## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

JUL 26 2010

PUBLIC SERVICE COMMISSION

THE JOINT APPLICATION OF	)
PPL CORPORATION, E.ON AG,	ĺ
E.ON US INVESTMENTS CORP.,	ĺ
E.ON U.S. LLC, LOUISVILLE GAS AND	) CASE NO. 2010-00204
ELECTRIC COMPANY AND KENTUCKY	)
UTILITIES COMPANY FOR APPROVAL	j
OF AN ACQUISITION OF OWNERSHIP	)
AND CONTROL OF UTILITIES	j

## PETITION FOR CONFIDENTIAL PROTECTION

PPL Corporation ("PPL"), E.ON AG ("E.ON"), E.ON US Investments Corp., E.ON U.S. LLC ("E.ON U.S."), Louisville Gas & Electric Company and Kentucky Utilities Company (collectively, "Joint Applicants"), by counsel, petition the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 7 to grant confidential protection to PPL's and E.ON's premerger notifications, including any exhibits, memoranda, financial data or other attachments thereto ("Premerger Notifications"), filed pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a ("HSR Act"), submitted to the Commission in connection with the Joint Applicants' Response to the Attorney General's Initial Data Request No. 31.

In support of this petition, the Joint Applicants state as follows:

- 1. On May 28, 2010, the Joint Applicants filed an application with the Commission pursuant to KRS 278.020(5) and (6).
- On June 23, 2010, the Joint Applicants received initial data requests from the Attorney General.

- 3. On July 6, 2010, the Joint Applicants filed their responses to the Attorney General's initial data requests. Request No. 31 asked the Joint Applicants to provide copies of any premerger notifications. At the time, neither PPL nor E.ON had filed their Premerger Notifications, but the Joint Applicants stated that when they were filed they would provide the Premerger Notifications to the Commission under Petitions for Confidential Treatment.
- 4. On July 14, 2010, PPL and E.ON filed their respective Premerger Notifications pursuant to the HSR Act with the Federal Trade Commission's Bureau of Competition and the Department of Justice. The information in the Premerger Notifications is considered to be highly confidential information ("Confidential Information").
- 5. The Confidential Information contained in the Premerger Notifications is, predominantly, not publicly disseminated, and public disclosure of the Confidential Information would harm the Joint Applicants. Much of the Confidential Information is highly confidential, market-sensitive information including, but not limited to, high-level business strategy and planning information and information dealing directly with competition, competitors, and markets. Some of the Confidential Information is otherwise available in the public realm, but was provided as part of the Premerger Notifications under strict confidence. The fact that the Confidential Information is part of the Premerger Notifications is itself highly confidential, despite the fact that it may be otherwise available in the public realm. Therefore, the Joint Applicants are requesting that the Premerger Notifications be treated confidentially in their entirety.
- 6. In the event that the Commission does not approve the proposed acquisition, or in the event that the proposed acquisition otherwise does not close, E.ON would suffer harm if the Confidential Information were made public and therefore accessible to other potential

purchasers, as it would lessen competition in a subsequent bidding process and allow other potential purchasers to bid down the price of E.ON U.S. PPL, as a publicly traded company, would also suffer harm if non-public, projected financial information were made public. The Commonwealth of Kentucky may also suffer harm if the Confidential Information is made public and the proposed acquisition fails to close, as competition in any subsequent bidding process would be lessened.

- 7. Under 15 U.S.C. § 18a(h), the HSR Act's disclosure exemption provision, "[a]ny information or documentary material filed with the Assistant Attorney General or the Federal Trade Commission pursuant to this section shall be exempt from disclosure under section 552 of title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding." In fact, the Department of Justice considers such materials so highly confidential that it is a federal crime punishable by imprisonment for a federal employee to reveal them. *See* 18 U.S.C. § 1905. Therefore, pursuant to federal statute, the Premerger Notifications should be treated with the strictest confidence.
- 8. Further, under KRS 61.878(1)(c), commercial information, generally recognized as confidential, is protected if disclosure would cause competitive injury and permit competitors an unfair commercial advantage. Premerger notifications filed pursuant to the HSR Act are at the very heart of competition, and public disclosure of the Premerger Notifications would cause the Joint Applicants competitive injury not only by lessening competition in a subsequent bidding process in the event the Commission denies the Joint Application or the proposed acquisition otherwise fails to close, but also by putting into the public realm highly confidential, market-sensitive commercial information related to PPL's and E.ON's operations.

- 9. Finally, under KRS 61.878(1)(j), "preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended" are also protected from disclosure. The Premerger Notifications contain this type of Confidential Information as well, the public disclosure of which would harm the Joint Applicants.
- 10. The Confidential Information is treated as highly confidential by the Joint Applicants, and is not widely disseminated even among its employees. Only personnel with a business reason to use the Confidential Information are permitted to view it, including the senior management, directors, and those employees engaged in achieving the various regulatory approvals.
- 11. If the Commission disagrees that this information is exempt from disclosure as confidential commercial information, however, it must hold an evidentiary hearing to protect the Joint Applicants' due process rights and supply the Commission with a complete record to enable it to reach a decision with regard to this matter.
- 12. The Joint Applicants do not object to disclosure of the Confidential Information, pursuant to a protective agreement, to intervenors with a legitimate interest in reviewing the Confidential Information for the purpose of commenting on the Joint Application.
- 13. In accordance with the provisions of 807 KAR 5:001(7), the Joint Applicants are filing with the Commission one (1) set of the Confidential Information provided as part of its data response with the information highlighted and marked confidential and ten (10) sets of the data response with the Confidential Information reducted.

WHEREFORE, the Joint Applicants respectfully request that the Commission grant confidential protection for the Confidential Information at issue, or schedule an evidentiary

hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: July 26, 2010

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

This is to certify that the foregoing Petition for Confidential Protection was served on the following by U.S. Mail, postage prepaid, this 26<sup>th</sup> day of July, 2010.

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