

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In re the Matter of:

THE 2014 INTEGRATED RESOURCE
PLAN OF LOUISVILLE GAS AND
ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

CASE NO. 2014-00131

JOINT PETITION OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”) petition the Public Service Commission of Kentucky (“Commission”) pursuant to 807 KAR 5:001, Section 13, to grant confidential protection to certain planning-related information they are required to submit in connection with their 2014 Integrated Resource Plan (“IRP”). Those portions of the 2014 IRP for which the Companies request confidential treatment, identified in the attachment hereto, can be divided into three general categories: (i) information regarding projected fuel costs and other power production costs (capital/operation and maintenance); (ii) information regarding projected sales prices and revenue requirements; and (iii) infrastructure information that, if publicly released, could threaten public safety. In support of this Joint Petition, the Companies state as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure commercially sensitive information to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity disclosing the information to the Commission. See KRS 61.878(1)(c). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. The information regarding power production costs that the Companies wish to protect from public disclosure – including projected costs of fuel and operation and maintenance expenses – is identified on the attachment hereto and in the filing submitted concurrently herewith. This information was developed internally by Companies’ personnel, is not on file with any public agency, is not available from any commercial or other source outside the Companies, and is distributed within the Companies only to those employees who must have access for business reasons. If the Commission grants public access to this information, LG&E and KU could be disadvantaged in negotiating fuel contracts in the future, and could also be disadvantaged in the wholesale energy market because fuel costs are important components of energy pricing.

Moreover, public disclosure of information relating to supply-side alternatives would reveal the procedures followed and the factors and inputs considered by the Companies in evaluating the viability of possible generation projects. Public disclosure would give the Companies’ contractors, vendors, and competitors access to the Companies’ cost and operational parameters, and insight into the Companies’ contracting practices. Public access to this information would impact the Companies’ ability to negotiate with prospective contractors and vendors, and could harm the Companies’ competitive position in the wholesale power market. All such commercial harms would ultimately harm LG&E’s and KU’s customers, who would have to pay higher rates if the disclosed information resulted in higher fuel prices or adversely affected the Companies’ generation asset procurement process or off-system energy sales.

3. Information regarding projected sales prices and revenue requirements, as identified in the attachment hereto and in the filing submitted concurrently herewith, is also confidential information, the public disclosure of which would provide the Companies’

competitors a commercial advantage in the wholesale market. Further, public disclosure of the information would provide a commercial advantage to the Companies' retail and wholesale customers in the negotiation of power requirement contracts.

4. The passage of the Energy Policy Act has brought extensive competition to the electric wholesale market and introduced numerous new marketers, brokers, and clearinghouses, and many new sources of non-utility generation of power. The change in federal law has caused electric utilities to file nondiscriminatory open-access transmission tariffs and applications for approval of market-based wholesale power rates with the Federal Energy Regulatory Commission ("FERC"). The FERC has authorized utilities, including the Companies, to charge market-based prices for wholesale power transactions and approved open-access transmission services tariffs. See Kentucky Utilities Company, 71 FERC Par. 61, 250 (May 31, 1995). All of these regulatory developments and changes in the law have created a robust and competitive wholesale market for bulk and off-system power sales.

5. On June 20, 2005, the Kentucky General Assembly amended the Kentucky Open Records Act to protect from disclosure certain information that has a reasonable likelihood of threatening public safety by exposing a vulnerability "in preventing, protecting against, mitigating, or responding to a terrorist act." KRS 61.878(1)(m). This includes infrastructure records exposing such a vulnerability in the location, configuration, or security of critical systems, including electrical systems. KRS 61.878(1)(m)(1)(f). The transmission information provided in Volume III of this IRP filing contains infrastructure records that could expose a vulnerability through the disclosure of the location, configuration, or security of public utility critical systems. If such information is made available in the public record, individuals seeking to induce public harm will have critical information concerning the present vulnerabilities of the

Companies' transmission system. Knowledge of such vulnerabilities may allow a person to cause public harm through the disruption of the electric transmission system.

6. The information for which the Companies are seeking confidential treatment is not known outside of LG&E and KU, is not disseminated within LG&E and KU 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.

7. The Commission has given confidential treatment to similar information in previous IRP cases. For example, see the Commission's letter to the Companies dated October 10, 2011, concerning the Companies' 2011 IRP case (Case No. 2011-00140); the Commission's letter to the Companies dated May 1, 2008, concerning the Companies' 2008 IRP case (Case No. 2008-00148); the Commission's letter to the Companies dated April 28, 2005, concerning the Companies' 2005 IRP case (Case No. 2005-00162); the Commission's letter to the Companies dated October 24, 2002, concerning the Companies' 2002 IRP case (Case No. 2002-00367); and the Commission's letter to the Companies dated March 6, 2000, concerning the Companies' 1999 IRP case (Case No. 99-430).

8. The Companies do not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

9. 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 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., Ky. App., 642 S.W.2d 591, 592-94 (1982).

10. In accordance with the provisions of 807 KAR 5:001, Section 13, LG&E and KU are filing with the Commission one copy of the Confidential Information highlighted and ten (10) copies without the Confidential Information

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection, or in the alternative, schedule an evidentiary hearing on all factual issues.

Dated: April 21, 2014

Respectfully submitted,



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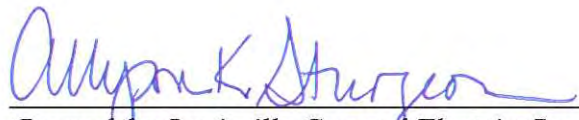
*Counsel for Louisville Gas and Electric Company
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served this 21st day of April, 2011, U.S. mail, postage prepaid upon:

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ATTACHMENT A

2014 IRP Confidential Information

Volume I

- Table 8.(2)(c) – Generation Technology Options Summary: Pages 8-17 through 8-18
- Table 8.(3)(b) 12(d),(f) – Capital Cost and Escalation Factors: age 8-23

Volume III

2014 Reserve Margin Study

- Table 4 – Proposed 2018 LG&E/KU Generating Profile: Page 14
- Table 6 – 2018 Fuel Prices (\$/mmBtu): Page 16

2014 Resource Assessment

- Table 8 – Generation Technology Options: Pages 13 through 14
- Table 11 – SO₂ and NO_x Emission Prices: Page 16
- Table 14 – Natural Gas and Coal Prices (Nominal \$/mmBtu): Page 20
- Table 15 – Non-Conventional Fuels (2013 Nominal \$/mmBtu): Page 21
- Table 16 – Charging Cost (\$/MWh): Page 22
- Table 27 – Cost and Unit Characteristics for Generation Technology Options (2013 \$): Page 36
- Table 29 – Coal Prices (&/mmBtu): Page 38

Appendix to Sections 8 and 9 – Scenario Data

- Table 8.(3)(b)12(c) – Cost of Fuel (\$/MBTU): Pages 1 through 21
- Table 8.(3)(b)12(e) – Variable and Fixed Operating and Maintenance Costs (\$000): Pages 1 through 5
- Table 8.(3)(b)12(g)-1 – Average Variable Production Costs (cents/kWh): Pages 1 through 5
- Table 8.(3)(b)12(g)-2 – Total Electricity Production Costs (cents/kWh): Pages 1 through 5
- Table 9.(1) – Financial Information: Pages 1 through 6

Transmission

- Transmission Construction Projects: Pages 1 through 10
- Transmission System Map