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John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT MAIL

October 4, 2007

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED
OCT 05 2007
PUBLIC SERVICE
COMMISSION

Re: In the Matter of an Adjustment of the Gas Rates of The Union Light, Heat and Power Company, Case No. 2005-00042
Duke Energy Kentucky, Inc.'s 2007 Third Quarter AMRP Update Filing

Dear Ms. O'Donnell:

I am enclosing the following:

- an original and three sets, in binders, of Third Quarter 2007 Update Filing;
- an original and twelve copies of the Petition of Duke Energy Kentucky for Confidential Treatment of Information Contained in the Third Quarter 2007 Filing;
- one copy, filed under seal, of the Confidential and Proprietary Information referenced above.

We are not seeking an adjustment to the Company's AMRP rate; however, the Commission's prior orders require that we provide this updated cost information on a periodic basis.

Please date-stamp and return the two extra copies of my cover letter and the Petition in the enclosed envelope.

Sincerely,

John J. Finnigan, Jr.

cc: Hon. Larry Cook (with enclosures)

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED
JUN 05 2007
PUBLIC SERVICE
COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS RATES OF THE)
UNION LIGHT, HEAT AND POWER COMPANY) CASE NO. 2005-00042

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN THE THIRD QUARTER, 2007 FILING

Duke Energy Kentucky, Inc. ("DE-Kentucky"), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect as confidential certain information, that is contained in its 2007 Third Quarter filing in the present proceeding, and that is being filed with this petition. In support thereof, DE- Kentucky states:

1. DE-Kentucky has filed today documents containing a description of contractor bid information solicited by DE-Kentucky for its accelerated cast iron and bare steel main replacement program. It contains the contractors' unit pricing, the public disclosure of which would damage DE-Kentucky because this bidding was done pursuant to a confidential competitive bidding process and, if the information is publicly disclosed, this would likely make it more difficult to obtain contractors to bid on future projects. As required by 807 KAR 5:001, Section 7(2)(b), DE-Kentucky is providing one copy of the bid information under seal.

2. 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. To the extent that

disclosure of this information would cause fewer contractors to bid for this work, as discussed in more detail below, this would tend to raise the costs of DE-Kentucky's natural gas service, and would tend to give an unfair commercial advantage to providers of substitutes for DE-Kentucky's gas service.

3. The bid information described above contains sensitive pricing information, the disclosure of which would injure DE-Kentucky and its competitive position and business interests. DE-Kentucky's bid process is a competitively-bid process in which contractors submit confidential bids. Public release of this information would make contractors less likely to bid on DE-Kentucky's projects in the future. This would produce less competition, or demand, by contractors for DE-Kentucky's construction jobs and would likely result in higher prices.

4. The bid information described above contains the following categories of information, which are commercially sensitive: copies of the specific contracts signed by each contractor describing the work and estimated costs and copies of the bids submitted by each contractor.

5. The information for which DE-Kentucky is seeking confidential treatment is not known outside of DE-Kentucky and its contractors, and it is not disseminated within DE-Kentucky except to those employees with a legitimate business need to know and act upon the information.

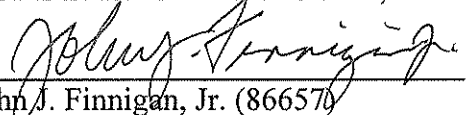
6. The public interest will be served by granting this Motion, in that competition among DE-Kentucky's prospective contractors will be fostered and this will help enable DE-Kentucky to provide retail gas service at a low cost.

7. The Commission has previously granted DE-Kentucky's petitions for confidential treatment of similar information in Case Nos. 2005-00042, 2004-00098, 2003-00103, and 2002-00107.

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

Respectfully submitted,

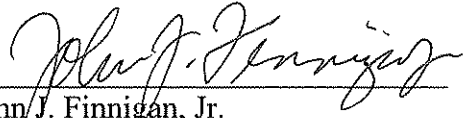
DUKE ENERGY KENTUCKY, INC.



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Duke Energy Kentucky, Inc.'s Petition for Confidential Treatment of Information Contained in the Third Quarter, 2007 Filing was served on the following by overnight mail, this 4th day of October 2007.



John J. Finnigan, Jr.

Honorable Larry Cook
Assistant Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601