

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
[502] 223-3477
[502] 223-4124 Fax
www.stites.com

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

RECEIVED
DEC 06 2013
PUBLIC SERVICE
COMMISSION

December 6, 2013

HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Convert Big Sandy Unit 1 To A Natural Gas-Fired Unit

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of the Company's redacted application, and supporting testimony, seeking a certificate of public convenience and necessity to convert Big Sandy Unit to natural gas. Also being filed are the original and ten copies of the Company's motion for confidential treatment and a single sealed copy of the confidential portions of the application and supporting testimony.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Mark R. Overstreet



MRO

cc: Jennifer B. Hans
Michael L. Kurtz
Shannon Fisk

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
DEC 06 2013
PUBLIC SERVICE
COMMISSION

In The Matter Of:

**THE APPLICATION OF KENTUCKY
POWER COMPANY FOR: (1) A
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
AUTHORIZING THE COMPANY TO
CONVERT BIG SANDY UNIT 1 TO A
NATURAL GAS-FIRED UNIT; AND (2)
FOR ALL OTHER REQUIRED
APPROVALS AND RELIEF**

CASE NO. 2013-00 _____

MOTION OF KENTUCKY POWER COMPANY
FOR CONFIDENTIAL TREATMENT

Kentucky Power Company (“Kentucky Power” or “Company”) moves the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment to the identified portions of the exhibits to the verified application in this case and the identified portions of pre-filed testimonies and exhibits filed in support thereof. Specifically, Kentucky Power seeks confidential treatment of (1) the redacted portions of maps included as page one of three of Exhibits 3 & 4 to the Application that includes Critical Energy Infrastructure Information (“CEII”) (“CEII Information”) and (2) the identified portions of the testimony of Company Witnesses Scott Weaver and Joseph Karrasch and their exhibits thereto (“RFP Information”).

Pursuant to 807 KAR 5:001, Section 13, Kentucky Power is filing under seal those portions of the application exhibits and the testimonies and exhibits thereto containing confidential information with the confidential portions highlighted in yellow. Kentucky Power is

also filing redacted versions of the entire testimony and all exhibits. Kentucky Power will notify the Commission when it determines the information for which confidential treatment is sought is no longer confidential.

A. The Requests and the Statutory Standard.

Kentucky Power does not object to filing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure.

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

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

In addition, KRS 61.878(1)(m)(1)(f) exempts records from public inspection that would have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act, including:

Infrastructure records that expose a vulnerability referred to in this subparagraph through the disclosure of the location, configuration, or security of critical systems, including public utility critical systems. These critical systems shall include but not be limited to information technology, communication, electrical, fire suppression, ventilation, water, wastewater, sewage, and gas systems.

Additionally, KRS 61.878(1)(k) exempts from disclosure under the Kentucky Open Records Act “all public records or information the disclosure of which is prohibited by federal law or regulation.” Federal law exempts CEII from disclosure under the Freedom of Information Act. 18 C.F.R. § 388.112.

As described below, these exceptions apply to the identified information for which Kentucky Power is seeking confidential treatment:

(a) *CEII Information*

The identified portions of the maps included as page one of three of Exhibits 3 & 4 to the Application contain information that is considered by the Federal Energy Regulatory Commission (“FERC”) to be CEII, and as such is exempt from public disclosure in accordance with FERC rules and regulations. FERC defines CEII as:

[S]pecific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that:

(i) Relates details about the production, generation, transportation, transmission, or distribution of energy;

(ii) Could be useful to a person in planning an attack on critical infrastructure;

(iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and

(iv) Does not simply give the general location of the critical infrastructure.

18 C.F.R. § 388.113(c)(1). The CEII Information satisfies each of these requirements and should be treated by the Commission as CEII. The CEII Information includes detailed information about the production, generation, transportation, transmission, or distribution of energy, and the disclosure of such information could be useful to a person in planning an attack on critical infrastructure. The incapacity or destruction of the infrastructure at issue “would negatively affect security, economic security, public health or safety.” 18 C.F.R. § 388.113(c)(2).

The Commission has previously afforded confidential treatment to Kentucky Power’s CEII filings in *In the Matter of: Investigation Into Electric Utilities Emergency Response Plans*, Administrative Case No. 345, and *In the Matter of: 2009 Integrated Resource Plan of Kentucky Power Company*, Case No. 2009-00339. Kentucky Power respectfully requests that the

Commission follow those decisions and afford the CEII confidential treatment in this proceeding.

(b) *RFP Information*

Kentucky Power also seeks confidential treatment for the identified portions of the pre-filed direct testimony of Company Witnesses Scott Weaver and Joseph Karrasch and the exhibits thereto. These testimonies and exhibits contain information developed by the Company based upon information provided by third parties pursuant to confidentiality agreements and in response to Kentucky Power's March 28, 2013 request for proposals for up to 250 MW of long-term capacity and energy ("RFP"). Kentucky Power in part developed the information and conducted its evaluation in conformity with the Commission's May 28, 2013 order in Case No. 2012-00578.¹

The identified portions of the testimonies and exhibits contain information relating to the responses to the RFP, including bidder identification, the identity of the assets or arrangements being offered, fuel and transaction costs, and pricing terms. The information also provides insight into the manner by which Kentucky Power evaluates bids in response to RFPs. Because Kentucky Power conducted this evaluation at the beginning of its analysis of the RFP bids, a comparison between the initial and final price could also provide insight into the Company's negotiating process. Disclosure of this information could put Kentucky Power at a competitive disadvantage in future contract negotiations to the detriment of the Company and its customers.

