

**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)
APPROVING THE TRANSFER OF CONTROL OF)
KENTUCKY-AMERICAN WATER COMPANY TO)
RWE AKTIENGESELLSCHAFT AND THAMES)
WATER AQUA HOLDINGS GMBH)**

**CASE NO.
2002-00277**

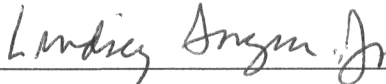
NOTICE OF CONDITION 48 RESPONSE

Come Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, American Water Works Company, Inc., Thames Water Aqua U.S. Holdings, Inc. and Kentucky-American Water Company, and pursuant to Condition 48 of the Commission's Order dated December 20, 2002, in Case No. 2002-00317, and file herewith the report of 2003 Acquisition Activity for the American Water System showing no measurable per-customer synergies as a result thereof.

John N. Hughes, Esq.
124 West Todd Street
Frankfort, Kentucky 40601

And

Lindsey W. Ingram, Jr., Esq.
Robert M. Watt, III, Esq.
STOLL, KEENON & PARK, LLP
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

By 

Counsel for Thames Water Aqua Holdings GmbH,
RWE AG, American Water Works Company, Inc.,
Thames Water Aqua U.S. Holdings, Inc. and
Kentucky-American Water Company

CERTIFICATION

In conformity with paragraph 7 of the Commission's Order dated January 30, 2002, in Case No. 2002-00018, this is to certify that the electronic version of this pleading is a true and accurate copy of the pleading filed in paper medium; that the Petitioners have notified the Commission and the parties in Case No. 2002-00018 by electronic mail on March 31, 2004, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

Foster Ockerman, Jr., Esq.
Martin, Ockerman & Brabant
200 North Upper Street
Lexington, Kentucky 40507

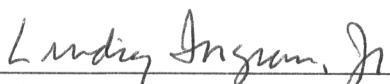
Dennis G. Howard, II, Esq.
David Edward Spenard, Esq.
Assistant Attorneys General
1024 Capitol Center Drive, Suite 200
Frankfort, Kentucky 40601

David J. Barberie, Esq.
Lexington-Fayette Urban County Gov't.
Department of Law
200 East Main Street
Lexington, Kentucky 40507

Anthony G. Martin, Esq.
P.O. Box 1812
Lexington, Kentucky 40588

Gerald E. Wuetcher, Esq.
Angela Curry, Esq.
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

and that the original and three copies have been filed with the Public Service Commission in paper medium on the 31st day of March, 2004.



Counsel for Thames Water Aqua Holdings GmbH,
RWE AG, American Water Works Company, Inc.,
Thames Water Aqua U.S. Holdings, Inc. and
Kentucky-American Water Company

**KENTUCKY-AMERICAN WATER
ACQUISITION REPORT FOR COMPLIANCE WITH CONDITION NO. 48
OF THE KYPS ORDER APPROVING THE RWE TRANSACTION**

**2003 ACQUISITION ACTIVITY
AMERICAN WATER SYSTEM**

State	Project	Customers	Type of System
California	Ralph Lane Water	35	Water
California	Chualar Water	250	Water
California	Laguna Seca Ranch	100	Waste
California	Las Palmas Ranch	925	Waste
California	Carmel Valley County Sanitation District	525	Waste
Indiana	Westwood	100	Water
Iowa	LeClaire	1,080	Water
New Jersey	Warren County Prison Administration	3	Water
Pennsylvania	West Decatur	237	Water
Pennsylvania	Skytop Water Company	34	Water
Pennsylvania	Rustic Acres	154	Water
Pennsylvania	Sandy Ridge	197	Water
Pennsylvania	Connoquenessing Borough Authority	570	Water
		4,210	

The addition of 4,210 customers to the 3 million customers served by the American Water system did not result in any measurable per-customer synergies