

**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 OF THE ATTORNEY
GENERAL’S 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) to grant confidential treatment to information that is responsive to Items 12, 41, 48, 49(d)-(e), 50(d)-(e), 154, 181 and 361 of the Attorney General’s First Set of Information Requests. In support of this Petition, KAWC states as follows:

1. On April 5, 2010, the Attorney General served its First Set of Information Requests on KAWC. Item 12 asks for KAW’s “accounting manuals.” Item 41 asks for “wage rate increase policies.” Item 48 asks for actuarial reports for the supplemental executive retirement program. Item 49(d)-(e) asks for actuarial reports for the pension plan. Item 50(d)-(e) asks for actuarial reports related to post-employment benefits. Item 154 asks for the “American Systems Operations Manual.” Item 181 asks for “management letters and recommendations received from the Company’s independent auditors.” Finally, Item 361 asks for “the Company’s policy with respect to employee relocation.”

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. The Kentucky Open Records Act also exempts from disclosure “information the disclosure of which is prohibited by law or regulation.” KRS 61.878(1)(k).

3. The response to Item 12 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 responses to Items 41 and 361 contain employment policy information (wage rate increases and relocation policy, respectively) that, if known to competitors, would allow those competitors an unfair advantage in the recruitment of KAW employees. The response to Item 154 is the AWWC System Operations Manual. It is also the product of extensive investment and would provide an unfair commercial advantage if disclosed publicly. The response to Item 181 contains information that is governed by Securities and Exchange Commission “Regulation FD” (fair disclosure) in that it contains material non-public information, the disclosure of which could require broad, non-exclusionary disclosure to the general public. The response to Items 48, 49(d)-(e) and 50(d)-(e) seek actuarial information relating to employee benefits. Here again, the information is the result of significant investment and would provide competitors an unfair advantage if they obtain this information at no cost. Furthermore, due to its financial nature and AWWC’s publicly traded status, Regulation FD governs it as well.

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.

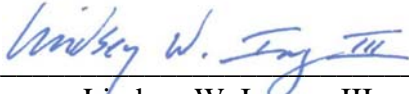
WHEREFORE, KAWC respectfully requests that the Commission grant confidential treatment for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Respectfully submitted,

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CERTIFICATE

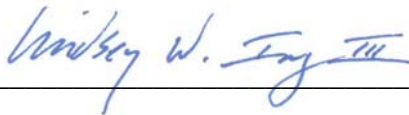
In accordance with Ordering Paragraph No. 6 of the Commission's February 16, 2010 Order, this is to certify that Kentucky-American Water Company's April 26, 2010 electronic filing is a true and accurate copy of the documents to be filed in paper medium (without confidential attachments); that the electronic filing has been transmitted to the Commission on April 26, 2010; that an original and one copy of the filing will be delivered to the Commission on April 26, 2010 (with attachments under seal); and, that, on April 26, 2010, electronic mail notification of the electronic filing will be provided to the Commission and the following:

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