

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION FOR APPROVAL OF)
RENEWABLE ENERGY PURCHASE AGREEMENT)
FOR WIND ENERGY RESOURCES BETWEEN) CASE NO. 2009-00545
KENTUCKY POWER COMPANY AND)
FPL ILLINOIS)

* * * * *

MOTION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company ("Kentucky Power" or "the Company"), moves the Commission pursuant to KRS 61.878(1)(c)(1) and 807 KAR 5:001, Section 7, for an Order granting confidential treatment to information contained within documents included in discovery responses to Kentucky Industrial Utility Customers, Inc.'s Third Set of Data Requests, Question Nos. 1(b), 1(c) and 2 (Q3-1b and 1c, and Q3-2). In support of its Motion for Confidential Treatment Kentucky Power states:

1. The information for which confidential treatment is being sought ("Confidential Information") is:

(a) For each month of certain of the REPA transactions entered into by AEP affiliate operating companies, the actual capacity factor of the wind generation. (Q3-1b).

(b) For each month of the REPA transactions entered into by AEP affiliate operating companies, the capacity rating of the wind project and the amount of energy actually delivered to the purchaser. (Q3-1c).

(c) For each month that the wind facility that is the subject of this proceeding has been in commercial operation, the actual capacity factor, mw rating of the unit(s) in operation, and mWh delivered. (Q3-2).

2. Pursuant to 807 KAR 5:001, Section, 7, an original of the exhibits for which confidential treatment is sought is filed under seal with this motion. In addition, ten redacted copies of the exhibits are filed with this motion.

3. In accordance with our executed confidentiality agreement we also provided unredacted copies of the documentation to Kentucky Industrial Utility Customers and the Office of the Attorney General.

Statutory Standard

4. KRS 61.878(1)(c)(1) excludes from the public disclosure requirements of 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.

The Confidential Information satisfies this exception.

The Information Is Generally Recognized As Confidential And Proprietary

5. As Jay F. Godfrey, Managing Director-Renewable Energy for American Electric Power Service Corporation ("AEPSC") testifies in his affidavit, the Confidential Information is generally considered confidential and proprietary. Affidavit of Jay F. Godfrey at ¶ 5 ("Godfrey Affidavit"). The Confidential Information is not available to or ascertainable by, persons outside the companies by proper means other than on a confidential basis. Godfrey Affidavit at ¶11. Indeed, the Confidential Information derives economic value from the fact it is not generally known to persons who can obtain value from its disclosure. Godfrey Affidavit at ¶11.

7. In light of the confidential and proprietary nature of the information, AEPSC, Kentucky Power and the other AEP affiliate operating companies take all reasonable efforts to protect it from public disclosure. Godfrey Affidavit at 12. Among the measures taken are limiting access to the information within the companies to only those persons with a legitimate need to access the information, protecting against disclosure outside the Company, and entering into confidentiality agreements to protect against disclosure by persons outside the Companies who are afforded access for legitimate purposes. Godfrey Affidavit at 12-13.

Disclosure Of The Confidential Information Will Result in An
Unfair Competitive Advantage To The Competitors Of Kentucky Power and FPL Wind and to
the Competitors of the other AEP Affiliate Operating Companies and the Owners of their
Respective Wind Projects.

8. The Confidential Information, if disclosed to competitors of Kentucky Power, or otherwise made publicly available, would provide an unfair competitive advantage to competitors of Kentucky Power. The Confidential Information therefore is entitled to protection from disclosure by the Commission. Specifically, the public disclosure of the Confidential Information would:

(a) Be detrimental to the ability of Kentucky Power and the other AEP affiliate operating companies to obtain competitive responses to future RFPs, thereby preventing Kentucky Power from obtaining the lowest reasonable cost. Godfrey Affidavit at ¶ 10. Disclosure of the Confidential Information would discourage potential future bidders from submitting bids out of concern the confidential information would be made public because Kentucky Power is not permitted to abide by confidentiality agreements, and because confidentiality agreements entered into by other AEP affiliate operating companies are not respected by the Commission. Godfrey Affidavit at ¶ 10.

