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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN ORDER)
AUTHORIZING THE ISSUANCE OF) **CASE NO. 2006- 00187**
SECURITIES AND THE ASSUMPTION)
OF OBLIGATIONS)

PETITION OF KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION

Kentucky Utilities Company ("KU" or the "Company") hereby petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c), to grant confidential protection to certain information contained in the Flue Gas Desulfurization Project Alliance Agreement between Kentucky Utilities Company and Fluor Enterprises, Inc., (the "Contract") attached to KU's Application as Exhibit 4. In support of this Petition, KU states as follows:

1. The Kentucky Open Records Act exempts from disclosure certain confidential commercial information. KRS 61.878(1)(c). To qualify for this exemption and maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality.
2. The information and portions of the Contract that KU seeks to protect are the product of extensive negotiations between KU and its contractor, Fluor Enterprises (the "Contractor"). These provisions represent concessions, terms and conditions that KU has been able to negotiate for KU's and its customers' benefit.
3. Making these provisions publicly available would allow the Company's competitors, who also seek to negotiate the best construction contracts possible, to take

advantage of any concessions and favorable terms and conditions that the Company has been able to negotiate in their own negotiations.

4. KU's Contractor, and others in the construction industry, would not favor public disclosure of concessions that they have made because those concessions would be used against them in future negotiations with other customers. They would therefore be more likely to insist on standard contract provisions and less willing to negotiate terms with KU in the future, thus jeopardizing KU's ability to obtain the best possible contracts, placing it at an additional competitive disadvantage.

5. In addition, other contractors would be in a position to determine which terms and conditions KU was willing to accept, thus placing the Company at a competitive disadvantage with contractors and suppliers who could use the information in future negotiations or proposals, resulting in increased prices for the Company and its ratepayers, and less favorable contracts for the Company, thereby giving competitive advantage to the Company's competitors.

6. The information contained in the Contract which the Company seeks to protect, is not publicly known and is not disseminated within the Company except to those persons with a legitimate business need to know and act on the information.

7. The Commission, by Letter dated April 17, 2006 in Case No. 2006-00155 (In the Matter of the Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations) previously granted confidential protection to the same information that KU seeks to protect in the current case.

8. There is no public interest to be served by disclosure of the confidential provisions of the Contract.

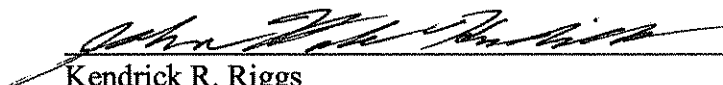
9. All of the information for which the Company seeks confidential protection demonstrates on its face that it merits confidential protection. If, however, the Commission disagrees, the Commission must hold an evidentiary hearing to protect the due process rights to the Company and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 SW2nd 591, 592-594 (1982).

10. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company is filing with the Commission one (1) set of the confidential information with the confidential information highlighted in yellow and ten (10) copies with the confidential information redacted.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: May 4, 2006

Respectfully submitted,


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