

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

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

MOTION FOR CONFIDENTIAL TREATMENT

Comes now Farmers Rural Electric Cooperative Corporation (“Farmers RECC”), by and through counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other applicable law, and respectfully moves the Kentucky Public Service Commission (“Commission”) to afford confidential treatment to a portion of Farmers RECC’s Response to Commission Staff’s Initial Request for Information. In support of its request, Farmers RECC states as follows:

1. On November 15, 2016, Farmers RECC tendered to the Commission an Application for the adjustment of its rates. On November 10, 2016, Commission Staff propounded its Initial Request for Information upon Farmers RECC. Request No. 57a of Commission Staff’s Initial Request for Information states as follows:

Explain, if prior to making any adjustments to wages, salaries, benefits and other compensation in the base rate case, whether the utility, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits and other compensation to those of other utilities in the region, or to other local or regional enterprises.

a. If comparisons were made, provide and discuss the results of such comparisons. Include the results of the study or survey with your response, including all workpapers.

2. Contemporaneous with the filing of this Motion, Farmers RECC is tendering documentation responsive to Commission Staff's Request No. 57a (the "Confidential Information"). The Confidential Information is proprietary information that is retained by Farmers RECC on a "need-to-know" basis. The Confidential Information is distributed within Farmers RECC only to the Chief Executive Officer and Board, who must have access for business reasons, and it is generally recognized as confidential and proprietary in the energy industry and in business generally.

The Kentucky Open Records Act and applicable precedent exempts the Confidential Information from disclosure. *See* KRS 61.878(1)(a); KRS 61.878(1)(c)(1); *Zink v. Department of Workers Claims, Labor Cabinet*, 902 S.W.2d 825 (Ky. App. 1994); *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). The Confidential Information includes detailed classification and evaluation system benchmarks and parameters to be utilized by Farmers RECC in connection with its wage and salary plan. This information, which was obtained by Farmers RECC from its retained expert consultant, represents proprietary work product that requires confidentiality in order to retain its commercial value. Additionally, public disclosure of these sensitive documents would unnecessarily provide interested parties and Farmers RECC's competitors with access to exclusive information regarding employee compensation and the cooperative's internal employment/compensation strategies. By knowing what Farmers RECC pays to its employees, it would be very easy for other utilities to attempt to poach Farmers RECC's workforce and management. Such public disclosure could unfairly harm Farmers RECC's competitive position in the marketplace for utility management and a skilled workforce, to the detriment of Farmers RECC and its customers. For these reasons, the Confidential Information satisfies both the statutory and common law standards for affording confidential treatment. Indeed,

the Commission has already recognized the confidential nature of the Confidential Information and has afforded confidential treatment to similar compensation and wage documents in prior proceedings.¹

3. In accordance with the provisions of 807 KAR 5:001, Farmers RECC is filing, in paper medium only and under seal with the Confidential Information denoted, one (1) unredacted copy of its Response to Request No. 57a of Commission Staff's Initial Request for Information. Due to the pervasive nature of the Confidential Information, Farmers RECC is seeking confidential treatment for the entirety of the Confidential Information. A notation that the Confidential Information has been filed under seal is recorded in the public version of Farmers RECC's Response.

4. In accordance with the provisions of 807 KAR 5:001, Section 13(2), Farmers RECC respectfully requests that the Confidential Information be withheld from public disclosure indefinitely.

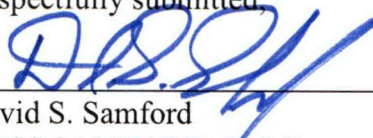
5. If, and to the extent, the Confidential Information becomes publicly available or otherwise no longer warrants confidential treatment, Farmers RECC will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10).

WHEREFORE, on the basis of the foregoing, Farmers RECC respectfully requests that the Commission classify and protect as confidential the specific Confidential Information described herein indefinitely.

Dated this 15th day of December, 2016.

¹ See *In the Matter of the Application of Cumberland Valley Electric, Inc., for an Adjustment of Rates*, Order, Case No. 2014-00159 (Ky. P.S.C., May 7, 2015); *In the Matter of the Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service*, Case No. 2013-00167 (Ky. P.S.C., October 29, 2013).

Respectfully submitted,



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