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January 18, 2012

**VIA HAND DELIVERY**

Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

**RECEIVED**

**JAN 18 2012**

**PUBLIC SERVICE  
COMMISSION**

**RE: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky**  
**Case No. 2011-00375**

Dear Mr. DeRouen:


Please accept for filing the enclosed original and ten copies of the Joint Applicants' Corrections to Testimony and Exhibit, which sets forth corrections to certain documents filed on behalf of Louisville Gas and Electric Company and Kentucky Utilities Company in the above-captioned proceeding. Because a portion of the Corrections to Testimony and Exhibit is confidential, an original version of the document with the confidential information highlighted is being provided, as well as ten copies with the confidential information obscured.

Please also accept for filing in this proceeding the enclosed original and ten copies of a Petition for Confidential Protection relating to the Corrections to Testimony and Exhibit. As noted in the Petition, the Commission has already granted confidential protection to materially identical information in this proceeding.

Jeff DeRouen  
January 18, 2012  
Page 2

Should you have any questions please contact me at your convenience.

Yours very truly,

A handwritten signature in black ink, appearing to read "W. Duncan Crosby III", with a long horizontal flourish extending to the right.

W. Duncan Crosby III

WDC:ec  
cc: Parties of Record  
Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**In the Matter of:**

**JOINT APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY AND KENTUCKY )  
UTILITIES COMPANY FOR A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY )  
AND SITE COMPATIBILITY CERTIFICATE )  
FOR THE CONSTRUCTION OF A COMBINED )  
CYCLE COMBUSTION TURBINE AT THE )  
CANE RUN GENERATING STATION AND THE )  
PURCHASE OF EXISTING SIMPLE CYCLE )  
COMBUSTION TURBINE FACILITIES FROM )  
BLUEGRASS GENERATION COMPANY, LLC )  
IN BUCKNER, KENTUCKY )**

CASE NO. 2011-00375

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PUBLIC SERVICE  
COMMISSION

**JOINT APPLICANTS' CORRECTIONS TO TESTIMONY AND EXHIBIT**

Joint Applicants, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (together, the “Companies”), hereby offer the following witness corrections for the following documents filed on behalf of Joint Applicants in the above-captioned proceeding. Because certain of the information below is confidential, the Joint Applicants are filing a Petition for Confidential Protection herewith. Intervenors that have negotiated and signed a confidentiality agreement with the Companies will receive the confidential version of this document; other intervenors will receive the public version.

**Correction 1**

Witness: David S. Sinclair

Document: Direct Testimony of David S. Sinclair (Sept. 15, 2011)

Page: Page 21, lines 13-16

Correction: Strike lines 13-16, replace with: “The ownership shares for the Bluegrass CTs were determined so that, for each utility’s peak year during the period between the retirement of the Cane Run, Green River, and Tyrone coal units in 2016 and the next identified capacity need in 2021, each utility’s projected

reserve margin was equalized for that particular year. This methodology is consistent with the methodology used to determine ownership shares for the Trimble CTs in that it focuses on the time when the new resources are needed. However, the analysis utilized for the Trimble CTs only considered the first year that capacity was needed whereas this methodology for the Bluegrass CTs considers a longer, five-year time horizon. This results in less disparity between each utility's projected annual reserve margin in the period until the Companies need new capacity."

Explanation of Correction: Corrects the description of the method for determining the ownership shares of the Bluegrass CTs to reflect the actual calculations

### **Correction 2**

Witness: David S. Sinclair

Document: Corrected 2011 Resource Assessment filed as response to Commission Staff's First Information Request No. 17(b) (Nov. 9, 2011) (original 2011 Resource Assessment filed as Exhibit DSS-1 to Direct Testimony of David S. Sinclair)

Page: Page 9, Table 5

Correction: The numbers 399 and 310 in the two bottom right-hand cells of the table are transposed. Therefore, replace "399" in the right-most column of the next-to-last row with "310," and replace "310" in the right-most column of the last row with "399."

