

C

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 09 2007

In the Matter of:

PUBLIC SERVICE  
COMMISSION

THE APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT FLUE GAS DESULFURIZATION )  
SYSTEMS AND APPROVAL OF ITS 2004 )  
COMPLIANCE PLAN FOR RECOVERY BY )  
ENVIRONMENTAL SURCHARGE )

CASE NO. 2004-00426

**MOTION OF KENTUCKY UTILITIES COMPANY  
FOR CONFIDENTIAL TREATMENT**

Pursuant to 807 KAR 5:001, Section 7, Kentucky Utilities Company (“KU”) hereby requests that the Public Service Commission (“Commission”) grant confidential treatment to certain information contained in the document titled: *Update to the 2004 SO<sub>2</sub> Compliance Strategy for E.ON U.S. LLC, Kentucky Utilities Company and Louisville Gas and Electric Company (April 2007)* (“*Update Strategy*”). Those portions of the *Update Strategy* for which KU requests confidential protection contains information regarding projected fuel costs and other power production costs (capital, operation and maintenance).

In support of this Motion, KU states as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information confidentially disclosed to it to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity disclosing the information to the Commission. *See* KRS 61.878(1)(c). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Since the advent of “open access,” transmission and the restructuring of wholesale power markets, KU has engaged in both the sale and purchase of power in the competitive bulk

power market for the benefit of their customers. *See, e.g., Kentucky Utilities Company*, 71 FERC ¶ 61,250 (May 31, 1995). There is now, and promises to be in the future, an increasingly robust and competitive wholesale market for bulk power sales.

3. The information regarding power production costs which KU wishes to protect from public disclosure, including projected costs of fuel and operation and maintenance expenses, is identified by the highlighted portions of *Update Strategy* and is shown as redacted in the public record versions of the *Update Strategy* submitted concurrently herewith. This information was developed internally by KU personnel, is not on file with any public agency, is not available from any commercial or other source outside KU and is distributed within KU only to those employees who must have access for business reasons. If publicly disclosed, this information would make KU's competitors privy to KU's expected minimum margin on bulk power sales, affording these entities a distinct competitive advantage in bidding for and securing new bulk power loads. Similarly, disclosure would afford an undue advantage to KU's wholesale power purchasers, as the latter would enjoy an obvious advantage in any contractual negotiations to the extent they could calculate KU's sales margins.

4. The Commission afforded confidential treatment to very similar information by its letter of February 10, 2005 in Case No. 2004-00426.

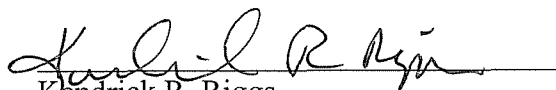
5. KU does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to the Attorney General or other intervenors with a legitimate interest in reviewing the same in the context of this proceeding.

6. In accordance with the provisions of 807 KAR 5:001, Section 7, KU is filing with the Commission one copy of *Update Strategy* with the confidential information highlighted and ten (10) copies showing the confidential information as redacted.

**WHEREFORE**, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection to the information designated as confidential in the *Update Strategy* for a period of five years through May 9, 2012.

Dated: May 9, 2007

Respectfully submitted,



Kendrick R. Riggs  
Stoll Keenon Ogden PLLC  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
Telephone: (502) 333-6000

Allyson K. Sturgeon  
Corporate Attorney  
E.ON U.S. LLC  
220 West Main Street  
Post Office Box 32010  
Louisville, Kentucky 40232  
Telephone: (502) 627-2088

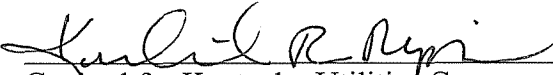
Counsel for Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing Motion for Confidential Treatment was served on this 9th day of May 2007, by mailing a copy thereof, postage prepaid, through the U.S. mail, to:

Lawrence W. Cook  
Assistant Attorney General  
Office of the Attorney General  
Office of Rate Intervention  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204

Michael L. Kurtz  
David F. Boehm  
Boehm Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

  
Counsel for Kentucky Utilities Company