

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

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

**PUBLIC SERVICE
COMMISSION**
CASE NO. 2008-00 175

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN
ITS FINAL REPORT ON HEDGING PLAN FOR APRIL 1, 2007 THROUGH
MARCH 31, 2008, REPORT ON HEDGING ACTIVITY FOR
FUTURE GAS DELIVERIES,
AND APPLICATION FOR APPROVAL OF NEW HEDGING PLAN**

Duke Energy Kentucky, Inc. ("DE-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, 2007 through March 31, 2008 ("Report Period") and Application for Approval of a New Hedging Program in this proceeding, which is being filed contemporaneously with this petition. In support thereof, DE-Kentucky states:

1. DE-Kentucky has filed today documents containing sensitive and confidential information relating to the volumes of gas that DE-Kentucky purchased through the use of hedging instruments for its hedging plan and information regarding a new three year hedging plan. Disclosure of this information would damage DE-Kentucky by alerting suppliers as to how much gas DE-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 DE-Kentucky, thus making it more costly to DE-Kentucky to acquire hedging instruments for future gas supply. As required by 807 KAR 5:001, Section 7(2)(b), DE-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 DE-Kentucky for the reasons stated above. DE-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 DE-Kentucky for hedging instruments. The Commission previously granted confidential treatment to similar information in Case No. 2005-00191 on February 21, 2006, May 31, 2006 and May 31, 2007.

4. The information for which DE-Kentucky is seeking confidential treatment is not known outside of DE-Kentucky, and it is not disseminated within DE-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 DE-Kentucky's ability to obtain low cost gas supplies will be fostered and the cost of gas to DE-Kentucky's customers will thereby be minimized.

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

Respectfully submitted,

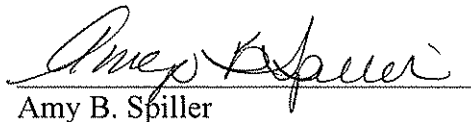
DUKE ENERGY KENTUCKY, INC.



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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Petition for Confidential Treatment was served to the parties listed below by regular United States mail, postage prepaid, this 14th day of May, 2008.



Amy B. Spiller

Hon. Larry Cook
Assistant Attorney General
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