

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DUKE ENERGY KENTUCKY, INC.'S)	CASE NO.
INTEGRATED RESOURCE PLAN)	2024-00xxx

PETITION OF DUKE ENERGY KENTUCKY, INC.
FOR CONFIDENTIAL TREATMENT OF INFORMATION
CONTAINED IN ITS INTEGRATED RESOURCE PLAN

Duke Energy Kentucky, Inc. (Duke Energy Kentucky or Company), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Commission to classify and protect certain information that is contained in Duke Energy Kentucky's 2024 Integrated Resource Plan (IRP) contemporaneously filed with this Petition. The information that Duke Energy Kentucky seeks confidential treatment on generally includes: (1) information related to operations and management (O&M) costs, projected fuel and environmental compliance forecasted costs, power market prices, and projected capacity and resource alternative capital costs; (2) supply side screening curves and resource evaluations; (3) third party owned and licensed modeling tools; and (4) critical system maps. The information which the Company is requesting to remain confidential includes, charts, tables, and figures, including, but not limited to specific information contained in Figures 3.1, 3.2, 3.15, 3.16, 4.1 4.2, E.1, E.2, E.3, E.4, and E.5and Tables B.2, B.3, B.4, B.5, B.6, B.7, B.8, C.7, C.8, H.2, H.4, and H.5. System maps and detailed system information referenced on page 65 and contained in Appendix A are included in response to 807 KAR 5:058 section 8(3) of the IRP regulation are also considered confidential.

The public disclosure of the information described would place Duke Energy Kentucky at a commercial disadvantage as it negotiates contracts with various suppliers and vendors and could potentially harm Duke Energy Kentucky's competitive position in the marketplace, to the detriment of Duke Energy Kentucky and its customers. Moreover, Duke Energy Kentucky's system descriptions and maps show the location of critical utility infrastructure necessary to deliver safe and reliable electric service to its consumers. The public release of this information would create a security risk for both the Company and its customers.

In support of this Petition, Duke Energy Kentucky states:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878 (1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party. Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. As more fully described below, the information depicted in the information requested be under seal, contains sensitive and proprietary data regarding, among other things, forecasted power production costs that Duke Energy Kentucky wishes to protect from public disclosure - including supply side screening curves, projected costs of fuel and various compliance and other O&M expenses, projected capital costs, forecasted power market prices, and projected capacity costs - are identified in the filing submitted concurrently herewith. In the interest of balancing the need to protect this data with that of transparency, the Company is redacting only those portions of this information that is sensitive and

confidential in nature. This information was developed internally by Duke Energy Kentucky personnel, is not on file with any public agency, and is not available from any commercial or other source outside Duke Energy Kentucky. The aforementioned information is distributed within Duke Energy Kentucky only to those employees who must have access for business reasons. If publicly disclosed, this information setting forth Duke Energy Kentucky's costs of operation, expected need for fuel and allowances and projected capacity could give competitors an advantage in bidding for and securing new resources. Similarly, disclosure would afford an undue advantage to Duke Energy Kentucky's vendors and suppliers as they would enjoy an obvious advantage in any contractual negotiations to the extent they could calculate Duke Energy Kentucky's requirements and what Duke Energy Kentucky anticipates those requirements to be and to cost. Finally, public disclosure of this information, particularly as it relates to supply-side alternatives, would reveal the business model Duke Energy Kentucky uses - the procedure it follows and the factors and inputs it considers - in evaluating the economic viability of various generation related projects. Public disclosure would give Duke Energy Kentucky's contractors, vendors and competitor's access to Duke Energy Kentucky's cost and operational parameters, as well as insight into its contracting practices. Such access would impair Duke Energy Kentucky's ability to negotiate with prospective contractors and vendors, and could harm Duke Energy Kentucky's competitive position in the power market, ultimately affecting the costs to serve customers.

3. Duke Energy Kentucky requests confidential protections for certain third-party data contained in the IRP. In developing the 2024 IRP, Duke Energy Kentucky used certain confidential and proprietary data consisting of confidential information belonging to third parties who take reasonable steps to protect their confidential information, such as only

