

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
KENTUCKY AMERICAN WATER FOR AN)	CASE NO. 2025-00112
ADJUSTMENT OF RATES)	

PETITION OF KENTUCKY AMERICAN WATER COMPANY, INC.
FOR CONFIDENTIAL PROTECTION

Kentucky American Water Company, Inc. (“KAWC” or “Company”), hereby petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 13 and KRS 61.878(1) to grant confidential protection for the attachment to the testimony of Robert V. Mustich of Willis Towers Watson.

Confidential or Proprietary Commercial Information (KRS 61.878(1)(c)(1))

1. The Kentucky Open Records Act exempts from disclosure certain records which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.¹ Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. In support of its Application, Kentucky American Water is submitting the testimony of Robert V. Mustich of Willis Towers Watson (“WTW”) regarding the reasonableness of the Company’s compensation and benefits. An attachment to Mr. Mustich’s testimony is the Mustich Study that examines every facet of KAWC’s (and its parent company, American Water’s) compensation philosophy, market positioning, performance programs, and position-specific compensation information for certain KAWC employees.

¹ KRS 61.878(1)(c)(1).

3. The Mustich Study is based entirely on confidential and proprietary information. With respect to confidentiality, the Mustich Study reveals compensation information for a number of KAWC individuals. Because there is position-specific information (and in many instances only one person has that position), the public would be able to determine the employees' compensation information. The amount of compensation a person receives is generally regarded as confidential information and those employees have a reasonable expectation that such information would not be publicly disseminated. The Kentucky Court of Appeals has stated that "information such as...wage rate...[is] generally accepted by society as [a] detail [] in which an individual has at least some expectation of privacy."²

4. With respect to the Mustich Study containing proprietary information, this concern is two-fold. First, the Mustich Study is replete with information regarding KAWC's compensation targets and market positioning. If competitors were able to access this information, competitors would have an unfair commercial advantage in hiring away current and future KAWC employees. Second, as mentioned, WTW has assisted KAWC and American Water in developing and assessing its compensation strategy and philosophy. These analyses, which are reflected in the Mustich Study, are the product of the investment of extensive time and money. Allowing competitors to have access to this Mustich Study and the assessments discussed therein would give a competitive advantage to those competitors, who would benefit from KAWC's and WTW's work without paying for same. The Commission previously found that the compensation study in the Company's last rate case was confidential for the same reasons asserted here.³

² *Zink v. Dep't of Workers' Claims, Labor Cabinet*, 902 S.W.2d 825, 828 (Ky. App. 1994).

³ *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, a Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions*, Case No. 2023-00191, Order at 3 (Oct. 10, 2023).

Confidential Information Subject to this Petition

5. The information for which KAWC is seeking confidential treatment is not known outside of KAWC, its consultants with a need to know the information, and the Company's counsel, is not disseminated within KAWC except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information in the utility industry.

6. KAWC will disclose the confidential information, pursuant to a confidentiality agreement, to intervenors with a legitimate interest in this information and as required by the Commission.

7. If the Commission disagrees with this request for confidential protection, it must hold an evidentiary hearing (a) to protect KAWC's due process rights and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter.⁴

8. In compliance with 807 KAR 5:001, Section 13, KAWC is providing notice that the Mustich Study is confidential in full. Access to the confidential information will be provided to intervenors upon request pursuant to a confidentiality agreement.

9. KAWC requests that confidential protection be granted for five years due to the sensitive nature of the information at issue.

WHEREFORE, Kentucky American Water Company, Inc. respectfully requests the Kentucky Public Service Commission grant confidential protection for the information described herein.

⁴ *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d 591, 592-94 (Ky. App. 1982).

Dated: May 16, 2025

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001, Section 8 as modified by the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on May 16, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



*Counsel for Kentucky-American Water
Company*

4901-5346-7705.2