

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In re the Matter of:)
)
THE 2018 INTEGRATED RESOURCE) **CASE NO. 2018-00348**
PLAN OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND)
KENTUCKY UTILITIES COMPANY)

**JOINT PETITION OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”) petition the Public Service Commission of Kentucky (“Commission”) pursuant to 807 KAR 5:001, Section 13, to grant confidential protection to certain planning-related information they are required to submit in connection with their 2018 Integrated Resource Plan (“IRP”). Those portions of the 2018 IRP for which the Companies request confidential treatment, identified in the attachment hereto, can be divided into four general categories: (i) information regarding projected fuel costs and other power production costs; (ii) information in reports received from third parties regarding long-term marketplace projections; (iii) information regarding projected sales prices and revenue requirements; and (iv) infrastructure information that, if publicly released, could threaten public safety. In support of this Joint Petition, the Companies state as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure commercially sensitive information to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity disclosing the information to the Commission. See KRS 61.878(1)(c). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. The information regarding power production costs that the Companies wish to protect from public disclosure—including projected costs of fuel and capital and production costs—is identified on the attachment hereto and in the filing submitted concurrently herewith. This information was developed internally by Companies' personnel, is not on file with any public agency, is not available from any commercial or other source outside the Companies, and is distributed within the Companies only to those employees who must have access for business reasons. If the Commission grants public access to this information, LG&E and KU could be disadvantaged in negotiating fuel contracts in the future, and could also be disadvantaged in the wholesale energy market because fuel costs are important components of energy pricing.

Moreover, public disclosure of information relating to supply-side alternatives would reveal the procedures followed and the factors and inputs considered by the Companies in evaluating the viability of possible generation projects. Public disclosure would give the Companies' contractors, vendors, and competitors access to the Companies' cost and operational parameters, and insight into the Companies' contracting practices. Public access to this information would impact the Companies' ability to negotiate with prospective contractors and vendors, and could harm the Companies' competitive position in the wholesale power market. All such commercial harms would ultimately harm LG&E's and KU's customers, who would have to pay higher rates if the disclosed information resulted in higher fuel prices or adversely affected the Companies' generation asset procurement process or off-system energy sales. In addition, certain supply-side information concerns interruptible contract information specific to identifiable customers of the Companies and should be protected as sensitive commercial information that could cause harm the Companies and their customers if disclosed.

3. The Companies are providing in support of their IRP proprietary information obtained from a third party, namely IHS Markit's "US Economy: The 30-Year Focus," which is attached to IRP Volume II. IHS has authorized the confidential disclosure of this report, which contains information regarding long-range projections in the marketplace. As a player in a competitive market, IHS does not want confidential technical information or projections it has made to be publically disclosed, or to be used against it in future negotiations with other customers or by its competitors. If this proprietary information is disclosed, IHS and other third-party suppliers of the same kinds of information and analyses may be less willing to supply reports to the Companies in the future. Diminishing the Companies' ability to receive this information would harm both the Companies and their customers. This information should therefore be afforded confidential protection to protect the Companies and their customers.

4. Information regarding projected sales prices and revenue requirements, as identified in the attachment hereto and in the filing submitted concurrently herewith, is also confidential information, the public disclosure of which would provide the Companies' competitors a commercial advantage in the wholesale market. Further, public disclosure of the information would provide a commercial advantage to the Companies' retail and wholesale customers in the negotiation of power requirement contracts.

5. The Kentucky Open Records Act further protects from disclosure certain information that has a reasonable likelihood of threatening public safety by exposing a vulnerability "in preventing, protecting against, mitigating, or responding to a terrorist act." KRS 61.878(1)(m). This includes infrastructure records exposing such a vulnerability in the location, configuration, or security of critical systems, including electrical systems. KRS 61.878(1)(m)(1)(f). The transmission information provided in Volume III of this IRP filing

contains infrastructure records that could expose a vulnerability through the disclosure of the location, configuration, or security of public utility critical systems. If such information is made available in the public record, individuals seeking to induce public harm will have critical information concerning the present vulnerabilities of the Companies' transmission system. Knowledge of such vulnerabilities may allow a person to cause public harm through the disruption of the electric transmission system.

