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July 13, 2012

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HAND DELIVERED

Jeff R. Derouen Executive Director Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, KY 40602-0615

RE: Case No. 2012-00226

RECEIVED

JUL 1 3 2012

PUBLIC SERVICE COMMISSION

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's responses to the data requests propounded by Staff and Kentucky Industrial Utility Customers, Inc. Also enclosed is an accompanying Petition for Confidential Treatment.

By copy of this letter I am serving the responses and the Petition on counsel for Kentucky Industrial Utility Customers, Inc. and the Attorney General.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STIMES & HARBISON, PLLC

Mark R. Overstreet

MRO

Alexandria, VA

cc: Michael L. Kurtz (By Overnight Delivery)

Dennis G. Howard II

Atlanta, GA

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION RECEIVED

JUL 1 3 2012

In the Matter of:

The Application of Kentucky Power (COMMISSION)

Company to Withdraw Its Tariff RTP (Company Submission by the Company (Company (C

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PETITION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company ("Kentucky Power") moves the Commission pursuant to 807 KAR 5:001, Section 7, for an Order granting confidential treatment to Kentucky Power's Response to Data Request Numbers 2 and 15 from the Commission Staff's First Request for Information to Kentucky Power Company issued on June 28, 2012 and Data Request Numbers 1 and 11 from Kentucky Industrial Utility Customers, Inc.'s First Set of Data Requests served on June 29, 2012.

Pursuant to 807 KAR 5:001 an original of the responses for which confidential treatment is sought is filed as part of Kentucky Power's original filing in response to the information requests. In addition, ten redacted copies of the subject responses are included with the remaining filings.

A. The Requests And The Statutory Standards.

The information requests made by Staff and KIUC require Kentucky Power to file and disclose customer-specific information concerning purchases of electricity from Kentucky Power as well as details of their accounts with Kentucky Power. In addition to information regarding parties represented by KIUC in this proceeding, the responses

include consumption and energy cost information of commercial and industrial customers of Kentucky Power who are not represented by KIUC in this proceedings, and who are not taking service under Tariff R.T.P.

Kentucky Power does not object to providing to the Commission the data sought in Staff Information Requests 2 and 15, along with the data sought in KIUC Data Requests 1 and 11. However, the data should be afforded confidential treatment.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

Moreover, KRS 61.878(1)(a) excludes:

Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.

These exceptions apply to Kentucky Power's response to Staff Information Requests 2 and 15, and to KIUC Data Requests 1 and 11.

B. <u>The Nature of Kentucky Power's Injury that Will Result from Disclosure of the Confidential Information.</u>

The information for which confidential treatment is being sought involves the energy usage and cost for industrial entities in competitive markets such as petroleum refining, steel production, retail, and chemical manufacture. Energy costs can represent a substantial portion of the cost of the customers products. Such information, as well as customer specific information such as account numbers, are considered confidential information by the parties to those contracts. Disclosure of the responses will place the energy costs of the industrial customers in the public domain and thereby place the

customers at a commercial disadvantage. This threat could have the effect of discouraging these and other industrial and commercial customers from locating or expanding in Kentucky Power's service territory.

C. The Information Is Generally Recognized As Confidential and Proprietary.

First, the records to be filed with the Commission are "generally recognized as confidential or proprietary." The requests at issue in this motion call for sensitive information that is treated as confidential by Kentucky Power and its customers. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power and AEPSC. The Company and AEPSC take all reasonable measures to prevent its disclosure to the public as well as persons within the Company who do not have a need for the information. Moreover, confidentiality requirements are often included in the contracts the Company has entered into with most, if not all, of its industrial customers.

D. <u>Disclosure Of The Information Will Result In An Unfair Commercial Disadvantage for Kentucky Power.</u>

In general, the disclosure of the confidential information will place Kentucky

Power at an unfair commercial disadvantage. As set forth above, energy costs

represent a significant component of the costs of operation for many of Kentucky

Power's large industrial customers. These customers require Kentucky Power to

maintain this information as confidential, presumably because public dissemination

would place them at a commercial disadvantage vis-à-vis their competitors. If this

information is required to be disclosed publicly then industrial customers will be less

likely to locate or expand in Kentucky Power's service territory. The impaired ability to

attract such customers will place Kentucky Power at a competitive disadvantage as compared to electric utilities not subject to this disclosure requirement.

E. The Information Is Required To Be Disclosed To An Agency.

Finally, the records requested in Staff Information Requests 2 and 15 and KIUC Data Requests 1 and 11 are by the terms of the requests required to be disclosed to the Commission, a "public agency" as that term is defined at KRS 61.870(1). Kentucky Power acknowledges the customer information at issue is subject to Commission review, and that parties to this proceeding should have access to the information sought by Staff and KIUC. Any filing, however, should be subject to a confidentiality order and any party requesting such information should enter into a confidentiality agreement. If such an agreement cannot be reached, the information should be subject to a protective order issued pursuant to 807 KAR 5:001, Section 7(5)(b).

F. The Information is Personal to Kentucky Power's Customers and Public Disclosure would Impair Reasonable Privacy Expectations.

In addition to the risk of competitive injury to Kentucky Power set forth above, disclosure of the customer-specific information at issue in Staff Information Requests 2 and 15 and KIUC Data Requests 1 and 11 violates the reasonable privacy expectations of the customers. Kentucky Power's customers require the Company to maintain this information as confidential. They have no expectation that the information will be publicly disclosed. Moreover, no public interest is served through the disclosure of the energy purchases made by private parties.

Wherefore, Kentucky Power Company respectfully requests the Commission to enter an Order:

- According confidential status to and withholding from pubic inspection
 Kentucky Power's responses to Staff Information Requests 2 and 15 and KIUC Data
 Requests 1 and 11; and
 - 2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

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Frankfort, Kentucky 40602-0634 Telephone: (502) 223-3477

COUNSEL FOR KENTUCKY POWER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing (along with redacted copies of the information for which confidential treatment is sought) was served by first class mail, postage prepaid, upon the following parties of record, this 13th day of July, 2012.

Jennifer B. Hans Dennis Howard II Lawrence W. Cook Assistant Attorneys General Office for Rate Intervention P. O. Box 2000 Frankfort, KY 40602-2000 Michael L. Kurtz Kurt J. Boehm Boehm, Kurtz & Lowry Suite 1510

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Mark R. Overstreet