

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
KENTUCKY UTILITIES COMPANY FOR AN)	
ADJUSTMENT OF ITS ELECTRIC RATES, A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO DEPLOY ADVANCED)	CASE NO. 2020-00349
METERING INFRASTRUCTURE,)	
APPROVAL OF CERTAIN REGULATORY)	
AND ACCOUNTING TREATMENTS, AND)	
ESTABLISHMENT OF A ONE-YEAR)	
SURCREDIT)	

PETITION OF KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION

Kentucky Utilities Company (“KU” or the “Company”) hereby 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 KU seeks to provide in response to Items 121, 131(c), 131(h), 131(i), 131(j), 131(k), 131(l), 163, 168, 172, 203(b), and 264 of the Joint Initial Data Requests of the Attorney General and Kentucky Industrial Utility Customers, Inc. (“AG/KIUC”); Items 34(e), 127, and 141 of Commission Staff’s Second Request for Information; Items 39 and 47(b) of Lexington Fayette Urban County Government’s (“LFUCG”) First Request for Information; Item 29(d) of Mountain Association, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society’s (“MA/KFTC/KSES”) First Set of Data Requests for Information; and Item 3(a)(i)(1) of the Sierra Club’s Initial Data Requests.

Confidential Personal Information – Customer-Identifying Information (KRS 61.878(1)(a))

1. The Kentucky Open Records Act exempts from disclosure certain private and personal information.¹

2. AG/KIUC Item 163 asks the Company to provide the names of the 30 major account customers surveyed as referenced in Mr. Sinclair’s testimony. In response, KU is providing a listing with the confidential customer names highlighted. AG/KIUC Item 131(c) requests maximum contract demand for its sale for resale customers and AG/KIUC Items 131(h), (i), (j), (k), and (l) request forecasted test year information for those same customers. In response, the Company is providing an attachment containing peak demand in the forecasted test year and an Excel spreadsheet containing the requested forecasted test year information. AG/KIUC Item 168 asks for sales and billing information regarding a customer and the inclusion of that customer’s potential expansion project in the Company’s future billing determinants and revenues. In the attachment, KU is providing specific usage and revenue forecasts for the named customer. LFUCG Item 39 requests the Company provide tariff information and total sum paid for each current LFUCG account for 2018 through the first 10 months of 2020. In response, KU is providing an Excel spreadsheet that shows the resulting revenue for each rate category from January 2018 through October 2020.

3. The identification of specific customers is personal information that should not be in the public domain. The Commission recently granted confidential protection to similar customer-identifying information.² Because information in the responses and attachments to AG/KIUC Item

¹ KRS 61.878(1)(a).

² *Application of Duke Energy Kentucky, Inc. for: (1) An Adjustment of the Electric Rates; (2) Approval of an 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*, Case No. 2017-00321, Order (Ky. PSC May 3, 2018) (granting confidential protection to specific customer account information, including account numbers and billing data); *Application of Kentucky Utilities Company for an Adjustment of its Electric Rates*, Case No. 2012-000221, Order at 1-2 (Ky. PSC July 25, 2013) (granting confidential protection to

163, AG/KIUC Item 131(c), AG/KIUC Items 131(h through l), AG/KIUC Item 168, and LFUCG Item 39 identify specific customers, KU requests through this petition that the Commission protect the confidential portions of the documents from public disclosure.

Confidential or Proprietary Commercial Information (KRS 61.878(1)(c)(1))

4. AG/KIUC Item 121 requests, with regard to the LOLP study in the Seelye Testimony, that KU provide “a detailed explanation along with all mathematical formulae showing how hourly LOLP was calculated.” In response, KU is providing a document developed by the vendor that provides KU’s PROSYM software and requests confidential protection of the document in its entirety. The document explains how the software calculates LOLP. The document is proprietary to the vendor and public disclosure could harm the relationship between KU and the vendor and others that provide software to KU. If the document is disclosed, vendors may be less willing to provide software to KU in the future to the detriment of KU and its ratepayers. KU requests confidential protection of the entire document provided in response to AG/KIUC Item 121.

