. The date the amendment will be effective is October 1, 2006.

Date September 14, 2006

The Union Light Heat and Power Company

By:


Richard G. Beach, Assistant Secretary

KY06 - 013030 T System Online

193414

Duke Energy Kentucky, Inc.

Capital Lease Parameter Summary

Property Description:	The property expected to be leased will consist of equipment used in DE–Kentucky’s operations including, but not limited to, meters, computers and office equipment, and intangible property such as software and site licenses (collectively, the “Property”). The Property may also include land, plant or equipment in service, plant under construction or land, plant or equipment to be acquired or constructed.
Use of Proceeds:	To acquire property, fund construction expenditures, refinance existing property or for other general corporate purposes.
Principal Amount:	Up to \$25 million, depending on the capitalized cost or appraised value of the property, plus transaction costs.
Lessor:	One or more lessors to be named.
Lease Term:	To be determined.
Lease Cost:	Aggregate cost of rental payments, commitment fees and closing costs during each initial or renewal period that results in an interest rate (implicit or otherwise) that is equal to or less than those generally obtainable on capital lease financing having the same or reasonably similar terms offered to, or entered into, by utility companies or utility holding companies of the same or reasonably comparable credit quality.

ULH&P Capital Expenditures ^{-/1}

Gas Department

Gas Production	\$ 239,897	\$ 245,694	\$ 254,749
Gas Special Projects	\$ 12,218,398	\$ 13,687,030	\$ 12,716,242
Gas Distribution	\$ 11,065,527	\$ 11,539,502	\$ 10,765,664
Gas Building & Grounds	\$ 156,033	\$ 159,803	\$ 165,693
Gas General	\$ 408,441	\$ 2	\$ -
Gas Meters	\$ 1,565,902	\$ 1,418,398	\$ 1,819,043
Total Gas Department	\$ 25,654,198	\$ 27,050,430	\$ 25,721,391

Electric Department

Substations - Transmission	\$ 583,538	\$ 425,687	\$ 390,289
Substations - Distribution	\$ 3,726,964	\$ 3,535,820	\$ 3,691,538
Transmission Lines	\$ 411,331	\$ 544,436	\$ 460,275
Distribution Transformers	\$ 1,640,456	\$ 1,681,216	\$ 1,704,835
Line Extensions	\$ 5,313,815	\$ 5,445,848	\$ 5,522,355
Street Lights	\$ 496,905	\$ 509,252	\$ 516,406
Distribution Improvements	\$ 7,458,610	\$ 7,480,062	\$ 7,008,083
Power Supply	\$ 52,130	\$ 52,032	\$ -
Meters & Instrument Transform	\$ 686,748	\$ 560,938	\$ 568,819
Production Plant	\$ 11,918,029	\$ 19,741,735	\$ 24,028,740
Environmental	\$ 366,915	\$ 496,441	\$ 2,486,511
Environmental Compliance NOx	\$ -	\$ 1,877,333	\$ 10
Environmental Comp - CAIR/CS	\$ 367,572	\$ 1,064,211	\$ 89,188
Total Electric Department	\$ 33,023,012	\$ 43,415,011	\$ 46,467,049

Common Plant

Buildings & Grounds	\$ 294,622	\$ 207,338	\$ 214,004
Transportation	\$ 22,050	\$ 22,470	\$ 22,890
Power Supply	\$ 465,893	\$ 5	\$ -
Software Five Year	\$ 398,209	\$ 1	\$ -
Meters & Instrument Transform	\$ 782,400	\$ -	\$ -
AMI Electric	\$ 11,845,000	\$ 19,750,000	\$ -
Total Common Plant	\$ 13,808,174	\$ 19,979,814	\$ 236,894
Totals	\$ 72,485,383	\$ 90,445,254	\$ 72,425,334

Notes:

^{-/1} Includes all additions (account 107000) and retirements (account 108000), including all AFUDC

(1) Amount and kinds of stock authorized.

