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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
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In the Matter of:

THE 2010 INTEGRATED RESOURCE PLAN OF) CASE NO. _____
BIG RIVERS ELECTRIC CORPORATION)

PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL PROTECTION

1. Big Rivers Electric Corporation ("Big Rivers") hereby petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 7 and KRS 61.878(1)(c), (m), to grant confidential protection to certain information (the "Confidential Information") contained in its 2010 Integrated Resource Plan ("IRP") filed with this petition. The IRP is filed pursuant to 807 KAR 5:058 to provide the Commission with information including Big Rivers' historical and projected demand, resource, and financial data, and other operating performance and system information, in addition to the facts, assumptions, and conclusions on which the plan is based and the actions that the plan proposes. 807 KAR 5:058 Section 1(2). In support of this petition, Big Rivers states as follows:

2. One sealed (1) copy of the IRP containing the Confidential Information, with the Confidential Information either highlighted or contained on a CD marked confidential, and ten (10) copies of the IRP with the Confidential Information redacted, are filed with this petition. Because Appendices D-M are being redacted in their entirety and are only being provided on a CD and only for the confidential version of the IRP, the CD is marked confidential to identify the Confidential Information. For the redacted version of the IRP, a sheet for each appendix noting that the entire appendix has been filed under a petition for confidential treatment has been added to the redacted version of the IRP. 807 KAR 5:001 Sections 7(2)(a)(2), 7(2)(b).

3. One (1) additional, unbound copy of the redacted version of the IRP is also filed

1 with this petition to assure compliance with the requirements of 807 KAR 5:058 Section 1(3).

2 4. This is to certify that a copy of this Petition and a copy of the redacted IRP have
3 been served on all parties to this proceeding. 807 KAR 5:001 Section 7(2)(c).

4 5. If and to the extent the Confidential Information becomes generally available to
5 the public, whether through filings required by other agencies or otherwise, Big Rivers will
6 notify the Commission and have its confidential status removed. 807 KAR 5:001 Section
7 7(9)(a).

8 6. The Confidential Information comes within the following two categories:

9 A. Information protected by KRS 61.878(1)(m). This includes the three
10 transmission system maps located on page 5-3 (Figure 5.3), page 8-6 (Figure 8.1), and Appendix
11 M.

12 B. Information protected by KRS 61.878(1)(c). This includes the three
13 transmission system maps described above, as well as the following:

Item	Location	Description
1	p. 8-2	Description of base case resource assessment. Three sentences at end of second paragraph.
2	p. 8-3	Table 8.1 Optimal Expansion Plans
3	p. 8-5	Table 8.3 Fuel Cost Projections
4	p. 8-17	Table 8.15 Avoided Energy Costs
5	p. 8-20	Table 8.18 Base Case Resource Assessment Results – Capacity Requirements
6	p. 8-21	Table 8.19 Base Case Resource Assessment Results – Energy Requirements (MWH)
7	p. 8-22	Table 8.20 Energy Generation by Fuel Type
8	p. 8-23	Description of base case resource plan. Two sentences at end of subsection (d).
9	p. 8-28	Description of base case resource plan. One sentence at end of subsection (g).
10	p. 9-1	Information on resource additions and fuel costs. Next to last bullet in subsection (3)
11	p. 9-2	Table 9.1 Revenue and Rate Projections
12	Appendix B, p 29	Table 5.1 Avoided Energy Costs

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13	Appendix B, Appendix 1	General Modeling Assumptions & Avoided Costs table – Electric Energy, Seasonal Avoided Energy in Nominal \$
14	Appendix D	Base Case model run output
15	Appendix E	High Fuel Case model run output
16	Appendix F	High Load Case model run output
17	Appendix G	RPS (Renewable Portfolio Standard) Case model run output
18	Appendix H	Environmental Compliance model run output
19	Appendix I	MISO Case model run output
20	Appendix J	Carbon Allowance Cost model run output
21	Appendix K	Generation Unit data including Fuel Cost
22	Appendix L	Market Price Projections
23	Executive Summary, p. ii	Description of base case resource plan. Four sentences at conclusion of bullet four.
24	Executive Summary, p. iv	Table ES 1 Optimal Expansion Plan

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2 7. As discussed below, the Confidential Information is entitled to confidential
3 protection based upon KRS 61.878(1)(m) or KRS 61.878(1)(c)(1).

