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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,) CASE NO: 2004-00587
AND A SITE COMPATIBILITY CERTIFICATE,)
FOR THE EXPANSION OF THE TRIMBLE)
COUNTY GENERATING STATION)

PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “Applicants”) petition the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c) to grant confidential protection to certain information relating to LG&E's and KU's Request for Proposals (“RFP”) to Sell Baseload Generation Capacity and Energy. In support of this Petition, LG&E and KU state as follows:

1. On December 17, 2004, LG&E and KU filed an Application with the Commission for a Certificate of Public Convenience and Necessity for the Expansion of the Trimble County Generating Station through the Construction of their Seventy-Five Percent Collective Share of a 750 Mw Nominal Net (732 Mw summer rating) Super-Critical Pulverized Coal Fired Base Load Generating Unit. In support of this Application, LG&E and KU filed the testimony of John P. Malloy. A Resource Assessment performed by LG&E and KU in connection with the evaluation of the new base load generating unit is attached as JPM Exhibit 1. Appendix A to the Resource Assessment contains, among other items, confidential information relating to the RFP Responses

and updates to such Responses received by LG&E and KU and their corresponding screening evaluation. Appendix C to the Resource Assessment contains, among other items, confidential information relating to Marketer Identification.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality.

3. Portions of Appendix A and Appendix C to LG&E's and KU's Resource Assessment regarding responding power suppliers to their RFP and RFP screening evaluations contain sensitive commercial information, the disclosure of which would unfairly advantage LG&E's and KU's competitors for both power supplies and wholesale power sales. Also, such disclosure would unfairly advantage the power suppliers' competitors by informing such competitors of the terms and conditions the power suppliers are willing to transact for both generation facilities and power sales agreements. In addition, pursuant to the terms of the RFP, the power suppliers have a reasonable expectation that their information will be afforded confidential treatment, including specific confidentiality agreements in certain cases.¹ Any impairment of LG&E's and KU's ability to obtain the most advantageous price possible from power suppliers will necessarily erode their competitive positions among other electric utilities with whom LG&E and KU compete for new and relocating industrial customers and for off-system sales.

4. Further, disclosure of these documents will damage LG&E's and KU's competitive position and business interests. These documents disclose how LG&E and KU

¹ W.V. Hydro has agreed that certain portions of its response to the RFP may be publicly disclosed. Limited discussion about W.V. Hydro's response is contained in the direct testimony of Mr. John P. Malloy filed in this proceeding.

evaluate responses to solicitations for power supply. This is highly sensitive information that, if made public, would enable future bidders to manipulate the solicitation process to the detriment of LG&E, KU and their ratepayers. Instead of offering its best price and terms in its offer, a power supplier with knowledge of LG&E's and KU's evaluation process and results could adjust its offer to correspond with LG&E's and KU's past bidding history on terms and prices. As a result, LG&E and KU will not get the same quality of offers that would be produced by a system protected by the confidentiality employed by unregulated businesses. Any impairment of LG&E's and KU's ability to obtain fair prices for their power supply will either increase the price LG&E, KU, and their customers will pay for power or make their power supply contracts less reliable, or both. As a result, LG&E and KU will not be able to compete effectively for reasonably priced power supplies, for new retail load, and for off-system sales. Additionally, public disclosure of the confidential offers by power suppliers would not only taint LG&E's and KU's future RFP processes, but also jeopardize the suppliers' positions with other clients that executed business deals during the same time period.

5. The relevant information provided in Appendix A and Appendix C to the Resource Assessment demonstrates on its face that it merits confidential protection. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of the Applicants and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

6. The information for which LG&E and KU are seeking confidential treatment is not known outside of LG&E and KU, and it is not disseminated within LG&E and KU except to those employees with a legitimate business need to know and act upon the information.

7. LG&E and KU do not object to disclosure of the confidential information, pursuant to a protective agreement, to intervenors and others with a legitimate interest in monitoring LG&E's and KU's power costs. In accordance with the provisions of 807 KAR 5:001 Section 7, one copy of the confidential information contained in Appendix A and Appendix C is highlighted on yellow paper and ten (10) copies of the cover sheets without the confidential information is herewith filed with the Commission.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: December 17, 2004

Respectfully submitted,



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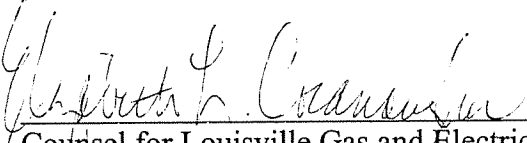
Counsel for Louisville Gas and Electric
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following persons on the 17th day of December 2004, U.S. mail, postage prepaid:

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