

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
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 January 5, 2017, Commission Staff propounded its Second Request for Information upon Farmers RECC. Request No. 10c of Commission Staff’s Second Request for Information states as follows:

10. Refer to the application, Exhibit G-5, the Direct Testimony of Lance C. Schafer, beginning at page 11 of 20, wherein the remaining pro forma adjustments to the actual operating expenses in the test year, are discussed.

c. Also refer to the application, Exhibit F, Schedule C, Payroll Expense. Provide, for each of the past five calendar years through 2015, a detailed list in Excel format with all formulas intact, by job title, all full-time and part-time Farmers’ positions, including the President and CEO, which includes the total

annual salary and/or wage, overtime if any, percentage of any pay increases, and the per-employee amount of each benefit, bonus, or other award or compensation. When available, provide the same for calendar year 2016.

2. Contemporaneous with the filing of this Motion, Farmers RECC is tendering documentation responsive to Commission Staff's Request No. 10c (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, Senior Management and the 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.

3. 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 information regarding job titles and historical compensation amounts for years other than the test year for Farmers' RECC employees. Disclosure of this information would make it very easy for someone to determine who receives what compensation based on the job title or employee designation number. Salary information is personal and private information and should not be in the public realm. 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. By knowing what Farmers RECC pays to each of 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

4. 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. 10c of Commission Staff's Second Request for Information. Farmers RECC is also providing a paper copy of the information with the Confidential Information redacted.

5. 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.

6. 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 18th day of January, 2017.

¹ *In the Matter of the Application of Kentucky Utilities Company for an Adjustment of its Electric Rates*, Order, Case No. 2014-00371 (Ky. P.S.C., Jan. 29, 2016); *In the Matter of the Application of Water Service Corporation of Kentucky for a General Adjustment of Rates*, Order, Case No. 2015-00382 (Ky. P.S.C. Apr. 5, 2016).

Respectfully submitted,



David S. Samford
GOSS SAMFORD, PLLC
2365 Harrodsburg Road, Suite B-325
Lexington, Kentucky 40504
(859) 368-7740
david@gosssamfordlaw.com

*Counsel for Farmers Rural Electric Cooperative
Corporation*