1,000,000 shares of Capital Stock \$15 per share par value amounting to \$15,000,000 par value.

(2) Amount and kinds of stock issued and outstanding.

585,333 shares of Capital Stock \$15 per share par value amounting to \$8,779,995 total par value plus premiums thereon of \$23,759,820, plus \$139,855,099 Contribution of Capital related to acquisition of the generating units from The Cincinnati Gas & Electric Company.

(3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

There is no preferred stock authorized, issued or outstanding.

(4) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provision.

Duke Energy Kentucky does not have any assets secured by a mortgage.

(5) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face

value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.

The Company has two outstanding issues of unsecured senior debentures issued under an Indenture dated July 1, 1995, between itself and The Bank of New York Trust Company, N.A., as Trustee, (Successor Trustee to Fifth Third Bank), as supplemented by four Supplemental Indentures. The Indenture, as amended, allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued under the Indenture are the following:

<u>Supplemental Indenture</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u> \$	<u>Principal Amt. Outstd.</u> \$	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Interest Paid Year 2005</u> \$
2 nd Supplemental	4/30/98	20,000,000	20,000,000	6.50%	4/30/08	1,300,000
4 th Supplemental	9/17/99	20,000,000	20,000,000	7.875%	9/15/09	1,575,000
			<u>40,000,000</u>			<u>2,875,000</u>

The Company has three outstanding issues of unsecured senior debentures issued under an Indenture dated December 1, 2004, between itself and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by one Supplemental Indenture. The Indenture allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued under the Indenture are the following:

<u>Supplemental Indenture</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u> \$	<u>Principal Amt. Outstd.</u> \$	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Interest Paid Year 2005</u> \$
Not Applicable	12/9/04	40,000,000	40,000,000	5.00%	12/15/14	2,000,000
1 st Supplemental	3/10/06	50,000,000	50,000,000	5.75%	3/10/16	-0-
1 st Supplemental	3/10/06	65,000,000	65,000,000	6.20%	3/10/36	-0-
			<u>155,000,000</u>			<u>2,000,000</u>

(1) Interest paid in the last fiscal year is not applicable on the bonds issued in 2006.

(6) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.

<u>Payee</u>	<u>Date of Issue</u>	<u>Amount</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Interest Paid Years 2005⁽¹⁾</u>
<u>Inter-Company</u>					\$
Cinergy Corp.	9/29/06	27,185,250	10/02/06	5.41%	-0-

(1) Interest paid in the last fiscal year is not applicable because the short-term notes listed were not outstanding in the year 2005.

(7) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

The Company has two outstanding issues of Pollution Control Revenue Refunding Bonds issued under Trust Indentures dated as of August 1, 2006 between the County of Boone, Kentucky and Deutsche Bank National Trust Company as Trustee. The Company's obligations to make payments equal to debt service on the Bonds are evidenced by Loan Agreements dated as of August 1, 2006 between the County of Boone, Kentucky and DE-Kentucky. The Bonds issued under the Indentures are the following:

<u>Indenture</u>	<u>Date of Issue</u>	<u>Principal Amt. Auth. and Issued</u>	<u>Principal Amt. Outstd.</u>	<u>Rate of Interest</u>	<u>Date of Maturity</u>	<u>Interest Pa Year 2005</u>
		\$	\$			\$
2006A	8/1/06	50,000,000	50,000,000	3.60% ⁽¹⁾	8/1/27	-0-
2006B	8/1/06	26,720,000	26,720,000	3.86% ⁽²⁾	8/1/27	-0-
			<u>76,720,000</u>			<u>-0-</u>

- (1) Initial interest rate. This is variable rate debt that resets every 35 days.
- (2) This variable rate debt was swapped to a fixed rate of 3.86% for the life of the debt.
- (3) Interest paid in the last fiscal year is not applicable because the bonds were not outstanding in the year 2005.

(8) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.

