

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

NOTICE OF FILING

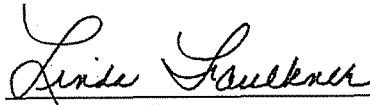
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on July 8, 2011 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on July 8, 2011.

A copy of this Notice, the certification of the digital video record, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2011-00124/2011-00124_08Jul11_Inter.aspx. Parties wishing an annotated digital video

recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 19th day of July 2011.

A handwritten signature in cursive script, reading "Linda Faulkner", written over a horizontal line.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

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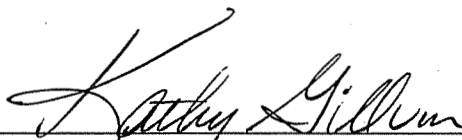
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CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on July 8, 2011;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of July 8, 2011 and the time at which each occurred.

Given this 19th day of July, 2011.



Kathy Gillum, Notary Public
State at Large

My commission expires: Sept 3, 2013



Case History Log Report

Case Number: 2011-00124_08Jul11

Case Title: Duke Energy Kentucky, Inc.

Case Type: Other

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

Date: 7/8/2011

Location: Default Location

Judge: David Armstrong, Jim Gardner, Charles Borders

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event	
10:02:46 AM	Case Started	
10:03:09 AM	Preliminary Remarks	
10:04:02 AM	Introductions	
	Note: Kathy Gillum	Mark David Goss, David Samford, for all Joint Applicants; Rocco D'Ascenzo and Amy Spiller for the Duke Companies;. Kodwo Chartey Taqoe, Senior Counsel for Duke Charlotte; David Fountain, Senior Counsel for Progress Energy, Raleigh; Bobby Singh, Associate General Counsel for Progress Energy, Raleigh; Lawrence Cook and Dennis Howard, Office of the Attorney General, as well as Jennifer Hawns. Richard Raff for the Commission.
10:05:58 AM	Mark David Goss (Joint Applicants)	
	Note: Kathy Gillum	States that they have a Stipulation and Settlement Agreement. Also states that they would be calling only 4 witnesses.
10:06:29 AM	Housekeeping Issues Discussed	
	Note: Kathy Gillum	Outstanding Motions - Petitions for Confidential Treatment regarding Data Requests; The 1st one dated May 10th regarding data requests, and the 2nd one was dated June 24th regarding a Services Agreement. Larry Cook states that he has no objection Richard Raff states that they are being reviewed. Mr. Goss states that Notice of publication of hearing was filed timely. Larry Cook stipulates. Richard Raff states that staff has not seen it. Mr. Goss hands a copy to Mr. Raff for review. Mr. Raff states that the document appears to be in order.
10:11:26 AM	Dennis Howard (OAG)	
	Note: Kathy Gillum	Questions regarding maps, whether they are confidential.
10:11:54 AM	Mark David Goss (Joint Applicants)	
	Note: Kathy Gillum	Response to Dennis Howard that the maps are not confidential.
10:12:18 AM	No Public Comments	
10:12:21 AM	Richard Raff (PSC)	
	Note: Kathy Gillum	Mr. Raff asks if the e-mail of the maps is something that will be filed in the record. Mr. Goss states they would not.
10:12:58 AM	Witness, James Rogers (Duke)	
	Note: Kathy Gillum	Witness called to testify by Mark David Goss.

