COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)UTILITIES COMPANY AND LOUISVILLE GAS)AND ELECTRIC COMPANY FOR CERTIFICATES)OF PUBLIC CONVENIENCE AND NECESSITY)AND SITE COMPATIBILITY CERTIFICATES)

JOINT PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY <u>FOR CONFIDENTIAL PROTECTION</u>

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, "Companies") petition the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001, Section 13 and KRS 61.878 to grant confidential protection for certain information the Companies are providing in their responses to requests for information from Commission Staff ("PSC") Item Nos. 3-1, 3-8(b), 3-10, and 3-11, the Office of the Attorney General and Kentucky Industrial Utility Customers, Inc. ("AG-KIUC") Item No. 3-3(b), and the Sierra Club Item No. 3-24 in this proceeding.

Confidential Commercial Information – KRS 61.878(1)(c)(1)

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.¹ Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

¹ KRS 61.878(1)(c)(1).

Confidential Presentations and Workpapers

2. The presentations and supporting workpapers attached to the Companies' response to PSC 3-1 contain the Companies' forecasts of fuel prices, emission allowance prices, variable O&M prices by component, and market electricity prices, as well as the internal data supporting the Companies' figures. This information was developed internally by the 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.

3. Additionally, the response and supporting workpapers attached to the Companies' response to PSC 3-8(b) contain emission and fuel price forecasts, confidential information submitted as part of bids in response to the Companies' request for proposals ("RFP"), Natural Gas Combined Cycle ("NGCC") long term service agreement ("LTSA") terms, and planned maintenance schedules for its generation units.

4. The workpapers included as an exhibit to the Companies' response to PSC 3-11 contain commercially sensitive information used to determine the Companies' estimated revenue requirement for its proposed Battery Energy Service System ("BESS"). The workpapers utilize data from the Companies' recent RFP, as well as fuel price projections, cost estimates of supply-side alternatives, and long term service agreement LTSA contract values relating to O&M costs to develop revenue projections for the Companies' proposed projects.

5. This information was developed internally by the 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. Public disclosure of this information would reveal the procedures followed and the factors and inputs considered by the Companies in evaluating the viability of possible generation projects. Additionally, 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, which would impact the Companies' ability to negotiate with these parties and harm the Companies' competitive position in the wholesale power market. In addition, public disclosure of price and revenue expectations would give the Companies' contractors, vendors, and competitors access to the Companies' cost and operational parameters, as well as contract information that has not been publicly circulated.² 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. The Commission has previously granted the Companies' requests to protect this information from public disclosure.³ For these reasons, the Companies respectfully request confidential treatment for the presentations and supporting workpapers attached to PSC 3-1, PSC 3-8(b), and PSC 3-11.

Preliminary Engineering Procurement and Construction Contracts with Third Parties

6. The Companies' response to AG-KIUC 3-3(b) includes an unexecuted Engineering Procurement and Construction ("EPC") contract with a third party subject to a non-disclosure agreement. This contract includes vendor names, cost components, specific performance terms, and construction timelines. Public disclosure of this information would give the Companies' contractors, vendors, competitors, and customers access to the Companies' cost parameters and

² See Electronic 2023 Integrated Resource Plan of Big Rivers Electric Corporation, Case No. 2023-00310, Order at 3 (Ky. PSC Oct. 17 2024) ("[T]he Commission has determined that bidders can use pricing information to manipulate the bidding process, disadvantaging the utility with competitors.").

³ See, e.g., Electronic Joint Application of Kentucky Utilities Company and Louisville Gas & Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements, Case No. 2022-00402, Order (Ky. PSC Aug. 17, 2023).

insight into the Companies' contracting practices. Public access to this information would likely impact the Companies' ability to negotiate with prospective contractors and vendors, which would in turn harm the Companies' competitive position in the wholesale power market.⁴ Additionally, because this contract has not been executed, public disclosure of the contract and details would provide competitors and contractors with insights into anticipated contract terms. This could unfairly raise the Companies' costs and give its competitors an unfair commercial advantage.⁵ 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 capital costs for the proposed projects. For these reasons, the Companies request that the Commission grant confidential protection to the EPC contract attached to AG-KIUC 3-3(b).

Workpaper Produced Using Proprietary Astrape Software

7. The Companies' response to PSC 3-10 includes a single confidential workpaper attachment (a .bak file) in its native SERVM file format (hereinafter the "PSC 3-10 .bak file"). The Companies' use of the SERVM modeling software and file formats is subject to license agreements that disallow circulation of these formats to parties without a valid SERVM license. If this proprietary information is disclosed, the vendor may seek to cancel the Companies' license agreement and pursue additional remedies. Additionally, other third-party suppliers of the same kinds of information and systems may be less willing to supply reports to the Companies in the future. Without these systems the Companies would be unable to adequately model and prepare

⁴ See the Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations, Case No. 2008-00428, Order at 2-3 (Ky. PSC Oct. 21, 2008).

⁵ Electronic Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity Authorizing Construction of a New Headquarters Facility and an Order Authorizing Big Rivers to Sell Its Existing Headquarters Facility, Case No. 2021-00314, Order at 3-4, 8 (Ky. PSC Sep. 27, 2022).

for system risks, which would harm the Companies and their customers. This information should therefore be afforded confidential protection to protect the Companies and their customers.

