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PUBLIC SERVICE
COMMISSION

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VIA OVERNIGHT DELIVERY

May 28, 2015

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

Re: Case No. 2015-00075
In the Matter of the Back-Up Power Supply Plan of Duke Energy Kentucky Inc.

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the *Response of Duke Energy Kentucky, Inc. to the Commission Staff's Second Request for Information*, for filing in the above referenced matter:

The Petition for Confidential Treatment is being filed in a white envelope, containing the confidential material to be filed under seal.

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

Sincerely,

Rocco D'Ascenzo
Associate General Counsel
rocco.d'ascenzo@duke-energy.com

cc: Hon. Jennifer Hans (w/enclosures)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 29 2015

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE BACK-UP POWER SUPPLY PLAN) Case No. 2015-00075
OF DUKE ENERGY KENTUCKY, INC.)

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Kentucky Public Service Commission (Commission) to classify and protect certain information provided by Duke Energy Kentucky in its responses to Data Requests No. 1, as requested by Commission Staff (Staff) in this case on May 20, 2015. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information), shows the insurance product(s) being considered by the Company, its negotiations, and analysis. This information includes sensitive and business proprietary market analysis for the Company under each of the scenarios evaluated.

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. The Company is in the process of evaluating potential insurance products to determine whether such products provide value or adequately mitigate risks to the Company or its customers. The Company has detailed the various products being evaluated, including costs thereof. This information is confidential, and if released, would limit the Company's ability to negotiate with competing vendors and ultimately receive the best price. Competing insurance vendors would have access to what the Company is considering in terms of products and could use this information to tailor their own competing proposals at higher prices than what they otherwise would have offered.

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

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

5. 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*, 904 S.W.2d 766, 768 (Ky. 1995).

6. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information, separately under seal, and ten copies without the confidential information included.

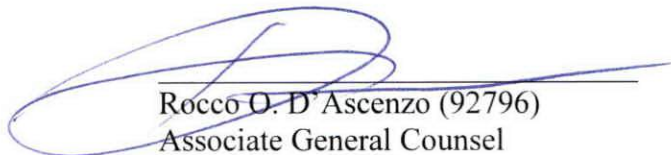
7. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

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

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, this 28th day of May 2015:

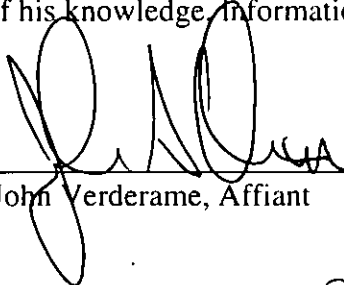
Jennifer Hans
The Office of the Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204
Jennifer.hans@ag.ky.gov


Rocco D'Ascenzo

VERIFICATION

STATE OF NORTH CAROLINA)
) SS:
COUNTY OF MECKLENBURG)

The undersigned, John Verderame, Director of Power Trading & Dispatch, being duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing data requests are true and correct to the best of his knowledge, information and belief.



John Verderame, Affiant

Subscribed and sworn to before me by John Verderame on this 27 day of May, 2015.



NOTARY PUBLIC

My Commission Expires: June 14, 2016



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TABLE OF CONTENTS

DATA REQUEST

WITNESS

TAB NO.

STAFF-DR-02-001

John Verderame 1

**Duke Energy Kentucky
Case No. 2015-00075
STAFF's Second Set Data Requests
Date Received: May 20, 2015**

STAFF-DR-02-001 PUBLIC

REQUEST:

Please list the general terms and conditions currently being considered and evaluated as part of the insurance product(s) being considered by the Company.

Please explain how those terms and conditions have developed or changed since the company first issued its RFP and received initial responses.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET

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

PERSON RESPONSIBLE: John Verderame