

ATTORNEYS

(ase No: 2009-00339

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

August 17, 2009

## HAND DELIVERED

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

AUG 17 2009 PUBLIC SERVICE COMMISSION Mark R. Overstreet (502) 209-1219 (502) 223-4387 FAX moverstreet@stites.com

## **RE:** Kentucky Power Company's Integrated Resource Planning Report

Dear Mr. Derouen:

Please find enclosed and accept for filing Kentucky Power Company's Integrated Resource Planning Report. It consists of four volumes. Volumes A-C are the redacted version of the report. The confidential information redacted from Volumes A-C is contained in Volume D, which is being filed with the Company's Motion for Confidential Treatment.

The Company is filing one unbound copy of Volumes A-D. It also is filing ten bound copies of Volumes A-C.

An index cross-referencing the provisions of the report to the applicable regulatory requirements is included in Chapter 1 (Volume A) of the report.

A copy of Volume D will be provided to those parties executing an appropriate nondisclosure agreement.

Finally, I enclose for the Commission's review and approval a copy of the text of the public notice required by 807 KAR 5:058, Section 58. By the Company's calculations, the notice must be submitted to the appropriate news agencies prior to the week of September 8, 2009 to be published in accordance with the Commission's regulations.

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

# STITES & HARBISON PLLC

#### ATTORNEYS

Jeff R. Derouen Executive Director August 17, 2009 Page 2 421 West Main Street Post Office Box 634 Frankfort, KY 40602-0634 [502] 223-3477 [502] 223-4124 Fax www.stites.com

Very truly yours wlf Mark R. Óverstreet

cc: Michael L. Kurtz (Volumes A-C) Dennis G. Howard (Volumes A-C) John Davies (Volumes A-C)

### **PUBLIC NOTICE**

On August 17, 2009 Kentucky Power Company filed its 2009 Integrated Resource Plan with the Public Service Commission. This filing includes Kentucky Power's most recent load forecast and a description of the existing and planned conservation programs, management load programs and generating facilities Kentucky Power expects to use to meet its forecasted requirements in a reliable manner at the lowest possible cost. Any interested person may review the plan, submit written questions to the utility, and file written comments on the plan. persons interested Any in participating in the review of this Integrated Resource Plan should, within 10 days of the publication of this notice, submit a motion to intervene to: Jeff R Derouen Executive Director, Public Service Commission, P.O. Box 615, Frankfort, KY 40602

RECEIVED

#### COMMONWEALTH OF KENTUCKY

AUG 17 2009 PUBLIC SERVICE COMMISSION

# BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INTEGRATED RESOURCE PLANNING REPORT OF KENTUCKY POWER COMPANY TO THE KENTUCKY PUBLIC SERVICE COMMISSION, AUGUST 17, 2009

ý case no. 2009-<u>DD3</u>39

#### \* \* \* \* \* \* \* \*

#### **MOTION FOR CONFIDENTIAL TREATMENT**

Kentucky Power Company ("Kentucky Power" or "the Company"), moves the Commission pursuant to 807 KAR 5:001, Section 7, for an Order granting confidential treatment to the information and documents identified below filed in connection with Kentucky Power's August 17, 2009 Integrated Resource Planning Report ("IRP Report") submitted pursuant to 807 KAR 5:058. In support thereof, Kentucky Power states:

1. The IRP Report and exhibits include extensive proprietary projections regarding Kentucky Power's future operations, including load and resource forecasts, and new generation technology. Kentucky Power also includes details related to the location of transmission facilities in Kentucky and American Electric Power Company's Eastern region. These confidential and proprietary portions are being filed as a supplement to the Report.

2. Specifically, Kentucky Power is seeking confidential treatment for the following information and documents:

Item No.	Exhibit Number or Type of Document	Description of Confidential and Proprietary Information	Statutory Basis for According Confidential Treatment
1	Chapter 2 Confidential Appendix	Sensitive Customer Account Data	KRS 61.878(1)(c)(2)(c)
2	Exhibit 4-4 (6 pages)	Projected Average Fuel Costs through 2020 Projected Variable Production Costs through 2020 Projected Non-fuel O&M through 2020	KRS 61.878(1)(c)(2)(c)
3	Exhibit 4-6 (6 pages)	Projected Capacity Factors (steam) through 2020 Projected Availability Factors (steam) through 2020 Projected Average heat Rates through 2020	KRS 61.878(1)(c)(2)(c)
4	Exhibit 4-9	Key Supply Side Resource Option Assumptions (new generation technologies)	KRS 61.878(1)(c)(2)(c)
5	Exhibit 4-16	American Electric Power System (generation and transmission detail)	KRS 61.878(1)(m)(1)(g)
6	Exhibit 4-17	Kentucky Power Transmission Line Network	KRS 61.878(1)(m)(1)(g)

