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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF	)	
DUKE ENERGY KENTUCKY, INC. TO	)	
IMPLEMENT A HEDGING PROGRAM	)	CASE NO. 2012-180
TO MITIGATE PRICE VOLATILITY	)	
IN THE PROCUREMENT OF	)	
NATURAL GAS	)	

**PETITION OF DUKE ENERGY KENTUCKY, INC.  
FOR CONFIDENTIAL TREATMENT OF INFORMATION CONTAINED IN  
THE ANNUAL REPORT ON HEDGING ACTIVITY FOR APRIL 1, 2012  
THROUGH MARCH 31, 2013,  
AND REPORT ON ONGOING GAS HEDGING ACTIVITY FOR FUTURE GAS  
DELIVERIES**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect as confidential certain information that is contained in its Annual Report on Hedging Activity for April 1, 2012 through March 31, 2013 and Report on Ongoing Gas Hedging Activity for Future Gas Deliveries in this proceeding, which is being filed contemporaneously with this petition. In support thereof, Duke Energy Kentucky states:

1. Duke Energy Kentucky has filed today documents containing sensitive and confidential information relating to the volumes of gas that Duke Energy Kentucky purchased through the use of hedging instruments for its hedging plan. Disclosure of this information would damage Duke Energy Kentucky by alerting suppliers as to how much gas Duke Energy Kentucky intends to purchase through hedging instruments at any

particular point in time, which could allow suppliers to raise the cost of their hedging instruments to Duke Energy Kentucky, thus making it more costly to Duke Energy Kentucky to acquire hedging instruments for future gas supply.

2. Certain attachments contain copyrighted documents published by PIRA Energy Group not available for reproduction to the general public. This information is subject to copyright protection and has been obtained through paid company subscriptions.

3. 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.

4. The hedging volume information described above contains sensitive commercial information, the disclosure of which would injure Duke Energy Kentucky for the reasons stated above. Duke Energy Kentucky's purchases of hedging instruments are confidential. 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 hedging instruments. The Commission previously granted confidential treatment to similar information on July 20, 2012.

5. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Kentucky, and it is not disseminated within Duke Energy Kentucky except to those employees with a legitimate business need to know and act upon the information.

6. 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.

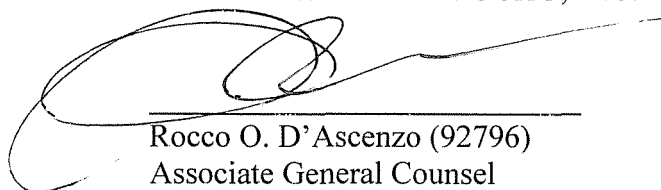
7. The public interest will be served by granting this Petition, in that Duke Energy Kentucky's ability to obtain low cost gas supplies will be fostered and the cost of gas to Duke Energy Kentucky's customers will thereby be minimized.

8. In accordance with the provisions of 807 KAR 5:001, Section 13(2), the Company is filing one copy of the Confidential Information separately under seal. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten 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.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

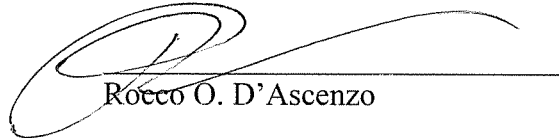


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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Petition for Confidential Treatment was served to the parties listed below by regular United States mail, postage prepaid, this 6<sup>th</sup> day of May 2013.

  
Rocco O. D'Ascenzo

Hon. Larry Cook  
Assistant Attorney General  
Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204