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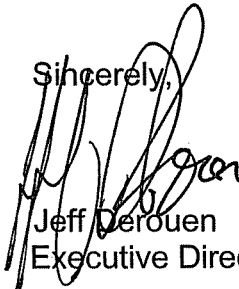
May 24, 2011

PARTIES OF RECORD

Re: Case No. 2011-00124

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff at 502-564-3940, Extension 263.

Sincerely,



Jeff Derouen
Executive Director


RR/kar

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2011-00124

FROM: Richard Raff, Staff Attorney 

DATE: May 24, 2011

RE: Informal Conference of May 19, 2011

Pursuant to the Commission Staff's ("Staff") notice issued on May 17, 2011, an informal conference was held at the Commission's offices on May 19, 2011. In attendance were representatives of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. (collectively "Joint Applicants"), and the Attorney General's Office and Staff. A list of attendees is attached to this memorandum.

The Joint Applicants presented some background information on the operations and structure of Progress Energy, Inc. ("Progress"). They then discussed conflicts that some of their witnesses have with the scheduled hearing date of July 6, 2011 and suggested alternative dates for the hearing. The Joint Applicants agreed to file a motion requesting the Commission to revise the hearing date and include the alternative dates in that motion.

Next, the Joint Applicants addressed the Commission's May 9, 2011 Order rejecting for filing the errata to the original testimony of Mr. William D. Wathen. They stated that filing the errata was not meant to make a substantive change to Mr. Wathen's testimony and that they did not intend to file an amendment to revise their application or Mr. Wathen's testimony. They also wanted to clarify that the revised Money Pool Agreement that was also filed with the errata was not in question and was acceptable for filing since it was not addressed in the Commission's May 9, 2011 Order. Staff confirmed that the revised Money Pool Agreement was not in question.

Finally, the Joint Applicants stated that they had just filed a supplemental response, under confidential seal, to Item 32 of Staff's Initial Information Request. This supplemental response consisted of a document that was filed the day before as part of their North Carolina merger proceeding and they believed it warranted filing in this proceeding as well.

There being no further discussions, the informal conference was adjourned.

cc: Parties of Record
Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF DUKE ENERGY)
CORPORATION, CENERGY CORP., DUKE)
ENERGY OHIO, INC., DUKE ENERGY) CASE NO.
KENTUCKY, INC., DIAMOND ACQUISITION) 2011-00124
CORPORATION, AND PROGRESS ENERGY,)
INC. FOR APPROVAL OF THE INDIRECT)
TRANSFER OF CONTROL OF DUKE ENERGY)
KENTUCKY, INC.)

May 19, 2011

Please sign in:

NAME

REPRESENTING

RICHARD RAFF

PSC-LEGAL

JEFF SHAW

PSC-FIN. ANALYSIS

Vicky Townes

PSC-Fin Analysis

Larry Cook

ORG

VAN NEEDHAM

DUKE ENERGY KY

David Samford

Frost Brown Todd

Rocco D'Ascenzo

Duke Energy

Amy Spiller

Duke Energy

BOBBY SINGH

PROGRESS ENERGY

MARK D. GOSS

Frost Brown Todd for Duke Energy
and Progress Energy