5. LFUCG Item 47(b) asks for the names of the other utilities that use the AMI meters proposed by the Company. KU is providing a customer list from the AMI meter vendor. The vendor stated the information is confidential and requested the information only be provided under confidential seal. For the same reasons stated above in paragraph 4, the Company is requesting confidential treatment for the entire document.

customer names, account numbers, and usage information); *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Case No. 2012-0022, Order at 1-2 (Ky. PSC July 16, 2013) (granting confidential protection to “customer-identifying information such as customer names and account numbers”); *see also Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year*, Case No. 2012-00520, Order at 4 (Ky. PSC Aug. 1, 2014) (granting confidential protection to the response of Staff Item 77, which contained customer-identifying information like names, account numbers, balance history, and the names of customers qualifying for discounted service); *DPi Teleconnect, LLC v. Bellsouth Telecommunications, Inc. d/b/a AT&T Kentucky*, Case No. 2005-00455, Letter from Stephanie Stumbo to Mary Keyer (Ky. PSC May 29, 2008).

6. AG/KIUC Item 264 ask the Company to provide copies of its contracts with its three contractors for the performance of meter reading and field services: Olameter, Scope Services, and Ops Plus. In response, KU is providing the contracts. MA/KFTC/KSES Item 29(d) requests the calculations to justify the fixed rate proposed for EVSE and EVSE-R tariffs, along with the Company's estimate for energy consumed by the EVSE charger each month and the justification for these estimates. In response, the Company is providing an Excel spreadsheet that contains, among other things, the proprietary, capital costs for the charging unit from the Company's vendor. The public disclosure of the information contained in the attachments to both Responses would prejudice each of the three companies used for meter reading and field services and the electric vehicle charger vendor by allowing its competitors to know how it offers and prices its services. Public disclosure would also affect the Company's ability to obtain the most reasonable prices for such services in the competitive marketplace and the Company's ability to negotiate rates for services in the future. KU requests with this petition that the Commission protect from public disclosure all of the documents provided in response to AG Item 264 containing confidential information and the highlighted portions of MA/KFTC/KSES Item 29(d). The public disclosure of this information would create precisely the kind of competitive harm KRS 61.878(1)(c)(1) intends to prevent. Thus, the Commission should grant confidential protection to this information.

7. AG/KIUC Item 172 requests a description of the methodology used to develop the avoided cost rates reflected in Rider SQF and support for the most recent update of avoided costs paid under Rider SQF. The Company is providing an Excel spreadsheet in response with many worksheets that contain forecasted hourly marginal costs, forecasted delivered fuel prices, forecasted variable operations and maintenance costs, forecasted electricity prices, and other projected numbers. This projected information is confidential information, the public disclosure

of which would provide the Company's competitors a commercial advantage in the wholesale market. Further, public disclosure of the information would provide a commercial advantage to the Company's retail and wholesale customers when negotiating power requirement contracts. This information was developed internally by Company's personnel, is not on file with any public agency, is not available from any commercial or other source outside KU, and is distributed within the Company only to those employees who must have access for business reasons. If the Commission grants public access to this information, KU could be disadvantaged in negotiating future contracts and could also be disadvantaged in the wholesale energy market because fuel costs are important components of energy pricing.

8. Commission Staff Item 34(e) requests "a copy of the Request for Proposal issued for the meter reading contract and a copy of all responses." KU is providing the RFP and responses for Commission Staff Item 34(e). Commission Staff Item 127 requests cost justification and supporting documentation for meter costs. In response, KU is providing two Excel spreadsheets that contain bid analyses and one pdf that contains the same pricing information that is included in the bid analyses. The RFP and responses and the meter cost documentation contain bids submitted by competitive bidders and details KU's process for selecting a bidder. Confidential protection of the competitive bid information is necessary because disclosure would disrupt the competitive bid process and reveal KU's internal analysis of bids to the detriment of the Company and its ratepayers. Thus, KU requests confidential protection for the entire document provided in response to Commission Staff Item 34(e) and the entirety of the attachments provided in response to Commission Staff 127.

9. In addition, AG/KIUC Item 203(b) requests an Excel worksheet containing the details of the Company's AMI proposal. In response, the Company is providing its AMI financial model

in Excel format. This spreadsheet contains numerous inputs that should be deemed confidential, such as vendor bids for meters, software development, and license fees. Because these data inputs are used throughout the worksheets, the Company is requesting confidential protection for the entire spreadsheet for the reasons stated above in paragraph 8.

