

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

IN THE MATTER OF:)
)
THE APPLICATION OF KENTUCKY-AMERICAN) CASE NO. 2010-00036
WATER COMPANY FOR AN ADJUSTMENT OF)
RATES ON AND AFTER MARCH 28, 2010)

**PETITION FOR CONFIDENTIAL TREATMENT
OF RESPONSES TO ITEMS 2 AND 14 OF THE COMMISSION
STAFF’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 accounting and employment affairs of KAWC and its parent company. In support of this Petition, KAWC states as follows:

1. On February 16, 2010, the Commission Staff served its First Set of Information Requests on KAWC. Item 2 of those requests asks for information concerning KAWC “internal accounting manuals, directives, policies, and procedures” that were submitted in Case No. 2008-00427 (KAWC’s last general rate case). Item 14 asks for “all wage, compensation, and employee benefits studies, analyses, and surveys that Kentucky-American has conducted, commissioned, or used.”

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 2 contains accounting policies and procedures that are the product of extensive time and money invested by KAWC's parent company, American Water Works Company, Inc. ("AWWC"). The response to Item 14 consists of salary survey information that is also the product of extensive time and money invested by AWWC. Both responses consist of commercial information that is confidential and proprietary, the disclosure of which would unfairly advantage AWWC's and/or KAWC's competitors. If those competitors have free access to the same information that AWWC expended substantial resources to develop, they will derive an unfair commercial advantage. In Case No. 2008-000427, the Commission Staff asked for the same information. KAWC petitioned for confidential protection when it provided the information in that case, and, by letter of January 8, 2009 from the Commission, the petition was granted. KAWC seeks the same protection in the current case.

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.*, Ky. App., 642 S.W.2d 591, 592-94 (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. Two paper copies and a CD containing the documents in electronic medium will be filed with the Commission under seal for 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

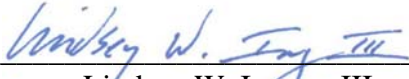
factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Respectfully submitted,

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CERTIFICATE

In accordance with Ordering Paragraph No. 6 of the Commission's February 16, 2010 Order, this is to certify that Kentucky-American Water Company's March 16, 2010 electronic filing is a true and accurate copy of the documents to be filed in paper medium (without confidential attachments); that the electronic filing has been transmitted to the Commission on March 16, 2010; that an original and one copy of the filing will be delivered to the Commission on March 16, 2010 (with attachments under seal); and, that, on March 16, 2010, electronic mail notification of the electronic filing will be provided to the Commission and the following:

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