3. Pertinent Statutory Standards.

KRS 61.878(1)(c)(2)(c) excludes from the Open Records Act:

"[r]ecords confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would present an unfair commercial advantage to competitors of the entity that disclosed the records.

Items 1 through 4 above satisfy each of the statutory requirements for confidential treatment

under KRS 61.878(1)(c)(2)(c).

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;

Items 5 and 6 satisfy each of the statutory requirements for confidential treatment under KRS 61.878(m)(1)(f).

KRS 61.878(1)(k) exempts "all public records or information the disclosure of which is prohibited by federal law or regulation" from disclosure under the Open Records Act.

4. Applicability of KRS 61.878(1)(c)(2)(c) to Items 2 through 4.

(a) The Records Are Being Confidentially Disclosed To The Commission.

The information contained in Items 2 through 4 for which confidential protection is sought is being disclosed to the Public Service Commission pursuant to 807 KAR 5:058. As such, it is both being disclosed to the Commission and is required by the Commission to be disclosed to it.

# (b) The Information Is Generally Recognized As Confidential and Proprietary.

The Company's financial and operating projections, including those set out in Items 2 through 4 above are treated as proprietary and confidential by Kentucky Power and have not been publicly disclosed by Kentucky Power. The Company takes reasonable steps to prevent the disclosure of such information outside the Company, and the information is disseminated within the Company on a need-to-know basis.

None of the information for which confidential protection is sought is readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Moreover, the Company believes that independent research by persons not privy to the information would not reveal this level of detailed information. Information substantially similar to that contained in Item 2 (Exhibit 4-4) was accorded confidential treatment by the Commission by letters dated December 2, 2002 and November 9, 1999 in Case No. 2002-00377 and 99-437 respectively. Information similar to that contained in Item 4 (Exhibit 4-9) was provided confidential treatment by the Commission in Case No. 2007-00477 by letter dated January 18, 2008.

# (c) Disclosure Of The Information Will Result In An Unfair Commercial Advantage.

Although its retail rates are regulated by this Commission, Kentucky Power makes substantial sales through PJM Interconnection, LLC of electric energy into the extremely competitive interstate wholesale electricity market. The disclosure of the cost and capacity values and projections in Items 2 through 4 (Confidential Exhibits 4-4, 4-6, and 4-9) would permit an unfair commercial advantage to Kentucky Power's competitors and suppliers. Public disclosure of such cost data and capacity information could prove very damaging to the Company in both current and future competitive marketplaces, and would place Kentucky Power at a significant disadvantage in the marketplace. If Kentucky Power's costs are publicly known, competitors and suppliers can formulate competitive bidding strategies that will hamper the Company's ability to compete against them, cause Kentucky Power's units to operate/sell less, and ultimately cost more to operate resulting in higher costs for the Company's customers. Such information might permit a competitor to underbid Kentucky Power based on an unfair commercial advantage; a result which would be detrimental not only to Kentucky Power but to the marketplace as well. Since Kentucky Power is a regulated electric utility, the Commission should protect the public interest, in the absence of full competition, by keeping confidential Kentucky Power's projected cost data and average customer rates.

Finally, Kentucky Power derives independent economic value from the subject information not being generally known to, and not being readily ascertainable by other persons who can obtain economic value from its disclosure or use. Accordingly, Kentucky Power would be placed at a competitive disadvantage vis-à-vis other electric utilities buying and selling in the wholesale market if required to disclose the information publicly.

Again, information substantially similar to that contained in Item 3 (Exhibit 4-4) was accorded confidential treatment by the Commission by letters dated December 2, 2002 and November 9, 1999 in Case No. 2002-00377 and 99-437 respectively.

