



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

February 14, 2011

Duke Energy Kentucky, Inc.
Attention: Amy Spiller
139 East Fourth Street, 1303 Main
P.O. Box 960
Cincinnati, Ohio 45201-0960

Re: Duke Energy Kentucky, Inc.
Petition for Confidential Protection received 1-31-11
PSC Reference: Case No. 2010-00523

Dear Ms. Spiller:

The Public Service Commission has received the Petition for Confidential Protection you filed on January 31, 2011 on behalf of Duke Energy Kentucky, Inc. ("Duke"), to protect certain information filed with the Commission as confidential pursuant to Section 7 of 807 KAR 5:001 and KRS 61.878. The information you seek to have treated as confidential is identified as being contained in Duke's Responses to Commission's Data Request dated 1-21-11, Item Nos. 3 and 5. The information is more particularly described as internal analysis and financial projections of costs and future savings related to its VOP; and information related to severance payments to employees that have not yet occurred.

Your justification for having the Commission handle this material as confidential is that the public disclosure of the information would compromise Duke's competitive position in the industry, which would result in an unfair commercial advantage to its competitors.

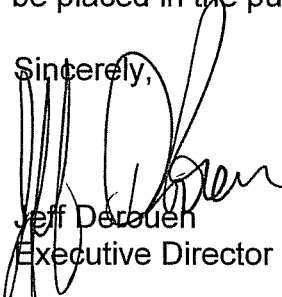
Based on a review of the information and pursuant to KRS 61.878 and 807 KAR 5:001, Section 7, the Commission has determined that the information requested to be held confidential is of a proprietary nature, which if publicly disclosed would permit an unfair commercial advantage to Duke's competitors. Therefore, the information requested to be treated as confidential **meets the criteria for confidential protection** and will be maintained as a nonpublic part of the Commission's file in this case. The procedure for

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usage of confidential materials during formal proceedings may be found at Section 7(8) of 807 KAR 5:001.

If the information becomes publicly available or no longer warrants confidential treatment, Duke Energy Kentucky, Inc. is required by Section 8(9)(a) of 807 KAR 5:001 to inform the Commission so that the information may be placed in the public record.

Sincerely,



Jeff Derouen
Executive Director

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cc: Parties of Record