

Edward T. Depp
(502) 540-2347 (Direct Dial)
tip.depp@dinslaw.com

November 16, 2007

RECEIVED

NOV 19 2007

**PUBLIC SERVICE
COMMISSION**

VIA E-MAIL AND U.S. FIRST CLASS MAIL

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: *Application of Kentucky-American Water Company, a/k/a Kentucky American Water for Certificate of Convenience and Public Necessity Authorizing Construction of Kentucky River Station II ("KRS II"), Associated Facilities, and Transmission Line; Case No. 2007-00134*

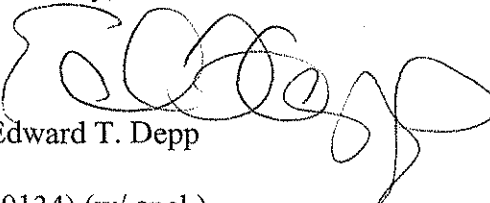
Dear Ms. O'Donnell:

Pursuant to the November 15, 2007 order of the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), Louisville Water Company ("LWC"), hereby advises the Commission that it is in discussion with Kentucky American Water Company ("KAWC") for the production of the documents responsive to KAWC's initial request number three.

KAWC and LWC anticipate having resolved any issues associated with this production on Monday, November 19, 2007. While KAWC and LWC are still finalizing the terms of an appropriate protective agreement, they have agreed in principle to the substance of the confidentiality protections in the draft agreement attached hereto.

Thank you, and please call us if you have any questions.

Sincerely,



Edward T. Depp

ETD/kwi

cc: All parties of record (Case No. 2007-00134) (w/ encl.)
Barbara K. Dickens, Esq. (w/ encl.)

127114_1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

NOV 19 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY) CASE NO. 2007-00134
AUTHORIZING THE CONSTRUCTION OF)
KENTUCKY RIVER STATION II, ASSOCIATED)
FACILITIES AND TRANSMISSION MAIN)

CONFIDENTIALITY AGREEMENT

WHEREAS Louisville Water Company ("LWC") has become involved in a proceeding before the Public Service Commission initiated by Kentucky-American Water Company ("Kentucky-American"), Case No. 2007-00134 (the "Proceeding");

WHEREAS LWC moved for rehearing of the Commission's Order of October 29, 2007 in the Proceeding in which the Commission directed LWC to respond to certain discovery requests of Kentucky-American; and

WHEREAS the Commission granted LWC's motion in part and denied it in part by Order dated November 15, 2007 (the "Order", attached as Exhibit A); and

WHEREAS the Order requires LWC to produce to Kentucky-American only certain relevant information as more fully described in the Order; and

WHEREAS the relevant information that the Commission has Ordered be produced by LWC to Kentucky-American is officially maintained on the intranet of LWC at its business offices in Louisville, Kentucky, and not in hard copy; and

WHEREAS LWC considers the relevant information that the Commission has Ordered be produced to be extremely sensitive and, thus, LWC maintains the relevant information in closest confidence; and

WHEREAS Kentucky-American wishes to review relevant information in accordance with the Order that is maintained on the LWC intranet;

NOW THEREFORE Kentucky-American and LWC mutually agree to enter into this Confidentiality Agreement (the "Agreement") in connection with Kentucky-American's review of relevant information maintained on the LWC intranet upon the following terms:

1. **Description of Confidential Information.** The information to be disclosed under this Agreement is the information that the Commission required LWC to produce to Kentucky-

American in the Order. No other information that LWC maintains, including but not limited to information maintained on LWC's intranet, its shared drives, or in any other medium or location, shall be subject to inspection by Kentucky-American.

2. **Limited Use and Disclosure of Confidential Information.**

a. The Confidential Information shall be reviewed only by employees or representatives of Kentucky-American that have signed this Agreement and agree to be bound by its terms. Kentucky-American agrees to restrict access to the Confidential Information only to those employees or representatives who "need to know" to participate in the Proceeding. These Kentucky-American employees or representatives shall be referred to herein as "Authorized Recipients."

b. Kentucky-American and the Authorized Recipients shall make use of the Confidential Information only for purposes of the Proceeding and only in accordance with the terms and conditions of this Agreement.

c. As soon as practicable prior to any intended use whatsoever of the Confidential Information in the Proceeding, Kentucky-American shall provide written notice to LWC (through counsel) and the Commission of Kentucky-American's intention to use the Confidential Information. The description of the Confidential Information in that notice shall be drafted in a fashion that does not disclose any more information than is necessary to understand the basic content of the Confidential Information. As soon as practicable upon receipt of this notice, LWC may object to the use of the Confidential Information to Kentucky-American and to the Commission. Should Kentucky-American wish to use the information over an objection raised by LWC (if any), it must first obtain express approval from the Commission.

d. If Kentucky-American uses any Confidential Information in the Proceeding, it must mark all such Confidential Information as "CONFIDENTIAL" when providing it to the Commission. The Confidential Information shall be kept separate from any publicly-available information maintained by the Commission.

e. If any Confidential Information is discussed at any hearing held in the Proceeding, all persons that are not (i) members of the Commission (or its designees) (ii) representatives of LWC, or (iii) representatives of Kentucky-American that have signed this Agreement, may not be present during the discussion about the Confidential Information.

f. Other than the limited disclosure and use set forth in this Paragraph 2, Kentucky-American and the Authorized Recipients shall not use any Confidential Information for any purpose and shall not disclose any Confidential Information to any person or entity. Kentucky-American and the Authorized Recipients shall hold any and all Confidential Information in trust and confidence for the duration of this Agreement.

