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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Direct Energy Business, LLC for Renewal Of Its Certification as a Retail Electric Service Provider	))))	Case No. 00-1758-EL-CRS

MOTION FOR PROTECTIVE ORDER

Now comes Direct Energy Business, LLC ("Direct Energy Business"), seeking renewal of its certification to provide aggregation and power marketer services; and pursuant to Rule 4901-1-24(D) of the Ohio Administrative Code ("O.A.C.") moves the Public Utilities Commission of Ohio for a protective order to keep financial exhibit C-5 to its renewal application for certification confidential and not part of the public record. The reasons underlying this motion are detailed in the attached Memorandum in Support. Consistent with the requirements of the above cited Rule, three (3) unredacted copies of the exhibits are submitted under seal.

Respectfully submitted,

Stephen M. Howard

M. Howard Petricoff
Stephen M. Howard (0022421)
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
(614) 464-5414
mhpetricoff@vssp.com

Counsel for Direct Energy Business, LLC

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MEMORANDUM IN SUPPORT OF MOTION FOR PROTECTIVE ORDER

Direct Energy Business requests that the information designated as confidential – Exhibit C-5 - of its Renewal Application for Certification to provide power marketer and power broker services be protected from public disclosure. The information for which protection is sought covers financial forecasts (C-5). Such information if released to the public would harm Direct Energy Business by providing its competitors proprietary information in what is designed by statute to now be a competitive service.

Rule 4901-1-24(D) of the Ohio Administrative Code provides that the Commission or certain designated employees may issue an order which is necessary to protect the confidentiality of information contained in documents filed with the Commission's Docketing Division to the extent that state or federal law prohibits the release of the information and where non-disclosure of the information is not inconsistent with the purposes of Title 49 of the Revised Code. State law recognizes the need to protect certain types of information which are the subject of this motion. The non-disclosure of the information will not impair the purposes of Title 49. The Commission and its Staff have full access to the information in order to fulfill its statutory obligations. No purpose of Title 49 would be served by the public disclosure of the information.

The need to protect the designated information from public disclosure is clear, and there is compelling legal authority supporting the requested protective order. While the Commission has often expressed its preference for open proceedings, the Commission also long ago recognized its statutory obligations with regard to trade secrets:

> The Commission is of the opinion that the "public records" statute must also be read in pari materia with Section 1333.31, Revised Code ("trade secrets" statute). The latter statute must be interpreted as evincing the recognition, on the part of the General Assembly, of the value of trade secret information.

In re: General Telephone Co., Case No. 81-383-TP-AIR (Entry, February 17, 1982.) Likewise, the Commission has facilitated the protection of trade secrets in its rules (O.A.C. § 4901-1-24(A)(7)).

The definition of a "trade secret" is set forth in the Uniform Trade Secrets Act:

> "Trade secret" means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, patter, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information or listing of names, addresses, or telephone numbers, that satisfies both of the following:
>
> (1) It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
>
> (2) It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

R.C. § 1333.61(D). This definition clearly reflects the state policy favoring the protection of trade secrets such as the information which is the subject of this motion.

Courts of other jurisdictions have held that not only does a public utilities commission have the authority to protect the trade secrets of the companies subject to its jurisdiction, the trade secrets statute creates a duty to protect them. New York Tel. Co. v. Pub. Serv. Comm. N.Y., 56 N.Y. 2d 213 (1982). Indeed, for the Commission to do otherwise would be to negate the protections the Ohio General Assembly has granted to all businesses, including public utilities, and now the new entrants who will be providing power through the Uniform Trade Secrets Act. This Commission has previously carried out its obligations in this regard in

numerous proceedings. See, e.g., Elyria Tel. Co., Case No. 89-965-TP-AEC (Finding and Order, September 21, 1989); Ohio Bell Tel. Co., Case No. 89-718-TP-ATA (Finding and Order, May 31, 1989); Columbia Gas of Ohio, Inc., Case No. 90-17-GA-GCR (Entry, August 17, 1990).

In Pyromatics, Inc. v. Petruziello, 7 Ohio App. 3d 131, 134-135 (Cuyahoga County 1983), the Court of Appeals, citing Koch Engineering Co. v. Faulconer, 210 U.S.P.Q. 854, 861 (Kansas 1980), has delineated factors to be considered in recognizing a trade secret:

> (1) The extent to which the information is known outside the business, (2) the extent to which it is known to those inside the business, i.e., by the employees, (3) the precautions taken by the holder of the trade secret to guard the secrecy of the information, (4) the savings effected and the value to the holder in having the information as against competitors, (5) the amount of effort or money expended in obtaining and developing the information, and (6) the amount of time and expense it would take for others to acquire and duplicate the information.

Applying these factors to the financial exhibit Direct Energy Business seeks to keep confidential, it is clear that a protective order should be granted. Similar motions were granted on October 24, 2000, October 10, 2002, October 19, 2004, and October 20, 2008.

Exhibit C-5 contains confidential financial forecasts. Such sensitive financial information is generally not disclosed. Its disclosure could give competitors an advantage that would hinder Direct Energy Business's ability to compete. On the other hand, public disclosure of this financial information is not likely to assist the Commission in carrying out its duties under CRES rules.

WHEREFORE, for the above reasons Direct Energy Business requests the Commission to grant its motion for a protective order and to maintain exhibit C-5 of its Renewal Application for Certification as a Retail Electric Service Provider under seal.

Respectfully submitted,

Stephen M. Howard

M. Howard Petricoff
Stephen M. Howard
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
(614) 464-5414
mhpetricoff@vssp.com

Counsel for Direct Energy Business, LLC

LIST OF EXHIBITS
FOR WHICH PROTECTION IS SOUGHT

EXHIBITS	REASONS JUSTIFYING PROTECTION
C-5 (Financial Forecasts)	This exhibit contains financial information. Disclosure would give an undue advantage to competitors and would hinder Direct Energy Business's ability to compete.