

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

**In the Matter of:**

<b>THE APPLICATION OF KENTUCKY</b>	)	
<b>UTILITIES COMPANY FOR</b>	)	
<b>AN ORDER AUTHORIZING THE</b>	)	<b>CASE NO. 2014-00082</b>
<b>ISSUANCE OF SECURITIES AND THE</b>	)	
<b>ASSUMPTION OF OBLIGATIONS</b>	)	

**PETITION OF KENTUCKY UTILITIES COMPANY FOR CONFIDENTIAL  
PROTECTION PURSUANT TO 807 KAR 5:001, SECTION 13, FOR DEVIATION  
FROM COMMISSION RULES AND FOR INCORPORATION BY REFERENCE**

Kentucky Utilities Company (“KU” or the “Company”) hereby petitions the Kentucky Public Service Commission (“KPSC”) pursuant to 807 KAR 5:001 Section 13 and KRS 621.878(1)(c) and KRS 61.878(1)(m) to grant confidential protection for certain information contained in KU’s contracts with AMEC KAMTECH, INC., Industrial Contractors Skansa, Inc., Kellogg Brown and Root, and PCL Industrial Construction Co. and Overland Contractors Inc., (collectively the “Contracts”) attached to KU’s Application as Exhibit 3. In support of this Petition, KU states as follows:

1. The Kentucky Open Records Acts exempts from disclosure certain confidential commercial information. KRS 61.878(1)(c). To qualify for this exemption and maintain the confidentiality of the information, a party must establish the disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality.
2. The information contained in the portions of the Contracts that KU seeks to protect is the product of extensive negotiations between KU and its contractors. These provisions represent

prices, concessions, terms and conditions that KU has been able to negotiate for the benefit of KU and its customers.

3. Making these provisions publicly available will allow the Company's competitors, who also seek to negotiate the best construction contracts possible, to take advantage of any concessions and favorable terms and conditions the Company has been able to negotiate in their own negotiations.

4. KU's contractors, and others in the construction industry, would not favor public disclosure of concessions that they had made because those concessions would be used against them in future negotiations with other customers. They would therefore be more likely to insist on standard contract provisions and less willing to negotiate terms with KU in the future, thus jeopardizing KU's ability to obtain the best possible contracts, placing it an additional competitive disadvantage. In addition, other contractors would be in a position to determine which terms and conditions KU is willing to accept, and to ascertain contract price information, thus placing the Company at a competitive disadvantage with contractors and suppliers who could use this information in future negotiations or proposals, resulting in increased prices for KU and its ratepayers.

5. Certain of the information should also be protected from public disclosure pursuant to KRS 61.878(1)(m) which, among other things, exempts information related to public utility critical systems. Specifically, public disclosure of the technical design and specifications and security protocols which KU seeks to protect would facilitate terrorist acts intended to disrupt electric generation and transmission, as well as affecting the storage and use of potentially hazardous chemicals used in connection with generation and pollution control measures.

6. Certain exhibits to KU's Contracts, specifically Appendices A, S and T of each Contract, contain extensive technical information which KU seeks to protect from disclosure for the reasons set out above. Because of the extent of the redacted information in these exhibits, the remainder of said exhibits, if publicly disclosed, would largely be nonsensical and would not aid in the consideration of KU's Application. For this reason, KU moves for a deviation from Commission regulations pursuant to 807 KAR 5:001, Section 22, so that these exhibits may be redacted in their entirety.

7. In addition, the unredacted paper copies of the Contracts total approximately 8000 pages. Filing paper copies would represent a burden on not only the Company, but also on the Commission which would have to devote file space to maintain these Contracts under confidential protection. The Company therefore requests a deviation from the filing requirements under 807 KAR 5:001, Section 8 to allow it to file copies of the Contracts with the Confidential Information highlighted on compact disk only.

8. The information contained in the Contracts the Company seeks to protect is not publicly known and is not disseminated within the Company except to persons with a legitimate business need to know and act on this information.

9. There is no public interest to be served by disclosure of the confidential provisions of the Contracts. The information contained therein is not germane to KU's Financing Application herein, or to the Commission's determination with regard to that Application.

10. In addition, KU's Engineering, Procurement and Construction Agreement with TIC-The Industrial Company, was previously filed in the record in Case No. 2012-00232<sup>1</sup>, and KU

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<sup>1</sup> *Application of Kentucky Utilities Company for an Order Authorizing and Issue of Securities and the Assumption of Obligations,*

requested that confidential protection on June 7, 2012 for reasons similar to those cited herein. That request remains pending. KU moves to incorporate its contract with TIC – The Industrial Company in the records herein by reference, and states that otherwise the Commission’s record would be needlessly encumbered by an unnecessary contract.

11. Due to the ongoing sensitive nature of pricing, negotiated terms and conditions, and the security issues raised by plant and equipment layout and specifications, KU requests that confidential protection be granted for an indefinite period.

12. All of the information for which the Company seeks confidential protection demonstrates on its face that it merits confidential protection. If, however, the Commission disagrees, the Commission must hold an evidentiary hearing to protect the due process rights of the Company and supply the Commission with a complete record to enable it to reach a decision with regards to this matter. *Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky.* App. 642 S.W. 2d 591, 592-594 (1982).

13. In accordance with the Commission’s regulations, the Company has filed electronically pursuant to 807 KAR 5:001 Section 8, and pursuant to KRS 807 KAR 5:001 Section 13, has filed a paper copy of its Application, but with all the above referenced Contracts on compact disk showing the confidential information highlighted. The Company will provide a paper copy upon direction from the Commission.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection to the information at issue, and incorporate by reference the previously filed contract with TIC – The Industrial Company or in the alternative, to schedule an evidentiary hearing on all factual issues while maintaining confidentiality of the information

pending the outcome of the hearing. In addition, the Company requests that the Commission grant deviations from the filing requirements as set out above.

Dated: March 20, 2014.

Respectfully submitted,



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Counsel for Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that an informational copy of this Petition for Confidential Protection along with a copy of Kentucky Utilities Company's Application with the confidential information redacted, was mailed to Dennis G. Howard II, Assistant Director, Office of Kentucky Attorney General, Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601-8204 on March 20, 2014.

  
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J. Wade Hendricks