2011.02.24 08:56:21 Kansas Corporation Commission 787 Susan K. Duffy

STATE CORPORATION COMMISSION **BEFORE THE STATE CORPORATION COMMISSIO** OF THE STATE OF KANSAS

FEB 2 3 2011

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In the Matter of the Petition of Kansas City Power & Light Company ("KCP&L") for **Determination of the Ratemaking Principles** and Treatment that Will Apply to the Recovery in Rates of the Cost to be Incurred by KCP&L for Certain Electric Generation Facilities Under K.S.A. 66-1239.

Docket No. 11-KCPE-581-PRE

MOTION FOR PROTECTIVE ORDER

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COMES NOW, Kansas City Power & Light Company ("KCP&L"), and hereby moves the State Corporation Commission of the State of Kansas ("Commission" or "KCC") to issue a Protective Order in the above-captioned proceeding. In support of its motion, KCP&L states:

1. Contemporaneously with the filing of this Motion, KCP&L is filing a Petition for determination of the ratemaking principles and treatment that will apply to costs to be incurred for environmental upgrades to its La Cygne generating facilities, as provided under K.S.A. 66-1239. The Petition and supporting testimony contain certain confidential and proprietary information, as defined in K.S.A. 66-1220a, K.S.A. 66-1233 and K.A.R. 82-1-221a. Additionally, it is anticipated that during the course of discovery and investigation of the Petition, the staff of the Commission ("Staff"), the Citizens' Utility Ratepayer Board ("CURB"), and interveners will seek the production of documents and information from KCP&L that contain confidential, proprietary and/or commercially sensitive material.

2. The confidential information included in the Petition falls into five broad categories:

- Confidential financial information/ budget projections.
- Contract terms or specifics, or contract information that could be used by existing • or future vendors to the disadvantage of KCP&L.

- Sensitive information that could impact pending or threatened litigation.
- Advice of counsel of other paid experts, advisors or consultants.
- Trade Secret or Commercially Sensitive.

Public disclosure of such confidential information would adversely impact the financial interests of KCP&L.

3. In addition, it is expected that a second sub-set of protected materials that could competitively harm KCP&L will be relevant to resolution of the issues in this proceeding and thus will warrant a higher level of protection than the Commission's standard protective order provides ("Confidential-Restricted"). The Confidential-Restricted materials fall into two categories:

(1) <u>The individual cost components of the La Cygne Environmental Project.</u>

The cost estimate for the project is made up of four components: (i) the engineering, procurement and construction ("EPC") contract amount; (ii) other direct costs; (iii) indirect costs; and (iv) contingency. KCP&L has chosen to make the total estimate cost for all of these items public in its Petition. The individual cost components, however, are commercially sensitive and must be protected. KCP&L is in the process of choosing an EPC contractor for the project and will be in negotiations with the candidates while this proceeding is ongoing. If the estimated EPC contract amount became known to the bidders, it would substantially and negatively impact KCP&L's ability to negotiate the best possible price. Further, releasing the other components would enable interested parties to calculate the EPC component of the estimate. Consequently, the individual components need to be protected. Because such information is commercially sensitive and valuable to competitive bidders, access to this

information needs to be restricted to only certain people who are not engaged in competitive duties and who are necessary for each party to this docket to present their positions.

(2) <u>Market-sensitive information, such as projected fuel prices, projected market</u> prices for energy, growth in demand for energy and similar items.

This information is extremely sensitive as it involves KCP&L's proprietary projections of anticipated prices in wholesale markets and customer load growth. Although KCP&L is willing to disclose this information to the parties in this proceeding under confidential seal, access to this information should be limited to persons *not* engaged in competitive duties and limited to reviewing representatives necessary for each party to present their positions. . Importantly, some of the parties to this docket will be KCP&L's competitors in the wholesale markets. As such, this market sensitive information should be restricted only to employees and consultants as reasonably need to access such materials for purposes of this docket.

4. KCP&L requests that the Commission issue a protective order to govern this proceeding which establishes two designated levels of protection for confidential information. The first level would be termed "Confidential – Restricted," and would apply to the information described in paragraph 3. The second level would be for all other "Confidential" information, consistent with the Commission's standard protective order.

5. A party who receives information identified as "Confidential – Restricted" should only make that information available to employees and consultants who need to have access in order to allow the party to adequately present its position to the Commission. This generally includes employees who are classified as legal staff, regulatory staff, or financial analysts. In this case it may also include environmental compliance staff or generation operations staff. It would *not* include staff in the power marketing division. All individuals who have access to "Confidential" information under the Commission's standard protective order already sign a Nondisclosure Certificate. Those who will also have access to the "Confidential – Restricted" information should so indicate on their Certificate.

6. KCP&L submits that the interest in maintaining the confidential status of qualifying material, and avoiding the substantial competitive harm that otherwise would result to the parties, outweighs any interest in disclosing the material to unauthorized parties, representatives of parties who have no need to know the information for purposes of this docket, or in proceedings unrelated to the Petition. For these reasons, KCP&L requests that the Commission issue a Protective Order as described herein.

7. The Commission has substantial latitude in deciding when a protective order is appropriate and the degree of protection that is required. The Protective Order requested by KCP&L will enable the Commission to manage the discovery process in a manner that furthers the goal of full disclosure of relevant, non-sensitive information, while at the same time protecting participants from harm that could result from the unregulated disclosure of commercially-sensitive information, or the excessive and unnecessary dissemination of that information to company representatives who do not need access for purposes of this docket.

WHEREFORE, KCP&L respectfully requests that the Commission issue the requested Protective Order and that the said Protective Order apply to all parties in this proceeding.

Respectfully submitted,

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COUNSEL FOR KANSAS CITY POWER & LIGHT COMPANY

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a true and correct copy of the above Motion for Protective Order was hand-delivered or mailed, postage prepaid, this 23rd day of February, 2011 to:

W. THOMAS STRATTON, JR., CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027

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