4 **I. Information protected by KRS 61.878(1)(m)**

5 8. KRS 61.878(1)(m) protects the disclosure of information “which would have a
6 reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing,
7 protecting against, mitigating, or responding to a terrorist act and limited to:...f. Infrastructure
8 records that expose a vulnerability referred to in this subparagraph through the disclosure of the
9 location, configuration, or security of critical systems, including public utility critical systems.” The
10 three transmission system maps filed with the IRP could be used to analyze vulnerable locations in
11 Big Rivers’ transmission system, which is a public utility critical system, and which could therefore
12 threaten public safety.

13 **II. Information protected by KRS 61.878(1)(c)**

14 9. KRS 61.878(1)(c)(1) protects “records confidentially disclosed to an agency or
15 required by an agency to be disclosed to it, generally recognized as confidential or proprietary,
16 which if openly disclosed would permit an unfair commercial advantage to competitors of the

1 entity that disclosed the records.” KRS 61.878(1)(c)(1). Because Big Rivers faces actual
2 competition, the Confidential Information is generally recognized as confidential or proprietary,
3 and the disclosure of the Confidential Information would permit an unfair commercial advantage
4 to Big Rivers’ competitors, the Confidential Information is entitled to confidential protection.

5 A. Big Rivers’ Faces Actual Competition

6 10. Big Rivers competes in the wholesale power market to sell energy excess to its
7 members’ needs. Big Rivers’ ability to successfully compete in the wholesale power market is
8 dependent upon a combination of its ability to get the maximum price for the power sold, and
9 keeping the cost of producing that power as low as possible. Fundamentally, if Big Rivers’ cost
10 of producing a kilowatt hour increases, its ability to sell that kilowatt hour in competition with
11 other utilities is adversely affected. As is well-documented in multiple proceedings before this
12 Commission, Big Rivers’ margins are derived almost exclusively from its off-system sales.

13 11. Big Rivers also competes for reasonably-priced credit in the credit markets, and
14 its ability to compete is directly impacted by its financial results. Any event that adversely
15 affects Big Rivers’ margins will adversely affect its financial results and potentially impact the
16 price it pays for credit. As was described in the proceeding before this Commission in the Big
17 Rivers unwind transaction case, Big Rivers expects to be in the credit markets on a regular basis
18 in the future.¹

19 B. The Confidential Information is Generally Recognized as Confidential or Proprietary,
20 and Disclosure of the Confidential Information Would Permit an Unfair Commercial Advantage
21 to Big Rivers’ Competitors

¹ See Order dated March 6, 2009, *In the Matter of: Joint Application of Big Rivers, E.ON, LG&E Energy Marketing, Inc., and Western Kentucky Energy Corporation for Approval to Unwind Lease and Power Purchase Transactions*, PSC Case No. 2007-00455, pages 27-30 and 37-39.

1 12. The Confidential Information is the type of information that is generally
2 recognized as confidential or proprietary under Kentucky law.

3 13. Item 1 (description of base case resource assessment), Item 2 (Optimal Expansion
4 Plan table), Item 7 (Energy Generation by Fuel Type table), Item 8 (description of base case
5 resource plan), Item 9 (description of base case resource plan), Item 10 (information on resource
6 additions and fuel costs), Item 23 (description of base case resource plan), and Item 24 (Optimal
7 Expansion Plan table) reveal, or can be used to determine, planned generation additions, the
8 public disclosure of which may increase acquisition costs to Big Rivers and make it more
9 difficult for Big Rivers to compete in wholesale power markets.

