

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NATIONAL-SOUTHWIRE ALUMINUM COMPANY,)	
)	
Complainant,)	
)	
V.)	CASE NO.
)	89-376
BIG RIVERS ELECTRIC CORPORATION,)	
GREEN RIVER ELECTRIC CORPORATION,)	
ALCAN ALUMINUM CORPORATION)	
AND HENDERSON-UNION RURAL)	
ELECTRIC COOPERATIVE CORPORATION,)	
)	
Defendants.)	

O R D E R

This matter arising upon petition of National-Southwire Aluminum Company ("NSA"), filed December 21, 1989, pursuant to 807 KAR 5:001, Section 7, for confidential protection of its alumina costs and other non-power costs on the grounds that public disclosure is likely to cause competitive injury, and it appearing to this Commission as follows:

NSA has petitioned the Commission to protect as confidential its cost of acquiring alumina and other non-power costs. NSA operates an aluminum reduction plant where it produces aluminum. The major expenses incurred in the production of aluminum are electric power costs, alumina costs, and other non-power costs. The aluminum industry is intensely competitive and NSA is subject to worldwide competition from other smelters. NSA's competitive

position is further affected by the fact that it does not possess its own source of alumina but must purchase it from companies who are also its competitors in the sale of aluminum. Competitors of NSA could use information relating to NSA's cost of alumina and NSA's other non-power costs to price their products lower.

Responses to NSA's petition for confidentiality were filed by Big Rivers Electric Corporation, Green River Electric Corporation, and Alcan Aluminum Corporation. None of the responses objected to NSA's request for confidentiality.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Because knowledge of the cost of alumina purchased by NSA and NSA's other non-power costs can be used by NSA's competitors to price their products below NSA's cost of production, disclosure of this information would provide those competitors with an unfair business advantage. Therefore, the information should be protected from such disclosure.

This Commission being otherwise sufficiently advised,

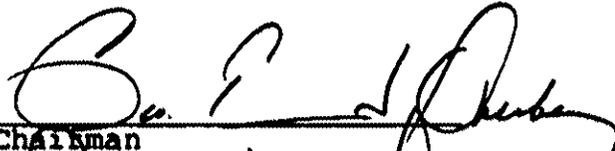
IT IS ORDERED that:

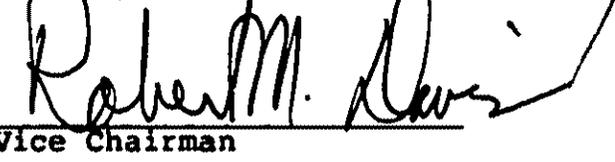
1. The cost of alumina and other non-power costs to NSA, which NSA has petitioned be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. NSA shall, within 10 days of this Order, file an edited copy of the documents containing the protected information, with the confidential material obscured from inclusion in the public record, with copies to all parties of record.

Done at Frankfort, Kentucky, this 13th day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director