

**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 105, 133 AND 189 OF THE ATTORNEY
GENERAL’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 12, 2008, the Attorney General officially served its First Set of Information Requests on KAWC. Item 105 of those requests asks for copies of employee incentive compensation plans. Item 133 of those requests asks for information relating to the expected returns on the assets in the AWW pension plan. Item 189 of those requests asks for information relating to benchmarking studies within the AWW corporate family.

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 105 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.

4. The responses to Items 133 and 189 include projected earnings on the AWW pension plan assets and the results of a benchmarking study that was performed for AWW, respectively. Both responses consist of commercial information that is confidential and proprietary, the disclosure of which would unfairly advantage AWW’s and/or KAWC’s competitors. 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 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, a copy of which is attached. 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,

A.W. Turner, Jr., General Counsel
KENTUCKY-AMERICAN WATER COMPANY
2300 Richmond Road
Lexington, Kentucky 40502
A.Turner@amwater.com

and

STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3000
L.Ingram@skofirm.com

BY: 
Lindsey W. Ingram III
Attorneys for Kentucky-American Water Company

CERTIFICATE

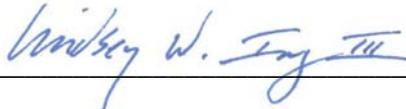
In accordance with Ordering Paragraph No. 5 of the Commission's October 30, 2008 Order, this is to certify that Kentucky-American Water Company's December 23, 2008 electronic filing of this Petition is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on December 23, 2008 (without confidential attachments); that an original and one copy of the filing will be delivered to the Commission on December 23, 2008 (with attachments under seal); and that, on December 23, 2008, notification of the electronic filing will be provided to the Commission and the following via electronic mail:

David Edward Spenard
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
david.spenard@ag.ky.gov
dennis.howard@ky.gov
heather.kash@ag.ky.gov

Willis L. Wilson
Leslye M. Bowman
LFUCG
Department of Law
200 East Main Street
Lexington, Kentucky 40507
wlw@lfucg.com
lbowman@lfucg.com

Joe F. Childers
Kristopher Collman
Getty & Childers, PLLC
1900 Lexington Financial Center
250 West Main Street
Lexington, Kentucky 40507
jchilders@gettychilders.com
kcollman@gettychilders.com
Jack.Burch@commaction.org
Charles.Lanter@commaction.org

STOLL KEENON OGDEN PLLC

By 

Attorneys for Kentucky-American Water Company