releasing such information subject to confidentiality agreements. Duke Energy Kentucky used forecasts of various commodities and inputs such as power market data and fuel price forecasts (coal prices and gas prices) developed by independent third parties, Energy Venture Analysis (EVA), Wood McKenzie, and S&P (formerly IHS Markit), subject to confidentiality restrictions. Burns and McDonnell provided operating specifications and costs for potential future generating units, and Moody's Analytics provided economic forecasts, both subject to confidentiality agreements. Specifically, the fuel forecasts contained in Figures 3.1 and 3.2 were constructed using proprietary data from IHS. The Capital cost data contained in Figure 4.1 was derived from data obtained from Guidehouse and Burns & McDonnell, as well as, confidential pricing for resources that were bid into a recent RFP that was issued in another Duke Energy Corporation (Duke Energy Corp) utility subsidiary's jurisdiction. Duke Energy Corp, and in turn its subsidiary Duke Energy Kentucky, are contractually bound to maintain such information confidential. Moreover, this information is deserving of protection to protect Duke Energy Kentucky's customers. If allowance brokers, resource suppliers, or equipment vendors knew Duke Energy Kentucky's forecasted emissions and fuel prices, estimated and forecasts for capital costs of supply side resources, by station or otherwise, such brokers, suppliers, or vendors would have an unfair advantage in negotiating future emission allowance or emission control equipment sales, or in responding to future RFP processes, to the detriment of Duke Energy Kentucky and its customers. Furthermore, if competitors of Duke Energy Kentucky knew such forecasts, they could have an advantage in competing for new business against Duke Energy Kentucky.

4. Duke Energy Kentucky further requests confidential treatment, in accordance with KRS 61.878 (1)(m)(1), for the transmission system maps and descriptions included in

the IRP and its accompanying Appendix. This information shows the location of Critical Energy Infrastructure Information (CEII) and the interconnected nature of the system, which has been granted confidential treatment in the past. Releasing this information could place the Company's ability to provide safe and reliable service at risk as it would have a reasonable likelihood of threatening public safety by exposing system vulnerability that could be exploited through terrorist acts. Duke Energy Kentucky takes all reasonable steps in order to protect CEII, including, but not limited to, only sharing such information internally on a need-to-know basis. The reliability entities with access to such data, such as PJM Interconnection L.L.C. (PJM), also take appropriate precautions to protect such data. This information needs to be kept confidential in order to continue to provide delivery of safe and reliable electric service to Duke Energy Kentucky customers. Furthermore, the release of this information would provide a security risk for the Company and its customers.

5. The information contained in Figures 3.15, 3.16, 4.1 and 4.2 as well as Tables B.2, B.3, B.4, B.5, B.6, B.7, B.8, H.2, H.4, and H.5 include various forecasts depicting the Company's view of power prices, facility operations, and fuel consumption respectively. This information is considered proprietary to Duke Energy Kentucky and depicts its views of operations in the future. The Company would be placed at a competitive disadvantage if such information is released publicly as it would provide the competitors and potential counterparties and vendors for Duke Energy Kentucky with a competitive advantage that would prevent the Company from having the ability to manage its costs. It would also allow such counterparties and/or competitors to make decisions regarding pricing they otherwise would not have done, thereby making Duke Energy Kentucky and, in turn, its customers pay more than they otherwise would absent such information.

6. The information contained in Tables C.7 and C.8 contain detailed forecasted energy efficiency program costs and avoided costs, respectively, which details the Company's estimations of continuing to operate its existing energy efficiency portfolio for the next fifteen years. Releasing this information would place the Company at a disadvantage in negotiating costs to continue to provide these services in the future.

7. Figures E.1, E.2, E.3, E.4 and E.5 include information related to screening curves for the value and costs of operating the specific technologies analyzed in the IRP. As explained above, releasing this detail would place the Company at a competitive disadvantage as potential competitors, suppliers, and vendors would have access to the Company's valuation of such resources and could use this information to the disadvantage of the Company and its customers by manipulating their prices or using this information to compete against the Company in the energy markets. Duke Energy Kentucky does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, with the Attorney General or other intervenors with a legitimate interest in reviewing the same for the purpose of participating in this case.

8. This information was, and remains, integral to Duke Energy Kentucky's effective execution of business decisions. And such information is generally regarded as confidential or proprietary. Indeed, as the Kentucky Supreme Court has found, "information concerning the inner workings of a corporation is 'generally accepted as confidential or proprietary.'" *Hoy v. Kentucky Industrial Revitalization Authority*, Ky., 904 S.W.2d 766, 768 (Ky. 1995).

9. In accordance with the provisions of 807 KAR 5:001, Section 13(3), the Company is filing one copy of the Confidential Information separately under seal, and eleven copies without the confidential information included.

10. Duke Energy Kentucky respectfully requests that the Confidential Information, excluding the CEII which the Company requests be withheld indefinitely, 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 or its customers if publicly disclosed.

11. 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 the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document in paper medium; that the electronic filing was transmitted to the Commission on June 21, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that submitting the original filing to the Commission in paper medium is no longer required as it has been granted a permanent deviation.¹

John G. Horne, II
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Frankfort, Kentucky 40601

/s/Rocco D'Ascenzo _____

Rocco D'Ascenzo

¹*In the Matter of Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Order, Case No. 2020-00085 (Ky. P.S.C. July 22, 2021).