# BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of a General Investigation	)	
Regarding the Rate Study and Assessment of	)	Docket No. 20-GIME-068-GIE
Expenses Resulting from Substitute for Senate	)	
Bill No. 69.	)	

### NOTICE OF COMMISSION STAFF REGARDING CONFIDENTIALITY

Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) hereby files this notice advising the Commission and interested stakeholders as to Staff's efforts to address the confidential designation of the rate study report submitted in this matter by AECOM.

#### I. PERTINENT BACKGROUND AND DISCUSSION

- 1. During 2019, the Kansas Legislature passed the Substitute for Senate Bill 69, which requires a study of Kansas electric retail rates (Rate Study). Governor Kelly subsequently signed the bill, authorizing the Rate Study be conducted. On August 8, 2019, the Commission initiated this proceeding, *inter alia*, to be used as a repository for the Rate Study.
- 2. The Rate Study was broken into two phases, with the first phase being completed in January 2020 by London Economics International, LLC (Phase I). On January 8, 2020, the Commission caused the resulting report from the Phase I Rate Study to be filed in this matter. The second phase was recently completed by AECOM (Phase II), and the Commission caused a public version of the report for the Phase II Rate Study to be filed in this matter on July 2, 2020 (Phase II Report).
- 3. In the hours leading up to the filing of the Phase II Report, AECOM contacted Commission Staff advising that a public and confidential version of the Phase II Report was being

submitted by AECOM. Prior to this contact, Staff was unaware of AECOM's intent to submit a confidential version of the report.

- 4. After receipt of the Phase II Report, Staff began its review, starting with a comparison of the public and confidential versions of the Phase II Report, in an attempt to ascertain the reasoning behind the submittal of a confidential version of the report.
- 5. From Staff's initial review it was unclear why some of the information contained in the Phase II Report was designated as confidential, as much of the confidentially designated material appeared to be in aggregate form that is otherwise obtainable in public records.
- 6. However, Staff was aware that in order to conduct its analysis, AECOM necessarily entered into confidentiality agreements with the utilities in order to protect the respective utilities' sensitive data including, but not limited to, customer and pricing information. Staff was also aware that some of the information obtained by AECOM may be such that dissemination, even under protective order, is inappropriate.
- 7. In an attempt to address the confidentiality issues, Staff reached out to AECOM requesting it to advise as to the justification for each of the confidential designations, and noting that the Commission's general rules regarding confidentiality require parties claiming confidentiality to justify such designations.<sup>1</sup> Staff further reminded AECOM that the Kansas Legislature directed the undertaking of the Rate Study, and as such, the confidential designations

<sup>&</sup>lt;sup>1</sup> Paragraph seven (7) of the Commission's October 17, 2019 *Protective and Discovery Order* provides, in pertinent part:

Confidential Information: "Confidential information" refers to information which, if disclosed, would likely result in harm to a party's economic or competitive interests or which would result in harm to the public interest, generally, and which is not otherwise available from public sources. "Confidential information" may include, but is not limited to: (1) material or documents that contain information relating directly to specific customers; (2) employee-sensitive information; (3) marketing analyses or other market-specific information relating to services offered in competition with others; (4) reports, work papers or other documentation related to work produced by internal or external auditors or consultants; (5) strategies employed, to be employed, or under consideration; (6) contract negotiations; and, (7) information concerning trade secrets, as well as private technical, financial, and business information.

are problematic because they prevent the legislature from reviewing the Phase II Report in its

entirety.

8. AECOM is working to provide the requested information to Staff. Staff will

continue diligently working with AECOM to address the confidentiality issues, understanding that

a meaningful public report is necessary. In the meantime, Staff recommends that the Commission

not disseminate the confidential version of the report until such time as AECOM has resolved the

confidentiality issues. This approach will ensure that sensitive utility information that would not

otherwise be discoverable as part of a Commission proceeding is not disseminated.