5. Applicability of KRS 61.878(1)(c)(2)(c) to Item 2

Item 1 consists of historical and projected customer-specific usage data for certain of Kentucky Power's largest customers. The information is identified by both customer name and account number.

(a) The Records Are Being Confidentially Disclosed To The Commission.

The information contained in Item 1 for which confidential protection is sought is being disclosed to the Public Service Commission pursuant to 807 KAR 5:058. As such, it is both being disclosed to the Commission and is required by the Commission to be disclosed to it.

(b) The Information Is Generally Recognized As Confidential and Proprietary.

Customer-specific usage information is recognized and treated as confidential and proprietary by Kentucky Power and its customers. It has not been publicly disclosed by Kentucky Power and the Company takes reasonable steps to prevent the disclosure of such information outside the Company. The information is disseminated within the Company on a need-to-know basis. Kentucky Power also understands that its customers also take similar measures to protect against the public disclosure of such information.

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None of the information for which confidential protection is sought is readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Moreover, the Company believes that independent research by persons not privy to the information would not reveal this level of detailed information.

# (c) Disclosure Of The Information Will Result In An Unfair Commercial Advantage.

The cost of electricity constitutes a material part of the cost structure of many of the Company's larger customers. It is Kentucky Power's understanding that such information is routinely protected by its customers from public disclosure because of the competitive disadvantage resulting from such disclosure. It is further the Company's belief that each of these companies is a private entity whose cost of operation or cost of production is not regulated by this Commission or any other government body.

6. Applicability of KRS 61.878(1)(m)(1)(f) to Items 5 and 6.

The maps constituting Items 5 and 6 include details of Kentucky Power's transmission facilities should be treated as confidential for Critical Energy Infrastructure Information (CEII). FERC regulations define CEII as specific 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, 5U.S.C. 552; and

(iv) Does not simply give the general location of the critical infrastructure.18 CFR 388.113(c)(2).

The FERC definition includes existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. 18 CFR § 388.113(C)(2). Items 5 and 6 constitute CEII under the FERC definition and is protected from disclosure under the Freedom of Information Act by 18 C.F.R. § 388.112.

For many of the same reasons, Items 5 and 6 are protected from disclosure under KRS 61.878(1)(m)(1)(f). In particular, the transmission systems of Kentucky Power and American Electric Power Company, Inc. are critical to the ability of Kentucky Power to provide electrical service to its customers. The destruction or disruption of even a small portion of these systems would have a reasonable probability of protecting against, mitigating or responding to a terrorist act, as that term is defined at KRS 61.878(1)(m)(2). Moreover, the information is exempted by KRS 61.878(1)(k) as information exempted from disclosure under federal law.

Pursuant to 807 KAR 5:001, the highlighted original of the documents for which confidential treatment is sought is filed with this Petition under seal. In addition, eleven redacted copies of the Integrated Resource Planning Report (one unbound and ten bound) are being filed..

For the foregoing reasons, Kentucky Power requests that the Kentucky Public Service Commission to afford confidential treatment to Items 1 through 6 described above.

Respectfully submitted J Re

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

COUNSEL FOR: KENTUCKY POWER COMPANY

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, except where otherwise indicated, upon the following, this 17<sup>th</sup> day of August, 2009.

Dennis G. Howard, II Office of Attorney General Division of Rate Intervention 1024 Capital Center Drive P.O. Box 2000 Frankfort, Kentucky 40602-2000 [Hand Delivery]

David F. Boehm Michael L. Kurtz Boehm, Kurtz & Lowry 2110 CBLD Center 36 East Seventh Street Cincinnati, OH 45202

Mr. John Davies, Deputy Commissioner Department for Energy Development and Independence 500 Mero Street, 12<sup>th</sup> Floor Capital Plaza Tower Frankfort, KY 40601 [Hand Delivery]

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Mark R. Overstreet

# CONFIDENTIAL DATA EXHIBIT A

### **AFFIDAVIT OF ERROL K. WAGNER**

Errol K. Wagner, upon his oath, deposes and states:

1. I am employed by Kentucky Power Company (Kentucky Power). American Electric Power Company, Inc. (AEP) is the parent company of Kentucky Power. I am Director of Regulatory Services. I supervise and direct the regulatory matters affecting Kentucky Power.