<u>Year Ending</u>	<u>Dividends Paid</u>		<u>No. of Shares</u>	<u>Par Value of Stock</u>
	<u>Per Share</u>	<u>Total</u>		
	\$	\$		\$
December 31, 2001	20.00	11,706,660	585,333	8,779,995
December 31, 2002	16.52	9,669,701	585,333	8,779,995
December 31, 2003	10.77	6,304,036	585,333	8,779,995
December 31, 2004	24.94	14,600,000	585,333	8,779,995
December 31, 2005	17.03	9,965,521	585,333	8,779,995

(9) Detailed Income Statement and Balance Sheet

See attached pages xxxxx of Financial Exhibit for detailed income statement for the twelve months ended September 30, 2006 and detailed balance sheet as of September 30, 2006.

**DUKE ENERGY KENTUCKY
CONDENSED STATEMENTS OF OPERATIONS**

	Twelve Months Ended September 30, 2006
<hr/>	
Operating Revenues	
Electric	\$ 259,416
Gas	151,745
Total Operating Revenues	<u>411,161</u>
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Operating Expenses	
Natural gas and petroleum products purchased	105,569
Operation, maintenance, and other	105,362
Fuel used in electric generation and purchased power	127,994
Depreciation and amortization	33,268
Property and other taxes	8,992
Total Operating Expenses	<u>381,185</u>
<hr/>	
Operating Income	29,976
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Other Income and Expenses, net	3,638
Interest Expense	14,067
<hr/>	
Income from Continuing Operations Before Income Taxes	19,547
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Income Tax Expense from Continuing Operations	<u>5,899</u>
Net (Loss) Income	<u>\$ 13,648</u>
<hr/>	

DUKE ENERGY KENTUCKY
CONDENSED BALANCE SHEETS

ASSETS	September 30, 2006
<hr/>	
Current Assets	
Cash and cash equivalents	\$ 5,550
Receivables (net of allowance for doubtful accounts of \$292 at September 30, 2006 and \$162 at December 31, 2005)	10,203
Inventory	20,012
Other	5,574
Total current assets	<u>41,339</u>
<hr/>	
Investments and Other Assets	
Intangible assets	14,797
Other	264
Total investments and other assets	<u>15,061</u>
<hr/>	
Property, Plant, and Equipment	
Cost	1,432,913
Less accumulated depreciation and amortization	592,776
Net property, plant, and equipment	<u>840,137</u>
<hr/>	
Regulatory Assets and Deferred Debits	
Deferred debt expense	7,059
Other	8,992
Total regulatory assets and deferred debits	<u>16,051</u>
<hr/>	
Total Assets	<u><u>\$ 912,588</u></u>
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DUKE ENERGY KENTUCKY
CONDENSED BALANCE SHEETS

LIABILITIES AND COMMON STOCKHOLDER'S EQUITY

September 30,
2006

Current Liabilities		
Accounts payable		\$ 23,639
Notes payable and commercial paper		27,181
Taxes accrued		9,269
Interest accrued		2,004
Current maturities of long-term debt and preferred stock		1,334
Other		7,451
Total current liabilities		<u>70,878</u>
Long-term Debt		281,100
Deferred Credits and Other Liabilities		
Deferred income taxes		145,211
Investment tax credit		6,904
Accrued pension and other postretirement benefit costs		19,819
Regulatory liabilities		28,172
Asset retirement obligations		8,399
Other		8,032
Total deferred credits and other liabilities		<u>216,537</u>
Common Stockholder's Equity		
Common stock – \$15.00 par value; 1,000,000 shares authorized and 585,333 shares outstanding at September 30, 2006 and December 31, 2005		8,780
Paid-in capital		163,615
Retained earnings		174,586
Accumulated other comprehensive loss		(2,908)
Total Common Stock Equity		<u>344,073</u>
Total Liabilities and Shareholder's Equity		<u>\$ 912,588</u>