



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

July 21, 2010

Stoll Keenon Ogden PLLC
Attention: Lindsey W. Ingram III
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801

Re: Kentucky-American Water Company
Petition for Confidential Protection received 5/28/10
PSC Reference #: 2010-00036

Dear Mr. Ingram:

The Public Service Commission has received the Petition for Confidential Protection you filed on May 28, 2010 on behalf of Kentucky-American Water Company, ("Kentucky-American"), to protect certain information filed with the Commission as confidential pursuant to Section 7 of 807 KAR 5:001 and KRS 61.878. The information you seek to have treated as confidential is identified as being contained in its Response to Item 10 of LFUCG's 2nd Information Request dated May 14, 2010. The information is more particularly described as documents relating to the process used to select contractors for the construction of new treatment plant and pipeline for KRS II project, including process used to analyze competitive bids.

Your justification for having the Commission handle this material as confidential is that the public disclosure of the information would compromise Kentucky-American's competitive position in the industry, which would result in an unfair commercial advantage to its competitors.

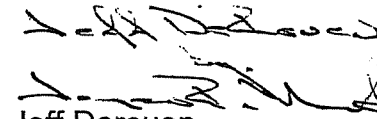
Based on a review of the information and pursuant to KRS 61.878 and 807 KAR 5:001, Section 7, the Commission has determined that the information requested to be held confidential is of a proprietary nature, which if publicly disclosed would permit an unfair commercial advantage to Kentucky-American's competitors. Therefore, the information requested to be treated as confidential **meets the criteria for confidential protection** and will be maintained as a nonpublic part of the Commission's file in this case. The

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procedure for usage of confidential materials during formal proceedings may be found at Section 7(8) of 807 KAR 5:001.

If the information becomes publicly available or no longer warrants confidential treatment, Kentucky-American Water Company is required by Section 8(9)(a) of 807 KAR 5:001 to inform the Commission so that the information may be placed in the public record.

Sincerely,



Jeff Derouen
Executive Director

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cc: Parties of Record