2. I have personal knowledge of the confidential, proprietary, competitively sensitive and critical energy infrastructure confidential information addressed herein and in the accompanying Motion through direct contact with this information and through my investigation with other AEP employees who work directly with the Confidential Information. I have personal knowledge of efforts taken by AEP and Kentucky Power to maintain the integrity of the Confidential Information through direct contact with these efforts and through my investigation of these efforts with other employees who work directly with these efforts and through procedures.

## Description of the Confidential Information for Which Protection is Sought

3. KENTUCKY POWER is requesting that certain confidential information to be included in KENTUCKY POWER's Integrated Resource Plan to be exempted from public disclosure as confidential, proprietary, competitively sensitive and critical energy infrastructure information (the "Confidential Information").

Item No.	Exhibit Number or Type of Document	and Proprietary Information	According Confidential Treatment
1	Chapter 2 Confidential Appendix	Sensitive Customer Account Data	KRS 61.878(1)(c)(2)(c)
2	Exhibit 4-4 (6 pages)	Projected Average Fuel Costs through 2020 Projected Variable Production Costs through 2020 Projected Non-fuel O&M through 2020	KRS 61.878(1)(c)(2)(c)
3	Exhibit 4-6 (6 pages)	Projected Capacity Factors (steam) through 2020 Projected Availability Factors (steam) through 2020 Projected Average heat Rates through 2020	KRS 61.878(1)(c)(2)(c)
4	Exhibit 4-9	Key Supply Side Resource Option Assumptions (new generation technologies)	KRS 61.878(1)(c)(2)(c)
5	Exhibit 4-16	AmericanElectricPowerSystem(generationandtransmissiondetail)	KRS 61.878(1)(m)(1)(g) KRS 61.878(1)(k)
6	Exhibit 4-17	Kentucky Power Transmission Line Network	KRS 61.878(1)(m)(1)(g) KRS 61.878(1)(k)

4. More specifically, Kentucky Power seeks confidential treatment of six items.

The confidential information in Item 1 includes data related to specific customers.
The data details different customers' specific usage at different times over a number of years.
This data is specific to individual customers and provides insight into individual customers' usage.

6. Items 2 through 4 include confidential and proprietary information subject to confidential protection. Item 2 includes the projected fuel costs, variable production costs, and non-fuel O&M of generation through the year 2020. Information substantially similar to that contained in Item 2 (Exhibit 4-4) was accorded confidential treatment by the Commission by letters dated December 2, 2002 and November 9, 1999 in Case Nos. 2002-00377 and 99-437 respectively. Item 3 (Exhibit 4-6) includes the projected value of each of those factors through 2020. Item 4 (Exhibit 4-9) contains forecasted capability, installed cost, heat rate, fuel, variable O&M, and fixed O&M costs, and emission rates for new generation technologies. Similar information was provided confidential treatment by the Commission in Case No. 2007-00477 by letter dated January 18, 2008.

7. Items 5 and 6 are maps detailing the generation and transmission system of the American Electric Power System and a subset of that information to provide Kentucky specific information. The information contained in these maps are considered by the Federal Energy Regulatory Commission (FERC) as Critical Energy Infrastructure Information (CEII) and as such exempts the maps from public disclosure in accordance with FERC rules. FERC Rule 18 C.F.R. § 388.113(c) defines CEII as "information about proposed or existing infrastructure that relates to the production, generation, transportation, transmission of energy and that could be useful to a person planning an attack on critical infrastructure." In addition, 18 C.F.R. § 388.112 exempts such information from disclosure under the Freedom of Information Act. However, FERC does provide access to CEII documents to those with a legitimate need for the information following an execution of a non-disclosure agreement with FERC.

# The Information Contained in Confidential Information Derives Independent Economic Value By Reason of the Fact that it is Not Publicly Available

The Confidential Information is not readily available in the public domain and 8. Kentucky Power takes steps to protect this information from public disclosure. Such information is competitively sensitive and a trade secret because competitors may use such data to determine Kentucky Power's current and projected resource costs, information about the operations of Kentucky Power's facilities and the price at which Kentucky Power projects to secure fuel for its plants. The disclosure of such costs would adversely impact Kentucky Power because it would permit competitors to better determine how to price their services and Further, the disclosure of the Company's costs would negatively effect the products. negotiation or competitive bidding process by allowing potential suppliers or vendors to know what the Company's expectations are with respect to its resource needs and costs. Thus, these suppliers or vendors would have the advantage of knowing how to price their bids or negotiate to provide resources in order to maximize their prices to the disadvantage of Kentucky Power and its customers.

