

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

APPLICATION OF)
DUKE ENERGY KENTUCKY, INC. TO)
IMPLEMENT A HEDGING PROGRAM)
TO MITIGATE PRICE VOLATILITY)
IN THE PROCUREMENT OF)
NATURAL GAS)

CASE NO. 2011-_____

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN
THE HEDGING REPORT OF APRIL 1, 2010 THROUGH MARCH 31, 2011,
AND INTERIM REPORT ON ONGOING GAS HEDGING ACTIVITY**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect as confidential certain information that is contained in its Final Hedging Report for the Period of April 1, 2010 through March 31, 2011 and Interim Report on Ongoing Gas Hedging Activity Program (Report Period) in this proceeding, which is being filed contemporaneously with this petition. In support thereof, Duke Energy Kentucky states:

1. Duke Energy Kentucky has filed today documents containing sensitive and confidential information relating to the volumes of gas that Duke Energy Kentucky purchased through the use of hedging instruments for its hedging plan. Disclosure of this information would damage Duke Energy Kentucky by alerting suppliers as to how much gas Duke Energy Kentucky intends to purchase through hedging instruments at any particular point in time, which could allow suppliers to raise the cost of their hedging

instruments to Duke Energy Kentucky, thus making it more costly to Duke Energy Kentucky to acquire hedging instruments for future gas supply. As required by 807 KAR 5:001, Section 7(2)(b), Duke Energy Kentucky is providing one copy of the hedging program volume information under seal.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878 (1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The hedging volume information described above contains sensitive commercial information, the disclosure of which would injure Duke Energy Kentucky for the reasons stated above. Duke Energy Kentucky's purchases of hedging instruments are confidential. Public release of this information would allow other suppliers to have access to this information and could enable such suppliers to charge higher prices to Duke Energy Kentucky for hedging instruments. The Commission previously granted confidential treatment to similar information on October 8, 2009.

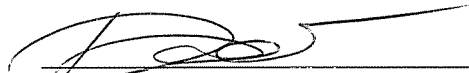
4. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Kentucky, and it is not disseminated within Duke Energy Kentucky except to those employees with a legitimate business need to know and act upon the information.

5. The public interest will be served by granting this Petition, in that Duke Energy Kentucky's ability to obtain low cost gas supplies will be fostered and the cost of gas to Duke Energy Kentucky's customers will thereby be minimized.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,


DUKE ENERGY KENTUCKY, INC.



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via overnight mail, postage prepaid, this 10th day of March 2011:


Rocco O. D'Ascenzo

Hon. Larry Cook
Assistant Attorney General
Capital Center Drive, Suite 200
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