

January 22, 2007

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HAND DELIVERED

Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

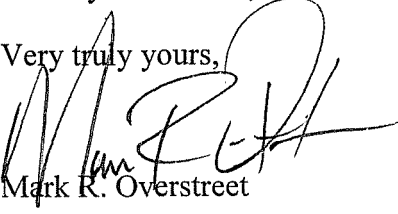
RE: *P.S.C. Case No. 200~~5~~⁶-00507*

Dear Ms. O'Donnell:

Please find herein and accept for filing the original and six copies of Kentucky Power Company's Responses to Staff's First Data Requests in the above proceeding. Kentucky Power is seeking confidential treatment for Pages 2 of 3 and 3 of 3 of its Response to Data Request 24(b). Unredacted copies of those two pages are filed with the Petition in the sealed envelope.

Public copies of the Responses and the Petition are being served on representatives of the Attorney General and the Kentucky Industrial Utility Customers, Inc.

Very truly yours,


Mark R. Overstreet

cc: Elizabeth E. Blackford
Michael L. Kurtz

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF AMERICAN) CASE NO. 2006-00507
ELECTRIC POWER COMPANY FROM)
NOVEMBER 1, 2004 TO OCTOBER 31, 2006)

* * * * *

PETITION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company ("Kentucky Power") moves the Commission pursuant to 807 KAR 5:001, Section 7, for an Order granting confidential treatment to Kentucky Power's response to Information Request 24(b) as set forth in Appendix B of the Commission's Order dated December 18, 2004.

Pursuant to 807 KAR 5:001 an original of the responses for which confidential treatment is sought is filed as part of Kentucky Power's original filing in response to this data request. In addition, six redacted copies of the subject Response are filed with Petition.

The Requests and Background.

Information Request 24(b) requires Kentucky Power to file and disclose:

". . . the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection."

Kentucky Power does not object to providing the information to the Commission, subject to an order according it confidential treatment.

Kentucky Power's bid solicitation is handled by the Fuel Procurement department in the Fuel, Emissions and Logistics group of American Electric Power Service Corporation. In procuring coal supplies for Kentucky Power, the Fuel Procurement department negotiates with a large number of potential vendors in a highly competitive industry. Kentucky Power must be able to negotiate and bargain in the most conducive and fair environment if a low-cost reliable coal supply is to be procured. If required to comply with Information Request 24(b) without confidential treatment, Kentucky Power's negotiating position would be compromised and the cost of coal to Kentucky Power's ratepayers could increase unnecessarily.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

"Records confidentially disclosed to an agency, generally recognized as confidential or proprietary, which if openly disclosed would present an unfair commercial advantage to competitors of the entity that disclosed the records, and which are compiled and maintained . . . in conjunction with the regulation of commercial enterprise . . ."

This exception applies to Kentucky Power's response to Information Request 24(b).

The Information Is Generally Recognized As Confidential and Proprietary.

First, the records to be filed with the Commission are "generally recognized as confidential or proprietary." The requests call not only for proposals made by the various coal bidders, but also for the internal evaluation of each bid. This bid information and evaluation is highly confidential, and confidentiality is critical to the bid process. Dissemination of the requested information, particularly the internal evaluation of each bid, is restricted by Kentucky Power and the Company takes all reasonable

measures to prevent its disclosure to the public as well as persons within the Company who do not have a need for the information.

Disclosure Of The Information Will Result In An Unfair Commercial Advantage.

Disclosure of the confidential information also will result in an unfair commercial advantage to competitors of Kentucky Power and its current coal suppliers. The bid responses and evaluations are especially sensitive, and their disclosure would be of some advantage to competitor coal suppliers; thus, disclosure would work a disadvantage to Kentucky Power and its ratepayers. For example, if a prospective coal supplier learns Kentucky Power was willing to pay \$55 per ton for a certain quality of coal, that supplier could resist lowering its price below \$55 per ton. The supplier thus would have an unfair bargaining advantage -- an advantage that would work to the detriment of Kentucky Power and its ratepayers. Additionally, prospective suppliers considering a bid of less than \$55 per ton would be inclined to increase their bid closer to \$55 per ton. Such a result is antithetical to the purpose of the bidding process and contrary to the goal of providing the lowest possible retail electric rates. Moreover, to the extent disclosure would result in higher coal prices, Kentucky Power's energy rates would increase. Accordingly, Kentucky Power would be placed at a competitive disadvantage vis-à-vis other energy suppliers, especially in the off-system sales market.

Equally important is the fact Kentucky Power is a regulated electric utility, with the Commission serving to protect the public interest in the absence of competition. If Kentucky Power's coal prices go up because of public disclosure of the requested information, both Kentucky Power and the regulatory process will suffer.

The Information Is Required To Be Disclosed To An Agency.

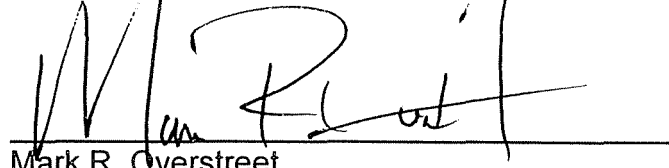
Finally, the records requested in Information Request 24(b) are by the terms of the Staff's Information Request required to be disclosed to the Commission, a "public agency" as that term is defined at KRS 278.870(1). Kentucky Power acknowledges its coal purchase procedures are subject to Commission review, and that parties to this fuel clause proceeding should have access to the information sought through Information Request 24(b). Any filing, however, should be subject to a confidentiality Order and any party requesting such information should enter into a confidentiality agreement. If such an agreement cannot be reached, the information should be subject to a Protective Order issued pursuant to 807 KAR 5:001, Section 7(5)(b).

In further support of this Motion for Confidential Treatment, Kentucky Power cites and incorporates by reference the Company's similar Motion and Pleadings in the prior Fuel Adjustment Clause proceedings, such as Case Nos. 2004-00463; 2004-00211, 2003-00453, 2000-495-B, 98-562-A and 98-562-B. Kentucky Power further states that the Commission has not denied confidential treatment to similar information in prior fuel clause proceedings.

Wherefore, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. According confidential status to and withholding from public inspection Kentucky Power's responses to Data Request 24(b); and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', is written over a horizontal line.

Mark R. Overstreet
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P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477

COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing (along with redacted copies of the information for which confidential treatment is sought) was served by first class mail, postage prepaid, upon the following parties of record, this 22nd day of January, 2007.

Michael L. Kurtz
Boehm, Kurtz & Lowry
2110 CBLD Center
36 East Seventh Street
Cincinnati, OH 45202

Elizabeth E. Blackford
Assistant Attorney General
Office for Rate Intervention
P. O. Box 2000
Frankfort, KY 40602-2000



Mark R. Overstreet

KE057:KE176:11895:3:FRANKFORT

Highly Sensitive & Confidential
KPSC CASE NO. 2006-00507
Attachment Item No. 24

June 7, 2006 RFP
Bid Evaluation Responses

TERM RESPONSES
Company

.....Term and Applicable Dates

Price

TPM

Moist %

Ash %

Sulfur %

Btu

SO2 #

Fusion _ Synthetic/Coal

Mode

Shipping Point

Comments

CONFIDENTIAL

Highly Sensitive & Confidential
KPSC CASE NO. 2006-00507
Attachment Item No. 24
June 7, 2006 RFP
Bid Evaluation Responses

CONFIDENTIAL

Company	TERM RESPONSES	Term and Applicable Dates	Price	TFM	Moist %	Ash %	Sulfur %	Btu	SO2 #	Fusion	Synfuel/Coal	Mode	Shipping Point	Comments
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