COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	CASE NO. 2019-00437
COMPANY FOR RENEWAL AND)	
PROPOSED MODIFICATION OF ITS)	
PERFORMANCE-BASED RATEMAKING)	
MECHANISM		

* * * * * *

PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company ("LG&E" or the "Company"), pursuant to 807 KAR 5:001, Section 13, respectfully petitions the Commission to classify as confidential and protect from public disclosure certain information provided by the Company in its responses to Commission Staff's First Request for Information dated February 6, 2020. The Company requests confidential protection for certain information ("Confidential Information") provided in response to Question Nos. 16(b), (h) and (i). In support of this Petition, the Company states as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information confidentially disclosed to it 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(l)(c). Public disclosure of the Confidential Information identified herein would, in fact, prompt such a result for the

reasons set forth below. Included in the Confidential Information LG&E is providing a copy of base forms of agreements and related contractual documentation and any terminations, Annual Supply Statistics, Transaction Summary and Nomination Schedules (Response to Question No. 16(b)); Bid documentation for gas commodity supply solicitations (Response to Question No. 16(h)); and the Company's 2019 Annual Gas Supply Plan (including 2019 bid documentation) (Response to Question No. 16(i)).

- 2. The information for which LG&E is seeking confidential treatment is not known outside of LG&E, is not disseminated within LG&E 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.
- 3. The information for which LG&E is seeking confidential treatment contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position vis-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. Among other things, this sensitive information identifies LG&E's natural gas suppliers. Maintaining confidential treatment of this information will prevent other parties from obtaining the sensitive information which LG&E seeks to protect from disclosure.

- 4. Disclosure of this information will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low-cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its customers. Second, it will provide competitors of LG&E's suppliers with information which will enable future gas bidding to be manipulated to the competitors' advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.
- 5. LG&E has filed similar requests with the Commission with regard to the similar information contained in LG&E's quarterly Gas Supply Clause filings and in Case No. 2018-00302, which the Commission has granted.
- 6. LG&E does 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.
- 7. In accordance with the provisions of 807 KAR 5:001, Section 13, LG&E is filing with the Commission one copy of the Confidential Information printed on yellow paper or where applicable one copy with the Confidential Information highlighted in yellow and one electronic copy without the Confidential Information.

- 8. The information for which the Company is seeking confidential treatment is not known outside of the Company and its counsel, and other limited parties (pursuant to confidentiality arrangements). It is not disseminated within LG&E 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.
- 9. If the Commission disagrees with this request for confidential protection, it must hold an evidentiary hearing (a) to protect the Company'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. <u>Utility Regulatory Commission v. Kentucky Water Service</u> Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).
- 10. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory. For this reason and because LG&E's contracts with suppliers require that the information be kept confidential, LG&E respectfully requests that the confidential material should be treated as confidential for an indefinite period of time.

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Commission to grant confidential protection to the Confidential Information for an indefinite period of time.

Dated: February 2, 2020

Respectfully submitted,

Allyson K. Sturgeon

Managing Senior Counsel – Regulatory and

Transactions

LG&E and KU Services Company

220 West Main Street

Louisville, Kentucky 40202

(502) 627-2088

allyson.sturgeon@lge-ku.com

Counsel for Louisville Gas and Electric Company

CERTIFICATE OF COMPLIANCE

This is to certify that the February 21, 2020 electronic filing of the 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 February 21, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original in paper medium of the Application is being delivered to the Commission within two business days.

Counsel for Louisville Gas and Electric

Company