COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION FOR AN INCREASE IN RETAIL RATES

CASE NO. 2016-00365

ORDER

On December 15, 2016, Farmers Rural Electric Cooperative Corporation ("Farmers") filed a petition, pursuant to KRS 61.878 and 807 KAR 5:001, Section 13, requesting that the Commission grant confidential protection to Farmers' response to Commission Staff's First Request for Information ("Staff's First Request"), Item 57.a., indefinitely. The designated materials for which confidential protection is requested are more specifically described as job evaluation system benchmarks and parameters developed by a third party, Intandem, LLC, for Farmers' wage and salary plan.

In support of its petition requesting confidential treatment, Farmers asserts that the designated materials contain proprietary work product obtained from a third-party consultant that requires confidentiality in order to retain the proprietary information's commercial value. Farmers further asserts that public disclosure of the commercially sensitive information would place Farmers at a competitive disadvantage by providing its competitors with access to internal employment and compensation strategies, which would harm Farmers' competitive position in the marketplace, to the detriment of Farmers and its customers.

Having carefully considered the petition and the materials at issue, the Commission finds that the designated materials contained in Farmers' response to Staff's First Request, Item 57.a., are records that are generally recognized as confidential or proprietary, and which, if openly disclosed, could result in commercial harm to Farmers, and therefore meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(c)(1) and 807 KAR 5:001, Section 13.

IT IS THEREFORE ORDERED that:

 Farmers' petition for confidential protection for its response to Staff's First Request, Item 57.a., is granted.

2. The materials set forth in Farmers' response to Staff's First Request, Item 57.a., shall not be placed in the public record or made available for public inspection for a period of ten years, or until further Orders of this Commission.

3. Use of the materials in question in any Commission proceeding shall comply with 807 KAR 5:001, Section 13(9).

4. Farmers shall inform the Commission if the materials in question become publicly available or no longer qualify for confidential treatment.

5. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order and the period during which the materials have been granted confidential treatment has not run, then Farmers shall have 20 days from receipt of written notice of the request to demonstrate that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Farmers is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

-2-

6. The Commission shall not make the requested materials available for inspection for 20 days following an Order finding that the materials no longer qualify for confidential treatment in order to allow Farmers to seek a remedy afforded by law.

By the Commission

ENTERED JUN 2 0 2017 KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST: atheus Executive Director

Case No. 2016-00365

*David S Samford Goss Samford, PLLC 2365 Harrodsburg Road, Suite B325 Lexington, KENTUCKY 40504

*Farmers R.E.C.C. 504 South Broadway P. O. Box 1298 Glasgow, KY 42141-1298

*Farmers R.E.C.C. Farmers R.E.C.C. 504 South Broadway P. O. Box 1298 Glasgow, KY 42141-1298

*James R Adkins Jim Adkins Consulting 1041 Chasewood Way Lexington, KENTUCKY 40513-1731

*Rich Macke Power System Engineering, Inc. 10710 Town Square Drive NE Suite 201 Minneapolis, MINNESOTA 55449

*Lance Schafer Power System Engineering, Inc. 10710 Town Square Drive NE Suite 201 Minneapolis, MINNESOTA 55449