

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

IN THE MATTER OF:)
)
THE VERIFIED JOINT APPLICATION OF)
CLASSIC CONSTRUCTION, INC. AND) **CASE NO. 2016-00222**
KENTUCKY- AMERICAN WATER COMPANY)
FOR THE TRANSFER OF THE RIDGEWOOD)
WASTEWATER ASSETS)

PETITION FOR CONFIDENTIAL PROTECTION

Kentucky-American Water Company (“KAWC”) moves the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 13, and KRS 61.878 to grant confidential treatment to the information described herein that is being provided in response to Item No. 7 of the Commission Staff’s Initial Request for Information. In support of this Petition, KAWC states as follows:

On August 2, 2016, Commission Staff tendered its Initial Request for Information. Item No. 7 of these requests asks for copies of all correspondence, memoranda, electronic mail messages, and any other documents in which KAWC or its agents discuss the physical condition of Classic Construction’s assets.

The Kentucky Open Records Act exempts from disclosure documents that are “recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors.” KRS 61.878(1)(c)(1). In response to Item No. 7, KAWC is providing a copy of an evaluation performed by the CDC, which is a committee comprised of KAWC and American Water personnel that evaluates and approves acquisition opportunities. The evaluation shows the precise framework by which KAWC and American Water assess potential acquisitions. If this information was publicly disclosed, owners of

potential water and wastewater systems could manipulate the negotiation process based on their knowledge of the factors considered; how strengths and weaknesses are assessed; and the types of information KAWC and American Water deem material. In short, if publicly disclosed, potential sellers will have the “playbook” with respect to acquisitions. The Commission has held as confidential documents that that are critical to the effective execution of business decisions and strategy. The CDC evaluation falls within category and merits confidential protection. *See In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Duke Energy Kentucky, Inc. from November 1, 2014 through April 30, 2015* (Ky. PSC Dec. 2, 2015).

The information for which KAWC is seeking confidential treatment is not known outside of KAWC, and it is not disseminated within KAWC except to those employees with a legitimate business need to know the information.

KAWC requests that the information be held confidentially in perpetuity. KAWC cannot envision a period of time in which it would be appropriate for this sensitive information to be disclosed in the public realm.

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).

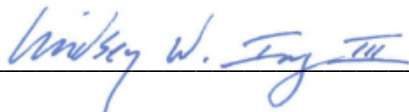
KAWC does not object to the disclosure of the information at issue to the parties to this proceeding upon the execution of a confidentiality agreement. KAWC is filing one paper copy

under seal that identifies the information for which confidential protection is sought and one electronic copy with the same information obscured. KAWC is seeking confidential protection of the entire evaluation and certain appendices thereto.

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.

Date: August 19, 2016

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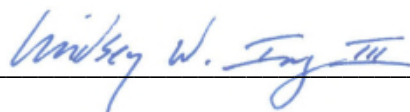
BY:  _____

Attorneys for Kentucky-American Water Company

CERTIFICATE

This certifies that the electronic filing of this document is a true and accurate copy of the documents to be filed in paper medium except for those documents for which confidentiality is sought; that the electronic filing has been transmitted to the Commission on August 19, 2016; that a paper copy of the filing will be delivered to the Commission within two business days of the electronic filing; and that no party has been excused from participation by electronic means.

STOLL KEENON OGDEN PLLC

By  _____

Attorneys for Kentucky-American Water Company