

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

**In the Matter of:**

<b>JOINT APPLICATION OF LOUISVILLE GAS</b>	)	
<b>AND ELECTRIC COMPANY AND KENTUCKY</b>	)	
<b>UTILITIES COMPANY FOR REVIEW,</b>	)	
<b>MODIFICATION, AND CONTINUATION OF</b>	)	<b>CASE NO. 2014-00003</b>
<b>EXISTING, AND ADDITION OF NEW,</b>	)	
<b>DEMAND-SIDE MANAGEMENT AND ENERGY</b>	)	
<b>EFFICIENCY PROGRAMS</b>	)	

**LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY'S  
JOINT PETITION FOR CONFIDENTIAL PROTECTION**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”) petition the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 13 and KRS 61.878(1) to grant confidential protection for the items described herein, which the Companies seek to provide in connection with the Companies’ industrial-demand-side-management-and-energy-efficiency-potential study (“Industrial Study”) required by the Commission’s Order dated November 14, 2014, in the above captioned proceeding. In support of this Joint Petition, the Companies state as follows:

1. On November 14, 2014, the Commission issued its Order approving the Companies’ 2015-2018 demand-side management and energy-efficiency (“DSM/EE”) plan. The Commission’s Order directed the Companies to “commission a study that examines the potential benefits of industrial DSM/EE programs.”<sup>1</sup>

2. On November 21, 2014, the Companies issued a request for proposals (“RFP”) to ten reputable vendors across the United States. The Companies received responses from two

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<sup>1</sup> Case No. 2014-00003, Order at 30 (Nov. 14, 2014).

vendors by the RFP-response deadline in December 2014, and thereafter analyzed the responses, and conducted contract negotiations and drafting.

3. On February 3, 2015, the Companies entered into a contract with The Cadmus Group, Inc. (“Cadmus”) to perform the Industrial Study. On February 25, 2015, the Companies mailed a letter to the Commission’s Executive Director to notify the Commission that the Companies had entered into the contract.<sup>2</sup>

**Confidential or Proprietary Commercial Information (KRS 61.878(1)(c))**

4. 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.

5. In connection with the Companies’ ongoing updates to the Commission, the Companies are providing a copy of their contract with Cadmus to perform the Industrial Study and a copy of Cadmus’s proposal in response to the Companies’ RFP to perform the Industrial Study. The contract and proposal contain confidential information the public disclosure of which would hinder the Companies’ ability to receive the best proposals and procure the best contract terms in negotiations with other entities. In particular, the contract and proposal contain the hourly rates for numerous Cadmus personnel. Publicly disclosing such information would result in harm to the Companies and their customers by providing competing consultants an opportunity to know what their competitors offered and thereafter provide proposals and negotiate for contract terms that represent this information rather than their true best offers. Further, consultants in a

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<sup>2</sup> Case No. 2014-00003, Letter to Executive Director Jeff DeRouen (Feb. 25, 2015).

competitive market are more likely to provide proposals and enter contracts when they know that sensitive terms such as hourly rates will not be known to their competitors. Diminishing the Companies' ability to contract for the best possible terms would harm their customers through increased costs of service. This information should therefore be afforded confidential protection to protect the Companies and their customers.

6. The Commission has given confidential protection to contracts with vendors in prior proceedings.<sup>3</sup>

7. The information for which the Companies are seeking confidential treatment is not known outside of the Companies and the entity entering each contract, is not disseminated within the Companies except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information in the energy industry.

8. If the Commission disagrees with any of these requests 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.<sup>4</sup>

9. In compliance with 807 KAR 5:001, Sections 8 (3) and 13 (2)(c), the Companies are filing with the Commission one paper copy that identifies by highlighting the information for which confidential protection is sought and one electronic copy with the same information obscured.

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<sup>3</sup> See, e.g., *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs*, Case No. 2011-00134, Letter from Executive Director Jeff DeRouen (Aug. 31, 2011).

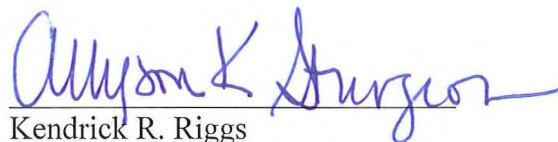
<sup>4</sup> *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d 591, 592-94 (Ky. App. 1982).

10. The Companies respectfully request that the information identified above be kept confidential for a period of two years, after which time the hourly rates for Cadmus personnel presumably will have changed, making the confidential information of little use in the market for such services at that time.

**WHEREFORE**, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection for the information described herein, 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: July 17, 2015

Respectfully submitted,




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Louisville Gas and Electric Company*

**CERTIFICATE OF SERVICE**

This is to certify that Louisville Gas and Electric Company and Kentucky Utilities Company's July 17, 2015 electronic filing of the Joint Petition for Confidential Protection is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on July 17, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original in paper medium of the Joint Petition is being delivered to the Commission on July 17, 2015.

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