Further, the information contained in the exhibits is protected as Confidential Information under the Mutual Confidentiality Agreement between American Electric Power Service

¹ In a June 28, 2013 motion, Kentucky Power sought confidential treatment of the RFP Information in Case No. 2012-00578. Similarly, Kentucky Power sought confidential treatment of the RFP Information in Case No. 2013-00144 where the information was responsive to Data Request KIUC 1-53. On November 26, 2013 Kentucky Power's motion in Case No. 2012-00578 was granted. Kentucky Power's motion in Case No. 2013-00144 remains pending before the Commission.

Corporation (“AEPSC”), as Kentucky Power’s agent, and the bidders. Disclosure of this information is not prohibited by the Agreement, but the protections afforded by confidential treatment are required. Failure to maintain this information as confidential could have a deleterious effect on the willingness of potential bidders in future Kentucky Power and AEPSC RFPs to respond to such requests. This in turn could affect the Company’s ability to obtain the lowest price.

B. The Identified Information is Generally Recognized as Confidential and Proprietary and Public Disclosure of it Will Result in a Violation of Federal Law or an Unfair Commercial Advantage for Kentucky Power’s Competitors.

Kentucky Power takes reasonable steps to prevent the disclosure of the CEII Information outside the Company, and the information is available within the Company on a limited basis only to persons with a need to access it. Further, the Company treats CEII in accordance with the requirements of federal law. None of the CEII Information is readily ascertainable by proper means by other persons. Moreover, the Company believes that independent research by persons not privy to the CEII Information would not reveal the information for which confidential treatment is sought in this motion.

Further, the RFP Information is highly confidential. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power, its parent, AEP, and its affiliates (including AEPSC). The Company, AEP, and its affiliates take 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. The information is not disclosed to persons outside Kentucky Power, AEP, or its affiliates. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information. In addition, Kentucky

Power and AEPSC have further limited the availability of the information to ensure the integrity of the RFP process.

The CEII Information should be kept confidential for the life of the plant. Once the plant is retired the information will no longer be CEII. The RFP Information should be kept confidential for five years. After this time period, developments within the power markets will render the information outdated and no longer useful in ascertaining the Company's strategies and plans. Prior disclosure will adversely affect the Company's ability to negotiate future purchased power agreements to the potential detriment of its customers.

C. The Identified Information is Required to be Disclosed to an Agency.

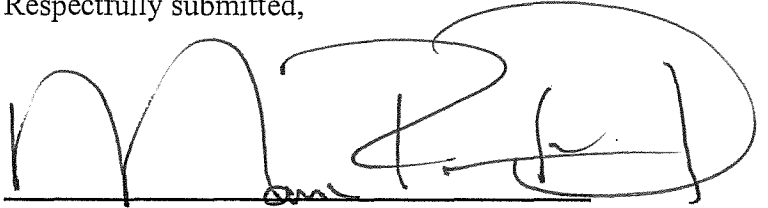
The identified information is by the terms of the Commission's regulations required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be required to enter into an appropriate confidentiality agreement.

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

1. According confidential status to and withholding from public inspection the identified information; 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', written over a horizontal line.

Mark R. Overstreet
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477

Kenneth J. Gish, Jr.
STITES & HARBISON PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507
Telephone: (859) 226-2300

COUNSEL FOR KENTUCKY POWER
COMPANY

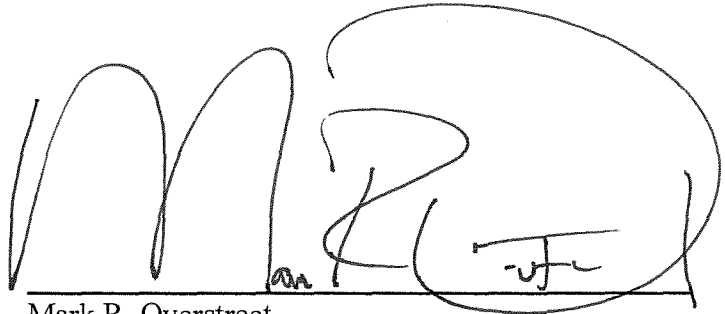
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by overnight delivery upon the following parties, this 6th day of December, 2013.

Michael L. Kurtz
Jody Kyler Cohn
Boehm, Kurtz & Lowry
Suite 1510
36 East Seventh Street
Cincinnati, OH 45202

Shannon Fisk
Earthjustice
1617 JFK Boulevard, Suite 1675
Philadelphia, PA 19103

Jennifer Black Hans
Dennis G. Howard II
Lawrence W. Cook
Assistant Attorney General
Office for Rate Intervention
P.O. Box 2000
Frankfort, KY 40602-2000

A large, stylized handwritten signature in black ink, appearing to read 'MRO', is written over a horizontal line. The signature is fluid and cursive, with a large 'M' and 'R' and a smaller 'O'.

Mark R. Overstreet