

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Michael A. Miller**

101. Please show in detail how the CWIP included by KAWC in the future test year would be financed.

Response:

In the Company's future test-year filing the rate base and capital structure are based on the 13-month average for the forecasted test-year. In the Company's filing the capital structure is projected by month for each type of capital component, i.e. ST Debt, LT Debt, Preferred Stock, and Common Stock. This approach to the capital structure properly matches the capital structure with the rate base and capital requirements of the Company during the forecasted test-year period. It is this capital structure and weighted average cost of capital that will finance the Company's investments and capital requirements, including the CWIP.

For the electronic version, refer to KAW_R_AGDR1#101_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller/Sheila Miller

102. Provide the details of KAWC's AFUDC rates for each year, 2007, 2008, 2009, and as budgeted or forecast for 2010 and 2011.

Response:

2007 (thru November)	7.75%
December 2007 thru June 2009	8.03%
June 2009 thru September 2010	7.98%
October 2010 thru September 2011	8.58% (as proposed in current rate filing)

For the electronic version, refer to KAW_R_AGDR1#102_042610.pdf.

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Witness: Michael A. Miller

103. Provide a complete description of KAWC's procedures for accruing AFUDC including how KAWC identifies which construction projects accrue AFUDC.

Response:

The Company's policy and practice for recording AFUDC are provided in the response to KAW_R_AGDR1#12_042610.pdf which is bookmarked and refer to AFUDC Policy and AFUDC Practice.

For the electronic version of this response, refer to KAW_R_AGDR1#103_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Keith Cartier

104. Provide the details of each type of chemical purchased by KAWC for each year 2007, 2008, 2009, and as budgeted or forecast for 2010 and 2011, including the following: (a) quantity; (b) total cost; (c) unit cost; (d) reason and analysis for year-to-year change in usage quantity; (e) reason and analysis for year-to-year change in unit price.

Response:

- a-c. The details of each type of chemical purchased by KAW for each year are included in the attached file. This includes the 2007, 2008, 2009, and as budgeted or forecasted for 2010 and 2011, including quantities, total costs, and unit costs.
- d. Year-to-year changes in usage quantity are based upon pumpage demands, source water conditions (e.g., changes due to rain and the source water used), and treatment changes.
- e. Year-to-year changes in unit prices are based upon market conditions. The conditions are watched closely by our experts in American Water's Supply Chain.

For the electronic version, refer to KAW_R_AGDR1#104_042610.pdf.

RICHMOND ROAD STATION

		2007	2008	2009	2010	2011
LOW SERVICE PUMPAGE (MG)		4468.120	4471.100	4406.080	5052.984	5052.984
AMMONIA	LBS/MG	9.8	11.4	9.8	11.0	11.0
	TOTAL LBS	43841	50759	43,201	55,484	55,484
	COST/LB	\$0.28845	\$0.27282	\$0.68957	\$0.38000	\$0.39140
	TOTAL COST	\$12,646	\$13,848	\$29,790	\$21,084	\$21,717
	COST/MG	\$2.83	\$3.10	\$6.76	\$4.17	\$4.30
CARBON	LBS/MG	5.9	2.4	1.9	2.9	2.9
	TOTAL LBS	26300	10593	8,300	14,568	14,568
	COST/LB	\$0.61860	\$0.75031	\$0.78493	\$0.86000	\$0.88580
	TOTAL COST	\$16,269	\$7,948	\$6,515	\$12,529	\$12,905
	COST/MG	\$3.64	\$1.78	\$1.48	\$2.48	\$2.55
CHLORINE	LBS/MG	63.7	66.2	66.9	64.3	64.3
	TOTAL LBS	284549	295821	294,719	324,672	324,672
	COST/LB	\$0.25088	\$0.23050	\$0.19653	\$0.19000	\$0.19570
	TOTAL COST	\$71,387	\$68,188	\$57,922	\$61,688	\$63,538
	COST/MG	\$15.98	\$15.25	\$13.15	\$12.21	\$12.57
COPPER SULFATE	LBS/MG	3.7	5.2	5.4	5.2	5.2
	TOTAL LBS	16500	23400	24,000	26,352	26,352
	COST/LB	\$1.61142	\$1.57405	\$1.44270	\$1.36000	\$1.40080
	TOTAL COST	\$26,588	\$36,833	\$34,625	\$35,839	\$36,914
	COST/MG	\$5.95	\$8.24	\$7.86	\$7.09	\$7.31
CORROSION INHIBITOR	LBS/MG	29.4	27.1	27.9	28.3	28.3
	TOTAL LBS	131293	120986	122,898	143,224	143,224
	COST/LB	\$0.26046	\$0.29492	\$0.85392	\$0.45900	\$0.42458
	TOTAL COST	\$34,197	\$35,682	\$104,945	\$65,740	\$60,809
	COST/MG	\$7.65	\$7.98	\$23.82	\$13.01	\$12.03
FERRIC CHLORIDE	LBS/MG	0.0	0.0	11.8	2.1	2.1
	TOTAL LBS	0	0	51973	10833	10833
	COST/LB	\$0.00000	\$0.00000	\$0.10788	\$0.10800	\$0.10692
	TOTAL COST	\$0	\$0	\$5,607	\$1,170	\$1,158
	COST/MG	\$0.00	\$0.00	\$1.27	\$0.23	\$0.23
FLUORIDE	LBS/MG	40.6	38.5	46.5	40.8	40.8
	TOTAL LBS	181368	172255	204,678	206,005	206,005
	COST/LB	\$0.14150	\$0.18355	\$0.29173	\$0.32000	\$0.32640
	TOTAL COST	\$25,664	\$31,618	\$59,710	\$65,922	\$67,240
	COST/MG	\$5.74	\$7.07	\$13.55	\$13.05	\$13.31
PACL	LBS/MG	405.5	386.2	464.5	374.7	374.7
	TOTAL LBS	1811787	1726747	2,046,709	1,893,264	1,893,264
	COST/LB	\$0.14508	\$0.13812	\$0.15108	\$0.14400	\$0.14832
	TOTAL COST	\$262,850	\$238,491	\$309,217	\$272,630	\$280,809
	COST/MG	\$58.83	\$53.34	\$70.18	\$53.95	\$55.57
POLYMERS NO 1	LBS/MG	21.5	9.3	22.2	18.3	18.3
	TOTAL LBS	96108	41553	98,010	92,255	92,255
	COST/LB	\$0.27950	\$0.32698	\$0.28252	\$0.27250	\$0.27795
	TOTAL COST	\$26,862	\$13,587	\$27,690	\$25,140	\$25,642
	COST/MG	\$6.01	\$3.04	\$6.28	\$4.98	\$5.07
POLYMERS NO 2	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	74	47	13	0	0
	COST/LB	\$3.55824	\$3.55830	\$3.55846	\$0.00000	\$0.00000
	TOTAL COST	\$263	\$167	\$46	\$0	\$0
	COST/MG	\$0.06	\$0.04	\$0.01	\$0.00	\$0.00
POTASSIUM PERMANGANATE	LBS/MG	3.7	2.9	4.4	3.4	3.4
	TOTAL LBS	16540	12764	19,525	17,025	17,025
	COST/LB	\$1.79675	\$2.10321	\$3.07477	\$2.57000	\$2.64710
	TOTAL COST	\$29,718	\$26,845	\$60,035	\$43,753	\$45,066
	COST/MG	\$6.65	\$6.00	\$13.63	\$8.66	\$8.92
SODIUM CHLORIDE	LBS/MG	6.3	6.8	3.0	5.5	5.5
	TOTAL LBS	28350	30300	13,400	28,036	28,036
	COST/LB	\$0.17923	\$0.14242	\$0.16983	\$0.18000	\$0.18540
	TOTAL COST	\$5,081	\$4,315	\$2,276	\$5,046	\$5,198
	COST/MG	\$0.28435	\$0.20876	\$0.05593	\$0.32727	\$0.33276

	COST/MG	\$1.14	\$0.97	\$0.52	\$1.00	\$1.05
SODIUM HYDROXIDE 30%	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SODIUM HYDROXIDE 50%	LBS/MG	20.3	6.5	6.7	22.5	22.5
	TOTAL LBS	90725	29207	29,389	113,595	113,595
	COST/LB	\$0.13903	\$0.19067	\$0.29534	\$0.08000	\$0.08080
	TOTAL COST	\$12,613	\$5,569	\$8,680	\$9,088	\$9,178
	COST/MG	\$2.82	\$1.25	\$1.97	\$1.80	\$1.82
SODIUM PERMANGANATE	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SULFURIC ACID (38%)	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GAC FILTER MEDIA	TOTAL COST	\$38,592	\$127,274.90	\$101,168	\$56,307	\$11,347

KENTUCKY RIVER STATION

		2007	2008	2009	2010	2011
LOW SERVICE PUMPAGE (MG)		11656.570	11307.772	9,690.071	10,336.162	8,569.707
AMMONIA	LBS/MG	8.6	9.9	8.5	8.6	8.7
	TOTAL LBS	100275	111783	82,346	89,087	74,312
	COST/LB	\$0.28026	\$0.27102	\$0.60085	\$0.38000	\$0.39140
	TOTAL COST	\$28,104	\$30,296	\$49,477	\$33,853	\$29,086
	COST/MG	\$2.41	\$2.68	\$5.11	\$3.28	\$3.39
CARBON	LBS/MG	3.5	2.5	0.0	1.8	1.9
	TOTAL LBS	40330	28680	0	18715	16596
	COST/LB	\$0.64956	\$0.70790	\$0.00000	\$0.85000	\$0.87550
	TOTAL COST	\$26,197	\$20,303	\$0	\$15,908	\$14,530
	COST/MG	\$2.25	\$1.80	\$0.00	\$1.54	\$1.70
CHLORINE	LBS/MG	55.5	54.9	52.3	54.3	54.4
	TOTAL LBS	646503	620506	507,143	560,843	466,539
	COST/LB	\$0.24914	\$0.22799	\$0.19475	\$0.19000	\$0.19570
	TOTAL COST	\$161,068	\$141,472	\$98,766	\$106,560	\$91,302
	COST/MG	\$13.82	\$12.51	\$10.19	\$10.31	\$10.65
COPPER SULFATE	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CORROSION INHIBITOR	LBS/MG	31.0	30.1	30.7	29.6	29.8
	TOTAL LBS	361666	340570	297,408	305,720	255,285
	COST/LB	\$0.26150	\$0.30384	\$0.87296	\$0.45900	\$0.42458
	TOTAL COST	\$94,576	\$103,479	\$259,624	\$140,325	\$108,388
	COST/MG	\$8.11	\$9.15	\$26.79	\$13.58	\$12.65
FERRIC CHLORIDE	LBS/MG	117.7	184.4	61.5	108.9	114.2
	TOTAL LBS	1372321	2084853	595,625	1,125,147	978,589
	COST/LB	\$0.09690	\$0.09815	\$0.12097	\$0.10800	\$0.10692
	TOTAL COST	\$132,981	\$204,631	\$72,050	\$121,516	\$104,631
	COST/MG	\$11.41	\$18.10	\$7.44	\$11.76	\$12.21
FLUORIDE	LBS/MG	38.6	39.3	43.9	39.1	39.0
	TOTAL LBS	449848	444869	424,979	404,125	334,595
	COST/LB	\$0.14665	\$0.19050	\$0.30431	\$0.32000	\$0.32640
	TOTAL COST	\$65,972	\$84,747	\$129,327	\$129,320	\$109,212

	COST/MG	\$5.66	\$7.49	\$13.35	\$12.51	\$12.74
PACL	LBS/MG	230.2	220.2	303.4	221.1	219.8
	TOTAL LBS	2683370	2489507	2,939,658	2,285,783	1,883,987
	COST/LB	\$0.14459	\$0.13816	\$0.15155	\$0.14400	\$0.14832
	TOTAL COST	\$387,990	\$343,962	\$445,498	\$329,153	\$279,433
	COST/MG	\$33.29	\$30.42	\$45.97	\$31.84	\$32.61
POLYMERS NO 1	LBS/MG	19.8	16.5	22.9	19.6	19.6
	TOTAL LBS	230565	186267	221,540	202,563	167,678
	COST/LB	\$0.28255	\$0.30698	\$0.26901	\$0.27250	\$0.27795
	TOTAL COST	\$65,145	\$57,180	\$59,597	\$55,198	\$46,606
	COST/MG	\$5.59	\$5.06	\$6.15	\$5.34	\$5.44
POLYMERS NO 2	LBS/MG	1.3	1.0	0.6	1.2	1.2
	TOTAL LBS	15259	10781	5,872	12,845	10,570
	COST/LB	\$0.88464	\$0.89589	\$0.90615	\$0.79500	\$0.81090
	TOTAL COST	\$13,499	\$9,659	\$5,321	\$10,212	\$8,571
	COST/MG	\$1.16	\$0.85	\$0.55	\$0.99	\$1.00
POTASSIUM PERMANGANATE	LBS/MG	1.3	0.6	0.0	0.4	0.4
	TOTAL LBS	15038	6853	-27	4059	3651
	COST/LB	\$1.56678	\$0.91121	\$1.87407	\$2.60000	\$2.67800
	TOTAL COST	\$23,561	\$6,245	-\$51	\$10,554	\$9,778
	COST/MG	\$2.02	\$0.55	(\$0.01)	\$1.02	\$1.14
SODIUM CHLORIDE	LBS/MG	3.2	3.9	3.0	3.3	3.3
	TOTAL LBS	37000	43650	29,550	34,483	28,579
	COST/LB	\$0.17931	\$0.14158	\$0.17771	\$0.18000	\$0.18540
	TOTAL COST	\$6,634	\$6,180	\$5,251	\$6,207	\$5,299
	COST/MG	\$0.57	\$0.55	\$0.54	\$0.60	\$0.62
SODIUM HYDROXIDE 30%	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SODIUM HYDROXIDE 50%	LBS/MG	24.5	58.9	41.7	44.3	45.2
	TOTAL LBS	286042	666512	404,538	458,260	387,581
	COST/LB	\$0.12980	\$0.12139	\$0.24429	\$0.08000	\$0.08080
	TOTAL COST	\$37,127	\$80,911	\$98,826	\$36,661	\$31,317
	COST/MG	\$3.19	\$7.16	\$10.20	\$3.55	\$3.65
SODIUM PERMANGANATE	LBS/MG	0.0	0.0	0.0	0.9	1.0
	TOTAL LBS	0	0	0	9381	8185
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.95500	\$0.98365
	TOTAL COST	\$0	\$0	\$0	\$8,958	\$8,051
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.87	\$0.94
SULFURIC ACID (38%)	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

NORTHERN DIVISION - OWENTON PLANT

		2007	2008	2009	2010	2011
LOW SERVICE PUMPAGE (MG)		277.115	302.160	294.898	301.125	301.125
AMMONIA	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CARBON	LBS/MG	67.9	0.2	37.7	47.8	47.8
	TOTAL LBS	18813	15585	11,117	14,388	14,388
	COST/LB	\$0.62772	\$0.64830	\$0.85156	\$0.85000	\$0.87550
	TOTAL COST	\$11,809	\$10,104	\$9,467	\$12,229	\$12,596
	COST/MG	\$42.62	\$0.12	\$32.10	\$40.61	\$41.83
CHLORINE	LBS/MG	38.8	0.1	29.8	28.3	28.3
	TOTAL LBS	10747	8920	8,798	8,531	8,531

	COST/LB	\$0.45149	\$0.42404	\$0.42105	\$0.40000	\$0.41200
	TOTAL COST	\$4,852	\$3,782	\$3,704	\$3,413	\$3,515
	COST/MG	\$17.51	\$0.05	\$12.56	\$11.33	\$11.67
COPPER SULFATE	LBS/MG	0.0	0.0	0.8	1.7	1.7
	TOTAL LBS	0	0	250	500	500
	COST/LB	\$0.00000	\$0.00000	\$1.79980	\$1.74760	\$1.80003
	TOTAL COST	\$0	\$0	\$450	\$874	\$900
	COST/MG	\$0.00	\$0.00	\$1.53	\$2.90	\$2.99
CORROSION INHIBITOR	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FERRIC CHLORIDE	LBS/MG	934.5	2.9	753.0	795.3	795.3
	TOTAL LBS	258977	238226	222,060	239,489	239,489
	COST/LB	\$0.14850	\$0.18902	\$0.45142	\$0.31000	\$0.30690
	TOTAL COST	\$38,458	\$45,028	\$100,242	\$74,242	\$73,499
	COST/MG	\$138.78	\$0.56	\$339.92	\$246.55	\$244.08
FLUORIDE	LBS/MG	40.3	0.1	33.4	33.5	33.5
	TOTAL LBS	11174	10694	9,862	10,076	10,076
	COST/LB	\$0.20072	\$0.17446	\$0.34877	\$0.43000	\$0.43860
	TOTAL COST	\$2,243	\$1,866	\$3,440	\$4,333	\$4,419
	COST/MG	\$8.09	\$0.02	\$11.66	\$14.39	\$14.68
PACL	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POLYMERS NO 1	LBS/MG	4.8	0.0	2.6	3.8	3.8
	TOTAL LBS	1317	1286	770	1,155	1,155
	COST/LB	\$0.97749	\$0.93788	\$1.06417	\$0.86500	\$0.88230
	TOTAL COST	\$1,287	\$1,206	\$819	\$999	\$1,019
	COST/MG	\$4.65	\$0.01	\$2.78	\$3.32	\$3.39
POLYMERS NO 2	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	179	0	0	0
	COST/LB	\$0.00000	\$0.54000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$97	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POTASSIUM PERMANGANATE	LBS/MG	5.3	0.1	1.1	0.8	0.8
	TOTAL LBS	1475	7341	322	240	240
	COST/LB	\$1.77119	\$1.20761	\$2.27373	\$2.60000	\$2.67800
	TOTAL COST	\$2,613	\$8,865	\$732	\$624	\$643
	COST/MG	\$9.43	\$0.11	\$2.48	\$2.07	\$2.13
SODIUM CHLORIDE	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SODIUM HYDROXIDE 30%	LBS/MG	9.8	0.0	131.1	191.7	191.7
	TOTAL LBS	43982	0	38,667	57,720	57,720
	COST/LB	\$0.13792	\$0.00000	\$0.26819	\$0.15000	\$0.15150
	TOTAL COST	\$6,066	\$0	\$10,370	\$8,658	\$8,745
	COST/MG	\$1.36	\$0.00	\$35.17	\$28.75	\$29.04
SODIUM HYDROXIDE 50%	LBS/MG	163.2	1.0	155.9	82.6	82.6
	TOTAL LBS	45228	84035	45,988	24,878	24,878
	COST/LB	\$0.16759	\$0.14491	\$0.30205	\$0.16000	\$0.16160
	TOTAL COST	\$7,580	\$12,177	\$13,891	\$3,981	\$4,020
	COST/MG	\$27.35	\$0.15	\$47.10	\$13.22	\$13.35
SODIUM PERMANGANATE	LBS/MG	0.1	0.0	47.1	34.5	34.5
	TOTAL LBS	639	0	13900	10401	10401
	COST/LB	\$1.16914	\$0.00000	\$1.31006	\$0.95500	\$0.98365
	TOTAL COST	\$747	\$0	\$18,210	\$9,933	\$10,231
	COST/MG	\$0.17	\$0.00	\$61.75	\$32.99	\$33.98

SULFURIC ACID (38%)	LBS/MG	24.6	0.3	145.0	132.4	132.4
	TOTAL LBS	6822	24459	42,773	39,856	39,856
	COST/LB	\$0.20140	\$0.27259	\$0.26016	\$0.22000	\$0.22440
	TOTAL COST	\$1,374	\$6,667	\$11,128	\$8,768	\$8,944
	COST/MG	\$4.96	\$0.08	\$37.73	\$29.12	\$29.70

KENTUCKY RIVER POOL 3 PLANT

		2007	2008	2009	2010	2011
LOW SERVICE PUMPAGE (MG)		0.000	0.000	0.000	571.320	2,266.650
AMMONIA	LBS/MG	0.0	0.0	0.0	1.1	3.9
	TOTAL LBS	0	0	0	5,516	19,672
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.15000	\$0.15450
	TOTAL COST	\$0	\$0	\$0	\$827	\$3,039
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.16	\$0.60
CARBON	LBS/MG	0.0	0.0	0.0	0.4	0.8
	TOTAL LBS	0	0	0	1866	3847
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.86000	\$0.88580
	TOTAL COST	\$0	\$0	\$0	\$1,605	\$3,408
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.32	\$0.67
CHLORINE	LBS/MG	0.0	0.0	0.0	6.2	24.1
	TOTAL LBS	0	0	0	31,194	121,631
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.19000	\$0.19570
	TOTAL COST	\$0	\$0	\$0	\$5,927	\$23,803
	COST/MG	\$0.00	\$0.00	\$0.00	\$1.17	\$4.71
COPPER SULFATE	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CORROSION INHIBITOR	LBS/MG	0.0	0.0	0.0	3.9	13.4
	TOTAL LBS	0	0	0	19,570	67,873
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.45900	\$0.42458
	TOTAL COST	\$0	\$0	\$0	\$8,983	\$28,817
	COST/MG	\$0.00	\$0.00	\$0.00	\$1.78	\$5.70
FERRIC CHLORIDE	LBS/MG	0.0	0.0	0.0	17.7	45.1
	TOTAL LBS	0	0	0	89,601	228,136
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.33000	\$0.32670
	TOTAL COST	\$0	\$0	\$0	\$29,568	\$74,532
	COST/MG	\$0.00	\$0.00	\$0.00	\$5.85	\$14.75
FLUORIDE	LBS/MG	0.0	0.0	0.0	4.3	17.5
	TOTAL LBS	0	0	0	21,873	88,626
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.32000	\$0.32640
	TOTAL COST	\$0	\$0	\$0	\$6,999	\$28,927
	COST/MG	\$0.00	\$0.00	\$0.00	\$1.39	\$5.72
PACL	LBS/MG	0.0	0.0	0.0	24.1	100.5
	TOTAL LBS	0	0	0	121,884	507,957
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.17900	\$0.18437
	TOTAL COST	\$0	\$0	\$0	\$21,817	\$93,652
	COST/MG	\$0.00	\$0.00	\$0.00	\$4.32	\$18.53
POLYMERS NO 1	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POLYMERS NO 2	LBS/MG	0.0	0.0	0.0	0.1	0.6
	TOTAL LBS	0	0	0	681	2,868
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.79500	\$0.81090
	TOTAL COST	\$0	\$0	\$0	\$541	\$2,325
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.11	\$0.46
POTASSIUM PERMANGANATE	LBS/MG	0.0	0.0	0.0	0.1	0.2
	TOTAL LBS	0	0	0	459	836
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$2.55000	\$2.62650

	TOTAL COST	\$0	\$0	\$0	\$1,170	\$2,197
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.23	\$0.43
SODIUM CHLORIDE	LBS/MG	0.0	0.0	0.0	0.4	1.5
	TOTAL LBS	0	0	0	2,060	7,725
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.18000	\$0.18540
	TOTAL COST	\$0	\$0	\$0	\$371	\$1,432
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.07	\$0.28
SODIUM HYDROXIDE 25%	LBS/MG	0.0	0.0	0.0	10.1	36.8
	TOTAL LBS	0	0	0	50912	185964
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.06000	\$0.06060
	TOTAL COST	\$0	\$0	\$0	\$3,055	\$11,269
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.60	\$2.23
SODIUM HYDROXIDE 50%	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SODIUM PERMANGANATE	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SULFURIC ACID (38%)	LBS/MG	0.0	0.0	0.0	0.0	0.0
	TOTAL LBS	0	0	0	0	0
	COST/LB	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
	TOTAL COST	\$0	\$0	\$0	\$0	\$0
	COST/MG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Keith Cartier

105. For each type of chemical used by KAWC, please provide the most current actual contracts and invoices.

Response:

Chemical contracts are in the process of final approval and execution, and can be forwarded upon completion if requested. Please refer to attachments for copies of purchase orders and copies of 2010 invoices for each type of chemical. The PO's and invoices reflect contract pricing.

For the electronic version, refer to KAW_R_AGDR1#105_042610.pdf.

3-10-10



P.O. Box 100 • Seymour, Indiana 47274
 812-497-2410 • 800-753-LAKE
 www.aquaticcontrol.com

RECEIVED

MAR 08 2010

SSC-MAILROOM

INVOICE

INVOICE NO.	95852
INVOICE DATE	03/05/10

ACCOUNT NO.	8163
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Kentucky American Water
 PO Box 5610
 Cherry Hill, NJ 08034

Kentucky American Water
 2300 Richmond Road
 Lexington, KY 40502

M
 PESH

10001099

1125805

Jacobson Reservoir

PURCHASE ORDER #	TERMS	TICKET #
15139601	Net 30 Days	116987

QTY.	ITEM	DESCRIPTION	UNIT PRICE	EXTENSION
600.000	L00119	Algimycin PWF 30 gal <i>Copper sulfate</i> (\$1.36/lb & 10.008 lb/gal) <i>Copper</i>	13.610	8166.00

COMMENTS
(2) SEND \$ 10,000 (10/10)

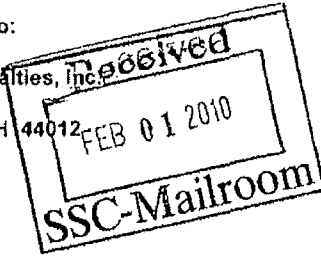
SUB-TOTAL	8166.00
SALES TAX	0.00
FREIGHT	0.00
INVOICE TOTAL	8166.00
AMOUNT RECEIVED	0.00
BALANCE DUE	8166.00

2-3-10



Please remit to:

Applied Specialties, Inc.
P.O. Box 307
Avon Lake, OH 44012



Invoice

Invoice No: 124847
Our Sales Order: 124847

MP-0354 074

S
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T
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American Water - Kentucky
American Water Shared Services Center
Attn: Accounts Payable Dept.
P.O. Box 5610
Cherry Hill, NJ 08034

NSF
50047336
A125605

S
h
i
p

T
o

American Water - Kentucky
Kentucky American Water Company
220 Water Plant Lane
Owenton, KY 40359

Invoice Date	Terms	Date Shipped	Ship Via	Freight Terms	FOB	Your P.O. No.
1/28/2010	Net 30	1/28/2010	KUHNLE	DELVD	SP	15139201

Quantity	UOM	Material Description	Price UOM	Unit Price	Total
34,080	LBS	AS-2820* Bulk NSF Lot #: 1002728202 Material Safety Data Sheet Included NSF Certified Certified to NSF/ANSI 60 Standards by NSF. Maximum certified limit under NSF/ANSI 60 certification 200 mg/L.	LBS	\$.31	\$ 10,564.80
1	EA	Freight Charge	EA	\$ 0	\$.00

Blend:
Ferric owenton
10289429

33555 Pin Oak Parkway, Avon Lake, OH 44012
PH 440-933-9442 FX 440-933-9439

Sales Tax	\$.00
Total	\$	10,564.80

If your payment is returned unpaid, you authorize Applied Specialties, Inc. to electronically debit your bank account for the amount of the check, plus an additional one-time electronic fund transfer from your bank account for a returned-check fee. The returned-check fee will be calculated as follows: \$30 or 10% of the face amount (whichever is greater).

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020



INVOICE#: BMS799337 INV DATE: 3/12/10 *** PAGE 1 OF 1 ***
DUE DATE: 4/11/10

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
2300 RICHMOND ROAD
LEXINGTON KY 40502

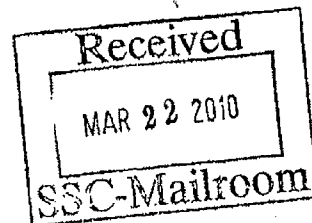
NH
50141748

FEDERAL ID #: 610504545 DATE SHIPPED: 3/12/10 TERMS : NET 30 DAYS
B/L #: 446542-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: 15139599 FOB : DELIVERED
TAX EX# : 40590

out 10292.586

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
8.0000	478716	1.000	7200.0000#	.8600	6,192.00
900.0000	# SSCK		CARBON HYDRODARCO "B"		
CUSTOMER PRODUCT: BC97				8A F/S	

QUESTIONS, CALL 502-863-2874



* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 6,192.00

PAID ON OR PRIOR TO 4/11/10 INVOICE TOTAL 6,192.00

PAID AFTER 4/11/10 INVOICE TOTAL 6,315.84

Original Document

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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: **BMS786663** INV DATE: **2/15/10** *** PAGE 1 OF 1 ***
DUE DATE: **3/17/10**

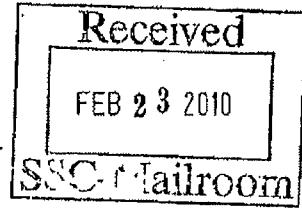
SOLD TO: KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034 *5014748*

SHIP TO: KY AMERICAN WATER COMPANY
2300 RICHMOND ROAD
LEXINGTON KY **40502**

FEDERAL ID #: 610504545 DATE SHIPPED: 2/15/10 TERMS : NET 30 DAYS
B/L #: 437626-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: **15139600** FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
6.0000	253418	11.870	12000.0000#	.1900	2,280.00
	2000.0000 #	CYL	CHLORINE, LIQUID (BMS ONLY)	>A RPK	

CUSTOMER PRODUCT: BC72...
MEMBER OF OMNI-CHEM 136, LLC ALLIANCE



QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *
***** MERCHANDISE 2,280.00

PAID ON OR PRIOR TO 3/17/10 INVOICE TOTAL **2,280.00**
PAID AFTER 3/17/10 INVOICE TOTAL 2,325.60

MEMBER OF OMNI-CHEM 136, LLC ALLIANCE
Original Document

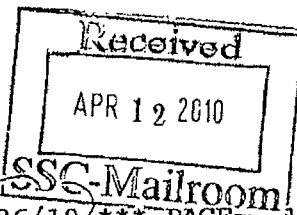
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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENTAG



INVOICE#: BMS808261 INV DATE: 3/26/10 *** PAGE 1 OF 1 ***
DUE DATE: 4/25/10

SOLD TO:

KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:

KY AMERICAN WATER COMPANY
6300 CEDAR CREEK LANE
KY RIVER STATION
EVANS MILL RD
LEXINGTON KY 40515-9709

50141748

DU# 10294208

FEDERAL ID #: 610504545 DATE SHIPPED: 3/26/10 TERMS : NET 30 DAYS
B/L # : 460954-00 SHIP-WHS: 29 SALES PRSN: 404
CUSTOMER # : 520451 SHIP VIA: OUR TRUCK -BULK
CUSTOMER PO#: 15139238 FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
45840.0000	437426	10.000	45840.0000#	.3200	14,668.80
1.0000	# BULK		HYDROFLUOSILICIC ACID 23%	>A BLK	
CUSTOMER PRODUCT: BC81					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 14,668.80

PAID ON OR PRIOR TO 4/25/10 INVOICE TOTAL

14,668.80

PAID AFTER 4/25/10 INVOICE TOTAL

14,962.18

COPIES BEHIND: COPY Original Document

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|------------------|----------------|------------------|-----------------|-----------------|
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| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greenville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.
1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: **BMS799983** INV DATE: **3/15/10** *** PAGE 1 OF 1 ***
DUE DATE: **4/14/10**

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
6300 CEDAR CREEK LANE
KY RIVER STATION
EVANS MILL RD
LEXINGTON KY **40515-9709**

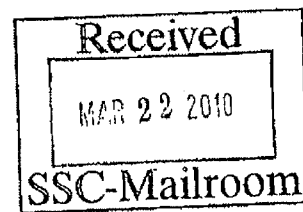
50141748
10292647

FEDERAL ID #: 610504545 DATE SHIPPED: 3/15/10 TERMS : NET 30 DAYS
B/L #: 454403-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK PKG
CUSTOMER PO#: **15139484** FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
98.0000	198545	1.000	4900.0000#	.1800	882.00
50.0000	# BAG		SOD CHLORIDE PELLET-MINI CUBE		
			>A F/S		
CUSTOMER PRODUCT: BC96					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *



***** MERCHANDISE 882.00

PAID ON OR PRIOR TO 4/14/10 INVOICE TOTAL **882.00**

PAID AFTER 4/14/10 INVOICE TOTAL 899.64

Original Document

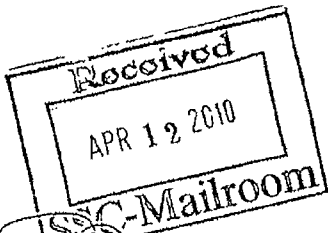
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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Niuro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG



INVOICE#: BMS808262 INV DATE: 3/31/10 *** PAGE 1 OF 1 ***
DUE DATE: 4/30/10

SOLD TO:
AMERICAN SHARED WATER SERVICE
FBO KY AMER WATER (OWENTON)
PO BOX 5610
CHERRY HILL

NJ 08034

50141743

SHIP TO:
KY AMERICAN WATER COMPANY
OWENTON WATER PLANT
220 WATER PLANT LANE
OWENTON KY 40359

FEDERAL ID #: 610504545 DATE SHIPPED: 3/31/10 TERMS : NET 30 DAYS
B/L #: 466347-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK PKG
CUSTOMER PO#: 15142978 FOB : DELIVERED
TAX EX# : 40590

Out 10294698

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
52.0000	195561	9.760	2522.0000#	.9800	2,471.56
48.5000	# PAIL		SOD PERMANGANATE 20% NSF		
			CARUSOL	6A F/S	

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

***** MERCHANDISE 2,471.56

PAID ON OR PRIOR TO 4/30/10 INVOICE TOTAL

2,471.56

PAID AFTER 4/30/10 INVOICE TOTAL

2,520.99

-----Original Document-----

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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: **BMS799983** INV DATE: **3/15/10** *** PAGE 1 OF 1 ***
DUE DATE: **4/14/10**

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
6300 CEDAR CREEK LANE
KY RIVER STATION
EVANS MILL RD
LEXINGTON KY **40515-9709**

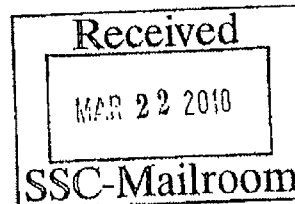
50141748
10292647

FEDERAL ID #: 610504545 DATE SHIPPED: 3/15/10 TERMS : NET 30 DAYS
B/L #: 454403-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK PKG
CUSTOMER PO#: 15139484 FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
98.0000	198545	1.000	4900.0000#	.1800	882.00
50.0000	# BAG		SOD CHLORIDE PELLET-MINI CUBE		
			>A F/S		
CUSTOMER PRODUCT: BC96					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *



***** MERCHANDISE 882.00

PAID ON OR PRIOR TO 4/14/10 INVOICE TOTAL **882.00**

PAID AFTER 4/14/10 INVOICE TOTAL 899.64

Original Document

- | | | | | |
|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.
1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

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JAN 29 2010

BRENNTAG

SSC-MAILROOM

INVOICE# : BMS774244 INV DATE: 1/19/10 *** PAGE 1 OF 1 ***
DUE DATE: 2/18/10

SOLD TO: KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO: KY AMERICAN WATER
RICHMOND ROAD STATION
2400 RICHMOND ROAD
LEXINGTON KY 40507

5014/1742
OU# 10288266

FEDERAL ID #: 610504545 DATE SHIPPED: 1/19/10 TERMS : NET 30 DAYS
B/L #: 421077-00 SHIP_WHS: 40 SALES PRSN: -404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: 15139609 FOB : DELIVERED
TAX EX# : 040590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
80.0000	622816	1.000	4409.2000#	.4800	2,116.42
	55.1150 # BAG		SOD THIOSULFATE 99% PENTA (GPD)		
			(PHOTO GRD. 12-16)	>B F/S	
CUSTOMER PRODUCT: BC63					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 2,116.42

PAID ON OR PRIOR TO 2/18/10 INVOICE TOTAL 2,116.42
PAID AFTER 2/18/10 INVOICE TOTAL 2,158.75

Original Document

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|------------------|----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Albans, WV |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nashville, TN | St. Louis, MO |
| Calvert City, KY | Greenville, TN | Kennesaw, GA | Nirot, WV | Tampa, FL |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Orlando, FL | Terre Haute, IN |
| Clearwater, FL | Huntsville, AL | Memphis, TN | Springfield, MO | Valdosta, GA |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: **BMS774845** INV DATE: **1/18/10** *** PAGE 1 OF 1 ***
DUE DATE: **2/17/10**

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
6300 CEDAR CREEK LANE
KY RIVER STATION
EVANS MILL RD
LEXINGTON KY 40515-9709

