

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF LOUISVILLE GAS AND ELECTRIC	)	2018-00302
COMPANY	)	

ORDER

On September 28, 2018, Louisville Gas and Electric Company (LG&E) filed a petition, pursuant to KRS 61.878(1)(c) and 807 KAR 5:001, Section 13, requesting that certain materials filed with the Commission be afforded confidential treatment and not be placed in the public record subject to public inspection. In support of its petition, LG&E states that the information it is requesting be held confidential (Confidential Information) is contained in its responses to Question Nos. 2, 8, and 9 to information requested in Appendix B of this Commission's July 30, 2018, Order in Case No. 2018-00182.<sup>1</sup> LG&E filed the Confidential Information under seal and contemporaneously with its Petition. Included within the Confidential Information is a copy of all base forms of agreements and related contractual documentation and terms, Annual Supply Statistics, Transaction Summary and Nomination Schedules (Response to Question No. 2); Bid documentation for gas commodity supply solicitations (Response to Question No. 8); and LG&E's 2017

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<sup>1</sup> Case No. 2018-00182, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company*, Order (Ky. PSC July 30, 2018).

Annual Gas Supply Plan (including bid documentation) and its 2017 Summer Purchase Plan Analysis (Response to Question No. 9).<sup>2</sup>

As the basis for its request, LG&E states that public disclosure of this information would damage LG&E's competitive position and business interests. LG&E further states that disclosure of this sensitive commercial information would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load.

LG&E further alleges that disclosure of the suppliers' identities will damage LG&E's competitive position and business interests by allowing LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. LG&E asserts that this information can alert LG&E's competitors to the identity of LG&E's low-cost suppliers, and if those supply agreements are more favorable than theirs are, they can then attempt to outbid LG&E for those suppliers.<sup>3</sup> This would raise prices to LG&E, which LG&E contends would hurt its competitive position and harm its ratepayers. It claims that this information will provide competitors of LG&E's suppliers with information, which will enable future gas bidding to be manipulated to the competitors' advantage and to the detriment of LG&E and its customers.<sup>4</sup> LG&E argues that instead of giving its best price in a bid; a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or

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<sup>2</sup> Petition of Louisville Gas and Electric Company for Confidential Protection, at 1-2 (filed September 28, 2018).

<sup>3</sup> *Id* at 2.

<sup>4</sup> *Id* at 3.

other terms. LG&E asserts that it and its customers would then pay a higher price for gas than they would have otherwise. LG&E requests that this information remain confidential indefinitely.

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

1. The materials for which LG&E seeks confidential treatment are records that are generally recognized as confidential or proprietary, and, if openly disclosed, would permit an unfair commercial advantage to competitors. The records, therefore, meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(c)(1) and 807 KAR 5:001, Section 13.

2. The materials for which LG&E seeks confidential treatment should not be placed in the public record or made available for public inspection until further Orders of this Commission.

IT IS THEREFORE ORDERED that:

1. LG&E's motion for confidential protection is granted under the exemption of KRS 61.878(1)(c)(1).

2. The materials for which LG&E seeks confidential treatment shall not be placed in the public record or made available for public inspection until further Orders of this Commission.

3. Use of the materials in question in any proceeding shall comply with 807 KAR 5:001, Section 13(9).

4. LG&E shall inform the Commission if the materials in question become publicly available or no longer qualify for confidential treatment.

5. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order, LG&E shall have 30 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 LG&E is unable to make such demonstration, the requested materials shall be made available for inspection.


6. The Commission shall not make the requested materials available for inspection for 30 days following an Order finding that the materials no longer qualify for confidential treatment in order to allow LG&E to seek a remedy afforded by law.

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By the Commission

ENTERED  
JAN 24 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
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Executive Director

Case No. 2018-00302

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