

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

In the Matter of:

The Application of Kentucky Power Company for:)
(1) A General Adjustment of Its Rates for Electric)
Service; (2) An Order Approving Its 2014) Case No. 2014-00396
Environmental Compliance Plan; (3) An Order)
Approving Its Tariffs and Riders; and (4) An Order)
Granting All Other Required Approvals and Relief)

PETITION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company (“Kentucky Power” or “Company”) moves the Commission pursuant to 807 KAR 5:001, Section 13, for an Order granting confidential treatment for the identified portions of the Company’s responses to the following requests for information:

- (1) Commission Staff 2-98;
- (2) KIUC 1-66;
- (3) KIUC 1-67;
- (4) KIUC 1-68;
- (5) AG 1-17;
- (6) AG 1-23;
- (7) AG 1-85
- (8) AG 1-93;
- (9) AG 1-144 and AG 1-145;
- (10) AG 1-178; and
- (11) AG 1-329.

Subject to its accompanying motion for deviation, Kentucky Power is complying with its obligations under 807 KAR 5:001, Section 13(2)(e) with respect to the filing of redacted and unredacted responses to these requests.

A. The Requests and the Statutory Standard.

Kentucky Power does not object to producing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure. The Company does not object to making the identified information available to those parties to this proceeding that execute an appropriate confidentiality agreement.

The confidential information at issue in this proceeding is protected from public disclosure under the Kentucky Open Records Act ("Act"). KRS 61.878(c)(1) excludes from the Act:

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

Kentucky Power seeks confidential treatment of the following responses because public disclosure will result in an unfair competitive advantage for the Company's competitors.

1. Commission Staff 2-98

Kentucky Power seeks confidential treatment of its response to Commission Staff's Request 2-98 because it contains confidential customer-specific information. Kentucky Power does not release customer-specific information to the public, and these customers expect the Company to protect the confidentiality of the information. These customers operate in competitive national and/or global markets. Releasing the identity of specific customer facilities

will allow competitors to gain information regarding the production costs of these customers' goods and services. This information would not otherwise be known in the competitive marketplace, and the public disclosure will place Kentucky Power's customers at a distinct competitive disadvantage. As a result of this competitive disadvantage, commercial and industrial customers will be less likely to locate in Kentucky Power's service territory, which will result in harm to Kentucky Power. The Commission has recognized the confidentiality of customer information in previous cases and the Company asks that it follow that precedent here. Specifically, Kentucky Power requests that this information be afforded confidential treatment for a period of at least ten years.

2. KIUC 1-66

Kentucky Power seeks confidential treatment of e-mails in the possession of Company witnesses that address the expected level of off-system sales margins for Kentucky Power after Big Sandy Unit 2 is retired. The public release of this information will place Kentucky Power at a competitive disadvantage. Competitors in the energy and capacity marketplace will be able to use the information to determine Kentucky Power's projected energy and capacity positions and likely market strategies. Armed with this information, Kentucky Power's competitors will be able to set artificial thresholds for market prices by adjusting the manner in which they bid their generating units into the market. Accordingly, Kentucky Power requests that this information be afforded confidential treatment through 2016.

3. KIUC 1-67

Kentucky Power seeks confidential treatment of its projected generation from each of the Company's units for 2015 and 2016 compared to assumed Kentucky retail sales, all-requirements wholesale sales, and off-system sales. The release of this information will place

Kentucky Power at a competitive disadvantage. Competitors in the energy and capacity marketplace will be able to use the information to determine Kentucky Power's projected energy and capacity positions and likely market strategies. Armed with this information, Kentucky Power's competitors will be able to set artificial thresholds for market prices by adjusting the manner in which they bid their generating units into the market. Accordingly, Kentucky Power requests that this information be afforded confidential treatment through 2016.

4. KIUC 1-68

Kentucky Power seeks confidential treatment of information concerning the existence and content of any discussions the Company has had with PJM about keeping Big Sandy Unit 2 operating beyond April of 2015. Public disclosure of any such discussions will provide sensitive information to the Company's competitors in the energy and capacity marketplace. These competitors will be able to use the information to both adjust their bidding strategies and offer prices. The resulting higher prices will harm the Company and its customers. This information should not be made public because doing so will allow the Company's competitors to manipulate the PJM energy and capacity marketplace. Kentucky Power requests that this information be afforded confidential treatment until such time that the retirement of Big Sandy Unit 2 is made public.