(b) Establish certain benchmarks in future negotiations, thereby potentially increasing costs incurred by customers of KPCo and its affiliates. Godfrey Affidavit at ¶ 7.

(c) Permit other purchasers to benefit from the efforts by Kentucky Power and the other AEP operating companies in negotiating wind power contracts and “cherry-pick” the most advantageous contracts and terms to Kentucky Power’s competitive disadvantage. Godfrey Affidavit at ¶ 7.

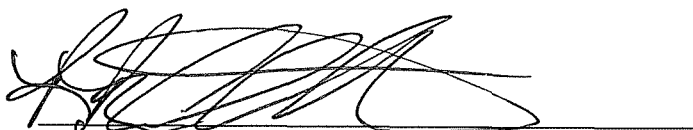
(d) Put Kentucky Power and the other AEP operating companies at substantial risk with respect to numerous wind project owners because the Confidential Information is protected under the terms of various confidentiality agreements entered into by those parties.

9. Kentucky Power filed a motion to protect other confidential information pertaining to the REPA with FPL Wind Illinois, LLC (“FPL Wind”) in its initial filing in this case on December 29, 2009, and incorporates that filing and supporting affidavits into this motion. That filing included an affidavit from John DiDonato, Vice President of FPL Wind. The affidavit includes the representation that FPL Wind submitted its response to the RFP based upon the understanding the information would not be publicly disclosed. DiDonato Affidavit at ¶ 7. Moreover, the other AEP operating companies have entered into confidentiality agreements with their respective wind project owners. The Confidential Information includes information protected under the terms of these confidentiality agreements . Godfrey Affidavit at ¶ 13.

CONCLUSION

Based on the foregoing, Kentucky Power respectfully requests that the Commission grant its motion for confidential treatment of the information identified above that is being produced in response to KIUC Q3-1b and 1c, and Q3-2.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "R. Benjamin Crittenden", written over a horizontal line.

Bruce F. Clark

Mark R. Overstreet

R. Benjamin Crittenden

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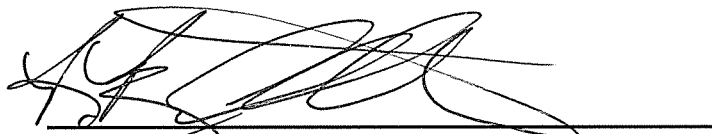
**COUNSEL FOR KENTUCKY POWER
COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, upon the following parties, this 19th day of May, 2010.

Dennis G. Howard, II
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Division of Rate Intervention
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P.O. Box 2000
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R. Benjamin Crittenden

EXHIBIT A

AFFIDAVIT OF JAY F. GODFREY

Jay F. Godfrey, first being duly sworn, states:

1. I am of the age of majority and competent to make this affidavit. I have personal knowledge of the matters set forth in this affidavit.

2 I am employed by American Electric Power Service Corporation (AEPSC), a wholly owned subsidiary of American Electric Power Company, Inc. (AEP). AEP is the parent company of Kentucky Power Company (KPCo). I am employed as a Managing Director - Renewable Energy. In that capacity, I am responsible for managing AEP's and its subsidiaries' portfolio of Renewable Energy Purchase Agreements (REPAs) and related long-term structured emission reduction offset agreements. This includes AEP's wind related power off-take agreements, as well as potential new wind project development. I am familiar with the terms and other confidential information relating to the renewable wind energy Power Purchase Agreement ("Wind PPA") with FPL Energy Illinois Wind, LLC ("FPLEWIC") which KPCo seeks to protect from public disclosure. FPLEWIC is an indirectly subsidiary of NextEra Energy Resources, LLC. I am also familiar with the terms of the wind energy power purchase agreements entered into between other AEP affiliate operating companies and various wind project owners ("Other Wind Projects"). Kentucky Power is not a party to these other wind projects. However, other AEP affiliate operating companies will be at risk if confidential information about the other wind projects is disclosed because they have entered into confidentiality agreements with the wind project owners ("Other Confidentiality Agreements").

