

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ) CASE NO. 2012-00221  
ADJUSTMENT OF ITS ELECTRIC )  
RATES )

**PETITION OF KENTUCKY UTILITIES COMPANY  
FOR CONFIDENTIAL PROTECTION**

Kentucky Utilities Company (“KU”) hereby petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1) to grant confidential protection for the item described herein, which KU seeks to provide in response to the Kentucky Industrial Utilities Customers Inc.’s (“KIUC”) Initial Requests for Information. Specifically, KU seeks confidential protection for Request No. 42(c). In support of this Petition, KU states as follows:

1. On June 29, 2012, KU filed with the Commission an application proposing changes in its base rate tariffs. On July 31, 2012, KIUC issued its First Set of Data Requests to KU.

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

2. 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 the material is of a kind generally recognized to be confidential or proprietary, and the disclosure of which would permit an unfair commercial advantage to competitors of the party seeking confidentiality.

3. Request No. 42(c) asks KU to provide a copy of the “engagement letter, purchase order, and all correspondence with Ventyx” related to a depreciation study Ventyx conducted.

KU's response to Request No. 42(c) contains both confidential and nonconfidential material. The nonconfidential material is being provided publicly. KU is providing the confidential information, which contains over 7,000 pages, under this Petition for Confidential Protection for certain commercially sensitive material.<sup>1</sup>

4. In particular, the confidential documents show the cost of the study, the rates charged by the vendor, the terms on which KU engaged the vendor and the vendor performed, inputs for certain portions of the study, and the methodologies Ventyx used in its report. The correspondence between KU and Ventyx also shows drafts of the consulting agreement, statement of work, and the report, or the details of the negotiations between the parties. Disclosing these drafts will allow both KU's and Ventyx's competitors and vendors to see the steps involved in the negotiations phase and provide these competitors and vendors an unfair commercial advantage. Moreover, because KU and the vendor consider the information confidential and proprietary, they entered a confidentiality agreement to recognize the proprietary nature of the work. For KU, public disclosure of such information would allow future vendors to see the terms upon which KU commonly does business and could affect future bids. For Ventyx, the methodologies and terms it employs in the study are proprietary information that should not be disclosed to its competitors.

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

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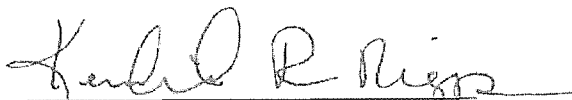
<sup>1</sup> The Ventyx report is subject to a confidentiality agreement with the vendor and is being provided under seal pursuant to this petition for confidential treatment. The Company will supplement its response to KIUC Request No. 42(c) with a public version of the document once the vendor has redacted its proprietary information and given the Company permission to file the report publicly. The Company expects to do so by Wednesday, August 14, 2012.

6. As previously stated, the confidential material responsive to Request No. 42(c) is over 7,000 pages in length. Therefore, KU is filing simultaneously herewith a Motion to Deviate from the Commission's paper-filing requirement in its June 22, 2012 Order in this proceeding. The Motion to Deviate explains that due to the voluminous nature of the confidential material, KU is requesting permission to file the confidential material in electronic medium only on a DVD. The confidential material responsive to Request No. 42(c) contains a header or footer clearly indicating the confidential nature of each page.

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

Dated: August 14, 2012

Respectfully submitted,



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**CERTIFICATE OF COMPLIANCE**

In accordance with Ordering Paragraph No. 10 of the Commission's June 22, 2012 Order, this is to certify that Kentucky Utilities Company's August 14, 2012 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 August 14, 2012; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and two copies in paper medium of the Petition are being hand delivered to the Commission on August 14, 2012.

  
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*Counsel for Kentucky Utilities Company*