

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 AND RWE AG
QUARTERLY SHAREHOLDER REPORT**

Thames Water Aqua Holdings GmbH and American Water Works Company, Inc., pursuant to Ordering Paragraph 12 and Commitment 36 of the Order of May 30, 2002, in Case No. 2002-00018 report that actual cumulative costs of the proposed merger through June 30, 2002, for Thames have been \$20,740,000 and that actual cumulative costs of the proposed merger for American Water Works Company, Inc. have been \$11,725,000.

Further, pursuant to Commitment 34 of the Order of May 30, 2002, in Case No. 2002-00018, reference is hereby made to the Internet site of RWE AG, www.rwe.com, for a copy of the RWE AG quarterly interim report to shareholders.

Respectfully submitted,

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

By _____
Counsel for Kentucky-American
Water Company and American
Water Works Company, Inc.

And

John N. Hughes
124 West Todd Street
Frankfort, KY 40601

By _____
Counsel for Thames Water Aqua
Holding GmbH and RWE AG

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, the Attorney General, the Lexington-Fayette Urban County Government and Bluegrass FLOW, Inc. by electronic mail on September 5, 2002, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

David E. Spenard, Esq.
Dennis Howard, Esq.
Assistant Attorney General
Utility and Rate Intervention Division
1024 Capital Center Drive, Suite 200
P.O. Box 2000
Frankfort, Kentucky 40602-2000

David J. Barberie, Esq.
Lexington-Fayette Urban County Government
Department of Law
200 East Main Street
Lexington, Kentucky 40507

Anthony Martin, Esq.
P.O. Box 1812
Lexington, KY 40588

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

Foster Ockerman, Jr., Esq.
200 N. Upper Street
Lexington, Kentucky 40507

and that the original and three copies have been filed with the Public Service Commission in paper medium on the 5th day of September 2002.

Counsel for Kentucky-American Water
Company