NSI
50141748
1
OV# 10288103

FEDERAL ID #: 610504545 DATE SHIPPED: 1/18/10 TERMS : NET 30 DAYS
B/L # 419649-00 SHIP. WHS: 64 SALES PRSN: 404
CUSTOMER # 520454 SHIP VIA: FLAT BED / TONS
CUSTOMER PO#: **15139235** FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
8.0000	253418	11.870	16000.0000#	.1900	3,040.00
	2000.0000 #	CYL	CHLORINE, LIQUID (BMS ONLY)		
				>A RPK	

CUSTOMER PRODUCT: BC72
MEMBER OF OMNI-CHEM 136, LLC ALLIANCE

RECEIVED

JAN 29 2010

SSC-MAILROOM

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 3,040.00

PAID ON OR PRIOR TO 2/17/10 INVOICE TOTAL 3,040.00

PAID AFTER 2/17/10 INVOICE TOTAL 3,100.80

MEMBER OF OMNI-CHEM 136, LLC ALLIANCE
Original Document

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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Albans, WV |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nashville, TN | St. Louis, MO |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Nitro, WV | Tampa, FL |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Orlando, FL | Terre Haute, IN |
| Clearwater, FL | Huntsville, AL | Memphis, TN | Springfield, MO | Valdosta, GA |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.
1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

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BRENNTAG

MAR 01 2010

SSC-MAILROOM

INVOICE# : BMS789242 INV DATE: 2/18/10 *** PAGE 1 OF 2 ***
DUE DATE: 3/20/10

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
2300 RICHMOND ROAD
LEXINGTON KY 40502
50141748
DU# 10290713

FEDERAL ID #: 610504545 DATE SHIPPED: 2/18/10 TERMS : NET 30 DAYS
B/L #: 438439-00 SHIP WHS: 24 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK -BULK
CUSTOMER PO#: 15139238 FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
***** SPLIT LOAD - 2 STOPS - SPLIT LOAD *****					
1ST STOP: 2300 RICHMOND ROAD LEXINGTON, KY 40502					
DROPPED 1381 GAL (13,810#) DROPPED V.					
FINAL DESTINATION ADDRESS WITH THE BALANCE OF THE LOAD 6300 CEDAR CREEK LANE / KY RIVER STATION EVANS MILL RD LEXINGTON, KY 40515					
43380.0000	437426	10.000	43380.0000#	.3200	13,881.60
1.0000	# BULK		HYDROFLUOSILICIC ACID 23%	>A BLK	
CUSTOMER PRODUCT: BC81					

RETRAGACK KY 40512
6300 CEDAR CREEK LANE / KY RIVER STATION
FINAL DESTINATION ADDRESS WITH THE BALANCE OF THE LOAD
(Original Document)

- | | | | | |
|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020



INVOICE#: BMS789242 INV DATE: 2/18/10 *** PAGE 2 OF 2 ***
DUE DATE: 3/20/10

SOLD TO:
Attach to Invoice# BMS789242

SHIP TO:
KY AMERICAN WATER COMPANY

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
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*** CONTINUED FROM PREVIOUS PAGE ***

QUESTIONS, CALL 502-863-2874

 * REMIT TO ADDRESS: *
 * BRENNTAG MID-SOUTH, INC *
 * 3796 RELIABLE PARKWAY *
 * CHICAGO IL 60686-0037 *

MERCHANDISE	13,881.60
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PAID ON OR PRIOR TO 3/20/10 INVOICE TOTAL

13,881.60

PAID AFTER 3/20/10 INVOICE TOTAL

14,159.23

Original Document

Atlanta, GA	Columbus, OH	Indianapolis, IN	Miami, FL	St. Louis, MO
Bartonville, IL	Georgetown, KY	Kansas City, MO	Nitro, WV	Tampa, FL
Calvert City, KY	Greeneville, TN	Kennesaw, GA	Orlando, FL	Terre Haute, IN
Chattanooga, TN	Henderson, KY	Louisville, KY	Springfield, MO	Valdosta, GA
Clearwater, FL	Huntsville, AL	Memphis, TN	St. Albans, WV	

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Brenntag Mid-South, Inc.
1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020



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MAR 08 2010

SSC-MAILROOM

INVOICE# : BMS791958 INV DATE: 2/19/10 *** PAGE 1 OF 1 ***
DUE DATE: 3/21/10

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL NJ 08034

50141742
00# 10290779

SHIP TO:
KY AMERICAN WATER COMPANY
6300 CEDAR CREEK LANE
KY RIVER STATION
EVANS MILL RD
LEXINGTON KY 40515-9709

FEDERAL ID #: 610504545 DATE SHIPPED: 2/19/10 TERMS : NET 30 DAYS
B/L #: 438512-00 SHIP WHS: 88 SALES PRSN: 404
CUSTOMER #: 520451 SHIP VIA: CC - 3RD PARTY
CUSTOMER PO#: 15139487 FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED

BOL 237636/2031671					
42280.0000	796977	1.000	42280.0000#	.1550	6,553.40
	1.0000 # BULK		SOD: THIOSULFATE 30%	4E BLK	

CUSTOMER PRODUCT: BC64					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *
***** MERCHANDISE 6,553.40

PAID ON OR PRIOR TO 3/21/10 INVOICE TOTAL 6,553.40

PAID AFTER 3/21/10 INVOICE TOTAL 6,684.47

- Original Document
- | | | | | |
|------------------|----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Albans, WV |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nashville, TN | St. Louis, MO |
| Calvert City, KY | Greenville, TN | Kennesaw, GA | Nitro, WV | Tampa, FL |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Orlando, FL | Terre Haute, IN |
| Clearwater, FL | Huntsville, AL | Memphis, TN | Springfield, MO | Valdosta, GA |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENTAG

Received
APR 12 2010
Mailroom

INVOICE#: BMS808264 INV DATE: 3/31/10 ***PAGE 1 OF 1 ***
DUE DATE: 4/30/10

SOLD TO:
AMERICAN SHARED WATER SERVICE
FBO KY AMER WATER (OWENTON)
PO BOX 5610
CHERRY HILL
NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
OWENTON WATER PLANT
220 WATER PLANT LANE
OWENTON KY 40359

50141748

FEDERAL ID #: 610504545 DATE SHIPPED: 3/31/10 TERMS : NET 30 DAYS
B/L # : 466320-00 SHIP WHS: 40 SALES PRSN: 404
CUSTOMER # : 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: 15139213 FOB : DELIVERED
TAX EX# : 40590

004. 10294695

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
8.0000	121746	11.100	4712.0000#	.1500	706.80
	589.0000 #	-PDRM	CAUSTIC SODA 30%		
				4A PBL	
CUSTOMER PRODUCT: BC91					

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 706.80

PAID ON OR PRIOR TO 4/30/10 INVOICE TOTAL

706.80

PAID AFTER 4/30/10 INVOICE TOTAL

720.94

Original Document

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|------------------|----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greenville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020



INVOICE#: **BMS790500** INV DATE: **2/23/10** *** PAGE 1 OF 1 ***
DUE DATE: **3/25/10**

SOLD TO:
AMERICAN SHARED WATER SERVICE
FBO KY AMER WATER (OWENTON)
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
OWENTON WATER PLANT
220 WATER PLANT LANE
OWENTON KY **40359**

50191748
DU# 10291069

FEDERAL ID #: 610504545 DATE SHIPPED: 2/23/10 TERMS : NET 30 DAYS
B/L # : 442895-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER # : 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: **15139204** FOB . . . : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
2.0000	359691	10.000	1100.0000#	.4300	473.00
	550.0000 #	-PDRM	HYDROFLUOSILICIC ACID 23%	>A RPK	
CUSTOMER PRODUCT: BC81					

RECEIVED

MAR 04 2010

SSC
Accounts Payable

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC. *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 473.00

PAID ON OR PRIOR TO 3/25/10 INVOICE TOTAL

473.00

PAID AFTER 3/25/10 INVOICE TOTAL

482.46

Original Document

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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020



INVOICE#: **BMS790499** INV DATE: **2/23/10** *** PAGE 1 OF 1 ***
DUE DATE: **3/25/10**

SOLD TO:
AMERICAN SHARED WATER SERVICE
FBO KY AMER WATER (OWENTON)
PO BOX 5610
CHERRY HILL
NJ 08034

SHIP TO:
KY AMERICAN WATER COMPANY
OWENTON WATER PLANT
220 WATER PLANT LANE
OWENTON
KY **40359**

50141748
out 10291071

FEDERAL ID #: 610504545 DATE SHIPPED: 2/23/10 TERMS : NET 30 DAYS
B/L #: 442893-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: **15139199** FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
6.0000	873311	11.870	900.0000#	.4000	360.00
	150.0000 #	CYL	CHLORINE, LIQUID (BMS ONLY)	>A RPK	

CUSTOMER PRODUCT: BC72

RECEIVED

MAR 04 2010

SSC
Accounts Payable

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *
***** MERCHANDISE 360.00

PAID ON OR PRIOR TO 3/25/10 INVOICE TOTAL

360.00

PAID AFTER 3/25/10 INVOICE TOTAL

367.20

Original Document

- | | | | | |
|------------------|-----------------|------------------|-----------------|-----------------|
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| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENTAG

INVOICE#: **BMS793924** INV DATE: **3/02/10** *** PAGE 1 OF 1 ***
DUE DATE: **4/01/10**

SOLD TO:
AMERICAN SHARED WATER SERVICE
FBO KY AMER WATER (OWENTON)
PO BOX 5610
CHERRY HILL NJ 08034

SHIP TO:
KY AMERICAN WATER
OWENTON WASTE WATER PLANT
385 CARTER LANE
OWENTON KY 40359

--- NJ
50141748
↑
OV# 10292089

FEDERAL ID #: 610504545 DATE SHIPPED: 3/02/10 TERMS : NET 30 DAYS
B/L #. : 444700-00 SHIP WHS: 40 SALES PRSN: 404
CUSTOMER # : 520451 SHIP VIA: OUR TRUCK - PKG.
CUSTOMER PO#: **15139228** FOB : DELIVERED
TAX EX# : 40590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
6.0000	304214	1.000	900.0000#	.5180	466.20
	150.0000 # CYL		SULFUR DIOXIDE (BMS ONLY)		
				>A RPK	
CUSTOMER PRODUCT: BC80					

Received
MAR 11 2010
Shared Services Center

QUESTIONS, CALL 502-863-2874

 * REMIT TO ADDRESS: *
 * BRENTAG MID-SOUTH, INC *
 * 3796 RELIABLE PARKWAY *
 * CHICAGO IL 60686-0037 *
 ***** MERCHANDISE 466.20

PAID ON OR PRIOR TO 4/01/10 INVOICE TOTAL **466.20**
 PAID AFTER 4/01/10 INVOICE TOTAL 475.52

Original Document

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|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Louis, MO |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nitro, WV | Tampa, FL |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Orlando, FL | Terre Haute, IN |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Springfield, MO | Valdosta, GA |
| Clearwater, FL | Huntsville, AL | Memphis, TN | St. Albans, WV | |

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Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: **BMS776801** INV DATE: **1/22/10** *** PAGE 1 OF 1 ***
DUE DATE: **2/21/10**

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL

NJ 08034

50141748

SHIP TO:
KY AMERICAN WATER
RICHMOND ROAD STATION
2400 RICHMOND ROAD
LEXINGTON KY 40507

DU# 10288711

FEDERAL ID #: 610504545 DATE SHIPPED: 1/22/10 TERMS : NET 30 DAYS
B/L #: 421068-00 SHIP WHS: 40 SALESPRSN: 404
CUSTOMER #: 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: 15139231 FOB : DELIVERED
TAX EX# : 040590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
10.0000	553785	1.000	480.0000#	2.3500	1,128.00
	48.0000 # PAIL		BIO-MAX DECHLORINATION TABLETS	>A F/S	
CUSTOMER PRODUCT: BC41					

RECEIVED

FEB 02 2010

SSC-MAILROOM

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

MERCHANDISE 1,128.00

PAID ON OR PRIOR TO 2/21/10 INVOICE TOTAL **1,128.00**

PAID AFTER 2/21/10 INVOICE TOTAL 1,150.56

Original Document

- | | | | | |
|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Albans, WV |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nashville, TN | St. Louis, MO |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Nitro, WV | Tampa, FL |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Orlando, FL | Terre Haute, IN |
| Clearwater, FL | Huntsville, AL | Memphis, TN | Springfield, MO | Valdosta, GA |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

Brenntag Mid-South, Inc.

1405 Highway 136 W • P.O. BOX 20
Henderson, Kentucky 42419-0020

BRENNTAG

INVOICE#: BMS776153 INV DATE: 1/22/10 *** PAGE 1 OF 1 ***
DUE DATE: 2/21/10

SOLD TO:
KY AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
PO BOX 5610
CHERRY HILL

NJ 08034

5041748
AI2SECO5

SHIP TO:
KY AMERICAN WATER
RICHMOND ROAD STATION
2400 RICHMOND ROAD
LEXINGTON KY 40507

M Pugh

FEDERAL ID #: 610504545 DATE SHIPPED: 1/22/10 TERMS : NET 30 DAYS
B/L #. 421069-00 SHIP WHS: . . . 40 SALES PRSN: 404
CUSTOMER # : 520451 SHIP VIA: OUR TRUCK - PKG
CUSTOMER PO#: 15139238 FOB . . . : DELIVERED
TAX EX# : 040590

UNITS SHIPPED	PROD #	WGT/GAL	TOTAL QTY	UNIT PRICE	EXTENDED
10.0000	4330	1.000	450.0000#	2.6000	1,170.00
	45.0000 # PAIL		CALCIUM HYPOCHLORITE BIO-SANI	>A F/S	
CUSTOMER PRODUCT:			BC72		

QUESTIONS, CALL 502-863-2874

* REMIT TO ADDRESS: *
* BRENNTAG MID-SOUTH, INC *
* 3796 RELIABLE PARKWAY *
* CHICAGO IL 60686-0037 *

***** MERCHANDISE 1,170.00

PAID ON OR PRIOR TO 2/21/10 INVOICE TOTAL

1,170.00

PAID AFTER 2/21/10 INVOICE TOTAL

1,193.40

Original Document

- | | | | | |
|------------------|-----------------|------------------|-----------------|-----------------|
| Atlanta, GA | Columbus, OH | Indianapolis, IN | Miami, FL | St. Albans, WV |
| Bartonville, IL | Georgetown, KY | Kansas City, MO | Nashville, TN | St. Louis, MO |
| Calvert City, KY | Greeneville, TN | Kennesaw, GA | Nitro, WV | Tampa, FL |
| Chattanooga, TN | Henderson, KY | Louisville, KY | Orlando, FL | Terre Haute, IN |
| Clearwater, FL | Huntsville, AL | Memphis, TN | Springfield, MO | Valdosta, GA |

*** ALL SALES SUBJECT TO AND GOVERNED BY THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ***

3-4-10

CEDARCHEM
CEDARCHEM, LLC
P.O. Box 271
CEDARTOWN, GA 30125

Received
FEB 26 2010
Shared Services Center

Invoice

Date	Invoice #
2/22/2010	4556

Bill To
Kentucky American Water Company Attn: Accounts Payable P O Box 5610 Cherry Hill, NJ 08034

M. Pugh

*50366389
A135E005*

Ship To
Kentucky American Water Company 2300 Richmond Road Lexington, KY 40502

P.O. Number	Payment Terms	Due Date	Sales Rep.	Ship Date	Ship Via	Freight Terms	
15139606	Net 30	3/24/2010	SL	2/22/2010	N/A	Delivered	
Item	Description	Total Quantity	Unit Price	Amount			
KMnO4	Qty 56 - 55.115 lb Pails Potassium Permanganate (Free Flowing)	3,086.44	2.57	7,932.15			
<p><i>Do you have a receive slip on this?</i></p> <p><i>Rec. 3/4/10</i></p> <p><i># 10291770</i></p>							
Please remit to above address.					Total	\$7,932.15	
Phone #	Fax #	E-mail				Balance Due	\$7,932.15
770-748-3863	770-748-3887	candi.wright@cedarchem.com					

CEDARCHEM
CEDARCHEM, LLC
P.O. Box 271
CEDARTOWN, GA 30125

RECEIVED

MAR 15 2010

SSC-MAILROOM

Invoice

Date	Invoice #
3/10/2010	4611

Bill To
Kentucky American Water Company Attn: Accounts Payable P O Box 5610 Cherry Hill, NJ 08034 <i>50366889</i> <i>OV# 10292711</i>

Ship To
Kentucky American Water Company 2300 Richmond Road Lexington, KY 40502

P.O. Number	Payment Terms	Due Date	Sales Rep.	Ship Date	Ship Via	Freight Terms
15139240	Net 30	4/9/2010	SL	3/10/2010	N/A	Delivered
Item	Description	Total Quantity	Unit Price	Amount		
CedarFloc 524	Bulk - 22,500lbs STOP 1 OF 2 MUST DELIVER TO RICHMOND RD 1ST.	22,970	0.2725	6,259.33		
CedarFloc 524	Bulk - 22,500lbs STOP 2 OF 2 MUST DELIVER TO RIVER STATION 2ND.	22,970	0.2725	6,259.33		

Please remit to above address.

Total	: \$12,518.66
--------------	---------------

Phone #	Fax #	E-mail
770-748-3863	770-748-3887	candi.wright@cedarchem.com

Balance Due	\$12,518.66
--------------------	-------------

RECEIVED

MAR 28 2010

SSC-MAILROOM

Invoice

CEDARCHEM
CEDARCHEM, LLC
P.O. BOX 271
CEDARTOWN, GA 30125

Date	Invoice #
3/24/2010	4650

Bill To
Kentucky American Water Company Attn: Accounts Payable P O Box 5610 Cherry Hill, NJ 08034 <i>M. Pugh</i>

Ship To
Kentucky American Water Company 2300 Richmond Road Lexington, KY 40502

NEW
50366289
A12SECO5

P.O. Number	Payment Terms	Due Date	Sales Rep.	Ship Date	Ship Via	Freight Terms
15135359	Net 30	4/23/2010	SL	3/24/2010	N/A	Delivered
Item	Description	Total Quantity	Unit Price	Amount		
CedarFLOC 408	Qty 15 - 55 lb Bag	825	2.25	1,856.25		

Please remit to above address.

Total \$1,856.25

Phone #	Fax #	E-mail
770-748-3863	770-748-3887	candi.wright@cedarchem.com

Balance Due \$1,856.25

324-10

CEDARCHEM
CEDARCHEM, LLC
P.O. Box 271
CEDARTOWN, GA 30125

Received
MAR 22 2010
500-Mailroom

Invoice

Date	Invoice #
3/18/2010	4633

Bill To
Kentucky American Water Company Attn: Accounts Payable P O Box 5610 Cherry Hill, NJ 08034
<i>M. Pugh</i>

Ship To
Kentucky American Water Company 2300 Richmond Road Lexington, KY 40502
<i>503663879 A125ECOS</i>

P.O. Number	Payment Terms	Due Date	Sales Rep.	Ship Date	Ship Via	Freight Terms
15139597	Net 30	4/17/2010	SL	3/18/2010	N/A	Delivered
Item	Description	Total Quantity	Unit Price	Amount		
CedarClear 321	Bulk - 22,500lbs STOP 1 of 2 MUST DELIVER TO RICHMOND ROAD 1ST	21,960	0.459	10,079.64		
CedarClear 321	Bulk - 22,500lbs STOP 2 of 2 DELIVER TO RIVER STATION 2ND	21,960	0.459	10,079.64		
<i>Zinc</i>						

Please remit to above address.

Total \$20,159.28

Phone #	Fax #	E-mail
770-748-3863	770-748-3887	candi.wright@cedarchem.com

Balance Due \$20,159.28

3-10-10

CEDARCHEM
CEDARCHEM, LLC
P.O. BOX 271
CEDARTOWN, GA 30125

RECEIVED

MAR 08 2010

SSC-MAILROOM

Invoice

Date	Invoice #
3/3/2010	4583

Bill To
Kentucky American Water Company Attn: Accounts Payable P O Box 5610 Cherry Hill, NJ 08034 M Pugh 50366889 NJ NJ SECOS

Ship To
Kentucky American Water Co. River Station Plant 6300 CedarCreek Lane Lexington, KY 40515 859-268-6342

P.O. Number	Payment Terms	Due Date	Sales Rep.	Ship Date	Ship Via	Freight Terms
15139242	Net 30	4/2/2010	SL	3/3/2010	N/A	Delivered
Item	Description	Total Quantity	Unit Price	Amount		
CedarPloc 550	Qty 4 - 450 LB Drum Poly E2 10292230	1,800	0.795	1,431.00		

Please remit to above address.	Total	\$1,431.00
--------------------------------	--------------	------------

Phone #	Fax #	E-mail
770-748-3863	770-748-3887	candi.wright@cedarchem.com

Balance Due	\$1,431.00
--------------------	------------



PLEASE REMIT TO:
P.O. BOX 73054
BALTIMORE, MD 21273-0054

INVOICE
215211

2601 CANNERY AVE. • BALTIMORE, MD 21226-1595
PHONE (410) 354-0100

SOLD TO
KENTUCKY-AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
P.O. BOX 5610
CHERRY HILL, NJ 08034

18513322
10288990

1117-001 215211
SHIPPED TO KY-AM WATER EVANSMILL/RIVER
KENTUCKY RIVER STATION
EVANSMILL ROAD & CEDAR CREEK LANE
LEXINGTON, KY 40515
F.O.B. DELIVERED
SHIP VIA: WAGNER

DATE SHIPPED		INVOICE DATE	CONTRACT NUMBER	ORDER NUMBER		TERMS	TAX EXEMPT NO.
01/27/2010		01/27/2010	15139239			NET 30	
INVENTORY CODE	QUANTITY	DESCRIPTION		QUANTITY SHIPPED	UNIT CODE	UNIT PRICE	AMOUNT
145115	49320	DELPAC 2020 ASHTABULA		49320	5	0.14400	7,102.08
		Gross: 80260					
		Tare: 30940					
		Net: 49320					
				<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <p>Received</p> <p>FEB 05 2010</p> <p>SSC-Mailroom</p> </div>			
PREVIOUS BALANCE		UNIT OF OUR CONTAINERS DELIVERED THIS INVOICE	UNITS OF OUR CONTAINERS RTN.	PRESENT BALANCE		UNIT CODE	RECEIVING RECORD NO.
						1. CWT. 2. GAL. 3. EA. 4. TON 5. LB. 6. PLT	426274
							SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS

CONDITIONS OF SALE

A FINANCE CHARGE OF 1 1/2% PER MONTH (18% PER YEAR) WILL BE CHARGED ON ALL BALANCES OVER THIRTY (30) DAYS.
ALL CONTAINER DEPOSITS ARE PAYABLE WITH PRODUCT AND WILL BE REFUNDED UPON RETURN OF CONTAINERS.
NOTIFY SELLER OF ANY DISPUTE ON CONTAINER BALANCES IMMEDIATELY.
CONTAINERS NOT RETURNED WITHIN 90 DAYS OF SHIPMENT WILL BE CHARGED.
CONTAINERS OUTSTANDING OVER 180 DAYS FROM DATE OF SHIPMENT WILL FORFEIT DEPOSITS AND BE CHARGED FOR THE CONTAINER.
DUE TO REPROCESSING COSTS NO CREDIT WILL BE ISSUED FOR RETURNED CONTENTS.
DELTA CHEMICAL CORPORATION ASSUMES NO RESPONSIBILITY FOR CONTAINERS NOT RETURNED TO DELTA.

ORIGINAL INVOICE



PLEASE REMIT TO:
P.O. BOX 73054
BALTIMORE, MD 21273-0054

INVOICE

214935

2801 CANNERY AVE. • BALTIMORE, MD 21226-1595
PHONE (410) 354-0100

SOLD TO
KENTUCKY-AMERICAN WATER
ATTN: ACCOUNTS PAYABLE
P.O. BOX 5610
CHERRY HILL, NJ 08034

NEW
125/3322
00#10288909

1117.002 214935
SHIPPED TO
KY-AM-WATER-RICHMOND RD
RICHMOND ROAD WTP
2300 RICHMOND ROAD
LEXINGTON, KY 40502
F.O.B. DELIVERED
SHIP VIA: WAGNER

DATE SHIPPED		INVOICE DATE	CONTRACT NUMBER	ORDER NUMBER		TERMS	TAX EXEMPT NO.
01/22/2010		01/22/2010	15139603	DEL 1/22		NET 30	
INVENTORY CODE	QUANTITY	DESCRIPTION		QUANTITY SHIPPED	UNIT CODE	UNIT PRICE	AMOUNT
145115	47920	DELPAC 2020 ASHTABULA		47920	5	0.14400	6,900.48
		Gross: 79960 Tare: 32040 Net: 47920		<p>RECEIVED JAN 29 2010 SSC-MAILROOM</p>			
PREVIOUS BALANCE	UNIT OF OUR CONTAINERS DELIVERED THIS INVOICE	UNITS OF OUR CONTAINERS RTN.	PRESENT BALANCE	UNIT CODE		RECEIVING RECORD NO.	
				1. CWT. 2. GAL. 3. EA. 4. TON 5. LB. 6. PLT		425945	
						SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS	

CONDITIONS OF SALE

A FINANCE CHARGE OF 1 1/2% PER MONTH (18% PER YEAR) WILL BE CHARGED ON ALL BALANCES OVER THIRTY (30) DAYS.
ALL CONTAINER DEPOSITS ARE PAYABLE WITH PRODUCT AND WILL BE REFUNDED UPON RETURN OF CONTAINERS.
NOTIFY SELLER OF ANY DISPUTE ON CONTAINER BALANCES IMMEDIATELY.
CONTAINERS NOT RETURNED WITHIN 90 DAYS OF SHIPMENT WILL BE CHARGED.
CONTAINERS OUTSTANDING OVER 180 DAYS FROM DATE OF SHIPMENT WILL FORFEIT DEPOSITS AND BE CHARGED FOR THE CONTAINER.
DUE TO REPROCESSING COSTS NO CREDIT WILL BE ISSUED FOR RETURNED CONTENTS.
DELTA CHEMICAL CORPORATION ASSUMES NO RESPONSIBILITY FOR CONTAINERS NOT RETURNED TO DELTA.

ORIGINAL INVOICE

PURCHASE ORDER
Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	QUANTITY
12/29/09	15139206
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
Cedartown, GA 30125
928-832-9201

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
928-832-9201 -DESC 50366889 15139206 Polymr, An, Pol EZ 575 506 400E-55GA	5000 LB	.8650	LB	4,325.00	12/29/09

2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870
WILL CALL FOR SHIPMENTS

(Cedar Hec 551) - 45016 drums
*our product name

	Sales Tax	Total Order
Terms Net 45	Tax Rt 6,000	259.50
Freight		4,584.50

Candi Wright

IMPORTANT NOTICE FOR SECURITY PURPOSES:
A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.
Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

2787476

04/16/2010 11:59 9288329201

CEDARCHEM

PAGE 09/09

Bill To: American Water

PURCHASE ORDER

P.O. Box 5800
Cherry Hill, NJ 08034
(856) 777-8423
Fax (856) 672-2870

12/29/09	15139240
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
Cedartown GA 30125
928-832-9201

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
928-832-9201 -DSC 50366889 15139240 Polymr, Cat, Cat-Floc LB 502 410F-BULK	46680 LB	✓.2725	LB	12,720.30	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

*Cedarfloc 504
Bulk loads*

	Sales Tax	Total Order
Terms Net 45	Tax Rt 6.000	763.22
		13,483.52

Freight

Candi Wright

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Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 11:59 9288329201

CEDARCHEM

PAGE 08/09

PURCHASE ORDER
Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

12/29/09	15139242
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
Cedartown GA 30125
928-832-9201

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
928-832-9201 ~DESC 50366889 15139242 Polymr, Non, Pol - EZ 552 512 420E-55GA	5400 LB	7950	LB	4,293.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

*Cedarfloc 550
450 lb drums*

	Sales Tax	Total Order
Terms Net 45	Tax Rt 6.000	257.58
Freight		4,350.58

Candice Wright

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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 11:59 9288329201

CEDARCHEM

PAGE 07/09

PURCHASE ORDER

Bill To: American Water

P.O. Box 5800
Cherry Hill, NJ 08034
(856) 777-5426
Fax (856) 672-2870

12/29/09	15139243
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
928-832-9201 Cedartown GA 30125

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	928-832-9201	-DESC 50366889 15139243	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Sod. Permanganate, 20%-50GA ✓ 461A-50GA			5000 LB	✓.9550	LB	4,775.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS							

	Sales Tax	Total Order
Terms Net 45	Tax Rt	4,775.00

Candi Wright

IMPORTANT NOTICE FOR SECURITY PURPOSES:
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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 11:59 9288329201

CEDARCHEM

PAGE 06/09

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(806) 777-8428
Fax (856) 672-2870

01/05/10	15139597
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
Cedartown GA 30125
928-832-9201

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
928-832-9201 -DESC 50366889 15139597 Zn-Ortho(Sulfate) (L-10)-B 226 680C-BULK	264980 LB	✓ 4590	LB	121,625.82	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

*Cedar Clear 321
Bulk Loads*

Terms Net 45	Sales Tax	Total Order
Tax RC		121,625.82
Freight	<i>Candi Wright</i>	

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order **MUST** accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 11:59 9288329201

CEDARCHEM

PAGE 05/09

PURCHASE ORDER

Bill To: American Water

P.O. Box 5800
Cherry Hill, NJ 08034
(856) 777-8428
Fax (856) 672-2870

01/05/10	15139604
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR:
Cedarchem LLC
PO Box 271
Cedartown GA 30125
928-832-9201

SHIP TO: Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
928-832-9201 ~DESC 50365889 15139604 Polymer, Cat, Cat floe LB 502 410F-BULK	45000 LB	✓2725	LB	12,262.50	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

*Cedarfloc 524
Bulk loads*

	Sales Tax	Total Order
Terms Net 45	Tax Rt 6.000	735.75
		12,998.25
Freight		<i>Candiwright</i>

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 11:59 9288329281

CEDARCHEM

PAGE 02/09

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8428
Fax (856) 672-2870

01/05/10	15139606
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgments should be mailed or faxed to the Ship To address

VENDOR :
Cedarchem LLC
PO Box 271
Cedartown GA 30125
928-832-9201

SHIP TO : Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	928-832-9201	-DESC 50366889 15139606	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Pot. Permanganate, 100#-55#B-607 460A-55LB			14914 LB	2.5700	LB	38,328.98	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS							

Pot. Permanganate
55lb Containers

	Sales Tax	Total Order
Terms Net 45	Tax Rt	38,328.98
Freight		

Cedrich

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

04/16/2010 15:02 9288329201

CEDARCHEM

PAGE 02/02

PURCHASE ORDER
Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8428
Fax (856) 672-2870

12/29/09	15139210
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Cedarchem LLC
PO Box 271
928-832-9201 Cedartown GA 30125

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	928-832-9201	DESC 50366889 15139210	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Polymer, Cat, Malco-8182-Plus 410A-956A			2000 LB	✓ .5000	LB	1,000.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10							
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870							
WILL CALL FOR SHIPMENTS							

Cedarflac 526

450 lb drum

Terms Net 45	Tax Rt 6.000	Sales Tax 60.00	Total Order 1,060.00
--------------	--------------	-----------------	----------------------

Freight -

Candi Wright

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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown, GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER
Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (866) 672-2870

Date	Order No.
01/05/10	15139610
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Cedarchem LLC
PO Box 271
928-832-9201 Cedartown GA 30125

SHIP TO : Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Reg. Date
928-832-9201 -DESC 50366889 15139610 En Ortho(Sulfate) ,(1:10)-B 226 680C-BULK	88000 LB	.4590	LB	40,392.00	01/05/10
2010 BLANKET CHEMICAL PO WILL CALL FOR SHIPMENTS PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870					

(Cedar Clear 321) Bulk
** our product name*

Terms Net 45	Tax Rt	Sales Tax	Total Order
			40,392.00

Freight - *Candi Wright*

IMPORTANT NOTICE FOR SECURITY PURPOSES:
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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Cedarchem LLC
PO Box 271
Cedartown GA 30125

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER
Bill To: American Water
P.O. Box 5800
Cherry Hill, NJ 08034
(856) 777-8426
Fax (856) 672-2870

DATE	ORDER NO.
01/05/10	15138603
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Delta Chemical Corp
2601 Cannery Ave
Baltimore, MD 21226-1595

SHIP TO: Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
410-354-1021 -DESC 18565763 15139603 PACL, Delpc2020/STEPHAN70-Bul 106 380F-BULK	1640480 LB	.1440	LB	236,229.12	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Joann F. Greenwell
Joann F. Greenwell, Sales Administrator
Delta Chemical Corporation

22-Feb-2010

Terms Net 30	Sales Tax	Total Order
	Tax Rt	236,229.12

Freight

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Delta Chemical Corp
2601 Cannery Ave
Baltimore MD 21226-1595

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
 P.O. Box 5600
 Cherry Hill, NJ 08034
 (866) 777-8426
 Fax (856) 672-2870

Date	Order No.
12/29/09	15139236
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Kemira Water Solutions Inc
 Dept AT 952343
 785-842-2629 Atlanta GA 31192-2343

SHIP TO: Kentucky-American Water Company
 6300 Cedar Creek Ln
 Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
785-842-2629 -DESC 17008878 15139236					
Ferric Chloride, 38%-Bulk 104	2190000 LB	.1080	LB	236,520.00	12/29/09
250A-BULK 2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Handwritten:
 C/W
 4/16/10

Terms Net 30	Tax Rt	Sales Tax	Total Order
			236,520.00
Freight	-		

Special Instructions

IMPORTANT NOTICE FOR SECURITY PURPOSES:
 A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Kemira Water Solutions Inc
 Dept AT 952343
 Atlanta GA 31192-2343

All Certificates of Insurance should be sent to:
 American Water
 Supply Chain Department
 1025 Laurel Oak Road
 Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(888) 777-8420
Fax (856) 672-2870

01/09/10	15139680
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address:

VENDOR: Aquatic Control Inc
PO Box 100
Seymour IN 47274
812-497-2460

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
812-497-2460 -DESC 10001049 15139680 Copper Sulfate, 100%-5LB 230A-5LB	500 LB	1.7467	LB	873.35	01/06/10

2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870
WILL CALL FOR SHIPMENTS

Terms Net 30	Tax Rt 6.000	Sales Tax 52.40	Total Order 925.75
--------------	--------------	-----------------	--------------------

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Aquatic Control Inc
PO Box 100
Seymour IN 47274

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

[Handwritten Signature] 2/22/10

PURCHASE ORDER
Bill To: American Water
 P.O. Box 5600
 Cherry Hill, NJ 08034
 (856) 777-3426
 Fax (856) 672-2870

DATE	ORDER NO.
01/05/10	15139801
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Aquatic Control Inc.
 PO Box 100
 Seymour, IN 47274
 812-497-2460

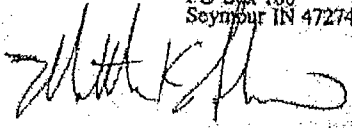
SHIP TO : Kentucky-American Water Company
 2400 Richmond Road
 Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
812-497-2460 -DESC 10001049 15139601 Copper Sulfate, 20%-30GA 230H-30GA	17000 LB	1.3600	LB	23,120.00	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

	Sales Tax	Total Order
Terms Net 30	Tax Rt 6.000 1387.20	24,507.20
Freight		

SPECIAL INSTRUCTIONS

IMPORTANT NOTICE FOR SECURITY PURPOSES:
 A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.
 Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Aquatic Control Inc
 PO Box 100
 Seymour IN 47274
 2/22/10

All Certificates of Insurance should be sent to:
 American Water
 Supply Chain Department
 1025 Laurel Oak Road
 Voorhees, NJ 08043

FEB-23-2010 08:20A FROM:

TO: 18566722870

P. 1

PURCHASE ORDER

Bill To: American Water

P.O. Box 5000
Cherry Hill, NJ 08034
(856) 777-8428
Fax (856) 672-2870

DATE	DATE IN
12/29/09	15138201
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Applied Specialties Inc
PO Box 307
440-933-9439 Avon Lake OH 44012

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
440-933-9439 -DESC 50047336 15139201 Ferric Chlor Polymer, 10% AS2 250D-BULK	95570 LB	.3100	LB	29,626.70	12/29/09
<p>2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS</p>					

Confirmed 2/22/10
Elin Field
Applied Specialties Inc.

