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COMMONWEALTH OF KENTUCKY

SEP 11 2008

BEFORE THE PUBLIC SERVICE COMMISSION

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN) **CASE NO. 2008-00251**
ADJUSTMENT OF BASE RATES)

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY TO FILE) **CASE NO. 2007-00565**
DEPRECIATION STUDY)

In the Matter of:

AN ADJUSTMENT OF THE ELECTRIC)
AND GAS RATES, TERMS AND) **CASE NO. 2008-00252**
CONDITIONS OF LOUISVILLE GAS)
AND ELECTRIC COMPANY)

In the Matter of:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY TO FILE) **CASE NO. 2007-00564**
DEPRECIATION STUDY)

**JOINT PETITION OF KENTUCKY UTILITIES COMPANY
AND LOUISVILLE GAS AND ELECTRIC COMPANY
FOR CONFIDENTIAL PROTECTION FOR RESPONSES
TO CERTAIN DATA REQUESTS OF THE COMMISSION STAFF**

Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") (collectively "Applicants") hereby petition the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c), (k), and (l) to grant confidential protection for the items described herein, which the Applicants seek to provide in response to: Commission Staff Second Request to KU Nos. 100(b)(2)-(5), 102(b), (c), (d), (e)(1), (f)(1), 115(a)-(b), 118(b), 128, and 129 ("KU Request Nos."); and Commission Staff

Second Request to LG&E Nos. 10(a)-(b), 80(b), 89(b)(1)-(5), 91(b), (c), (d), (e)(1), (f)(1), 104, and 105 (“LG&E Request Nos.”). In support of this Petition, the Applicants state as follows:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, 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. KU Request Nos. 115(a)-(b) and LG&E Request Nos. 10(a)-(b) ask the Applicants to provide the number of financial institutions from which the Applicants solicited proposals for their new credit facilities, the number of proposals the Applicants received, and the reasons why the Applicants ultimately selected the best proposal, as well as a copy of all the proposals the Applicants received, along with any supporting workpapers and related documents, which show the derivation of the Applicants’ revenue requirement adjustments for the cost of new credit facilities. This information and these documents are commercially sensitive and therefore merit confidential protection because the Applicants believe that revealing their contents in the public record will harm the Applicants’ ability to obtain truly competitive proposals for similar credit facilities in the future. Also, because of a strict non-disclosure provision in a proposal received from U.S. Bank, the Applicants request that the Commission authorize the Applicants to provide the unredacted version of the U.S. Bank proposal only to the Commission and the Attorney General, and not to any commercial intervenors, including, but not limited to, the Kentucky Industrial Utility Customers, Inc. and Kroger.

3. KU Request No. 118(b) and LG&E Request No. 80(b) ask the Applicants to provide workpapers and tax returns supporting the Applicants’ 2006 federal and state tax “true-ups” and the Kentucky Coal Credit adjustment, as well as the Applicants’ tax returns on which

the basis for the “true-ups” originated. Likewise, KU Request Nos. 128 and 129 and LG&E Request Nos. 104 and 105 ask the Applicants to provide tax return information. These tax-related documents and information merit confidential protection. KRS 61.878(1)(k) exempts from public disclosure “all public records or information the disclosure of which is prohibited by federal law or regulation.” Under 26 U.S.C.A. § 6103(a), state officials are prohibited from publicly disclosing any federal income tax return or its contents. Therefore, federal income tax returns fall within the exemption provided by KRS 61.878(1)(k) and are exempt from disclosure. KRS 61.878(1)(l) exempts from the Kentucky Open Records Act “public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly.” KRS 131.190(1) requires that all income tax information filed with the Kentucky Department of Revenue be treated in a confidential manner. Thus, state income tax returns are also confidential in nature and are protected from disclosure by KRS 61.878(1)(l).

4. KU Request Nos. 100(b)(2)-(5) and 102(b), (c), (d), (e)(1), (f)(1) and LG&E Request Nos. 89(b)(1)-(5) and 91(b), (c), (d), (e)(1), (f)(1) ask the Applicants to provide workpapers to support various labor costs, as well as other salary, payroll, and other compensation information. This compensation information, which the Applicants do not otherwise publicly report, is personal and private information that should not be in the public realm. The Applicants’ employees therefore have a reasonable expectation that the Applicants will maintain the confidentiality of their compensation information, the disclosure of which would constitute an unwarranted invasion of personal privacy in contravention of KRS 61.878(1)(a). In lieu of providing specific personal information to the public, the Applicants will redact from the workpapers provided in response to KU Request Nos. 100(b)(2)-(5) and LG&E Request Nos. 89(b)(1)-(5) the years of service for the various categories of employees to prevent

particular employees' compensation information from being discernable. For KU Request Nos. 102(b), (c), (d), (e)(1), (f)(1) and LG&E Request Nos. 91(b), (c), (d), (e)(1), (f)(1) provide average compensation, wage increase, and other personal financial information in the public version of the responses to these data requests, which will allow the public to monitor the Commission's analysis in these proceedings while protecting the personal and confidential information of the Applicants' employees.

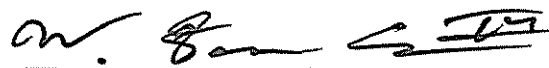
5. If the Commission disagrees with any of these requests for confidential protection, however, it must hold an evidentiary hearing (a) to protect the Applicants' due process rights and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

6. The Applicants will disclose the confidential information, pursuant to a protective agreement, to intervenors and others with a legitimate interest in this information and as required by the Commission. In accordance with the provisions of 807 KAR 5:001 Section 7, the Applicants herewith file with the Commission one copy of the above-discussed responses with the confidential information highlighted and ten (10) copies of its response without the confidential information.

WHEREFORE, Kentucky Utilities Company and Louisville Gas and Electric Company respectfully request 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: September 11, 2008

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Joint Petition for Confidential Protection was served via U.S. mail, first-class, postage prepaid, this 11th day of September 2008 upon the following persons:

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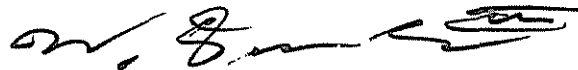
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