Explanation of Correction: Updates capital cost for Cane Run Units 5 and 6. The Companies inadvertently transposed these figures. This error affects only how the data was presented. The correct data was used for all financial analysis and the results have not changed in any way.

### **Correction 3**

Witness: David S. Sinclair

Document: *Id.*

Page: Page 27

Correction: Strike the last four sentences of text and replace with the following: "With the exception of electricity prices through 2016, the '2011 CERA' price forecasts were based on prices developed by CERA. Through 2014, the 2011 CERA electricity prices are based on market forward prices as of June 17, 2011. For

2015 and 2016, the prices were derived by interpolating between the 2014 and 2017 prices. The 2011 Wood Mac/PIRA electricity prices beyond 2016 were developed in Aurora. Through 2014, the 2011 Wood Mac/PIRA electricity prices are based on market forward prices as of June 17, 2011. For 2015 and 2016, the prices were derived by interpolating between the 2014 and 2017 prices.”

Explanation of Correction: Adds language to more clearly indicate the way market prices were developed for the alternative commodity price forecasts.

**Correction 4**

Witness: David S. Sinclair

Document: *Id.*

Page: Page 27, Table 21

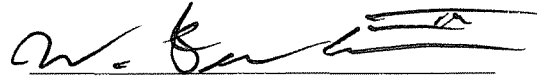
Correction: Strike the right-most column of the table and replace with the column shown below.

Electricity
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Explanation of Correction: Updates the 2011 CERA electricity prices. The Companies had inadvertently pasted the wrong price forecast into the table. This error affects only how the data was presented. The correct data was used for all financial analysis and the results have not changed in any way.

Dated: January 18, 2012

Respectfully submitted,



Kendrick R. Riggs  
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Lindsey W. Ingram, III  
W. Duncan Crosby III  
Stoll Keenon Ogden PLLC  
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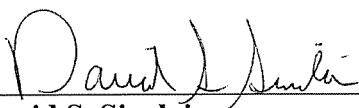
Allyson K. Sturgeon  
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LG&E and KU Services Company  
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*Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company*

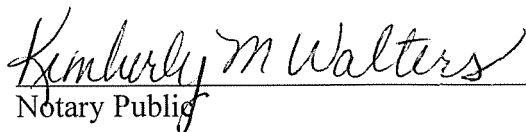
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **David S. Sinclair**, being duly sworn, deposes and says that he is Vice President, Energy Marketing for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**David S. Sinclair**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18<sup>th</sup> day of January 2012.

 (SEAL)  
\_\_\_\_\_  
Notary Public

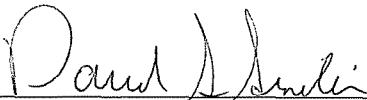
My Commission Expires:

9/11/2012

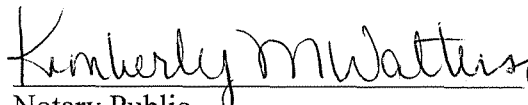
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **David S. Sinclair**, being duly sworn, deposes and says that he is Vice President, Energy Marketing for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**David S. Sinclair**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18<sup>th</sup> day of January 2012.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires:

9/11/2012



**CERTIFICATE OF SERVICE**

This is to certify that the foregoing pleading has been served by mailing a copy of same, postage prepaid, to the following persons on the 18th day of January 2012:

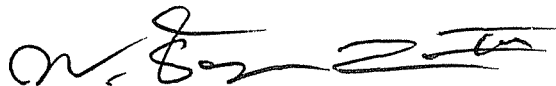
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**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**JOINT APPLICATION OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY AND KENTUCKY )  
UTILITIES COMPANY FOR A CERTIFICATE )  
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AND SITE COMPATIBILITY CERTIFICATE )  
FOR THE CONSTRUCTION OF A COMBINED )  
CYCLE COMBUSTION TURBINE AT THE )  
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PURCHASE OF EXISTING SIMPLE CYCLE )  
COMBUSTION TURBINE FACILITIES FROM )  
BLUEGRASS GENERATION COMPANY, LLC )  
IN BUCKNER, KENTUCKY )**