Terms Net 30	Sales Tax	Total Order
Tax Rt		29,626.70
Freight		

IMPORTANT NOTICE FOR SECURITY PURPOSES:
A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.
Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Applied Specialties Inc
PO Box 307
Avon Lake OH 44012

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER
Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(856) 777-8426
Fax (856) 672-2870

DATE	INVOICE NO.
12/29/09	15139239
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Delta Chemical Corp
2601 Cannery Ave
Baltimore, MD 21226-1595

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
410-354-1021 -DESC 18565763 15139239 PACL, Delpc2020/Strnsn70-Bul 106 380F-BULK	2111940 LB	.1440	LB	304,119.36	12/29/09
<p>2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS</p>					

Joann L. Greenwell
Joann Greenwell, Sales Administrator
Delta Chemical Corporation

22-Feb-2010

Sales Tax

Total Order

Terms Net 30

Tax Rt

304,119.36

Freight -

Special Instructions

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Delta Chemical Corp
2601 Cannery Ave
Baltimore MD 21226-1595

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

Date	Order No.
01/06/10	15139683
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Brenntag Mid South Inc

SHIP TO :

Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

~~317-895-0614~~ ~~3796-Reliable-Pkwy~~ ~~Chicago IL 60686-0037~~

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DESC 50141748 15139683 Sodium Hydrox, 50%-Bulk 402	200000 LB	.0800	LB	16,000.00	01/06/10
560A-BULK 2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alivia L. True

	Sales Tax	Total Order
-----		16,000.00
Terms Net 45	Tax Rt	

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order **MUST** accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-3428
Fax (856) 672-2870

Date	Invoice No.
01/05/10	15139608
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 Sodium Hydrox, 50%-275GA 560A-275GA	7000 LB	.1600	LB	1,120.00	01/05/10
2010 BLANKET CHEMICAL PO Fax acknowledgement to Jerry Coyne at 856-672-2870					

Alisia A. True

Terms	Tax	Total Order
Net 45	Rt	1,120.00

Freight -
Special Instructions

IMPORTANT NOTICE FOR SECURITY PURPOSES:
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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(856) 777-8428
Fax (856) 672-2870

DATE	ORDER NO.
01/05/10	15139607
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO : Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DBSC 50141748 15139607 Sodium Chloride, 90% Pure-50 704 510A-50LB	35000 LB	.1800	LB	6,300.00	01/05/10
2010 BLANKET CHEMICAL PO WILL CALL FOR SHIPMENTS PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870					

Alivia A. True

Terms	Net	Tax	Rt	Sales Tax	Total Order
Net 45		6.000		378.00	6,678.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
 P.O. Box 5600
 Cherry Hill, NJ 08034
 (866) 777-8426
 Fax (856) 672-2870

Date	Order No.
01/05/10	15139602
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Brenntag Mid South Inc
 3796 Reliable Pkwy
 Chicago IL 60686-0037

SHIP TO : Kentucky-American Water Company
 2400 Richmond Road
 Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DESC 50141748 15139602					
HFS Acid, 23%-Bulk 702	198000 LB	.3200	LB	63,360.00	01/05/10
300A-BULK					
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10					
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870					
WILL CALL FOR SHIPMENTS					

Alicia M. True

	Sales Tax	Total Order
-----	-----	-----
Terms-Net-45	Tax-Rt	63,360.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:
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Brenntag Mid South Inc
 3796 Reliable Pkwy
 Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
 American Water
 Supply Chain Department
 1025 Laurel Oak Road
 Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

01/05/10	15139600
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DESC 50141748 15139600 Chlorine ,100%-2000LB 321 220A-2000LB	270000 LB	.1900	LB	51,300.00	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alicia A. True

Terms	Tax	Sales Tax	Total Order
Net 45	6.000	3078.00	54,378.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8428
Fax (866) 672-2870

DATE	PO #
01/05/10	15139599
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgments should be mailed or faxed to the Ship To address

VENDOR : Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO : Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DBSC 50141748 15139599					
Carbon - PAC, Lignite-900LB 605 200A-900LB	12000 LB	.8600	LB	10,320.00	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alivia A. True

Terms	Net	Tax	Rt	Salas Tax	Total Order
Net	45	6.000	619.20		10,939.20

Freight -
Special Instructions

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5800
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	SHIP TO
01/05/10	15139598
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
2400 Richmond Road
Lexington KY 40502

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Ammonia - Anhyd, 100%-Bulk 301 150A-BULK	26500 LB	.3800	LB	10,070.00	01/05/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alicia H. True

	Sales Tax	Total Order
Terms-Net-45	Tax-Rt-6.000	604.20
		10,674.20

Freight -
Special Instructions

IMPORTANT NOTICE FOR SECURITY PURPOSES:
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Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	QUANTITY
01/04/10	15139486
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 Sodium Hydrox, 50%-Bulk 402 560A-BULK	590000 LB	.0800	LB	47,200.00	01/04/10
-DESC 50141748 15139486					
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10					
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870					
WILL CALL FOR SHIPMENTS					

Alicia M. True

	Sales Tax	Total Order
-----	-----	-----
Terms Net 45	Tax Et	47,200.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.
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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 6800
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

01/04/10	15139484
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	317-895-0614 DESC 50141748 15139484	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Sodium Chloride, 90% Pure-50 704.. 510A-50LB		32100 LB	.1800	LB	5,778.00	01/04/10
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS						

Alicia M. True

	Sales Tax	Total Order
-----	-----	-----
Taxs Net 45	Tax Rt 6.000	346.68
		6,124.68

Freight -
Special Instructions

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(856) 777-3426
Fax (856) 672-2870

DATE	INVOICE NO.
12/29/09	15139238
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	317-895-0614 3796 Reliable Pkwy	DESC 50141748 15139238	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
HFB Acid, 23%-BULK 702 300A-BULK			312140 LB	.3200	LB	99,884.80	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS							

Alicia L. True

Sales Tax Total Order

Terms Net 45

Tax Rt

99,884.80

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	INVOICE NO.
12/29/09	1519237
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 HFS Acid, 23%-55GA 702 300A-55GA	6600 LB	.4300	LB	2,838.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alicia H. True

Sales Tax

Total Order

Terms Net 45

Tax Rt

2,838.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

A copy of this Purchase Order MUST accompany the delivery of goods and/or services procured herein to any American Water Facility.

Should a valid agreement exist between American Water and a vendor, the terms and conditions of that agreement shall supersede any like the terms and conditions of that found on the reverse of this Purchase Order.

Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1925 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	SHIP TO NO.
12/29/09	15139235
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid-South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	317-895-0614 Qty Ordered / Unit	DESC 50141748 15139235	Unit Price	Unit	Amount	Req. Date
Chlorine ,100%-2000LB 321 220A-2000LB	565000	LB	.1900	LB	107,540.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS						

Alivia True

Terms Net 45	Tax Rt 6.000	Sales Tax 6452.40	Total Order 113,992.40
--------------	--------------	-------------------	------------------------

Freight -
Special Instructions

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5900
Cherry Hill, NJ 08034
(856) 777-3428
Fax (856) 672-2870

Order No.	15139234
Date	12/29/09
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

Description of Item / Part No.	317-895-0614 3796 Reliable Pkwy	DESC 50141748 15139234	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Carbon - PAC, Lignite-50LB 605 200A-50LB			10000 LB	.8500	LB	8,500.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS							

Alicia H. True

	Sales Tax	Total Order
Terms Net 45	Tax RC 6.000	510.00
		9,010.00

Freight -

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

Date	12/29/09
Order No.	15139232
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc

SHIP TO: Kentucky-American Water Company
6300 Cedar Creek Ln
Lexington KY 40515

~~317-895-0614 3796 Reliable Pkwy Chicago IL 60686-6037~~

Description of Item / Part No.	317-895-0614	DESC 50141748 15139232	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Ammonia - Anhyd, 100%-Bulk 301 150A-BULK			100500 LB	.3800	LB	38,190.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS							

Alisia Sue

	Sales Tax	Total Order
Terms Net 45	Tax Rt: 6.000	2291.40
		40,481.40

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-6037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

Date:	Order No.:
12/29/09	15139226
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037
317-895-0614

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 Chlorine ,100%-150LB 305 220A-150LB	DESC 50141748 15139226 3000 LB	.4000	LB	1,200.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alisia L. True

	Sales Tax	Total Order
Terms Net 45	Tax RT 6.000	72.00
		1,272.00

Freight -

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER
Bill To: American Water
 P.O. Box 5600
 Cherry Hill, NJ 08034
 (866) 777-8426
 Fax (856) 672-2870

DATE	ORDER NO.
12/29/09	15139214
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR : Brenntag Mid South Inc
 3796 Reliable Pkwy

SHIP TO : Kentucky American Water Company
 3700 Highway 127 N
 Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DESC 50141748 15139214					
Sodium Hydrox, 50%-55GA 402 560A-55GA	40000 LB	.1600	LB	6,400.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10					
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870					
WILL CALL FOR SHIPMENTS					

Alicia K. True

Terms Net 45	Tax Rt	Sales Tax	Total Order
			6,400.00

Freight -

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Brenntag Mid South Inc
 3796 Reliable Pkwy
 Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
 American Water
 Supply Chain Department
 1025 Laurel Oak Road
 Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5800
Cherry Hill, NJ 08034
(856) 777-8426
Fax (856) 672-2870

12/29/09	15139213
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
Sodium Hydrox, 30%-55GA 555A-55GA	40220 LB	.1500	LB	6,033.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alexia H True

Terms Net 45	Tax Rt	Sales Tax	Total Order
			6,033.00

IMPORTANT NOTICE FOR SECURITY PURPOSES:

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	QUANTITY
12/29/09	15139197
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 -DESC 50141748 15139197					
Carbon-PAC, Hydrodarco B 40L Bag 200B-40LB	20000 LB	.8500	LB	17,000.00	12/29/09

2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10
PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870
WILL CALL FOR SHIPMENTS

Alisia A. True

Terms Net 45	Tax Rt 6.000	Sales Tax 1020.00	Total Order 18,020.00
--------------	--------------	-------------------	-----------------------

Freight

IMPORTANT NOTICE FOR SECURITY PURPOSES:
A copy of this Purchase Order **MUST** accompany the delivery of goods and/or services procured herein to any American Water Facility.
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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043



Gerald J
Coyne/SHARVCS/AWWSC
03/30/2010 08:38 AM

To Mary Ellen Pugh/KAWC/AWWSC@AWW, Kathy
Demaris/SHARVCS/AWWSC@AWW, Michael J
Redder/SHARVCS/AWWSC@AWW
cc David Shehee/KAWC/AWWSC@AWW

bcc

Subject Re: Fw: KY sod. permanganate pails

Kathy or Michael

The attached PO needs to be cancelled. This supplier did not bid this product correctly and AW is moving this over to Brenntag at a cost of .98. I have updated the price list and am reposting it to the intranet.

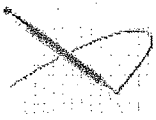
15139212

Jerry Coyne
Senior Strategic Buyer Chemicals
Operations Services
American Water Works Service Company, Inc
3906 Church Road
Mount Laurel, NJ. 08054
856-727-6219
856-381-1397 Mobile
856-727-6258 Fax
gerald.coyne@amwater.com

Hours: Mon Thru Thursday 7:00 AM--5:30 PM
Hours: Friday Off--Contact Dick Guyer @856-727-6205

For Mailing Purposes
1025 Laurel Oak Road
Voorhees, NJ. 08043

Mary Ellen Pugh/KAWC/AWWSC



Mary Ellen
Pugh/KAWC/AWWSC
03/30/2010 07:11 AM

To Gerald J Coyne/SHARVCS/AWWSC@AWW
cc David Shehee/KAWC/AWWSC@AWW
Subject Re: Fw: KY sod. permanganate pails

Should I cancel PO with CedarChem?

Mary Ellen Pugh
Kentucky American Water
2300 Richmond Rd
Lexington, KY 40502
859-335-3425
Maryellen.Pugh@amwater.com

Gerald J Coyne/SHARVCS/AWWSC



Gerald J
Coyne/SHARVCS/AWWSC
03/29/2010 05:08 PM

To David Shehee/KAWC/AWWSC@AWW
cc Mary Ellen Pugh/KAWC/AWWSC@AWW
Subject Re: Fw: KY sod. permanganate pails

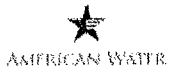
123201-OWN-Production	461A-5GA	Sod.Permanganate, 20
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Jerry Coyne
Senior Strategic Buyer Chemicals
Operations Services
American Water Works Service Company, Inc
3906 Church Road
Mount Laurel, NJ. 08054
856-727-6219
856-381-1397 Mobile
856-727-6258 Fax
gerald.coyne@amwater.com

Hours: Mon Thru Thursday 7:00 AM--5:30 PM
Hours: Friday Off--Contact Dick Guyer @856-727-6205

For Mailing Purposes
1025 Laurel Oak Road
Voorhees, NJ. 08043

David Shehee/KAWC/AWWSC



David
Shehee/KAWC/AWWSC
03/29/2010 04:49 PM

To Mary Ellen Pugh/KAWC/AWWSC@AWW
cc Gerald J Coyne/SHARVCS/AWWSC@AWW
Subject Re: Fw: KY sod. permanganate pails

The purchase amount is the same as what we used for Cedarchem.

Jerry,

Do you have the part # for plant 123201?

David

David B. Shehee
Supervisor, Water Quality and Environmental Compliance

Kentucky American Water
2300 Richmond Road
Lexington, Kentucky 40502
(859) 335-3660 Office
(859) 335-3388 Fax
david.shehee@amwater.com
www.kentuckyamwater.com
Mary Ellen Pugh/KAWC/AWWSC



Mary Ellen
Pugh/KAWC/AWWSC
03/29/2010 04:14 PM

To David Shehee/KAWC/AWWSC@AWW
cc Gerald J Coyne/SHARVCS/AWWSC@AWW
Subject Re: Fw: KY sod. permanganate pails

What is the part # and has the part # been set up with the plant # (123201)? How much do we intend to purchase for the year?

Mary Ellen Pugh
Kentucky American Water
2300 Richmond Rd
Lexington, KY 40502
859-335-3425
Maryellen.Pugh@amwater.com

David Shehee/KAWC/AWWSC



David
Shehee/KAWC/AWWSC
03/29/2010 04:05 PM

To Mary Ellen Pugh/KAWC/AWWSC@AWW
cc Gerald J Coyne/SHARVCS/AWWSC@AWW
Subject Fw: KY sod. permanganate pails

Mary Ellen,

Please create a PO for sodium permanganate to replace the Cedarchem PO for the Northern Division water plant. Let me know if you have any questions.

David

David B. Shehee
Supervisor, Water Quality and Environmental Compliance
Kentucky American Water
2300 Richmond Road
Lexington, Kentucky 40502
(859) 335-3660 Office
(859) 335-3388 Fax
david.shehee@amwater.com
www.kentuckyamwater.com

----- Forwarded by David Shehee/KAWC/AWWSC on 03/29/2010 04:02 PM -----



Gerald J
Coyne/SHARVCS/AWWSC

To David Shehee/KAWC/AWWSC@AWW

cc

03/29/2010 01:17 PM

Subject Fw: KY sod. permanganate pails

see below

Jerry Coyne
Senior Strategic Buyer Chemicals
Operations Services
American Water Works Service Company, Inc
3906 Church Road
Mount Laurel, NJ. 08054
856-727-6219
856-381-1397 Mobile
856-727-6258 Fax
gerald.coyne@amwater.com

Hours: Mon Thru Thursday 7:00 AM--5:30 PM
Hours: Friday Off--Contact Dick Guyer @856-727-6205

For Mailing Purposes
1025 Laurel Oak Road
Voorhees, NJ. 08043

----- Forwarded by Gerald J Coyne/SHARVCS/AWWSC on 03/29/2010 01:15 PM -----



DFIELD@brenntag.com

03/29/2010 12:46 PM

To "Gerald Coyne" <Gerald.Coyne@amwater.com>

cc MFryman@brenntag.com, EHiatt@brenntag.com

Subject KY sod. permanganate pails

Jerry, I'm able to get to \$0.98/lb. I tried getting help from Carus to compete harder against the import but that's all they would do.

Let us know if you can start ordering it again from us and we'll update our system.

Thanks
Don Field
Indianapolis District Manager
Brenntag Mid-South
3111 N. Post Rd
Indianapolis, IN 46226
317-898-8632 ext 230

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PURCHASE ORDER

Bill To: American Water

P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	PO#
12/29/09	15139211
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 Pot. Permanganate, 100%-55LB 607 460A-55LB	3000 LB	2.6000	LB	7,800.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alivia L. True

Terms Net 45	Tax Rt	Sales Tax	Total Order
			7,800.00
Freight -			
Special Instructions			

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water
P.O. Box 5600
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

12/29/09	15139204
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	Qty Ordered / Unit	Unit Price	Unit	Amount	Req. Date
317-895-0614 HFS Acid, 23%-55GA 702 300A-55GA	12000 LB	.4300	LB	5,160.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COVNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alisia H. True

Terms Net 45	Tax Rt	Sales Tax	Total Order
			5,160.00
Freight			-

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
Voorhees, NJ 08043

PURCHASE ORDER

Bill To: American Water

P.O. Box 5690
Cherry Hill, NJ 08034
(866) 777-8426
Fax (856) 672-2870

DATE	ORDER NO.
12/29/09	15138217
Show This Number On All Invoices, Bills of Lading, Packages, Etc.	

All Acknowledgements should be mailed or faxed to the Ship To address

VENDOR: Brenntag Mid South Inc
3796 Reliable Pkwy

SHIP TO: Kentucky American Water Company
3700 Highway 127 N
Owenton KY 40351

Description of Item / Part No.	317-895-0614 Qty Ordered / Unit	DESC 50141748 15139217 Unit Price	Unit	Amount	Reg. Date
Sulfuric Acid, 38.5%-55GA 640D-55GA	30000 LB	.2200	LB	6,600.00	12/29/09
2010 BLANKET CHEMICAL PO 01/01/10 - 12/31/10 PLEASE FAX ACKNOWLEDGEMENT TO GERRY COYNE 856-672-2870 WILL CALL FOR SHIPMENTS					

Alicia M. Sue

	Sales Tax	Total Order
Terms Net 45	Tax Rt 6.000	596.00
		6,996.00

Freight -

Special Instructions

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Brenntag Mid South Inc
3796 Reliable Pkwy
Chicago IL 60686-0037

All Certificates of Insurance should be sent to:
American Water
Supply Chain Department
1025 Laurel Oak Road
 Voorhees, NJ 08043



Gerald J
Coyne/SHARVCS/AWWSC
02/24/2010 09:09 AM

To :Kathy Demaris/SHARVCS/AWWSC@AWW
cc
bcc

Subject Fw: PO for Kentucky PO 15139229

see below

Jerry Coyne
Senior Strategic Buyer Chemicals
Operations Services
American Water Works Service Company, Inc
3906 Church Road
Mount Laurel, NJ. 08054
856-727-6219
856-381-1397 Mobile
856-727-6258 Fax
gerald.coyne@amwater.com

Hours: Mon Thru Thursday 7:00 AM--5:30 PM
Hours: Friday Off--Contact Dick Guyer @856-727-6205

For Mailing Purposes
1025 Laurel Oak Road
Voorhees, NJ. 08043

----- Forwarded by Gerald J Coyne/SHARVCS/AWWSC on 02/24/2010 09:09 AM -----



"Whalen, Sheri L (WT)"
<Sheri.Whalen@siemens.co
m>
02/24/2010 08:10 AM

To <Gerald.Coyne@amwater.com>
cc
Subject FW: PO for Kentucky PO 15139229

Mr. Coyne:

Purchase order received

Thank you

Sheri

Sheri Whalen
Sales/Marketing Supervisor
Siemens Water Technologies Corp.
2650 Tallevast Road
Sarasota, Florida 34243
Phone: (941) 359-7931

Fax: (941) 359-7985
E-mail: Sheri.Whalen@Siemens.com
www.siemens.com/water

"A customer does us a favor by choosing us; we aren't doing the customer a favor by accepting his business."

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-----Original Message-----

From: Kathy.Demaris@amwater.com [mailto:Kathy.Demaris@amwater.com]
Sent: Monday, February 22, 2010 1:39 PM
To: Whalen, Sheri L (WT)
Subject: PO for Kentucky PO 15139229

(See attached file: 2838_001.pdf)

Kathy Demaris
Operational Services
Procurement Analyst
856-727-6223
kathy.demaris@amwater.com
3906 Church Rd
Mt. Laurel, NJ 08054

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**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

106. Please provide a detailed breakout of the \$9.028 million of AWWSC costs included in the KAWC filing (Mike Miller page 15), including complete details on the costs included for each AWWSC department and function that has charged or allocated cost to KAWC.

Response:

Please refer to the response to question AGDR1#113_042640.

For the electronic version of this response, refer to KAW_R_AGDR1#106_042610.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller

107. Affiliate management fee charges. Please refer to the table below (from a recent California American Water rate case) and provide the equivalent actual 2009 information, and budgeted/forecast information for 2010 and for the 12 months ending 9/30/2011 in similar detail that was used as the basis for the amount of National Service Company and Local Service Company charges reflected in KAWC's current Kentucky rate case:

2008	As Filed 2008
Description	
<u>Operating Expenses - Dollars:</u>	
National Service Company	
Service Company - Belleville Laboratory	302,875
Service Company - Call Center	2,802,618
Service Company - Finance	581,351
Service Company - Human Resources	296,649
Service Company - Information Technology	1,786,495
Service Company - "NSC Functions"	1,489,659
Service Company - Operation / Network	267,594
Service Company - Shared Services	1,141,013
Service Company - Procurement	152,311
Subtotal National Service Company	8,820,565
Local Service Company	3,471,949

Response:

The Company objects to the use of the term "Local Service Company" and "National Service Company", or "NSC" as a misleading descriptive term for the set of services provided by the Service Company under the 1989 Service Company Contract. Notwithstanding the objection, the attached schedule is presented consistent with the presentation and work papers contained within the current rate proceeding and the 1989 Service Company Contract.

For the electronic version, refer to KAW_R_AGDR1#107_042610.pdf.

Kentucky American
Attorney General Q#107

	<u>2009 Actual</u>	<u>2010 Budget</u>	12 Mths Ended <u>Sep 2011</u>
Admin	\$53,297	(\$81,034)	(\$41,642)
Audit	\$60,213	\$65,316	\$57,528
Benefit Svc Ctr	\$47,317	\$52,247	\$51,213
Business Development	\$200,429	\$340,976	\$223,380
Business Transformation	\$16	\$0	\$0
CSC	\$1,733,766	\$1,824,352	\$1,798,314
External Affairs/Communication	\$321,686	\$378,680	\$349,361
Finance	\$1,021,790	\$838,567	\$1,281,933
Human Resources	\$327,881	\$395,316	\$356,505
Investor Relations	\$19,364	\$24,381	\$25,740
ITS	\$1,460,344	\$1,712,713	\$1,716,682
Laboratory	\$193,954	\$200,150	\$209,420
Legal	\$331,620	\$312,919	\$376,500
Operation Services	\$297,320	\$299,242	\$291,296
Procurement	\$91,969	\$106,503	\$137,762
Property	\$419,209	\$402,976	\$397,291
Regulated Operations	\$952,203	\$1,294,530	\$1,066,462
Regulatory Services	\$23,766	\$23,514	\$24,340
SSC	\$592,479	\$587,838	\$626,979
	\$8,148,624	\$8,779,186	\$8,949,064

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller

108. Affiliate management fee charges. (a) Please refer to the table below (from a recent California American Water rate case) and provide the equivalent information in similar detail that underlies the KAWC expenses for affiliate service company cost allocations:

American Water Works Service Company, Inc.
Formula 100792 CP-CUST CALL CNTR REG CO'S

CO #	COMPANY NAME	WATER	WASTEWATER	Customer Count 12/31/07	Revised %
05	CALIFORNIA-AMERICAN	169,196	2,248	171,444	5.11%
09	ILLINOIS-AMERICAN	284,593	22,147	306,740	9.15%
10	INDIANA-AMERICAN	282,632	454	283,086	8.44%
11	IOWA-AMERICAN	60,403	-	60,403	1.80%
12	KENTUCKY-AMERICAN	117,088	705	117,793	3.51%
13	MARYLAND-AMERICAN	4,833	-	4,833	0.14%
17	MISSOURI-AMERICAN	463,999	1,088	465,087	13.87%
18	NEW JERSEY-AMERICAN	606,572	28,385	634,957	18.94%
19	NEW MEXICO-AMERICAN	16,774	-	16,774	0.50%
22	OHIO-AMERICAN	51,000	6,578	57,578	1.72%
23	ARIZONA-AMERICAN	102,683	50,835	153,518	4.58%
24	PENNSYLVANIA-AMERICAN	630,132	14,588	644,720	19.23%
26	TENNESSEE-AMERICAN	74,540	-	74,540	2.22%
27	VIRGINIA-AMERICAN	54,253	-	54,253	1.62%
28	WEST VIRGINIA-AMERICAN	167,909	-	167,909	5.01%
30	HAWAII-AMERICAN	-	9,273	9,273	0.28%
38	LONG ISLAND-AMERICAN	73,873	-	73,873	2.20%
42	UNITED WATER VIRGINIA	2,535	-	2,535	0.08%
50	TEXAS-AMERICAN	4,026	1,063	5,089	0.15%
54	Edison	12,161	-	12,161	0.36%
55	Liberty	18,040	-	18,040	0.54%
31	AWE -- Surprise, AZ	18,722	-	18,722	0.56%
	Total	3,215,964	137,364	3,353,328	100.00%

- (b) Please provide similar information as of each of the following dates: (1) 12/31/2008 actual; (2) 12/31/2009 actual; (3) projected/budgeted for calendar 2010; and (4) projected/budgeted for the 12 months ending 9/30/2011.

Response:

Please see attached file for actual customer data as of 12/31/08 and 12/31/09 in the format requested above. The projected customer counts as of 12/31/10 and 9/30/2011 are not available.

Please note that the Service Company operating budget is not prepared using a basis of forecasted customer counts. The budget is prepared by taking actual charges by location for the 12 months proceeding and calculating an allocation rate as a starting base. The base rate is then adjusted for any known future changes in that department in the coming period.

For the electronic version, refer to KAW_R_AGDR1#108_042610.pdf.

AMERICAN WATER WORKS SERVICE COMPANY, INC.

CUSTOMER COUNT

12/31/2008

AGDR1#108

CO #	COMPANY NAME	WATER	WASTEWATER	TOTAL	%age
05	CALIFORNIA-AMERICAN	168,384	2,469	170,853	5.08%
09	ILLINOIS-AMERICAN	285,611	22,123	307,734	9.15%
10	INDIANA-AMERICAN	283,424	462	283,886	8.44%
11	IOWA-AMERICAN	60,720	-	60,720	1.80%
12	KENTUCKY-AMERICAN	118,149	718	118,867	3.53%
13	MARYLAND-AMERICAN	4,859	-	4,859	0.14%
16	MICHIGAN-AMERICAN	3,689	-	3,689	0.11%
17	MISSOURI-AMERICAN	455,794	1,093	456,887	13.58%
18	NEW JERSEY-AMERICAN	609,607	28,962	638,569	18.98%
19	NEW MEXICO-AMERICAN	16,932	-	16,932	0.50%
22	OHIO-AMERICAN	51,122	6,574	57,696	1.71%
23	ARIZONA-AMERICAN	105,943	50,840	156,783	4.66%
24	PENNSYLVANIA-AMERICAN	632,156	16,802	648,958	19.29%
26	TENNESSEE-AMERICAN	74,774	-	74,774	2.22%
27	VIRGINIA-AMERICAN	54,431	-	54,431	1.62%
28	WEST VIRGINIA-AMERICAN	170,404	-	170,404	5.06%
30	HAWAII-AMERICAN	-	9,901	9,901	0.29%
38	LONG ISLAND-AMERICAN	73,927	-	73,927	2.20%
42	UNITED WATER VIRGINIA	2,574	-	2,574	0.08%
50	TEXAS-AMERICAN	4,155	1,073	5,228	0.16%
31	AW Products & Services Total	17,021		17,021	0.51%
54	Edison Water Company	12,238		12,238	0.36%
55	Liberty Water Company	17,957		17,957	0.53%
	Total	3,223,871	141,017	3,364,888	100.00%

AMERICAN WATER WORKS SERVICE COMPANY, INC.**CUSTOMER COUNT****12/31/2009****AGDR1#108**

CO #	COMPANY NAME	WATER	WASTEWATER	TOTAL	%
05	CALIFORNIA-AMERICAN	169,342	2,512	171,854	5.08%
09	ILLINOIS-AMERICAN	276,871	31,605	308,476	9.12%
10	INDIANA-AMERICAN	282,625	463	283,088	8.37%
11	IOWA-AMERICAN	60,853		60,853	1.80%
12	KENTUCKY-AMERICAN	118,855	718	119,573	3.54%
13	MARYLAND-AMERICAN	4,875		4,875	0.14%
16	MICHIGAN-AMERICAN	3,679		3,679	0.11%
17	MISSOURI-AMERICAN	456,404	1,092	457,496	13.53%
18	NEW JERSEY-AMERICAN	610,192	29,278	639,470	18.91%
19	NEW MEXICO-AMERICAN	17,195		17,195	0.51%
22	OHIO-AMERICAN	50,578	6,563	57,141	1.69%
23	ARIZONA-AMERICAN	106,365	51,408	157,773	4.67%
24	PENNSYLVANIA-AMERICAN	634,977	17,300	652,277	19.29%
26	TENNESSEE-AMERICAN	74,475		74,475	2.20%
27	VIRGINIA-AMERICAN	54,898		54,898	1.62%
28	WEST VIRGINIA-AMERICAN	170,912	1,094	172,006	5.09%
30	HAWAII-AMERICAN		9,904	9,904	0.29%
38	LONG ISLAND-AMERICAN	73,966		73,966	2.19%
42	UNITED WATER VIRGINIA	2,594		2,594	0.08%
50	TEXAS-AMERICAN	4,170	1,081	5,251	0.16%
31	AW Products & Services Total	23,970		23,970	0.71%
54	Edison Water Company	12,246		12,246	0.36%
55	Liberty Water Company	18,116		18,116	0.54%
Total		3,228,158	153,018	3,381,176	100.00%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller

109. Please identify, quantify and explain all expenses included in the Company's filing (a) in the base period and (b) in the future test year, for each of the following types of affiliated Service Company (National, Regional and Local) charges and functions:

1. Business Development Expense
2. Corporate Contributions
3. Legislative Influence Expense
4. "Non-Departmental" & "NSC Functions" Expense
5. "Non Departmental" Interest Income and Income Tax
6. Sales and Marketing Expense
7. Payroll Reserve
8. Call Center
9. Divestiture Support
10. Depreciation
11. Interest Income Outside
12. Interest Cap Lease-AW21
13. Penalties
14. Trade Shows
15. Injuries and Damages
16. Relocation
17. Research & Development
18. Advertising

19. Contract Services-Legal
20. Contract Services-Litigation
21. Contract Services-Other
22. Expat Labor
23. Incentive Plan
24. Long Term Incentive Plan
25. Retention/Completion
26. Group Insurance
27. Expat Group Insurance
28. PBOP
29. Pension
30. Expat Pension
31. Corporate PBOP Adjustment
32. Corporate Pension Adjustment
33. Employee Expenses
34. Conferences & Registrations

Response:

In 2009, the Service Company moved to a divisional/functional structure from the former regional presentation. Service Company charges are now budgeted and presented in a functional format instead of the former regional design.

Please see the attached file for a functional breakdown of Kentucky's Service Company charges by function and object account for the base period and future test year.

For the electronic version, refer to KAW_R_AGDR2#109_042610.pdf.

