

RECEIVED

JUN 07 2011

PUBLIC SERVICE
COMMISSION

June 7, 2011

David S. Samford
Counsel
859.244.3230 (t)
859.231.0011 (f)
dsamford@fbtlaw.com

VIA HAND-DELIVERY

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

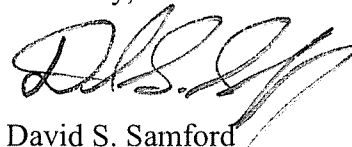
RE: *The Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation and Progress Energy, Inc. for Approval of the Indirect Transfer of Control of Duke Energy Kentucky, Inc., Case No. 2011-00124*

Dear Mr. Derouen,

Enclosed, please find an original and ten copies of a petition for confidentiality and a single copy of the confidential information for which confidentiality is sought. The confidential information is tendered as a second supplement to the Joint Applicants' response to initial Commission Staff information request 32. A copy of the confidential information has been tendered to the Attorney General, in accordance with and pursuant to a confidentiality agreement dated May 10, 2011 between the Attorney General's Office and the Joint Applicants.

Please return a file-stamped copy of the petition for confidentiality for our records.

Sincerely,



David S. Samford

cc: Dennis Howard (with attachment)
Larry Cook

LEXLibrary 0106219.0583960 469408v1

COMMONWEALTH OF KENTUCKY

BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

JUN 07 2011

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE JOINT APPLICATION OF DUKE)
ENERGY CORPORATION, CENERGY)
CORP., DUKE ENERGY OHIO, INC.,)
DUKE ENERGY KENTUCKY, INC.,)
DIAMOND ACQUISITION CORPORATION,)
AND PROGRESS ENERGY, INC FOR)
APPROVAL OF THE INDIRECT)
TRANSFER OF CONTROL OF)
DUKE ENERGY KENTUCKY)

Case No. 2011-0124

JOINT APPLICANTS' PETITION
FOR CONFIDENTIAL TREATMENT OF INFORMATION

Duke Energy Corporation ("Duke Energy"), Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc. ("Progress Energy") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, Section 7, respectfully request the Commission to grant confidentiality to, and protect from public disclosure, certain information provided by Joint Applicants as a second supplemental response to the Commission Staff's initial set of information requests. In support, the Joint Applicants, individually and collectively, state:

1. Joint Applicants are filing a second supplemental response to the initial information requests of the Commission Staff, dated May 24, 2011, as part of their commitment to timely supplement previous responses to data requests as additional information becomes available. This second supplemental response contains Confidential Information as part of the updated answer to Staff Initial Request 32.

2. The Kentucky Open Records Act exempts from disclosure certain information, *inter alia* proprietary information and/or sensitive commercial information. KRS 61.878(1)(c). The information identified above is confidential or proprietary information and, if openly disclosed, would permit an unfair commercial advantage to competitors of the Joint Applicants.

3. Staff Initial Request 32 requested “any analysis, calculation, estimate, or projection, whether partial, preliminary, incomplete, or final, of any potential synergies, benefits, savings, or cost reductions that might result from the Duke Energy merger with Progress.” The Joint Applicants first provided certain non-confidential information in a public response and also provided a confidential response to the initial information request on May 10, 2011. The Joint Applicants then made a confidential supplemental filing relating to Staff Initial Request 32 on May 19, 2011. The Joint Applicants’ May 10, 2011 petition for confidential treatment and May 19, 2011 petition for confidential treatment are both incorporated herein by reference as if set forth in full.

4. The Joint Applicants’ second supplemental response, which is tendered contemporaneously herewith, includes a recently conducted preliminary cost saving report prepared as part of the merger integration planning process and is being filed under seal. The report was recently authored, is not final and contains only preliminary estimates. It has not yet been reviewed in detail by senior management.

