

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL)	
ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR AN INCREASE IN)	2016-00365
RETAIL RATES)	

ORDER

On February 13, 2017, 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 Third Request for Information (Staff's Third Request), Items No. 1, 4 and 22, for an indefinite period. The designated materials consist of full-year salary and benefit information for each employee, identified by employee number and job title, for the years 2011 through 2016; copies of all Farmers pension plans; and materials to support Farmers' annual increases between 2010 and 2015.

As a basis for its motion, Farmers asserts that the designated materials contain proprietary, commercially sensitive information that, if publicly disclosed, would place Farmers at a competitive disadvantage, and therefore is generally recognized as confidential and proprietary.

Having carefully considered the petition and the materials at issue, the Commission finds that Farmers' motion should be granted in part and denied in part. The Commission finds that the designated materials contained in Farmers' response to Staff's Third Request, Items 1, 4 and 22, with the exception of executive officer compensation

and the spreadsheet page tabbed "Totals," in response to Item 1, are records that 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.

The Commission further finds that the request for confidential treatment should be denied for the executive officer compensation and the spreadsheet page tabbed "Totals," contained in Farmers' response to Staff's Third Request, Item 1. The Commission has previously held that executive officer salaries are not entitled to confidential protection because executive officer salaries are included as an expense in base rate calculations and customers have a right to know whether the salaries and other compensation paid to such employees are reasonable.¹

IT IS THEREFORE ORDERED that:

1. Farmers' motion for confidential protection is granted in part and denied in part.

2. Farmers' request for confidential protection for its response to Staff's Third Request, Items No. 1, 4 and 22, is granted, with the exception of the executive officer compensation and the spreadsheet page tabbed as "Totals" contained in the response to Staff's Third Request, Item 1.

3. Farmer's request for confidential protection for the executive officer compensation and the spreadsheet page tabbed as "Totals" contained in the response to Staff's Third Request, Item 1, is denied

¹ Case No. 2014-00371, *Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates* (Ky. PSC Jan. 20, 2016); *See also* Case No. 2013-00167, *Application of Columbia Gas of Kentucky, Inc., for an Adjustment of Rates for Gas Service* (Ky. PSC Sept. 27, 2013).

4. The designated materials for which confidential protection was granted shall not be placed in the public record or made available for public inspection for an indefinite period, or until further Order of the Commission.

5. Within 20 days of the date of this Order, Farmers shall file a revised Response reflecting as unredacted the information that has been denied confidential treatment in accordance with ordering paragraph 3.

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

7. Farmers shall inform the Commission if the materials deemed confidential become publicly available or no longer qualify for confidential treatment.

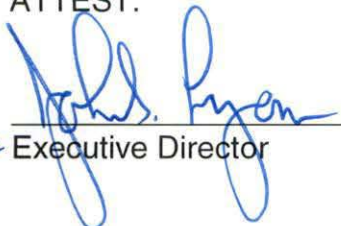
8. If a non-party to this proceeding requests to inspect materials granted confidential treatment by this Order, Farmers shall have 20 days from receipt of written notice of the request to demonstrate that the materials still fall within the exclusions from disclosure requirements established in KRS 61.878. If Farmers is unable to make such demonstration, the requested materials shall be made available for inspection.

9. 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
JAN 02 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

For 
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