5. AG 1-85

Kentucky Power seeks confidential treatment of information provided in response to a request for documentation regarding executive compensation. The information contained in the market analysis study conducted by Meridian Compensation Partners, LLC in 2013 and 2014 on behalf of AEP is highly competitive and confidential, and its disclosure will severely limit the Company's ability to recruit and retain employees, set compensation levels, and obtain reliable

information in the future about the competitiveness of the Company's employee compensation levels. Meridian utilized Towers Watson Executive Compensation Survey to assess the competitiveness of AEP's current target total compensation opportunities compared to the market 50th percentile, with a few positions compared to the 25th or 75th percentiles as appropriate. A regression analysis was completed against AEP's defined peer group. Revenue scope was referenced to estimate market values that reflect differences in the scope of responsibility. The study and supporting surveys prepared on behalf of the Company are confidential and proprietary and protected by non-disclosure agreements and/or intellectual property rights agreements between AEP, Meridian, and Towers Watson.

For each employment position within AEP there is competition for talent and qualified candidates. It is an industry standard, among utilities and other businesses of similar scope and magnitude, to protect the confidentiality of information such as that at issue in this response. Without this protection, other businesses will obtain information that will provide an unfair advantage in recruiting and retaining skilled and qualified workers, managers, professionals, and executives. The Company asks that this information be afforded confidential treatment for a period of at least ten years, which should provide sufficient time for market conditions to change and the information to become outdated.

6. AG 1-93

Kentucky Power seeks confidential treatment of information concerning its workers' compensation expense included its filing. Kentucky Power's response includes confidential financial information concerning the Company's insurance coverage and premiums. Public disclosure of this information will provide nonparty institutions with knowledge of the overall AEP insurance program structure and its associated costs. It will impact Kentucky Power's

ability to negotiate insurance coverage and premiums in the future because all insurers will have access to what the Company has done in the past. Kentucky Power requests that this information be afforded confidential treatment for a period of five years.

Additionally, Kentucky Power's response includes invoices that contain account numbers and banking information for the Company's insurance companies. This information is confidential and public disclosure will result in an unwarranted invasion of privacy for the insurance companies involved. It will also make it difficult for Kentucky Power to acquire insurance coverage going forward if insurance companies know that doing business with the Company will result in the public disclosure of their sensitive banking information. Kentucky Power requests that this information be afforded confidential treatment indefinitely.

7. AG 1-17

Kentucky Power seeks confidential treatment of contracts with three different vegetation management companies. These companies provide volume discounts to AEP that are not generally available. Allowing competing companies to see each other's prices removes the incentive to provide competitive bids. Allowing the information to become public will also provide a disincentive for other potential bidders going forward. Without fair competition among vegetation management companies, the Company may pay higher costs going forward. Accordingly, the Company requests that the contracts be afforded confidential treatment for a minimum of ten years, which represents two cycles of the vegetation management contracts.

8. AG 1-23(b) and (c)

Kentucky Power seeks confidential treatment of its responses to requests for the annual equivalent availability and annual net capacity factor for each facility included in the Company's rates for 2009 through 2014. This information is confidential. Kentucky Power and the other

AEP Operating Companies will have occasion to negotiate future transactions using the data reflected in this response. If the unit performance data becomes publically available then other parties will use it in these negotiations to the Company's detriment. Knowledge of the information will establish certain benchmarks in negotiations going forward, which will result in increased costs incurred by the Company and its customers. The Company requests that the information be afforded confidential treatment for a period of ten years.

