Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



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August 13, 2008

David L. Armstrong Chairman

> James Gardner Vice-Chairman

> John W. Clay Commissioner

Duke Energy Kentucky, Inc. Attention: Amy B. Spiller 139 East Fourth Street, Room 25 ATII Cincinnati, Ohio 45202

Re: Duke Energy Kentucky, Inc. - Petition for Confidentiality received 7/1/08 PSC Case No.: 2008-00248

Dear Ms. Spiller:

The Public Service Commission has received Duke Energy Kentucky, Inc.'s Petition for confidential treatment requesting to protect as confidential certain information contained in its DE-Kentucky's 2008 Integrated Resource Plan ("IRP"). This information is described as including (1) information related to operations and management costs, projected fuel and environmental compliance costs, power market prices, projected capacity and resource alternative capital costs; (2) information on projected sales and revenue requirements; (3) supply side screening curves and resource evaluations; (4) third party owned and licensed modeling tools and; (5) critical transmission system maps.

Based upon a review of the information, I have determined that the following items are not entitled to confidential treatment: (1) the interconnections list contained in Table 8(3)(a), excluding the attached map of transmissions facilities; (2) the screening curves contained in Figures GA-5-4-C through GA-5-15-C, except for Figure GA-5-8-C; and (3) Page SA-40-C Titled "Energy Efficiency Avoided Costs." Specifically, the interconnections chart in Table 8(3)(a), by itself, does not provide the location of any Critical Energy Infrastructure. Likewise, disclosure of the screening curves would not reveal Duke's internal business model regarding its supply-side evaluations because confidentiality has been conferred on Figure GA-5-8-C, which contains the underlying values critical in deriving the screening curves. Lastly, the energy efficiency avoided costs table on page SA-40-C provides only total costs and not how those costs were derived. Public disclosure of such total costs would not impair Duke's ability to negotiate with prospective contractors and vendors nor would it harm Duke's competitive position in the power market.

As to the remainder of the information requested to be granted confidential treatment, those are entitled to the protection requested on the grounds relied upon in the Petition and should be withheld from public inspection. However, the items listed above do not meet the criteria for confidentiality and are therefore, denied confidential protection.

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.

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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 provision of KRS 278.400.

Sincera for Stephanie Stumbo by pormission

Stephanie Stumbo, **Executive Director**

kg/ cc: Parties of Record

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