6. With the exception of the IHS Markit report, the information for which the Companies are seeking confidential treatment is not known outside of LG&E and KU, is not disseminated within LG&E and KU except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information in the energy industry. As discussed above, the IHS Markit report is available only to those who purchase such information, and publicly disclosing the report would do commercial harm to IHS Markit and likely the Companies, whose ability to purchase such information in the future could be compromised.

7. The Commission has given confidential treatment to similar information in previous IRP cases. For example, see the Commission's letter to the Companies dated October 10, 2011, concerning the Companies' 2011 IRP case (Case No. 2011-00140); the Commission's letter to the Companies dated May 1, 2008, concerning the Companies' 2008 IRP case (Case No. 2008-00148); the Commission's letter to the Companies dated April 28, 2005, concerning the Companies' 2005 IRP case (Case No. 2005-00162); the Commission's letter to the Companies dated October 24, 2002, concerning the Companies' 2002 IRP case (Case No. 2002-00367); and

the Commission's letter to the Companies dated March 6, 2000, concerning the Companies' 1999 IRP case (Case No. 99-430).¹

8. The Companies do not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

9. If the Commission disagrees with this request for confidential protection, it must hold an evidentiary hearing (a) to protect the Companies' 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. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

10. In compliance with 807 KAR 5:001, Sections 8(3) and 13(2)(e), LG&E and KU are 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.

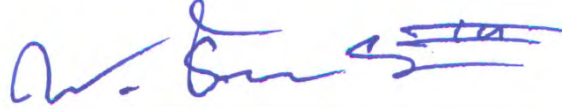
11. LG&E and KU request that the information be kept confidential for at least five years from the date of this filing as that is the amount of time necessary before the confidential information becomes dated to the point that the need for protection no longer exists.

¹ See also *In the Matter of: 2014 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2014-00131, Joint Petition of Louisville Gas and Electric Company and Kentucky Utilities Company for Confidential Protection (Ky. PSC April 21, 2014) (requesting confidential protection for similar information; petition not ruled upon).

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection for all of the information described herein.

Dated: October 19, 2018.

Respectfully submitted,



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*Counsel for Louisville Gas and Electric Company
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CERTIFICATE OF COMPLIANCE

This is to certify that Louisville Gas and Electric Company and Kentucky Utilities Company's October 19, 2018 electronic filing of the Joint Petition for Confidential Protection 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 October 19, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Petition and an unobscured copy of the material for which confidentiality is sought sealed in an opaque envelope are being hand delivered to the Commission on October 19, 2018.



*Counsel for Louisville Gas and Electric Company
and Kentucky Utilities Company*

ATTACHMENT A

2018 IRP Confidential Information

Volume I

- Table 5-5 – Delivered Coal and Natural Gas Prices: Page 5-23
- Table 8-6 – Cost of Fuel: Page 8-11
- Table 8-7 – Capital Costs: Page 8-12
- Table 8-8 – Production Costs: Page 8-12

Volume II

- US Economy: The 30-Year Focus (3rd party report)

Volume III

2018 IRP Reserve Margin Analysis

- Table 3 – 2021 Delivered Natural Gas Prices: Page 12
- Table 4 – 2021 Delivered Coal Prices: Page 12
- Table 5 – Interruptible Contracts: Page 13

2018 IRP Long-Term Resource Planning Analysis

- Table 6 – Delivered Natural Gas Prices: Page 14
- Table 7 – Delivered Coal Prices: Page 15
- Table 9 – SO₂ and NO_x Emission Prices: Page 17

Transmission Information

- Transmission Expansion Plan Projects
- Transmission System Map