

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 14 2011

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN EXAMINATION OF THE)
APPLICATION OF THE FUEL)
ADJUSTMENT CLAUSE OF) CASE NO.
LOUISVILLE GAS AND ELECTRIC) 2010-00493
COMPANY FROM NOVEMBER 1, 2008)
THROUGH OCTOBER 31, 2010)

PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company (“LG&E”), pursuant to 807 KAR 5:001, Section 7, respectfully petitions the Commission to classify as confidential and protect from public disclosure certain information provided by LG&E in response to Question Nos. 6, 9, 21, and 24 of the Commission’s data requests, as contained in Appendix B of the Commission’s Order dated January 26, 2011. The information for which LG&E requests confidential treatment (“Confidential Information”) pertains to forecasted sales revenues (No. 6), planned maintenance schedules (No. 9), a supplemental report from Weir International, Inc. (“Weir Report”), which concerns one of LG&E’s coal supplier’s cost of complying with the Mine Improvement and New Emergency Response Act of 2006 (“MINER Act”) and a copy of a settlement agreement and release with one of LG&E’s coal suppliers (for Question No. 21(a)), and bid analysis information (No. 24). In support of this Motion, LG&E notes that the Commission has treated this information as confidential in LG&E’s recent six-month and two-year fuel adjustment clause review proceedings.

In further support of this Motion, LG&E 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. Public disclosure of projected sales revenues, which are driven by and based on projected power prices, would afford LG&E's competitors a distinct competitive advantage in bidding for and securing new bulk power loads, as competitors could use LG&E's projected prices to outbid LG&E for these loads. Thus, public disclosure of the information requested in Question No. 6 would afford an undue preference to LG&E's wholesale power purchasers and sellers, as the latter would enjoy an obvious advantage in any contractual negotiation to the extent they knew the Company's forward price projections. As noted above, the Commission has treated such information as confidential in the past.

3. Similarly, public disclosure of information regarding LG&E's plant maintenance schedules would lay bare critical "down time" information, an essential factor in determining LG&E's generating costs and need for power and energy during those periods. Thus, disclosing the information requested in Question No. 9 would necessarily impair LG&E's ability to negotiate with prospective contractors and vendors -- now equipped to manipulate the price of power bid to LG&E to maximize revenues -- and would likewise arm LG&E's competitors with information with which they could erode LG&E's competitive position in the wholesale power market. As noted above, the Commission has treated such information as confidential in the past.

4. Disclosure of the Weir Report and Settlement Agreement and Release could damage LG&E's competitive position and business interests. The Weir Report and Settlement Agreement and Release consider and analyze the costs LG&E's coal suppliers incur to comply with the MINER Act, which in turn affects the coal price increases LG&E is willing to pay its coal suppliers for their claimed compliance costs. If the Commission grants public access to the information requested in Question No. 21(a), LG&E's current and potential coal suppliers could manipulate their bids to the detriment of LG&E and its ratepayers by tailoring bids to correspond to and comport with LG&E's MINER compliance cost evaluation criteria and process.

5. Disclosure of the factors underlying LG&E's bid analysis/selection process would likewise damage LG&E's competitive position and business interests. This information reveals the business model the Company uses -- the procedure it follows and the factors/inputs it considers -- in evaluating bids for coal supply. If the Commission grants public access to the information requested in Question No. 24, potential bidders could manipulate the bid solicitation process to the detriment of LG&E and its ratepayers by tailoring bids to correspond to and comport with LG&E's bidding criteria and process. As noted above, the Commission has treated such information as confidential in the past.

6. The information for which LG&E is seeking confidential treatment is not known outside of LG&E, is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information in the energy industry.

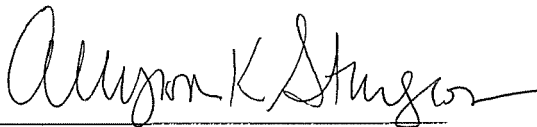
7. LG&E does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

8. In accordance with the provisions of 807 KAR 5:001, Section 7, LG&E is filing with the Commission one copy of the Confidential Information highlighted and ten (10) copies without the Confidential Information.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission grant confidential protection to the information designated as confidential for a period of five years from the date of filing the same.

Dated: February 14, 2011

Respectfully submitted,



Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Counsel for Louisville Gas and Electric Company