COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. TO IMPLEMENT A)	CASE NO. 2012-00180
HEDGING PROGRAM TO MITIGATE)	
PRICE VOLATILITY IN THE)	
PROCUREMENT OF NATURAL GAS)	

ORDER

On May 7, 2013, Duke Energy Kentucky, Inc. ("Duke Energy") filed its Annual Report on Hedging Activity for April 1, 2012 through March 31, 2013 and Report on Ongoing Gas Hedging Activity for Future Gas Deliveries in this proceeding, as well as a petition, pursuant to 807 KAR 5:001, Section 13,¹ that certain materials filed with the Commission be afforded confidential treatment and that the information not be placed in the public record subject to public inspection.

In support of its petition, Duke Energy states that the documents contain sensitive and confidential information relating to volumes of gas that Duke Energy purchased through the use of hedging instruments for its hedging plan and that disclosure of this information would damage Duke Energy by alerting suppliers as to how much gas Duke Energy 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, thus making it more costly to Duke Energy to acquire hedging instruments for future gas supply. Duke Energy also states that certain attachments contain copyrighted documents published by PIRA Energy Group not

¹ Duke Energy filed its petition pursuant to 807 KAR 5:001, Section 7; however, 807 KAR 5:001 was amended effective Jan. 4, 2013, with Section 13 replacing Chapter 7 regarding confidential material.

available for reproduction to the general public and that the information is subject to copyright protection and has been obtained through paid company subscriptions.

Duke Energy states that the hedging volume information contains sensitive commercial information and that its purchases of hedging instruments are confidential. Public release would allow other suppliers to have access to this information and could enable suppliers to charge higher prices to Duke Energy for hedging instruments. Duke Energy states that the information is not known outside of Duke Energy and it is not disseminated within Duke Energy except to those employees with a legitimate business need to know and act upon the information. Finally, Duke Energy states that the public interest will be served by granting confidentiality in that Duke's ability to obtain low-cost gas supplies will be fostered and the cost of gas to its customers will be minimized.

Having carefully considered the petition and the materials at issue, the Commission finds that:

- 1. The materials for which Duke Energy seeks confidential treatment meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(c) and 807 KAR 5:001, Section 13.
- 2. The materials for which Duke Energy seeks confidential treatment should not be placed in the public record or made available for public inspection.

IT IS THEREFORE ORDERED that:

1. Duke Energy's petition for confidential protection is hereby granted and the materials for which Duke Energy seeks confidential treatment shall not be placed in the public record nor made available for public inspection.

- 2. Use of the materials in question in this proceeding shall be in compliance with 807 KAR 5:001, Section 13(9).
- 3. Duke Energy shall inform the Commission if the materials in question become publicly available or no longer qualify for confidential treatment.
- 4. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order, the Commission shall notify Duke Energy in writing and direct Duke Energy to demonstrate within 20 days of its receipt of the notice that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Duke Energy is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.
- 5. The Commission shall not make the requested materials available for inspection for 20 days following an Order finding that the material no longer qualifies for confidential treatment in order to allow Duke Energy to seek a remedy afforded by law.

By the Commission

ENTERED

JUL 12 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST

Executive Director

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