10. Sierra Club Item 3(a)(i)(1) requests confirmation of Ohio Valley Electric Corporation's ("OVEC") commitment to compliance with Effluent Limitation Guidelines ("ELG") and Coal Combustion Residuals ("CCR") Rule and the projected costs of such projects, as well as documentation of the cost-benefit calculus of the compliance strategy. In response, the Company is providing OVEC Board of Directors meeting minutes and presentations, which include commercially sensitive information relating to construction cost estimates to achieve ELG and CCR Rule compliance, projected power costs, and decision-making criteria and considerations concerning construction projects. The filed copies of the documents contain redactions to protect confidential projected cost information from public disclosure.

11. KU purchases power from OVEC pursuant to a long-existing cost-based InterCompany Power Agreement. Public disclosure of this confidential information would affect OVEC's ability to obtain the most reasonable prices for such capital goods and other services in the competitive marketplace, which would adversely impact the price of power the Company purchases from OVEC. OVEC and other similar parties 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. OVEC and other similar parties 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. OVEC's vendors

would not favor public disclosure of this information, and may be less willing to enter into contracts with OVEC or offer OVEC concessions if the information is disclosed.

12. Such information is generally recognized as confidential and proprietary information in the energy industry. The Commission has recently granted confidential protection to pricing information.³ The confidential information in the attachment provided in response to Sierra Club Item 3(a)(i)(1) should therefore be afforded confidential protection to protect the Company and its customers.

Critical Energy Infrastructure Information (KRS 61.878(1)(m))

13. KRS 61.878(1)(m)(1) exempts from disclosure public records that have a reasonable likelihood of threatening public safety by exposing a vulnerability, such as infrastructure records that disclose the “location, configuration, or security of critical systems,” or “detailed drawings, schematics, maps, or specifications of structural elements, floor plans, and operating, utility, or security systems.”

14. Commission Staff Item 141 requests KU to provide copies of any internal investment proposals prepared for projects included in rate base or CWIP in the past two years. In response, KU is providing a number of IC Proposals, which contemplate installation and replacement of lines at specific locations. Other IC Proposals contain detailed schematics, line maps, and diagrams for various distribution and transmission infrastructure. Releasing a copy of these documents

³ *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and Assumption of Obligations and an Order Amending and Extending Existing Authority with Respect to Revolving Line of Credit*, Case No. 2018-00153, Order (Ky. PSC Aug. 22, 2018); *see also 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); *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).

would thus pose a security concern. The Commission has recently granted confidential protection to similar Critical Energy Infrastructure Information.⁴ In addition to infrastructure concerns, some of the IC Proposals contain sensitive commercial information in the form of contractor names and bidding prices. Such information, if publicly disclosed, is likely to hinder and prejudice the Company in its competitive bid processes for the same or similar work in the future. Because the Company's responses relate to the security of Critical Energy Infrastructure Information and contain sensitive commercial information, the Company requests that the Commission protect the highlighted portions of KU's response to Commission Item 141 from public disclosure.

The Confidential Information Subject to this Petition

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

16. 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.

17. 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

18. KU is filing with the Commission one electronic copy that identifies with redactions the information for which confidential protection is sought. Pursuant to the Commission's Order

⁴ *Application of Kentucky Utilities Company for an Adjustment of its Electric Rates*, Case No. 2014-00371, Order Regarding Request for Confidential Treatment to AG's Initial Request for Information (Ky. PSC Dec. 2, 2015).

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

March 24, 2020 Order in Case No. 2020-00085, KU will upload the unredacted copies noting the confidential information with highlighting to its encrypted file-share site for the Commission's retrieval. Access to the encrypted file-share site will be provided to intervenors pursuant to a confidentiality agreement.

19. Due to the serious security concerns related to the disclosure of Critical Energy Infrastructure Information, the Company requests that the responses to the highlighted portions of Commission Item 141 remain confidential indefinitely. For all other requests for confidential protection, the Company requests that confidential protection be granted for five years due to the sensitive nature of the information at issue.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection for the information described herein.

Dated: January 22, 2021

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Louisville Gas and Electric Company's January 22, 2021 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on January 22, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a true and correct copy in paper medium will be delivered to the Commission within 30 days of the lifting of the State of Emergency.



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