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Associate General Counsel

VIA OVERNIGHT DELIVERY

March 21, 2014

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

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:

In the Settlement Agreement in the above-referenced case, Duke Energy Kentucky, Inc. made several merger commitments. Duke Energy Kentucky regularly monitors these commitments to ensure compliance and hereby reports the following information regarding these commitments. Please file stamp the two copies of this letter enclosed herein and return in the enclosed return-addressed envelope.

Commitment # 20

Joint Applicants commit to notify the Commission as soon as practicable of registration or issuance of new public long-term debt or equity in excess of \$500 million issued by Duke Energy or Cinergy.

Duke Energy Response:

Since August 2012, neither Duke Energy Corporation nor Cinergy has issued any debt in excess of \$500 million.

Investor Direct Choice Plan

On October 1, 2013, Duke Energy Corporation (Duke Energy) filed a Form S-3 Registration Statement under the Securities Act of 1933 for Duke Energy's Investor Direct Choice Plan. The S-3 relates to 8,000,000 shares of our common stock, with a par value of \$0.001 per share, offered for purchase under the Plan and proposed maximum proceeds of \$535,200,000.

The Plan provides a way for investors to purchase shares of Duke Energy's common stock without paying any brokerage commissions or service charges. The Plan allows for the automatic reinvestment of cash dividends in Duke Energy common stock; the direct purchases of additional shares by making optional investments of at least \$50 for any single investment, up to a maximum of \$100,000 per month; and a feature which allows investors to deposit certificates representing Duke Energy common stock into the Plan for safekeeping.

Premier Notes

On December 6, 2013, Duke Energy filed a Form S-3 Registration Statement under the Securities Act of 1933 for the Duke Energy Premier Notes (the "Notes"). The S-3 allows for the sale of up to \$3.0 billion Notes.

The Notes are designed to provide investors with a means of investing their money directly with Duke Energy.

The Notes:

- are in book-entry form and have no stated maturity;
- are not rated by any rating agency;
- are issuable in any amount;
- may be redeemed upon demand;
- are subject to redemption by Duke Energy at any time;
- have a principal amount equal to the total amount of the investment, plus reinvested interest, after deducting redemptions and fees, if any.
- earn a floating rate of interest;
- earn interest which will accrue and be compounded daily and be automatically reinvested in Notes on the 15th day of each month;
- will rank equally in priority with all of Duke Energy's existing and future unsecured and unsubordinated indebtedness and will rank senior in right of payment to all of Duke Energy's existing and future subordinated debt;

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- are structurally subordinated to all indebtedness and other liabilities of Duke Energy's subsidiaries; and
- are offered on a continuous basis.

Notes registered on the registration statement of which the prospectus is a part represent the maximum aggregate principal amount of the Notes, equal to \$3,000,000,000, which are expected to be offered for sale. The outstanding principal amount of the Notes will increase and decrease from time to time. The maximum net aggregate principal amount of the Notes that may be outstanding at any one time is \$1,500,000,000.

Duke Energy Kentucky will continue to provide ongoing reporting as required under the merger commitments. Thank you for your consideration in this matter.

Very truly yours,



Rocco D'Ascenzo

cc: Hon. Dennis G. Howard, II