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Rocco O. D'Ascenzo  
Senior Counsel

May 29, 2009

Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort KY, 40602-0615

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JUN 01 2009

PUBLIC SERVICE  
COMMISSION

Re: Duke Energy Kentucky, Inc's 2007-2009 Back-Up Power Supply Plan

Dear Mr. Derouen:

Pursuant to the directive set forth in the Kentucky Public Service Commission's ("Commission") March 29, 2007 Order in Case No. 2007-00044, Duke Energy Kentucky, Inc ("Duke Energy Kentucky" or the "Company") hereby provides written notice of its intent to file for review and approval, a new back-up power supply plan (the "New Plan").

A back-up power supply plan is necessary in the event Duke Energy Kentucky experiences outages with its generating facilities. The current back-up power supply plan was the result of a settlement agreement reached in Duke Energy Kentucky's last electric rate case, Case No. 2006-172. In that agreement, the Company committed to use its best efforts to procure a back-up power supply. On January 23, 2007, in Case No. 2007-0044, Duke Energy Kentucky filed an application to approve its back-up power supply plan. By Order dated March 29, 2007, the Commission approved the current back-up power supply plan through December 31, 2009.

The Commission's March 29, 2007 Order, set forth a two-step procedural process regarding future back-up power supply plans. First, Duke Energy Kentucky is required to inform the Commission in writing of the Company's intentions concerning future back-up power supply plans six (6) months prior to the expiration of the current plan. Second, Duke Energy Kentucky is required to submit any future back-up power supply plans for review and approval, no later than 60 days prior to the effective date of the new plan.

Accordingly, Duke Energy Kentucky hereby notifies the Commission of the Company's intent to seek approval of a New Plan prior to the expiration of the current plan on December 31, 2009. Duke Energy Kentucky is evaluating possible enhancements to the current plan and intends the effective date of the New Plan to be January 1, 2010. The Company will file its New Plan for review and approval on or about November 2, 2010 (60 days prior to the effective date of the New Plan).

Sincerely,



Rocco O. D'Ascenzo  
Senior Counsel  
Duke Energy Kentucky, Inc  
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P.O. Box. 960  
Cincinnati, Oh 45201-0960

Cc: Hon. Dennis G. Howard  
Hon. David G. Boehm