

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 30 2013

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)
POWER COOPERATIVE, INC. FOR THE)
APPROVAL OF A SPECIAL CONTRACT)

CASE NO. 2013-_____

**MOTION OF EAST KENTUCKY POWER COOPERATIVE FOR CONFIDENTIAL
TREATMENT OF INFORMATION CONTAINED IN SPECIAL CONTRACT**

Comes now the Movant, East Kentucky Power Cooperative, Inc. ("EKPC"), pursuant to 807 KAR 5:001, Section 13, and as grounds for this Motion for Confidential Treatment of Information Contained in Special Contract (the "Motion"), states as follows:

1. This Motion is filed in conjunction with the filing of EKPC's Petition for the Approval of the Special Contract by and between EKPC, Owen Electric Cooperative ("OEC") and Gallatin Steel Company ("Gallatin Steel"). It relates to confidential information contained in the Special Contract that is entitled to protection pursuant to 807 KAR 5:001, Section 13 and KRS Sections 61.878(1)(c)1 and 61.878(1)(c)2c.

2. The information designated as confidential is contained in paragraphs 16 and 18 of the Special Contract. Paragraph 16, describing "Load Forecast Error" and paragraph 18, describing "Maximum Load Forecast Error Adjustments", reflect the agreement of the parties concerning EKPC's need to follow the sometimes unpredictable load of Gallatin Steel and Gallatin Steel's obligation to provide reasonable and reliable forecasts of its load.

3. Paragraph 16, addressing "Load Forecast Error" contains very sensitive information regarding the nature of Gallatin's load, load forecast and scheduling methodology,

and the extent of any load forecast error requiring the potential for adjustment of costs to account for such forecast error.

4. Paragraph 18, addressing “Maximum Load Forecast Error Adjustments” is similar in that it provides for a maximum amount (cap) which Gallatin Steel shall pay for the Load Forecast Error Adjustments. Paragraph 18 contains sensitive information regarding the monetary amount of caps applicable during the term of the Agreement.

5. Pursuant to KRS Section 61.878(1)(c)1, the above information is highly sensitive in that its disclosure could provide an unfair commercial advantage to potential new industrial customers of EKPC or OEC, and to competitors of Gallatin Steel, both regarding the nature and degree of Gallatin Steel’s load forecasting activities, as well as the methodology employed in the calculation of costs and/or charges, if any, which might be incurred as the result of load forecasting error.

6. The subject information is also entitled to protection pursuant to KRS Section 61.978(1)(c)2c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

7. Along with this Motion, and in accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC is filing one copy of the Confidential Information separately in a sealed envelope marked “confidential”, which identifies by highlighting only those portions which unless redacted would disclose the confidential material. In addition, this Motion, one copy of the highlighted material for which confidential treatment is sought, along with ten copies of the material which has been redacted are being filed with the Commission. The identified confidential information is not known to anyone other than those of EKPC, OEC and/or Gallatin

Steel personnel needing to use same for business purposes. This information is entitled to confidential treatment pursuant to 807 KAR 5:001, Section 13, and the various sections of KRS Section 61.878 delineated above.

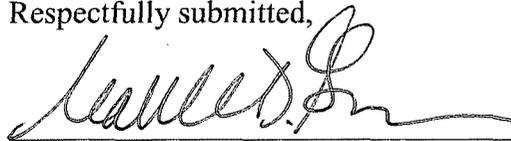
8. EKPC respectfully requests that the Confidential Information be withheld from public disclosure for a period of fifteen years. This will assure that the Confidential Information, if disclosed after that time, will no longer be commercially sensitive so as to likely impair the interests of the parties to the Special Contract or its customers if publically disclosed.

9. If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, EKPC will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, EKPC respectfully requests the Public Service Commission grant confidential treatment to the identified information and deny public disclosure of said information.

This 30th day of April, 2013

Respectfully submitted,



Mark David Goss
David S. Samford
L. Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B-130
Lexington, KY 40504
(859) 368-7740 – Telephone
mdgoss@gosssamfordlaw.com
Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that on April 30, 2013, an original and ten (10) copies of the foregoing Motion for Confidential Treatment of Information in the above-styled case were hand-delivered to Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 and mailed to Michael L. Kurtz, Boehm, Kurtz & Lowry, 36 E. Seventh Street, Suite 1510, Cincinnati, Ohio 45202, and James M. Crawford, Crawford & Baxter, P.S.C., 523 Highland Avenue, P. O. Box 353, Carrollton, Kentucky 41008.



Counsel for East Kentucky Power Cooperative, Inc.

a result of any future Fuel Adjustment Clause (FAC) basing point change approved by the Commission.

13. Distribution Charges. OEC's Distribution Charge for all power and energy will be \$.000285 per kWh and \$.0375 per kW per month, delivered by EKPC/OEC to Gallatin Steel through both the EKPC 345 kV line and the Gallatin County substation. These rates are fixed over the life of the Agreement.

14. Fuel Adjustment Clause. Gallatin Steel will be charged the EKPC system FAC in conformity with 807 KAR 5:056.

15. Environmental Surcharge. Gallatin Steel will be charged the EKPC system environmental surcharge in conformity with KRS 278.183.

16. Load Forecast Error.

a. [REDACTED]

b. [REDACTED]

c. [REDACTED]

[REDACTED]

d. [REDACTED]

e. [REDACTED]

17. EKPC Minimum Bill. The minimum monthly bill for the EKPC portion of the Gallatin Steel bill will consist of the sum of the following.

- a. The monthly demand charge net of all interruptible credits applied to 50 percent of the maximum contract demand (180 MW) plus:
- b. Energy Charges, Fuel Adjustment Clause charges, Environmental Surcharge, if actually incurred during any month. Gallatin Steel will be subject to a minimum energy bill amount equivalent to the energy charges minus the fuel base per kWh, multiplied by Gallatin Steel's actual demand (the sum of the actual firm and actual interruptible demand) for the month multiplied by 425 hours. Reflecting actual historical usage, for the term of this Agreement, 29 percent of the 425 hours will be designated as on-peak energy and 71 percent of the 425 hours will be designated as off-peak energy.

For the duration of the Agreement, for each time Gallatin Steel has to shut down operation of its plant for any reason except force majeure, the EKPC portion of Gallatin Steel's minimum bill shall not exceed 12 months of payments of the amounts calculated under sections a and b above, and at such time as said 12 months of payments have been made, the EKPC minimum bill will be suspended until such time that Gallatin Steel resumes operation. During any period of time that the Gallatin Steel plant is shut down, EKPC shall have a duty to mitigate minimum bill charges by reselling on the wholesale market the energy and capacity that would have served Gallatin Steel

18. Maximum Load Forecast Error Adjustments. [REDACTED]

[REDACTED]

19. OEC Minimum Bill. The Distribution charge for OEC shall consist of 50% of maximum contract demand (180 MW) applicable to the \$.0375/KW/month OEC demand charge and the actual demand (the sum of the actual firm and actual interruptible demand) for the month multiplied by 425 hours, applicable to the \$.000285/kWh OEC energy charge. For the duration of the Agreement, for each time Gallatin Steel has to shut down operation of its plant for any reason except force majeure, the OEC portion of Gallatin Steel's minimum bill shall not exceed 12 months of payments of the amounts calculated under sections a and b above, and at such time as said 12 months of payments have been made, the OEC minimum bill will be suspended until such time that Gallatin Steel resumes operation.

20. Continuing Commission Jurisdiction. The rates, terms and conditions of this Agreement for electric service shall be subject to modification or change by order of the