



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

January 8, 2009

Hon. Amy B. Spiller
Duke Energy Kentucky, Inc.
139 East Fourth Street, Rm 25 ATII
P.O. Box 960
Cincinnati, Ohio 45202

Re: Duke Energy Kentucky, Inc. - Petition for Confidential Treatment of Information
received 10/27/08
PSC Case No.: 2008-00248

Dear Ms. Spiller:

The Public Service Commission has received the Petition you filed on October 27, 2008 on behalf of Duke Energy Kentucky, Inc. to protect certain information filed with the Commission as confidential under Section 7 of 807 KAR 5:001 and KRS 61.870 et. seq. The information you seek to have treated as confidential is identified as Duke Energy Kentucky, Inc.'s Response Nos. 2, 6 and 7 to the Commission's Supplemental Data Request. The information contained in Response No. 2 pertains to current balances of SO₂ and NO_x bank balances and reports regarding current strategy, policies and procedures for managing and utilizing the allowances. The information contained in Response No. 6 pertains to negotiated pricing terms in its contractual agreement with Eagle Energy. The information in Response No. 7 pertains to power production costs and "PVRP". Your justification for having the Commission handle this material as confidential is that the information is proprietary financial information the disclosure of which would give competitors an unfair business advantage.

Based upon a review of the information, the Commission has determined that the information for which you seek confidential treatment is such as to be authorized to be withheld from public inspection under KRS 61.878 and Section 7 of 807 KAR 5:001. The information has been determined to be of a confidential and proprietary nature, which if openly disclosed would permit an unfair commercial advantage to your client's competitors if publicly available from the Commission's records.

Therefore, the information requested to be treated as confidential meets the criteria for confidential protection and will be maintained as a non-public part of the Commission's file in this case. The proper procedure for usage of confidential materials during formal proceedings may be found in Section 7(8) of 807 KAR 5:001.

If the information becomes publicly available or no longer warrants confidential treatment, Duke Energy Kentucky, Inc. is required by 807 KAR 5:001, Section 7(9)(a), to inform the Commission so that the information may be placed in the public record.

Sincerely,



Jeff Derouen
Executive Director

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cc: Parties of Record