

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Electronic Application of Water Service )  
Corporation of Kentucky for a General ) Case No. 2022-00147  
Adjustment in Existing Rates and a Certificate )  
of Public Convenience and Necessity to Deploy )  
Advanced Metering Infrastructure and Approval )  
Of Certain Regulatory Accounting Treatment )

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**PETITION FOR CONFIDENTIAL TREATMENT**

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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 for the contents of the “Wage and Benefit Study, Water Service Corporation of Kentucky, May 2022” (“Wage and Benefit Study”) that ScottMadden Management Consultants (“ScottMadden”) generated that was submitted in conjunction with Exhibit 9.6 to WSCK’s Application in this matter.

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 and that, if disclosed, would place the party seeking confidentiality at an unfair commercial advantage.

In support of its application, WSCK is submitting the testimony of Quentin Watkins of ScottMadden regarding the reasonableness of WSCK’s compensation and benefits. An attachment

to Mr. Watkins's testimony is the Wage and Benefit Study that ScottMadden prepared, which examines various facets of WSCK's compensation package for its employees.

The Wage and Benefit Study is based entirely on confidential and proprietary information. With respect to confidentiality, it reveals compensation information for a number of WSCK individuals. Because there is position-specific information (and in many instances only one person has that position), the public would be able to determine the employees' compensation information. The amount of compensation a person receives is generally regarded as confidential information and those employees have a reasonable expectation that such information would not be publicly disseminated. The Court of Appeals has stated that "information such as . . . wage rate . . . [is] generally accepted by society as [a] detail [] in which an individual has at least some expectation of privacy." *Zink v. Dept. of Workers' Claims, Labor Cabinet*, 902 S.W.2d 825, 828 (Ky. App. 1994). The Commission has previously granted petitions for confidential treatment regarding compensation information in prior rate proceedings. *See, e.g., Kentucky American Water Company*, Case No. 2012-00520 (Ky. PSC April 17, 2014).

With respect to the Wage and Benefit Study containing proprietary information, it contains information regarding WSCK compensation and market positioning. If competitors were able to access this information, competitors would have an unfair commercial advantage in hiring away current and future WSCK employees. This analysis, which is reflected in the document, are the product of the investment of extensive time and money. Allowing competitors to have access to this Study and the assessments discussed therein would inure a competitive advantage to those competitors, who would benefit from WSCK's and ScottMadden's work without paying for same. The Commission has previously found that similar compensation

studies merit confidential protection. *See, e.g., Kentucky American Water Company*, Case No. 2018-00358 (Ky. PSC Mar. 14, 2019); *Cumberland Valley Electric, Inc.*, Case No. 2014-00159, (Ky. PSC May 7, 2015).

The information for which WSCK is seeking confidential treatment pursuant to KRS 61.878(1)(a),(c) is not known outside of the utility, is not disseminated within WSCK except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information within the utility industry. WSCK will disclose the confidential information to any intervenors pursuant to a confidentiality agreement.


Because WSCK is requesting confidential treatment for the entire Wage and Benefit Study, written notification that the entire document is confidential has been submitted with the document in lieu of highlighting in accordance with 807 KAR 5:001, Section 13(2)(b).

WSCK requests that the information be kept confidential for an indefinite period of time because of the highly personally confidential and proprietary nature of the information at issue. This is consistent with the Commission's prior orders for such compensation studies. *See, e.g., Cumberland Valley Electric, Inc.*, Case No. 2014-00159, (Ky. PSC May 7, 2015).

WHEREFORE, WSCK respectfully requests that the Commission grant confidential protection for the information described herein.

RESPECTFULLY SUBMITTED,

STURGILL, TURNER, BARKER & MOLONEY, PLLC



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