

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 documents it filed in response to the Commission’s Order dated December 9, 2015. Specifically, WSCK seeks confidential treatment for an American Water Works Association (“AWWA”) salary survey, a consultant review by Hays Companies on UI, and an industry salary comparison summary from Mercer.

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.'")

More importantly, disclosure of this information to WSCK's competitors would grant those competitors an unfair commercial advantage. WSCK has paid to receive this information and for this analysis to be conducted. If it 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.

In addition to the protecting documents that are confidential or proprietary, paragraphs (k) and (l) of KRS 61.878(1) protects information the disclosure of which is prohibited by federal or state laws. The AWWA salary survey specifically states, "Files are copyrighted by American Water Works Association and intended to be used by the purchaser only and are not to be copied or distributed beyond the scope of this document without express permission of the publisher." Accordingly, any public disclosure of the AWWA salary survey would be prohibited by law.

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,

A handwritten signature in black ink, appearing to read "M. Todd Osterloh". The signature is written in a cursive style with a large, stylized initial "M".

M. TODD OSTERLOH

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