3 I have specific personal knowledge of the confidential, proprietary, competitively sensitive and trade secret nature of the confidential information addressed in this Affidavit through direct contact with this information and through my investigation with other AEPSC and KPCo employees who work directly with the confidential information. I have personal knowledge of efforts taken by KPCo and AEPSC to maintain the secrecy of the confidential information through direct involvement in these efforts, and through my investigation of these efforts with other employees who work directly with these procedures. Finally, I have personal knowledge through my investigation, along with other AEPSC and KPCo employees who work directly with the confidential information, of the effect the public disclosure of the confidential information would have on KPCo's competitive efforts in securing such contracts.

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

4. KPCo is requesting that certain information from the Wind PPA and other confidential information referred to in KPCo's discovery responses to Kentucky Industrial Utility Customers (Q3-1a and 1b, and Q3-2) in this Cause be protected from public disclosure pursuant to KRS 61.878(1)(c)(1) and 807 KAR 5:001, Section 7 (the "Confidential Information").

5. More specifically, the Confidential Information includes the following: (1) the actual capacity factor of the wind generation for each month for certain REPA transactions involving all AEP affiliate operating companies; (2) the capacity rating of the wind project and the amount of energy actually delivered to the AEP affiliate operating companies under all REPA transactions for each month of the transaction; and (3) the actual capacity factor, mw rating of the unit(s) in operation and the mWh

delivered for each month the 240-mw facility at issue has been in commercial operation. This information is confidential, proprietary, competitively sensitive and a trade secret, and is subject to numerous confidentiality agreements between the AEP affiliate operating companies and the respective wind project owners.

**Public Disclosure Of The Information For Which Confidential Treatment
Is Sought Would Permit An Unfair Commercial Advantage To Kentucky Power's
Competitors**

6. As evidenced in my testimony and that of Mr. Weaver in KPCo's application in this case, the market for renewable energy purchase power agreements is extremely competitive. There are multiple sellers of renewable energy seeking the highest prices for their capacity and energy. Likewise, with the advent of renewable portfolio standards in many states. Kentucky Power and its affiliates face strong and growing competition for the most advantageous agreements. The Confidential Information consists of sensitive performance data that factors directly into the determination of the benefit of the bargain obtained by the AEP affiliate operating companies through the Other Wind Projects, and all of the information at issue is protected from disclosure under the other confidentiality agreements.

7. KPCo and the other AEP operating affiliates may negotiate similar contracts with other suppliers in the future. If the Confidential Information became publicly known or available, parties with which KPCo and the other AEP affiliate operating companies may negotiate could use this knowledge to the detriment of KPCo, its customers, and affiliates. Knowledge of these terms by other potential suppliers would establish certain benchmarks in future negotiations, thereby potentially increasing costs incurred by customers of KPCo and its affiliates. In other words, other suppliers would insist on the same or better terms as those negotiated in this purchase

agreement. Furthermore, knowledge of the provisions by potential power supply competitors could enable them to gain an unfair advantage in future competitive situations. Finally, the Confidential Information also could be used by other purchasers competing for such contracts to “cherry-pick” the most favorable contracts, thereby depriving Kentucky Power of the ability to obtain the most advantageous prices for its customers. In sum, the public disclosure of the information for which confidential treatment is sought will result in KPCo and FPLEWIC’s competitors gaining an unfair commercial advantage. Likewise it will result in the other AEP affiliate operating companies and the respective wind project owners with whom they’ve contracted being subject to an unfair commercial disadvantage.

8. In negotiating renewable energy purchase power agreements, AEPSC and KPCo seek to obtain the lowest reasonable cost for the Company’s customers. Suppliers, on the other hand, are interested in obtaining the highest price possible for their commodity. Making the analysis of the performance data under REPA transactions involving other AEP operating companies or other competitively sensitive information available to the suppliers with which the Company is negotiating compromises the ability of AEPSC and KPCo to obtain the lowest reasonable cost for customers.

