

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF)	CASE NO.
KENTUCKY, INC. FOR AN ADJUSTMENT)	2013-00167
OF RATES FOR GAS SERVICE)	

ORDER REGARDING REQUEST FOR CONFIDENTIAL TREATMENT

On August 2, 2013, Columbia Gas of Kentucky, Inc. ("Movant") filed a petition pursuant to 807 KAR 5:001, Section 13, and KRS 61.878 requesting that the Commission grant confidential protection indefinitely to certain responses contained in both the Attorney General's ("AG") Initial Set of Data Requests and the Commission Staff's ("PSC's") Second Request for Information. Specifically, Movant requests the confidential treatment of the responses to AG 1-208, AG 1-190, AG 1-265, AG 1-244, AG 1-110, AG 1-112, AG 1-114, AG 1-282, AG 1-301 and PSC's 2-4. Movant states that the information requested is highly confidential, proprietary and that its disclosure would create an unfair advantage to Movant's competitors.

Specifically, AG 1-110 asks for confidential treatment of presentations made at conferences or to rating agencies or investment firms by NiSource, the parent company of Movant, or by Movant, between January 1, 2009 and the present. AG 1-114 asks for confidential treatment of all correspondence to the major bond rating agencies from January 1, 2009 to the present.¹ AG 1-112 asks for confidential treatment of studies performed by NiSource or Movant or by consultants or investment firms hired by

¹ AG 1-244 requests the same information for 2012; however, this information is already encompassed in AG 1-114.

NiSource or Movant to assess (1) NiSource or Movant's financial performance, (2) the performance of NiSource or Movant relative to other utilities, or (3) the adequacy of NiSource or Movant's return on equity or overall rate of return. Movant states that the response consists of confidential and proprietary information, and also contains information irrelevant to the case at hand (i.e., financial information of other NiSource local distribution companies). Movant further argues that if the information requested were to be made public, the method and process of debt security valuation would be divulged, which would disclose trade secrets, as defined by KRS 365.880 and protected by KRS 365.888, and shielded from disclosure pursuant to KRS 61.878(1)(l); that making this information public would provide an unfair commercial advantage to competitors of Movant and the Bond Rating Agencies; that the information is protected as confidential or proprietary pursuant to KRS 61.878(1)(c)(1); and that the material contains preliminary recommendations, memoranda and opinions as to debt securities Movant has yet to issue, which are exempted from disclosure pursuant to KRS 61.878(1)(j).

AG 1-190 and AG 1-208 ask for benefit and compensation studies on which Movant based its payroll increases and compensation levels and which are the product of extensive time and money invested by NiSource in order to develop compensation, benefit, and salary increases for its employees. Movant argues that this salary survey information is commercial information that is confidential and proprietary, and that its disclosure would unfairly advantage NiSource's and Movant's competitors. AG 1-265 and PSC 2-4 ask for an electronic copy of Gas Class Cost of Service Models, which Movant states was prepared by Russ Feingold and is the property of Black and Veatch

Company (“B&V”) and should be used for the sole purpose of evaluation of Movant’s current rate case. Movant further states that disclosure of this proprietary model to competitors would put B&V at a competitive disadvantage.

AG 1-282 and AG 1-301 ask for detailed contracts with third parties that would require Movant to reveal sensitive pricing information. Movant requests confidential treatment of the names of the customers who are parties to its Flex Rate contracts which are contained in its response to AG 1-282. Movant also requests confidential treatment of the pricing terms contained in the contracts that are part of AG 1-301. Movant argues that public revelation of pricing or identifying information would be in direct violation of the contracts.

Having carefully considered the petition and the materials at issue, the Commission finds that:

1. The materials for which Movant seeks confidential treatment meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 61.878(1)(a), KRS 61.878(1)(c)(1), KRS 61.878(1)(j), and 807 KAR 5:001, Section 13.

2. The materials for which Movant seeks confidential treatment should not be placed in the public record or made available for public inspection for an indefinite period of time due to the highly personal, confidential, and proprietary nature of the information requested to be held confidential, the disclosure of which could result in an invasion of personal privacy and competitive injury.

IT IS THEREFORE ORDERED that:

1. Movant’s petition for confidential protection is hereby granted.

2. The materials for which Movant seeks confidential treatment shall not be placed in the public record nor made available for public inspection for an indefinite period of time.

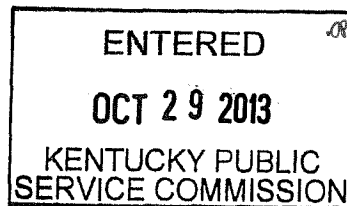
3. Use of the materials in question in any Commission proceeding shall be in compliance with 807 KAR 5:001, Section 13(9).

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

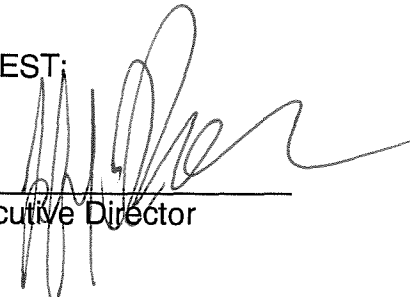
5. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order, the Commission shall notify Movant in writing and direct Movant to demonstrate within 20 days of its receipt of the notice that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Movant is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request for inspection.

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 Movant to seek a remedy afforded by law.

By the Commission



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