



139 East Fourth Street, R. 25 At II
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-287-3601
Fax: 513-287-3810
John.Finnigan@duke-energy.com

John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT DELIVERY

October 24, 2006

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

RECEIVED

OCT 25 2006

**PUBLIC SERVICE
COMMISSION**

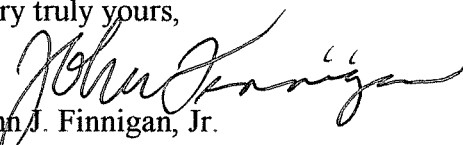
Re: In the Matter of an Adjustment of the Electric Rates of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc.
Case No. 2006-00172

Dear Ms. O'Donnell:

I would like to correct one matter in my letter dated October 16, 2006. That letter stated we would request the testimony of our case-in-chief witnesses to be stipulated to by the other parties. After discussing this matter with Commission Staff and the other parties, my understanding is that the parties will not stipulate to the admission of our case-in-chief testimony. Instead, we will simply offer Mr. Smith to support the reasonableness of the settlement agreement, and we will rely on the fact that the other witnesses' testimony will be accepted into evidence as part of the record in this proceeding. If the Commission asks for other witnesses to be present at the hearing, we will have such witnesses available with adequate notice.

Thank you for your consideration in this matter.

Very truly yours,


John J. Finnigan, Jr.
Associate General Counsel

JJF/sew

cc: Hon. Dennis G. Howard
Hon Elizabeth E. Blackford
Hon. David G. Boehm
Hon. Michael L. Kurtz
Hon. Richard G. Raff