

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter of:

The Electronic Application of Duke Energy )  
Kentucky, Inc., for: 1) An Adjustment of the )  
Electric Rates; 2) Approval of an ) Case No. 2017-00321  
Environmental Compliance Plan and )  
Surcharge Mechanism; 3) Approval of New )  
Tariffs; 4) Approval of Accounting Practices to )  
Establish Regulatory Assets and Liabilities; )  
and 5) All Other Required Approvals and )  
Relief. )

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**MOTION OF DUKE ENERGY KENTUCKY, INC.  
FOR THE CONFIDENTIAL TREATMENT OF INFORMATION  
CONTAINED IN ITS RESPONSES TO THE COMMISSION'S  
SEPTEMBER 7, 2017 DEFICIENCY LETTER**

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Comes now Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), by counsel, pursuant to 807 KAR 5:001, Section 13 and other law, and respectfully requests the Commission to classify and protect certain information provided by the Company in its Response to the Commission's September 7, 2017 Deficiency Letter, respectfully stating as follows:

1. On September 1, 2017 Duke Energy Kentucky filed an Application seeking an adjustment of its electric rates and other approvals.
2. On September 7, 2017 the Commission issued a letter citing deficiencies in Duke Energy Kentucky's Application.
3. In response to that September 7, 2017 deficiency letter, Duke Energy Kentucky is providing certain information which it requests confidential treatment.

4. The information for which Duke Energy Kentucky seeks confidential treatment is contained in the Supplement to Tab 36 of the filing which is referred to herein as the "Confidential Information" and, broadly speaking, includes detailed operations and maintenance ("O&M") and Capital expenses incurred by the Company on a monthly basis and financial projections.

5. With regard to the Confidential Information, Duke Energy Kentucky is also providing the consolidated Duke Energy Ohio/Duke Energy Kentucky Financial Reporting Summaries ("FRS") monthly managerial reports. These consolidated FRS reports contain narrative explanations of variances for the combined companies and show the financial condition of the combined companies on a monthly basis. In addition, Duke Energy Kentucky is also including its Company-specific monthly Regulatory O&M and Capital Reports ("ROCR") that contain highly detailed variance descriptions and explanations for O&M and Capital expenditures, respectively.

6. The foregoing information relating to the Company's detailed monthly Capital and O&M expenses as well as the combination of Duke Energy Kentucky and Duke Energy Ohio's monthly financial positions and drivers are self-evidently confidential and proprietary in nature. Individually, any of these documents would provide competitors with tremendous insight into the Company's financial condition, Capital and O&M philosophies, policies, practices and expenses. Gaining access to this information would be extremely valuable to the Company's competitors and vendors. If released, this information would put the Company at a competitive disadvantage in future negotiations with potential vendors and even potentially inhibit the Company's ability to properly manage its costs.

7. The Kentucky Open Records Act exempts from disclosure information that, due to its confidential and proprietary nature, would permit “an unfair commercial advantage to competitors of the entity that disclosed the records” if openly disclosed.<sup>1</sup> The Confidential Information was, and remains, integral to Duke Energy Kentucky’s effective execution of business decisions and daily operations. Indeed, as the Kentucky Supreme Court has found, “information concerning the inner workings of a corporation is ‘generally accepted as confidential or proprietary.’”<sup>2</sup>

8. The information for which Duke Energy Kentucky is seeking confidential treatment was either developed internally, or acquired on a proprietary basis, by Duke Energy Corporation and Duke Energy Kentucky personnel, is not on file publicly with any public agency, and is not publicly available from any commercial or other source. 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 utility industry.

9. Duke Energy Kentucky does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable protective agreement entered into with any intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

10. In accordance with the provisions of 807 KAR 5:001, Section 13(2)(e), the Company is filing one copy of the Confidential Information separately under seal, and the appropriate number of copies with the Confidential Information redacted. Due to the pervasive

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<sup>1</sup> See KRS 61.878(1)(c)1.

<sup>2</sup> *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

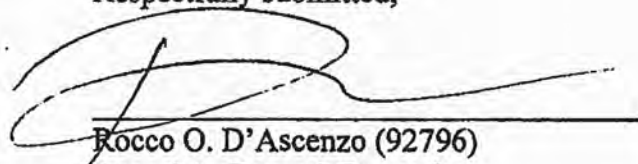
nature of the Confidential Information within the Supplement to Tab 36 of the Company's application in this proceeding, Duke Energy Kentucky is requesting confidential treatment for the Confidential Information in totality.

11. Duke Energy Kentucky respectfully requests that the Confidential Information be withheld from public disclosure for a period of ten years. 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 if publicly disclosed.

12. 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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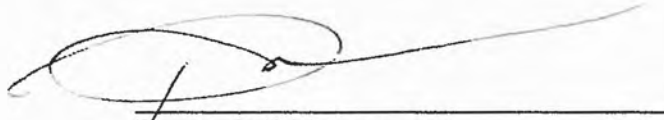
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*Counsel for Duke Energy Kentucky, Inc.*

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing Motion of Duke Energy Kentucky, Inc. has been served via electronic delivery to the following parties on this 15 day of September, 2017.

Kent.Chandler@ky.gov  
Rebecca.Goodman@ky.gov  
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Larry.Cook@ky.gov



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Rocco O. D'Ascenzo