5. Disclosure of the information contained in the aforementioned report would significantly damage Joint Applicants’ positions and business interests. This information reveals preliminary cost savings opportunities in the human resources, information technology, customer operations, transmission and distribution, corporate,

nuclear, fossil generation, fuels and dispatch, finance and supply chain aspects of the combined companies. If the Commission grants public access to the information contained in the preliminary report, competitors and possible vendors and service providers could manipulate pricing for services to the detriment of Joint Applicants and their respective ratepayers.

6. The information for which Joint Applicants seek confidential treatment has not been publicly disclosed and is only known and available to those individuals employed by the Joint Applicants' respective companies who have a legitimate business reason to have access to the information.

7. Joint Applicants do not object to limited disclosure of the non-privileged confidential information described herein, pursuant to an acceptable confidentiality agreement, to the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

8. In accordance with the provisions of 807 KAR 5:001 Section 7, the Joint Applicants are filing one copy of the Confidential Information under seal, in unredacted format. Joint Applicants are also making the Confidential Information available to the Attorney General's office in accordance with a confidentiality agreement dated May 10, 2011.

WHEREFORE, Joint Applicants respectfully request that the Commission grant confidentiality to, and protect from public disclosure, certain information filed herewith under seal as set forth herein.

This 7th day of June, 2011.

Respectfully submitted,



Mark David Goss
David S. Samford
Frost Brown Todd LLC
250 West Main Street, Suite 2800
Lexington, KY 40507-1749
(859) 231-0000 – Telephone
(859) 231-0011 – Facsimile

*Counsel for Joint Applicants,
Duke Energy Corporation
Cinergy Corporation
Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc.
Diamond Acquisition Corporation and
Progress Energy, Inc.*

- and -

Rocco D'Ascenzo
Amy B. Spiller
Duke Energy Business Services LLC
139 East Fourth Street
1301 Main
P. O. Box 960
Cincinnati, Ohio 45201-0960

*Counsel for Joint Applicants,
Duke Energy Corporation
Cinergy Corporation
Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc. and
Diamond Acquisition Corporation*

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served via hand delivery to the following party on this 7th day of June 2011:

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



*Counsel for Joint Applicants,
Duke Energy Corporation
Cinergy Corporation
Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc.
Diamond Acquisition Corporation and
Progress Energy, Inc.*

RECEIVED

JUN 07 2011

**PUBLIC SERVICE
COMMISSION**

**Duke Energy Kentucky
Case No. 2011-124
Staff First Set Data Requests
Date Received: April 28, 2011**

STAFF-DR-01-032-SUPP

PUBLIC

REQUEST:

Have any of the Joint Applicants, or any person on their behalf, performed any analysis, calculation, estimate, or projection, whether partial, preliminary, incomplete, or final, of any potential synergies, benefits, savings, or cost reductions that might result from the Duke Energy merger with Progress? If yes, provide copies of each analysis, calculation, estimate, or projections.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET

The Joint Applicants have filed a supplemental response to this request under seal and subject to a petition for confidential treatment.

PERSON RESPONSIBLE:

As to attached report – A. R. Mullinax

As to Objection – Legal

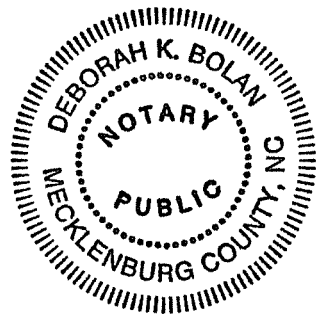
VERIFICATION

State of North Carolina)
)
County of Mecklenburg) SS:

The undersigned, AR Mullinax, being duly sworn, deposes and says that he is the Senior Vice President & Chief Information Officer, Duke Energy Business Services, LLC, that he has supervised the preparation of the supplemental response to the foregoing information request; and that the matters set forth in the foregoing response to information request are true and accurate to the best of his knowledge, information and belief, after reasonable inquiry.

AR Mullinax
AR Mullinax, Affiant

Subscribed and sworn to before me by ARMullinax on this 6th day of June 2011.



Deborah K. Bolan
NOTARY PUBLIC

My Commission Expires: 10-29-12