

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-143
PUBLIC SERVICE COMMISSION'S FIRST SET OF INFORMATION REQUESTS
ITEMS 1 – 33

Witness Responsible:

Michael A. Miller

17. a. List all fringe or other employee benefits available to Kentucky-American employees and indicate which benefits, if any, are limited to management employees.
- b. For each benefit listed above, state the expected cost of each benefit in the base period and the forecasted test period and its historical cost for each of the 2 years preceding the base period.
- c. List each change in fringe or other employee benefits or the availability of such benefits that have occurred within 2 years of the start of the base period.

Response:

- a. The Company offers pension benefits, group insurance and a 401(k) plan to all employees. The following fringe benefits are available for non-bargaining employees only:

Long-term Disability Plan (included in cost of group insurance)

Performance Based Incentive Plan

b.	<u>2005</u>	<u>2006</u>	<u>Base Period</u>	<u>Forecast</u>
Group Insurance	\$885,989	\$983,931	\$1,102,898	\$1,430,244
Pensions	782,334	748,274	581,250	503,733
OPEB's	722,356	660,373	562,969	457,858
401(k)	77,951	44,786	58,868	98,704
EIP	28,870	(14,241)	3,000	0
Incentive Plan	54,345	119,796	245,819	252,550
DCP	0	47,771	46,557	112,903*
Retirees Med Oper Ex	0	3,690	2,579	7,000

* In the rate filing the amount for DCP was calculated at \$145,405, which was overstated by \$32,502.

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- c. The defined pension benefit plan applies to all non union employees hired prior to January 1, 2006 and all union employees hired prior to January 1, 2001. For those employees not eligible for the defined benefit plan, AWW and KAWC have established a defined contribution plan. The defined contribution pension plan costs are determined at 5.25% of qualifying employees' salaries and wages.
- The defined OPEB benefit plan applies to all employees hired prior to January 1, 2006. For those employees not eligible for the defined OPEB benefit plan, AWW and KAWC have established a defined contribution plan. The defined contribution OPEB plan costs are determined at \$500 per eligible employee per year.