

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR APPROVAL OF THE	)	
ACQUISITION OF EXISTING COMBUSTION	)	CASE NO.
TURBINE FACILITIES FROM BLUEGRASS	)	2015-00267
GENERATION COMPANY, LLC AT THE	)	
BLUEGRASS GENERATING STATION IN	)	
LAGRANGE, OLDHAM COUNTY, KENTUCKY	)	
AND FOR APPROVAL OF THE ASSUMPTION OF	)	
CERTAIN EVIDENCES OF INDEBTEDNESS	)	

ORDER

On July 24, 2015, East Kentucky Power Cooperative, Inc. ("EKPC") filed a petition, pursuant to 807 KAR 5:001, Section 13, requesting that the Commission grant confidential protection to certain materials contained in EKPC's Application, Exhibits to the Application, and direct testimony filed with the Commission. EKPC requests that the designated information remain confidential for a period of ten years. The designated material includes the purchase price to acquire existing simple cycle combustion turbine facilities located in LaGrange, Oldham County, Kentucky ("Bluegrass Station") from Bluegrass Generation Company, LLC ("Bluegrass"), as well as market and pricing forecasts; economic modeling assumptions, methods, and calculations; terms, conditions, and pricing for bids received in response to EKPC's request for proposals; forecasted operating and maintenance expenses; cyber security strategies; and descriptions of critical energy infrastructure related to the proposed transaction.

In support of its petition, EKPC states that the designated information would permit an unfair commercial advantage to EKPC's competitors if it were publicly

disclosed, and thus is generally recognized as confidential and is exempt from public disclosure pursuant to KRS 61.878(1)(c)(1). EKPC further states that the portion of the designated material that contains cyber security, cyber infrastructure, and critical energy infrastructure information could be utilized to commit or further a criminal or terrorist act, and disrupt critical public utility systems, and thus is exempt from public disclosure pursuant to KRS 61.878(1)(m)(1).

Having carefully considered the petition and the materials at issue, the Commission finds that:

1. The materials contained in Appendix A to this Order for which EKPC seeks confidential treatment are records that are generally recognized as confidential or proprietary, and therefore meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(c)(1), KRS 61.878(1)(m)(1), and 807 KAR 5:001, Section 13.

2. The materials contained in Appendix B to this Order for which EKPC seeks confidential treatment do not meet the criteria for confidential treatment under KRS 61.878(1)(c) and 807 KAR 5:001, Section 13. The Commission finds that disclosure of the materials contained in Appendix B to this Order would not impose upon EKPC any unfair competitive disadvantage. This is particularly so given the Commission's need to be able to fully and specifically address the cost impact in its final determination of this matter, and given that EKPC's members and their respective retail customers have a right to know the evidence upon which the Commission relied in determining whether the costs of the proposed acquisition and operation of Bluegrass

Station are fair, just, and reasonable. EKPC's request for confidential treatment should be denied for the materials contained in Appendix B to this Order.

IT IS THEREFORE ORDERED that:

1. EKPC's motion for confidential protection is granted in part and denied in part.

2. EKPC's request for confidential treatment of information set forth in Appendix A to this Order is granted. The information set forth in Appendix A shall remain confidential for a period of ten years.

3. EKPC's request for confidential treatment of information set forth in Appendix B to this Order is denied.

4. The materials set forth in Appendix A to this Order for which EKPC's request for confidential treatment has been granted shall not be placed in the public record or made available for public inspection for a period of ten years.

5. The materials set forth in Appendix B to this Order for which EKPC's request for confidential treatment has been denied shall not be placed in the public record or made available for inspection for 20 days from the date of this Order in order to allow Movant to seek a remedy afforded by law.

6. Use of the materials that were granted confidential treatment in any Commission proceeding shall be in compliance with 807 KAR 5:001, Section 13(9).

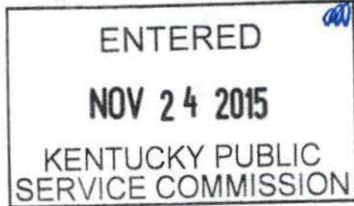
7. EKPC shall inform the Commission if the materials granted confidential treatment become publicly available or no longer qualify for confidential treatment.

8. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order and the period during which the materials have

been granted confidential treatment has not run, then EKPC shall have 20 days from receipt of written notice of the request to demonstrate that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If EKPC is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

9. The Commission shall not make the requested materials available for inspection for 20 days following an Order finding that the materials no longer qualify for confidential treatment in order to allow EKPC to see a remedy afforded by law.

By the Commission



ATTEST:

  
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Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00267 DATED **NOV 24 2015**

MATERIALS FROM EKPC'S APPLICATION,  
EXHIBITS TO THE APPLICATION, AND DIRECT TESTIMONY  
GRANTED CONFIDENTIAL TREATMENT

1. Application
  - a. Page 8, paragraph 19: The Brattle Group economic projections;  
ACES economic projections
  - b. Page 9, paragraph 20: Navigant Consulting, Inc. economic  
projections
  - c. Page 12, paragraph 27: Navigant Consulting, Inc. economic  
projections in third and fourth sentences
  - d. Page 14, paragraph 32 and footnote 28: Transmission assets and  
facilities
  - e. Page 15, paragraph 34: Transmission assets and facilities
  - f. Page 16, paragraph 36: Forecasted capacity price
  - g. Page 18, paragraph 39: Navigant Consulting, Inc. economic  
conclusions
  - h. Page 22, paragraph 50: Forecasted operations and maintenance  
expenses in third sentence, and forecasted fuel expenses in fourth sentence
2. Exhibit 3 to the Application, Asset Purchase Agreement
  - a. Sections 4.10(a)–(b): Cyber infrastructure and cyber-security  
apparatus
  - b. Disclosure Schedule 6.19: Transmission assets and facilities