Kentucky-American Service Company Charges
 12 Months Ending May 2010 - by Function and Object Account (O&M) with Overheads broken out

Object Account	Object Description	Admin	Audit	Benefit		Business Development		Business Transformation		CSC	External Affairs Communication
				Svc Ctr							
501200	Labor	(26,728)	32,694	29,844	125,471	(135)	773,523			161,884	
501203	Labor Internal Recharge				1,922						
501210	Labor Non Scheduled Overtime	(0)	0	0	0	(0)				0	
501211	Labor Overtime	(2)	17	393	1	(0)	52,911			450	
501711	Incentive Plan-Off-Annual	(4,490)	5,052	2,255	26,153	(20)	11,954			29,430	
501712	Incentive Plan-Off-Long Term		129		535		163			859	
501715	Retention/Completion						99				
501716	Compensation Exp-Options	82	549	281	1,822	(4)	10,008			4,262	
501718	Compensation Exp-Restricted Stock Units	84	553	287	1,836	(4)	10,221			4,282	
504100	Group Ins Maintenance	(2,711)	2,870	4,575	10,622	(14)	202,146			15,081	
504341	Defined Contr Supp Exec Retirement Plan Exp	2	3	6	13	(17)	189			18	
504342	401 K Restoration Exp	0	1	1	3	(53)	46			4	
504500	Other Welfare Maintenance	(403)	412	7	(31)	(8)	219			1,552	
504610	Employee Awards	(0)	34	26	0	(0)	4,955			347	
504620	Employee Physical Exam						483				
504660	Tuition Aid		68							1,388	
504670	Training	(1)	540	227	2,123	(0)	1,972			19	
505100	PBOP	172	508	1,137	3,529	(8)	36,760			3,275	
506100	Pension	802	2,403	5,386	16,801	(37)	173,782			15,503	
507100	401k	(535)	865	658	1,586	(3)	11,285			2,525	
508100	Employee Investment Plan						36				
508101	Defined Contribution Plan	(652)	1,580	444	4,801	(3)	6,288			6,125	
508200	Employee Stock Purchase Plan	2,995									
520100	Materials & Supplies Operations										
531000	Contract Services-Engineering				927		22,868				
532000	Contract Services-Accounting				8,563		3,299				
533000	Contract Services-Legal										
535000	Contract Services-Other	445	1,028	110	7,343	(1)	10,523			32,623	
535001	Contract Services-Temp Employee	(2)	6,966	165	1	(0)	6,300			1	
536000	Contract Services-Lab Testing										
541000	Rents-Real Property	(466)	64	26	263	(18)	52,157			1,757	
541001	Rents-Real Property Intercompany	(340)	47	19	1,160	(13)	8,401			1,455	
541400	Rents-Equipment	(32)	10	2	18	(1)	3,657			203	
541401	Rents-Equipment Intercompany	(11)	1	1	6	(0)	263			7	
550000	Transportation IT-Admin	(0)	20	0	97	(0)	160			1,160	
550001	Transportation Lease Cost	(28)	4	2	6,874	(1)	858			17	
550002	Transportation Lease Fuel	(9)	1	0	3,759	(0)	241			5	
550003	Transportation Lease Maintenance	(4)	1	0	224	(0)	106			2	
556000	Insurance Vehicle	(1)	0	0	8	(0)	78			8	
557000	Insurance Gen Liability	961	350	280	1,508	(8)	13,716			1,620	

Kentucky-American Service Company Charges
12 Months Ending May 2010 - by Function and Object Account (O&M) with Overheads broken out

Object Account	Object Description	Admin		Audit		Benefit		Business Development		Business Transformation		CSC		External Affairs	
				Svc Ctr											
558000	Insurance Work Comp	(69)	104	72				423					4,138		468
559000	Insurance Other	(70)	74	10				208					2,691		279
570100	Uncollectible Accounts	(314)													
575000	Miscellaneous	(6,460)	3	1				126		848			9,500		4,333
575002	Misc General Office	(0)	4	0				84		(0)			967		205
575030	Advertising												50		8,109
575100	Bank Service Charges	(0)	0	0				0		(0)			0		0
575130	Brochures and Handouts	(0)	0	0				1,515		(0)			385		5,211
575140	Charitable Contributions Deduct							2					33		3,982
575220	Community Relations												558		1,739
575240	Co Dues/Membership Deduct	(1)	12	0				(4)		(0)			32		1
575241	Co Dues/Membership Nondeductible	(1)	0	0				1		(0)			31		1
575242	Co Dues Deduct AWWA														
575250	Condemnation Costs												0		109
575261	Credit Line Fees Inside	(4)	1	0				2		(0)			98		2
575280	Dues/Membership Deductible	(2)	225	18				1,013		(0)			195		7,687
575281	Dues/Membership Nondeductible														
575320	Electricity	(86)	12	5				48		(3)			14,733		1,256
575340	Employee Expense P/R JE	145	3,157	188				3,543		(808)			5,131		12,965
575342	Employee Exp Conf/Registration	(0)	0	53				2,275		(0)			607		1,801
575350	Meals Deduct	(1)	307	31				4,798		(83)			717		1,581
575351	Meals Non Deduct	(1)	307	31				4,798		(80)			725		1,392
575420	Forms												18		
575460	Grounds Keeping	(1)	0	0				0		(0)			84		0
575480	Heat - Oil/Gas	(5)	1	0				3		(0)			786		3
575490	Injuries and Damages												78		
575500	Janitorial	(34)	5	2				19		(1)			4,711		67
575545	Lab Supplies														
575610	Merger Transactional Costs												1		
575620	Office & Admin Supplies	(60)	226	248				339		(16)			3,262		1,137
575625	Overnight Shipping	(35)	5	2				72		(1)			1,627		106
575640	Penalties Nondeductible	106	0	0				0		(0)			75		0
575660	Postage	(36)	5	2				20		(1)			3,712		22
575670	Relocation Expenses		1,753					72					1,686		129
575680	Research & Development Exp														
575710	Security Service	(11)	1	1				6		(0)			1,210		12
575715	Software Licenses & Support		46					2,907					710		3,701
575740	Telephone	(2,762)	26	38				174		(7)			31,439		432
575741	Cell Phone	(6)	242	26				2,059		(0)			6,942		1,933
575742	Data Lines	(173)	24	10				112		(7)			4,290		106

Kentucky-American Service Company Charges
12 Months Ending May 2010 - by Function and Object Account (O&M) with Overheads broken out

Object Account	Object Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication
575743	Wireless Service 1st	-	-	-	-	-	-	-
575775	Trade Shows	-	-	-	-	-	-	5,618
575780	Trash Removal	(5)	1	0	3	(0)	396	3
575998	PCard Undistributed	-	0	-	(9)	(55)	20	(298)
575999	Purchased Card	-	-	-	-	-	-	-
620000	Materials & Supplies Maintenance	-	-	-	-	-	-	-
675000	Misc Maintenance	(716)	98	40	407	(28)	18,829	439
675250	Comp Equip Hardware	(3)	0	45	2	(0)	367	57
675350	HVAC Equipment	(11)	2	1	6	(0)	1,504	7
675450	Office Equipment	(1)	0	0	0	(0)	184	0
680110	Depreciation Exp-General	1,513	-	-	-	-	6,934	44
680112	Depreciation Exp-Non Utility	(140)	371	151	1,527	(105)	117,297	2,368
685200	Property Taxes	(10)	1	1	5	(0)	2,281	6
685320	FUTA	(33)	26	39	94	(0)	2,012	131
685325	FICA	449	2,061	2,354	8,728	(15)	70,221	10,164
685350	SUTA	(138)	198	288	481	(1)	8,421	612
685430	Other Taxes and Licenses	(0)	0	0	0	(0)	22	0
690110	FIT-Current	(1,567)	14	6	56	(4)	2,459	61
690120	FIT-Prior Year Adjustment	(286)	39	16	161	(11)	7,077	176
690210	SIT-Current	-	-	-	-	-	-	-
690220	SIT-Prior Year Adjustment	(76)	10	4	43	(3)	1,892	47
690610	Def FIT-Current	-	-	-	-	-	-	-
690620	Def FIT-Pr Yr Adjustment	276	(38)	(15)	(156)	11	(6,820)	(169)
690640	Def FIT-Norm Depreciation	-	-	-	-	-	-	-
690650	Def FIT-Other	112	(15)	(6)	(63)	4	(2,764)	(69)
690710	Def SIT-Current	-	-	-	-	-	-	-
690720	Def SIT-Pr Yr Adjustment	74	(10)	(4)	(42)	3	(1,820)	(45)
690750	Def SIT-Other	2	(0)	(0)	(1)	0	(59)	(1)
710400	Interest Income-Outside	(2,280)	-	-	-	-	564	-
710500	Interest Income-Inside	2	(0)	(0)	(1)	0	(41)	(1)
721304	Gains/(Losses) NUP Disposals	(20)	3	1	11	(1)	489	12
722306	Gains Other Non-OR	13,983	23	40	93	(1)	1,360	130
760500	Non-Op Employee Exp Deduct	-	-	-	-	-	-	5
810300	Interest Cap Lease-Outside	-	-	-	-	-	-	314
810301	Interest Cap Lease-AW02	(512)	70	28	289	(20)	27,464	-
810400	Interest LTD-Inside	(7)	1	0	4	(0)	1,779	-
830100	Interest STD Inside	-	-	-	-	-	179	4
840000	Other Interest Expense	5	0	0	0	(0)	0	0
Grand Total		(30,141)	66,165	49,858	262,273	(740)	1,784,000	364,063

Kentucky-American Service Company Charges
 12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
501200	Labor	459,989	158,025	5,694	435,106	66,331	172,658	158,284
501203	Labor Internal Recharge				(3,552)			
501210	Labor Non Scheduled Overtime	18	5	0	2,757	1	0	0
501211	Labor Overtime	80	449	0	5,148	6	2	846
501711	Incentive Plan-Off-Annual	71,353	26,903	1,232	44,005	4,388	31,001	24,069
501712	Incentive Plan-Off-Long Term	1,355	1,002		491		1,584	2,266
501715	Retention/Completion							
501716	Compensation Exp-Options	9,261	5,450	349	4,316	761	5,940	4,807
501718	Compensation Exp-Restricted Stock Units	9,351	5,481	351	4,386	776	5,969	4,847
504100	Group Ins Maintenance	54,677	19,263	1,028	49,984	11,507	17,555	23,591
504341	Defined Contr Supp Exec Retirement Plan Exp	80	27	2	62	13	26	35
504342	401 K Restoration Exp	20	7	0	15	3	6	9
504500	Other Welfare Maintenance	3,789	5,057	(4)	7,910	14	(54)	147
504610	Employee Awards	0	2,288	0	20	173	0	80
504620	Employee Physical Exam		263		20	7	59	12
504660	Tuition Aid	526	5,809	42	2,644	291	770	230
504670	Training	5,083	2,928	115	12,135	293	36	953
505100	PBOP	14,409	4,673	234	12,830	2,485	3,512	8,437
506100	Pension	68,200	22,105	1,096	62,652	11,268	16,542	40,202
507100	401k	11,372	3,560	137	10,080	1,415	3,350	3,350
508100	Employee Investment Plan							
508101	Defined Contribution Plan	13,879	5,767	287	12,073	1,299	8,130	1,280
508200	Employee Stock Purchase Plan							
520100	Materials & Supplies Operations							
531000	Contract Services-Engineering							
532000	Contract Services-Accounting	7,065						
533000	Contract Services-Legal	207						
535000	Contract Services-Other	73,884	39,767	5,559	131,722	214	12,529	257
535001	Contract Services-Temp Employee	46,766	5,204	0	11,897	228	4	116
536000	Contract Services-Lab Testing					(12,324)		720
541000	Rents-Real Property	1,310	478	54	34,969	9,864	746	685
541001	Rents-Real Property Intercompany	1,486	613	39	17,231	1,397	2,279	293
541400	Rents-Equipment	210	21	4	1,796	539	52	202
541401	Rents-Equipment Intercompany	29	7	1	538	44	17	9
550000	Transportation IT-Admin	988	793	125	294	2	449	989
550001	Transportation Lease Cost	74	18	3	1,738	184	44	2,900
550002	Transportation Lease Fuel	30	6	1	609	61	14	1,962
550003	Transportation Lease Maintenance	11	3	0	239	28	6	746
556000	Insurance Vehicle	25	9	0	93	9	10	8
557000	Insurance Gen Liability	4,992	1,755	105	15,439	1,512	1,926	1,710

Kentucky-American Service Company Charges
 12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
558000	Insurance Work Comp	1,501	537	28	4,852	441	588	683
559000	Insurance Other	1,119	425	8	4,622	303	470	1,084
570100	Uncollectible Accounts							
575000	Miscellaneous	(7,152)		3	2,090	651	593	645
575002	Misc General Office	779	378	58	549	3,225	45	253
575030	Advertising		1,652		11	29		
575100	Bank Service Charges	0	0	0	1	0	0	0
575130	Brochures and Handouts	0	641	51	2	0	0	12
575140	Charitable Contributions Deduct		8					
575220	Community Relations	-	122	-	-	-	-	-
575240	Co Dues/Membership Deduct	85	202	0	65	5	2	14
575241	Co Dues/Membership Nondeductible	3	1	0	64	5	2	1
575242	Co Dues Deduct AWWA							7
575250	Condemnation Costs							
575261	Credit Line Fees Inside	11	3	0	201	16	6	3
575280	Dues/Membership Deductible	652	797	0	4,868	72	1,147	433
575281	Dues/Membership Nondeductible							
575320	Electricity	231	55	10	4,345	2,809	137	74
575340	Employee Expense P/R JE	15,516	11,995	1,242	17,873	570	4,722	13,368
575342	Employee Exp Conf/Registration	919	2,514	1,210	1,608	54	2,433	1,253
575350	Meals Deduct	1,961	2,231	99	1,780	104	440	1,519
575351	Meals Non Deduct	1,968	2,231	99	1,466	49	440	1,519
575420	Forms		9				343	3
575460	Grounds Keeping	1	0	0	27	219	1	0
575480	Heat - Oil/Gas	13	3	1	790	(174)	8	4
575490	Injuries and Damages							
575500	Janitorial	93	22	4	1,742	873	55	30
575545	Lab Supplies					12,466		
575610	Merger Transactional Costs							
575620	Office & Admin Supplies	1,940	1,909	35	5,079	19,732	851	905
575625	Overnight Shipping	94	83	4	1,834	1,452	56	408
575640	Penalties Nondeductible	1	0	0	1	0	0	0
575660	Postage	105	67	64	1,836	188	58	31
575670	Relocation Expenses	18,957	9,589		118			(66)
575680	Research & Development Exp							
575710	Security Service	29	7	1	811	268	17	284
575715	Software Licenses & Support	565	7,501		15,198	253		563
575740	Telephone	1,080	547	54	12,281	1,815	383	667
575741	Cell Phone	1,081	1,741	76	4,439	113	642	2,052
575742	Data Lines	466	111	20	29,689	712	368	167

Kentucky-American Service Company Charges
 12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
575743	Wireless Service 1st	-	-	-	-	-	-	-
575775	Trade Shows	-	247	-	14	-	-	6
575780	Trash Removal	12	3	1	233	188	7	8
575998	PCard Undistributed	(111)	140	-	(4)	52	(25)	(511)
575999	Purchased Card	-	-	-	-	-	-	-
620000	Materials & Supplies Maintenance	-	-	-	-	-	-	-
675000	Misc Maintenance	1,931	491	82	151,499	9,053	1,145	1,157
675250	Comp Equip Hardware	8	2	0	1,382	127	5	6,659
675350	HVAC Equipment	30	7	1	586	870	18	35
675450	Office Equipment	1	0	0	26	2	1	10
680110	Depreciation Exp-General	-	-	-	22,168	1,852	-	9
680112	Depreciation Exp-Non Utility	7,287	1,734	311	341,875	20,477	4,330	2,332
685200	Property Taxes	26	6	1	489	483	15	8
685320	FUTA	436	152	7	407	104	143	174
685325	FICA	35,259	12,599	682	30,308	5,234	12,023	13,802
685350	SUTA	2,764	893	50	2,665	586	696	1,038
685430	Other Taxes and Licenses	30	0	0	19	2	1	0
690110	FIT-Current	268	64	11	5,031	409	159	86
690120	FIT-Prior Year Adjustment	770	183	33	14,482	1,177	458	247
690210	SIT-Current	-	-	-	-	-	-	-
690220	SIT-Prior Year Adjustment	206	49	9	3,871	315	122	66
690610	Def FIT-Current	-	-	-	-	-	-	-
690620	Def FIT-Pr Yr Adjustment	(742)	(177)	(32)	(13,955)	(1,134)	(441)	(238)
690640	Def FIT-Norm Depreciation	-	-	-	-	-	-	-
690650	Def FIT-Other	(301)	(72)	(13)	(5,656)	(459)	(179)	(96)
690710	Def SIT-Current	-	-	-	-	-	-	-
690720	Def SIT-Pr Yr Adjustment	(198)	(47)	(8)	(3,724)	(303)	(118)	(63)
690750	Def SIT-Other	(6)	(2)	(0)	(121)	(10)	(4)	(2)
710400	Interest Income-Outside	-	-	-	-	-	-	-
710500	Interest Income-Inside	(5)	(1)	(0)	(85)	(7)	(3)	(1)
721304	Gains/(Losses) NUP Disposals	53	13	2	1,001	81	32	17
722306	Gains Other Non-OR	575	198	14	446	93	185	254
760500	Non-Op Employee Exp Deduct	-	-	-	-	-	-	-
810300	Interest Cap Lease-Outside	-	-	-	-	-	-	-
810301	Interest Cap Lease-AW02	1,378	328	59	25,913	3,628	819	441
810400	Interest LTD-Inside	-	-	-	-	-	-	-
830100	Interest STD Inside	19	5	1	366	30	12	6
840000	Other Interest Expense	0	0	0	0	0	0	0
Grand Total		945,027	380,794	20,736	1,577,246	191,891	324,419	336,848

Kentucky-American Service Company Charges
12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos May 2010
501200	Labor	56,353	19,263	465,566	7,598	360,650	3,462,071
501203	Labor Internal Recharge						(1,629)
501210	Labor Non Scheduled Overtime	0	9	4	0	6,669	10,403
501211	Labor Overtime	0	71	971	0	1,353	62,698
501711	Incentive Plan-Off-Annual	6,780	564	106,347	1,799	31,772	420,548
501712	Incentive Plan-Off-Long Term			3,188	35	311	11,918
501715	Retention/Completion						99
501716	Compensation Exp-Options	645	142	34,153	482	4,124	87,433
501718	Compensation Exp-Restricted Stock Units	655	145	34,248	484	4,194	88,148
504100	Group Ins Maintenance	7,618	2,164	61,477	1,186	49,708	532,328
504341	Defined Contr Supp Exec Retirement Plan Exp	9	3	84	2	62	617
504342	401 K Restoration Exp	2	1	21	1	15	104
504500	Other Welfare Maintenance	1,372	117	927	(6)	2,209	23,227
504610	Employee Awards	0	2	69	0	151	8,144
504620	Employee Physical Exam			662		3	1,509
504660	Tuition Aid			224		2,156	14,148
504670	Training	409	46	1,156	9	4,330	32,372
505100	PBOP	2,233	565	17,591	417	12,746	125,507
506100	Pension	10,603	2,681	83,473	1,973	58,051	593,487
507100	401k	1,247	753	8,855	101	8,083	68,687
508100	Employee Investment Plan						36
508101	Defined Contribution Plan	586	334	9,552	83	9,584	81,437
508200	Employee Stock Purchase Plan						2,995
520100	Materials & Supplies Operations			1			105
531000	Contract Services-Engineering						23,377
532000	Contract Services-Accounting						11,291
533000	Contract Services-Legal			271			29,837
535000	Contract Services-Other	920	1,256	10,843	2,313	8,960	334,511
535001	Contract Services-Temp Employee	0	80	32	0	2,132	79,891
536000	Contract Services-Lab Testing					98	(11,506)
541000	Rents-Real Property	43	72,799	48,575	8	517	223,829
541001	Rents-Real Property Intercompany	32	11,260	12,431	6	376	58,171
541400	Rents-Equipment	141	4,779	3,806	1	36	15,259
541401	Rents-Equipment Intercompany	1	352	151	0	12	1,428
550000	Transportation IT-Admin	171	17	10,614	253	426	16,559
550001	Transportation Lease Cost	3	1,326	6,509	0	31	20,555
550002	Transportation Lease Fuel	1	463	5,386	0	10	12,542
550003	Transportation Lease Maintenance	0	190	1,610	0	4	3,167
556000	Insurance Vehicle	3	85	43	0	19	397
557000	Insurance Gen Liability	544	7,398	7,776	76	3,673	65,335

Kentucky-American Service Company Charges
12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Procurement	Property	Regulated		Regulatory Services	SSC	12 Mos	
				Operations	Regulatory Services			May 2010	May 2010
558000	Insurance Work Comp	140	2,341	2,387	23	1,115	19,769		
559000	Insurance Other	19	2,348	2,008	15	853	16,464		
570100	Uncollectible Accounts						(314)		
575000	Miscellaneous	(308)	2,213	2,604	4,714	(17,913)	(17,862)		
575002	Misc General Office	0	10	50	0	989	7,595		
575030	Advertising			18			9,869		
575100	Bank Service Charges	0	1	0	0	0	3		
575130	Brochures and Handouts	0	1	25	0	0	7,843		
575140	Charitable Contributions Deduct						4,026		
575220	Community Relations	-	-	-	-	-	2,419		
575240	Co Dues/Membership Deduct	231	43	36	0	1	726		
575241	Co Dues/Membership Nondeductible	0	42	18	0	1	171		
575242	Co Dues Deduct AWWA			18			25		
575250	Condemnation Costs						109		
575261	Credit Line Fees Inside	0	132	57	0	4	534		
575280	Dues/Membership Deductible	431	63	238	247	1,602	19,687		
575281	Dues/Membership Nondeductible						5		
575320	Electricity	8	12,374	1,223	1	95	37,327		
575340	Employee Expense P/R JE	1,723	196	40,654	1,418	2,624	136,222		
575342	Employee Exp Conf/Registration	189	1	4,679	204	442	20,241		
575350	Meals Deduct	146	20	5,973	51	538	22,211		
575351	Meals Non Deduct	146	20	5,973	51	534	21,669		
575420	Forms			53			427		
575460	Grounds Keeping	0	18	8	0	1	360		
575480	Heat - Oil/Gas	0	196	67	0	5	1,701		
575490	Injuries and Damages						78		
575500	Janitorial	3	1,764	490	1	38	9,883		
575545	Lab Supplies						12,466		
575610	Merger Transactional Costs						2		
575620	Office & Admin Supplies	281	7,561	7,881	22	2,813	54,143		
575625	Overnight Shipping	116	5,688	2,349	1	61	13,921		
575640	Penalties Nondeductible	0	0	1	0	1	187		
575660	Postage	116	4,003	631	1	40	10,864		
575670	Relocation Expenses			847		49	33,004		
575680	Research & Development Exp			17			147		
575710	Security Service	1	898	153	0	12	3,700		
575715	Software Licenses & Support			265		6	31,716		
575740	Telephone	548	9,600	2,984	4	356	59,657		
575741	Cell Phone	557	243	3,346	94	494	26,076		
575742	Data Lines	16	5,737	2,465	3	192	44,308		

Kentucky-American Service Company Charges
12 Months Ending May 2010 - by Function and Object Account (O&M) with

Object Account	Object Description	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos May 2010
575743	Wireless Service 1st	-	-	-	-	-	-
575775	Trade Shows	-	-	33	-	-	5,917
575780	Trash Removal	0	359	66	0	5	1,280
575998	PCard Undistributed	-	(21)	(58)	-	-	(881)
575999	Purchased Card	-	-	-	-	-	-
620000	Materials & Supplies Maintenance	-	-	-	-	-	-
675000	Misc Maintenance	67	28,826	10,196	12	793	1,157
675250	Comp Equip Hardware	0	104	45	0	1,111	229,823
675350	HVAC Equipment	1	458	160	0	12	3,289
675450	Office Equipment	0	17	158	0	174	3,664
680110	Depreciation Exp-General	-	12,874	2,150	0	3	571
680112	Depreciation Exp-Non Utility	253	142,391	47,018	45	3,000	47,538
685200	Property Taxes	1	321	138	0	11	692,525
685320	FUTA	62	25	522	8	447	3,784
685325	FICA	4,408	1,079	35,135	779	26,852	4,756
685350	SUTA	416	131	2,374	54	3,135	272,122
685430	Other Taxes and Licenses	0	13	5	0	379	24,661
690110	FIT-Current	9	3,295	1,416	2	110	471
690120	FIT-Prior Year Adjustment	27	9,486	4,076	5	317	11,883
690210	SIT-Current	-	-	-	-	-	38,432
690220	SIT-Prior Year Adjustment	7	2,536	1,090	1	85	-
690610	Def FIT-Current	-	-	-	-	-	10,274
690620	Def FIT-Pr Yr Adjustment	(26)	(9,141)	(3,928)	(5)	(306)	-
690640	Def FIT-Norm Depreciation	-	-	-	-	-	(37,035)
690650	Def FIT-Other	(10)	(3,704)	(1,592)	(2)	(124)	-
690710	Def SIT-Current	-	-	-	-	-	(15,009)
690720	Def SIT-Pr Yr Adjustment	(7)	(2,440)	(1,048)	(1)	(82)	-
690750	Def SIT-Other	(0)	(79)	(34)	(0)	(3)	(9,884)
710400	Interest Income-Outside	-	-	-	-	-	(322)
710500	Interest Income-Inside	(0)	(55)	(24)	(0)	(2)	(1,716)
721304	Gains/(Losses) NUP Disposals	2	656	282	0	22	(225)
722306	Gains Other Non-OR	65	20	603	16	444	2,656
760500	Non-Op Employee Exp Deduct	-	-	13	-	-	18,542
810300	Interest Cap Lease-Outside	-	-	56	-	-	13
810301	Interest Cap Lease-AW02	48	51,715	9,918	9	567	56
810400	Interest LTD-Inside	-	-	-	-	-	122,458
830100	Interest STD Inside	1	239	103	0	8	1,779
840000	Other Interest Expense	0	0	0	0	0	970
Grand Total		100,057	421,481	1,133,009	24,596	604,384	8,555,967

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&M)

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication
501200	Labor	(30,961)	31,371	29,756	107,272	-	839,860	152,102
501203	Labor Internal Recharge	(307)						(487)
501210	Labor Non Scheduled Overtime							
501211	Labor Overtime		10	570			13,709	616
501711	Incentive Plan-Off-Annual	(5,230)	4,245	1,980	20,456	-	8,001	24,858
501716	Compensation Exp-Options	859	479		1,576	-	386	6,455
501718	Compensation Exp-Restricted Stock Units	931	479		1,802	-	481	6,768
504100	Group Ins Maintenance	(1,580)	3,653	5,233	8,643	-	270,994	17,364
504341	Defined Contr Supp Exec Retirement Plan Exp	5,096	38					361
504500	Other Welfare Maintenance	5,383	174	27	86		350	2,726
504610	Employee Awards		21	49	-		6,202	300
504620	Employee Physical Exam				-		456	
504660	Tuition Aid		41		-		3	1,135
504670	Training		383	331	1,449	-	3,164	613
504671	Training-Safety							
505100	PBOP		183	1,268	3,234	-	31,092	2,306
506100	Pension		862	5,966	15,262	-	146,142	10,853
507100	401k	(644)	867	628	1,705	-	14,159	3,892
508101	Defined Contribution Plan	(723)	1,474	434	3,297	-	8,720	5,697
520100	Materials & Supplies Operations						26,442	
531000	Contract Services-Engineering	217			739	-		
532000	Contract Services-Accounting	16			8,033	-	30	
533000	Contract Services-Legal							
533001	Contract Services-Litigation							
535000	Contract Services-Other	(392)	2,442	248	8,533	-	15,857	28,763
535001	Contract Services-Temp Employee		1,148	360	-	-	0	
536000	Contract Services-Lab Testing							
541000	Rents-Real Property							
541001	Rents-Real Property Intercompany						61,051	1,702
541400	Rents-Equipment							
550000	Transportation IT-Admin	12	9		128	-	2,019	
550001	Transportation Lease Cost		60		4,230	-	313	
550002	Transportation Lease Fuel				2,072	-	42	
550003	Transportation Lease Maintenance				249	-	27	
556000	Insurance Vehicle		4	4	12	-	101	18
557000	Insurance Gen Liability	2,670	781	679	2,349	-	19,306	3,517
558000	Insurance Work Comp		194	169	586	-	4,800	874
559000	Insurance Other		19	16	56	-	460	84
575000	Miscellaneous	(9,359)	0	0	935	-	2,947	3,777

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&M)

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication
575002	Misc General Office				644		493	237
575030	Advertising		2		0		48	7,882
575100	Bank Service Charges							
575130	Brochures and Handouts				914		514	5,611
575140	Charitable Contributions Deduct						19	4,596
575141	Charitable Contributions Nondeductible							67
575220	Community Relations						327	3,119
575240	Co Dues/Membership Deduct				64			
575241	Co Dues/Membership Nondeductible							0
575243	Co Dues Nondeductible AWWA							
575261	Credit Line Fees Inside	73						
575280	Dues/Membership Deductible		128	45	1,124		181	9,338
575320	Electricity						13,623	72
575340	Employee Expense P/R JE	(33)	4,011	328	6,609		5,070	13,333
575342	Employee Exp Conf/Registration			136	1,570		647	1,614
575350	Meals Deduct		384	33	3,574		633	1,364
575351	Meals Non Deduct		384	33	3,574		633	1,251
575420	Forms							
575460	Grounds Keeping						186	
575480	Heat - Oil/Gas						383	
575500	Janitorial						8,788	55
575545	Lab Supplies							
575620	Office & Admin Supplies		204	272	736		3,771	923
575625	Overnight Shipping				54		799	106
575640	Penalties Nondeductible							
575660	Postage	81						
575670	Relocation Expenses		710		190		4,829	(320)
575680	Research & Development Exp						2,589	759
575710	Security Service						1,863	
575715	Software Licenses & Support		87		2,308		236	
575740	Telephone	(10,333)	7	27	351		61,651	312
575741	Cell Phone	0	186	23	1,982		1,517	2,476
575742	Data Lines				121			
575743	Wireless Service 1st							
575775	Trade Shows				1			4,327
575780	Trash Removal						646	
575998	PCard Undistributed		0	(0)			(49)	910
575999	Purchased Card							
620000	Materials & Supplies Maintenance							

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&M)

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication
675000	Misc Maintenance	(3)					3,501	5
675250	Comp Equip Hardware						666	0
675350	HVAC Equipment						2,603	
675450	Office Equipment						275	
680112	Depreciation Exp-Non Utility	5,747					91,127	1,698
685200	Property Taxes	(7)					3,697	
685320	FUTA	(0)	16	20	29		1,205	53
685325	FICA	(1,965)	2,335	2,393	6,665		62,958	11,153
685350	SUTA	(657)	138	184	166		8,427	215
685430	Other Taxes and Licenses	1					19	
690110	FIT-Current	(112,304)						
690210	SIT-Current	1,021						
690610	Def FIT-Current	(1,062)						
690630	Def FIT-Reg Asset	49,577						
690650	Def FIT-Other	60,556						
690710	Def SIT-Current	21						
690750	Def SIT-Other	(1,120)						
710400	Interest Income-Outside	340						
710500	Interest Income-Inside	(578)						
810300	Interest Cap Lease-Outside							
810301	Interest Cap Lease-AW02						37,323	
830100	Interest STD Inside	1,592						
840000	Other Interest Expense	1,419						
Grand Total		(41,642)	57,528	51,213	223,380	-	1,798,314	349,361

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (Of)

Object Account	Object Account Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
501200	Labor	682,273	133,828	8,122	414,912	68,807	190,290	118,190
501203	Labor Internal Recharge				(36,898)			
501210	Labor Non Scheduled Overtime				23,124			
501211	Labor Overtime	139	610		8,031			827
501711	Incentive Plan-Off-Annual	91,772	23,117	1,322	46,102	3,889	32,714	21,370
501716	Compensation Exp-Options	13,917	8,358	620	2,788	220	13,808	10,279
501718	Compensation Exp-Restricted Stock Units	14,674	7,905	602	2,793	233	13,780	9,787
504100	Group Ins Maintenance	81,653	18,346	727	51,507	14,769	23,671	15,787
504341	Defined Contr Supp Exec Retirement Plan Exp	491	375	54	344		64	(88)
504500	Other Welfare Maintenance	2,974	6,355	(0)	12,263	47	(113)	280
504610	Employee Awards	63	2,107		70	312	0	24
504620	Employee Physical Exam	0	149		246	8	102	11
504660	Tuition Aid	726	9,224	-	3,151	377	1,960	118
504670	Training	5,184	2,410	147	10,448	145	97	357
504671	Training-Safety							4
505100	PBOP	17,552	3,050	266	11,085	2,618	3,913	5,996
506100	Pension	82,299	14,339	1,241	53,177	12,023	18,280	28,246
507100	401k	18,247	3,388	214	10,151	1,402	5,020	2,569
508101	Defined Contribution Plan	19,777	4,256	273	11,271	1,309	6,295	956
520100	Materials & Supplies Operations	(0)	0					6
531000	Contract Services-Engineering	7,700	-					153
532000	Contract Services-Accounting	(381)	10,058					
533000	Contract Services-Legal						17,713	116
533001	Contract Services-Litigation						(0)	
535000	Contract Services-Other	84,752	43,483	5,606	102,588	1,216	12,219	1,962
535001	Contract Services-Temp Employee	47,546	6,042		6,193	697	3	83
536000	Contract Services-Lab Testing					(11,211)		
541000	Rents-Real Property	244	105		14,548	9,591		264
541001	Rents-Real Property Intercompany				831	6,810		
541400	Rents-Equipment	67	-		48	472	2	
550000	Transportation IT-Admin	2,152	1,033	153	352	1	1,236	
550001	Transportation Lease Cost		2		467	142		
550002	Transportation Lease Fuel	0	1		167	37		
550003	Transportation Lease Maintenance		0		73	8		
556000	Insurance Vehicle	94	20	1	51	8	28	16
557000	Insurance Gen Liability	18,081	3,779	182	9,762	1,561	5,323	3,057
558000	Insurance Work Comp	4,480	939	45	2,427	388	1,320	760
559000	Insurance Other	430	90	4	233	37	127	73
575000	Miscellaneous	(18,185)	(4,362)	(31)	(15)	569	863	1,077

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (Of

Object Account	Object Account Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
575002	Misc General Office	91	76	36	200	3,451	377	349
575030	Advertising	7	3,780		72	62		
575100	Bank Service Charges							
575130	Brochures and Handouts		853	219				16
575140	Charitable Contributions Deduct							
575141	Charitable Contributions Nondeductible							
575220	Community Relations		52					
575240	Co Dues/Membership Deduct	71	1,209	3			0	3
575241	Co Dues/Membership Nondeductible							
575243	Co Dues Nondeductible AWWA						0	
575261	Credit Line Fees Inside							
575280	Dues/Membership Deductible	404	929		8,423	56	807	340
575320	Electricity	(0)				4,509		
575340	Employee Expense P/R JE	19,088	10,639	2,060	16,103	1,023	5,817	11,782
575342	Employee Exp Conf/Registration	1,015	1,779	2,525	2,313	84	2,921	1,975
575350	Meals Deduct	1,967	2,065	293	1,534	117	629	1,433
575351	Meals Non Deduct	1,968	2,065	293	1,189	84	629	1,436
575420	Forms						627	3
575460	Grounds Keeping					265		
575480	Heat - Oil/Gas				479	1,276		(1)
575500	Janitorial					778	0	
575545	Lab Supplies					7,480		
575620	Office & Admin Supplies	3,109	1,561	63	2,372	30,804	1,252	767
575625	Overnight Shipping	63	81	1	190	785	0	377
575640	Penalties Nondeductible							
575660	Postage	4	411	57	2	60	10	3
575670	Relocation Expenses	14,369	14,052		(41)			286
575680	Research & Development Exp							
575710	Security Service				247	424		295
575715	Software Licenses & Support	2,328	5,681		12,503	717		2,114
575740	Telephone	2,381	669	51	2,173	1,056	84	557
575741	Cell Phone	1,656	1,439	48	4,144	124	628	2,430
575742	Data Lines				35,550	536	(34)	28
575743	Wireless Service 1st							
575775	Trade Shows		89		88			
575780	Trash Removal					181		3
575998	PCard Undistributed	122	36		110	9	119	457
575999	Purchased Card							0
620000	Materials & Supplies Maintenance							214

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O)

Object Account	Object Account Description	Finance	Human Resources	Investor Relations	ITS	Laboratory	Legal	Operation Services
675000	Misc Maintenance		30		238,451	6,482		28,780
675250	Comp Equip Hardware		0		1,181	205		8
675350	HVAC Equipment				47	874		
675450	Office Equipment							
680112	Depreciation Exp-Non Utility				592,527	20,709	(0)	6
685200	Property Taxes					1,134		
685320	FUTA	226	57	1	193	63	85	40
685325	FICA	52,510	9,518	515	32,847	5,292	12,852	8,904
685350	SUTA	1,835	426	31	1,495	381	444	310
685430	Other Taxes and Licenses							
690110	FIT-Current							
690210	SIT-Current							
690610	Def FIT-Current							
690630	Def FIT-Reg Asset							
690650	Def FIT-Other							
690710	Def SIT-Current							
690750	Def SIT-Other							
710400	Interest Income-Outside							
710500	Interest Income-Inside							
810300	Interest Cap Lease-Outside							
810301	Interest Cap Lease-AW02					4,450		
830100	Interest STD Inside							
840000	Other Interest Expense							
Grand Total		1,281,933	356,505	25,740	1,716,682	209,420	376,500	291,296

Kentucky-American Service Company Charges
12 Months Ending September 2011 - by Function and Object Account (OI)

Object Account	Object Account Description	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos September 2011
501200	Labor	78,021	12,764	427,135	7,856	366,789	3,638,387
501203	Labor Internal Recharge						(37,692)
501210	Labor Non Scheduled Overtime			1		160	23,284
501211	Labor Overtime		26	639		2,825	28,003
501711	Incentive Plan-Off-Annual	8,751	198	78,299	1,585	28,432	391,863
501716	Compensation Exp-Options	758		38,707	870	2,154	102,235
501718	Compensation Exp-Restricted Stock Units	741		43,050	860	2,203	107,089
504100	Group Ins Maintenance	10,552	3,392	81,153	713	62,967	669,545
504341	Defined Contr Supp Exec Retirement Plan Exp			(1,375)			5,360
504500	Other Welfare Maintenance	223	(14)	(33)	(5)	1,179	31,901
504610	Employee Awards			110		121	9,381
504620	Employee Physical Exam			2,684		-	3,656
504660	Tuition Aid			315		2,909	19,958
504670	Training	266	218	1,202		6,137	32,550
504671	Training-Safety						4
505100	PBOP	3,432	494	15,660	366	12,323	114,840
506100	Pension	16,124	2,325	73,698	1,720	56,494	539,052
507100	401k	1,652	272	8,408	121	8,181	80,233
508101	Defined Contribution Plan	951	260	7,570	86	8,973	80,875
520100	Materials & Supplies Operations			2			8
531000	Contract Services-Engineering	165					26,760
532000	Contract Services-Accounting						8,657
533000	Contract Services-Legal	108		79			35,773
533001	Contract Services-Litigation						(0)
535000	Contract Services-Other	53					329,073
535001	Contract Services-Temp Employee	208	287	9,635	1,369	10,737	69,822
536000	Contract Services-Lab Testing			6		140	(11,070)
541000	Rents-Real Property		76,424	88,569			252,497
541001	Rents-Real Property Intercompany		31,100	5,444			44,184
541400	Rents-Equipment	144	6,133	11,798			20,904
550000	Transportation IT-Admin	270		9,813	262	555	19,035
550001	Transportation Lease Cost		755	7,499			16,486
550002	Transportation Lease Fuel		180	4,933			8,147
550003	Transportation Lease Maintenance		119	3,623			4,419
556000	Insurance Vehicle	10	2	45	1	46	461
557000	Insurance Gen Liability	1,881	292	8,532	176	8,697	90,625
558000	Insurance Work Comp	467	73	2,125	44	2,161	21,850
559000	Insurance Other	45	7	204	4	207	2,095
575000	Miscellaneous	401	3,083	1,216	5,625	(11,863)	(23,323)

Kentucky-American Service Company Charges
12 Months Ending September 2011 - by Function and Object Account (OI)

Object Account	Object Account Description	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos September 2011
575002	Misc General Office			19		1,383	7,354
575030	Advertising			56			11,909
575100	Bank Service Charges			-		(0)	(0)
575130	Brochures and Handouts			100			8,226
575140	Charitable Contributions Deduct			45			4,661
575141	Charitable Contributions Nondeductible						67
575220	Community Relations			1			3,499
575240	Co Dues/Membership Deduct	67		9			1,426
575241	Co Dues/Membership Nondeductible			1			1
575243	Co Dues Nondeductible AWWA						0
575261	Credit Line Fees Inside						73
575280	Dues/Membership Deductible	315		130	252	1,488	23,961
575320	Electricity		18,249	1			36,453
575340	Employee Expense P/R JE	2,876	56	41,054	1,522	3,517	144,857
575342	Employee Exp Conf/Registration	280		4,656	137	1,563	23,213
575350	Meals Deduct	274	10	6,175	52	886	21,422
575351	Meals Non Deduct	274	10	5,857	52	855	20,587
575420	Forms			27			657
575460	Grounds Keeping		5				456
575480	Heat - Oil/Gas		180	0			2,317
575500	Janitorial		1,117	6			10,743
575545	Lab Supplies			5			7,485
575620	Office & Admin Supplies	321	11,179	4,545	27	3,336	65,242
575625	Overnight Shipping	129	8,521	4,144		69	15,318
575640	Penalties Nondeductible						81
575660	Postage	88	5,292	16			10,451
575670	Relocation Expenses	1				30	32,946
575680	Research & Development Exp			29			29
575710	Security Service		877				3,704
575715	Software Licenses & Support	-		250		3	28,904
575740	Telephone	437	6,007	426	3	217	66,078
575741	Cell Phone	738	135	4,157	144	682	22,512
575742	Data Lines			0			36,235
575743	Wireless Service 1st	0		0			(34)
575775	Trade Shows						4,504
575780	Trash Removal		591	0			1,421
575998	PCard Undistributed	0	30	(383)		(6)	1,355
575999	Purchased Card						0
620000	Materials & Supplies Maintenance						214

Kentucky-American Service Company Charges
12 Months Ending September 2011 - by Function and Object Account (O)

Object Account	Object Account Description	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos September 2011
675000	Misc Maintenance		4,463	145		136	281,991
675250	Comp Equip Hardware					1,458	3,519
675350	HVAC Equipment		632	4			4,159
675450	Office Equipment		16	105		142	544
680112	Depreciation Exp-Non Utility	33	119,858	24,147			855,845
685200	Property Taxes		177	329		(0)	5,331
685320	FUTA	44	14	412	1	223	2,680
685325	FICA	6,265	959	27,274	471	28,821	269,769
685350	SUTA	395	134	1,762	25	2,265	17,974
685430	Other Taxes and Licenses			0		134	154
690110	FIT-Current						(112,304)
690210	SIT-Current						1,021
690610	Def FIT-Current						(1,062)
690630	Def FIT-Reg Asset						49,577
690650	Def FIT-Other						60,556
690710	Def SIT-Current						21
690750	Def SIT-Other						(1,120)
710400	Interest Income-Outside						340
710500	Interest Income-Inside						(578)
810300	Interest Cap Lease-Outside			3			3
810301	Interest Cap Lease-AW02		80,391	10,211			132,376
830100	Interest STD Inside						1,592
840000	Other Interest Expense						1,419
Grand Total		137,762	397,291	1,066,463	24,340	626,979	8,949,065

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

110. Please provide the actual 2009 American Water Works Service Company results by Business Unit, preferably in Excel, and show the charges from each Business Unit to KAWC.