# The Information Contained in Confidential Information is Critical Energy Infrastructure Information and is Not Publicly Available

9. Items 5 and 6 are Critical Energy Infrastructure Information ("CEII"). Item 5 is a map included in Form 715 that AEPSC files with the Federal Energy and Regulatory Commission ("FERC"). FERC has granted confidential treatment of this map as CEII. The information includes a detailed description of critical energy sector infrastructure. Item 6 is a closer look at the Kentucky portion of the protected data from Item 5.

-4-

# The Information is Not Generally Known, Readily Ascertainable by Proper Means by Other Persons Who Can Obtain Economic Value from its Disclosure or Use

10. The Confidential Information is not available or ascertainable by other parties through normal or proper means. No reasonable amount of independent research could yield this information to other parties.

## The Information is the Subject of Efforts Reasonable Under The Circumstances to Maintain Its Secrecy

The Confidential Information has been the subject of efforts that are reasonable 11. under the circumstances to maintain its secrecy. Kentucky Power and American Electric Power Service Corporation ("AEPSC") restrict the access of information to only those employees, officers and representatives of Kentucky Power and AEPSC who have a need to know about such information due to their job and management responsibilities. Kentucky Power and AEPSC limit public access to buildings housing the Confidential Information by use of security guards. Persons not employed by Kentucky Power and AEPSC who are allowed past security guards at buildings where Confidential Information is kept are not permitted to walk within such buildings without an escort. Kentucky Power's and AEPSC's files containing the Confidential Information are maintained separately from Kentucky Power's and AEPSC's general records and access to those files is restricted. Within Kentucky Power and AEPSC, access to this information has been and will continue to be disclosed only to those employees, officers and representatives of Kentucky Power and AEPSC who have a need to know about such information due to their job and management responsibilities. Outside Kentucky Power and AEPSC, this information is only provided to certain persons who have a legitimate need to review the information to participate in this filing and who sign a confidentiality agreement.

Further the Affiant sayeth nothing more.

8 Dated:

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Errol K. Wagner

COMMONWEALTH OF KENTUCKY ) SS: COUNTY OF FRANKLIN )

Errol K. Wagner appeared before me, a Notary Public in and for this County and State,

)

and swore that the foregoing statements are true.

SDSAL Printed

My Commission Expires: 2013 nuar

County of Residence: 51

Kosquist <u>fud</u>u Signature

COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

AUG 17 2009 PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

INTEGRATED RESOURCE PLANNING REPORT OF KENTUCKY POWER COMPANY TO THE KENTUCKY PUBLIC SERVICE COMMISSION, AUGUST 17, 2009

) CASE NO. 2009-00339

#### \* \* \* \* \* \* \* \*

### **MOTION FOR CONFIDENTIAL TREATMENT**

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reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing,

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6. Applicability of KRS 61.878(1)(m)(1)(f) to Items 5 and 6.

The maps constituting Items 5 and 6 include details of Kentucky Power's transmission facilities should be treated as confidential for Critical Energy Infrastructure Information (CEII). FERC regulations define CEII as specific 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, 5U.S.C. 552; and

(iv) Does not simply give the general location of the critical infrastructure.18 CFR 388.113(c)(2).

The FERC definition includes existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. 18 CFR § 388.113(C)(2). Items 5 and 6 constitute CEII under the FERC definition and is protected from disclosure under the Freedom of Information Act by 18 C.F.R. § 388.112.

For many of the same reasons, Items 5 and 6 are protected from disclosure under KRS 61.878(1)(m)(1)(f). In particular, the transmission systems of Kentucky Power and American Electric Power Company, Inc. are critical to the ability of Kentucky Power to provide electrical service to its customers. The destruction or disruption of even a small portion of these systems would have a reasonable probability of protecting against, mitigating or responding to a terrorist act, as that term is defined at KRS 61.878(1)(m)(2). Moreover, the information is exempted by KRS 61.878(1)(k) as information exempted from disclosure under federal law.

