

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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. 2012-00222

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PUBLIC SERVICE  
COMMISSION

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY  
FOR CONFIDENTIAL PROTECTION**

Louisville Gas and Electric Company (“LG&E”) 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 LG&E seeks to provide in response to the Kentucky Industrial Utilities Customers, Inc.’s (“KIUC”) Initial Requests for Information. Specifically, LG&E seeks confidential protection for Request No. 39(c). In support of this Petition, LG&E states as follows:

1. On June 29, 2012, LG&E 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 LG&E.

**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. 39(c) asks LG&E to provide a copy of the “engagement letter, purchase order, and all correspondence with Ventyx” related to a depreciation study Ventyx conducted. LG&E’s response to Request No. 39(c) contains both confidential and nonconfidential material. The nonconfidential material is being provided publicly. LG&E 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 LG&E 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 LG&E 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 LG&E’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 LG&E and the vendor consider the information confidential and proprietary, they entered a confidentiality agreement to recognize the proprietary nature of the work. For LG&E, public disclosure of such information would allow future vendors to see the terms upon which LG&E 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.

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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. 39(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.

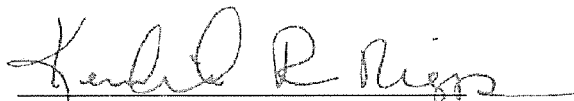
5. The information for which LG&E is seeking confidential treatment is not known outside of the Company, and it is not disseminated within LG&E except to those employees with a legitimate business need to know the information.

6. As previously stated, the confidential material responsive to Request No. 39(c) is over 7,000 pages in length. Therefore, LG&E 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, LG&E is requesting permission to file the material in electronic medium only on a DVD. The confidential material responsive to Request No. 39(c) contains a header or footer clearly indicating the confidential nature of each page.

**WHEREFORE**, Louisville Gas and Electric 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 Louisville Gas and Electric 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 Louisville Gas and Electric Company*

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2012-00222**

**Response to First Set of Data Requests of  
Kentucky Industrial Utility Customers, Inc.  
Dated July 31, 2012**

**Question No. 1-39**

**Responding Witness: Paul W. Thompson / Shannon L. Charnas / John J. Spanos**

Q1-39. Refer to page 3 lines 11-19 of Ms. Charnas' Direct Testimony.

- a. Please provide a copy of the Ventyx study.
- b. Identify the results that were used from the Ventyx study by Mr. Spanos, provide a description of how the results were used by Mr. Spanos, and identify where in Mr. Spanos' depreciation study and/or workpapers those results were used.
- c. Please provide a copy of the engagement letter, purchase order, and all correspondence with Ventyx related to the study.
- d. Please provide a copy of all assumptions and/or directives and/or instructions provided to Ventyx by or on behalf of the Company.
- e. Please provide a description of all involvement by Mr. Spanos in the Ventyx study, if any. If none, then please so state.

A1-39. a. See the response to AG 1-67.

- b. Mr. Spanos incorporated the results of the Ventyx study as one of the factors used to determine the appropriate life spans for the depreciation study. The life spans used in the depreciation study, shown on pages II-28 and II-29, were also based in part on factors not included in the Ventyx study, including life spans for similar units elsewhere in the industry, the potential for new environmental regulations, and the age of major equipment such as scrubbers.
- c. Please see attached for the Consulting Agreement as well as all correspondence with Ventyx related to the study. Certain information requested is confidential and proprietary, and is being provided under seal pursuant to a petition for confidential treatment.

- d. See the response to Question No. 39c. All assumptions and/or directives and/or instructions provided to Ventyx are included in the attachment to Question No. 39c
- e. Mr. Spanos was aware of the Ventyx study and reviewed its results, but did not assist in the preparation of the study.

**Attachment pages provided under  
confidential seal have been removed.**