

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. 2018-00358
in Existing Rates	)	

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**PETITION FOR CONFIDENTIALITY**

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Water Service Corporation of Kentucky (“WSCK”), pursuant to 807 KAR 5:001, Section 13, respectfully requests the Public Service Commission to grant confidential protection to the “2016 AWWA Water Utility Compensation Survey” provided by the WSCK in support of its response to Staff’s Post-Hearing Data Request, Item 5. The information for which confidential protection is sought is the all pages that are being filed from the “2016 AWWA Water Utility Compensation Survey” that is produced by the American Water Works Association. In addition, WSCK seeks confidential treatment of specifically identified P50 salary amounts in a chart provided in the above-mentioned narrative response. These P50 salary amounts are a product of the AWWA Survey.

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; paragraphs (k) and (l) protects information the disclosure of which is prohibited by federal or state laws. The survey is only available to members of the American Water Works Association members. In addition, it is protected by copyright laws. See City of Augusta, Case No. 2015-00039 (Ky. PSC Sept. 22, 2015).

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. 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 in the market. If this information were to be publicly disclosed, WSCK's competitors would have the financial benefit of receiving this information without the 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).

In addition, WSCK seeks to maintain the confidentiality of its salaries identified in the chart in the narrative response to Item 5. The Company does not publicly disclose employees' salaries and wages. This confidential employee compensation information, if disclosed, would enable competitors to attempt to recruit key WSCK and Water Service Corporation personnel, and would compromise the Company's position in negotiating employee compensation terms. This is especially true for highly specialized personnel that are vital within the utility industry. This information is sensitive and is only available on a need-to-know basis, even within WSCK.

Public disclosure of this information is likely to result in increased costs and a loss of negotiating ability for the Company. Disclosure of this information also increases the risk of a higher cost of service resulting from greater employee compensation demands and higher costs to recruit and retain skilled employees and managers.

The Commission has awarded confidential treatment to salary and wage information in this case and at least one other utility rate case. See, e.g., Order dated December 21, 2018, in this Case No. 2018-00208; Kentucky Power Company, Case No. 2017-00179 (Ky. PSC July 20, 2017).

WSCK requests that this material be granted confidential treatment for a permanent period of time. WSCK will produce these materials to parties in this proceeding that enter into a mutually agreeable confidentiality agreement.

Respectfully submitted,



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ATTORNEYS FOR WATER SERVICE CORPORATION  
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### **CERTIFICATE OF COMPLIANCE**

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that WSCK's January 11, 2019, electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on January 11, 2019; that there

are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and a copy of the filing are being delivered to the Commission within two (2) business days.

  
Counsel for WSCK

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