Response:

Please see attached for actual total Service Company and Kentucky-American's Service Company expense charges for 2009 by function and business unit. The excel file is on the enclosed CD and refer to the file labeled as KAW_R_AGDR1#110_042610.

For the electronic version of this response, refer to KAW_R_AGDR1#110_042610.pdf.

**Total Service Company and Kentucky-American
2009 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#110**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
Admin	032000	CORP-Balance Sheet	(0)	-
	032088	CORP-Business Change	132,442	4,663
	032089	CORP-AWE Pass-Thru	889,189	3,684
	032098	CORP-Non-Departmental Costs	1,177,683	44,950
Admin Total			2,199,314	53,297
Audit	032060	CORP-Audit	1,800,222	60,213
Audit Total			1,800,222	60,213
Benefit Svc Ctr	032014	CORP-Benefits Service Center	1,492,782	47,317
Benefit Svc Ctr Total			1,492,782	47,317
Business Development	032020	CORP-Corporate Bus Development	2,011,480	44,171
	033020	WE-Business Development	433,456	198
	033520	CE-Business Development	693,862	639
	035020	SE-Business Development	538,830	155,411
	036520	NE-Business Development	284	10
Business Development Total			3,677,912	200,429
Business Transformation	032040	CORP-Business Transformation	55,340	39
	032051	CORP-Bsns Trans-Procure To Pay	14,465	(4)
	032052	CORP-Bsns Trans-Recruit To Ret	18,586	(3)
	032053	CORP-Bsns Trans-Record To Rpt	20,359	(3)
	032054	CORP-Bsns Trans-Order To Cash	14,854	(3)
	032055	CORP-Bsns Trans-Plan, Bld, Ret	16,328	(4)
	032056	CORP-Bsns Trans-Ord To Compl	19,015	(6)
Business Transformation Total			158,946	16
CSC	034005	CCA-Administration	2,907,784	105,839
	034070	CCA-Call Handling	10,438,591	392,546
	034071	CCA-Billing	7,135,210	255,558
	034072	CCA-Collections	2,854,834	81,415
	034073	CCA-Operations & Performance	5,570,822	198,350
	034074	CCA-Business Services	1,330,664	47,544
	034075	CCA-Education & Development	1,249,592	44,428
	037005	CCP-Administration	1,090,118	38,606
	037070	CCP-Call Handling	12,111,369	429,672
	037073	CCP-Operations and Support	3,220,028	114,237
	037075	CCP-Education & Development	721,970	25,571
CSC Total			48,630,983	1,733,766
External Affairs/Communication	032022	CORP-Government Affairs	557,180	17,946
	032025	CORP-External Affairs	960,376	32,051
	032068	CORP-Marketing	1,417,355	48,499
	032085	CORP-External Communications	1,062,543	34,050
	032086	CORP-Internal Communications	396,399	13,240
	032087	CORP-Corp Social Resp	531,883	16,810
	033025	WE-External Affairs	777,925	265
	033525	CE-External Affairs	1,295,118	1,788
	035025	SE-External Affairs	588,899	156,812
	036525	NE-External Affairs	327,550	224
External Affairs/Communication Total			7,915,229	321,686

**Total Service Company and Kentucky-American
2009 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#110**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
Finance	032007	CORP-Finance	2,373,809	79,658
	032017	CORP-Planning & Reporting	2,813,788	96,163
	032027	CORP-Reporting & Compliance	3,054,800	100,448
	032047	CORP-Income Tax	2,278,845	80,042
	032057	CORP-Treasury	2,073,458	72,276
	033007	WE-Finance	1,922,377	6,427
	033507	CE-Finance	3,420,190	7,356
	035007	SE-Finance	4,021,295	561,146
	036507	NE-Finance	2,259,271	14,633
	037777	CORP-IFRS-Finance	111,000	3,641
Finance Total			24,328,833	1,021,790
Human Resources	032002	CORP-HR Comp/Benefits	1,624,194	50,880
	032003	CORP-HR Talent Development	983,903	32,840
	032004	CORP-HR Labor Relations	431,724	14,256
	032006	CORP-Business Center HR	910,658	30,335
	032013	CORP-HR Systems & Processes	751,587	25,316
	032018	CORP-Human Resources	1,359,523	46,643
	032028	CORP-ED Human Resources	505,591	60,259
	032038	CORP-WD Human Resources	1,685,148	18,634
	033018	WE-Human Resources	209,287	9
	033518	CE-Human Resources	656,713	1,230
	034018	CCA-Human Resources	1,078,290	38,275
	035018	SE-Human Resources	79,001	9,200
	036518	NE-Human Resources	16,699	5
	Human Resources Total			10,292,320
Investor Relations	032037	CORP-Investor Relations	988,761	19,364
Investor Relations Total			988,761	19,364
ITS	032030	CORP-ITS Client Rel Admin	241,763	8,403
	032031	CORP-Service Desk	1,308,176	45,829
	032032	CORP-ITS-BAD-Core Shared	1,322,325	45,899
	032033	Chg Ctrl & Desktop Automation	284,752	10,190
	032034	CORP-ITS Appl Adm & Security	234,829	8,391
	032035	CORP-ITS Sec Arch & Strategy	198,407	7,087
	032071	CORP-ITS Admin	1,529,909	54,576
	032072	CORP-ITS PMO	2,300,899	82,367
	032073	CORP-ITS Infra/Oper Admin	407,126	14,354
	032074	CORP-ITS Production	10,411,934	373,311
	032075	CORP-Enterprise Server	4,914,939	175,813
	032076	CORP-Communications	4,108,593	145,760
	032077	CORP-ITS Security Operations	1,274,906	45,543
	032078	CORP-ITS Adm Business Appl Dev	614,106	21,403
	032079	CORP-ITS-BAD-Middle Office App	1,523,477	58,668
	032080	CORP-ITS-BAD-Back Office Apps	2,003,642	72,142
	032081	CORP-ITS-BAD-Quality&Methodlgy	772,094	27,636
	032082	CORP-ITS-BAD-Customer Facing	1,395,134	48,520
032083	CORP-ITS-BAD-Field Svc Apps	1,661,001	60,058	

**Total Service Company and Kentucky-American
2009 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#110**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
	032093	CORP-ITS-Architecture	1,846,520	65,126
	033531	CE-Western CS & S	3,207,438	57,292
	035031	SE-ITS Client Relations	78,712	11,595
	036531	NE-Eastern CS & S	516,724	20,381
ITS Total			42,157,405	1,460,344
Laboratory	034517	BVLAB-Water Quality	5,294,296	193,954
Laboratory Total			5,294,296	193,954
Legal	032015	CORP-Legal	3,091,649	101,220
	033015	WE-Legal	874,807	208
	033515	CE-Legal	2,066,318	4,198
	035015	SE-Legal	1,036,527	225,693
	036515	NE-Legal	577,142	302
Legal Total			7,646,444	331,620
Operation Services	032011	CORP-Chief Operating Officer	1,684,303	55,150
	032016	CORP-Maintenance Services	75,714	8,885
	032019	CORP-Operational Risk	916,134	30,561
	032064	CORP-Operational Performance	709,124	23,402
	032065	CORP-Asset Management	212,801	6,208
	033016	WE-Maintenance	521,086	2,704
	033019	WE-Operational Risk	337,497	110
	033516	CE-Maintenance	1,155,888	15,265
	033519	CE-Operational Risk	1,074,175	23,824
	035016	SE-Maintenance	715,421	115,747
	035019	SE-Operational Risk	25,370	2,591
	036516	NE-Maintenance	123,555	680
	036519	NE-Operational Risk	414,303	411
	036550	CORP-COE-Engineering	220,886	5,243
	036551	CORP-COE-Technical Services	260,290	6,538
Operation Services Total			8,446,548	297,320
Procurement	032009	CORP-Supply Chain-Pass Thru	2,495	3
	032010	CORP-Supply Chain-Sourcing	1,964,807	71,225
	033010	WE-Supply Chain	133,302	38
	033510	CE-Supply Chain	182,887	1,094
	035010	SE-Supply Chain	145,787	19,572
	036510	NE-Supply Chain	1,624	36
Procurement Total			2,430,902	91,969
Property	032042	CORP-1000 Voorhees Building	634,810	22,764
	032046	CORP-3906 Church Road	496,473	16,300
	032062	CORP-Building Services	7,799,327	280,418
	032063	CORP-Building Services Woodcre	3,112,340	99,709
	036576	NE-Building Services Woodcrest	45,938	18
Property Total			12,088,889	419,209
Regulated Operations	032023	CORP-Eastern Division Ops	677,845	300,704
	032024	Corp-Western Division Ops	7,493	305
	032026	CORP-Regulated Ops	1,472,983	52,835
	032066	CORP-Innov & Env Stewardship	1,810,262	50,122

**Total Service Company and Kentucky-American
2009 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#110**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
	033001	WE-Production	15	0
	033002	WE-Network	416	0
	033003	WE-Customer Relations	387,090	177
	033004	WE-Technical Services	(1)	-
	033005	WE-Administration	1,114,537	1,214
	033006	WE-Service Delivery	363,537	178
	033011	WE-Environmental Mgmt	27,070	1
	033014	WE-Engineering	219,302	730
	033028	WE-Asset Planning	240	0
	033501	CE-Production	1,701	(4)
	033502	CE-Network	870,827	1,573
	033503	CE-Customer Relations	3,219,737	6,576
	033505	CE-Administration	2,688,940	11,220
	033511	CE-Environmental Mgmt	447,561	774
	033514	CE-Engineering	478,379	3,014
	035001	SE-Production	1	(2)
	035002	SE-Network	427,308	19,831
	035003	SE-Customer Relations	1,864,241	210,078
	035005	SE-Administration	1,155,083	157,860
	035011	SE-Environmental Mgmt	1	(1)
	035014	SE-Engineering	76,022	9,334
	035503	ED-Customer Relations	992,385	125,222
	036501	NE-Production	422,542	434
	036502	NE-Network	(0)	-
	036505	NE-Administration	1,008	27
Regulated Operations Total			18,726,526	952,203
Regulatory Services	032050	CORP-Backfill Reg App	5	0
	032069	CORP-Regulatory UFS	692,446	23,766
Regulatory Services Total			692,451	23,766
SSC	032084	SSC-Accounts Payable	1,929,458	54,303
	032505	SSC-Administration	2,479,403	83,626
	032570	SSC-General Accounting	3,051,849	109,100
	032571	SSC-Tax	1,206,664	41,988
	032572	SSC-Business Support Services	1,277,248	43,366
	032574	SSC-Rates & Regulation	1,364,193	43,061
	032575	SSC-Cash Operations	1,776,585	64,495
	032577	SSC-Utility Plant Accounting	1,821,229	56,487
	032578	SSC-Project Management	315,869	10,531
	032579	SSC-Employee Services	2,555,743	80,121
	032580	SSC-AWE	1,116,667	5,400
SSC Total			18,894,909	592,479
Grand Total			217,863,671	8,148,624

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

111. Please provide the budgeted/forecast 2010 American Water Works Service Company results by Business Unit, preferably in Excel, and show the charges from each Business Unit to KAWC.

Response:

Please see the attached for budgeted total Service Company and Kentucky-American's Service Company expense charges for 2010 by function and business unit. The excel file is included on the enclosed CD and refer to file labeled as KAW_R_AGDR1#111_042610.

Please note that Service Company 2010 budget was revised shortly after the original Kentucky rate filing. The amounts presented in the attachment represent the latest revised 2010 budget numbers.

For the electronic version refer to KAW_R_AGDR1#111_042610.pdf.

**Total Service Company and Kentucky-American
2010 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#111**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
Admin	032098	CORP-Non-Departmental Costs	(2,470,534)	(81,034)
Admin Total			(2,470,534)	(81,034)
Audit	032060	CORP-Audit	1,966,736	65,316
Audit Total			1,966,736	65,316
Benefit Svc Ctr	032014	CORP-Benefits Service Center	1,652,892	52,247
Benefit Svc Ctr Total			1,652,892	52,247
Business Development	032020	CORP-Corporate Bus Development	2,916,386	61,109
	033520	CE-Business Development	712,736	
	035020	SE-Business Development	595,516	279,867
Business Development Total			4,224,638	340,976
Business Transformation	032040	CORP-Business Transformation	1,487,792	
	032051	CORP-Bsns Trans-Procure To Pay	4,954	
	032052	CORP-Bsns Trans-Recruit To Ret	9,443	
	032053	CORP-Bsns Trans-Record To Rpt	7,144	
	032054	CORP-Bsns Trans-Order To Cash	4,449	
	032055	CORP-Bsns Trans-Plan, Bld, Ret	5,732	
	032056	CORP-Bsns Trans-Ord To Compl	11,291	
Business Transformation Total			1,530,805	
CSC	034005	CCA-Administration	3,204,673	117,288
	034070	CCA-Call Handling	10,086,474	369,154
	034071	CCA-Billing	8,121,563	297,241
	034072	CCA-Collections	2,850,103	104,311
	034073	CCA-Operations & Performance	4,976,751	182,144
	034074	CCA-Business Services	1,331,773	48,741
	034075	CCA-Education & Development	952,492	34,860
	037005	CCP-Administration	1,067,295	39,062
	037070	CCP-Call Handling	12,974,560	474,855
	037073	CCP-Operations and Support	3,081,867	112,793
	037075	CCP-Education & Development	1,199,571	43,903
CSC Total			49,847,123	1,824,352
External Affairs/Communication	032022	CORP-Government Affairs	597,851	18,897
	032025	CORP-External Affairs	983,236	31,320
	032068	CORP-Marketing	1,511,547	50,827
	032085	CORP-External Communications	1,051,289	33,340
	032086	CORP-Internal Communications	497,809	16,443
	032087	CORP-Corp Social Resp	714,384	20,962
	033025	WE-External Affairs	822,769	
	033525	CE-External Affairs	1,624,112	
	035025	SE-External Affairs	712,640	206,892
	036525	NE-External Affairs	356,447	
External Affairs/Communication Total			8,872,083	378,680
Finance	032007	CORP-Finance	2,040,552	66,095
	032017	CORP-Planning & Reporting	1,555,838	51,322
	032027	CORP-Reporting & Compliance	5,509,170	187,051
	032047	CORP-Income Tax	2,591,124	90,631

**Total Service Company and Kentucky-American
2010 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#111**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
	032057	CORP-Treasury	2,959,536	94,806
	033007	WE-Finance	1,261,958	
	033507	CE-Finance	2,261,523	
	035007	SE-Finance	2,955,954	348,662
Finance Total			21,135,654	838,567
Human Resources	032002	CORP-HR Comp/Benefits	2,290,260	72,420
	032003	CORP-HR Talent Development	1,579,087	51,458
	032004	CORP-HR Labor Relations	554,695	17,816
	032006	CORP-Business Center HR	1,008,394	32,682
	032013	CORP-HR Systems & Processes	817,504	27,555
	032018	CORP-Human Resources	1,224,115	44,337
	032028	CORP-ED Human Resources	763,122	107,371
	032038	CORP-WD Human Resources	2,182,757	
	034018	CCA-Human Resources	1,190,184	41,677
Human Resources Total			11,610,117	395,316
Investor Relations	032037	CORP-Investor Relations	1,244,595	24,381
Investor Relations Total			1,244,595	24,381
ITS	032030	CORP-ITS Client Rel Admin	298,611	10,734
	032031	CORP-Service Desk	1,229,367	43,062
	032032	CORP-ITS Bus Development	2,360,515	76,988
	032033	Chg Ctrl & Desktop Automation	276,197	9,843
	032071	CORP-ITS Admin	2,423,903	87,690
	032072	CORP-ITS PMO	3,062,923	109,039
	032073	CORP-ITS Infra/Oper Admin	518,142	18,379
	032074	CORP-ITS Production	15,601,280	546,055
	032075	CORP-Enterprise Server	5,083,299	179,877
	032076	CORP-Communications	3,514,766	122,809
	032077	CORP-ITS Telecom	1,452,215	51,814
	032078	CORP-ITS Adm Business Appl Dev	590,809	20,705
	032079	CORP-Technical Applications	2,095,078	74,126
	032080	CORP-Functional Applications	2,459,004	88,875
	032081	CORP-ITS Quality Assurance	980,297	34,857
	032082	Client Relationship Management	1,451,594	49,199
	032083	CORP-ITS Strategy/Governance	2,129,107	75,422
	032093	CORP-ITS Design Authority	1,823,740	64,810
	033531	CE-Western CS & S	4,149,287	32,520
	035031	SE-ITS Client Relations	71,226	11,136
	036531	NE-Eastern CS & S	123,755	4,771
ITS Total			51,695,115	1,712,713
Laboratory	034517	BVLAB-Water Quality	5,471,057	200,150
Laboratory Total			5,471,057	200,150
Legal	032015	CORP-Legal	3,805,251	52,635
	033015	WE-Legal	1,102,650	
	033515	CE-Legal	2,136,961	
	035015	SE-Legal	1,270,658	260,284

**Total Service Company and Kentucky-American
2010 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#111**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
	036515	NE-Legal	575,288	
Legal Total			8,890,808	312,919
Operation Services	032011	CORP-Chief Operating Officer	1,839,090	57,970
	032016	CORP-Maintenance Services	461,027	16,505
	032019	CORP-Operational Risk	1,040,008	32,801
	032065	CORP-Asset Management	289,935	9,282
	033016	WE-Maintenance	491,569	
	033019	WE-Operational Risk	317,681	
	033516	CE-Maintenance	1,148,556	
	033519	CE-Operational Risk	1,149,667	9,620
	035016	SE-Maintenance	608,767	141,118
	035019	SE-Operational Risk	123,899	15,232
	036516	NE-Maintenance	175,630	1,074
	036550	CORP-COE-Engineering	254,637	7,007
	036551	CORP-COE-Technical Services	303,814	8,634
Operation Services Total			8,204,279	299,242
Procurement	032010	CORP-Supply Chain-Sourcing	1,970,367	75,268
	033010	WE-Supply Chain	159,564	
	033510	CE-Supply Chain	199,593	
	035010	SE-Supply Chain	149,091	31,235
Procurement Total			2,478,616	106,503
Property	032042	CORP-1000 Voorhees Building	820,933	28,762
	032046	CORP-3906 Church Road	530,570	17,977
	032062	CORP-Building Services	6,681,718	232,966
	032063	CORP-Building Services Woodcre	3,850,721	123,270
	036576	NE-Building Services Woodcrest	47,881	
Property Total			11,931,823	402,976
Regulated Operations	032023	CORP-Eastern Division Ops	852,072	641,569
	032024	Corp-Western Division Ops	881,028	
	032026	CORP-Regulated Ops	1,935,025	68,340
	032066	CORP-Research & Env Excellence	1,521,917	40,741
	033005	WE-Administration	1,291,276	
	033014	WE-Engineering	255,952	
	033502	CE-Network	579,098	
	033503	CE-Customer Relations	2,744,959	
	033505	CE-Administration	1,608,502	
	033511	CE-Environmental Mgmt	255,245	
	033514	CE-Engineering	463,237	
	035002	SE-Network	760,550	1,217
	035005	SE-Administration	2,215,818	189,452
	035014	SE-Engineering	154,028	
	035503	ED-Customer Relations	2,510,376	353,210
	036501	NE-Production	106,911	
Regulated Operations Total			18,135,994	1,294,530
Regulatory Services	032069	CORP-Regulatory UFS	724,507	23,514

**Total Service Company and Kentucky-American
2010 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#111**

Function	BU	BU Description	Company	
			TOTAL SC	KY-AM
Regulatory Services Total			724,507	23,514
SSC	032084	SSC-Accounts Payable	1,648,231	47,258
	032505	SSC-Administration	2,701,957	90,892
	032570	SSC-General Accounting	3,408,994	105,332
	032571	SSC-Tax	1,262,425	43,806
	032572	SSC-Business Support Services	1,339,799	47,563
	032574	SSC-Rates & Regulation	1,348,692	37,359
	032575	SSC-Cash Management	1,763,123	63,173
	032577	SSC-Fixed Assets/Job Cost	1,993,450	63,388
	032578	SSC-Project Management	323,257	11,476
	032579	SSC-Employee Services	2,500,619	77,592
	032580	SSC-AWE	1,254,668	
SSC Total			19,545,216	587,838
Grand Total			226,691,526	8,779,186

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

112. Please provide the budgeted/forecast 2011 American Water Works Service Company results by Business Unit, preferably in Excel, and show the charges from each Business Unit to KAWC.

Response:

Please see the attached for budgeted total Service Company and Kentucky-American's Service Company expense charges for calendar year 2011 by function and business unit. The excel file is included on the enclosed CD and refer to the file labeled as KAW_R_AGDR1#112_042610.

For the electronic version, refer to KAW_R_AGDR1#112_042610.pdf

**Total Service Company and Kentucky-American
2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#112**

Function	BU#	BU Description	12 Mo Ending December Company	
			Total SC	KY-AM
Admin	032088	CORP-Business Change	134,687	4,828
	032089	CORP-AWE Pass-Thru	312,929	1,216
	032098	CORP-Non-Departmental Costs	(1,589,740)	(50,281)
Admin Total			(1,142,124)	(44,237)
Audit	032060	CORP-Audit	1,745,957	58,070
Audit Total			1,745,957	58,070
Benefit Svc Ctr	032014	CORP-Benefits Service Center	1,641,068	51,954
Benefit Svc Ctr Total			1,641,068	51,954
Business Development	032020	CORP-Corporate Bus Development	2,052,524	43,109
	033020	WE-Business Development	713,839	
	033520	CE-Business Development	711,256	161
	035020	SE-Business Development	518,866	137,710
	036520	NE-Business Development	309	11
Business Development Total			3,996,794	180,991
Business Transformation	032040	CORP-Business Transformation	3,030,678	
	032051	CORP-Bsns Trans-Procure To Pay	11,032	
	032052	CORP-Bsns Trans-Recruit To Ret	21,021	
	032053	CORP-Bsns Trans-Record To Rpt	16,324	
	032054	CORP-Bsns Trans-Order To Cash	9,918	
	032055	CORP-Bsns Trans-Plan, Bld, Ret	12,732	
	032056	CORP-Bsns Trans-Ord To Compl	25,128	
Business Transformation Total			3,126,834	
CSC	034005	CCA-Administration	3,315,487	117,136
	034070	CCA-Call Handling	11,520,605	407,111
	034071	CCA-Billing	7,916,728	279,801
	034072	CCA-Collections	3,190,566	62,774
	034073	CCA-Operations & Performance	6,526,044	221,837
	034074	CCA-Business Services	1,544,103	54,575
	034075	CCA-Education & Development	1,159,565	40,983
	037005	CCP-Administration	1,448,654	51,163
	037070	CCP-Call Handling	11,559,697	408,518
	037073	CCP-Operations and Support	3,357,657	118,662
	037075	CCP-Education & Development	1,035,774	36,618
CSC Total			52,574,880	1,799,179
External Affairs/Communication	032022	CORP-Government Affairs	629,104	19,916
	032025	CORP-External Affairs	1,001,666	31,957
	032068	CORP-Marketing	1,529,875	51,519
	032085	CORP-External Communications	1,161,851	36,904
	032086	CORP-Internal Communications	457,055	15,119
	032087	CORP-Corp Social Resp	586,437	17,237
	033025	WE-External Affairs	870,246	148
	033525	CE-External Affairs	1,602,716	576

**Total Service Company and Kentucky-American
2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#112**

Function	BU#	BU Description	12 Mo Ending December Company	
			Total SC	KY-AM
	035025	SE-External Affairs	679,529	176,069
	036525	NE-External Affairs	362,293	81
External Affairs/Communication Total			8,880,773	349,525
Finance	032007	CORP-Finance	2,345,755	76,097
	032017	CORP-Planning & Reporting	2,577,985	85,166
	032027	CORP-Reporting & Compliance	2,964,114	96,321
	032047	CORP-Income Tax	2,498,138	87,503
	032057	CORP-Treasury	2,339,077	75,046
	033007	WE-Finance	2,134,470	3,007
	033507	CE-Finance	4,263,437	3,246
	035007	SE-Finance	4,356,025	742,555
	036507	NE-Finance	2,795,576	279,752
	037777	CORP-IFRS Finance	79,567	2,844
Finance Total			26,354,145	1,451,538
Human Resources	032002	CORP-HR Comp/Benefits	2,142,500	67,853
	032003	CORP-HR Talent Development	1,371,291	44,754
	032004	CORP-HR Labor Relations	476,714	15,335
	032006	CORP-Business Center HR	1,047,196	33,991
	032013	CORP-HR Systems & Processes	754,848	25,481
	032018	CORP-Human Resources	1,486,104	53,899
	032028	CORP-ED Human Resources	586,141	82,513
	032038	CORP-WD Human Resources	2,174,683	
	033018	WE-Human Resources	199,341	15
	033518	CE-Human Resources	460,556	553
	034018	CCA-Human Resources	1,201,016	42,116
	035018	SE-Human Resources	54,703	6,196
	036518	NE-Human Resources	13,421	23
Human Resources Total			11,968,513	372,731
Investor Relations	032037	CORP-Investor Relations	1,279,998	26,727
Investor Relations Total			1,279,998	26,727
ITS	032030	CORP-ITS Client Rel Admin	276,151	9,940
	032031	CORP-Service Desk	1,240,329	43,506
	032032	CORP-ITS Bus Development	1,531,086	50,011
	032033	Chg Ctrl & Desktop Automation	299,522	10,689
	032034	CORP-ITS Appl Adm & Security	217,637	7,787
	032035	CORP-ITS Sec Arch & Strategy	131,148	4,669
	032071	CORP-ITS Admin	1,659,581	60,119
	032072	CORP-ITS PMO	1,434,023	51,120
	032073	CORP-ITS Infra/Oper Admin	508,727	18,070
	032074	CORP-ITS Production	18,608,544	652,218
	032075	CORP-Enterprise Server	5,469,959	193,825
	032076	CORP-Communications	3,953,118	138,317

**Total Service Company and Kentucky-American
2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#112**

Function	BU#	BU Description	12 Mo Ending December Company	
			Total SC	KY-AM
	032077	CORP-ITS Telecom	1,283,241	45,848
	032078	CORP-ITS Adm Business Appl Dev	674,848	23,683
	032079	CORP-Technical Applications	1,919,042	67,991
	032080	CORP-Functional Applications	2,011,279	72,791
	032081	CORP-ITS Quality Assurance	969,780	34,530
	032082	Client Relationship Management	1,386,553	47,062
	032083	CORP-ITS Strategy/Governance	1,722,868	61,115
	032093	CORP-ITS Design Authority	1,547,113	55,055
	033531	CE-Western CS & S	3,173,766	25,031
	035031	SE-ITS Client Relations	70,943	11,095
	036531	NE-Eastern CS & S	421,325	16,263
ITS Total			50,510,583	1,700,734
Laboratory	034517	BVLAB-Water Quality	5,675,066	209,329
Laboratory Total			5,675,066	209,329
Legal	032015	CORP-Legal	3,474,558	110,238
	033015	WE-Legal	1,079,338	183
	033515	CE-Legal	2,293,362	1,178
	035015	SE-Legal	1,458,050	311,891
	036515	NE-Legal	597,511	100
Legal Total			8,902,819	423,589
Operation Services	032011	CORP-Chief Operating Officer	1,819,874	51,843
	032016	CORP-Maintenance Services	276,994	43,028
	032019	CORP-Operational Risk	1,068,434	33,306
	032064	CORP-Operational Performance	790,641	24,479
	033016	WE-Maintenance	553,363	6,429
	033019	WE-Operational Risk	347,070	64
	033516	CE-Maintenance	1,288,270	2,168
	033519	CE-Operational Risk	1,132,284	2,799
	035016	SE-Maintenance	603,247	94,236
	035019	SE-Operational Risk	92,711	15,290
	036516	NE-Maintenance	184,188	1,434
	036519	NE-Operational Risk	435,906	144
	036550	CORP-COE-Engineering	267,579	8,223
	036551	CORP-COE-Technical Services	321,025	9,216
Operation Services Total			9,181,584	292,657
Procurement	032010	CORP-Supply Chain-Sourcing	3,014,346	115,292
	033010	WE-Supply Chain	169,373	
	033510	CE-Supply Chain	207,788	
	035010	SE-Supply Chain	170,082	35,619
	036510	NE-Supply Chain	816	31
Procurement Total			3,562,405	150,942
Property	032042	CORP-1000 Voorhees Building	771,428	26,829

**Total Service Company and Kentucky-American
2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#112**

Function	BU#	BU Description	12 Mo Ending December Company	
			Total SC	KY-AM
	032046	CORP-3906 Church Road	565,921	19,299
	032062	CORP-Building Services	7,687,662	241,707
	032063	CORP-Building Services Woodcre	3,419,441	107,513
	036576	NE-Building Services Woodcrest	47,728	
Property Total			12,492,180	395,348
Regulated Operations	032023	CORP-Eastern Division Ops	762,467	290,299
	032024	Corp-Western Division Ops	534,275	
	032026	CORP-Regulated Ops	1,856,723	62,693
	032066	CORP-Research & Env Excellence	1,252,365	34,515
	033003	WE-Customer Relations	485,195	94
	033005	WE-Administration	1,246,130	895
	033006	WE-Service Delivery	199,373	53
	033011	WE-Environmental Mgmt	20,399	
	033014	WE-Engineering	281,536	120
	033501	CE-Production	1,204	
	033502	CE-Network	799,412	395
	033503	CE-Customer Relations	3,060,677	1,856
	033505	CE-Administration	2,665,976	3,567
	033511	CE-Environmental Mgmt	451,478	225
	033514	CE-Engineering	496,550	788
	035002	SE-Network	526,806	28,731
	035003	SE-Customer Relations	2,222,099	238,571
	035005	SE-Administration	1,378,819	199,808
	035014	SE-Engineering	66,500	10,663
	035503	ED-Customer Relations	1,228,357	172,920
	036501	NE-Production	311,765	75
Regulated Operations Total			19,848,108	1,046,268
Regulatory Services	032050	CORP-Backfill Reg App	368	13
	032069	CORP-Regulatory UFS	755,041	24,542
Regulatory Services Total			755,409	24,555
SSC	032084	SSC-Accounts Payable	2,314,392	66,472
	032505	SSC-Administration	3,185,464	107,314
	032570	SSC-General Accounting	3,566,554	110,377
	032571	SSC-Tax	1,403,914	48,779
	032572	SSC-Business Support Services	1,350,249	43,467
	032574	SSC-Rates & Regulation	1,372,769	38,097
	032575	SSC-Cash Management	1,946,512	69,840
	032577	SSC-Fixed Assets/Job Cost	1,993,852	63,499
	032578	SSC-Project Management	399,920	13,262
	032579	SSC-Employee Services	2,782,996	86,492
	032580	SSC-AWE	1,326,613	6,455
SSC Total			21,643,236	654,055

**Total Service Company and Kentucky-American
2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#112**

Function	BU#	BU Description	12 Mo Ending December Company	
			Total SC	KY-AM
Grand Total			242,998,228	9,143,956

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

113. Please provide the budgeted/forecast American Water Works Service Company results by Business Unit, preferably in Excel, and show the charges from each Business Unit to KAWC for the 12 months ending 9/30/2011.

Response:

Please see the attached for budgeted total Service Company and Kentucky-American's Service Company expense charges for the 12 month period ending September 2011 by function and business unit. The excel file is included on the enclosed CD and refer to the file labeled as KAW_R_AGDR1#113_042610.

Please note that Service Company 2010/2011 budget was revised shortly after the original Kentucky rate filing. The amounts presented in the attachment represent the latest revised budget numbers for the 12 months ending September 30, 2011.

For the electronic version, refer to KAW_R_AGDR1#113_042610.pdf.

