



PCR

139 East Fourth Street, R. 25 At II
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-419-1852
Fax: 513-419-1846
Rocco.D'Ascenzo@duke-energy.com

VIA OVERNIGHT MAIL

RECEIVED

June 21, 2010

JUN 22 2010

Rocco O. D'Ascenzo
Senior Counsel

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Case No. 2008-00504
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 Obligation

Dear Mr. Derouen:

Duke Energy Kentucky, Inc. recently entered into the following meter lease:

Date:	June 18, 2010
Lessee:	Duke Energy Kentucky, Inc.
Lessor:	Banc of America Leasing & Capital, LLC
Assigned to:	Massmutual Asset Finance LLC
Amount:	\$955,060.61
Term:	10 years
Monthly Rental:	\$9,331.29
Payable:	July 18, 2010 and for each month thereafter
Early Buy Out Date:	June 18, 2019
Early Buy Out Amount:	\$115,084.80
Early Buy Out Implicit Rate:	3.33%

The Company is reporting this transaction, as required by the Commission's January 31, 2007 Order in this case.

Sincerely,

Rocco O. D'Ascenzo
Senior Counsel

cc: Mr. Joachim W. Castelsky