Pursuant to 807 KAR 5:001, the highlighted original of the documents for which confidential treatment is sought is filed with this Petition under seal. In addition, eleven redacted copies of the Integrated Resource Planning Report (one unbound and ten bound) are being filed..

For the foregoing reasons, Kentucky Power requests that the Kentucky Public Service Commission to afford confidential treatment to Items 1 through 6 described above.

Respectfully submitted J Re

Mark R. Överstreet STITES & HARBISON 421 West Main Street P.O. Box 634 Frankfort, Kentucky 40602-0634 Telephone: (502) 223-3477 moverstreet@stites.com

COUNSEL FOR: KENTUCKY POWER COMPANY

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, except where otherwise indicated, upon the following, this 17<sup>th</sup> day of August, 2009.

Dennis G. Howard, II Office of Attorney General Division of Rate Intervention 1024 Capital Center Drive P.O. Box 2000 Frankfort, Kentucky 40602-2000 [Hand Delivery]

David F. Boehm Michael L. Kurtz Boehm, Kurtz & Lowry 2110 CBLD Center 36 East Seventh Street Cincinnati, OH 45202

Mr. John Davies, Deputy Commissioner Department for Energy Development and Independence 500 Mero Street, 12<sup>th</sup> Floor Capital Plaza Tower Frankfort, KY 40601 [Hand Delivery]

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Mark R. Overstreet

# CONFIDENTIAL DATA EXHIBIT A

### **AFFIDAVIT OF ERROL K. WAGNER**

Errol K. Wagner, upon his oath, deposes and states:

1. I am employed by Kentucky Power Company (Kentucky Power). American Electric Power Company, Inc. (AEP) is the parent company of Kentucky Power. I am Director of Regulatory Services. I supervise and direct the regulatory matters affecting Kentucky Power.

2. I have personal knowledge of the confidential, proprietary, competitively sensitive and critical energy infrastructure confidential information addressed herein and in the accompanying Motion through direct contact with this information and through my investigation with other AEP employees who work directly with the Confidential Information. I have personal knowledge of efforts taken by AEP and Kentucky Power to maintain the integrity of the Confidential Information through direct contact with these efforts and through my investigation of these efforts with other employees who work directly with these efforts and through procedures.

## Description of the Confidential Information for Which Protection is Sought

3. KENTUCKY POWER is requesting that certain confidential information to be included in KENTUCKY POWER's Integrated Resource Plan to be exempted from public disclosure as confidential, proprietary, competitively sensitive and critical energy infrastructure information (the "Confidential Information").

Item No.	Exhibit Number or Type of Document	and Proprietary Information	StatutoryBasisforAccordingConfidentialTreatment
1	Chapter 2 Confidential Appendix	Sensitive Customer Account Data	KRS 61.878(1)(c)(2)(c)
2	Exhibit 4-4 (6 pages)	Projected Average Fuel Costs through 2020 Projected Variable Production Costs through 2020 Projected Non-fuel O&M through 2020	KRS 61.878(1)(c)(2)(c)
3	Exhibit 4-6 (6 pages)	Projected Capacity Factors (steam) through 2020 Projected Availability Factors (steam) through 2020 Projected Average heat Rates through 2020	KRS 61.878(1)(c)(2)(c)
4	Exhibit 4-9	Key Supply Side Resource Option Assumptions (new generation technologies)	KRS 61.878(1)(c)(2)(c)
5	Exhibit 4-16	AmericanElectricPowerSystem(generationandtransmissiondetail)	
6	Exhibit 4-17	Kentucky Power Transmission Line Network	KRS 61.878(1)(m)(1)(g) KRS 61.878(1)(k)

4. More specifically, Kentucky Power seeks confidential treatment of six items.

5. The confidential information in Item 1 includes data related to specific customers. The data details different customers' specific usage at different times over a number of years. This data is specific to individual customers and provides insight into individual customers' usage.

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6. Items 2 through 4 include confidential and proprietary information subject to confidential protection. Item 2 includes the projected fuel costs, variable production costs, and non-fuel O&M of generation through the year 2020. Information substantially similar to that contained in Item 2 (Exhibit 4-4) was accorded confidential treatment by the Commission by letters dated December 2, 2002 and November 9, 1999 in Case Nos. 2002-00377 and 99-437 respectively. Item 3 (Exhibit 4-6) includes the projected value of each of those factors through 2020. Item 4 (Exhibit 4-9) contains forecasted capability, installed cost, heat rate, fuel, variable O&M, and fixed O&M costs, and emission rates for new generation technologies. Similar information was provided confidential treatment by the Commission in Case No. 2007-00477 by letter dated January 18, 2008.

