

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
PNG COMPANIES LLC, DRAKE MERGER)	
SUB INC., AND DELTA NATURAL GAS)	
COMPANY, INC. FOR APPROVAL OF AN)	CASE NO. 2017-00125
ACQUISITION OF OWNERSHIP AND)	
CONTROL OF DELTA NATURAL GAS)	
COMPANY, INC.)	

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PETITION FOR CONFIDENTIAL PROTECTION OF EMPLOYMENT AGREEMENTS

Delta Natural Gas Company, Inc. (“Delta”), on behalf of PNG Companies LLC (“PNG”), respectfully submits this motion pursuant to 807 KAR 5:001, Section 13 for confidential treatment of the post-closing employment agreements for Glenn Jennings, John Brown, Johnny Caudill, Brian Ramsey, and Matthew Wesolosky (collectively, the “Employment Agreements”).

In support of this Petition, Delta states as follows:

1. Paragraph 6 of the Appendix to the Commission’s July 13, 2017 Order requires Delta and PNG “to provide copies of post-closing employment agreements with Delta executives Glenn Jennings, John Brown, Johnny Caudill, Brian Ramsey, and Matthew Wesolosky, their respective job titles and duties, if the Delta executives enter into employment agreements with PNG.”

2. While the Delta executives have not entered employment agreements with PNG, all five Delta executives have entered into post-closing contracts with Delta, and, in the spirit of paragraph 6 of the Appendix, copies of the Employment Agreements are being filed with the Commission. Delta requests the Commission grant confidential protection to the Employment

Agreements, as the contracts contain both commercially sensitive business information and personal information.

3. Under KRS 61.878(1)(c)(1), commercial information that is generally recognized as confidential is protected if disclosure would cause competitive injury and provide competitors an unfair commercial advantage. Public disclosure of the Employment Agreements would permit competitors to discern not only the amount of compensation Delta is paying its officers, but all of the terms and conditions associated with their employment. If disclosed, this would essentially provide a playbook to competitor companies desiring to hire one or more of the officers, to the detriment of Delta's customers. Conversely, if Delta or PNG seeks to acquire another utility, the acquired utility could use the Employment Agreements to attempt to negotiate greater compensation or terms for the utility's executives, again to the detriment of Delta's customers.

4. Under KRS 61.878(1)(a), certain personal information is protected from disclosure. The Employment Agreements contain highly personal and private information regarding Delta's officers, including their compensation; term of employment; grounds for termination; and restrictive covenants. Not only is this the type of information for which a person expects privacy, public disclosure of the personal information may cause harm to Delta's employees or to Delta by enabling competitors to seek to hire the employees away from Delta.

5. The Employment Agreements are treated as confidential by Delta and PNG, and are not widely disseminated even among Delta's and PNG's employees. Only personnel with a business reason to use the confidential information are permitted to view it.

6. If the Commission disagrees with Delta that the Employment Agreements are exempt from disclosure as confidential commercial and personal information, however, it must

hold an evidentiary hearing to protect the due process rights of Delta and permit it to supply the Commission with a complete record to enable it to reach a decision with regard to this matter.

7. Delta does not object to the disclosure of the Employment Agreements pursuant to a confidentiality agreement with the Attorney General or any intervenor who can demonstrate a legitimate interest in reviewing the confidential information for the purpose of participating in this proceeding.

8. As permitted by 807 KAR 5:001, Section 13(2)(a)(3)(b), Delta is seeking confidential treatment for the Employment Agreements in their entirety due to the confidential and proprietary nature of the information contained therein. In compliance with 807 KAR 5:001, Section 8(3) and 13(2)(e), Delta is filing with the Commission one paper copy of each Employment Agreement in their entirety, labeled with a "CONFIDENTIAL" header.

9. 807 KAR 5:001, Section 13(2)(a)(2) provides that a motion thereunder shall state the time period in which the material should be treated as confidential and the reasons for this time period. Delta respectfully requests that the Employment Agreements be protected from public disclosure for perpetuity given the highly personal and commercially sensitive nature of the information.

WHEREFORE, Delta Natural Gas Company, Inc. respectfully requests that the Commission grant confidential treatment of the information described herein.

Dated: October 19, 2017

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

This is to certify that Delta Natural Gas Company, Inc.'s October 19, 2017, electronic filing is a true and accurate copy of the same documents being filed in paper medium except for those for which confidential treatment is sought; that the electronic filing has been transmitted to the Commission on October 19, 2017; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original and six copies of this filing in paper medium will be filed by hand-delivery with the Commission within two business days from the date of the electronic filing.

Monica H. Braun

Counsel for Delta Natural Gas Company,
Inc.