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John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT MAIL

October 3, 2006

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

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OCT 04 2006

**PUBLIC SERVICE
COMMISSION**

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

Dear Ms. O'Donnell:

We would like to request an informal conference in the above-referenced case for October 6, 2006 at 10:00 a.m. at the Commission's office to discuss settlement. My understanding is that the other parties are available to meet at this date and time. We will circulate a settlement offer prior to the meeting.

If you have any questions, please do not hesitate to contact me at (513) 287-3601.

Sincerely,

John J. Finnigan, Jr.
Associate General Counsel

JJF/sew

cc: Hon. Elizabeth E. Blackford (via overnight mail)
Hon. Richard G. Raff (via overnight mail)
Hon. Dennis G. Howard, II (via overnight mail)
Hon. Michael L. Kurtz (via overnight mail)