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October 26, 2011

Frost Brown Todd LLC
Attention: Mark David Goss
250 West Main Street, Suite 2800
Lexington, Kentucky 40507-1749

Re: Duke Energy Corporation ("Joint Applicants")
Petition for Confidential Treatment received 5/10/11
PSC Reference – Case No. 2011-00124

Dear Mr. Goss:

The Public Service Commission has received the Petition for Confidential Treatment you filed on May 10, 2011 on behalf of Duke Energy Corporation, Cinergy Corporation, Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc., (collectively "Joint Applicants") to protect certain information filed with the Commission as confidential pursuant to Section 7 of 807 KAR 5:001 and KRS 61.870. The information you seek to have treated as confidential is identified as the Joint Applicants' responses to the Commission's 1st Data Request and the Attorney General's 1st Data Request. The information is identified as (AG No. 12) – debt analysis of Lee Nuclear Station; (AG No. 28) – load forecast; (AG No. 41) – minutes of meetings; (AG No. 48) – reports\analysis of economics of scale and scope; (AG No. 52) – costs to achieve discussion; (AG No. 54) – internal allocations calculations; (AG No. 55) – internal allocation calculations regulated and non-regulated; (AG No. 57) – due diligence reports; (AG No. 64) – presentations and financial analysis; (AG No. 67) – Hart-Scott-Rodino filing; and (PSC No. 32) – merger-related reports\analysis.

Your justification for having the Commission handle this material as confidential is that the public disclosure of the information could result in an unfair commercial advantage to competitors.

Based on a review of the information and pursuant to KRS 61.878 and 807 KAR 5:001, Section 7, the Commission as follows:

- (1) **Response to Attorney General D.R. No. 12:** Debt analysis of Lee Nuclear Station meets the criteria for confidential protection and therefore confidentiality is **GRANTED**.
- (2) **Response to Attorney General D.R. No. 28:** Load forecast is publically filed as part of the Integrated Resource Plan under 807 KAR 5:058, Section 7, and therefore does not meet the criteria for confidential protection and is hereby **DENIED**.
- (3) **Responses to Attorney General D.R. Nos. 41, 48, 52, 54, 55, 57, 64, 67, and PSC No. 32:** These Responses do not meet the criteria for confidential protection in their entirety, and therefore are **DENIED**. The Responses should be redacted to exclude only the information regarding non-regulated activities that is not public information elsewhere.

The information listed above that has been granted confidential protection will be maintained as a nonpublic part of the Commission's file in this case. The procedure for 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 Corporation, Cinergy Corporation, Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc., (collectively "Joint Applicants") are 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.

The information denied confidentiality will be withheld from public inspection for 20 days from the date of this letter. If you disagree with the Commission's decision, you may seek rehearing with the Commission within 20 days of the date of this letter under the provisions of KRS 278.400

Sincerely,



Jeff Derouen
Executive Director

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cc: Parties of Record