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Dianne B. Kuhnell
Senior Paralegal

VIA OVERNIGHT DELIVERY

March 31, 2010

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

RECEIVED

APR 01 2010

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2009-509

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of Duke Energy Kentucky Inc.'s responses to the Commission Staff's First Set of Post-Hearing Data Requests and Petition for Confidential Treatment in the above captioned case.

Please note that we have included a copy of the response for which we are requesting confidential treatment separately in the sealed white envelope stamped 'Confidential Proprietary Trade Secret'.

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


Sincerely,

Dianne B. Kuhnell
Senior Paralegal

VERIFICATION

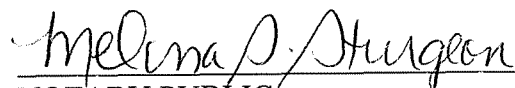
State of Ohio)
)
County of Hamilton)

The undersigned, Ryan D. Gentil, being duly sworn, deposes and says that I am employed by the Duke Energy Corporation affiliated companies as Portfolio Risk Manager; that on behalf of Duke Energy Kentucky, Inc., I have supervised the preparation of the responses to the foregoing post-hearing information requests; and that the matters set forth are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.



Ryan D. Gentil, Affiant

Subscribed and sworn to before me by Ryan D. Gentil on this 31 day of
March, 2010.



NOTARY PUBLIC

My Commission Expires: **MELISSA S. STURGEON**
Notary Public, Kentucky State at Large
My Commission Expires November 15, 2011

TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-008	Ryan Gentil.....	8
STAFF-DR-01-019	Vincent Stroud.....	19
STAFF-DR-01-020	Ryan Gentil.....	20

Duke Energy Kentucky, Inc.
Case No. 2009-00509
Staff Data Requests
Date Received: March 23, 2010

STAFF-DR-01-008
(POST HEARING
DATA REQUEST)

REQUEST:

Referring to Commission's question as to why the price at Hopkins County mine increased from \$45.35/ton in 2010 to \$78/ton in 2011.

RESPONSE:

- On 2/25/2008 this contract was amended to add 500,000 tons/year to years 2009 and 2010.
 - At the time of this amendment, the contract price was \$44.35/ton in 2009 and \$45.35/ton in 2010
- On 7/10/2008 this contract was again amended to add 500,000 tons/year to year 2011. At the time of this amendment, the contract price was \$78.00/ton

As approved by this Commission and FERC, due to station coal deliver and handling constraints and various efficiencies in operating the three units located at the Miami Fort Station, it was determined that a single entity should operate the Miami Fort Station, including procuring of coal contracts. Therefore, Duke Energy Ohio operates Miami Fort units 6, 7, and 8 under the terms of an approved service agreement and a FERC-approved no-action ruling. Since this approval the Units 6, 7, and 8 operating characteristics have changed over the years, with Units 7 and 8 becoming scrubbed units. Due to these changes, coal is generally purchased separately and intended to be consumed separately in Unit 6 and Units 7 and 8. However, due to the coal handling configuration and shared equipment at the station, it is possible for some of the purchased and intended coal for Unit 6 to be consumed in Units 7 and 8, and for coal purchased and intended for Unit 7 and 8 to be consumed in Unit 6. For this reason there are contracts such as the Peabody Coalsales, DP&L, and Hopkins County Coal that, although intended for Units 7 and 8, can be consumed in Unit 6. Accordingly, these contracts are provided to the Commission and reported. Nonetheless, the vast majority of the tons delivered under these contracts are in fact burned at units 7 and 8, which are Duke Energy Ohio units and serve the Ohio load.

Therefore, the effect of these contracts should have a minimal effect on Duke Energy Kentucky's Fuel Adjustment Clause.

PERSON RESPONSIBLE: Ryan Gentil – Miami Fort 6

Duke Energy Kentucky, Inc.
Case No. 2009-00509
Staff Data Requests
Date Received: March 23, 2010

STAFF-DR-01-019
(POST HEARING DATA
REQUEST)-
PUBLIC

REQUEST:

Referring to post-hearing requests from Commission: the coal contract from Consolidation Coal was requested as well the maximum chlorine content number that is acceptable at Duke Energy Kentucky.

RESPONSE:

The coal contract from Consolidation Coal requested at the March 23, 2009 hearing in this case will be sent under separate cover to Daryl Newby at the Commission.

CONFIDENTIAL PROPRIETARY TRADE SECRET

This response is being provided to the Commission under a Motion for Confidential Treatment.

PERSON RESPONSIBLE: Vincent Stroud

Duke Energy Kentucky, Inc.
Case No. 2009-00509
Staff Data Requests
Date Received: March 23, 2010

STAFF-DR-01-020
(POST HEARING
DATA REQUESTS)

REQUEST:

Referring to post-hearing request from Commission: the prices paid for spot purchase tonnage of coal from suppliers listed in data request response.

RESPONSE:

Prices paid for spot purchases.

- Louis Dreyfus - \$65.50
- Coal Network - \$80.25
- Patriot - \$47.00
- Coalsales - \$45.50
- Coal Network - \$45.50

PERSON RESPONSIBLE: Ryan Gentil - Miami Fort 6

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**PUBLIC SERVICE
COMMISSION**

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of An Examination of the Application) Case No. 2009-509
Of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc.)
From May 1, 2009 through October 31, 2009)

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS RESPONSES TO COMMISSION'S
POST-HEARING DATA REQUESTS

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in response to data requests No. 19 (a) in the Commission's post-hearing data requests, as requested by Staff at the hearing in this case on March 23, 2010. The information for which Duke Energy Kentucky seeks confidential treatment (Confidential Information) pertains to clarification of the maximum chlorine content that is acceptable in coal used at Duke Energy Kentucky plants. In support of this Motion, Duke Energy Kentucky notes that the Commission has treated this information contained in coal bid analysis information as confidential in the same data request in the Staff's first set of data requests in this case.

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. Disclosure of the individual factors underlying Duke Energy Kentucky's bid analysis/selection process would damage Duke Energy Kentucky's position and business interests the disclosure of the Company's maximum level of chlorine content for coal would allow the future bidding companies to tailor future proposals and artificially raise price proposals. This information reveals the business model the Company uses - the procedure it follows and the factors/inputs it considers - in evaluating bids for coal supply. If the Commission grants public access to the information requested in data request No. 19 (a), potential bidders could manipulate the bid solicitation process to the detriment of Duke Energy Kentucky and its ratepayers by tailoring bids to correspond to and comport with Duke Energy Kentucky's bidding criteria and process. As noted above, the Commission has treated such information as confidential in the past for other utilities within the same type cases regarding the Fuel Adjustment Clause.

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

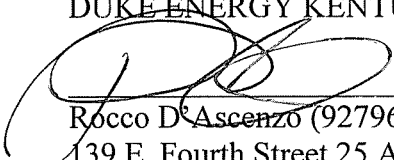
4. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one copy of the Confidential Material highlighted and five (5) 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

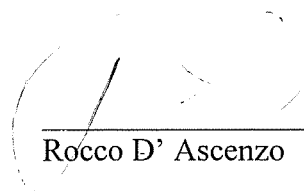


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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Duke Energy Kentucky, Inc.'s Petition for Confidential Treatment of Information Contained in Duke Energy Kentucky, Inc.'s First Set of Data Requests was served on the following by overnight mail, this 3rd ^{5th} day of March 2010.



Rocco D' Ascenzo

Honorable Dennis G. Howard, II
Honorable David E. Spenard
Assistant Attorneys General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601