**CASE NO. 2011-00375**

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**PUBLIC SERVICE  
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**JOINT APPLICANTS' PETITION FOR CONFIDENTIAL PROTECTION**

Joint Applicants, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (together, the “Companies”), hereby petition the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c) to grant confidential protection for certain information contained in the Corrections to Testimony and Exhibit being filed herewith. In support of this Petition, the Companies state as follows:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for the exemption and, therefore, maintain the confidentiality of the information, a party must establish that the material is of a kind generally recognized to be confidential or proprietary, and the disclosure of which would permit an unfair commercial advantage to competitors of the party seeking confidentiality.

2. In support of their Joint Application in this matter, the Companies submitted the Direct Testimony of David S. Sinclair. The Companies’ 2011 Resource Assessment was attached as an exhibit to Mr. Sinclair’s testimony. The Resource Assessment is a comprehensive

document that describes the process by which the Companies determined the least-cost solution for meeting their electric generation needs and contains confidential information. Therefore, when the Companies filed it, they sought confidential protection via a September 15, 2011 Petition for Confidential Protection. By letter dated December 6, 2011, the Commission granted the Companies' request.

3. The Companies provided a corrected version of the Resource Assessment in their November 9, 2011 response to the Commission Staff's First Information Request Item 17(b). As was true of the original Resource Assessment, the corrected Resource Assessment contained confidential information. The Companies therefore filed with the Commission on November 9, 2011, a Petition for Confidential Protection concerning the confidential information contained in the corrected Resource Assessment and other responses to the Commission Staff's First Information Request. In the same December 6, 2011 letter granting the Companies' September 15, 2011 request, the Commission granted the Companies' November 9, 2011 request for confidential protection, including protection of the confidential information contained in the corrected Resource Assessment.

4. The Joint Applicants' Corrections to Testimony and Exhibit the Companies are filing herewith contain a column of corrected 2011 CERA fuel forecast data from the Resource Assessment. As was true of the Companies' previous filings of similar information and requests for confidential protection, if the Commission grants public access to this information, the vendor from whom the Companies purchased the fuel price forecast information at issue could refuse to do business with the utilities in the future. Such a result would do serious harm to the Companies' ability to make prudent fuel contract and other decisions. All such commercial damage would ultimately harm the Companies' customers. Moreover, publicly disclosing such

information would do immediate and costly harm to the vendors from which the Companies purchased the fuel forecast information at issue; the firms derive significant revenues from developing and selling such forecasts to customers under strict license agreement obligations not to disclose. Any public disclosure of the forecast would render it commercially worthless. Thus, the Companies seek confidential protection of this information.

5. As noted above, the Commission granted confidential protection for materially identical information in its December 6, 2011 letter to the Companies in this proceeding. The Companies therefore request that the Commission extend the same protection to the confidential information contained in the Corrections to Testimony and Exhibit.

6. If the Commission disagrees with this request for confidential protection, it must hold an evidentiary hearing (a) to protect the Companies' due process rights and (b) to supply with 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., 642 S.W.2d 591, 592-94 (Ky. App. 1982).

7. The Companies will disclose the confidential information pursuant to a confidentiality agreement to intervenors and others with a legitimate interest in this information and as required by the Commission.

8. 807 KAR 5:001, Section 7(2) requires the Companies to file one copy of the material which identifies by highlighting the information for which confidential protection is sought and ten copies of the material with the confidential information obscured. Those copies are enclosed.

**WHEREFORE**, the Companies 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: January 18, 2012

Respectfully submitted,



---

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*Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company*

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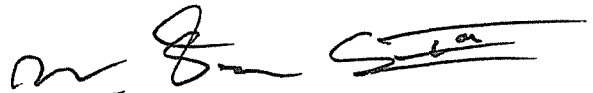
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