9. AG 1-144 and AG 1-145

Kentucky Power requests confidential treatment of AEP Board of Directors and AEP Board Committee minutes for the years 2011 through 2014. The Company's basis for this request is set out in detail in the attached affidavit of Jeffrey D. Cross, Deputy General Counsel for AEPSC and Secretary to the Board of Directors for AEP. The minutes being produced contain non-public information regarding long-term business goals and planning, private information regarding specific employees, and highly sensitive business discussions. This information is customarily treated as confidential by other businesses. Public disclosure of this information will result in competitive harm for the Company in at least four ways: (1) It will make it impossible going forward for the Directors who oversee AEP's operations to have open and honest conversations about matters of importance if they understand that the conversations will be made public; (2) Kentucky Power and other AEP entities will struggle to compete in the energy and capacity marketplace if their long-term strategies are known by their competitors; (3) Opportunities to compete for business opportunities and attract capital will be limited if AEP's deliberations of those opportunities are known to other parties in a highly competitive marketplace; and (4) Confidential negotiating positions regarding ongoing business transactions will become known to the other parties to those transactions. Additionally, the minutes contain

confidential information about individual employees, and disclosure of that information will result in an unwarranted invasion of privacy.

To the extent the Minutes contain information protected by the attorney-client privilege, the Company has redacted that information from both the public and non-public filings of these responses. The portion of the Minutes that do not contain privileged information will be made available to the Commission and the intervening parties that have entered into non-disclosure agreements with the Company. Because of the harm that will result from public disclosure, the Company requests that the Commission afford confidential treatment to the Minutes in their entirety for an indefinite period.

10. AG 1-178

In response to a request for all revenue ruling requests, responses from the Internal Revenue Service (“IRS”), and correspondence between the Company and the IRS, Kentucky Power seeks confidential treatment of a Private Letter Ruling (“PLR”) obtained by AEP from the IRS. The PLR contains information about the AEP system that will enable competitors in the energy and capacity marketplace to gain valuable insights into the tax positions and strategies taken by Kentucky Power and other AEP operating companies. Specifically, it will allow competitors to evaluate the impact of a particular transaction on all of the AEP operating companies, and to use that information to predict more accurately the positions the AEP operating companies will take in the market going forward. This information for which confidential treatment is sought is treated as confidential by the Company and has been afforded confidential treatment by the IRS. The IRS has publically issued a redacted version of the PLR. The Company requests that the Commission afford the same protection to the information redacted by the IRS, and grant it confidential treatment indefinitely.

Kentucky Power seeks confidential treatment of its response concerning customer-specific billing information for its ten largest commercial and industrial customers. Kentucky Power does not release customer-specific information to the public, and these customers expect the Company to protect the confidentiality of the information. Each of these customers operate in competitive national and/or global markets. Releasing the identity of specific customer facilities will allow competitors to gain specific information regarding the production costs of these customers' goods and services. This information would not otherwise be known in the competitive marketplace, and the public disclosure will place Kentucky Power's customers at a distinct competitive disadvantage. As a result of this competitive disadvantage, commercial and industrial customers will be less likely to locate in Kentucky Power's service territory, which will result in harm to Kentucky Power. The Commission has recognized the confidentiality of customer information in previous cases and the Company asks that it follow that precedent here. Specifically, Kentucky Power requests that this information be afforded confidential treatment for a period of at least ten years.

B. The Identified Information is Generally Recognized as Confidential and Proprietary and is Protected from Public Disclosure by Kentucky Power.

The identified information required to be disclosed by Kentucky Power in response to the data requests at issue is highly confidential. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power, AEP, and AEPSC. The Company, AEP, and AEPSC take all reasonable measures to prevent its disclosure to the public and the information is not disclosed to third parties. Within Kentucky Power, AEP, and AEPSC, the information is available only upon a confidential need-to-know basis that does not extend beyond employees with a legitimate business need to access and act upon the

information. The information is not otherwise accessible to employees of Kentucky Power, AEP, or AEPSC.

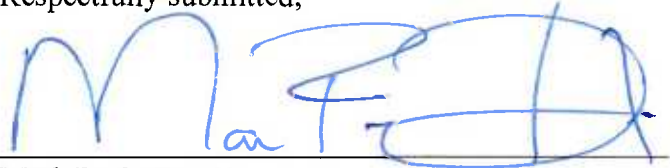
C. **The Identified Information is Required to be Disclosed to an Agency.**

The identified information is required to be disclosed to the Commission and the Commission is a “public agency” as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting the information should be required to enter into an appropriate confidentiality agreement.

Wherefore, Kentucky Power respectfully requests the Commission enter an Order:

1. Affording confidential status to and withholding from public inspection the identified information; and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,



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Certificate of Service

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