

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of an Investigation of Duke)
Energy Kentucky, Inc.'s Accounting Sale of)
Natural Gas Not Used in its Combustion)
Turbines)

Case No. 2014-00078

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN THE
DIRECT TESTIMONIES OF LISA STEINKUHL AND JOHN D. SWEZ AND JDS-1
ATTACHMENT

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in the Direct Testimonies of Lisa Steinkuhl and John D. Swez and JDS-1 Attachment.¹ The portions of the Direct Testimonies and Attachment for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information) shows the confidential information relating to the volume of gas imbalance at the Woodsdale Generating Station (Woodsdale), the Company's negotiated balancing thresholds with the interstate pipelines, and prices paid and received for purchases and sales of said natural gas. Disclosure of this information would damage Duke Energy Kentucky by alerting suppliers and potential counterparties to sales as to how much gas Duke Energy Kentucky has and how much it paid for the gas, which could allow suppliers to raise the cost of their gas to Duke Energy Kentucky or potential purchasers to artificially lower the price

¹ JDS-1 Attachment is the Operational Balancing Agreement between Texas Eastern Transmission, LP and The Union Light, Heat and Power Company.

they are willing to pay thus making it more costly to Duke Energy Kentucky and ultimately its customers.

The gas volume and pricing information described above contains sensitive commercial information, including the sales of natural gas the Company has made, the prices paid and received, as well as, the volumes of gas it has on hand, the disclosure of which would injure Duke Energy Kentucky for the reasons stated above. Public release of this information would allow other suppliers to have access to this information and could enable such suppliers to charge higher prices to Duke Energy Kentucky for the purchase of gas as it would give suppliers competitive and sensitive information as to how the Company procures gas on the pipelines, how much it has recently paid, and the volumes it is able to carry on the pipelines. Also, because the Company acquired a lengthy position as a result of pipeline operational flow restrictions, the Company may need to sell additional natural gas on the market in the future. Releasing the amount and prices of transactions in the past or the value of existing gas purchases will put the Company at a competitive disadvantage as its potential counterparties will know how much the Company paid for the gas.

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 factors underlying Duke Energy Kentucky's imbalance volume of gas at Woodsdale would damage Duke Energy Kentucky's competitive position and business interests. If the Commission grants public access to the information provided in the Confidential Information, this could enable suppliers to charge higher prices to Duke Energy Kentucky for the purchase of gas or enable suppliers to pay lower prices to Duke Energy Kentucky for the sale of gas.

3. The Confidential Information was developed internally by Duke Energy Corporation and 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 in these responses is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

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

5. 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 (Ky. 1995).

6. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and ten (10) copies without the confidential information included.

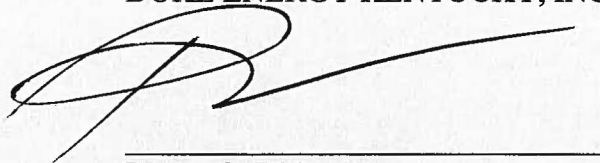
7. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of five years. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

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.

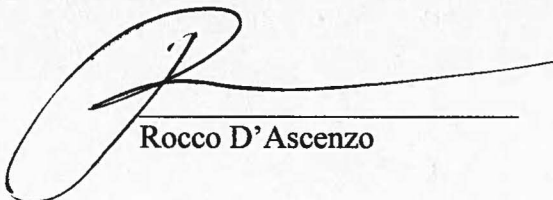


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served on the following via
overnight mail, this 2nd day of April 2014:

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