

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY TO CONSTRUCT A NEW ) CASE NO.  
HEADQUARTERS FACILITY AND FOR APPROVAL ) 2014-00355  
TO TRANSFER OWNERSHIP OF CERTAIN ASSETS )  
OR, IN THE ALTERNATIVE, A DETERMINATION )  
THAT SUCH APPROVAL IS UNNECESSARY )

ORDER

On October 8, 2014, South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”) filed a motion, pursuant to 807 KAR 5:001, Section 13, seeking confidential treatment for certain materials filed with the Commission and requesting that those materials not be placed in the public record subject to public inspection for a period of two years. In particular, South Kentucky states that its application describes the commercial real estate terms in connection with the proposed headquarters project located on the Somerset Houseboat Property (“Somerset Property”) and certain details related to South Kentucky’s proposed transfer of certain real estate currently owned by South Kentucky and characterized as the “Northern Property.” The Northern Property consists of 88 acres of real estate located on Norwood Road in north Somerset, Pulaski County, Kentucky. The Northern Property was to be the original site of South Kentucky’s proposed headquarters facilities, which was the subject of the Commission’s approval in Case No. 2008-00371.<sup>1</sup>

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<sup>1</sup> Case No. 2008-00371, *Application of South Kentucky Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity to Construct a New Headquarters Facility in Somerset, Kentucky* (Ky. PSC May 11, 2010).

South Kentucky states that certain portions of the pre-filed Direct Testimonies of Allen Anderson and Michelle D. Herrman contain information related to the real estate transactions that South Kentucky seeks to not be publicly disclosed. In support of its application, South Kentucky states that it filed the Direct Testimony of Glen Ross ("Ross Testimony"). Attached as Exhibit GS-2 to the Ross Testimony is a construction cost estimate for the Sumerset Property, containing detailed, line item estimations for various construction costs related to the construction project. South Kentucky maintains that the information sought to be treated as confidential contains proprietary and commercially sensitive information that is retained by South Kentucky on a need-to-know basis and is not publically available. South Kentucky asserts that the information, if disclosed, would give potential bidders, contractors, vendors, and competitors of South Kentucky a business advantage in the course of ongoing and future negotiations to procure real estate and construction services and materials. South Kentucky further asserts that disclosure of the information sought to be protected would likely increase costs to South Kentucky and ultimately South Kentucky's customers.

Having carefully considered the motion and the materials at issue, the Commission finds that the materials for which South Kentucky seeks confidential treatment meet the criteria for confidential treatment and are exempted from public disclosure pursuant to KRS 278.878(1)(c). The Commission finds that the materials for which South Kentucky seeks confidential treatment should not be placed in the public record or made available for public inspection until such time as the real estate transactions have closed and until such time as the construction costs become final, rather than the two years as requested by South Kentucky.

IT IS THEREFORE ORDERED that:

1. South Kentucky's motion for confidential protection is granted to the extent that the information identified herein will not be publicly disclosed at this time.

2. South Kentucky's request to keep the information identified herein out of the public record and not be subject to public inspection for a period of two years is denied.

3. The materials for which South Kentucky seeks confidential treatment shall not be placed in the public record or made available for public inspection until such time as the real estate transactions have closed and until such time as the construction costs become final. Within five days from each of the dates of the closing of the real estate transactions and the date when the construction costs become final, South Kentucky shall submit written notification to the Commission, advising either that the materials discussed herein no longer qualify for confidential treatment or requesting that the materials continue to be treated as confidential and demonstrating that the materials still fall within the exclusions established in KRS 61.878.

4. If South Kentucky objects to the time limits that the Commission has placed on the confidential treatment for the materials in question, it must seek either rehearing pursuant to KRS 278.400 or judicial review of this Order pursuant to KRS 278.410. Failure to exercise either of these statutory rights will be deemed as agreement with the Commission's determination of the period for which the materials are afforded confidential treatment and will require South Kentucky to demonstrate a change in circumstances in any subsequent motion for continued confidential treatment

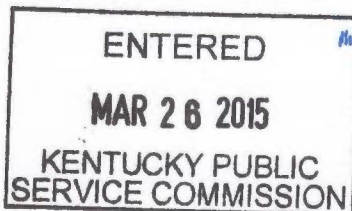
of the materials in question after the end of the period set forth in ordering paragraph 3 of this Order.

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

6. 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, South Kentucky 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 South Kentucky is unable to make such demonstration, the requested materials shall be made available for inspection. Otherwise, the Commission shall deny the request.

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

By the Commission



ATTEST:

  
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