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ILLINOIS COMMERCE COMMISSION

2009 JUN -3 A 11: 28

CHIEF CLERK'S OFFICE  
Docket No. 09-0230

Hudson Energy Services, LLC )  
Petition for Relief to Protect Petitioner's )  
2008 Financials From Disclosure )  
For Not Less Than Five Years to Protect )  
Highly Confidential and Proprietary )  
Information and to Extend the Deadline )  
For Submitting Financials )

**RESPONSE TO NOTICE OF ADMINISTRATIVE LAW JUDGE'S RULING**

On April 20, 2009, Hudson Energy Services LLC ("Petitioner" or "Hudson"), by its Chief Executive Officer, Deryl Brown, filed a verified petition requesting that the Illinois Commerce Commission ("Commission") enter an order, pursuant to 83 Ill. Adm. Code Section 451.60 and Section 200.430, protecting its 2008 Financial Reporting Requirements ("2008 Financials") from disclosure for a period of not less than five (5) years. The 2008 Financials included certified financial statements, the accountant's report on the financial statements, unaudited financials for Hudson operating units, and calculations showing how Hudson meets certain financial ratios. In that same petition, Hudson requested a 14-day extension beyond April 30, 2009 for submitting the 2008 Financials to allow Hudson's independent audit firm to conclude its work. On May 13, 2009, Hudson submitted, via overnight delivery, its 2008 Financials for filing with the Commission. On May 27, 2009, Hudson received a Notice of Administrative Law Judge's Ruling in reference to the above-references petition. In response to the request for additional information cited in that notice, Hudson states the following:

1. The retail electric service industry is highly competitive and it is essential that public disclosure of the proprietary and confidential information contained in the 2008 Financials be avoided to prevent the competitive harm which disclosure of such information would likely cause Hudson. In its Petition, Hudson requested that disclosure be avoided for a period of at least five (5) years. This time period was considered sufficient to reduce the usefulness of the information

to competitors who might seek to use the information to gain unfair advantage over Hudson in the market. This time period was also consistent with previous orders entered by the Commission for other Alternative Retail Electric Suppliers (*Reference Dockets 08-0317 and 08-0306*). While Hudson maintains its preference that its 2008 Financials be afforded proprietary and confidential treatment for a period of not less than five (5) years, it is hereby modifying its request to be for a period of not less than two (2) years. Hudson believes that a time period of not less than two (2) years would sufficiently address its concerns with regard to maintaining its competitive position in the market.

2. Hudson's 2008 Financials contain detailed information that would allow competitors or other parties to derive Hudson's profit margins and pricing strategies. As an Alternative Retail Electric Supplier, Hudson's product is largely a commodity. Therefore, Hudson competes in the market on the basis of profit margin and proprietary assumptions on future costs. The 2008 Financials include information on Hudson's profitability as well as how it is actualizing against its forward market pricing assumptions. Disclosure of this information would reveal Hudson's strategy and proprietary assumptions and significantly impair Hudson's ability to compete in a fair and open market.

3. Hudson's 2008 Financials contain information on Hudson's collateral postings with its trading counterparties. The identification of trading counterparties as well as Hudson's mark-to-market position with those counterparties is considered highly confidential. This information directly impacts Hudson's retail pricing and would provide competitors with additional information on Hudson's proprietary strategy for energy procurement.

4. Hudson's 2008 Financials contain information of Hudson's cost structure as well as its capital structure. As a privately held concern, Hudson considers this information highly confidential as it could be used by competitors or potential competitors to assess Hudson's competitive strength and potential for growth. Information on bad debt, collections, cost of capital, and overhead costs provide information that could allow competitors or potential

competitors to develop business models designed to copy Hudson or exploit perceived weaknesses at Hudson.

5. Hudson reiterates its assertion that the 2008 Financials are exempt from inspection and copying under Section 7(g) of the Illinois Freedom of Information Act which exempts "trade secrets and commercial or financial information obtained from a person or business where the trade secrets or information are proprietary, privileged or confidential, or where disclosure of the trade secrets or information may cause competitive harm." 5 ILCS §140/7.

6. Accordingly, Petitioner seeks an Order from this Commission, without hearing, protecting from disclosure, for a period of not less than two (2) years from the date of this Order, the Petitioner's confidential and proprietary information provided in the Petitioner's 2008 Financials.

WHEREFORE, Hudson Energy Services LLC respectfully requests that the Commission enter an Order, without hearing, protecting from disclosure for a period of not less than two (2) years, Hudson's 2008 Financials, which were filed by overnight delivery, with the Chief Clerk of the Commission on May 13, 2009 pursuant to Part 451 regarding Hudson's 2008 Financials.

Respectfully submitted,

HUDSON ENERGY SERVICES, LLC



Deryl Brown  
Chief Executive Officer  
Hudson Energy Services, LLC  
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Dated: June 2, 2009

VERIFICATION

STATE OF TEXAS     )  
COUNTY OF DALLAS)     ss:

Deryl Brown, being first duly sworn, deposes and says that he is the Chief Executive Officer of Hudson Energy Services, LLC; that he has read the foregoing Response to Notice of Administrative Law Judge's Ruling; and the statements contained in the Response to Notice of Administrative Law Judge's Ruling are true, correct and complete to the best of his knowledge, information and belief.



Deryl Brown  
Chief Executive Officer  
Hudson Energy Services, LLC

Subscribed and sworn to before me  
this 2<sup>nd</sup> day of June, 2009.



Notary Public

[Stamp of Notary]

