Witness Responsible:

C. Bush

15. State for each employee group the amount, percentage increases, and effective dates for general wage increases and, separately, for merit increases granted for calendar years 2002 and 2003, the base period and the forecasted period.

Response:

Kentucky American Water has performance based pay for all non-bargaining employees. Union employees receive wage increases as the result of negotiations.

Year 2002	Effective Date November 1,2002 December 17,2002 April 1, 2002	Employee Group Outside Union Inside Union Nan-bargaining	% increase 3.00% 3.00% 3.80%
2003	November 1, 2003	Outside Union	2.50%
	December 17,2003	Inside Union	3.00%
	April 1, 2003	Non-bargaining	3.53%
Base Year (12	November 1, 2003	Outside Union	2.50%
mos. ending	December 17,2003	Inside Union	3.00%
7/31/04)	April 1,2004	Non-bargaining	2.88%
Test Year	November 1,2004 / November 1,2005 December 17,2004 April 1,2005	Outside Union Inside Union Non-bargaining	3.00% / 3.00% 3.00% 3.00%

For electronic version, refer to KAW_R_PSCDR1#15_052004.pdf