7. Items 5 and 6 are maps detailing the generation and transmission system of the American Electric Power System and a subset of that information to provide Kentucky specific information. The information contained in these maps are considered by the Federal Energy Regulatory Commission (FERC) as Critical Energy Infrastructure Information (CEII) and as such exempts the maps from public disclosure in accordance with FERC rules. FERC Rule 18 C.F.R. § 388.113(c) defines CEII as "information about proposed or existing infrastructure that relates to the production, generation, transportation, transmission of energy and that could be useful to a person planning an attack on critical infrastructure." In addition, 18 C.F.R. § 388.112 exempts such information from disclosure under the Freedom of Information Act. However, FERC does provide access to CEII documents to those with a legitimate need for the information following an execution of a non-disclosure agreement with FERC.

# The Information Contained in Confidential Information Derives Independent Economic Value By Reason of the Fact that it is Not Publicly Available

The Confidential Information is not readily available in the public domain and 8. Kentucky Power takes steps to protect this information from public disclosure. Such information is competitively sensitive and a trade secret because competitors may use such data to determine Kentucky Power's current and projected resource costs, information about the operations of Kentucky Power's facilities and the price at which Kentucky Power projects to secure fuel for its plants. The disclosure of such costs would adversely impact Kentucky Power because it would permit competitors to better determine how to price their services and products. Further, the disclosure of the Company's costs would negatively effect the negotiation or competitive bidding process by allowing potential suppliers or vendors to know what the Company's expectations are with respect to its resource needs and costs. Thus, these suppliers or vendors would have the advantage of knowing how to price their bids or negotiate to provide resources in order to maximize their prices to the disadvantage of Kentucky Power and its customers.

## The Information Contained in Confidential Information is Critical Energy Infrastructure Information and is Not Publicly Available

9. Items 5 and 6 are Critical Energy Infrastructure Information ("CEII"). Item 5 is a map included in Form 715 that AEPSC files with the Federal Energy and Regulatory Commission ("FERC"). FERC has granted confidential treatment of this map as CEII. The information includes a detailed description of critical energy sector infrastructure. Item 6 is a closer look at the Kentucky portion of the protected data from Item 5.

# The Information is Not Generally Known, Readily Ascertainable by Proper Means by Other Persons Who Can Obtain Economic Value from its Disclosure or Use

10. The Confidential Information is not available or ascertainable by other parties through normal or proper means. No reasonable amount of independent research could yield this information to other parties.

# The Information is the Subject of Efforts Reasonable Under The Circumstances to Maintain Its Secrecy

The Confidential Information has been the subject of efforts that are reasonable 11. under the circumstances to maintain its secrecy. Kentucky Power and American Electric Power Service Corporation ("AEPSC") restrict the access of information to only those employees, officers and representatives of Kentucky Power and AEPSC who have a need to know about such information due to their job and management responsibilities. Kentucky Power and AEPSC limit public access to buildings housing the Confidential Information by use of security guards. Persons not employed by Kentucky Power and AEPSC who are allowed past security guards at buildings where Confidential Information is kept are not permitted to walk within such buildings without an escort. Kentucky Power's and AEPSC's files containing the Confidential Information are maintained separately from Kentucky Power's and AEPSC's general records and access to those files is restricted. Within Kentucky Power and AEPSC, access to this information has been and will continue to be disclosed only to those employees, officers and representatives of Kentucky Power and AEPSC who have a need to know about such information due to their job and management responsibilities. Outside Kentucky Power and AEPSC, this information is only provided to certain persons who have a legitimate need to review the information to participate in this filing and who sign a confidentiality agreement.

Further the Affiant sayeth nothing more.

Dated:

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Errol K. Wagner

COMMONWEALTH OF KENTUCKY ) SS: COUNTY OF FRANKLIN )

Errol K. Wagner appeared before me, a Notary Public in and for this County and State,

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and swore that the foregoing statements are true.

My Commission Expires: 2013

My County of Residence:

Kosquet <u>fud</u>i Signature