

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION FOR AN) Case No. 2014-00339
ADJUSTMENT OF RATES)

WRITTEN NOTIFICATION OF CONFIDENTIALITY
FOR ENTIRE DOCUMENT - 807 KAR 5:001 SECTION 13(2)(9)(3)(6)

This is to notify that confidential treatment is sought for the entire response to AG

Item 27 attached hereto.



ATTORNEY FOR BLUE GRASS ENERGY
COOPERATIVE CORPORATION

Item 27

Witness: Donald Smothers

Blue Grass Energy Cooperative Corporation
Case No. 2014-00339
Response to Commission Staff's Second Request for Information

NOTE: CONFIDENTIAL TREATMENT IS REQUESTED FOR
ENTIRE TWELVE (12) PAGES OF RESPONSE TO THIS AG
ITEM 27 807 KAR 5:001 SECTION 13(2)(a)(3)(b)

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APPLICATION OF BLUE GRASS ENERGY)
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**MOTION OF BLUE GRASS ENERGY COOPERATIVE CORPORATION
FOR CONFIDENTIAL TREATMENT OF MATERIAL UNDER
807 KAR 5:001 SECTION 13 AND KRS 61.878**

Blue Grass Energy Cooperative Corporation (“BGE”) moves the Kentucky Public Service Commission pursuant to 807 KAR 5:001, Section 13 and KRS 61.878 to grant confidential protection for material provided in movant’s responses to Item 27 of “Response of Attorney General Second Request for Information” (AG Item 27).

**SPECIFIC GROUNDS PURSUANT TO KRS 61.878
FOR CLASSIFICATION OF MATERIAL AS CONFIDENTIAL**

The specific grounds for confidentiality protection are based upon KRS 61.878(1)(a) (unwarranted invasion of personal privacy) and KRS 61.878(1)(c)(1) (generally recognized as confidential permitting unfair commercial advantage to competitors).

DISCUSSION

I. CONFIDENTIAL PERSONAL PRIVACY KRS 61.878(1)(a).

The BGE response to PSC AG Item 27 reveals wage bonus compensation which can be used to easily identify individual employees and officers of BGE. Compensation by category or office can be easily linked to the names of employees of the organization. BGE treats the bonus compensation of each employee as confidential to protect the personal privacy of the employees. The bonus compensation of each employee is not

publicly disclosed and is not subject to the Kentucky Open Records law. KRS 61.878(1)(a) protects such material as confidential by excluding from open records, as follows:

(a) Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy.

The Kentucky Public Service Commission in Case No. 2013-00167 (application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service) granted confidential protection indefinitely for a specific employee's compensation. That PSC order noted the significance of privacy with a statement from Zink v. Department of Worker's Claims, Labor Cabinet, 902 SW 2d 825, 828 (Ky. Ct. App. 1994) as follows:

information such as . . . wage rate . . . [is] generally accepted by society as [a] detail in which an individual has at least some expectation of privacy.

The court in Zink, supra, also stated at page 829, as follows:

Further, few things in our society are deemed of a more intimate nature than one's income.

The disclosures in responses to AG Item 27 would violate the privacy expectations of employees and officers by revealing compensation which could be easily linked and attributed to the names of individuals. BGE is obligated to protect the personal privacy of its employees and officers.

II. CONFIDENTIAL AND PROPRIETARY COMMERCIAL INFORMATION KRS 61.878(1)(c)(1)

KRS 61.878(1)(c)(1) provides confidentiality protection to certain business records and information, as follows:

(c)1. Upon and after July 15, 1992, records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the

records: (Emphasis Added).

AG Item 27 contains employee bonus compensation.

Wage and compensation plans, survey studies, evaluations, projections and forecasts have been given confidential protection by PSC. See PSC Case No. 2012-00520 (Application of Kentucky-American Water Company) and PSC Case No. 2013-00199 (Big Rivers Electric Corporation)

Confidential protection for response to AG Item 27 is required to prevent unfair commercial advantage to competitors of BGE. The Compensation Plans reveal highly sensitive proprietary information which is necessary to compete in the utility market for qualified employees with competitive compensation. The rates of bonus compensation must be confidential in this highly competitive business.

CONCLUSION

1. BGE requests confidential treatment of all response material for AG Item 27 as set forth above.
2. The requested time period for the material to be treated as confidential is indefinite. This period of time should avoid any violation of personal privacy and prevent any proprietary and business disadvantage from revealing the wage bonus compensation payments and plans of BGE.
3. Attached are ten (10) copies of the material in paper medium with request for confidential treatment of all the response to AG Item 27 and, in a separate sealed envelope marked "CONFIDENTIAL", one (1) copy of the material in paper medium being response to AG Item 27 which disclose confidential material.

Dated: March 2, 2015.



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Attorney for Blue Grass Energy
Cooperative Corporation

CERTIFICATE

This is to certify that the electronic filing of "Motion of Blue Grass Energy Cooperative Corporation for Confidential Treatment of Material under 807 KAR 5:00 Section 13 and KRS 61.878" is a true and accurate copy of the same document being filed in paper medium, that the electronic filing has been transmitted to the Public Service Commission on March 2, 2015, that there are no parties that the Commission has excused from participation by electronic means in this proceeding, that an original in paper medium of the Motion and a copy of the material for which confidentiality is requested sealed in an opaque envelope are being delivered to the Commission on March 2, 2015 and that a true copy of the Motion has been mailed to Hon. Gregory T. Dutton, Assistant Attorney General, Utility & Rate Office, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601-8204 this 2nd day of March, 2015.



ATTORNEY FOR BLUE GRASS ENERGY
COOPERATIVE CORPORATION