

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
THE APPLICATION OF KENTUCKY-AMERICAN) CASE NO. 2012-00520
WATER COMPANY FOR AN ADJUSTMENT OF)
RATES ON AND AFTER JANUARY 27, 2013)

**PETITION FOR CONFIDENTIAL TREATMENT FOR THE SUPPLEMENTAL
RESPONSE TO ITEM NO. 168(C) OF THE ATTORNEY GENERAL’S FIRST
REQUEST FOR INFORMATION**

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) to grant confidential treatment to the supplemental response to Item No. 168(c) of the Attorney General’s (“AG”) First Request for Information. In support of this Petition, KAWC states as follows:

1. On February 6, 2013, the Attorney General served its First Request for Information on KAWC. Item No. 168(c) requests information regarding how the Business Transformation (“BT”) project was developed. On February 20, 2013, KAWC provided a response to Item No. 168(c) that contained information for which a Petition for Confidential Treatment was filed.

2. KAWC discovered that it inadvertently omitted documents that are responsive to Item No. 168(c). Its supplemental response contains hundreds of contracts, schedules, exhibits, and appendices associated with the BT undertaking. Certain of the documents contain confidentiality restrictions that prohibit American Water from publically disclosing the information. Moreover, the contracts are the result of extensive investment and effort on the behalf of American Water, and contain sensitive commercial information regarding the hardware

and software American Water is implementing as part of the BT undertaking. For these reasons, the contracts and supporting documentation should not be disclosed publically, especially to competitors. Moreover, if potential vendors are able to review the contracts and determine what American Water and its operating subsidiaries are willing to pay for information technology components, vendors can tailor their bids to the financial detriment of American Water, KAWC, and its customers.

3. KAWC requests that the information be held confidentially in perpetuity. KAWC cannot envision a period of time in which it would be appropriate for KAWC's commercially sensitive and proprietary information to be disclosed in the public realm.

4. 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., 642 S.W.2d 591, 592-94 (Ky. App. 1982).

5. 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. In accordance with the Commission's December 17, 2012 Order KAWC is filing a copy of the material with those portions for which confidentiality is sought redacted on the Commission's web portal (in addition to the original and paper copy provided of the response). Because the confidential response to Item No. 168(c) is voluminous and maintained in electronic form, KAWC has contemporaneously filed a Motion to Deviate from the requirement of filing a paper copy of the

response. The response is being provided on a compact disc, and KAWC seeks confidential treatment of every file on the disc.

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.

Dated: March 29, 2013

Respectfully submitted,

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CERTIFICATE

In accordance with Ordering Paragraph No. 10 of the Commission's December 17, 2012 Order, this is to certify that Kentucky-American Water Company's March 29, 2013 electronic filing 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 March 29, 2013; that an original and one copy of the filing will be delivered to the Commission on March 29, 2013; and that no party has been excused from participation by electronic means.

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By Monica H. Braun

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