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**PUBLIC SERVICE
COMMISSION**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS RATES)
OF DUKE ENERGY KENTUCKY, INC.) CASE NO. 2009-00202

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS FIRST SET OF RESPONSES TO DISCOVERY
PROPOUNDED BY COMMISSION STAFF

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Kentucky Public Service Commission (Commission) to classify and protect certain information in responses to Staff's Data Request Nos. 26, 34, 36 47 and 49 contained in the Commission's data requests, as set forth in the Commission's Order dated June 19, 2009.

The information in response to Data Request No. 26 for which Duke Energy Kentucky seeks confidential treatment includes sensitive information regarding the Company's cash balances in the several bank accounts. The disclosure of details in respect of bank accounts could unfairly provide Duke Energy Kentucky's competitors with the Company's plans for future investments. Furthermore, account numbers maintained by financial institutions are confidential and proprietary in nature such that they should be protected from public dissemination.

The response to Data Request No. 34 includes employee benefit studies, analyses or surveys assembled by an outside vendor and utilized by the Company. The information reflected in these documents is confidential, and Duke Energy Kentucky agreed not to

disclose said information to third parties absent the vendor's consent. Moreover, the information, if disclosed, would provide competitors with an unfair advantage in their efforts to develop and implement compensation and employee benefit plans offered to, among others, prospective employees.

The attachment to the response to Data Request No. 36 lists executive compensation for the Company's executive leaders, including individuals whose compensation is not otherwise subject to disclosure under federal requirements. This information is confidential and its disclosure threatens reasonable privacy considerations. Furthermore, its disclosure would undeniably provide competitors with an unfair advantage in their negotiations, particularly with respect to negotiations involving prospective employees.

The attachments to the response to Data Request No. 47 contains federal income tax information filed by the Corporation for Duke Energy Ohio and its affiliates and state income tax information filed by Duke Energy Kentucky as well as franchise fees paid during the test year. The level of detail in these documents could readily provide competitors with an unfair advantage in that these returns provide a concise summary of business and financial activities over a calendar year. With respect to franchise fees, the disclosure of this information would likely provide competitors with an unfair advantage. Again, this information is a concise format detailing the structure of Duke Energy Kentucky and financial aspects of its operations.

The response to Data Request No. 49 requests written policies for professional services, including those services retained in the context of the attorney-client relationship. Disclosure of this information could provide a distinct competitive advantage to vendors in

soliciting and securing new contracts for services to Duke Energy Kentucky, not to mention its affiliates.

In support of this Petition, Duke Energy Kentucky states as follows:

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 the 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 Confidential Information contained in the attachment provided in response to Data Request No. 26 includes sensitive information regarding the Company's cash balances in the several bank accounts utilized by the Company. If released, this information could provide Duke Energy Kentucky's competitors with its plans for future investments. Thus, such information must be exempt from disclosure. Moreover, bank account numbers reflect proprietary information that must be shielded from public disclosure.

3. The Confidential Information contained in response to Data Request No. 34 includes, but is not limited to, employee benefit studies, analyses or surveys assembled by an outside vendor and utilized by the Company. The Company has an agreement with the vendor that it will only release the information contained in the vendor's documents to entities approved by the vendor as it contains sensitive employee statistics and analyses. Furthermore, the Confidential Information, if disclosed, would provide competitors with an unfair advantage in their efforts to develop and implement compensation and employee benefit plans offered to, among others, prospective employees.

4. The Confidential Information contained in the attachment in response to Data Request No. 36 supports the request for executive compensation of the executive officers of the Company. The list of executive officers includes individuals whose professional compensation is not subject to disclosure under federal reporting requirements. Thus, this information is sensitive and proprietary information that, if disclosed, would undeniably present competitors with an advantage in their negotiations.

5. The Confidential Information contained in response to the response to Data Request No. 47 contains federal income tax information filed by the Corporation for Duke Energy Ohio and its affiliates and state income tax information filed by Duke Energy Kentucky as well as franchise fees paid during the test year. The level of detail in these documents could readily provide competitors with an unfair advantage in that these returns provide a concise summary of business and financial activities over a calendar year. With respect to franchise fees, the disclosure of this information would likely provide competitors with an unfair advantage. Again, this information is a concise format detailing the structure of Duke Energy Kentucky and financial aspects of its operations.

6. The Confidential Information contained in response to Data Request No. 49 contains written policies for professional services, including those secured in the context of the attorney-client relationship. This information, if disclosed, could provide a distinct competitive advantage to vendors in soliciting and securing new contracts for services to Duke Energy Kentucky, not to mention its affiliates.

7. All of the Confidential Information referenced in Paragraphs 2 through 6 above is distributed within Duke Energy Kentucky and Duke Energy Corporation (collectively

referred to as Duke Energy) only to those employees who must have access for business reasons and it is generally recognized as confidential and proprietary in the energy industry.

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

9. Duke Energy Kentucky does not object to limited disclosure of the Confidential Information described herein, provided such disclosure is pursuant to an acceptable protective agreement and limited to those intervening Parties with a legitimate interest in reviewing the same.

10. Duke Energy Kentucky has taken steps to only seek confidential treatment of the sensitive information contained in the responses, and in the interest of disclosure is only seeking confidential treatment of specifically identified information.

11. In accordance with the provisions of 807 KAR 5:001 Section 7, Duke Energy Kentucky is providing the Commission with one copy of the Confidential Material highlighted and ten 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.

Respectfully submitted,

DUKE ENERGY KENTUCKY



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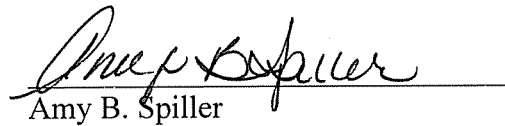
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the Petition of Duke Energy Kentucky, Inc. For Confidential Treatment of Information Contained in Its First Set of Responses To Discovery Propounded By Commission Staff was hand-delivered, on this 16th day of July 2009.

Hon. Dennis Howard
Office of Attorney General
Utility Intervention and Rate Division
1024 Capital Center Drive
Frankfort, Kentucky 40601



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