

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Application of Water Service Corporation)	
of Kentucky for a General Adjustment)	Case No. 2015-00382
in Existing Rates)	

PETITION FOR CONFIDENTIALITY

Water Service Corporation of Kentucky (“WSCK”), pursuant to 807 KAR 5:001, Section 13, respectfully request the Public Service Commission to grant confidential protection to certain documents it filed in response to the Commission Staff’s Third Request for Information. Specifically, WSCK seeks confidential treatment for information of underlying information provided by a consultant company, Mercer, with respect to a compensation evaluation Mercer performed for the company.

Administrative Regulation 807 KAR 5:001, Section 13(2) sets forth a procedure by which certain information filed with the Commission shall be treated as confidential. Specifically, the party seeking confidential treatment must establish “specific grounds pursuant to KRS 61.878 for classification of that material as confidential.” 807 KAR 5:001, Section 13(2)(a)(1).

Paragraph (c) of KRS 61.878(1) protects information that is confidential or proprietary. The information for which confidential treatment is sought is generally recognized as confidential or proprietary under Kentucky law. It contains information on many aspects of an

employees' compensation package, including salaries, benefits, and leave policies. Public disclosure of the information would reveal details of WSCK's internal management strategies as it evaluates and plans its employee compensation structure. This type of information bears upon WSCK's inner workings, and it is generally recognized as confidential or proprietary. See, e.g., Hoy v. Kentucky Indus. Revitalization Auth., 907 S.W.2d 766, 768 (Ky. 1995) ("It does not take a degree in finance to recognize that such information concerning the inner workings of a corporation is 'generally recognized as confidential or proprietary.'") Not only is this information proprietary to WSCK and its corporate affiliates, it is also proprietary to Mercer.

More importantly, disclosure of this information to WSCK's competitors would grant those competitors an unfair commercial advantage. WSCK and its corporate affiliates have paid to receive a comparison of salaries within its corporate structure to other corporations in the market. The company has obtained underlying information related to this analysis from Mercer; however, if this information were to be publicly disclosed, WSCK's competitors would have the financial benefit of receiving this information without the time invested or costs paid by WSCK.

The Commission has previously granted requests for confidentiality for salary surveys and analyses on these grounds. See City of Augusta, Case No. 2015-00039 (Ky. PSC Sept. 22, 2015); Cumberland Valley Electric, Inc., Case No. 2014-00159 (Ky. PSC May 7, 2015); Kentucky-American Water Co., Case No. 2010-00036 (Ky. PSC Staff Letter June 16, 2010) Kentucky-American Water Co., Case No. 2008-00427 (Ky. PSC Staff Letter Jan. 8, 2009). As such, it should be granted confidential treatment for a permanent period of time.

Respectfully submitted,



M. TODD OSTERLOH

CHARLES D. COLE

STURGILL, TURNER, BARKER & MOLONEY, PLLC

333 W. Vine Street, Suite 1400

Lexington, Kentucky 40507

Telephone No.: (859) 255-8581

tosterloh@sturgillturner.com

ATTORNEYS FOR WSCK