

# Goss ■ Samford PLLC



**David S. Samford**  
david@gosssamfordlaw.com  
(859) 368-7740

March 31, 2014

**RECEIVED** *VIA HAND DELIVERY*

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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

**RE: The Application of East Kentucky Power Cooperative, Inc. For The Approval of a Special Contract—Case No. 2013-00174—Cost Savings Data for Gallatin Steel Contract from East Kentucky Power Cooperative, Inc. – *Request for Confidential Treatment***

Dear Mr. Derouen:

Attached, please find a copy of the information required to be filed by East Kentucky Power Cooperative, Inc. ("EKPC") regarding the Gallatin Steel contract pursuant to ordering paragraph 3 of the Commission's February 27, 2014, Order in the above styled case. In accordance with KRS 61.878, 807 KAR 5:001, Section 13(3) and other applicable law, EKPC hereby respectfully requests that certain portions of the cost savings data should be classified as confidential for a period of ten years from the date of this filing, for the specific reasons set forth below.

The Kentucky Open Records Act exempts from disclosure certain commercial information. *See* KRS 61.878(1)(c). To qualify for this exemption from public disclosure and, therefore, to maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the Confidential Information identified herein would, in fact, prompt such results for the reasons set forth below.

Disclosure of the interruptions, changes in load, cost information and savings attributable to the special contract with Gallatin Steel would permit EKPC's competitors to have an unfair commercial advantage. The information provided under seal discloses sensitive and proprietary information as these amounts are internally-derived by EKPC in order to provide service to its customers at fair, just and reasonable rates and would give competitors sensitive information

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about EKPC's interaction with Gallatin Steel. Maintaining the confidentiality of this information is necessary to protect the interests of the Company, Gallatin Steel and the remainder of EKPC's Members. The public disclosure of the contract specific information would reveal the information that is, quite obviously, highly sensitive, commercially valuable and strictly proprietary – potentially harming EKPC's competitive position in the marketplace, to the detriment of EKPC and its Members.

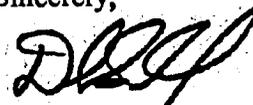
The Confidential Information contained in this data was developed internally by EKPC personnel, is not on file with any public agency, and is not available from any commercial or other source. The aforementioned Confidential Information in the cost savings data is distributed within EKPC only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry. The Confidential Information for which EKPC is seeking confidential treatment is not known outside of EKPC and the other parties to the special contract. This Confidential Information was, and remains, integral to EKPC's effective execution of business decisions and strategy. Such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995).

The attached information is also entitled to confidential treatment because it constitutes a trade secret under the two-prong test of KRS 265.880: (a) the economic value of the information as derived by not being readily ascertainable by other persons who might obtain economic value by its disclosure; and (b) the information is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The economic value of the information is derived by EKPC maintaining the confidentiality of the information since competitors and entities with whom EKPC transacts business could obtain economic value by its disclosure.

In accordance with 807 KAR 5:001, Section 13(3), I am enclosing: (1) one copy of the data, under seal, which identifies the confidential material; and (1) one copy of the data in which the confidential material is redacted. Please return a file-stamped copy of this filing to my office.

Please let me know if you have any questions.

Sincerely,



David S. Sanford

Enc.