

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

In The Matter of:

The Application of Duke Energy Kentucky,)
Inc., for a Certificate of Public Convenience and)
Necessity for Construction of a Number 2) Case No. 2017-00186
Distillate Fuel Oil System at the Company's)
Woodsdale Natural Gas-Fired Generating)
Station)

**PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR THE CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS RESPONSES TO COMMISSION STAFF'S
FIRST SET OF DATA REQUESTS ISSUED JULY 14, 2017**

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information provided by Duke Energy Kentucky in its responses to Data Request No. 3, 7, 14, and 16, as requested by Commission Staff (Staff) in this case on July 14, 2017. The information that Staff seeks through discovery and for which Duke Energy Kentucky now seeks confidential treatment (Confidential Information), contains confidential and detailed summaries used to evaluate various compliance strategies and the analysis of firm natural gas transportation options obtained through a competitive bidding solicitation.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of

the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. The public disclosure of the information that Duke Energy Kentucky seeks protection would damage Duke Energy Kentucky's competitive position and business interests. The confidential information contained in the attached response to STAFF-DR-01-003 included the Company's capacity positions while operating in PJM included in future years. This information, if released would identify the Company's future capacity positions making it more difficult to meet load obligations and procure reasonably priced capacity. Similarly, the information contained in the attachment to STAFF-DR-01-007 contains the Company's unit-specific capacity compliance plan to meet its fixed resource requirement obligation in PJM for future delivery years. This information contains the values of the Company's generating units and forced outage rates. Releasing this information would make the Company's capacity positions public and place it at a competitive disadvantage in negotiating replacement capacity. The Confidential Information included in the response and Attachment to STAFF-DR-01-014 contains a summary of the confidential and proprietary trade secret analysis of the various risks and costs of the evaluated solutions to meet the PJM Capacity Performance standard. Releasing this information would provide insight to potential competitors regarding how Duke Energy Kentucky values its risks in the competitive market place, including a net present value analysis of costs of firm gas submitted as part of a confidential Request for Proposal (RFP) analysis. Releasing this information would undermine the Company's ability to receive and conduct future such analysis if potential bidders could no longer rely upon the protection of their information. Finally, the Company's response and

attachments to STAFF-DR-01-016 are also confidential in that they include the Company's detailed risk analysis and evaluation of meeting PJM's capacity performance requirements. This analysis shows the Company's decision making process and evaluation of potential strategies to meet these new requirements. Making this information public puts potential competitors and counterparties to transactions at an advantage over the Company as it would provide them with insight into Duke Energy Kentucky's valuation of its risks, and how it views types of potential strategies as solutions. If the Commission grants public access to the information, it may make it difficult to achieve the anticipated savings, including equipment purchases, labor savings, etc. as potential future suppliers could potentially manipulate the market and undermine Duke Energy Kentucky's ability to manage its costs. This information is considered confidential and proprietary trade secret information as it gives insight into how Duke Energy Kentucky evaluates its business operations and risks.

3. The information for which Duke Energy Kentucky is seeking confidential treatment was developed internally by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons, and is generally recognized as confidential and proprietary in the energy industry.

4. Duke Energy Kentucky does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable protective agreement, the Staff or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

5. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

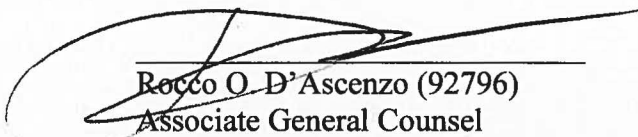
6. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and one copy without the Confidential Information included.

7. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of twenty years, three years beyond the term of the forecasts included in the Application. This will assure that the Confidential Information – if disclosed after that time – will no longer be commercially sensitive so as to likely impair the interests of the Company or its customers if publicly disclosed.

8. To the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Duke Energy Kentucky will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10)(a).

WHEREFORE, Duke Energy Kentucky, Inc., respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Petition of Duke Energy Kentucky, Inc. has been served via overnight mail to the following party on this 28th day of July, 2017.



Rocco O. D'Ascenzo

Rebecca W. Goodman
Kent Chandler
Larry Cook
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