Respectfully submitted,

[s] Terri J. Pemberton

Terri J. Pemberton (#23297) Chief Litigation Counsel

Kansas Corporation Commission

1500 SW Arrowhead Road

Topeka, Kansas 66604

Office: (785) 271-3301

E-Mail: t.pemberton@kcc.ks.gov

3

### **CERTIFICATE OF SERVICE**

#### 20-GIME-068-GIE

I, the undersigned, certify that a true and correct copy of the above and foregoing Notice to Commission Regarding Confidentiality was served electronically this 7th day of July, 2020, to the following:

JOSEPH R. ASTRAB, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax: 785-271-3116 J astrab@curb kansas gov

DAVID W NICKEL, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax 785-271-3116 d nickel@curb kansas gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax 785-271-3116
d.smith@curb kansas gov

BRIAN G FEDOTIN, GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax 785-271-3354 b fedotin@kcc ks gov

TERRI PEMBERTON, CHIEF LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax<sup>-</sup> 785-271-3354 t pemberton@kcc ks gov TODD E LOVE, ATTORNEY
CITIZENS UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax 785-271-3116
t love@curb kansas gov

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
Fax 785-271-3116
s.rabb@curb kansas gov

SHERI RICHARD, DIRECTOR, RATES AND REGULATORY AFFAIRS
EMPIRE DISTRICT ELECTRIC COMPANY
602 S JOPLIN AVENUE
PO BOX 127
JOPLIN, MO 64802
Fax: 417-625-5169
sheri.richard@libertyutilities com

MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604 Fax 785-271-3167 m neeley@kcc ks gov

MARCUS HARRIS, EVP/CEO
KANSAS ELECTRIC COOPERATIVE, INC
7332 SW 21ST STREET
PO BOX 4267
TOPEKA, KS 66604-0267
Fax 785-478-4852
mharris@kepco org

## **CERTIFICATE OF SERVICE**

20-GIME-068-GIE

LESLIE KAUFMAN KANSAS ELECTRIC COOPERATIVE, INC Kansas Electric Cooperatives, Inc. 7332 SW 21st St, PO Box 4267 Topeka, KS 66604 Fax: 785-478-4852 Ikaufman@kec.org

SUSAN B CUNNINGHAM, SVP, REGULATORY AND GOVERNMENT AFFAIRS, GENERAL COUNSEL KANSAS ELECTRIC POWER CO-OP, INC 600 SW CORPORATE VIEW PO BOX 4877 TOPEKA, KS 66604-0877 Fax. 785-271-4888 scunningham@kepco.org

REBECCA FOWLER, ATTORNEY KANSAS ELECTRIC POWER CO-OP, INC 600 SW CORPORATE VIEW PO BOX 4877 TOPEKA, KS 66604-0877 Fax: 785-271-4888 rfowler@kepco org

COLIN HANSEN, EXECUTIVE DIRECTOR KANSAS MUNICIPAL UTILITIES, INC 2090 E AVENUE A MCPHERSON, KS 67460 Fax. 620-241-7829 chansen@kmunet org

ANDREW O SCHULTE, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 Fax 816-753-1536 aschulte@polsinelli.com DOUGLAS SHEPHERD, VP, MANAGEMENT CONSULTING SERVICES
KANSAS ELECTRIC COOPERATIVE, INC
7332 SW 21ST STREET
PO BOX 4267
TOPEKA, KS 66604-0267
Fax: 785-478-4852
dshepherd@kec org

MARK DOLJAC, DIR RATES AND REGULATION
KANSAS ELECTRIC POWER CO-OP, INC
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
Fax: 785-2714888
mdoljac@kepco org

PAUL MAHLBERG, GENERAL MANAGER KANSAS MUNICIPAL ENERGY AGENCY 6300 W 95TH ST OVERLAND PARK, KS 66212-1431 Fax: 913-677-0804 mahlberg@kmea com

FRANK A CARO, JR, ATTORNEY POLSINELLI PC 900 W 48TH PLACE STE 900 KANSAS CITY, MO 64112 Fax 816-753-1536 fcaro@polsinelli com

TAYLOR P CALCARA, ATTORNEY WATKINS CALCARA CHTD 1321 MAIN ST STE 300 PO DRAWER 1110 GREAT BEND, KS 67530 Fax. 620-792-2775 tcalcara@wcrf com

Vicki Jacoh