

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

IN THE MATTER OF:

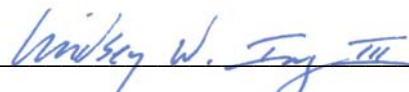
COMPLIANCE OF KENTUCKY-AMERICAN)	
WATER COMPANY, AMERICAN WATER WORKS)	
COMPANY, RWE AKTIENGESELLSCHAFT AND)	
THAMES WATER AQUA HOLDINGS GMBH WITH)	
THE PROVISIONS OF THE ORDERS)	CASE NO.
APPROVING THE TRANSFER OF CONTROL OF)	2002-00277
KENTUCKY-AMERICAN WATER COMPANY TO)	
RWE AKTIENGESELLSCHAFT AND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

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 2005 Acquisition Activity for the American Water System showing no measurable per-customer synergies as a result thereof.

Respectfully submitted,

Lindsey W. Ingram, Jr.
Lindsey W. Ingram III
STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

BY: 
Counsel for Kentucky-American Water Company,
Thames Water Aqua Holdings GmbH, Thames
Water Aqua US Holdings, Inc., RWE AG and
American Water Works Company, Inc.

CERTIFICATION

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. 2002-00317 by electronic mail on March 31, 2006 that the electronic version of this pleading has been transmitted to the Commission, and that a paper copy has been served by mail upon:

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

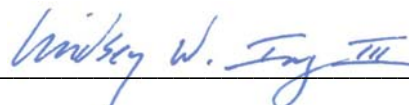
Gerald E. Wuetcher, Esq.
Angela Curry, Esq.
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

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

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

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

and that the original and three paper copies have been filed with the Public Service Commission on the 31st day of March, 2006.

BY: 
Counsel for Kentucky-American Water Company,
Thames Water Aqua Holdings GmbH, Thames
Water Aqua US Holdings, Inc., RWE AG and
American Water Works Company, Inc.

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

**2005 ACQUISITION ACTIVITY
AMERICAN WATER SYSTEM**

REGION	PROJECT	CUSTOMERS
Western	Watertek	823
Southeast	Owenton Water	1100
Southeast	Owenton Sewer	600
Southeast	Snowshoe Condominiums	52
Southeast	Shipperville Borough Authority	382
Southeast	Blue Mountain Lake Wastewater	503
Southeast	Blue Mountain Lake Water	503