

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

Electronic Application of Bluegrass Water)
Utility Operating Company, LLC for an)
Adjustment of Rates and Approval of)
Construction)

Case No. 2020-00290

Bluegrass Water’s Motion for Confidential Treatment of Information

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water”), respectfully submits this Motion pursuant to 807 KAR 5:001, Section 13, for confidential treatment of certain information responsive to the second supplemental requests for information in this case. In support of this Motion, Bluegrass Water states as follows:

1. On this date, Bluegrass Water filed its Notice of Filing for Responses to Commission Staff’s Third Request for Information (“3 PSC __”) Nos. 03-4, 07-8, 10-14, and 22-23.

2. Bluegrass Water is seeking confidential treatment for certain information contained in documents attached as KY2020-00290_BW_0827 to KY2020-00290_BW_0833 responsive to 3 PSC 03 (the “Fallert documents”) – specifically the dollar amounts contained in the contract and related invoice therein. Bluegrass Water is also seeking confidential treatment for the following Excel spreadsheets/workbooks, all of which are filed separately and provided under seal: *Starnik-19555-19578-Allocation_CONFIDENTIAL.xlsx* (responsive to 3 PSC 03); *3 PSC 13a CONFIDENTIAL.xlsx* (responsive to 3 PSC 13); and *3 PSC 14b CONFIDENTIAL.xlsx* (responsive to 3 PSC 14).

3. 3 PSC 03 seeks information about third-party agreements with CSWR, LLC (“CSWR”) for providing various consulting services. Also, *Starnik-19555-19578-*

Allocation_CONFIDENTIAL.xlsx provides financial information about its agreement with CSWR, LLC, for which Bluegrass previously sought confidential treatment when filed in response to 1 PSC 14. For 3 PSC 13, Bluegrass Water provided corrected plant in service values in *3 PSC 13a CONFIDENTIAL.xlsx* updated from those previously provided in *2-PSC-01(f-g) CONFIDENTIAL.xlsx* (in the second round of responses to data requests) revealing data about Bluegrass's utility affiliates in other jurisdictions, identified in Schedule_OHA1. 3 PSC 14 provides similar sensitive information regarding the information previously provided in Schedule_OHA1 in *3 PSC 14b CONFIDENTIAL.xlsx* about its affiliates.

4. The above-identified documents (and information therein) are not publicly disseminated and public disclosure of this information would harm CSWR because these documents reveal sensitive information regarding the internal financial ability and workings of CSWR, a non-party who is not a utility nor is subject to regulation by the Commission. The sensitive, commercially-valuable, and financial information contained therein is not publicly distributed or disseminated outside of CSWR. The sensitive, commercially-valuable, and financial information contained in the identified documents is only disseminated internally to certain personnel with permission or a business reason to use it are permitted to view these documents. The redacted information in these documents for which confidential treatment is sought are treated as confidential by Bluegrass Water and its affiliates.

5. Disclosure of this information reveals Bluegrass's trade secrets and business practices for acquisition and expansion strategy and may affect its affiliates' ability to negotiate economically in future. The information about Bluegrass Water and its future business plans identified above, contained in the Excel workbooks/spreadsheets, as well as its agreements for consulting services (as shown by the dollar amounts in the Fallert documents), could be used by

competitors to the business injury of Bluegrass Water in other ways as well. An example of potential harm if not kept confidential is that it would give sensitive information about Bluegrass Water and CSWR Group's capability and its valuation of systems and their potential.

6. Under KRS 61.878(1)(c)(1), commercial information generally recognized as confidential is protected if disclosure would cause competitive injury and permits competitors an unfair commercial advantage. Public disclosure of the information in the documents for which Bluegrass Water seeks confidential treatment may cause competitive harm to CSWR in anticipated future acquisitions and operation of its systems in Kentucky.

7. If the Commission disagrees with Bluegrass Water that the material for which this Motion seeks confidential treatment is exempt from disclosure, it must hold an evidentiary hearing to protect the due process rights of Bluegrass Water and permit movant the opportunity to supply the Commission with a complete record and to address its specific questions to enable it to reach a decision with regard to this confidentiality request.

8. In compliance with 807 KAR 5:001, Sections 8(3) and 13(2)(3), Bluegrass Water is filing with the Commission copies of the Fallert documents, entirely unredacted and with highlighting of the material for which confidential treatment is sought. The unredacted copies are filed under seal pursuant to the instructions regarding confidential filings in the 3/24/20 Order issued in Ky. PSC Case No. 2020-00085; redacted pages of the subject documents are being publicly filed as attachments to 3 PSC 03. The confidential Excel format (.xlsx) files are not publicly filed and only filed with the Commission under seal (also pursuant to the instructions regarding confidential filings in the 3/24/20 Order issued in Ky. PSC Case No. 2020-00085).

9. Bluegrass Water would not object to the disclosure of these confidential filings pursuant to a confidentiality agreement with any intervenor who can demonstrate a legitimate

interest in reviewing the confidential information for the purpose of participating in this proceeding.¹

10. 807 KAR 5:001, Section 13(2)(a)(2) provides that a motion for confidential treatment shall state the time period in which the material should be treated as confidential and the reasons for this time period. Movant respectfully submits that five years from the date of the filing of this Motion is a reasonable period of time for these documents to be treated as confidential in light of the competitive conditions in the water and wastewater industry.

WHEREFORE, Bluegrass Water respectfully requests that the Commission grant confidential treatment of the information described herein.

Respectfully submitted,

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¹ Bluegrass Water has executed confidentiality agreements with the Attorney General and Joint Intervenors and will provide these confidential documents pursuant to the terms of those agreements.