10:13:27 AM	Examination by Mark D. Goss (Joint Applicants) Note: Kathy Gillum	Qualifications of witness by Mark David Goss. Witness adopts pre-filed testimony and responses to data requests.
10:14:28 AM	Lawrence Cook (OAG) Note: Kathy Gillum	No questions of this witness
10:14:38 AM	Examination by Richard Raff (PSC) Note: Kathy Gillum	Questions regarding requirements post merger for membership of the Board of Directors. Questions regarding Page 14 of pre-filed testimony regarding executive chairman position. Questions regarding early retirement plan for employees and its tie-in to merger. Questions regarding Cinergy's Joint Dispatch Agreement from previous merger. Questions relating to companies and MISO. Questions regarding page 6 of pre-filed testimony (direct quote) (lines 18-20). Questions regarding RTO v. merger. Questions regarding state regulatory commissions.
10:31:38 AM	Mark D. Goss (Joint Applicants) Note: Kathy Gillum	Mr. Goss requests for Mr. Raff to re-phrase the question.
10:31:44 AM	Examination by Richard Raff (PSC) continues Note: Kathy Gillum	Mr. Raff re-phrases the question. Questions regarding page 13 of pre-filed testimony regarding number of board members post merger. Questions regarding affordability of electricity v. clean electricity. No further questions.
10:40:36 AM	Questions by Chairman Armstrong Note: Kathy Gillum	Questions regarding time plan for compliance. Questions regarding carbon regulations (federal v. state). Questions regarding headquarter location of Duke Kentucky. Questions regarding staff at Duke Kentucky.
10:45:54 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Duke Energy's green portfolio. Questions regarding benefit to Kentucky with respect to new EPA regulations through merger. Questions regarding small companies v. larger companies in respect to new EPA regulations. Questions regarding climate change, page 20, lines 15-19 of pre-filed testimony. Questions regarding insurance for storm damage. Questions regarding DSM and energy efficiency.
10:54:38 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding nuclear power in regards to the merger. Witness states that Duke is the 3rd largest nuclear operator. Questions regarding coal's role in the merger.
11:10:10 AM	Witness Excused (James Rogers)	
11:10:26 AM	Witness Julia Janson (Duke) Note: Kathy Gillum	Witness called to testify by Mark David Goss.
11:10:57 AM	Examination by Rocco D'Ascenzo (Duke) Note: Kathy Gillum	Qualification of witness by Rocco D' Ascenzo. Witness changes Supplemental Testimony, page 6, line 7 to read Joint Applicants instead of company. Also Line 8, phrase "thru the Duke Energy Foundation" should be stricken, and a period placed after programs. Witness adopts pre-filed testimony, supplemental testimony and responses to data requests with the changes herein.
11:14:02 AM	Lawrence Cook (OAG) Note: Kathy Gillum	No questions.

11:14:21 AM	Examination by Richard Raff (PSC) Note: Kathy Gillum	Questions regarding early retirement window. Witness states that it is her understanding that the window will open and close in the Fall of 2011. Questions regarding the number of service company employees in Kentucky and Ohio. Questions regarding intention of witness to continue to serve as President. Witness states that she does not qualify for early retirement, and it is not her intention to exit under the plan. Questions regarding disconnections or unpaid bills in the past 12 months for Kentucky. Questions regarding Response to Item 18, (Volume 7) of PSC initial data request, part B relating to income statements and balance sheets.
11:26:07 AM	Data Request by Richard Raff (PSC) Note: Kathy Gillum	Mr. Raff requested an electronic copy of a list of Commitments in Word format.
11:26:15 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Commitment #3, 4 and 5 relating to SEC rules. Statement by witness as to the commitment of Duke Energy. Questions regarding Commitment #7 relating to the word "material". Witness states that #7 was a carry-over. Questions regarding new 11 Commitment. Questions regarding Commitment #19. Questions regarding Commitment #20.
11:39:05 AM	Data Request by Comm. Gardner Note: Kathy Gillum	Commissioner Gardner requests an opinion as to what was meant by statements in Commitment #20.
11:39:27 AM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding Commitment #25. Questions regarding Commitment #24. Questions regarding Commitment #29 relating to budget for research and development. Questions regarding Commitment #30. Questions regarding when Miami 6 came into operation. Questions regarding Commitment #46. Questions regarding DSM and Best Practices in Kentucky. Questions regarding page 3 of the Stipulation Settlement Agreement. Questions regarding cost to Kentucky rate payers.
11:52:11 AM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding monies spent for home energy efficiency.
11:56:36 AM	Questions by Chairman Armstrong Note: Kathy Gillum	Questions regarding exit date of MISO.
11:57:21 AM	Re-direct by Rocco D'Ascenzo (Duke) Note: Kathy Gillum	Commitments #11 and 12. Carry over from Duke Cenergy merger. Lists 6 affiliate agreements listed in #11. Questions regarding audit.
11:59:43 AM	Dennis Howard (OAG) Note: Kathy Gillum	Questions regarding early retirements. Commitment #25.
12:00:23 PM	Witness Excused (Julie Jansen)	
12:00:50 PM	Case Recessed	
12:11:48 PM	Case Started	
12:12:02 PM	Witness, William Johnson (Progress Energy) Note: Kathy Gillum	Witness called to testify by Mark David Goss.

