

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

IN THE MATTER OF:)
)
NOTICE OF ADJUSTMENT OF THE RATES OF) **CASE NO. 2004-00103**
KENTUCKY-AMERICAN WATER COMPANY)
EFFECTIVE ON AND AFTER MAY 30, 2004)

PETITION FOR CONFIDENTIALITY

Comes Kentucky-American Water Company (“Kentucky American Water”), a public utility regulated by the Public Service Commission of the Commonwealth of Kentucky, and in conformity with 807 KAR 5:001, Section 7 and the Commission’s May 27, 2004 Order, attaches hereto the following:

- (1) One copy under seal of Kentucky American Water’s Response to Item No. 30 of the Commission Staff’s Third Set of Information Requests dated August 6, 2004, indicating the material therein considered confidential and proprietary by highlighting;
- (2) A CD-ROM under seal of the above-referenced Response indicating the material therein considered confidential and proprietary by highlighting; and
- (3) One copy of the above-referenced Response with those portions for which confidentiality is sought obscured.

It is imperative that the highlighted portions of Kentucky American Water’s Response to Item No. 30 of the Commission Staff’s Third Set of Information Requests be kept confidential. Item No. 30 requests all internal documentation, etc. that relates to Kentucky American Water’s purchase of Tri-Village’s assets and Elk Lake’s water distribution system. The information in the requested documents for which confidentiality protection is sought is (1) information that tends to show the valuation formulas and processes Kentucky American Water uses in

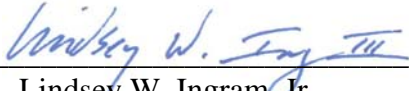
considering whether to make such purchases and for what price, (2) activities about other possible acquisitions which are irrelevant to the data request and (3) personal information (ages and social security numbers).

If this information is not kept confidential, it will prejudice Kentucky American Water's ability to make similar purchases in the future at prices that are advantageous to Kentucky American Water and its customers. If potential sellers or other potential purchasers of water distribution systems or assets have access to the formulas, methods and analyses that Kentucky American Water uses to evaluate potential purchases, Kentucky American Water will be commercially disadvantaged. In any such proposed deal, if the seller is aware of how Kentucky American Water evaluates the possible deal, the seller will have a distinct advantage in negotiating price. Therefore, the highlighted information must be protected so that any future possible purchases may be negotiated in true "arms-length" fashion.

The highlighted information in the attached documents is excluded from the Kentucky Open Records Act at KRS § 61.878(1)(c)1 which allows for exclusion of confidential or proprietary records "generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records." As explained above, the highlighted information is the exact type of information that is confidential and proprietary and, thus, deserving of the confidentiality protection sought herein. Southeastern United Medigroup, Inc. v. Hughes, 952 S.W.2d 195, 199 (Ky. 1997) (holding that if disclosure of documents would give competitors an unfair advantage, then confidentiality protection is warranted). As for the information that constitutes ages and social security numbers, it is protected from disclosure for privacy reasons pursuant to KRS § 61.878(1)(a).

WHEREFORE, Kentucky American Water prays that the highlighted portions of the attached documents be afforded confidential treatment by the Commission.

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BY: 

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Lindsey W. Ingram III

ATTORNEYS FOR
KENTUCKY AMERICAN WATER


CERTIFICATION

This is to certify that a true and accurate copy of the foregoing has been electronically transmitted to the Public Service Commission on August 6, 2004; that the Public Service Commission and other parties participating by electronic means have been notified of such electronic transmission; that, on August 9, 2004, the original and one (1) copy in paper medium will be delivered to the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; and that on August 9, 2004, one (1) copy in paper medium will be delivered to the following via hand delivery:

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