

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2012-00520
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Gary M. VerDouw

- 168.** RR - Please provide the following regarding KAWC's inclusion of Business Transformation (BT) costs in the cost of service in this case.
- a. Provide any available updates of the amounts, in as much detail as available, for all BT costs.
 - b. Provide the most current expected implementation date for each BT system for KAWC.
 - c. Provide a detailed narrative explanation of how the BT project was developed and how it is expected to be implemented throughout the KAWC and AWW system. Include as part of the answer a description and copy of the AWW and any subsidiaries inter-company contracts, leases and other transactions/business arrangements that exist as part of the ownership, development and implementation of BT.

Response:

- a. There is no update of the amount for BT costs.
- b. The Enterprise Resource Planning system was implemented in August 2012. The anticipated implementation date for the Enterprise Asset Management and Customer Information System is May 2013.
- c. The American Water Information Technology Infrastructure Comprehensive Planning Study Report is attached. The Report contains confidential information. Therefore, the Company has filed a Petition for Confidential Treatment contemporaneously with these responses. The Company will provide copies of the requested documents to all parties in this case upon execution of an appropriate confidentiality agreement.

The Kentucky American Water agreement with American Water Service Company is provided in response to Item 32 of the Commission Staff's First Request for Information. Please refer to the response to Item 68 and Item 69 of the Commission's Second Request for Information for copies of the arrangements that exist as part of ownership, development and implementation of BT.

March 29, 2013 Supplemental Response:

- c. KAWC has discovered that it inadvertently omitted documents responsive to this request. Due to the voluminous and confidential nature of the information

requested, the information is being provided on a separate compact disc, all of which contains confidential information. Therefore, the Company has filed a Petition for Confidential Treatment contemporaneously with these responses. The Company will provide copies of the requested documents to all parties in this case upon execution of an appropriate confidentiality agreement.

This entire attachment is confidential and has been provided under seal pursuant to a Petition for Confidential Treatment.