9. The Confidential Information contains sensitive information involving REPA transactions undertaken by other AEP affiliate operating companies. These other companies are not parties to this proceeding and information about their REPA transactions is relevant to this proceeding to the limited extent of showing the reasonableness of the FPLEWIC and KPCo agreement. Moreover, the information about the Other

Wind Projects at issue is all subject to confidentiality agreements between the AEP affiliate operating companies and the respective wind project owners.

10. The public disclosure of the Confidential Information will impede the ability of KPCo and AEPSC to obtain the lowest reasonable cost for KPCo's customers by discouraging potential future bidders from submitting bids because of concern that confidential terms will become public knowledge. As such, the public dissemination of the confidential information will provide an unfair economic advantage to KPCo's competitors.

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

11. 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

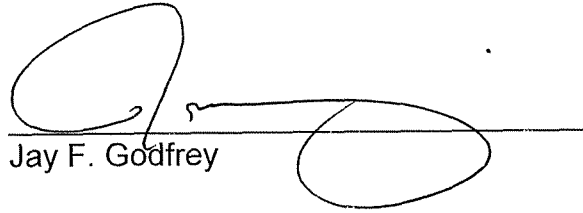
12. The Confidential Information has been the subject of efforts that are reasonable under the circumstances to maintain its secrecy. KPCo and AEPSC limit public access to buildings housing the Confidential Information by use of security guards. Persons not employed by KPCo and AEPSC who are allowed past security guards at buildings where Confidential Information is kept are not permitted to walk within such buildings without an escort. KPCo's and AEPSC's files containing the Confidential Information are maintained separately from KPCo's and AEPSC's general records and access to those files is restricted. Within KPCo and AEPSC, access to this

information has been and will continue to be disclosed only to those employees, officers and representatives of KPCo and AEPSC who have a need to know about such information due to their job and management responsibilities. Outside KPCo and AEPSC, this information is only provided to certain persons who have a legitimate need to review the information to participate in this Cause and who sign a confidentiality agreement.

13. In connection with the solicitation of responses to the Request for Proposals described in my testimony filed in this case, AEPSC on behalf of itself and its affiliates, entered into confidentiality agreements with each party submitting a response. Such agreements are customary in the industry, and are a necessary prerequisite to AEPSC and KPCo being able to solicit the widest possible response to the request for proposal. Under the confidentiality agreements, AEPSC on behalf of itself and its affiliates including KPCo, agreed to restrict the access of information to only those employees, officers and representatives of KPCo and AEPSC who have a need to know about such information due to their job and management responsibilities. NextEra Energy Resources, LLC, the indirect parent of FPLEWIC, and AEPSC entered into such a confidentiality agreement with respect to the Confidential Information and other information contained in my testimony and the exhibits thereto. Likewise, the wind project owners for all of the transactions involving the other AEP affiliate operating companies entered into such agreements. Kentucky Power and AEPSC have an obligation under these agreements to protect confidential information about the other wind projects from public disclosure.

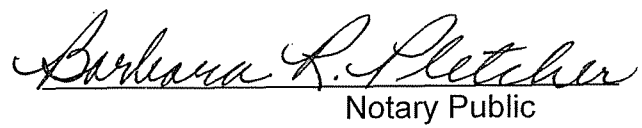
14. Further the Affiant sayeth nothing more.

Dated: 5-18-10


Jay F. Godfrey

STATE OF OHIO)
) SS:
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public, in and for said County and
State this 18th day of May 2010.


Notary Public

I am a resident of Franklin County, Ohio

My commission expires: October 1, 2013

BARBARA R. PLETCHER
NOTARY PUBLIC • STATE OF OHIO
Recorded in Franklin County
My commission expires Oct. 1, 2013