

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COMPLIANCE OF KENTUCKY-AMERICAN)
WATER COMPANY, AMERICAN WATER WORKS)
COMPANY, RWE AKTIENGESELLSCHAFT AND)
THAMES WATER AQUA HOLDINGS GMBH WITH)
THE PROVISIONS OF THE ORDERS) CASE NO. 2002-00277
APPROVING THE TRANSFER OF CONTROL OF)
KENTUCKY-AMERICAN WATER COMPANY TO)
RWE AKTIENGESELLSCHAFT AND THAMES)
WATER AQUA HOLDINGS GMBH)

COMMISSION STAFF'S REQUEST
FOR INFORMATION TO
KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company ("Kentucky-American") is requested, pursuant to 807 KAR 5:001, to file with the Commission no later than December 16, 2005, the original and 8 copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the Dividend Record that is attached to Kentucky-American's December 7, 2005 dividend approval request.

a. Explain why Kentucky-American paid a dividend on common stock of \$862,065 for the quarter ending March 25, 2005 when the reported quarterly earnings were only \$124,982. State the reasons for Kentucky-American's deviation from its policy of limiting dividends payments to 75 percent of the earnings available for dividends in the quarter.

b. Explain why Kentucky-American had earnings available for common stock dividends of (\$632,171) for the quarter ending June 24, 2005.

2. Explain why Kentucky-American did not file its request for Commission approval of its scheduled December 5, 2005 dividend payment until December 7, 2005.

3. State whether Kentucky-American paid the common stock dividend on the scheduled payment date.

4. Describe the consequences that Kentucky-American faces if it fails to pay the common stock dividend on the scheduled date.

for: 
Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Dated: December 9, 2005

cc: Parties of Record