3. **Procedure for Disclosure of Confidential Information.**

a. LWC will provide Kentucky-American limited access to LWC's intranet for purposes of review of the Confidential Information. At all times that Kentucky-American is provided access to the Confidential Information on LWC's intranet, a LWC representative must be present. Kentucky-American acknowledges that LWC shall not provide Kentucky-American with access to LWC's shared drives not associated with the LWC intranet.

b. Kentucky-American first shall review LWC's Confidential Information on a computer screen. After this review, Kentucky-American may ask LWC to provide Kentucky-American with a hard copy of the Confidential Information that Kentucky-American views on the computer screen. Upon such a request, LWC shall print from its intranet a hard copy of the Confidential Information requested by Kentucky-American.

c. Kentucky-American shall not be given access to any information on LWC's intranet, or obtain a hard copy of that information, that is not Confidential Information. Should Kentucky-American request to review on the computer screen and/or request a hard copy of information that LWC reasonably believes is not Confidential Information, LWC may refuse to provide LWC access to that information. Kentucky-American and LWC shall then jointly contact the Commission for guidance with regard to the information at issue.

4. **Confidentiality Period.** This Agreement and Kentucky-American's use restriction and duty to hold Confidential Information in confidence shall expire twenty (20) years from November 16, 2007 (the "Effective Date").

5. **Standard of Care.** Kentucky-American and the Authorized Recipients shall protect the disclosed Confidential Information by using the utmost degree of care to prevent the unauthorized use, dissemination, or publication of the Confidential Information. This degree of care shall be equal to or exceed the degree of care that Kentucky-American employs to protect its own Confidential Information of a like nature. Kentucky-American shall provide at least the following basic security protection for the Confidential Information: (a) Kentucky-American shall limit the number of written summaries, photocopies, or other reproductions of any Confidential Information to the minimal amount necessary for the limited use of the Confidential Information permitted by this Agreement; (b) Kentucky-American shall identify separately each and every summary, photocopy, or other reproduction made of any Confidential Information and shall maintain a written record of the creation and use of such items, including a record of which Authorized Recipient has possession or control each item; (c) Kentucky-American shall secure all tangible copies of the Confidential Information, including any necessary summaries, photocopies, or other reproductions, in a safe, locked file cabinet or other storage facility when not in use; (d) Kentucky-American shall notify LWC immediately of any loss or compromise of any Confidential Information; and (e) within thirty (30) days after the Commission enters a final, non-appealable order in this Proceeding, Kentucky-American shall return to LWC all Confidential Information provided to Kentucky-American under this Agreement, including all summaries, photocopies, or other reproductions of the Confidential Information.

6. **Future Agreements.** The terms and conditions of this Agreement shall govern in the event of any conflict with the terms and conditions of any contract into which the parties enter, unless specifically superseded in such contract.

7. **Receipt of Information by LWC.** In connection with this Agreement, LWC does not wish to receive any information which may be considered confidential or proprietary by Kentucky-American. Accordingly, no obligation of any kind is assumed by or is to be implied against LWC by virtue of LWC's discussions with Kentucky-American or with respect to any information received (in whatever form) from Kentucky-American, and LWC will be free to reproduce, use, and disclose such information to others without limitation.

8. **Assignment of Rights.** Kentucky-American shall not assign any of its rights, privileges, or obligations hereunder without the prior written consent of LWC and the Commission. Any attempted assignment in derogation of the foregoing is null and void.

9. **Modifications In Writing.** All additions or modifications to this Agreement must be made in writing and must be signed by both parties.

10. **Primary Representatives.** Each party's representative for coordinating disclosure or receipt of Confidential Information is:

LWC: _____

KENTUCKY-AMERICAN: _____

11. **Headings.** The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

12. **Applicable Law.** This Agreement shall be construed and the legal relations between the parties hereto determined in accordance with the laws of the Commonwealth of Kentucky, without reference to its conflicts laws.

Entered into this 16th day of November, 2007:

Louisville Water Company

Kentucky-American Water Company

(Authorized Signature)

(Authorized Signature)

(Name)

(Name)

(Title)

(Title)

I hereby certify and agree that I am an employee or representative of Kentucky-American Water Company, that I have read and understand the terms of this Agreement, and that I can and will comply with all obligations stated herein.