**Total Service Company and Kentucky-American
12 Months Ending September 2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#113**

**12 Mo Ending September 2011
Company**

Function	BU#	BU Description	Total SC	KY-AM
Admin	032088	CORP-Business Change	134,687	4,828
	032089	CORP-AWE Pass-Thru	312,929	1,216
	032098	CORP-Non-Departmental Costs	(1,484,708)	(47,687)
Admin Total			(1,037,091)	(41,642)
Audit	032060	CORP-Audit	1,730,371	57,528
Audit Total			1,730,371	57,528
Benefit Svc Ctr	032014	CORP-Benefits Service Center	1,618,295	51,213
Benefit Svc Ctr Total			1,618,295	51,213
Business Development	032020	CORP-Corporate Bus Development	2,303,000	48,334
	033020	WE-Business Development	502,997	
	033520	CE-Business Development	713,635	122
	035020	SE-Business Development	545,495	174,914
	036520	NE-Business Development	309	11
Business Development Total			4,065,437	223,380
Business Transformation	032040	CORP-Business Transformation	2,744,474	
	032051	CORP-Bsns Trans-Procure To Pay	9,426	
	032052	CORP-Bsns Trans-Recruit To Ret	18,024	
	032053	CORP-Bsns Trans-Record To Rpt	13,970	
	032054	CORP-Bsns Trans-Order To Cash	8,472	
	032055	CORP-Bsns Trans-Plan, Bld, Ret	10,916	
	032056	CORP-Bsns Trans-Ord To Compl	21,536	
Business Transformation Total			2,826,818	
CSC	034005	CCA-Administration	3,282,960	116,984
	034070	CCA-Call Handling	11,098,833	395,386
	034071	CCA-Billing	7,914,664	282,299
	034072	CCA-Collections	3,206,857	75,235
	034073	CCA-Operations & Performance	5,995,367	206,974
	034074	CCA-Business Services	1,479,757	52,715
	034075	CCA-Education & Development	1,138,330	40,532
	037005	CCP-Administration	1,306,283	46,407
	037070	CCP-Call Handling	12,002,772	428,227
	037073	CCP-Operations and Support	3,279,825	116,903
	037075	CCP-Education & Development	1,026,126	36,653
CSC Total			51,731,774	1,798,314
External Affairs/Communication	032022	CORP-Government Affairs	595,133	18,833
	032025	CORP-External Affairs	984,119	31,385
	032068	CORP-Marketing	1,477,143	49,724
	032085	CORP-External Communications	1,120,860	35,589
	032086	CORP-Internal Communications	460,749	15,235
	032087	CORP-Corp Social Resp	614,865	18,063
	033025	WE-External Affairs	856,657	110
	033525	CE-External Affairs	1,601,033	432
035025	SE-External Affairs	673,143	179,930	

Total Service Company and Kentucky-American
12 Months Ending September 2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#113

12 Mo Ending September 2011
Company

Function	BU#	BU Description	Total SC	KY-AM
	036525	NE-External Affairs	359,331	60
External Affairs/Communication Total			8,743,034	349,361
Finance	032007	CORP-Finance	2,210,418	71,682
	032017	CORP-Planning & Reporting	2,418,851	79,893
	032027	CORP-Reporting & Compliance	3,618,360	119,486
	032047	CORP-Income Tax	2,500,095	87,540
	032057	CORP-Treasury	2,495,622	80,032
	033007	WE-Finance	1,915,175	2,256
	033507	CE-Finance	3,704,326	2,389
	035007	SE-Finance	3,944,105	633,612
	036507	NE-Finance	2,041,910	204,333
	037777	CORP-IFRS Finance	19,892	711
Finance Total			24,868,755	1,281,933
Human Resources	032002	CORP-HR Comp/Benefits	2,048,955	64,862
	032003	CORP-HR Talent Development	1,280,056	41,757
	032004	CORP-HR Labor Relations	467,138	15,022
	032006	CORP-Business Center HR	1,018,876	33,060
	032013	CORP-HR Systems & Processes	751,721	25,366
	032018	CORP-Human Resources	1,404,016	50,907
	032028	CORP-ED Human Resources	557,002	78,397
	032038	CORP-WD Human Resources	1,979,918	
	033018	WE-Human Resources	199,341	15
	033518	CE-Human Resources	460,556	553
	034018	CCA-Human Resources	1,150,911	40,346
	035018	SE-Human Resources	54,703	6,196
	036518	NE-Human Resources	13,421	23
Human Resources Total			11,386,614	356,505
Investor Relations	032037	CORP-Investor Relations	1,256,506	25,740
Investor Relations Total			1,256,506	25,740
ITS	032030	CORP-ITS Client Rel Admin	272,000	9,787
	032031	CORP-Service Desk	1,221,053	42,814
	032032	CORP-ITS Bus Development	1,659,025	54,163
	032033	Chg Ctrl & Desktop Automation	293,324	10,464
	032034	CORP-ITS Appl Adm & Security	217,637	7,787
	032035	CORP-ITS Sec Arch & Strategy	131,148	4,669
	032071	CORP-ITS Admin	1,661,631	60,163
	032072	CORP-ITS PMO	2,977,317	106,040
	032073	CORP-ITS Infra/Oper Admin	497,532	17,666
	032074	CORP-ITS Production	17,731,726	621,280
	032075	CORP-Enterprise Server	5,249,746	185,962
	032076	CORP-Communications	3,730,783	130,497
	032077	CORP-ITS Telecom	1,277,914	45,640
	032078	CORP-ITS Adm Business Appl Dev	662,313	23,236

**Total Service Company and Kentucky-American
12 Months Ending September 2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#113**

**12 Mo Ending September 2011
Company**

Function	BU#	BU Description	Total SC	KY-AM
	032079	CORP-Technical Applications	1,982,433	70,213
	032080	CORP-Functional Applications	2,118,089	76,627
	032081	CORP-ITS Quality Assurance	1,023,574	36,431
	032082	Client Relationship Management	1,343,956	45,597
	032083	CORP-ITS Strategy/Governance	1,723,137	61,099
	032093	CORP-ITS Design Authority	1,491,442	53,055
	033531	CE-Western CS & S	3,301,373	25,986
	035031	SE-ITS Client Relations	71,082	11,115
	036531	NE-Eastern CS & S	424,621	16,389
ITS Total			51,062,856	1,716,682
Laboratory	034517	BVLAB-Water Quality	5,688,796	209,420
Laboratory Total			5,688,796	209,420
Legal	032015	CORP-Legal	3,528,403	95,416
	033015	WE-Legal	1,061,560	133
	033515	CE-Legal	2,225,276	872
	035015	SE-Legal	1,322,569	280,004
	036515	NE-Legal	594,417	76
Legal Total			8,732,224	376,500
Operation Services	032011	CORP-Chief Operating Officer	1,815,492	53,103
	032016	CORP-Maintenance Services	280,461	30,074
	032019	CORP-Operational Risk	1,063,625	33,251
	032064	CORP-Operational Performance	591,831	18,324
	032065	CORP-Asset Management	66,618	2,133
	033016	WE-Maintenance	537,969	4,823
	033019	WE-Operational Risk	338,293	48
	033516	CE-Maintenance	1,228,858	1,586
	033519	CE-Operational Risk	1,127,583	4,475
	035016	SE-Maintenance	665,629	115,430
	035019	SE-Operational Risk	68,733	10,028
	036516	NE-Maintenance	178,628	1,320
	036519	NE-Operational Risk	322,910	107
	036550	CORP-COE-Engineering	257,392	7,712
	036551	CORP-COE-Technical Services	310,130	8,882
Operation Services Total			8,854,153	291,296
Procurement	032010	CORP-Supply Chain-Sourcing	2,697,378	103,145
	033010	WE-Supply Chain	164,403	
	033510	CE-Supply Chain	203,971	
	035010	SE-Supply Chain	165,132	34,585
	036510	NE-Supply Chain	816	31
Procurement Total			3,231,699	137,762
Property	032042	CORP-1000 Voorhees Building	760,706	26,512
	032046	CORP-3906 Church Road	551,010	18,762
	032062	CORP-Building Services	7,493,960	241,114

**Total Service Company and Kentucky-American
12 Months Ending September 2011 Service Company Charges (O&M)
By Function and Business Unit
AGDR1#113**

Function	BU#	BU Description	12 Mo Ending September 2011	
			Total SC	KY-AM
	032063	CORP-Building Services Woodcre	3,509,818	110,902
	036576	NE-Building Services Woodcrest	47,850	
Property Total			12,363,344	397,291
Regulated Operations	032023	CORP-Eastern Division Ops	767,754	372,419
	032024	Corp-Western Division Ops	531,030	
	032026	CORP-Regulated Ops	1,815,715	62,064
	032066	CORP-Research & Env Excellence	1,197,008	32,726
	033003	WE-Customer Relations	371,752	72
	033005	WE-Administration	1,256,958	671
	033006	WE-Service Delivery	177,994	47
	033011	WE-Environmental Mgmt	20,399	
	033014	WE-Engineering	270,460	89
	033501	CE-Production	1,204	
	033502	CE-Network	741,931	298
	033503	CE-Customer Relations	2,905,143	1,352
	033505	CE-Administration	2,441,643	2,733
	033511	CE-Environmental Mgmt	403,207	170
	033514	CE-Engineering	482,431	593
	035002	SE-Network	584,801	21,857
	035003	SE-Customer Relations	1,680,365	180,409
	035005	SE-Administration	1,574,695	195,690
	035014	SE-Engineering	86,836	7,682
	035503	ED-Customer Relations	1,332,496	187,534
	036501	NE-Production	264,875	57
Regulated Operations Total			18,908,699	1,066,462
Regulatory Services	032050	CORP-Backfill Reg App	368	13
	032069	CORP-Regulatory UFS	748,688	24,327
Regulatory Services Total			749,055	24,340
SSC	032084	SSC-Accounts Payable	2,009,436	57,693
	032505	SSC-Administration	2,974,716	100,183
	032570	SSC-General Accounting	3,518,227	108,839
	032571	SSC-Tax	1,370,800	47,614
	032572	SSC-Business Support Services	1,331,117	43,983
	032574	SSC-Rates & Regulation	1,362,130	37,784
	032575	SSC-Cash Management	1,883,789	67,567
	032577	SSC-Fixed Assets/Job Cost	1,987,631	63,276
	032578	SSC-Project Management	368,986	12,425
	032579	SSC-Employee Services	2,665,718	82,816
	032580	SSC-AWE	1,299,212	4,798
SSC Total			20,771,762	626,979
Grand Total			237,553,100	8,949,064

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller

114. Please provide actual charges from AWWSC to KAWC for each year 2007, 2008 and 2009 (preferably in Excel) for each of the following Service Company "objects":

LABOR & LABOR RELATED

1. 501200 Labor
2. 501203 Internal Labor Recharge
3. 501205 Expat Labor
4. 501711 Incentive Plan
5. 501712 Long Term Incentive Plan
6. 501715 Retention/Completion
7. 504100 Group Insurance
8. 504105 Expat Group Insurance
9. 505100 PBOP
10. 506100 Pension
11. 506105 Expat Pension
12. 507100 401K
13. 508100 EIP
14. 508101 DCP Oper AG
15. 685320 FUTA
16. 685325 FICA
17. 685350 SUTA

OTHER EXPENSES

18. 504500 Other Welfare
19. 504610 Employee Awards

20. 504620 Employee Physical Exams
21. 504660 Tuition Aid
22. 504670 Training
23. 531000 Contract Services-Engineering
24. 532000 Contract Services-Accounting
25. 533000 Contract Services-Legal
26. 533001 Contract Services-Litigation
27. 535000 Contract Services-Other
28. 535001 Contract Services-Temp Employee
29. 535002 Contract Services-STEP Backfill
30. 536000 Contract Services-Lab Testing
31. 541000 Rents-Real Property
32. 541400 Rents-Equipment
33. 550000 Transportation
34. 550001 Transportation-Lease Cost
35. 550002 Transportation-Lease Fuel
36. 550003 Transportation-Lease Maintenance
37. 556000 Insurance-Vehicle
38. 557000 Insurance-General Liability
39. 558000 Insurance-Work Comp
40. 559000 Insurance-Other
41. 575000 Miscellaneous
42. 575002 Misc General Office
43. 575030 Advertising
44. 575100 Bank Service Charges
45. 575130 Brochures & Handouts
46. 575140 Charitable Contribution-Deductible

47. 575220 Community Relations
48. 575280 Dues & Memberships Deduct
49. 575320 Electricity
50. 575340 Employee Expenses
51. 575342 Conferences & Registrations
52. 575350 Meals & Travel Deduct
53. 575351 Meals & Travel NonDeduct
54. 575420 Forms AG
55. 575460 Ground keeping
56. 575480 Heat - Oil & Gas
57. 575490 Injuries and Damages
58. 575500 Janitorial
59. 575620 Office Supplies
60. 575625 Overnight Shipping
61. 575640 Penalties
62. 575660 Postage
63. 575670 Relocation
64. 575680 Research & Development
65. 575710 Security
66. 575715 Software & License Support
67. 575740 Telephone
68. 575741 Cell Phones
69. 575742 Data Lines
70. 575775 Trade Shows
71. 575780 Trash Removal
72. 675000 Maintenance Misc
73. 675250 Maintenance Computer Equip

- 74. 675350 Maintenance HVAC
- 75. 675450 Maintenance Office Equip
- 76. 685200 Property Taxes
- 77. 685430 Other Taxes & Licenses
- 78. 680110 Depreciation
- 79. 710400 Int Income Outside
- 80. 810301 Int Cap Lease-AW21
- 81. 810400 Int LTD-Inside
- 82. 830000 Interest on STD
- 83. 840000 Other Interest

Response:

Please see attached for a breakdown of Kentucky's Service Company O&M expenses for the calendar years 2007 through 2009. The excel file is on the enclosed CD and refer to file labeled as KAW_R_AGDR1#114_042610.

For the electronic version, refer to KAW_R_AGDR1#114_042610.pdf.

KY AG Request 114
Kentucky Service Company O&M Expenses by Object Account
2007 - 2009
AGDR1#114

Object Account	Description	2007 Total	2008 Total	2009 Total
501200	Labor	2,921,523	3,189,995	3,356,691
501203	Labor Internal Recharge	2,071	32,938	(32,641)
501205	Labor Expatriots	4,819		
501210	Labor Non Scheduled Overtime			36,910
501211	Labor Overtime			64,234
501711	Incentive Plan-Off-Annual	181,827	304,619	359,440
501712	Incentive Plan-Off-Long Term	85,587	(4,812)	
501715	Retention/Completion	49,770	25,328	
501716	Compensation Exp-Options		20,711	62,354
501717	Compensation Exp-Restricted Stock		18,852	
501718	Compensation Exp-Restricted Stock Units		6,771	63,751
501719	Compensation Exp-Notional Dividend		0	
504100	Group Ins Maintenance	460,428	496,789	484,857
504341	Defined Contr Supp Exec Retirement Plan Exp		1,463	1,395
504342	401 K Restoration Exp		1,367	873
504500	Other Welfare Maintenance	26,750	75,664	42,314
504610	Employee Awards	13,996	11,249	6,783
504620	Employee Physical Exam	118	22	727
504640	Safety Incentive	4		
504660	Tuition Aid	15,171	13,975	12,058
504670	Training	20,421	23,777	24,571
504671	Training-Safety	10		
505100	PBOP	72,974	99,744	130,885
506100	Pension	320,759	357,706	610,036
507100	401k	51,863	58,527	63,930
508101	Defined Contribution Plan	29,984	50,876	68,249
508200	Employee Stock Purchase Plan		2,817	6,364
515100	Purchased Power	-		
520100	Materials & Supplies Operations	1,814	563	122
531000	Contract Services-Engineering	17,408	30,987	28,616
532000	Contract Services-Accounting	21,830	27,527	6,693
533000	Contract Services-Legal	16,777	19,097	19,262
533001	Contract Services-Litigation	-	(0)	(0)
535000	Contract Services-Other	1,353,880	775,364	397,344
535001	Contract Services-Temp Employee	125,226	110,641	105,860
535002	Contract Services-STEP Backfill	0		
536000	Contract Services-Lab Testing	905	(5,074)	(14,589)
541000	Rents-Real Property	194,194	191,628	152,799
541001	Rents-Real Property Intercompany	54,265	55,010	103,817
541400	Rents-Equipment	18,875	13,925	9,384
541401	Rents-Equipment Intercompany			2,740
550000	Transportation IT-Admin	8,505	9,763	14,147
550001	Transportation Lease Cost	14,927	13,033	16,724
550002	Transportation Lease Fuel	7,991	9,626	8,360
550003	Transportation Lease Maintenance	3,654	2,875	2,945
556000	Insurance Vehicle			360
557000	Insurance Gen Liability	(5,270)	25,821	56,532
558000	Insurance Work Comp	9,804	20,950	17,905
559000	Insurance Other	47,675	39,764	18,040
570100	Uncollectible Accounts	10,129	826	832
575000	Miscellaneous	(14,075)	(22,714)	(7,642)
575002	Misc General Office	5,438	6,177	5,879
575030	Advertising	10,708	14,003	6,432
575100	Bank Service Charges	284	13	139
575130	Brochures and Handouts	4,201	6,355	2,010
575140	Charitable Contributions Deduct	7,527	5,823	4,477
575141	Charitable Contributions Nondeductible		570	63
575220	Community Relations	1,172	1,786	1,693
575240	Co Dues/Membership Deduct	2,452	2,248	2,106
575241	Co Dues/Membership Nondeductible	30	484	328
575242	Co Dues Deduct AWWA	231	50	25
575250	Condemnation Costs	21		109
575260	Credit Line Fees	129	-	
575261	Credit Line Fees Inside	225	179	1,025
575275	Discounts Available	5	201	
575276	Discounts Lost	20	3	
575280	Dues/Membership Deductible	10,491	10,048	16,421
575281	Dues/Membership Nondeductible	38	17	5
575320	Electricity	36,292	37,314	33,744
575340	Employee Expense P/R JE	105,711	101,698	88,128

KY AG Request 114
Kentucky Service Company O&M Expenses by Object Account
2007 - 2009
AGDR1#114

Object Account	Description	2007	2008	2009
		Total	Total	Total
575342	Employee Exp Conf/Registration	8,168	9,185	9,466
575350	Meals Deduct	12,708	11,621	10,718
575351	Meals Non Deduct	12,902	11,962	10,372
575420	Forms	(97)	291	509
575460	Grounds Keeping	1,423	1,604	365
575480	Heat - Oil/Gas	3,902	4,597	1,936
575490	Injuries and Damages		167	
575500	Janitorial	11,948	14,150	9,561
575545	Lab Supplies		0	10
575610	Merger Transactional Costs	-		2
575620	Office & Admin Supplies	57,164	65,710	66,103
575625	Overnight Shipping	11,561	12,783	10,655
575640	Penalties Nondeductible	(1,502)	1,009	375
575660	Postage	7,512	10,537	9,502
575670	Relocation Expenses	21,102	22,766	31,990
575680	Research & Development Exp	396		14
575710	Security Service	10,403	9,832	3,173
575715	Software Licenses & Support	28,082	24,989	28,840
575740	Telephone	93,377	107,430	69,368
575741	Cell Phone	16,862	19,529	15,107
575742	Data Lines	24,864	25,692	46,757
575743	Wireless Service 1st	17	236	(37)
575775	Trade Shows	9,757	7,766	4,587
575780	Trash Removal	1,230	1,607	1,359
575790	Trustee Fees	5		
575820	Uniforms	3		
575998	PCard Undistributed	(664)	10,193	(337)
575999	Purchased Card	-		-
620000	Materials & Supplies Maintenance	352	549	1,369
675000	Misc Maintenance	165,367	180,132	209,170
675250	Comp Equip Hardware	12,911	2,577	2,602
675350	HVAC Equipment	5,532	5,654	3,837
675450	Office Equipment	498	387	147
680110	Depreciation Exp-General	363,317	438,707	
680112	Depreciation Exp-Non-Utility		224,432	697,707
685200	Property Taxes	11,561	13,652	2,493
685320	FUTA	3,997	3,638	2,331
685325	FICA	215,678	277,383	247,002
685350	SUTA	21,911	18,533	12,916
685430	Other Taxes and Licenses	5,605	823	141
685440	Gross Receipts Tax	85		
690110	FIT-Current	28,802	(201,408)	25,621
690120	FIT-Prior Year Adjustment	25,753	(132,831)	73,756
690210	SIT-Current	4,458	166	-
690220	SIT-Prior Year Adjustment	(3,169)	(3,331)	19,937
690610	Def FIT-Current	1,510	3,430	-
690620	Def FIT-Pr Yr Adjustment	(27,040)	132,686	(71,074)
690640	Def FIT-Norm Depreciation	34,173	28,950	-
690650	Def FIT-Other	(63,658)	162,794	(28,804)
690710	Def SIT-Current	276	(21)	-
690720	Def SIT-Pr Yr Adjustment	3,865	3,568	(18,968)
690750	Def SIT-Other	(4,581)	(1,426)	(617)
710400	Interest Income-Outside	(107,888)	-	
710500	Interest Income-Inside		(21,311)	(431)
721304	Gains/(Losses) NUP Disposals		14,366	5,097
721305	Gains NUP Ordinary	1,918	(0)	
722306	Gains Other Non-OR		(36,020)	31,009
760100	Donations Deduct			3
760500	Non-Op Employee Exp Deduct			13
810300	Interest Cap Lease-Outside			75
810301	Interest Cap Lease-AW02	152,514	168,543	132,451
810400	Interest LTD-Inside	(1,686)		
830000	Interest on ST Debt-Outside	(0)		
830100	Interest STD Inside			1,862
840000	Other Interest Expense	2,090	173	1,969
**	Tax & Depreciation Adjustment	11,447		
Grand Total		7,528,286	7,953,409	8,148,624

** 2007 includes the reversal of an adjusting entry made in 2006 to correct tax and depreciation expense

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

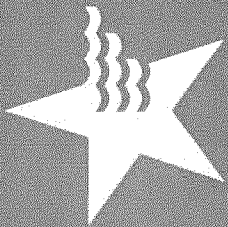
Witness: Michael A. Miller/Nick Rowe

115. Please provide an organizational chart of the Local and Regional Service Company offices that serve KAWC: (1) as of 2008 and, (2) if different, as of currently and/or 12/31/2009, (3) as projected for 12/31/2010, and (4) as projected for 9/30/2011.

Response:

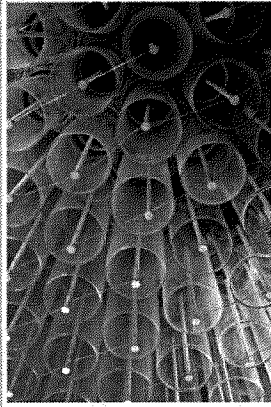
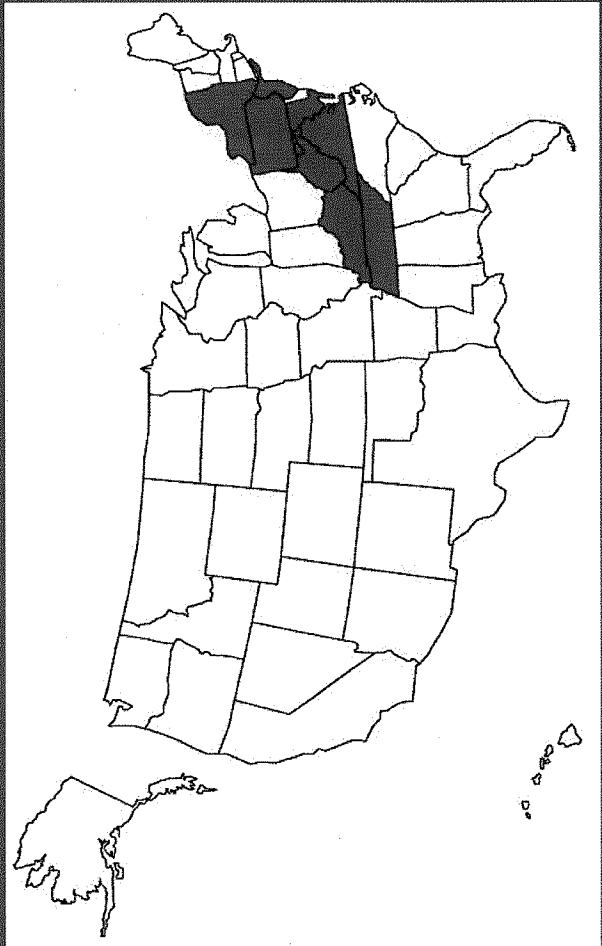
Attached are organization charts for the Eastern Division of AWWSC as of 12-31-2009 and August 2008 that include employees who serve KAW. The organizations charts are updated electronically and the August 2008 Eastern Division organization chart was the only one available from 2008. The Company does not generate future organization charts. Please note that the organization charts in some function include AWWSC employees assigned to specific state groups that would not normally charge KAW, and those that do. The organization charts indicate the specific states to which an AWWSC employee is assigned as applicable.

For the electronic version, refer to KAW_R_AGDR1#115_042610.pdf.



AMERICAN WATER

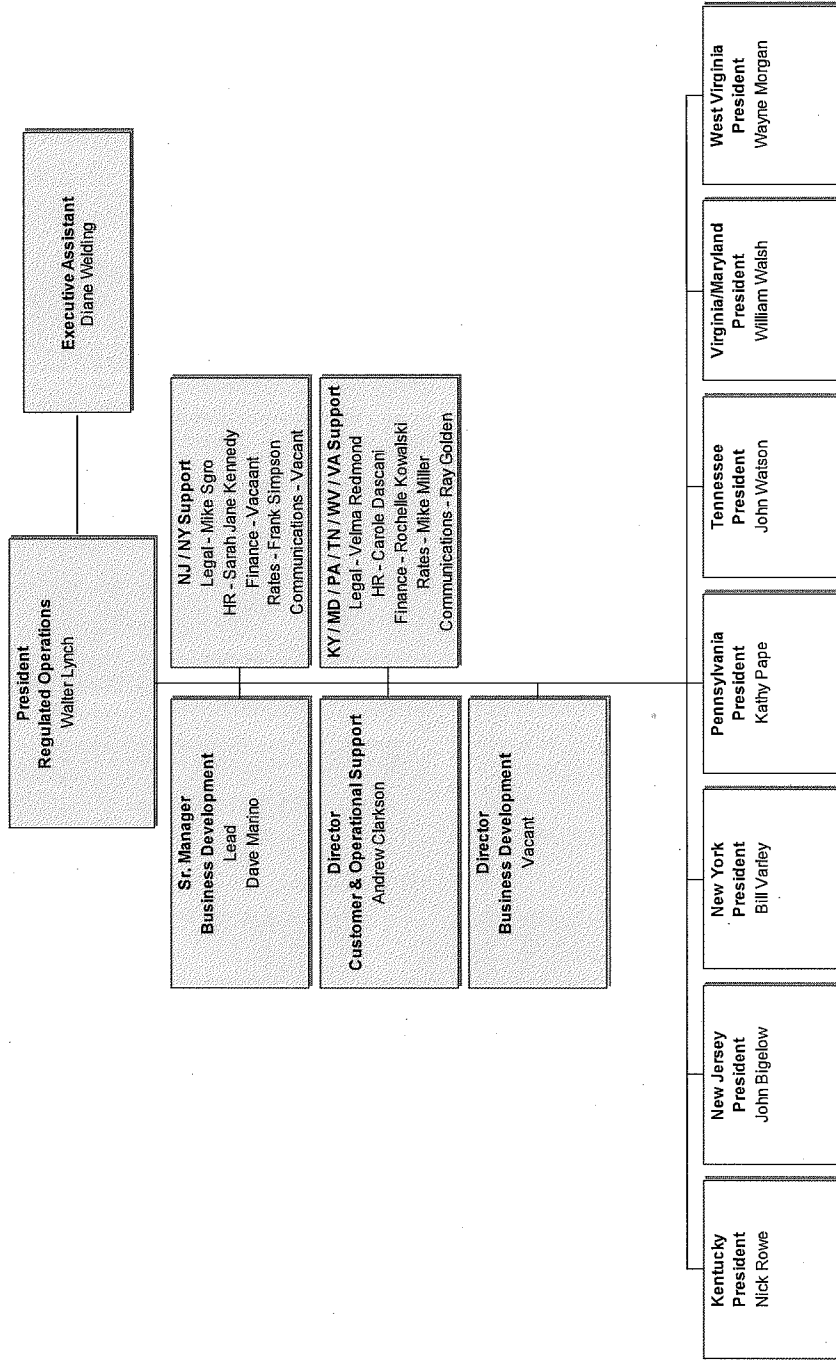
EASTERN DIVISION
Organizational Charts
August 2008





