

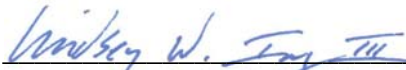
**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:** )  
 )  
**NOTICE OF ADJUSTMENT OF THE RATES OF** ) **CASE NO. 2004-00103**  
**KENTUCKY-AMERICAN WATER COMPANY** )  
**EFFECTIVE ON AND AFTER MAY 30, 2004** )

**NOTICE OF FILING**

In accordance with Kentucky Public Service Commission Executive Director Beth O'Donnell's October 21, 2004 letter regarding the confidentiality protection requested by Kentucky American Water for certain documents filed in this proceeding and the Commission's ruling that portions of two documents<sup>1</sup> containing references to Newport, Kentucky are not confidential, Kentucky American Water hereby files those two documents with the Newport portions unredacted. The now unredacted portions are indicated by asterisk.

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BY:   
Lindsey W. Ingram, Jr.  
Lindsey W. Ingram III

ATTORNEYS FOR  
KENTUCKY AMERICAN WATER

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<sup>1</sup> The two documents are a December 6, 1999 e-mail from Roy Mundy and a December 7, 1999 e-mail from Pat Ballard.

**CERTIFICATION**

This is to certify that a true and accurate copy of the foregoing has been electronically transmitted to the Public Service Commission on November 12, 2004; that the Public Service Commission and other parties participating by electronic means have been notified of such electronic transmission; that, on November 12, 2004, the original and one (1) copy in paper medium will be hand-delivered to the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; and that on November 12, one (1) copy in paper medium will be served upon the following via U.S. Mail:

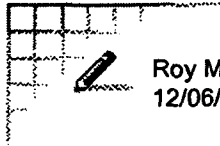
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ATTORNEYS FOR  
KENTUCKY AMERICAN WATER



Roy Mundy  
12/06/99 09:01 AM

To: David Baker/KAWC/AWWSC@AWW  
cc: Coleman Bush/KAWC/AWWSC@AWW

Subject: sEE bELOW

wE'LL TRY TO GIVE eLLEN A CALL LATER TODAY--ROY

----- Forwarded by Roy Mundy/KAWC/AWWSC on 12/06/99 09:01 AM -----



Ellen C Wolf  
12/04/99 10:15 AM

To: Roy Mundy/KAWC/AWWSC@AWW  
cc: Daniel L Kelleher/ADMIN/CORP/AWWSC@AWW

Subject:

Roy,

I have just finished going through your pre board meeting package which I was dated November 19. I have a few questions regarding business development activities.

Tri-Village Water District - Generally I would like to see the financials associated with any acquisition. In particular, focus is on the main driver of value. In this case, I would like to know how much of the value is attributable to rate increases and how much of the value is in the terminal value. Also, does the second bullet point on your page suggest that the deal is accretive with or without a rate increase?

Southshore Water Works - I am unclear as to whether we are buying stock or assets and whether or not we are using cash of AWK stock. If we are buying stock, you will not only need your Board approval, but you will need AWK board approval.

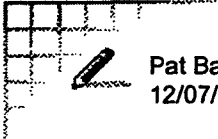


\* < Newport kentucky Water Utility System - Same comment as above.

Please feel free to call me to discuss prior to the meeting.

Ellen

cc: Dan Kelleher.



Pat Ballard  
12/07/99 05:59 PM

To: Ellen C Wolf/ADMIN/CORP/AWWSC@AWW  
cc: Daniel L Kelleher/ADMIN/CORP/AWWSC@AWW, Coleman Bush/KAWC/AWWSC@AWW, David Baker/KAWC/AWWSC@AWW

Subject: KAWC Acquisitions

Roy's memo response to E-mail messages of 12/7 and 12/4 re. Tri-Village and other business development activities:

Ellen, I was hopeful the Coleman, David Baker and I might have had a brief conference call with you this afternoon with regard to your question concerning our Tri-Village Water District acquisition. I also received your question regarding the PV calculation of capital expenditures.

Unfortunately, we were not able to coordinate our schedules together today. I will give you a call tomorrow morning to see if you will be available Wednesday afternoon to spend a few minutes discussing your questions and concerns.

The Tri-Village Water District acquisition is one that is very important to KAWC in that it is our first noncontiguous acquisition and is strategically located in a growth area that has just been approved to construct a NASCAR race track. The County Judge Executive which helped to orchestrate this process is also a very close friend of the Governor's and has been an ambassador for KAWC with his fellow co. judge executives throughout the state. We are starting to see even now some fruits of that effort in terms of building relationships.

We do want to do all we can to make sure our board of directors is comfortable with all the elements of the acquisition, and we do appreciate this opportunity to share with you any information that may be of a concern. I am sure you are aware that we have worked with Joe Hartnett on this issue for 6-8 months and he, as I understand from David Baker, and Coleman feel comfortable about our model and approach.

I would like to go ahead and address the other questions that you had in your 12/4 E-mail with regard to business development:

[REDACTED]

\* { Newport, KY -- Since the referendum at Newport was turned down in regard to the potential acquisition of the Newport System by the Northern Kentucky Water District, we have met on one occasion with representatives of Newport. At this point they really are not sure of what they want to do, we we felt this was still a good opportunity to not only promote acquisition of the assets but the full array of services that American can offer. I personally think contract operation is something at this point that they have shown very little interest in, but it is something that we will continue to market, as well as the other menu of services.