



DUKE ENERGY CORPORATION

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VIA OVERNIGHT DELIVERY

May 14, 2012

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

RECEIVED

MAY 15 2012

PUBLIC SERVICE
COMMISSION

**Re: Case No. 2012-00085
In the Matter of the Application of Duke Energy Kentucky, Inc., for an
Energy Efficiency Cost Recovery Mechanism and for Approval of
Additional Programs for Inclusion in its Existing Portfolio**

Dear Mr. Derouen:

Enclosed please find an original and twelve copies of the *Supplemental Response of Duke Energy Kentucky, Inc. to Staff-DR-01-021 and Petition for Confidential Treatment* in the above captioned case. Also enclosed in the white envelope is one set of the confidential response to Staff-DR-01-021 being filed under seal.

Please date-stamp the two copies of the letter, the Data Request and the Petition and return to me in the enclosed envelope.

Sincerely,

Kristen Cocanougher

cc: Jennifer Hans (w/enclosures)
Richard Raff (w/enclosures)
Florence W. Tandy (w/enclosures)
Carl Melcher (w/enclosures)

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAY 15 2012

In the Matter of the Application of Duke Energy)
Kentucky, Inc., for an Energy Efficiency Cost)
Recovery Mechanism and for Approval of)
Additional Programs for Inclusion in its Existing)
Portfolio)

Case No. 2012-00085

PUBLIC SERVICE
COMMISSION

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN ITS
SUPPLEMENTAL RESPONSE TO COMMISSION STAFF'S FIRST SET OF 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 its supplemental response to data request No. 21, as requested by Commission Staff (Staff) in this case on April 13, 2012. The information that Staff seeks in data request No. 21 and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) shows the cost and avoided cost information for DSMore summary output for each program. The response contains sensitive information, the disclosure of which would provide a list of costs and avoided costs, which could provide competitors, vendors and suppliers an obvious advantage.

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. The information contained on the CD Attachment STAFF-DR-SUPP-021 contains sensitive information, the disclosure of which would injure Duke Energy Kentucky and its competitive position and business interest. This information was developed internally by Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons. If publicly disclosed, this information setting forth Duke Energy Kentucky's costs and avoided costs for the DSMore program summary output gives the Company's competitors, vendors and suppliers an obvious competitive advantage. Release of these costs would provide potential vendors, vendors and competitors insight into Duke Energy Kentucky's business model and operations. Finally, public disclosure would give Duke Energy Kentucky's contractors, vendors and competitors access to Duke Energy Kentucky's cost and operational parameters. Such access would impair Duke Energy Kentucky's ability to negotiate with prospective contractors and vendors, and could harm the Duke Energy Kentucky's competitive position in the power market, ultimately affecting the costs to serve customers.

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

4. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or

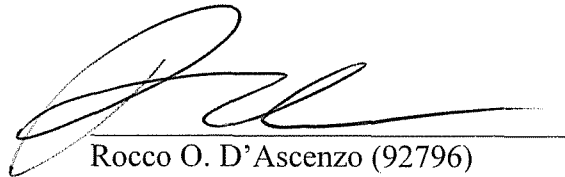
proprietary. Indeed, as the Kentucky Supreme Court has found, “information concerning the inner workings of a corporation is generally accepted as confidential or proprietary.” Hoy v. Kentucky Industrial Revitalization Authority, Ky., 904 S.W.2d 766, 768.

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 ten (10) 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, INC.

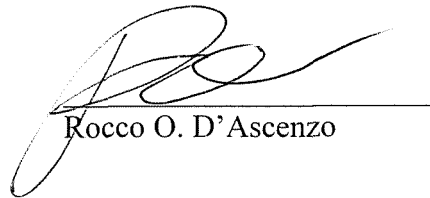


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via overnight mail, postage prepaid, this 14th day of May 2012:

Jennifer B. Hans Assistant Attorney General's Office 1024 Capital Center Drive, Ste 200 Frankfort, Kentucky 40601-8204	Richard Raff Public Service Commission 730 Schenkel Lane Frankfort, Kentucky 40602
Florence W. Tandy Northern Kentucky Community Action Commission P.O. Box 193 Covington, Kentucky 41012	Carl Melcher Northern Kentucky Legal Aid, Inc. 302 Greenup Covington, Kentucky 41011

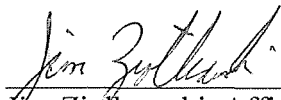


Rocco O. D'Ascenzo

VERIFICATION

State of Ohio)
) SS:
County of Hamilton)

The undersigned, Jim Ziolkowski, being duly sworn, deposes and says that he is the Rates Manager, and that the matters set forth in the foregoing testimony are true and accurate to the best of his knowledge, information and belief.



Jim Ziolkowski, Affiant

Subscribed and sworn to before me by JIM ZIOLKOWSKI on this 8TH day of May 2012.

ADELE M. DOCKERY
Notary Public, State of Ohio
My Commission Expires 01-05-2014



NOTARY PUBLIC

My Commission Expires: 1/5/2014

**STAFF-DR-01-021 Supplemental
PUBLIC**

REQUEST:

Refer to page 4, lines 12-13, of the Direct Testimony of James A. Ziolkowski (“Ziolkowski Testimony”). Mr. Ziolkowski states: “[t]he revenue requirement recovers program costs, lost revenues, measurement and verification costs, and incentives.” In its application in Case No. 2011-00448,¹ Duke Kentucky provided Appendix B, page 2 of 6, which includes projected program costs, lost revenues, and shared savings for 2012. Appendix B also provides an allocation of costs between electric and gas customers.

- a. Provide a similar schedule of program costs, lost revenues, and shared savings for the programs proposed in this case.
- b. Provide a schedule, in electronic format with formulas intact and unprotected, of the total DSM revenue requirement amounts on Attachment JEZ-I, page 8, by program, consisting of program costs, lost revenues, and shared savings.

RESPONSE:

CONFIDENTIAL PROPRIETARY TRADE SECRET

This response has been filed with the Commission under a Petition for Confidential Treatment.

PERSON RESPONSIBLE: Legal

¹ Case No. 2011-00448, Application of Duke Energy Kentucky, Inc. for the Annual Cost Recovery Filing for Demand-Side Management (Ky. PSC April 13, 2012).