3. Direct Testimony of Don Mosier, page 8, line 1: Forecasted capacity price
4. Direct Testimony of David Crews
  - a. Page 19, lines 14–15: ACES economic projections
  - b. Page 20, lines 13 and 22: Navigant Consulting, Inc. economic projections
  - c. Exhibit DC-1, page 3: ACES economic projections in third and fourth paragraphs
  - d. Exhibit DC-1, page 4: ACES economic projections in second paragraph
  - e. Exhibit DC-1, page 5: ACES discounted cash flow analysis
  - f. Exhibit DC-1, page 6, Section 3.1: ACES economic projections
  - g. Exhibit DC-1, page 6, Sections 3.2 and 3.3: ACES capacity performance projections
  - h. Exhibit DC-1, page 7, Section 4: ACES market comparables conclusions
  - i. Exhibit DC-1, pages 7–8, Section 5: ACES natural gas forecasts
  - j. Exhibit DC-1, pages 9–12, Figures 3–6: ACES economic projections
  - k. Exhibit DC-2: Transmission assets and facilities
5. Direct Testimony of Darrin Adams
  - a. Page 4, lines 4–18: Transmission assets and facilities
  - b. Page 5, lines 6 and 9: Transmission assets and facilities
  - c. Page 8, lines 8–10, 13, and 17: Transmission assets and facilities

- d. Page 9, lines 4, 6, and 12: Transmission assets and facilities
  - e. Page 10, lines 16–17: Transmission assets and facilities
  - f. Page 11, lines 1–2 and 12–13: Transmission assets and facilities
  - g. Page 12, line 5: Transmission assets and facilities
  - h. Exhibit DA-1: Transmission assets and facilities
6. Direct Testimony of James Read
- a. Page 16, line 10: The Brattle Group economic projections
  - b. Exhibit JR-2, pages 4–5: Bid proposals submitted to EKPC
  - c. Exhibit JR-2, page 6: The Brattle Group economic projections
7. Direct Testimony of Ralph Luciani
- a. Page 9, line 18: Navigant Consulting, Inc. economic conclusions
  - b. Page 10, lines 3 and 5: Navigant Consulting, Inc. economic projections
  - c. Exhibit RL-2: Entirety of Navigant Consulting, Inc. report containing economic modeling, projections, and conclusions
8. Direct Testimony of Mike McNalley
- a. Page 10, lines 7 and 9: Forecasted operations, maintenance, and fuel expenses
  - b. Page 11, line 13: Forecasted capacity price.

APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00267 DATED **NOV 24 2015**

MATERIALS FROM EKPC'S APPLICATION,  
EXHIBITS TO THE APPLICATION, AND DIRECT TESTIMONY  
DENIED CONFIDENTIAL TREATMENT

1. Application
  - a. Page 9, paragraph 21: EKPC's economic analysis of acquisition
  - b. Page 11, paragraph 24: Heat rate for Bluegrass Station
  - c. Page 12, paragraph 27: Capacity cost in first sentence, operating margins in second sentence
  - d. Page 13, paragraph 29: Acquisition purchase price
  - e. Page 22, paragraph 50: Acquisition purchase price in third sentence
  - f. Page 23, paragraph 52: Capacity cost
2. Exhibit 3 to the Application, Asset Purchase Agreement
  - a. Section 2.05: Acquisition purchase price
  - b. Exhibit D1: Allocation of purchase price
3. Direct Testimony of Don Mosier
  - a. Page 7, line 15: Acquisition purchase price
  - b. Page 7, line 18 and footnote 3: Capacity cost
  - c. Page 11, line 14: Capacity cost
4. Direct Testimony of David Crews
  - a. Page 13, line 6: Acquisition purchase price



- b. Page 14, line 1: Heat rate for Bluegrass Station
- c. Page 15, line 2: Acquisition purchase price
- d. Page 21, line 6: EKPC's economic analysis of acquisition
- e. Page 21, line 22: Capacity cost
- f. Page 22, line 2: Operating margins
- g. Page 22, line 8 and footnote 4: Capacity cost
- h. Page 22, line 9: Acquisition purchase price
- i. Exhibit DC-1, page 3: Acquisition purchase price in second

paragraph

- 5. Direct Testimony of James Read
  - a. Page 16, line 2: Heat rate for Bluegrass Station
  - b. Page 16, line 3: Acquisition purchase price
  - c. Page 16, line 4: Capacity cost
- 6. Direct Testimony of Ralph Luciani, page 9, line 22: Operating margins
- 7. Direct Testimony of Mike McNalley
  - a. Page 5, line 9: Acquisition purchase price
  - b. Page 11, line 10 and footnote 3: Capacity cost
  - c. Exhibit MM-3: Acquisition costs

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

\*East Kentucky Power Cooperative, Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

\*Jennifer Black Hans  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

\*Stefanie J Kingsley  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

\*Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*David S Samford  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Allyson K Sturgeon  
Senior Corporate Attorney  
LG&E and KU Services Company  
220 West Main Street  
Louisville, KENTUCKY 40202