

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

In the Matter of:

Electronic Application Of Kentucky Power)	
Company For (1) A General Adjustment Of Its)	
Rates For Electric Service; (2) An Order)	
Approving Its 2017 Environmental Compliance)	
Plan; (3) An Order Approving Its Tariffs And)	Case No. 2017-00179
Riders; (4) An Order Approving Accounting)	
Practices To Establish Regulatory Assets Or)	
Liabilities; And (5) An Order Granting All Other)	
Required Approvals And Relief)	

**KENTUCKY POWER COMPANY’S MOTION
FOR CONFIDENTIAL TREATMENT**

Kentucky Power Company (“Kentucky Power” or “Company”) moves the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment to the identified portions of the following:

- (1) Attachment 1 to its response to Commission Staff Data Request 4-1 (“KPSC 4-1”);
- (2) Attachment 1 to its response to Commission Staff Data Request 4-4 (“KPSC 4-4”);
and
- (3) Attachment 2 to its response to Commission Staff Data Request 4-5 (“KPSC 4-5”).

Pursuant to 807 KAR 5:001, Section 13, Kentucky Power is filing under seal those portions of its responses containing confidential information with the confidential portions highlighted in yellow. Kentucky Power is also filing redacted versions of the affected documents. Kentucky Power will notify the Commission when it determines the information for which confidential treatment is sought is no longer confidential.

I. MOTION FOR CONFIDENTIAL TREATMENT

A. The Requests and the Statutory Standard.

Kentucky Power does not object to filing 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.

KRS 61.878(1) excludes from the Open Records Act:

(c)(1) 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;

These exceptions apply to the following information for which Kentucky Power is seeking confidential treatment:

1. **Attachment 1 to 4-1.**

Attachment 1 to KPSC 4-1 includes maintenance budgeting information that could be used to determine the scope and timing of planned maintenance outages for Kentucky Power's generation units through the end of calendar year 2021. The rise of competitive markets such as PJM has placed a premium on generating unit data. Public disclosure of information about unit availability could adversely impact Kentucky Power's customers by providing data that could provide a competitive advantage to Kentucky Power's direct competitors thereby affecting the Company's ability to minimize costs for its rate paying customers.

Unit availability information is especially useful for competition as savvy marketers can estimate Kentucky Power's generation position and raise generation offers if they believe Kentucky Power will be energy short, resulting in the Company paying higher prices to procure energy to serve its customers. This type of data is highly valued by competing energy marketers and traders who speculate in forward energy transactions. Using forecasted unit availability data,

other parties could improve their forecast accuracy of future Kentucky Power operations and utilize the resulting intelligence to influence negatively the Company's costs of providing electricity to its customers. Such actions would ultimately raise the cost to Kentucky Power's customers.

The confidential information identified in Attachment 1 to KPSC 4-1 should be kept confidential through the end of calendar year 2021. At such time there will no longer be any competitive advantage to be gained from the information.¹

2. Attachment 1 to KPSC 4-4.

Attachment 1 to KPSC 4-4 includes information regarding 2018 salary increases that have not yet been made public. This confidential employee compensation information, if disclosed, would enable competitors to attempt to recruit key Company and AEP personnel, and would compromise AEP's and the Company's position in negotiating employee compensation terms. This is especially true for high-level management and highly specialized personnel. This information is highly sensitive, even internally within the Company, and is only available on a need-to-know basis. Public disclosure of this information is likely to result in increased costs and a loss of negotiating ability for the Company. Disclosure of this information also increases the risk of a higher cost of service resulting from greater employee compensation demands and higher costs to recruit and retain skilled employees and managers.

Additionally, the estimated 2018 salary increases for certain union-represented hourly and craft employees are subject to collective bargaining negotiations that are not yet complete.

¹ The Commission granted confidential treatment for similar information in Case Nos. 2007-00477, 2010-00490, 2012-00550, and 2017-00001. Kentucky Power is unaware of any instances where the Commission has denied confidential treatment to similar information in other proceedings.

Disclosure of this information before negotiations are complete could compromise the Company's ability to negotiate and is likely to result in increased costs to the Company.

The confidential information identified in Attachment 1 to KPSC 4-4 should be kept confidential through the end of calendar year 2018. At such time there will no longer be any competitive advantage to be gained from the information.

3. Attachment 2 to KPSC 4-5.

Attachment 2 to KPSC 4-5 includes projected Kentucky Power generation unit performance data. Kentucky Power and its affiliates will have occasion to negotiate future transactions using the data reflected in the identified attachments. If the unit performance data became publicly available, parties with which Kentucky Power or its affiliates may negotiate could use this knowledge to the detriment of Kentucky Power and its customers and affiliates. Knowledge of these terms by other potential transactional parties would establish certain benchmarks in future negotiations, thereby potentially increasing costs incurred by such to the Company and its customers.

The confidential information identified in Attachment 2 to KPSC 4-5 should be kept confidential through the end of calendar year 2020. At such time there will no longer be any competitive advantage to be gained from the information.²

B. The Identified Information is Generally Recognized as Confidential and Proprietary and Public Disclosure of it Will Result in an Unfair Commercial Advantage for Kentucky Power's Competitors.

The identified information required to be disclosed by Kentucky Power in response to KPSC 4-1, KPSC 4-4, and KPSC 4-5 is highly confidential. Dissemination of the information for

² The Commission granted confidential treatment to similar information (AG 1-23) in its September 16, 2015 order in the Company's last rate case, Case No. 2014-00396. Kentucky Power is unaware of any instances where the Commission has denied confidential treatment to similar information in other proceedings.

which confidential treatment is being requested is restricted by Kentucky Power, its parent, AEP, and its affiliates (including American Electric Power Service Corporation). The Company, AEP, and its affiliates (and third party vendors where applicable) take all reasonable measures to prevent its disclosure to the public as well as persons within the Company and third-party vendors who do not have a need for the information. The information is not disclosed to persons outside Kentucky Power, AEP, or its affiliates. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information.

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

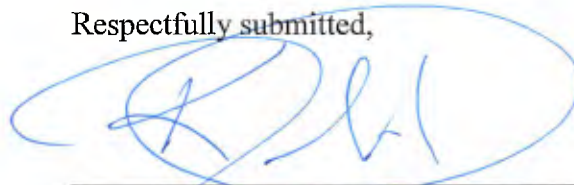
The identified information is, by the terms of the Commission’s Order, required to be disclosed to the Commission. The Commission is a “public agency” as that term is defined in KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be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

WHEREFORE, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. According confidential status to and withholding from public inspection the identified information for the indicated periods; and

2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,



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