10 14. Item 3 (Fuel Cost Projections table) reveals fuel cost projections and Item 21
11 (generation unit data) contains sensitive data relating to Big Rivers' generating units, including
12 fuel costs. Such information, if publicly disclosed, would give Big Rivers' competitors in the
13 wholesale power market information they can use in bulk power bids and it would give fuel
14 bidders information they can use in negotiating fuel contracts to Big Rivers' competitive
15 disadvantage, leading to increased costs to Big Rivers and a diminished ability to compete in the
16 wholesale power and credit markets.

17 15. Item 4 (Avoided Energy Costs table), Item 5 (Base Case Resource Assessment
18 Results – Capacity Requirements table), Item 6 (Base Case Resource Assessment Results –
19 Energy Requirements), Item 11 (Revenue and Rate Projections table), Item 12 (Avoided Energy
20 Costs table), Item 13 (containing avoided costs projections), and Item 22 (market price
21 projections) all provide competitors information they can use in bulk power bids to Big Rivers'
22 detriment. By having access to this information, bulk power bidders to Big Rivers could

1 manipulate the bidding process leading to high costs to Big Rivers and a diminished ability to
2 compete in the wholesale power and credit markets.

3 16. Item 14 (base case model run output), Item 15 (high fuel case model run output),
4 Item 16 (high load case model run output), Item 17 (RPS case model run output), Item 18
5 (environmental compliance model run output), Item 19 (MISO case model run output), and Item
6 20 (carbon allowance cost model run output) are model run outputs that contain sensitive fuel
7 cost projections, O&M cost projections, heat rate curves, and other information that can be used
8 to determine Big Rivers' cost to produce power. Big Rivers' competitors in the wholesale power
9 market can use this information to underbid Big Rivers. Fuel suppliers could also use this
10 information to manipulate the bidding process, leading to higher costs to Big Rivers and a
11 diminished ability to compete in the wholesale power and credit markets.

12 17. The Confidential Information is not publicly available, is not disseminated within
13 Big Rivers except to those employees and professionals with a legitimate business need to know
14 and act upon the information, and is not disseminated to others without a legitimate need to
15 know and act upon the information. As such, the Confidential Information is generally
16 recognized as confidential and proprietary.

17 18. Disclosure of the Confidential Information would permit an unfair commercial
18 advantage to Big Rivers' competitors. As discussed above, Big Rivers faces actual competition
19 in the wholesale power market and in the credit market. It is likely that Big Rivers would suffer
20 competitive injury if the Confidential Information was publicly disclosed. The Confidential
21 Information reveals highly sensitive information about Big Rivers' historical and projected
22 demand, resource, and financial data, and other operating performance and system information,

1 in addition to the facts, assumptions, and conclusions on which the plan is based and the actions
2 that the plan proposes.

3 19. If the Confidential Information is publicly disclosed, potential bulk power supply
4 bidders and fuel supply bidders could manipulate the bid solicitation process injuring the ability
5 of Big Rivers to buy power at the most competitive prices and leading to higher fuel costs to Big
6 Rivers, both of which place Big Rivers at an unfair competitive disadvantage.

7 20. Additionally, the power producers and marketers with which Big Rivers competes
8 could use the Confidential Information relating to historical and future costs and revenue
9 requirements to potentially underbid Big Rivers in wholesale transactions, which would further
10 constitute an unfair competitive disadvantage to Big Rivers.

11 C. The Confidential Information is Entitled to Confidential Protection

12 21. Based on the foregoing, the Confidential Information is entitled to confidential
13 protection.

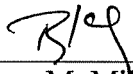
14 III. The Commission is Required to Hold an Evidentiary Hearing

15 22. The Confidential Information should be given confidential protection. If the
16 Commission disagrees that Big Rivers is entitled to confidential protection, due process requires
17 the Commission to hold an evidentiary hearing. *Utility Regulatory Com'n v. Kentucky Water*
18 *Service Co., Inc.*, 642 S.W.2d 591 (Ky. App. 1982).

19 WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect
20 as confidential the Confidential Information.

21 On this the 15th day of November, 2010.

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