

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

VERIFIED APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY AND)	
KENTUCKY UTILITIES COMPANY)	CASE NO. 2014-00321
FOR A DECLARATORY ORDER AND)	
APPROVAL PURSUANT TO KRS 278.300)	
FOR A CAPACITY PURCHASE)	
AND TOLLING AGREEMENT)	

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY FOR CONFIDENTIAL PROTECTION
PURSUANT TO 807 KAR 5:001, SECTION 13**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”)(LG&E and KU, collectively, the “Companies”) hereby petition the Kentucky Public Service Commission (the “Commission”) pursuant to 807 KAR 5:001 Section 13 and KRS 621.878(1)(c) to grant confidential protection for certain information contained in the Companies’ Capacity Purchase and Tolling Agreement with Bluegrass Generation Company, LLC (“Bluegrass”) (the “Contract”) and the Generation Planning and Analysis (the “Analysis”) attached to the Companies’ Application as Exhibits 5 and 6, respectively.

In support of this Petition, the Companies state as follows:

1. The Kentucky Open Records Act 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 Contract that the Companies seek to protect is the product of extensive negotiations between the Companies and Bluegrass. These

provisions represent commercial credit, concessions, terms, and conditions that the Companies have been able to negotiate for the benefit of the Companies and their customers.

3. Making these provisions publicly available would allow the Companies' competitors, who also seek to negotiate the best contracts possible, to take advantage of any concessions and favorable commercial credit terms and conditions the Companies have been able to negotiate in their own negotiations.

4. Bluegrass does not favor public disclosure of concessions that they had made because those concessions would be used against it in future negotiations with other customers. Bluegrass, and presumably other commercial suppliers in the energy industry would therefore be more likely to insist on standard contract provisions and less willing to negotiate terms with the Companies in the future, thus jeopardizing the Companies' ability to obtain the best possible contracts, and placing them at an additional competitive disadvantage. In addition, other suppliers would be in a position to determine which terms and conditions the Companies are willing to accept, thus placing the Companies at a competitive disadvantage with suppliers who could use this information in future negotiations or proposals, resulting in less favorable terms for the Companies and their ratepayers.

5. The Analysis contains the Companies' confidential analysis and consideration of the various alternatives presented to the Companies, based upon proprietary information provided to the Companies by potential vendors. Those vendors, and others who might make proposals to the Companies in the future, would not favor public disclosure of this information, and may be less willing to make proposals or respond to the Companies requests for proposals in the future.

6. Future vendors would also be in a position to determine how the Companies evaluate certain terms and conditions, and where they might have advantages over other vendors. Those vendors could use that information to fully exploit any inherent advantages they might have, rather than offering their best proposal, to the disadvantage of the Companies and their rate payers.

7. The information contained in the Contract and the Analysis the Companies seek to protect is not publicly known and is not disseminated within the Companies except to persons with a legitimate business need to know and act on this information. Section 19.15 of the Contract further recognizes that the Contract contains confidential information and requires the Companies to use reasonable efforts to protect that confidentiality in regulatory filings.

8. There is no public interest to be served by disclosure of the confidential provisions of the documents the Companies seek to protect.

9. Due to the ongoing sensitive nature of these negotiated terms and conditions, and the possibility that the Companies could enter into similar contracts in the future, the Companies request that confidential protection be granted for an indefinite period.

10. All of the information for which the Companies seek 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 Companies 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).

11. In accordance with the Commission's regulations, the Companies have filed electronically pursuant to 807 KAR 5:001 Section 8, and pursuant to KRS 807 KAR 5:001

Section 13, have filed a paper copy of their Application and Exhibits showing the confidential information highlighted.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection to the information at issue, 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.

Dated: September 19, 2014

Respectfully submitted,




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CERTIFICATE OF SERVICE

This is to certify that Louisville Gas and Electric Company and Kentucky Utilities Company's September 19, 2014 electronic filing of the 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 September 19, 2014; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one copy in paper medium of the Petition for Confidential Protection are being mailed to the Commission on September 19, 2014.


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