

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENTUCKY POWER COMPANY FOR: (1) THE APPROVAL OF THE TERMS AND CONDITIONS OF THE RENEWABLE ENERGY PURCHASE AGREEMENT FOR BIOMASS ENERGY RESOURCES BETWEEN THE COMPANY AND ECOPOWER GENERATION-HAZARD LLC; (2) AUTHORIZATION TO ENTER INTO THE AGREEMENT; (3) THE GRANT OF CERTAIN DECLARATORY RELIEF; AND (4) THE GRANT OF ALL OTHER REQUIRED APPROVALS AND RELIEF

CASE NO. 2013-00144

MOTION OF KENTUCKY POWER COMPANY
FOR CONFIDENTIAL TREATMENT

Kentucky Power Company (“Kentucky Power” or the “Company”) moves the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment to the identified portions of its supplement response to Data Request KIUC 1-6. Kentucky Power’s motion is supported by the Affidavit of Jay F. Godfrey (“Godfrey Affidavit”), a copy of which is attached as Exhibit A.

The portion of the Company’s response to KIUC 1-6 for which it is seeking confidential treatment is included on a compact disc labeled as “Confidential.” Kentucky Power will notify the Commission if it determines the information for which confidential treatment is sought is no longer confidential.

A. The Requests And The Statutory Standard.

Kentucky Power does not object to filing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure.

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.

This exception applies to the following information for which Kentucky Power is seeking confidential treatment:

1. **KIUC 1-6**

Kentucky Power seeks confidential treatment for the identified portions of its supplemental response to Data Request KIUC 1-6. The identified portion of the response includes information regarding the Company's negotiating strategies for the REPA as well as other REPA terms. As described below in Section B, disclosure of this information could put Kentucky Power, or its affiliates, at a competitive disadvantage in future contract negotiations to the detriment of the Company and its customers.

Kentucky Power seeks confidential treatment of the identified documents for the term of the REPA, a period of twenty years.

B. The Identified Information is Generally Recognized As Confidential and Proprietary and Public Disclosure Of It Will Result In An Unfair Commercial Advantage for Kentucky Power's Competitors.

The identified information required to be disclosed by Kentucky Power in response to the identified data requests is highly confidential. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power, its parent, AEP, and

its affiliates. The Company, AEP, and its affiliates 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. The information is not disclosed to persons outside Kentucky Power, AEP, or its affiliates. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information.

As described in the Godfrey Affidavit, Kentucky Power and its affiliates may negotiate similar contracts with other suppliers in the future. If the Company's negotiating strategies and the prices and terms included in the REPA became publicly known or available, parties with which Kentucky Power and its affiliates may negotiate could use this knowledge to the detriment of Kentucky Power, its customers, and affiliates. Knowledge of these terms by other potential suppliers would establish certain benchmarks in future negotiations, thereby potentially increasing costs incurred by customers of Kentucky Power and its affiliates. In other words, other suppliers would insist on the same or better terms as those negotiated in this purchase agreement.

Knowledge of the REPA provisions by potential power supply competitors also could enable suppliers to gain an unfair advantage in future competitive situations. For example, the Confidential Information could be used by other purchasers competing for such contracts to "cherry-pick" the most favorable contracts, thereby depriving Kentucky Power of the ability to obtain the most advantageous prices for its customers. In addition, the mere existence of certain terms, without regard to their specific provisions telegraphs the Company's willingness in at least one instance to include certain contract provisions, and could be used by suppliers to seek similar provisions in any future purchased power agreement. As a result, in a limited number of

instances, the public disclosure of article headings and table of contents entries, which would reveal the existence of a particular provision, can disadvantage the Company.

In sum, making the strategies employed during and the results of negotiations available to the suppliers with which the Company is negotiating, or may negotiate in the future, compromises the ability of AEPSC and Kentucky Power to obtain the lowest reasonable cost for its customers on the most favorable terms. As such, their disclosure will result in unfair commercial advantage to the Company's competitors.

The confidential information should be kept confidential for the 20-year term of the REPA. Prior disclosure will adversely affect the Company's ability to negotiate future purchased power agreements.

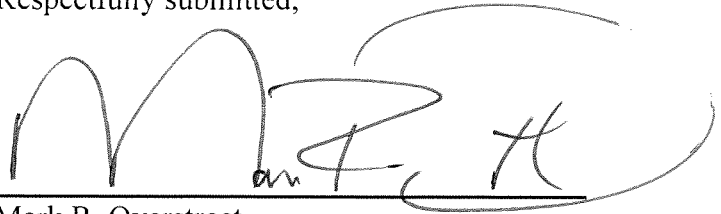
C. The Identified Information Is Required To Be Disclosed To An Agency.

The identified information is by the terms of the Data Requests and Commission practice required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be required to enter into an appropriate confidentiality agreement.

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

1. According confidential status to and withholding from public inspection the identified information;
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', enclosed within a large, hand-drawn oval.

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served as indicated below upon:

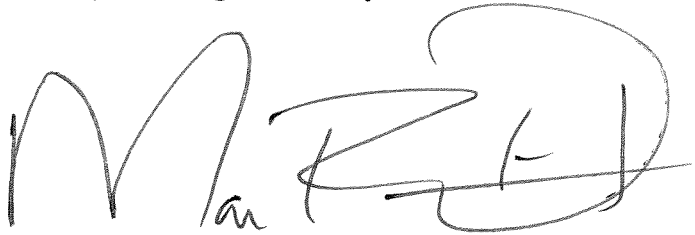
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By Overnight Delivery

By Overnight Delivery

on this the 16th day of August, 2013.

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', written over a horizontal line.

Mark R. Overstreet