12:12:32 PM	Examination by Mark D. Goss (Joint Applicants) Note: Kathy Gillum	Qualification of witness by Mark David Goss. Corrections to the Supplemental Testimony, page 6 Line 10, strike Duke Energy Foundation and insert Joint Applicants. Line 13, strike foundation will make it's, and insert, Joint Applicants will make their; line 20 strike foundation insert Joint Applicants; page 7, line 4 strike Duke Energy Foundation and insert Joint Applicants; line 12, strike foundation, insert Joint Applicants. Witness adopts pre-filed testimony, supp. testimony and responses to data requests as corrected.
12:14:49 PM	Lawrence Cook (OAG) Note: Kathy Gillum	No questions.
12:14:56 PM	Examination by Richard Raff (PSC) Note: Kathy Gillum	Questions regarding unregulated businesses. Questions regarding Duke Ohio retail customers switching to alternative suppliers. Questions regarding selling power without having generation assets to back it up. Questions regarding page 11 of pre-filed testimony, line 2-4 regarding energy efficiency programs and renewables.
12:25:20 PM	Questions by Chairman Armstrong Note: Kathy Gillum	Questions regarding carbon limits. Questions regarding time frame. Chairman Armstrong asks witness to commit to coming to PSC periodically to report on progress of utility post merger.
12:28:06 PM	Questions by Commissioner Gardner Note: Kathy Gillum	Questions regarding page 8, line 9 of pre-filed testimony. Questions regarding President Janson.
12:30:51 PM	Questions by Commissioner Borders Note: Kathy Gillum	Questions regarding nuclear power v. coal power.
12:32:13 PM	Witness Excused (William Johnson)	
12:32:24 PM	Witness John Suez (Duke) Note: Kathy Gillum	Witness called to testify by Mark David Goss. David Samford will be conducting the examination.
12:33:09 PM	Examination by David Samford (Joint Applicants) Note: Kathy Gillum	Qualification of witness by David Samford. Witness has not filed pre-filed testimony. Witness states he is responsible for generation dispatch for Indiana and Kentucky, and the Carolinas. Witness filed responses to 4 sets of data requests. Witness adopts responses to Data Requests previously filed.
12:37:13 PM	Lawrence Cook (OAG) Note: Kathy Gillum	No questions.
12:37:20 PM	Examination by Richard Raff (PSC) Note: Kathy Gillum	Questions regarding cost savings to customers resulting from MISO joint dispatch v. prior dispatch. Questions regarding move to PJM.
12:47:07 PM	Re-direct by David Samford (Joint Applicants) Note: Kathy Gillum	Questions regarding energy prices. Questions regarding Indiana's capacity.
12:49:07 PM	Lawrence Cook (OAG) Note: Kathy Gillum	No questions.
12:49:14 PM	Witness Excused (John Suez)	
12:49:23 PM	Chairman Armstong Note: Kathy Gillum	Chairman Armstrong admonishes parties to Settlement Agreement. Chairman asks if additional time is needed by the parties.

12:50:59 PM Mark David Goss (Joint Applicants)
Note: Kathy Gillum

Mr. Goss states that no additional time needed; there is only the 2 outstanding confidentiality agreements previously discussed; and the previously mentioned Post Hearing Data Request to provide Mr. Raff with an electronic version of the list of Commitments, which can be done immediately; and they did not need time to brief anything.

12:51:47 PM Hearing Adjourned
Note: Kathy Gillum

Hearing adjourned by Chairman Armstrong.

12:51:53 PM Case Recessed

3:09:26 PM Case Stopped