

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

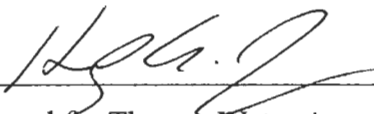
**IN THE MATTER OF:**

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

**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 2004 Acquisition Activity for the American Water System showing no measurable per-customer synergies as a result thereof.

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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, 2005, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

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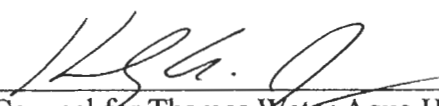
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and that the original and three copies have been filed with the Public Service Commission in paper medium on the 31st day of March, 2005.

  
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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 KYPSC ORDER APPROVING THE RWE TRANSACTION

**2004 ACQUISITION ACTIVITY  
AMERICAN WATER SYSTEM**

<b>Region</b>	<b>Project</b>	<b>Customers</b>	<b>Type of System</b>
Central	EPA-EPA MO R Newton County Superfund	1500	Water
Western	NE Edgewood Coop	16	Water
Northeast	Anderson Water Company – Acq W	57	Water
Central	Cedar Hill Utilities Co.	676	Wastewater
Southeast	Sligo Borough Authority	353	Water
Central	Dune Acres - Dune Acres, IN, R	157	Water
Central	Saunemin - Saunimen, IL, R	140	Water
Central	Warren County Water and Sewer MO R	<u>767</u>	Water/Wastewater
		<u><b>3,666</b></u>	

The addition of 3,666 customers to the approximately 3 million customers served by The American Water system does not result in any measurable per-customer synergies