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John J. Finnigan, Jr.  
Senior Counsel

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PUBLIC SERVICE  
COMMISSION

**VIA OVERNIGHT DELIVERY**

July 5, 2006

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

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

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Dear Ms. O'Donnell:

I am writing to correct a missing page (page 23) from the testimony of Sandra P. Meyer that was inadvertently omitted from volume 14 of our May 31, 2006 filing in the above-referenced case. Enclosed is an original and ten copies for the filing.

I apologize for this inconvenience. Thank you for your consideration in this matter.

Very truly yours,

John J. Finnigan, Jr.  
Senior Counsel

JJF/sew

cc: Hon. Dennis G. Howard (w/encl.)  
Hon Elizabeth E. Blackford (w/encl.)  
Hon. David G. Boehm (w/encl.)  
Hon. Michael L. Kurtz (w/encl.)

1 filed for the assumed names of “Duke Energy Kentucky, Inc.” and “Duke  
2 Energy.” These certificates of assumed name are provided with our filing.

3 **Q. PLEASE DESCRIBE FR 10(1)(B)(9).**

4 A. FR 10(1)(b)(9) is a statement verifying that customer notice has been provided in  
5 accordance with the Commission’s rules.

6 **Q. PLEASE DESCRIBE FR 10(4).**

7 A. FR 10(4) is a description of how the customer notice of the rate proposal was  
8 provided pursuant to the Commission’s rules.

9 **Q. PLEASE DESCRIBE FR 10(9)(A).**

10 A. FR 10(9)(a) requires testimony from me, as the Company’s chief officer in charge  
11 of Kentucky operations, about Duke Energy Kentucky’s existing programs to  
12 achieve improvements in efficiency and productivity and the purpose of each  
13 program. These programs are discussed below.

- 14 • Duke/Cinergy merger: In April 2006, Duke Energy and Cinergy closed  
15 their merger. Duke Energy Kentucky will benefit from the operational  
16 efficiencies arising from the merger, as discussed more fully by Mr.  
17 Turner. The Commission’s November 29, 2005 Order in Case No. 2005-  
18 00228 provides that, for the present case, these savings are already being  
19 reflected through the merger savings sharing mechanism. Duke Energy  
20 Kentucky will credit customers with approximately \$7.6 million in net  
21 merger savings through this sharing mechanism. In future general rate  
22 cases with proposed rates effective on or after January 1, 2008, the actual  
23 savings will be reflected in base rates.

**SANDRA P. MEYER DIRECT**

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