

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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. Subsidiaries Kentucky Utilities and Louisville Gas and Electric*, dated March 2008 (the "*Update Strategy*"). Those portions of the *Update Strategy* for which KU requests confidential protection contain 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 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 its 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 that KU wishes to protect from public disclosure, including projected costs of fuel, capital costs, 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 letters of February 10, 2005 and May 14, 2007 in this case.

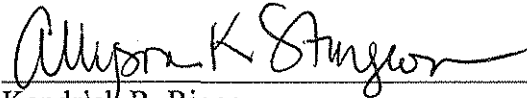
5. KU does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to the Attorney General or other intervenors with a legitimate interest in reviewing the same in the context of this proceeding.

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 March 28, 2013.

Dated: March 28, 2008

Respectfully submitted,



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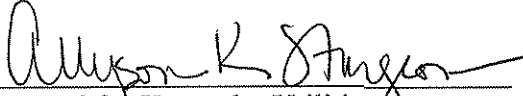
Counsel for Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and accurate copy of the foregoing Motion for Confidential Treatment was served on this 28th day of March 2008, by mailing a copy thereof, postage prepaid, through the U.S. mail, to:

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