

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE 2011 JOINT INTEGRATED RESOURCE )  
PLAN OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY AND KENTUCKY )  
UTILITIES COMPANY )

PUBLIC SERVICE  
COMMISSION  
CASE NO. 2011-00\_\_\_

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

Pursuant to 807 KAR 5:001 Section 7, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, the "Companies") hereby request that the Kentucky Public Service Commission ("Commission") grant confidential protection to certain information contained in the Companies' 2011 Joint Integrated Resource Plan ("IRP"). Those portions of the 2011 IRP for which the Companies request confidential treatment, identified in the attachment hereto, can be broken down into three general categories: (i) information regarding projected fuel costs and other power production costs (capital/operation and maintenance); (ii) information regarding projected sales prices and revenue requirements; and (iii) infrastructure information that, if publicly released, could threaten public safety (transmission related information).

In support of this Motion, the Companies state 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 advantage to competitors of the entity disclosing the information to the Commission. *See* KRS 61.878(1)(c)(1). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. The information regarding power production costs that the Companies wish to protect from public disclosure -- including projected costs of fuel and operation and maintenance expenses — is identified on the attachment hereto and in the filing submitted concurrently herewith. This information was developed internally by Company personnel, is not on file with any public agency, is not available from any commercial or other source outside the Companies, and is distributed within the Companies only to those employees who must have access for business reasons. If publicly disclosed, this information on the Companies' expected minimum margin on bulk power sales could give the Companies' competitors an advantage in bidding for and securing new bulk power loads. Similarly, disclosure would afford an undue advantage to the Companies' wholesale power purchasers, as the latter would enjoy an obvious advantage in any contractual negotiations to the extent they could calculate the Companies' sales margins.

Finally, public disclosure of this information, particularly as it relates to supply-side alternatives, would reveal the business model the Companies use -- the procedure they follow and the factors/inputs they consider -- in evaluating the economic viability of various generation-related projects. Public disclosure would give the Companies' contractors, vendors and competitors access to the Companies' cost and operational parameters, as well as insight into the Companies' contracting practices. Such access would necessarily impair the Companies' ability to negotiate with prospective contractors and vendors, and could harm the Companies' competitive position in the wholesale power market.

3. Information regarding projected sales prices and revenue requirements, as identified in the attachment hereto and the instant filing, is also confidential information that, if disclosed, would provide the Companies' competitors with an undue commercial advantage in the wholesale market. Similarly, disclosure would provide an unfair commercial advantage to

the Companies' largest retail and wholesale customers in the negotiation of power requirement contracts.

4. The passage of the Energy Policy Act has brought extensive competition to the electric wholesale market and introduced numerous new marketers, brokers, and clearinghouses, and many new sources of non-utility generation of power. The change in federal law has caused electric utilities to file nondiscriminatory open-access transmission tariffs and applications for approval of market-based wholesale power rates with the Federal Energy Regulatory Commission ("FERC"). The FERC has authorized utilities, including LG&E and KU, to charge market-based prices for wholesale power transactions and approved open-access transmission services tariffs. See Kentucky Utilities Company, 71 FERC Par. 61,250 (May 31, 1995). All of these regulatory developments and changes in the law have created a robust and competitive wholesale market for bulk and off-system power sales,

5. The Commission has given confidential treatment to similar information in previous IRP cases. For example, the Commission's letter to the Companies dated May 1, 2008, concerning the Companies' 2008 IRP case (Case No. 2008-00148), see the Commission's letter to the Companies dated April 28, 2005, concerning the Companies' 2005 IRP case (Case No. 2005-00162), the Commission's letter to the Companies dated October 24, 2002, concerning the Companies' 2002 IRP case (Case No. 2002-00367), and the Commission's letter to the Companies dated March 6, 2000, concerning the Companies' 1999 IRP case (Case No. 99-430).

6. On June 20, 2005, the Kentucky General Assembly amended the Kentucky Open Records Act to protect from disclosure certain information that has a reasonable likelihood of threatening public safety by exposing a vulnerability "in preventing, protecting against, mitigating, or responding to a terrorist act." KRS 61.878(1)(m). This includes infrastructure records exposing such a vulnerability in the location, configuration, or security of critical systems, including electrical

systems. KRS 61.878(1)(m)(1)(f). The transmission information provided in Volume 3 of this IRP filing contains infrastructure records that could expose a vulnerability through the disclosure of the location, configuration, or security of public utility critical systems. If such information is made available in the public record, individuals seeking to induce public harm will have critical information concerning the present vulnerabilities of KU's transmission system. Knowledge of such vulnerabilities may allow such a person to cause public harm through the disruption of the electric transmission system.

7. The confidential information contained in the 2011 IRP and 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.

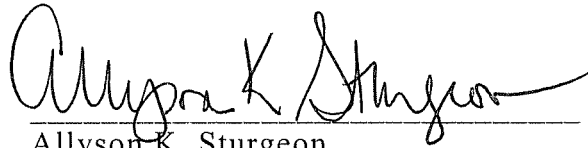
8. The information for which the Companies seek confidential treatment herein demonstrates on its face that it merits confidential protection. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of the Companies and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. *Utility Regulatory Commission v. Kentucky Water Service Corporation, Inc.*, Ky. App., 642 S.W.2d 591, 592-94 (1982).

9. The Companies do 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 for the purpose of commenting on the Companies' 2011 IRP.

10. In accordance with the provisions of 807 KAR 5:001 Section 7, the Companies are filing with the Commission one copy of the 2011 IRP with the confidential information highlighted and ten (10) copies without the confidential information,

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection to the information designated as confidential for a period of five years from the date of the filing of the 2011 IRP.

Respectfully submitted,

A handwritten signature in black ink, reading "Allyson K. Sturgeon". The signature is written in a cursive style with a long, sweeping tail on the "n".

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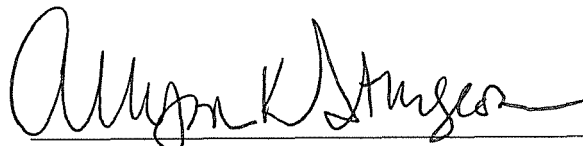
Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing was served this 21<sup>st</sup> day of April, 2011, U.S, mail, postage prepaid upon:

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## 2011 IRP Confidential Information

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