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October 27, 2005

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Hon. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Cinergy Communications Company– Notice Filing Regarding Partial Change in Ownership of Q-Comm Corporation

Dear Ms. O'Donnell:

We are local counsel to Cinergy Communications Company ("CCC"), a utility providing competitive telecommunications services as authorized by the Kentucky Public Service Commission (the "Commission"). CCC is classified as a CLEC authorized to provide local and interexchange service in the Commonwealth of Kentucky. CCC is a wholly owned subsidiary of Q-Comm Corporation ("Q-Comm"), an unregulated company which provides no utility services. The purpose of this letter is to describe an expected change in ownership of a minority interest in Q-Comm which will indirectly occur when Duke Energy Corporation ("Duke Energy") merges with Cinergy Corp. ("Cinergy"). This letter is a notice only filing requiring no approval or any other action on the part of the Commission.

A wholly owned subsidiary of Cinergy currently owns approximately thirty percent (30%) of Q-Comm, parent of CCC. As you are aware, Cinergy and Duke Energy intend to merge contingent upon approval by shareholders of both companies and various regulatory approvals, including approval by the Commission in Case No. 2005-00228.

Upon completion of the proposed merger, Q-Comm will continue to be the sole owner of CCC. However, as a result of certain mergers and reorganizations contemplated by the proposed transaction, the current shareholders of Duke Energy and Cinergy will be the shareholders of

Duke Energy Holding Corp. ("Duke Energy Holding")[1], Duke Energy and Cinergy will be wholly owned subsidiaries of Duke Energy Holding, and Duke Energy Holding will have become the ultimate owner of the interest in Q-Comm currently owned by a wholly owned subsidiary of Cinergy. Since approximately 70% of Q-Comm is owned by parties other than Cinergy, Duke Energy, or any of their respective affiliates, Q-Comm is not now controlled by Cinergy, and will not be controlled by Duke Energy Holding as a result of the Cinergy-Duke Energy transaction. This notice is submitted solely because of the presumption set forth in KRS 278.020(6). However, even if a change of control is presumed as a result of the transaction described above, no Commission approval is required, because Commission approval is not required for financing and merger transactions affecting non-incumbent carriers like CCC.[2] Accordingly, we are furnishing this letter out of an abundance of caution, to satisfy any notice requirement applicable to CLECs and IXCs under the Commission's orders in Administrative Cases 359 and 370.

If you have any questions regarding this matter, please feel free to contact me at the number referenced above. Please date-stamp the extra copy of this letter and return it in the enclosed, self-addressed stamped envelope.

Sincerely yours,

Douglas F. Brent
Counsel for Cinergy Communications Company

cc: Robert Bye, Esquire
John Chuang, Esquire
Mike Allen, Esquire

[1] Immediately following completion of the mergers, former Duke Energy shareholders will own approximately 76% of Duke Energy Holding's common stock, and former Cinergy shareholders will own approximately 24% of Duke Energy Holding's common stock.

[2] In its June 21, 1996 Order in Administrative Case 359, the Commission determined pursuant to KRS 278.512 and 278.514 to relax various market entry and other regulatory requirements on interexchange carriers. Among other things, the Commission decided that interexchange carriers involved in mergers or other changes of control need not file a formal application but shall advise the Commission by letter when a change in control has occurred. On January 8, 1998, in Administrative Case No. 370, this deregulatory aspect of the Order was explicitly extended to CLECs. The Commission stated "there appears to be no need . . . to approve these types of transactions. . ." Order at p. 2.

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