EASTERN DIVISION

State
Service Company

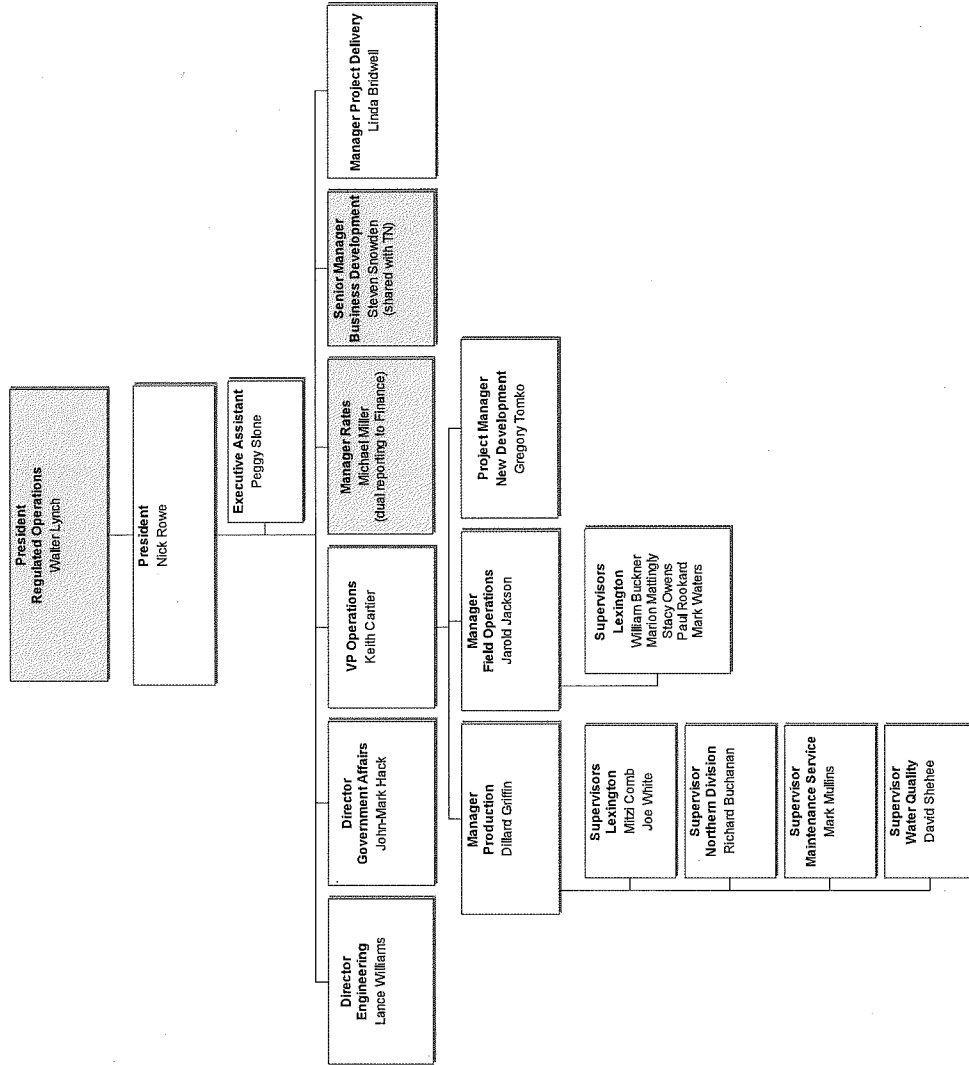


August 1, 2008



State
Service Company

EASTERN DIVISION Kentucky American Water

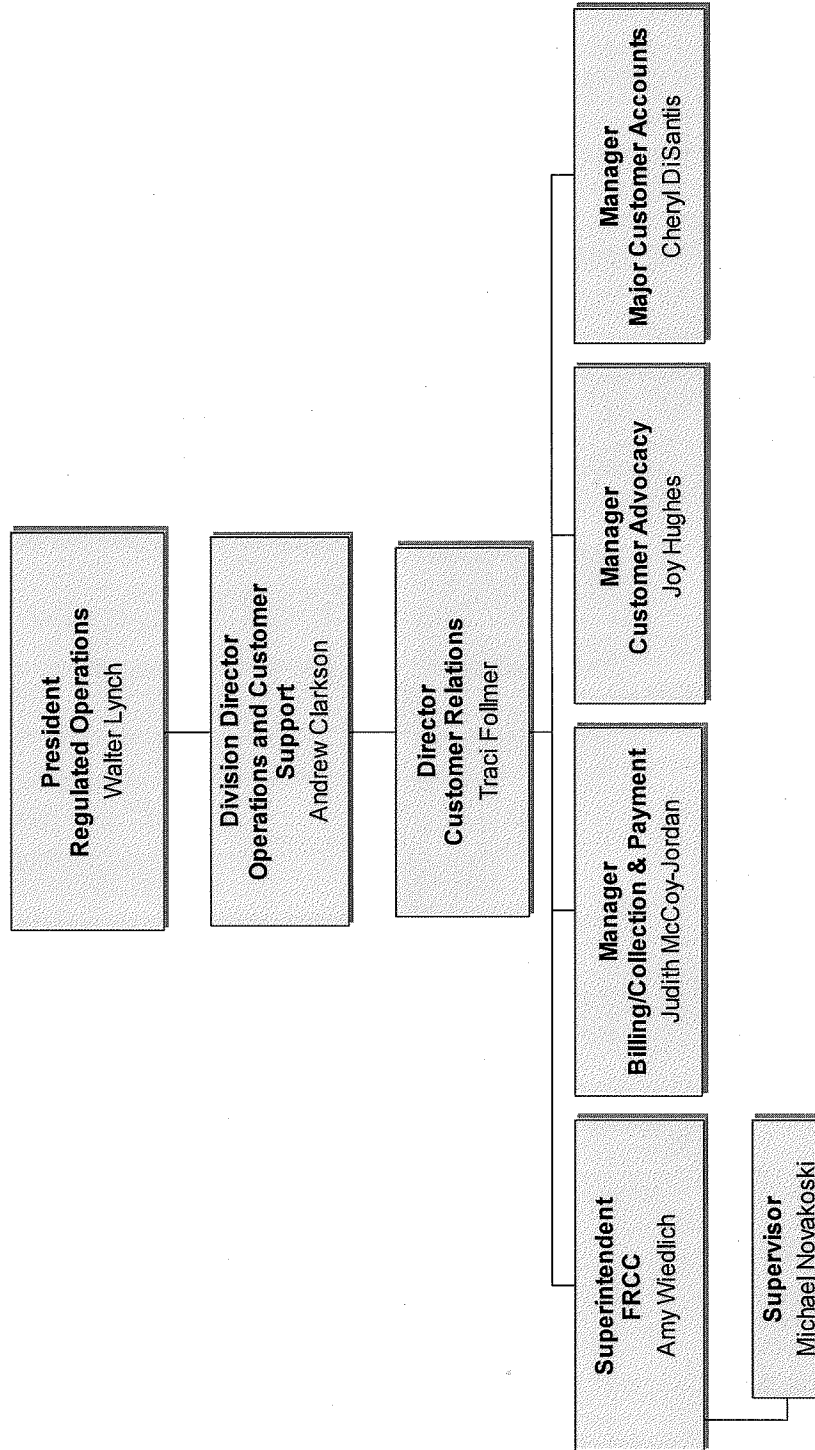


August 1, 2008



EASTERN DIVISION
KY / MD / PA / TN / VA / WV
Customer Advocacy

State
Service Company

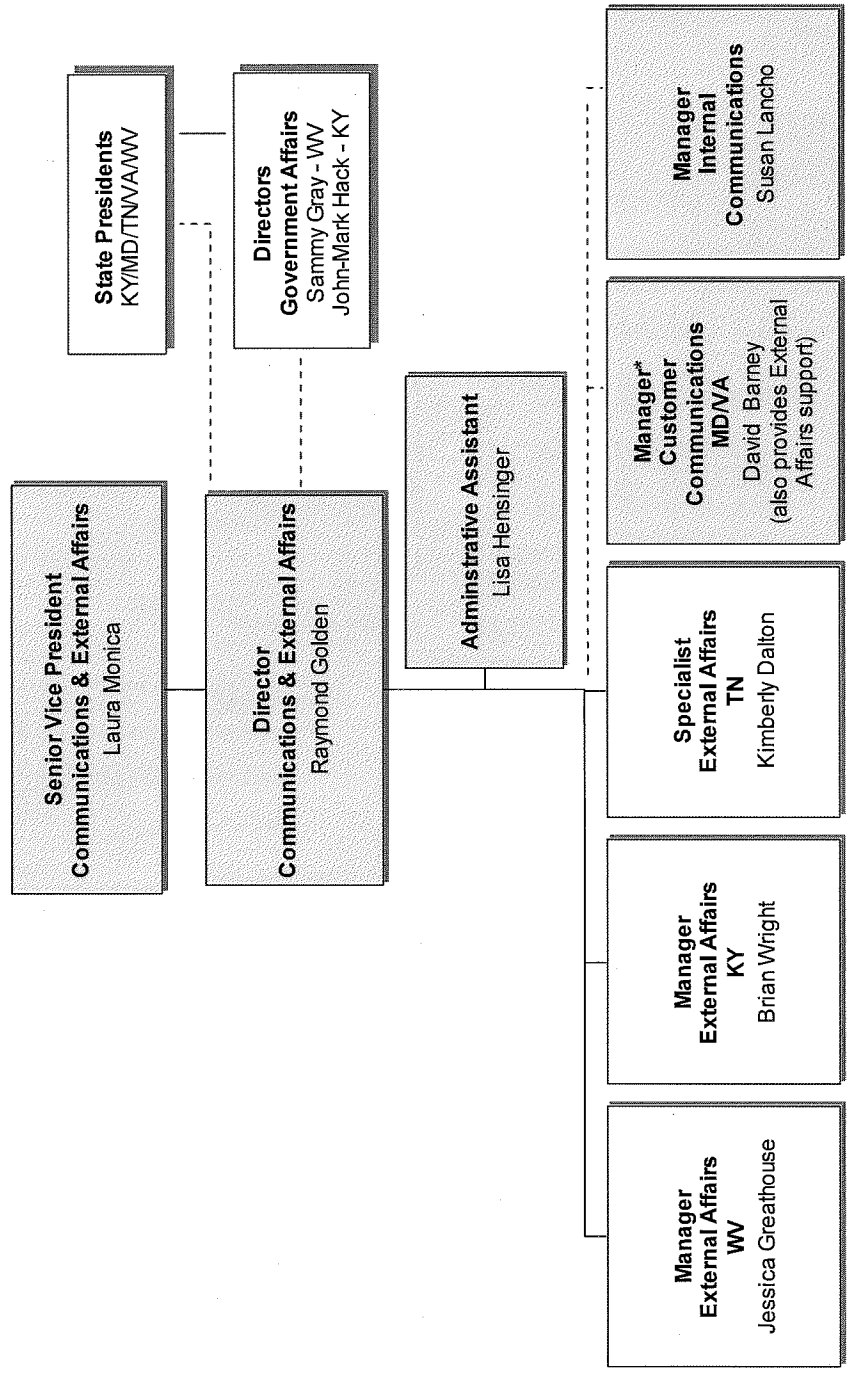


August 1, 2008



EASTERN DIVISION KY / MD / TN / VA / WV Communications & External Affairs

State
Service Company

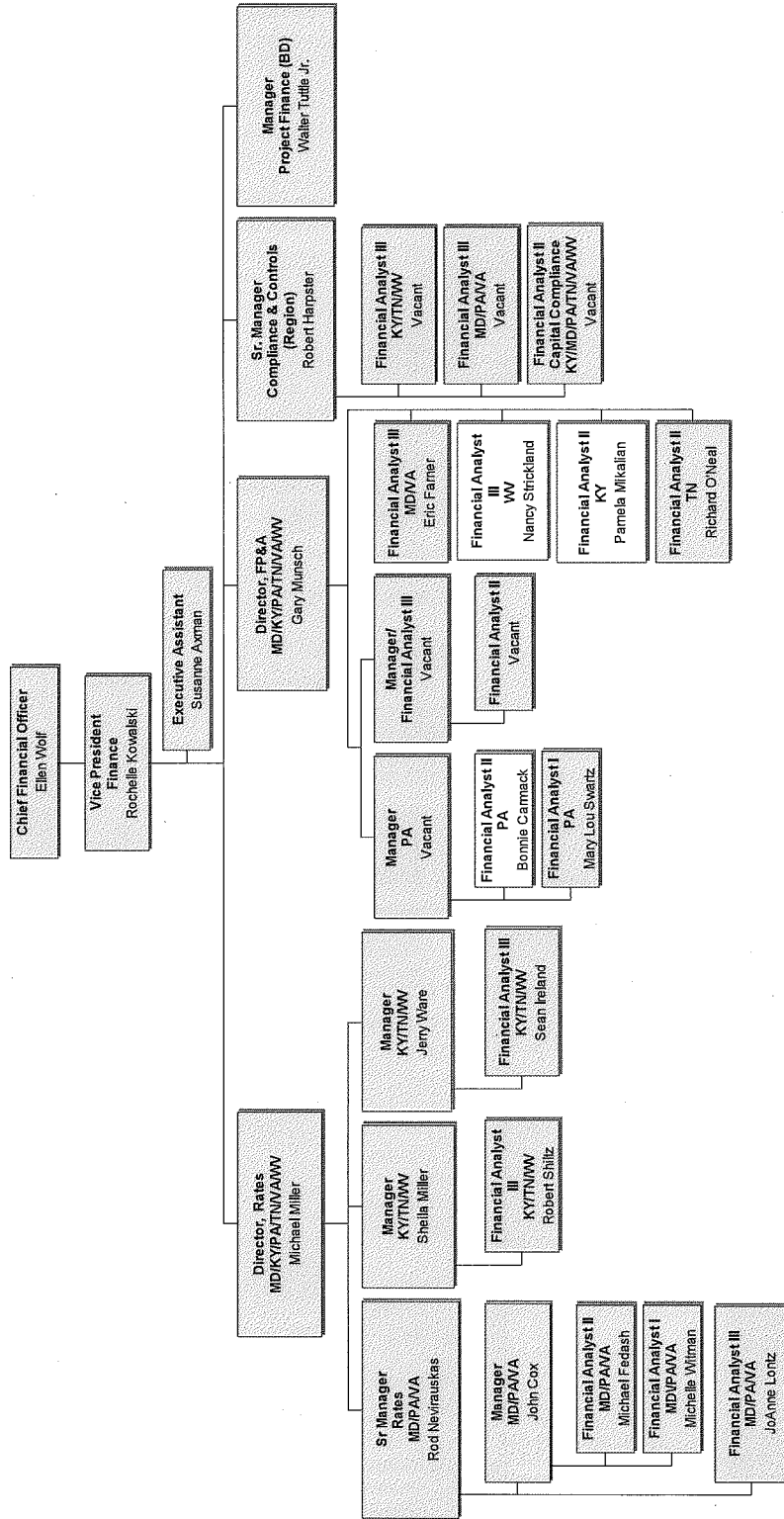


August 1, 2008



EASTERN DIVISION
KY / MD / PA / TN / VA / WV
Finance

State
Service Company

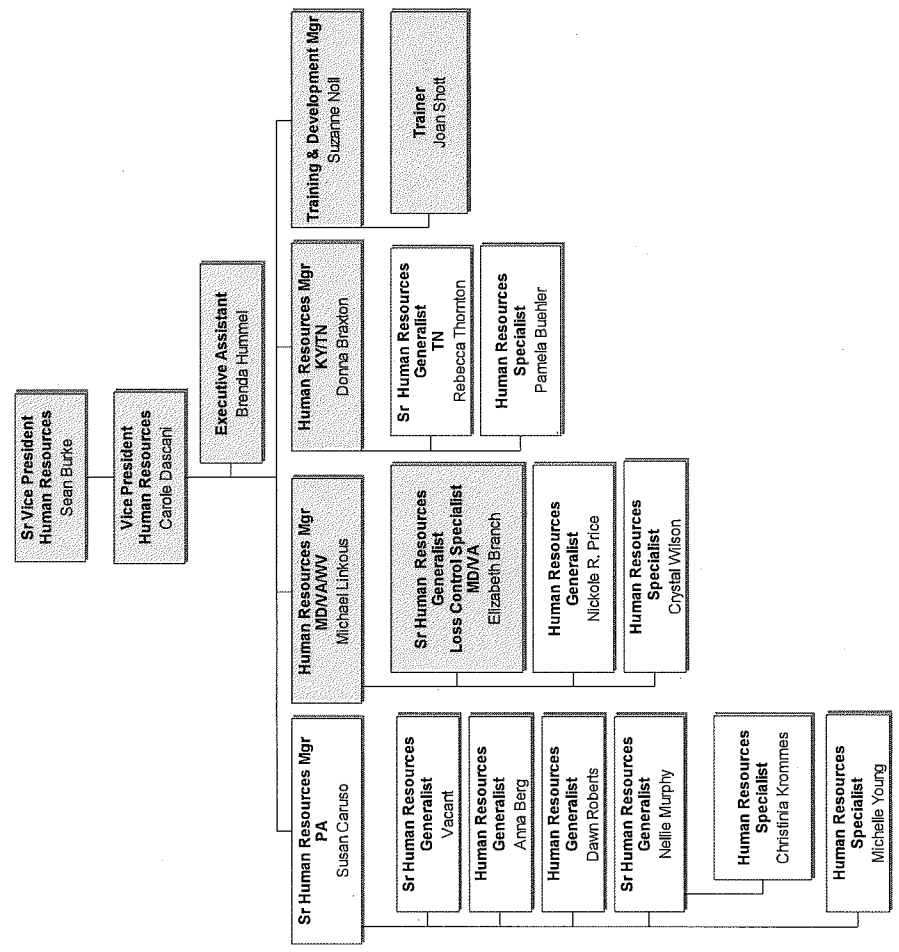


August 1, 2008



State
Service Company

EASTERN DIVISION
KY / MD / PA / TN / VA / WV
Human Resources

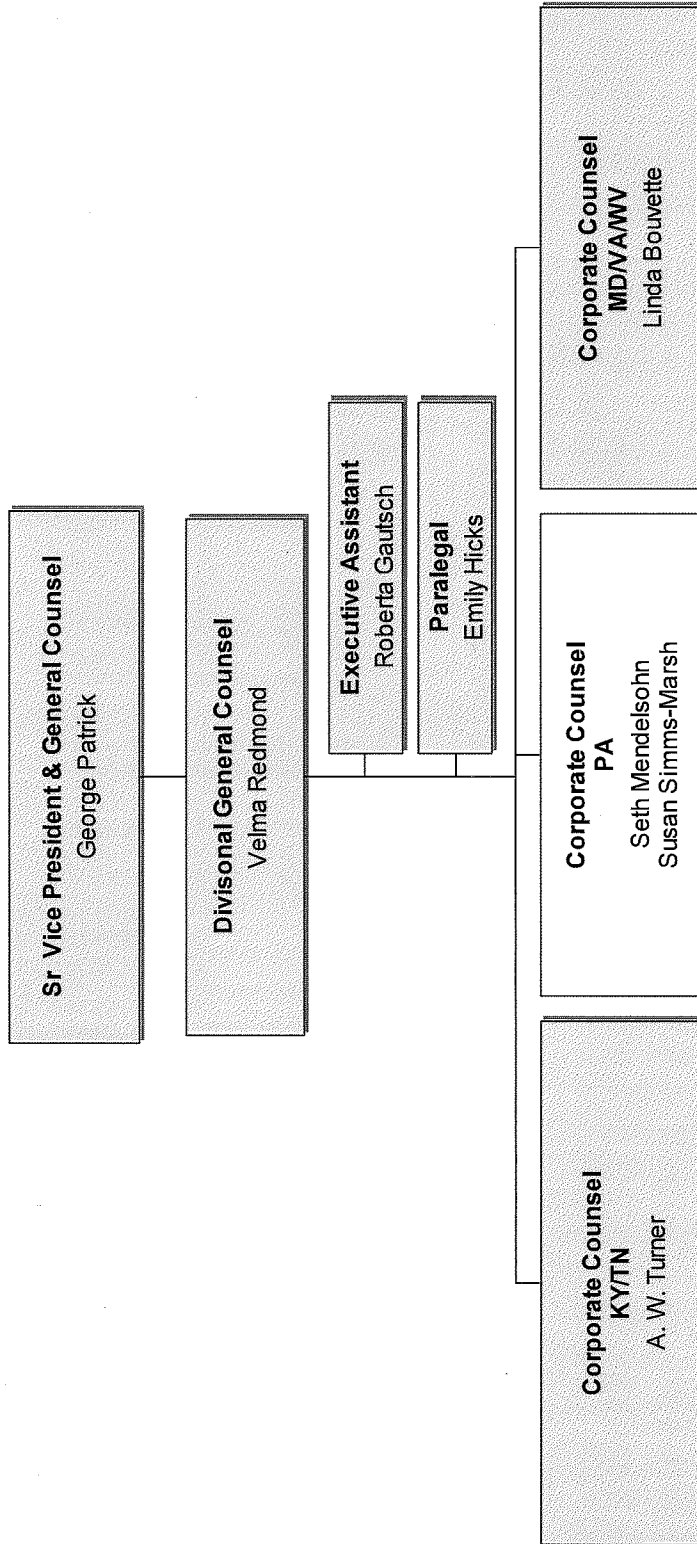


August 1, 2008



EASTERN DIVISION
KY / MD / PA / TN / VA / WV
Legal

State
Service Company

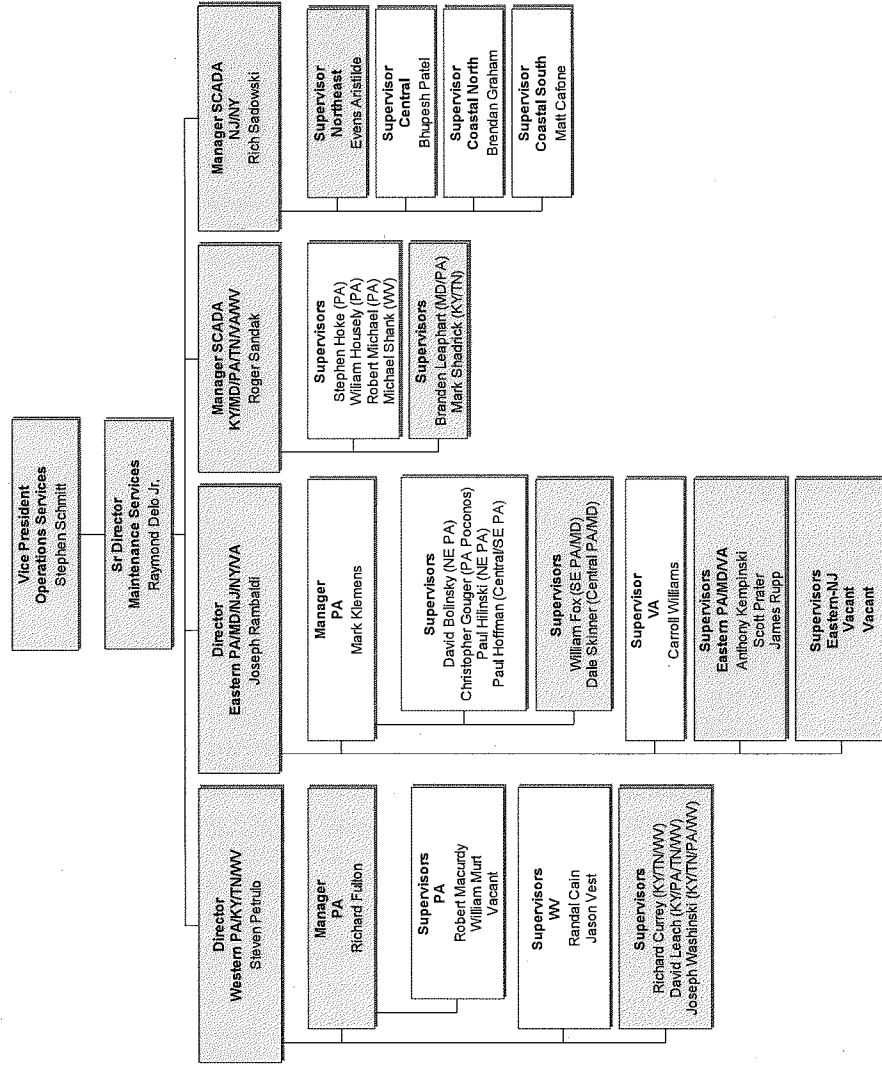


August 1, 2008



State
Service Company

EASTERN DIVISION KY / MD / NJ / NY / PA / TN / VA / WV Maintenance Services

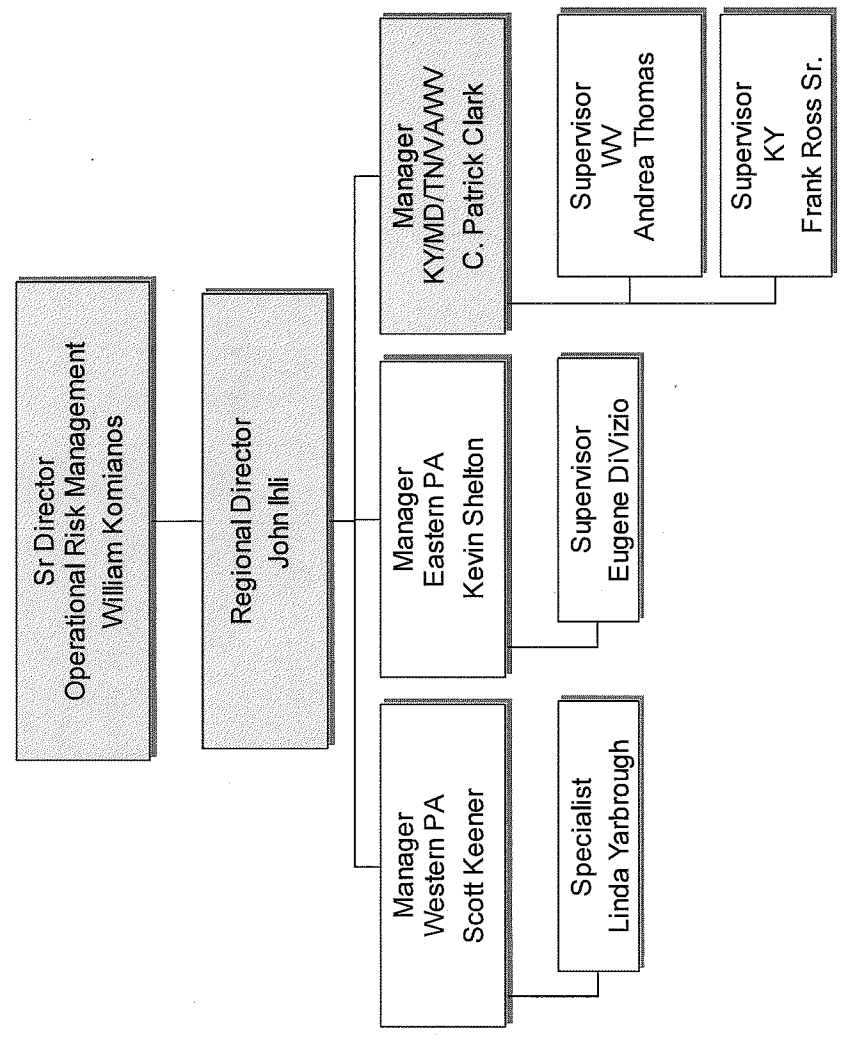


August 1, 2008



EASTERN DIVISION KY / MD / PA / TN / VA / WV Operational Risk Management

State
Service Company

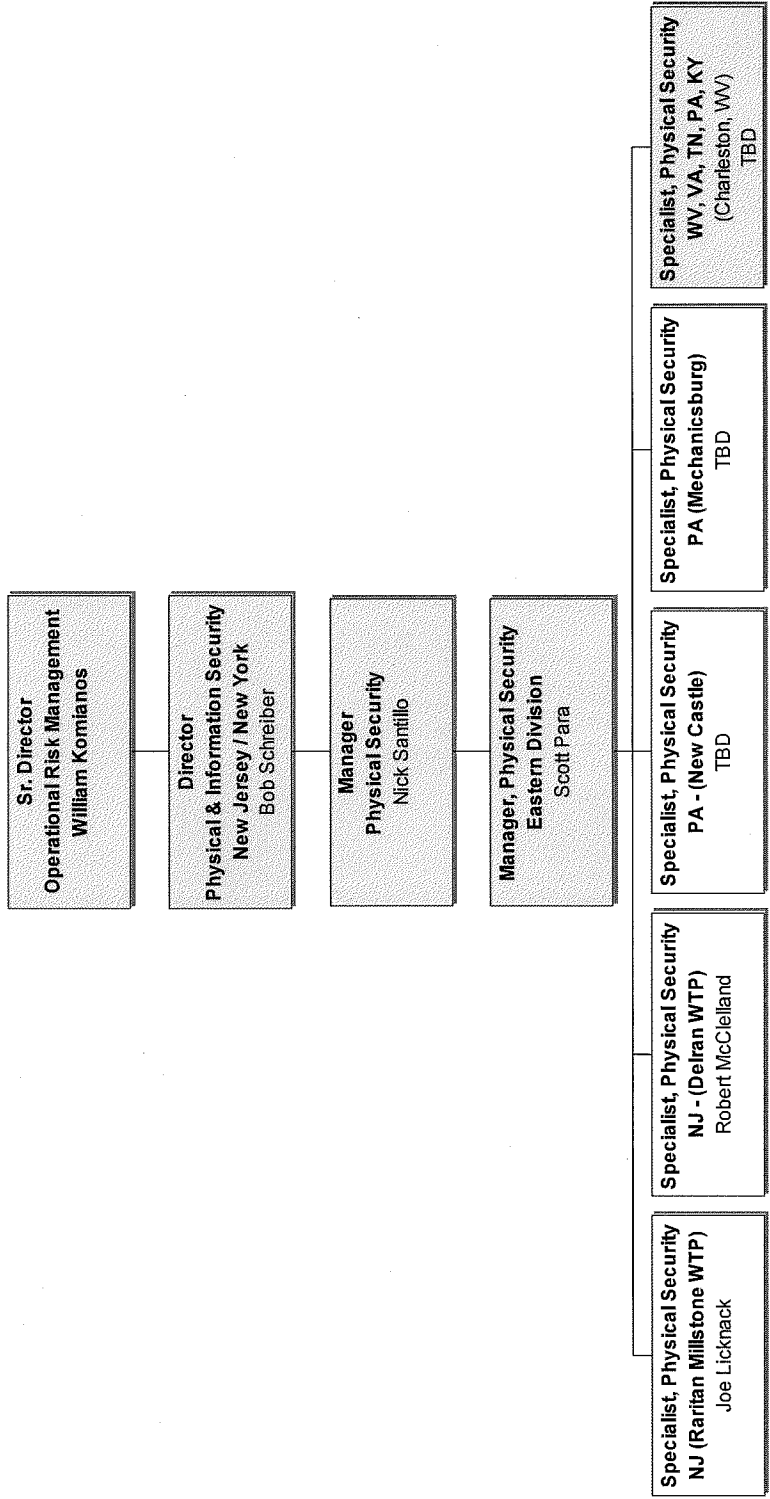


August 1, 2008

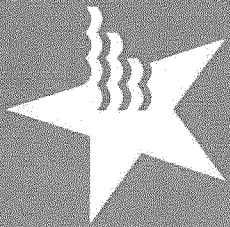


EASTERN DIVISION KY / MD / NJ / NY / PA / TN / VA / WV Security

State
Service Company

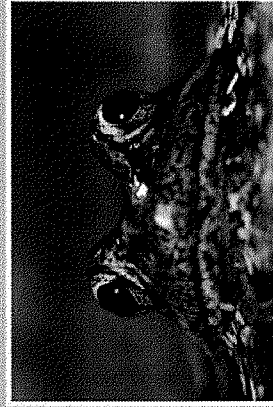
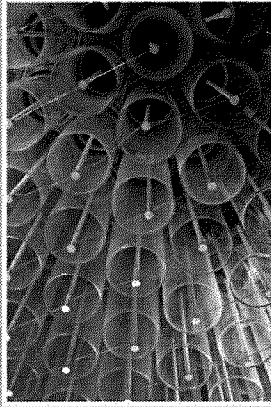
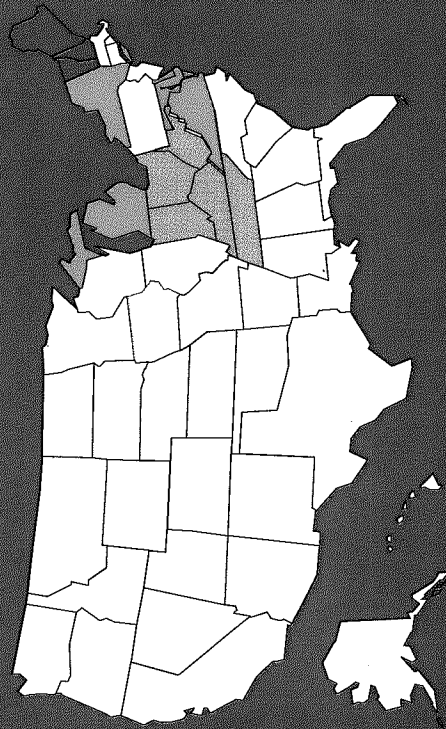


August 1, 2008



AMERICAN WATER

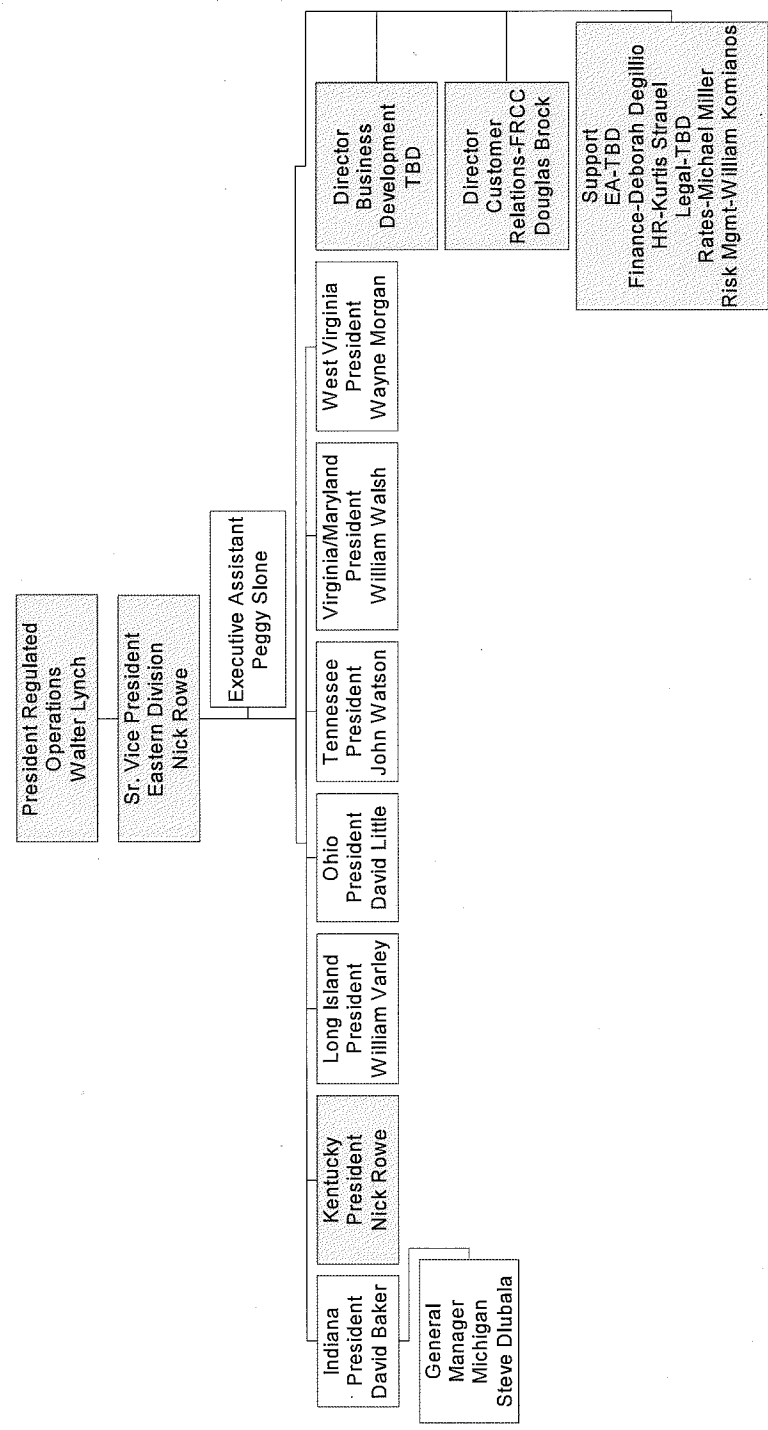
EASTERN DIVISION Organizational Charts December 2009





