



139 East Fourth Street, R. 1212Main
P.O. Box 960
Cincinnati, Ohio 45201-0960
Tel: 513-287-4337
Fax: 513-287-4386
dianne.kuhnell@duke-energy.com

Dianne B. Kuhnell
Senior Paralegal

VIA OVERNIGHT DELIVERY

October 14, 2011

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

OCT 17 2011

PUBLIC SERVICE
COMMISSION

Re: **Case No. 2011-00249**
An Examination of the Application of The Fuel Adjustment Clause of
Duke
Energy Kentucky, Inc from November 1, 2010 through April 30, 2011

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the *Second Revised Response of Duke Energy Kentucky, Inc. to Staff's Data Request Number 01-008*, *Public Revised Response of Duke Energy Kentucky, Inc. to Staff's Data Request Number 01-019* and the *Verification Page of Elliott Batson, Jr.* in the above captioned case. Also included are a Petition for Confidential Treatment and also the Confidential response to 01-019 being submitted in the separate, sealed envelope.

Please date-stamp the extra two copies of the filing and return to me in the enclosed envelope.

Sincerely,

Dianne Kuhnell
Senior Paralegal

cc: Dennis Howard (w/enclosures)
Mark David Goss (w/enclosures)

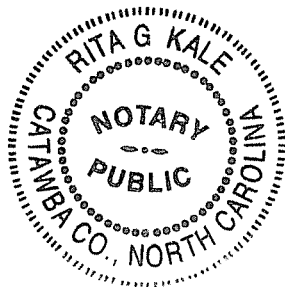
VERIFICATION

State of North Carolina)
)
County of Mecklenburg) SS:

The undersigned, Elliott Batson, Jr., being duly sworn, deposes and says that he is the Vice President, Regulated Fuels, that he has supervised the preparation of the responses to the foregoing information requests; and that the matters set forth in the foregoing responses to information requests are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.

Elliott Batson, Jr.
Elliott Batson, Jr., Affiant

Subscribed and sworn to before me by Elliott Batson JR on this 13 day of October 2011.



Rita G Kale
NOTARY PUBLIC

My Commission Expires: 6/17/12

**STAFF-DR-01-019 PUBLIC
REVISED**

REQUEST:

List each written coal supply solicitation issued during the period from November 1, 2010 through April 30, 2011.

- a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET (as to Revised Attachment (b) only)

EAST BEND:

- b. This response has been filed with the Commission under a Petition for Confidential Treatment.

MIAMI FORT #6:

- b. This response has been filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: N/A

REQUEST:

Question 8:

List all existing fuel contracts categorized as long-term (i.e., one year or more in length). Provide the following information for each contract:

- a. Supplier's name and address;
- b. Name and location of production facility;
- c. Date when contract was executed;
- d. Duration of contract;
- e. Date(s) of each contract revision, modification or amendment;
- f. Annual tonnage requirements;
- g. Actual annual tonnage received since the contract's inception
- h. Percentage of annual requirements received during the contract's term
- i. Base price in dollars per ton;
- j. Total amount of price escalations to date in dollars per ton; and
- k. Current price paid for coal under the contract in dollars per ton

East Bend

- a. **SMCC AGF Resources Sales, Inc. (10116)**
921 Cogdill Road
Suite 301
KNOXVILLE, TN 37932
- b. Allied Resources, Webster County, KY
- c. June 24, 2009

- d. December 31, 2013
- e. N/A
- f. 2009 = 150,000; 2010 = 300,000; 2011 = 289,306, 2012 = 120,000; 2013 = 300,000
- g. 2009 = 151,158; 2010 = 310,694; 2011 YTD 4/30 = 126,648
- h. 2009 = 100.8%; 2010 = 103.6 %; 2011 YTD 4/30 = 131.3%
- i. 2009 = \$51.00; 2010 – 2011 = \$53.00; 2012= \$52.40; 2013= \$54.75
- j. None
- a. 2009 = \$51.00; 2010 – 2011 = \$53.00

PERSON RESPONSIBLE: Elliott Batson

RECEIVED

COMMONWEALTH OF KENTUCKY

OCT 17 2011

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

An Examination of the Application of)	
The Fuel Adjustment Clause of Duke Energy)	Case No. 2011-00249
Kentucky, Inc from November 1, 2010 through)	
April 30, 2011)	

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN ITS
RESPONSE TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS:
RESPONSE TO NO. 19 CONFIDENTIAL REVISED ATTACHMENT (b)**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its response to data request No. 19 Confidential Revised Attachment (b) , as requested by Commission Staff (Staff) in this case on August 23, 2011. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) shows internal fuel procurement policies and procedures which, happens to also include sensitive information regarding the Company's coal bid analysis and tabulation sheets¹.

The response in No. 19 Confidential Revised Attachment (b) contains sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interest. The sensitive information contained in response to Data Request No. 19 includes bid tabulations for several coal vendors who responded to a coal solicitation. Releasing this information would give those vendors access to each-other's costs which would

¹ Data Request No. 19

act to the detriment of Duke Energy Kentucky and its customers in the future as vendors would know how competing suppliers price their commodities.

In support of this Petition, Duke Energy Kentucky states:

1. 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. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Disclosure of the factors underlying Duke Energy Kentucky's bid analysis/selection process (No. 19 Confidential Revised Attachment (b) would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information requested in No. 19 Confidential Revised Attachment (b), potential bidders could manipulate the bid solicitation process to the detriment of Duke Energy Kentucky and its ratepayers by tailoring bids to correspond to and comport with Duke Energy Kentucky's bidding criteria and process.

3. The information in No. 19 was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information in all five responses is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

4. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Corporation.

5. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

6. The Commission has treated the same information described herein as confidential in other utilities' responses to the same data requests such as Louisville Gas and Electric Company Case No. 2008-521² and Kentucky Utilities Case 2008-520³ and for Duke Energy Kentucky in Case No. 2008-00522⁴.

7. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority, Ky.*, 904 S.W.2d 766, 768.

8. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one copy of the Confidential Material highlighted and ten (10) copies without the confidential information.

WHEREFORE, Duke Energy Kentucky, Inc. respectfully requests that the Commission classify and protect as confidential the specific information described herein.

² Case No. 2008-521, Letter granting Confidential treatment, March 20, 2009.

³ Case No. 2008-520, Letter granting Confidential treatment, March 20, 2009.

⁴ Case No. 2008-522, Letter granting Confidential treatment, March 20, 2009.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



Rocco O. D'Ascenzo (92796)

Associate General Counsel

Amy B. Spiller (85309)

Deputy General Counsel

Duke Energy Business Services, LLC

139 East Fourth Street, 1303 Main

Cincinnati, Ohio 45201-0960

Phone: (513) 287-4320

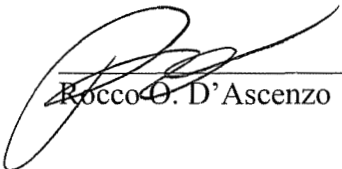
Fax: (513) 287-4385

e-mail: rocco.d'ascenzo@duke-energy.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via overnight mail, postage prepaid, this 1st day of October 2011:

Dennis G. Howard II
Assistant Attorney General
The Kentucky Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602-2000



Rocco G. D'Ascenzo