8. The Companies' agreement with SERVM disallows the disclosure of any SERVM files in their original format to any party without a valid SERVM license. For this reason, the Companies will provide the PSC 3-10 .bak file to any party to this proceeding with both an executed confidentiality agreement with the Companies and an active SERVM license.

9. The contents of the PSC 3-10 .bak file is also confidential because the workpaper contains internally developed fuel cost projections. This information was developed internally by the 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. Public disclosure of projected fuel costs would harm the Companies' competitive position in procuring fuel and in the wholesale power market. This 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' off-system energy sales. The Commission has consistently granted confidential protection to similar information in previous cases.⁶

10. Finally, the PSC 3-10 .bak file contains the Companies' generation unit maintenance schedules, the disclosure of which would unfairly advantage the Companies' competitors for wholesale power sales. This information would allow the Companies' competitors to know when generating plants will be down for maintenance and thus know a crucial input into

⁶ See, e.g., Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generation Unit Retirements, Case No. 2022-00402, Order at 7 (Ky. PSC Aug. 31, 2023); Electronic 2018 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company, Case No. 2018-00348, Order (Ky. PSC Nov. 16, 2018); 2014 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company, Case No. 2014-00131, Order (Ky. PSC Aug. 9, 2019).

the Companies' generating costs and need for power and energy during those periods. The commercial risk of the disclosure of this information is that potential suppliers would be able to manipulate the price of power bid to the Companies to maximize their revenues, thereby causing higher prices for the Companies' customers and giving a commercial advantage to LG&E's and KU's competitors. The Commission has previously granted the Companies' requests to protect this information from public disclosure.⁷ For these reasons, the Companies request confidential protection for the PSC 3-10 .bak file.

Feasibility Study on Coal Unit Conversions

11. The Companies' response to SC 3-24 includes a third-party report which analyzes the feasibility, technical requirements, and projected costs related to converting each of the Companies' coal fired units into natural gas fired units. The report consists of internal information related to the Companies' power production at the coal plants including projected costs of fuel, O&M cost projections, generating unit performance projections, and power market projections. This report was created at the Companies' request for the specific purpose of evaluating future resource generation options in light of changing market conditions, is not on file with any public agency, and is distributed within the Companies only to those employees and third-parties who must have access for business reasons.

12. Public disclosure of this information would reveal the procedures followed and the factors and inputs considered by the Companies in evaluating the viability of possible generation projects. Additionally, public disclosure would give the Companies' contractors, vendors, and competitors access to the Companies' cost and operational parameters, and insight into the

⁷ See, e.g., Electronic Joint Application of Kentucky Utilities Company and Louisville Gas & Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements, Case No. 2022-00402, Order (Ky. PSC Aug. 17, 2023).

Companies' contracting practices, which would impact the Companies' ability to negotiate with these parties and 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. The Commission has previously granted the Companies' requests to protect this information from public disclosure.⁸ For these reasons, the Companies respectfully request confidential treatment for the attachment to SC 3-24.

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

13. Critical energy infrastructure information ("CEII") is protected from public disclosure under KRS 61.878(1)(m)(1). The Kentucky Open Records Act exempts from public disclosure certain information that has 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."⁹

14. The Companies' response to SC 3-24 includes maps and GPS coordinates for the Companies' existing generation facilities, as well as the path of major natural gas pipelines in relation to these facilities. If publicly disclosed, this information could expose a vulnerability through the disclosure of the location, configuration, or security of public utility critical systems.

15. If such information is made available in the public record, individuals seeking to induce public harm will have critical information concerning the location and configuration of the

⁸ Id.

⁹ KRS 61.878(1)(m)(1)(f).

Companies' transmission system. Knowledge of such configuration may allow a person to cause public harm by disrupting the electric transmission system.

Confidential Information Subject to this Petition

16. The information for which the Companies are seeking confidential treatment is not known outside of LG&E and KU and its contractors, 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.

17. The Commission has consistently granted confidential protection to similar information in previous cases.¹⁰

18. The Companies will disclose the confidential information, pursuant to a confidentiality agreement, to intervenors with legitimate interests in the information and as required by the Commission.

19. 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.¹¹

20. In compliance with 807 KAR 5:001, Section 13, LG&E and KU are providing written notification that the attachments to the Companies' responses to PSC 3-1, Attachment 5 to PSC 3-8(b), PSC 3-10, PSC 3-11, AG-KIUC 3-3(b), and SC 3-24 are confidential in full.

21. For Attachments 2, 3, and 4 of the Companies' response to PSC 3-8(b), the Companies are providing a confidential zip file and a public zip file for each attachment. The

¹⁰ See, e.g., Electronic 2018 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company, Case No. 2018-00348, Order (Ky. PSC Nov. 16, 2018); 2014 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company, Case No. 2014-00131, Order (Ky. PSC Aug. 9, 2019).

¹¹ Utility Regulatory Commission v. Kentucky Water Service Company, Inc., 642 S.W.2d 591, 592-94 (Ky. Ct. App. 1982).

confidential zip file indicates with confidential designations in the folder names which files are confidential. The public zip files do not include the confidential attachments.

22. Due to the serious security concerns related to the disclosure of CEII, the Companies request that the CEII provided in response to SC 3-24 remain confidential indefinitely. For all other requests for confidential protection, the Companies request that confidential protection be granted for five years due to the sensitive nature of the information at issue.

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: June 6, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on June 6, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

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Counsel for Louisville Gas and Electric Company and Kentucky Utilities Company

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