

**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)**

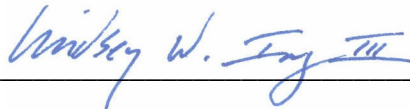
**CASE NO.
2002-00277**

REPORT OF MERGER COSTS

Come Thames Water Aqua Holdings GmbH (“Thames”) and American Water Works Company, Inc. (“American”), pursuant to Ordering Paragraph 11 and Condition 36 of the Order of December 20, 2002 in Case No. 2002-00317, and report that actual cumulative costs of the merger through June 30, 2007 for Thames are \$56,624,921.37 and for American are \$103,451,986.53.

Respectfully submitted,

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BY: 

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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 that will be filed in paper medium with the Public Service Commission on August 15, 2007; that on August 14, 2007, the Petitioners have (1) notified the Commission, the Attorney General, the Lexington-Fayette Urban County Government, and Bluegrass FLOW, Inc. by electronic mail; (2) the electronic version of this pleading has been transmitted to the Commission; and (3) a copy has been served by mail, postage prepaid, upon:

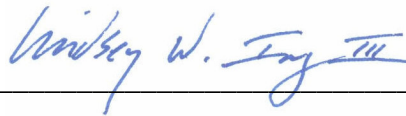
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