

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

**IN THE MATTER OF:** )  
 )  
**NOTICE OF ADJUSTMENT OF THE RATES OF** ) **CASE NO. 2008-00427**  
**KENTUCKY-AMERICAN WATER COMPANY** )  
**EFFECTIVE ON AND AFTER NOVEMBER 30, 2007** )

**PETITION FOR CONFIDENTIAL TREATMENT  
OF RESPONSES TO ITEMS 12 AND 58 OF THE COMMISSION  
STAFF'S SECOND SET OF INFORMATION REQUESTS AND  
ITEM 17 OF THE LFUCG'S FIRST SET OF INFORMATION REQUESTS**

Kentucky-American Water Company (“KAWC”) moves the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c) to grant confidential treatment to information relating to the affairs of KAWC and its parent company, American Water Works Company, Inc. (“AWW”). In support of this Petition, KAWC states as follows:

1. On December 19, 2008, the Commission Staff served its Second Set of Information Requests and the LFUCG served its First Set of Information Requests on KAWC. Items 12 and 58 of the Commission’s Second Set of Information Requests seek information relating to incentive compensation plans and dividend policy, respectively. Item 17 of the LFUCG’s First Set of Information Requests seeks information relating to fire hydrant maintenance.

2. The Kentucky Open Records Act exempts from disclosure certain confidential or proprietary information. KRS 61.878(1)(c). To qualify for this exemption, and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the

information would permit an unfair commercial advantage to competitors of the party seeking confidentiality.

3. The response to Item 12 of the Commission Staff's Second Set of Information Requests includes the 2008 AWW incentive pay plan. It is the product of extensive time and money invested by AWW. Further, it is part of the compensation package offered to certain employees in the AWW corporate family. If that information became known to the public, it would give competitors "free" use of materials paid for by AWW. Further, it would give competitors compensation information that could be used to recruit employees in the AWW corporate family. Finally, KAWC sought confidential protection of it on December 23, 2008 in connection with KAWC's responses to the Attorney General's First Set of Information Requests.<sup>1</sup> The response to Item 58 of the Commission Staff's Second Set of Information Requests includes dividend policy information. If that information became known to the public, it could provide an unfair commercial advantage to AWW's and KAWC's competitors.

4. The response to Item 17 of the LFUCG's First Set of Information Requests includes fire hydrant maintenance information. That information is the product of extensive time and money invested by AWW. If it became known to the public, it would give competitors "free" use of materials paid for by AWW. If those competitors have free access to the same information that AWW expended substantial resources to develop, they will derive an unfair commercial advantage.

5. The description of the responsive documents above demonstrates that they merit confidential treatment. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of KAWC and so that the Commission will have a

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<sup>1</sup> See KAWC's December 23, 2008 Petition for Confidential Treatment in this matter.

complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

6. KAWC does not object to the disclosure of the information at issue to the parties to this proceeding upon the execution of a confidentiality agreement. Two paper copies and a CD containing the documents in electronic medium have been filed with the Commission under seal for its use in this proceeding on a confidential basis.

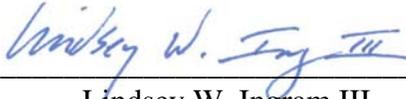
**WHEREFORE**, KAWC respectfully requests that the Commission grant confidential treatment for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Respectfully submitted,

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**CERTIFICATE**

In accordance with Ordering Paragraph No. 5 of the Commission's October 30, 2008 Order, this is to certify that Kentucky-American Water Company's January 8, 2009 electronic filing of this Petition is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on January 8, 2009 (without confidential attachments); that an original and one copy of the filing will be delivered to the Commission on January 8, 2009 (with attachments under seal); and that, on January 8, 2009, notification of the electronic filing will be provided to the Commission and the following via electronic mail:

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