

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR (1) AN)
ORDER AUTHORIZING THE ISSUANCE)
OF SECURITIES AND THE ASSUMPTION) **CASE NO. 2018-00153**
OF OBLIGATIONS AND (2) AN ORDER)
AMENDING AND EXTENDING)
EXISTING AUTHORITY WITH RESPECT)
TO REVOLVING LINE OF CREDIT)

PETITION FOR CONFIDENTIAL PROTECTION

Kentucky Utilities Company (“KU” or the “Company”) petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 13 and KRS 61.878(1) to grant confidential protection for the items described herein, which the Company is providing with its Application in the above-captioned proceeding. In support of this Petition, KU states as follows:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information.¹ To qualify for the exemption and maintain the confidentiality of the information, a party must establish that the material is of a kind “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.”²

2. In KU’s Application in the above-captioned proceeding, KU is filing seven contracts relating to the Company’s request concerning First Mortgage Bonds, which are

¹ KRS 61.878(1)(c).

² *Id.*

Exhibits 4-10 to the Application. The filed copies of the contracts contain limited redactions to protect confidential information from public disclosure.³

3. The redacted confidential information in the contracts includes pricing information, insurance provisions, and commercially sensitive terms. Disclosure of this confidential information would hinder KU's ability to receive the best proposals and procure the best contract terms in future negotiations. Counterparties in a competitive market do not want confidential information or concessions they have made publicly disclosed because such information could be used against them in their future negotiations with other customers or by their competitors. Counterparties are more likely to provide proposals and enter contracts when they know that sensitive terms will not be known to their competitors or their other customers. The contract parties, 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, respond to requests for proposals, or offer KU concessions if the information is disclosed.

4. In addition, disclosing information to counterparties about their competitors' proposals would allow them to determine where they might have advantages over other entities. The counterparties could use the information to fully exploit any inherent advantages they might have, rather than offering their best proposal, to the disadvantage of the Company and its customers. Diminishing KU's ability to receive the best proposals and contract for the best possible terms would harm both KU and its customers through increased costs of service. The confidential information in the contracts should therefore be afforded confidential protection to protect KU and its customers.

³ Pursuant to 807 KAR 5:001, Section 4(10), the contracts also contain limited redactions of personal identifying information regarding the address, phone number, or email address of individuals who are not a party and have not requested to be a party.

5. Such information is generally recognized as confidential and proprietary information in the energy industry. The Commission has given confidential protection to similar information, including contracts with third parties, in prior proceedings.⁴

6. The information for which KU is seeking confidential treatment is not known outside of the Company and its counsel, and it is not disseminated within the Company except to those employees with a legitimate business need to know and act upon the information.

7. KU will disclose the confidential information, pursuant to a confidentiality agreement, to intervenors with a legitimate interest in this information and as required by the Commission.

8. If the Commission disagrees with this request for confidential protection, however, it must hold an evidentiary hearing (a) to protect KU's due process rights and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter.⁵

9. In compliance with 807 KAR 5:001, Sections 8(3) and 13(2)(e), KU is filing with the Commission one paper copy that identifies by highlighting the information for which confidential protection is sought and one electronic copy with the same information obscured.

10. KU requests that confidential protection be granted for five years due to the sensitive nature of the information at issue.

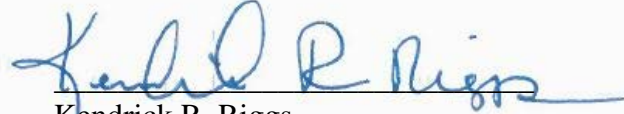
⁴ See, e.g., *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company Regarding Entrance into Refined Coal Agreements, for Proposed Accounting and Fuel Adjustment Clause Treatment, and for Declaratory Ruling*, Case No. 2015-00264, Order (Ky. PSC Jan. 13, 2016) (granting confidential protection to information that contained technical vendor information, third party proposals, and pricing information); *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs*, Case No. 2011-00134, Letter from Executive Director Jeff DeRouen (Ky. PSC Aug. 31, 2011).

⁵ *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d 591, 592-94 (Ky. App. 1982).

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection to the information designated as confidential.

Dated: May11, 2018

Respectfully submitted,




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CERTIFICATE OF COMPLIANCE

This is to certify that Kentucky Utilities Company's May 11, 2018 electronic filing of this Petition 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 May 11, 2018; that there are currently no parties the Commission has excused from participation by electronic means; and that an original in paper medium of the Petition will be filed with the Commission within two business days from the date of the electronic filing.



Kenneth R. Rieps
Counsel for Kentucky Utilities Company