

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

In the Matter of:

ELECTRONIC APPLICATION OF)	
BLUEGRASS WATER UTILITY)	
OPERATING COMPANY, LLC FOR AN)	Case No. 2025-00354
ADJUSTMENT OF WATER AND)	
SEWAGE RATES)	

**MOTION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC
FOR CONFIDENTIAL TREATMENT**

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, and pursuant to 807 KAR 5:001 Section 13 and KRS 61.878, respectfully submits this motion for confidential treatment of certain information provided in its Exhibits filed in support of its Application for Adjustment of Water and Sewage Rates. The information for which Bluegrass Water seeks confidential treatment is hereinafter referred to as the “Confidential Information.” In support of its Motion, Bluegrass Water states as follows.

1. Contemporaneously with the filing of this motion, Bluegrass Water has filed its Application and supporting Exhibits and Schedules in the above-referenced matter.
2. Within those Exhibits and Schedules, Bluegrass Water has provided certain Confidential Information, which includes:
 - a. Portions of Exhibit 5 to the Application, the Direct Testimony of Aaron Silas;
 - b. Exhibit 16 to the Application, employee compensation and benefits;
 - c. Portions of Exhibit 19 to the Application, Bluegrass Water’s service contracts with third parties; and
 - d. Exhibit 21 to the Application, Bluegrass Water’s federal and state tax returns.

I. EXHIBIT 5 – DIRECT TESTIMONY OF AARON SILAS AND EXHIBIT 19 – SERVICE CONTRACTS

3. Pursuant to KRS 61.878(1)(c)(1), commercial information which is generally recognized as confidential is protected if disclosure would cause competitive injury and permit competitors to obtain an unfair commercial advantage.

4. Bluegrass Water seeks to keep confidential the pricing provisions of its service contracts with third-party service providers. As outlined in the Direct Testimony of Todd Thomas (Application Exhibit 20), the third-party service contracts are the result of a competitive bidding process. Further, for similar service contracts Bluegrass Water will engage in an RFP process to award future contracts. Accordingly, public disclosure of the current pricing could lead to higher bids in future public bidding procedures.

5. These effects were recognized in PSC Case No. 2003-00054, in which the Commission granted confidential treatment to bids submitted to Union Light, Heat & Power (“ULH&P”). ULH&P argued, and the Commission implicitly accepted, that if the bids it received were publicly disclosed, contractors on future work could use the bids as a benchmark, which would likely lead to the submission of higher bids.¹

6. Accordingly, Bluegrass Water respectfully requests that the Commission grant its Motion to keep as confidential for a period of five (5) years the pricing provisions of the service contracts attached to the Application as Exhibit 19 and the portions of the Direct Testimony of Aaron Silas, attached to the Application as Exhibit 5, which refer to pricing provisions of the service contracts.

¹ *In the Matter of: Application of the Union Light, Heat and Power Company for Confidential Treatment*, Order, PSC Case No. 2003-00054 (August 4, 2003).

II. EXHIBIT 16 – EMPLOYEE COMPENSATION AND BENEFITS

7. Pursuant to KRS 61.878(1)(c)(1), commercial information which is generally recognized as confidential is protected if disclosure would cause competitive injury and permit competitors to obtain an unfair commercial advantage.

8. Additionally, pursuant to KRS 61.878(1)(a), the Commission grants confidential treatment to “records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.”

9. Exhibit 16 contains specific information relating to the compensation and benefits of employees of Central States Water Resources, LLC (“CSWR”). As part of CSWR’s strategy to attract top talent to the company, CSWR offers a benefits package that competes favorably with benefits offered by larger water and wastewater utilities. The Confidential Information in Exhibit 16 consists of pay rates, annual salary, as well as CSWR’s monthly expenses for benefits and payroll taxes, broken down by each employee. The Commission has previously granted confidential treatment to employee salary and benefits information.² Although the Commission has not historically afforded executive compensation confidential status, Bluegrass Water respectfully submits that it is appropriate in this limited circumstance.³

² See, e.g., *In the Matter of: Electronic Application of Water Service Corporation of Kentucky for a General Adjustment of Existing Rates*, Case No. 2018-00208 (Ky. PSC Mar. 8, 2019), Order (granting confidential treatment where “confidential employee compensation information, if disclosed, would enable competitors to attempt to recruit key personnel, and would compromise the Company’s position in negotiating employee compensation terms.”); *In the Matter of: Electronic Application of Duke Energy Kentucky, Inc. for (1) An Adjustment of Electric Rates; (2) Approval of New Tariffs; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and (4) All Other Required Approvals and Relief*, Case No. 2022-00372, Order (Feb. 10, 2023).

³ *In the Matter of: Electronic Application of Duke Energy Kentucky, Inc. for (1) An Adjustment of Electric Rates; (2) Approval of New Tariffs; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and (4) All Other Required Approvals and Relief*, Case No. 2022-00372, Order (Feb. 10, 2023).

10. The benefits of CSWR's employees consist of information of a personal nature and the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.⁴

11. In addition, CSWR provides a level of experience and expertise that is not usually available to utilities the size of Bluegrass Water. If information regarding all levels of CSWR's employee base is publicly disclosed, competitors could use this information to CSWR's detriment to recruit key employees at all levels, including its executives. Competitor use of this information could consequently result in additional pressure for CSWR and Bluegrass Water to increase compensation and benefits to compete in the attraction and retention of skillful employees and executives. By having access to the salaries CSWR currently pays, prospective employees and executives could use this information to negotiate higher salaries, much like a contractor for future work could use prior bids to Bluegrass Water's detriment.⁵

12. To be clear, Bluegrass Water does not seek confidential treatment for the aggregate monthly or annual costs incurred by CSWR in providing benefits to all employees who perform Kentucky operations. Instead, Bluegrass Water only seeks confidential treatment for the compensation and benefits information attributable to specific job titles.

13. Accordingly, Bluegrass Water requests that the Confidential Information in Exhibit 16 be afforded confidential treatment indefinitely to avoid an unwarranted invasion of personal privacy.

⁴ *In the Matter of: (1) An Adjustment of Electric Rates; (2) Approval of New Tariffs; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; and (4) All Other Required Approvals and Relief*, Case No. 2022-00372 (Ky. PSC Feb. 10, 2023), Order.

⁵ *See In the Matter of: Application of the Union Light, Heat and Power Company for Confidential Treatment*, Case No. 2003-00054 (Ky. PSC Aug. 4, 2003), Order.

III. EXHIBIT 21 - FEDERAL AND STATE TAX RETURNS

14. The Confidential Information in Exhibit 21 is Bluegrass Water's federal and state income tax returns. The Commission considers tax returns confidential and exempt from public disclosure for an indefinite period of time.⁶

IV. TIME PERIOD

15. 807 KAR 5:001 Section 13(2)(a)(2) provides that a motion for confidential treatment shall state the time period for which the material should be treated as confidential and the reasons for this time period.

a. Bluegrass Water respectfully submits that the tax returns and employee compensation and benefits information should be accorded confidential treatment for an "indefinite" period of time.

b. The service contracts may remain confidential for 5 years from the date of the filing of this Motion, which Bluegrass Water submits is a reasonable period of time for confidentiality in light of competitive conditions in the water and sewage industry.

V. REQUEST FOR RELIEF

16. If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Bluegrass Water will notify the Commission in writing. 807 KAR 5:001 Section 13(10)(b).

⁶ *In the Matter of: Electronic Investigation of the Impact of the Tax Cuts and Job Act on the Rates of Columbia Gas of Kentucky, Inc.*, Case No. 2018-00041, Order at 2 (Jun. 6, 2018).

17. Because this Confidential Information is subject to a pending motion for confidential treatment, the Confidential Information remains confidential until the Commission acts on that motion.⁷

18. This Confidential Information is not publicly available, is not disseminated within Bluegrass Water except to those employees and professionals with a legitimate business need to know and act upon the information, and is not disseminated to others without a legitimate need to know and act upon the information.

19. If disclosed, the Confidential Information would allow Bluegrass Water's competitors to discover, and use, Confidential Information concerning Bluegrass Water's financial condition, negotiation tactics, and business strategies, to the unfair competitive advantage of Bluegrass Water.

20. If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Bluegrass Water will notify the Commission in writing. 807 KAR 5:001 Section 13(10)(b).

21. 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 the opportunity to supply the Commission with a complete record to enable it to reach a decision with regard to this confidentiality request.

22. In compliance with 807 KAR Section 8(3) and Section 13(2)(e), Bluegrass Water is filing with the Commission a copy of the Confidential Information, entirely unredacted and with

⁷ See 807 KAR 5:001 Section 13(4) ("Pending action by the commission on a motion for confidential treatment or by its executive director on a request for confidential treatment, the material specifically identified shall be accorded confidential treatment.").

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 March 24, 2020 Order issued in Case No. 2020-00085; redacted pages of the subject documents are being publicly filed.

WHEREFORE, Bluegrass Water respectfully requests that the Commission classify and protect the Confidential Information as confidential as requested herein.

Submitted this the 11th day of December, 2025.

Respectfully submitted,

/s/ Edward T. Depp

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Certification

Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission. I hereby certify that a copy of this Notice has been served electronically on all parties of record for whom an e-mail address is given in the online Service List for this proceeding through use of the Commission's electronic filing system.

/s/ Edward T. Depp

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