Eastern Division

State
Service Company

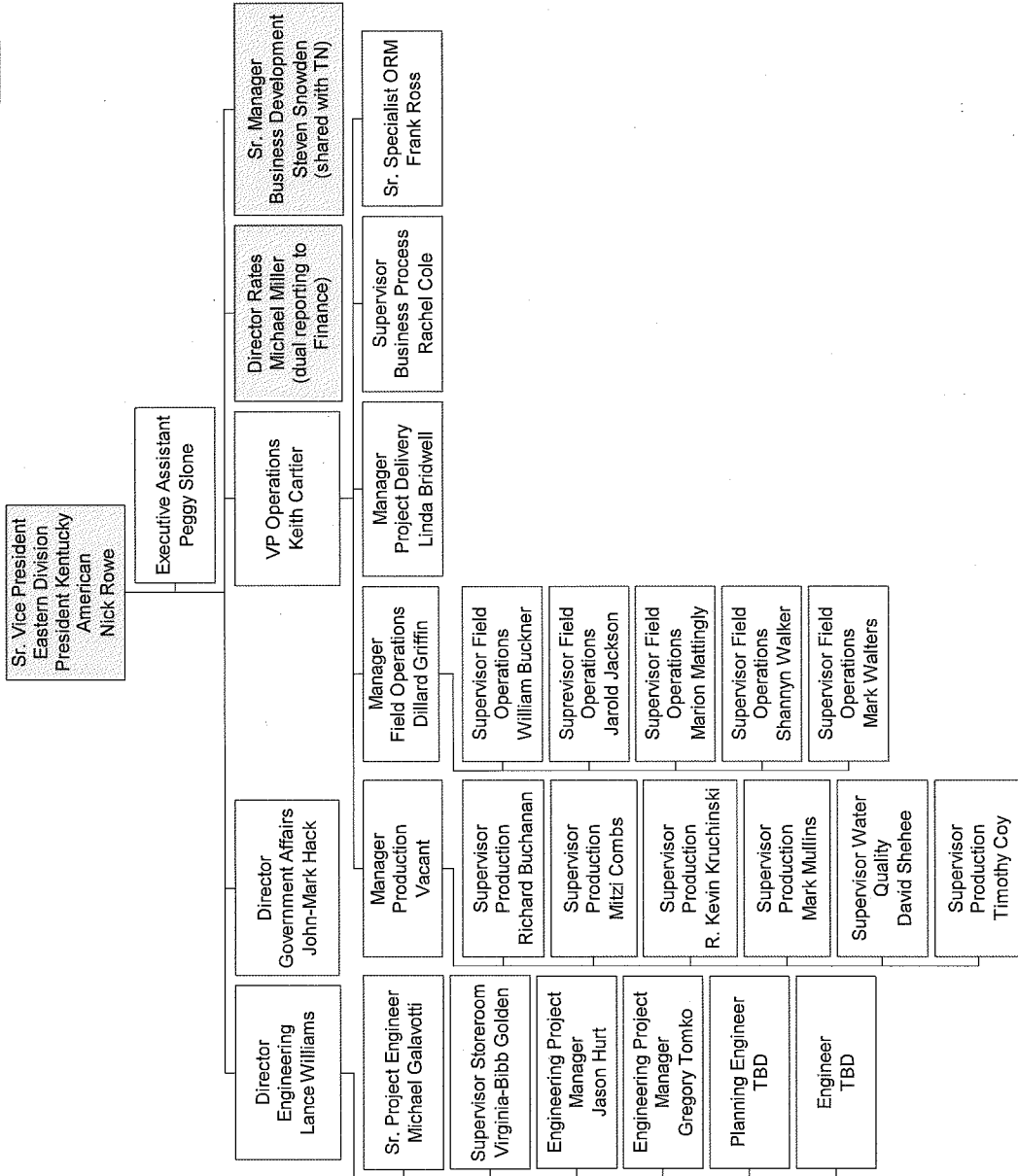


July 31, 2009



Kentucky American Water

State Service Company



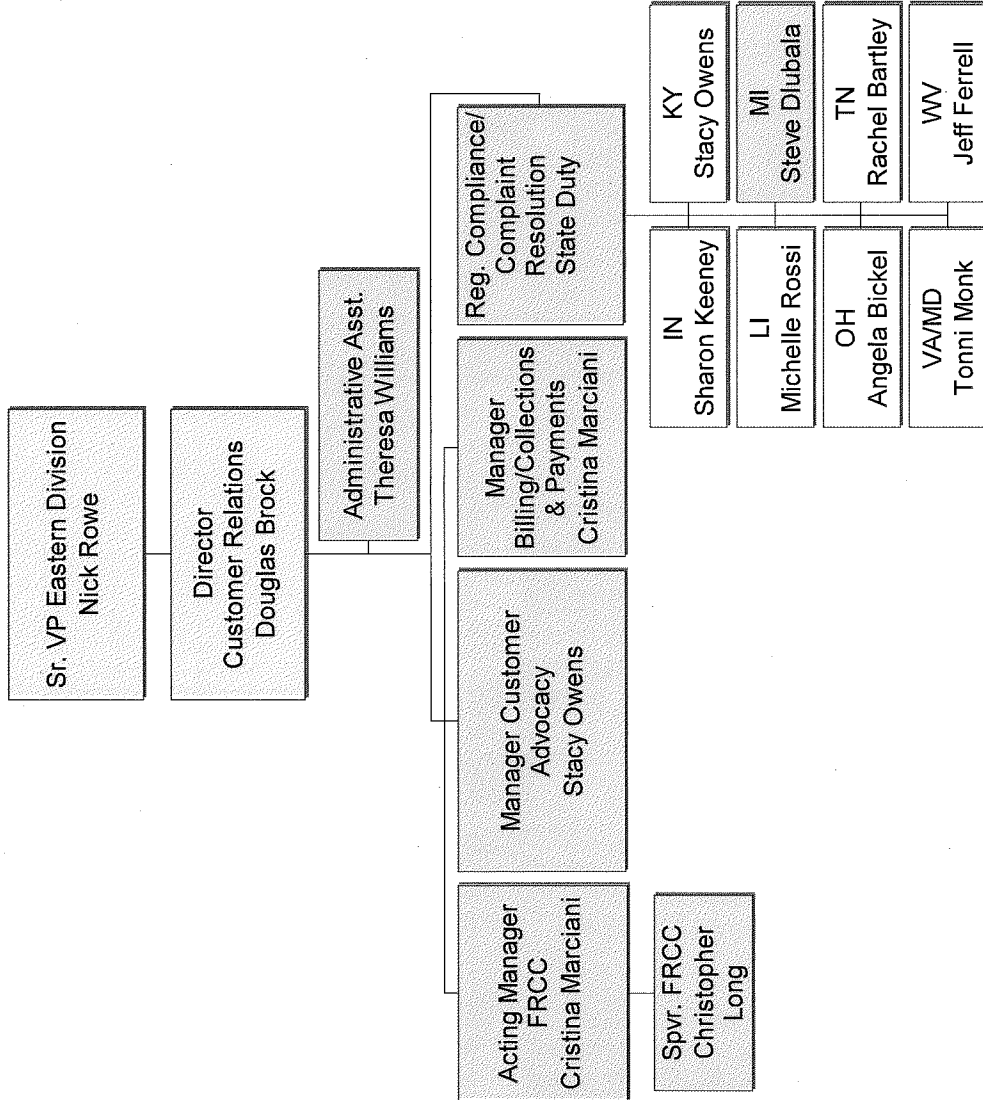
July 31, 2009



State
Service Company



IN / KY / LI / MD / MI / OH / TN / VA / WV /
Customer Advocacy

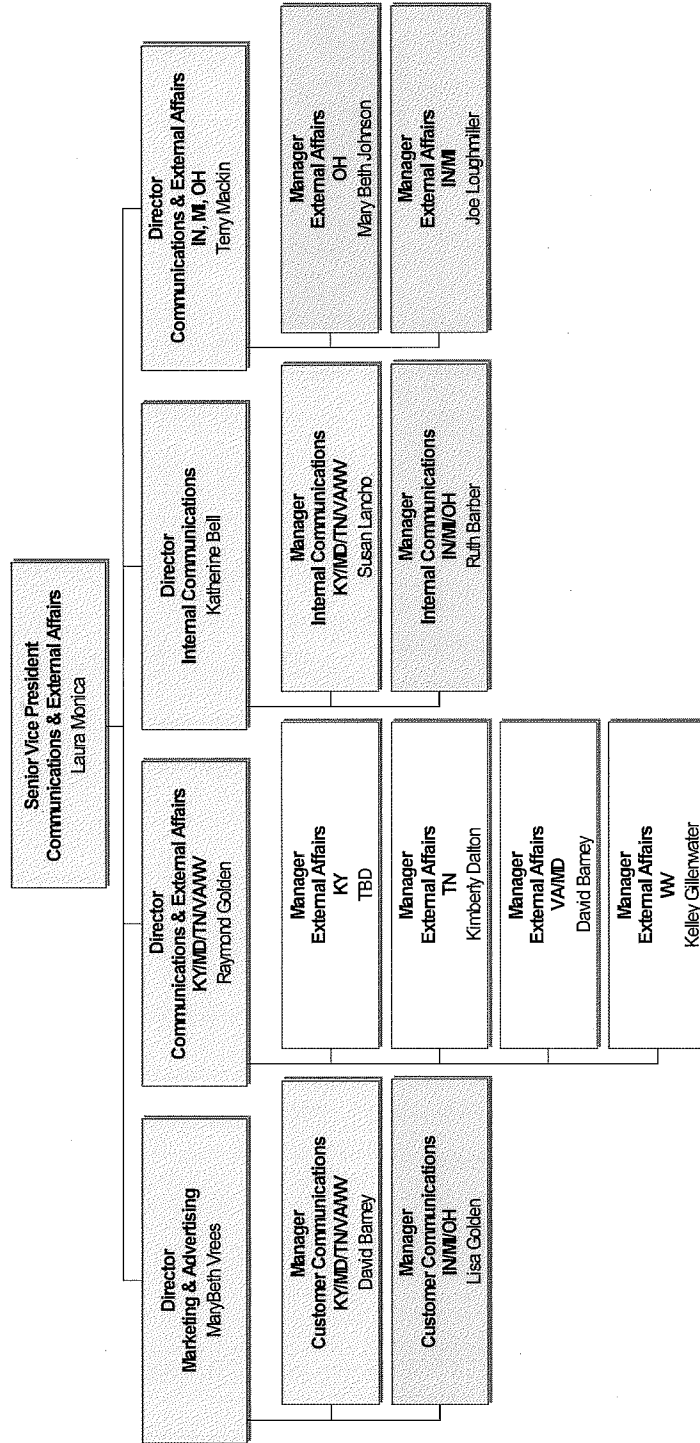


July 31, 2009



State
Service Company

IN / KY / LI / MD / MI / OH / TN / VA / WV / Communications & External Affairs

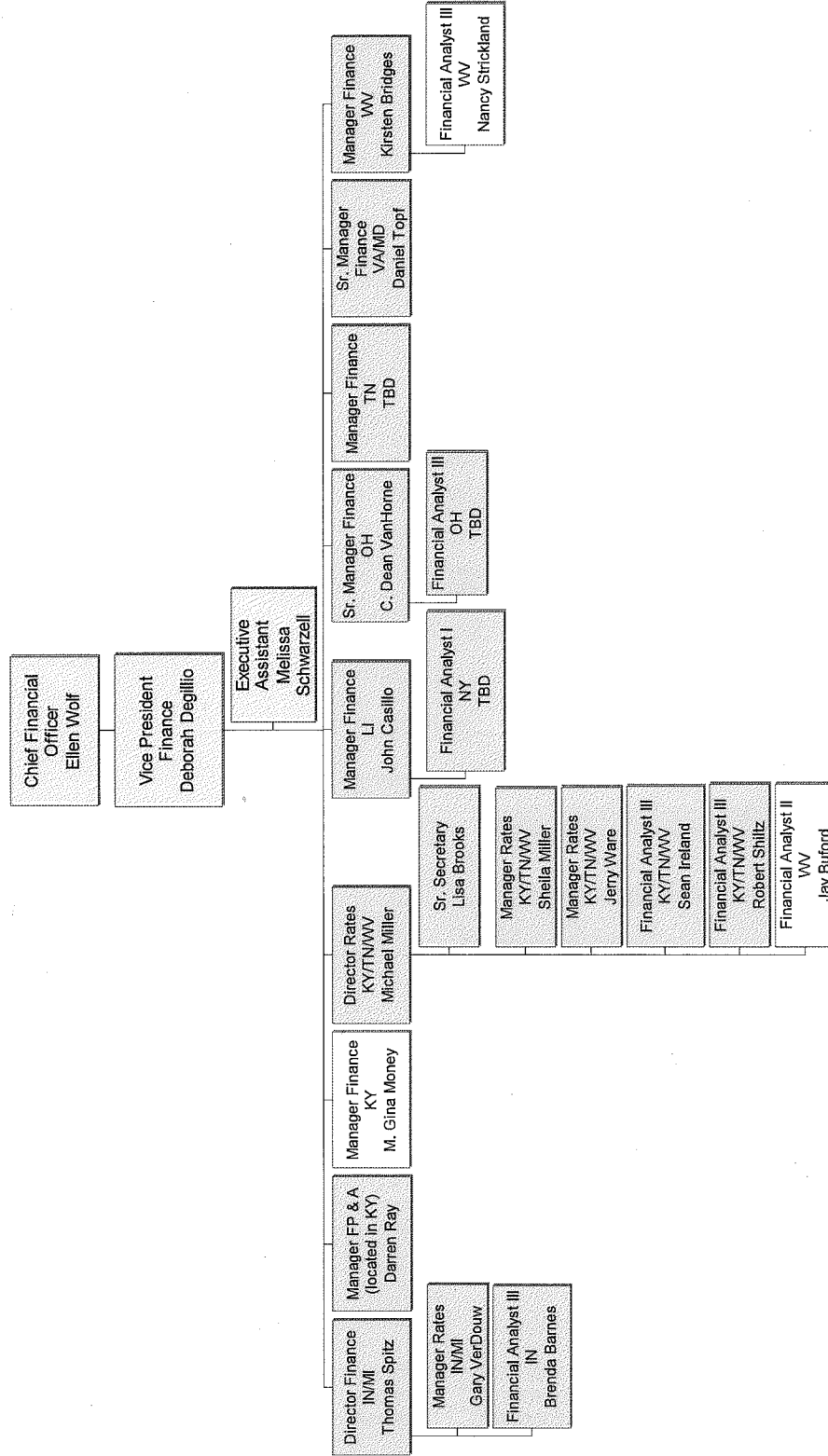


July 31, 2009



IN / KY / LI / MD/ MI / OH / TN / VA / WV Finance

State
Service Company



July 31, 2009



IN / KY / LI / MD/ MI / OH / TN / VA / WV Human Resources

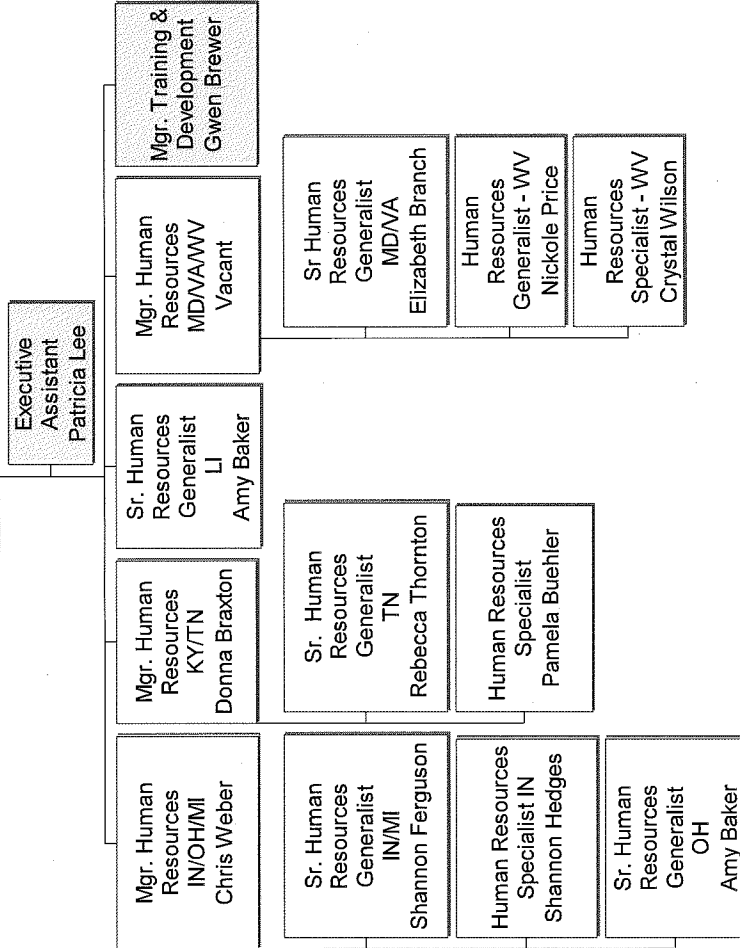
State
Service Company



Sr Vice
President
Human
Resources
Sean Burke

Director
Human
Resources
Kurtis Strauel

Amy Baker Sr. HR Generalist for Ohio reporting to Chris
Webster, will now also be the HR Generalist for Long
Island reporting directly to Kurtis Strauel

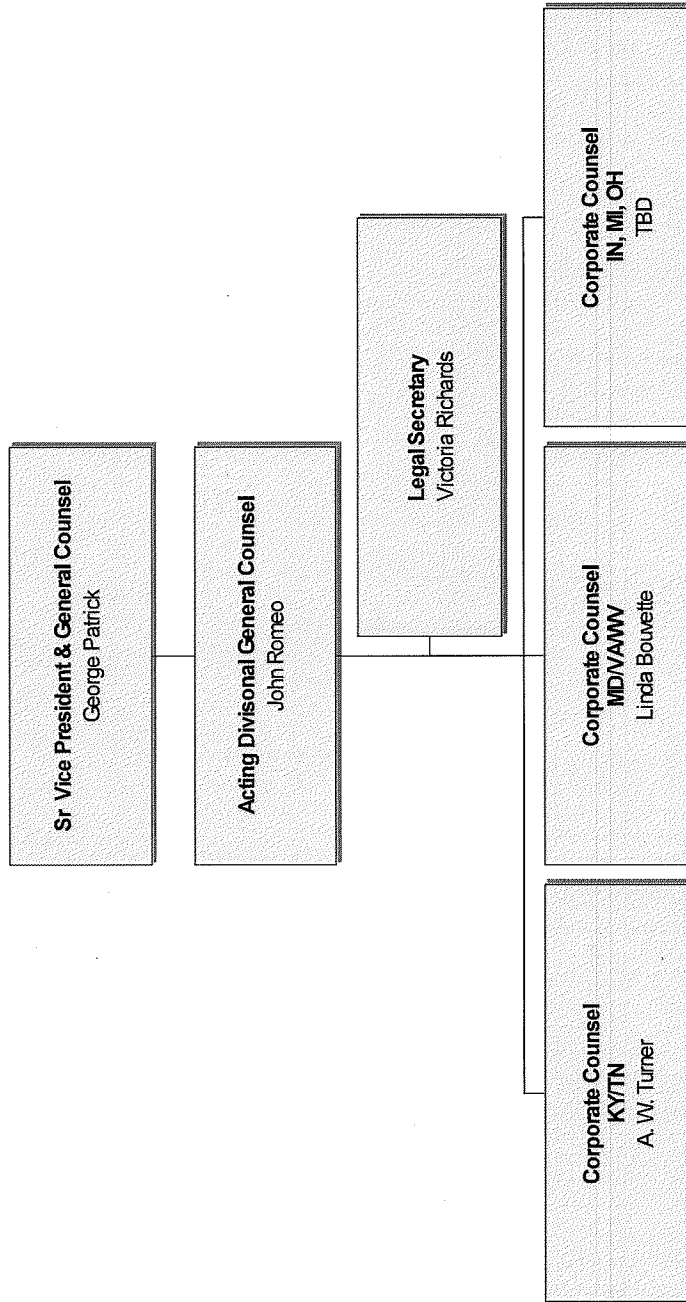


July 31, 2009



KY / MD / PA / TN / VA / WV Legal

State
Service Company

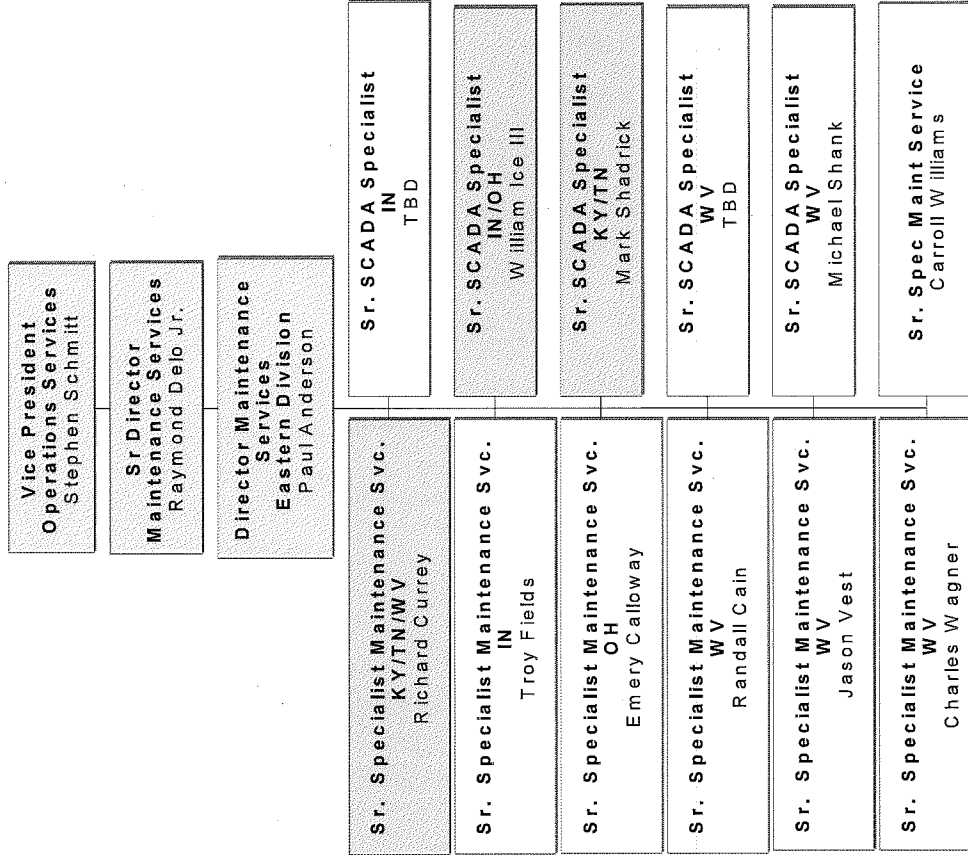


July 31, 2009



IN / KY / LI / MD / MI / OH / TN / VA / WV Maintenance Services

State
Service Company

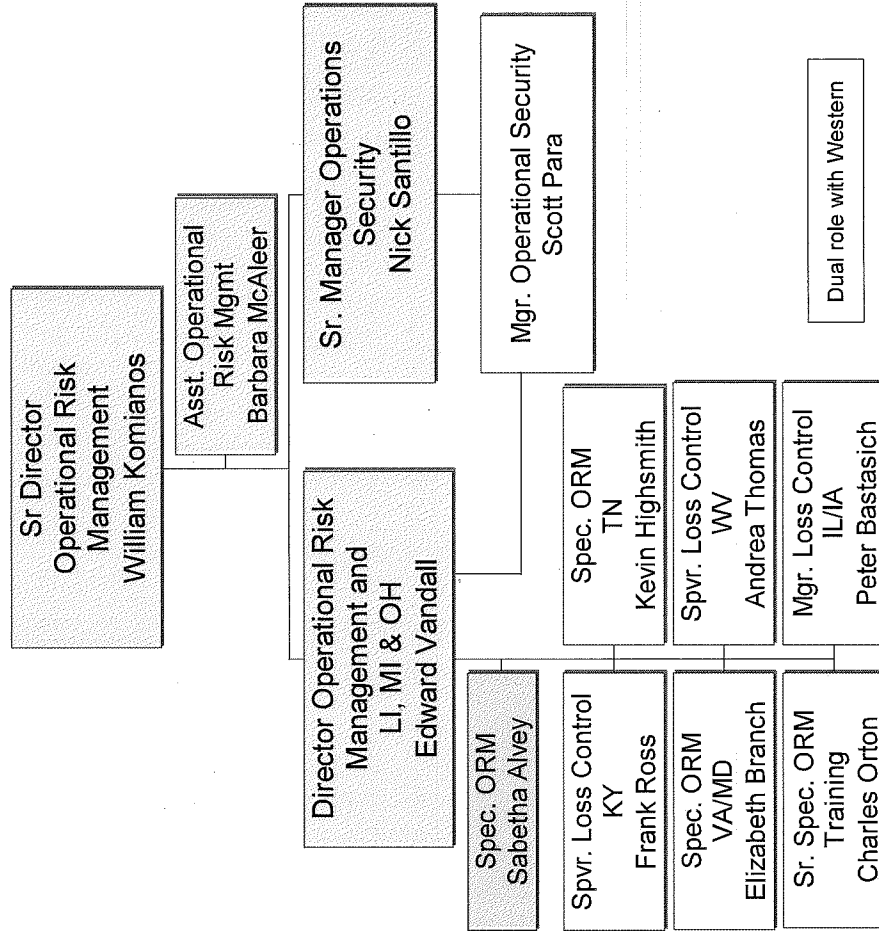


July 31, 2009



IN / KY / LI / MD / MI / OH / TN / VA / WV
Operational Risk Management & Security

State
Service Company



July 31, 2009

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: **Michael A. Miller**

116. Please identify all charges by year by account in 2008 and 2009 to KAWC from the Regional Service Company by function and account. Please show in detail how such charges are allocated to KAWC and the other affiliates served by the Regional Service Company.

Response:

In 2009, the Service Company moved to a divisional/functional structure from the former regional presentation. The Company was able to generate the requested information for 2008 and 2009, but the AWWSC will not be able to capture the data in this format under the new business unit format. Please see attached.

For the electronic version, refer to KAW_R_AGDR1#116_042610.pdf.

Kentucky-American Service Company Charges
2008 - by Office, Function and Object Account (O&M)

Object Account	Object Account Description	Office/Function	Southeast Region
		Total	
501200	Labor		918,397
501203	Labor Internal Recharge		
501711	Incentive Plan-Off-Annual		119,495
501712	Incentive Plan-Off-Long Term		9,248
501715	Retention/Completion		5,696
501716	Compensation Exp-Options		3,266
501717	Compensation Exp-Restricted Stock		5,678
501718	Compensation Exp-Restricted Stock Units		(137)
501719	Compensation Exp-Notional Dividend		-
504100	Group Ins Maintenance		105
504341	Defined Contr Supp Exec Retirement Plan Exp		52
504342	401 K Restoration Exp		16
504500	Other Welfare Maintenance		13,162
504610	Employee Awards		902
504620	Employee Physical Exam		
504660	Tuition Aid		2,770
504670	Training		1,977
507100	401k		10,358
508101	Defined Contribution Plan		20,635
508200	Employee Stock Purchase Plan		
520100	Materials & Supplies Operations		540
531000	Contract Services-Engineering		
532000	Contract Services-Accounting		
533000	Contract Services-Legal		
533001	Contract Services-Litigation		
534998	Benefit Overhead		430,041
534999	General Overhead		237,060
535000	Contract Services-Other		23,150
535001	Contract Services-Temp Employee		31,155
536000	Contract Services-Lab Testing		720
541000	Rents-Real Property		5,941
541400	Rents-Equipment		
550000	Transportation IT-Admin		1,478
550001	Transportation Lease Cost		5,231
550002	Transportation Lease Fuel		6,418
550003	Transportation Lease Maintenance		774
559000	Insurance Other		
570100	Uncollectible Accounts		
575000	Miscellaneous		1,079
575002	Misc General Office		1,686
575030	Advertising		8,680
575130	Brochures and Handouts		4,312
575140	Charitable Contributions Deduct		
575141	Charitable Contributions Nondeductible		
575220	Community Relations		
575240	Co Dues/Membership Deduct		362
575242	Co Dues Deduct AWWA		50
575260	Credit Line Fees		
575275	Discounts Available		201
575280	Dues/Membership Deductible		225
575281	Dues/Membership Nondeductible		
575320	Electricity		(11)
575340	Employee Expense P/R JE		37,273
575342	Employee Exp Conf/Registration		2,453
575350	Meals Deduct		5,534
575351	Meals Non Deduct		5,585
575420	Forms		31
575460	Grounds Keeping		
575480	Heat - Oil/Gas		
575490	Injuries and Damages		
575500	Janitorial		
575545	Lab Supplies		0
575620	Office & Admin Supplies		5,289
575625	Overnight Shipping		207
575640	Penalties Nondeductible		
575660	Postage		132
575670	Relocation Expenses		8,597
575710	Security Service		
575715	Software Licenses & Support		
575740	Telephone		1,210
575741	Cell Phone		4,843
575742	Data Lines		
575743	Wireless Service 1st		

Kentucky-American Service Company Charges
2008 - by Office, Function and Object Account (O&M)

		Office/Function	Southeast Region
Object Account	Object Account Description		Total
575775	Trade Shows		
575780	Trash Removal		
575998	PCard Undistributed		7,778
620000	Materials & Supplies Maintenance		549
675000	Misc Maintenance		2,241
675250	Comp Equip Hardware		
675350	HVAC Equipment		
675450	Office Equipment		
685200	Property Taxes		0
685320	FUTA		
685325	FICA		2,313
685350	SUTA		(137)
685430	Other Taxes and Licenses		70
722306	Gains Other Non-OR		(60)
810301	Interest Cap Lease-AW02		
840000	Other Interest Expense		
Grand Total			1,954,621

Kentucky-American Service Company Charges
2009 - by Office, Function and Object Account (O&M)

		Office/Function	Southeast Region
Object Account	Object Account Description		Total
501200	Labor		761,866
501203	Labor Internal Recharge		
501210	Labor Non Scheduled Overtime		
501211	Labor Overtime		
501711	Incentive Plan-Off-Annual		102,132
501716	Compensation Exp-Options		0
501718	Compensation Exp-Restricted Stock Units		-
504100	Group Ins Maintenance		16
504341	Defined Contr Supp Exec Retirement Plan Exp		
504342	401 K Restoration Exp		
504500	Other Welfare Maintenance		3,494
504610	Employee Awards		17
504620	Employee Physical Exam		
504660	Tuition Aid		1,090
504670	Training		1,961
507100	401k		14,869
508101	Defined Contribution Plan		23,106
508200	Employee Stock Purchase Plan		
520100	Materials & Supplies Operations		101
531000	Contract Services-Engineering		
532000	Contract Services-Accounting		
533000	Contract Services-Legal		1,513
533001	Contract Services-Litigation		
534998	Benefit Overhead		348,315
534999	General Overhead		194,123
535000	Contract Services-Other		9,280
535001	Contract Services-Temp Employee		75,863
536000	Contract Services-Lab Testing		720
541000	Rents-Real Property		3,466
541001	Rents-Real Property Intercompany		5,860
541400	Rents-Equipment		55
550000	Transportation IT-Admin		466
550001	Transportation Lease Cost		8,232
550002	Transportation Lease Fuel		6,003
550003	Transportation Lease Maintenance		1,786
559000	Insurance Other		
570100	Uncollectible Accounts		
575000	Miscellaneous		1,147
575002	Misc General Office		695
575030	Advertising		1,584
575100	Bank Service Charges		
575130	Brochures and Handouts		1,604
575140	Charitable Contributions Deduct		
575141	Charitable Contributions Nondeductible		
575220	Community Relations		1,088
575240	Co Dues/Membership Deduct		509
575242	Co Dues Deduct AWWA		25
575250	Condemnation Costs		
575280	Dues/Membership Deductible		593
575281	Dues/Membership Nondeductible		
575320	Electricity		-
575340	Employee Expense P/R JE		23,529
575342	Employee Exp Conf/Registration		972
575350	Meals Deduct		3,246
575351	Meals Non Deduct		3,247
575420	Forms		
575460	Grounds Keeping		
575480	Heat - Oil/Gas		
575500	Janitorial		
575545	Lab Supplies		10
575610	Merger Transactional Costs		
575620	Office & Admin Supplies		2,315
575625	Overnight Shipping		639
575640	Penalties Nondeductible		
575660	Postage		(124)
575670	Relocation Expenses		8,366
575680	Research & Development Exp		
575710	Security Service		
575715	Software Licenses & Support		767
575740	Telephone		1,091
575741	Cell Phone		2,410
575742	Data Lines		
575743	Wireless Service 1st		

Kentucky-American Service Company Charges
2009 - by Office, Function and Object Account (O&M)

		Office/Function	Southeast Region
Object Account	Object Account Description		Total
575775	Trade Shows		33
575780	Trash Removal		
575998	PCard Undistributed		(585)
575999	Purchased Card		-
620000	Materials & Supplies Maintenance		1,369
675000	Misc Maintenance		4,823
675250	Comp Equip Hardware		
675350	HVAC Equipment		
675450	Office Equipment		
685320	FUTA		
685325	FICA		
685350	SUTA		
685430	Other Taxes and Licenses		
690220	SIT-Prior Year Adjustment		
722306	Gains Other Non-OR		11
760100	Donations Deduct		
760500	Non-Op Employee Exp Deduct		
810300	Interest Cap Lease-Outside		
810301	Interest Cap Lease-AW02		
840000	Other Interest Expense		
Grand Total			1,623,700

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Michael A. Miller**

117. Please identify all budgeted/forecast charges by year by account for (1) calendar 2010 and (2) the 12 months ending 9/30/2011 to KAWC from the Regional Service Company by function and account. Please show in detail how such charges are allocated to KAWC and the other affiliates served by the Regional Service Company.

Response:

In 2009, the Service Company moved to a divisional/functional structure from the former regional presentation. Service Company charges are now budgeted and presented in a functional format instead of the former regional design. The Company does not have the requested information in the format requested.

Attached are the schedules by function (business unit) and object account that make up the budgeted AWWSC charges to KAW for 2010 and the forecasted test-year.

Also attached are budgeted Service Company expenses by functional designation and object account for calendar year 2010 as well as the 12 month period ending September 30, 2011.

For the electronic version, refer to KAW_R_AGDR1#117_042610.pdf.

Kentucky-American Service Company Charges
2010 - by Function and Object Account (O&M)

AGDR1#117

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication	Finance	Human Resources	Investor Relations
501200	Labor	(51,915)	33,978	29,573	148,680	-	863,285	158,686	457,602	161,575	7,724
501203	Labor Internal Recharge										
501211	Labor Overtime		40	944			12,237	1,077	182	1,025	
501711	Incentive Plan-Off-Annual	(8,930)	5,502	2,621	30,565	-	18,871	29,219	73,082	31,922	1,544
501716	Compensation Exp-Options		934		2,812	-	1,213	8,056	12,586	9,777	604
501718	Compensation Exp-Restricted Stock Units		934		2,812	-	1,213	8,056	12,586	9,777	604
504100	Group Ins Maintenance	(6,318)	3,215	4,600	11,270	-	234,826	15,958	45,591	15,986	633
504500	Other Welfare Maintenance			31			384	990	1,023	3,885	
504610	Employee Awards		82	64			3,517	700	-	3,555	
504620	Employee Physical Exam						1,825		-	277	
504660	Tuition Aid		164					2,799	1,084	6,930	39
504670	Training		672	383	2,632		3,338	-	8,572	1,794	237
505100	PBOP		190	1,314	4,652	-	34,824	2,510	11,165	2,913	69
506100	Pension		915	6,326	22,397	-	166,827	12,084	53,747	14,025	333
507100	401k	(974)	659	563	2,787	-	15,894	3,055	8,658	3,088	149
508101	Defined Contribution Plan	(1,279)	1,624	446	3,842	-	12,855	6,063	14,618	5,989	347
531000	Contract Services-Engineering						11,164				
532000	Contract Services-Accounting				23,214				6,153	15,225	
533000	Contract Services-Legal				16,093		3,164	29,488	67,851	55,209	5,037
535000	Contract Services-Other		656	431							
535001	Contract Services-Temp Employee		4,589	431			22			6,197	
536000	Contract Services-Lab Testing										
541000	Rents-Real Property						65,883	1,819			
541400	Rents-Equipment						2,127		245		
550000	Transportation IT-Admin							1,207	700	241	142
550001	Transportation Lease Cost				9,193		388				
550002	Transportation Lease Fuel				4,471		44				
550003	Transportation Lease Maintenance				279		17				
556000	Insurance Vehicle		4	3	17		104	18	52	20	1
557000	Insurance Gen Liability	2,839	739	642	3,257		19,654	3,466	10,156	3,706	191
558000	Insurance Work Comp		188	163	828		4,994	881	2,581	942	49
559000	Insurance Other		18	16	79		477	84	246	90	5
575000	Miscellaneous	(15,228)					3,689	3,706	(30,092)	(18,665)	
575002	Misc General Office						1,974		64	110	118
575030	Advertising						112	12,992		964	
575100	Bank Service Charges				3,634					2,750	
575130	Brochures and Handouts						541	11,298			
575140	Charitable Contributions Deduct							4,416			
575220	Community Relations						725	3,860		209	
575280	Dues/Membership Deductible		200	48	2,448		202	8,316	601	1,514	
575320	Electricity						14,337	1,228			
575340	Employee Expense P/R JE		4,388	319	1,639		6,561	15,572	19,004	14,901	1,936
575342	Employee Exp Conf/Registration			144	5,509		949	1,644	1,048	3,774	3,259
575350	Meals Deduct		559	32	10,393		1,420	2,011	1,963	3,002	307
575351	Meals Non Deduct		559	32	10,393		1,420	1,559	1,963	3,002	307
575420	Forms										

Kentucky-American Service Company Charges
 2010 - by Function and Object Account (O&M)
 AGDR1#117

Object Account	Object Account Description	ITS	Laboratory	Legal	Operation Services	Procurement	Property	Regulated Operations	Regulatory Services	SSC	Total 2010
501200	Labor	423,661	67,371	167,392	144,403	57,788	13,526	491,527	7,640	357,848	3,540,344
501203	Labor Internal Recharge	(8,521)									(8,521)
501211	Labor Overtime	12,067			2,029		51	2,279		3,265	35,196
501711	Incentive Plan-Off-Annual	47,500	5,236	33,959	25,790	7,206	409	118,465	1,899	31,698	456,555
501716	Compensation Exp-Options	2,881	269	11,164	7,255	453		71,880	886	2,453	133,224
501718	Compensation Exp-Restricted Stock Units	2,881	269	11,164	7,255	453		71,880	886	2,453	133,224
504100	Group Ins Maintenance	50,794	12,881	15,631	16,053	6,993	3,129	59,752	627	48,839	540,460
504500	Other Welfare Maintenance	5,371	49	-	289	361		38		1,548	13,969
504610	Employee Awards	20	217		52			130		152	8,490
504620	Employee Physical Exam	230	22	97	28			3,160		5,639	5,639
504660	Tuition Aid	2,864	569	2,473	202			407		2,426	19,957
504670	Training	6,439	438	34	2,222	396	262	1,914		6,129	35,461
505100	PBOP	11,162	2,693	636	7,328	3,060	544	17,317	379	12,257	113,015
506100	Pension	57,894	11,797	3,062	35,277	14,732	2,620	83,367	1,823	53,201	540,425
507100	401k	8,235	1,249	3,249	2,676	1,053	252	9,201	140	6,748	66,680
508101	Defined Contribution Plan	13,404	1,271	8,253	1,409	460	251	11,206	83	8,546	89,388
531000	Contract Services-Engineering				170						11,334
532000	Contract Services-Accounting			14,160	142			79			6,153
533000	Contract Services-Legal			8,761	685			6,759	5,213	6,460	52,820
535000	Contract Services-Other	113,780	438		53		65			874	319,586
535001	Contract Services-Temp Employee	20,541	(8,840)							185	33,210
536000	Contract Services-Lab Testing										(8,656)
541000	Rents-Real Property	17,826	16,004				115,094	84,406			301,031
541400	Rents-Equipment		352		292	247	7,320	6,241			16,824
550000	Transportation IT-Admin	283			653	160		15,660	254	166	19,466
550001	Transportation Lease Cost	532	143		1,694		831	11,608			24,390
550002	Transportation Lease Fuel	250	44		229		337	9,980			15,354
550003	Transportation Lease Maintenance	57	22		66		157	2,948			3,545
556000	Insurance Vehicle	52	8	19	17	7	2	56	1	42	422
557000	Insurance Gen Liability	9,944	1,464	3,620	3,139	1,257	293	10,710	166	7,881	83,125
558000	Insurance Work Comp	2,527	372	920	798	319	75	2,721	42	2,003	20,401
559000	Insurance Other	241	36	88	76	31	7	260	4	191	1,948
575000	Miscellaneous		657		1,792	587	3,425	21,577	288	(15,264)	(43,529)
575002	Misc General Office	561	2,910		524					998	7,261
575030	Advertising										14,067
575100	Bank Service Charges				24						-
575130	Brochures and Handouts										18,376
575140	Charitable Contributions Deduct										4,416
575220	Community Relations										4,795
575280	Dues/Membership Deductible	6,438	80	655	581	462	20,291	118	575	1,647	23,886
575320	Electricity		4,889								40,746
575340	Employee Expense P/R JE	16,470	876	7,433	12,993	3,285	67	73,719	1,597	3,931	184,693
575342	Employee Exp Conf/Registration	2,755	88	4,070	3,107	280		8,855	227	1,236	36,945
575350	Meals Deduct	2,283	131	838	1,255	122		10,362	58	774	35,510
575351	Meals Non Deduct	1,492		838	1,255	122		10,362	58	598	33,960
575420	Forms			415	8						423

Kentucky-American Service Company Charges
2010 - by Function and Object Account (O&M)
AGDR1#117

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication	Finance	Human Resources	Investor Relations
575460	Grounds Keeping						176				
575480	Heat - Oil/Gas						716				
575500	Janitorial						9,317	92			
575545	Lab Supplies										
575620	Office & Admin Supplies		214	306	478	-	2,916	1,606	2,147	2,694	
575625	Overnight Shipping				125		1,019			132	
575640	Penalties Nondeductible										
575660	Postage				-		6,669	-	17	234	74
575670	Relocation Expenses		1,311				2,920		13,313	4,986	
575680	Research & Development Exp										
575710	Security Service						1,814	6			
575715	Software Licenses & Support		98		2,464	-	295	815	627	5,973	
575740	Telephone			32	47	-	47,236	294	1,234	495	118
575741	Cell Phone		197	27	3,249	-	1,560	3,019	1,318	2,186	
575742	Data Lines										
575775	Trade Shows							5,993		175	
575780	Trash Removal						662				
675000	Misc Maintenance						3,959			29	
675250	Comp Equip Hardware						719				
675350	HVAC Equipment						2,614				
675450	Office Equipment						316				
680112	Depreciation Exp-Non Utility		6,150				116,425	1,697			
685200	Property Taxes						4,024				
685320	FUTA		18	26	65	-	1,607	91	261	93	4
685325	FICA		(3,812)	2,484	10,323	-	67,952	11,843	34,761	12,017	509
685350	SUTA		(231)	247	330	-	10,879	407	1,859	595	41
685430	Other Taxes and Licenses						29				
690110	FIT-Current		(3,529)								
710400	Interest Income-Outside		2,226								
810301	Interest Cap Lease-AW02						29,449				
Grand Total		(81,034)	65,316	52,247	340,976	-	1,824,352	378,680	838,567	395,316	24,381

Kentucky-American Service Company Charges
2010 - by Function and Object Account (O&M)
AGDR1#117

Object Account	Object Account Description	ITS	Laboratory	Legal	Operation Services	Procurement	Property	Regulated Operations	Regulatory Services	SSC	Total 2010
575460	Grounds Keeping		215								391
575480	Heat - Oil/Gas	641	365				57				1,779
575500	Janitorial		722				1,157				11,288
575545	Lab Supplies		29,920								29,920
575620	Office & Admin Supplies	2,051	1,022	1,107	735	273	12,086	5,995	32	3,918	37,579
575625	Overnight Shipping	91	3,138		126	214	8,926	3,275		34	17,081
575640	Penalties Nondeductible										-
575660	Postage	6	109		6	214	5,297				12,626
575670	Relocation Expenses				13						22,544
575680	Research & Development Exp							45			45
575710	Security Service		369		534		1,051				4,080
575715	Software Licenses & Support	17,042	638		1,064			253		14	29,282
575740	Telephone	2,079	744	130	737	493	6,576	214	6	223	60,660
575741	Cell Phone	4,344	134	954	2,313	488	117	7,569	134	638	28,247
575742	Data Lines	38,764									38,764
575775	Trade Shows	82									6,251
575780	Trash Removal		175		9		443				1,289
675000	Misc Maintenance	261,912	5,798				9,061				280,758
675250	Comp Equip Hardware	1,233	167		19					1,505	3,643
675350	HVAC Equipment	47	676				233				3,570
675450	Office Equipment				10			243		136	704
680112	Depreciation Exp-Non Utility	514,783	22,568	(0)		21	128,652	20,038			810,334
685200	Property Taxes		891								4,915
685320	FUTA	269	74	89	92	40	18	343	4	304	3,365
685325	FICA	34,124	5,395	11,299	11,143	4,592	1,070	32,132	460	28,569	267,367
685350	SUTA	2,019	534	411	621	333	168	1,428	34	2,864	22,703
685430	Other Taxes and Licenses									350	379
690110	FIT-Current										(3,529)
710400	Interest Income-Outside										2,226
810301	Interest Cap Lease-AW02		2,493				59,055	3,925			94,922
Grand Total		1,712,713	200,150	312,919	299,242	106,503	402,976	1,294,534	23,514	587,838	8,779,190

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&M)
 AGDR1#117

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication	Finance	Human Resources	Investor Relations
501200	Labor	(30,961)	31,371	29,756	107,272	-	839,860	152,102	682,273	133,828	8,122
501203	Labor Internal Recharge	(307)									
501210	Labor Non Scheduled Overtime										
501211	Labor Overtime		10	570			13,709	616	139	610	
501711	Incentive Plan-Off-Annual	(5,230)	4,245	1,980	20,456	-	8,001	24,858	91,772	23,117	1,322
501716	Compensation Exp-Options	859	479		1,576	-	386	6,455	13,917	8,358	620
501718	Compensation Exp-Restricted Stock Units	931	479		1,802	-	481	6,768	14,674	7,905	602
504100	Group Ins Maintenance	(1,580)	3,653	5,233	8,643	-	270,994	17,364	81,653	18,346	727
504341	Defined Contr Supp Exec Retirement Plan Exp	5,096	38				350	361	491	375	54
504500	Other Welfare Maintenance	5,383	174	27	86		6,202	2,726	2,974	6,355	(0)
504610	Employee Awards		21	49	-		456	300	63	2,107	
504620	Employee Physical Exam		41		-		3	1,135	726	149	
504660	Tuition Aid		383	331	1,449	-	3,164	613	5,184	2,410	147
504670	Training										
504671	Training-Safety										
505100	PBOP		183	1,268	3,234	-	31,092	2,306	17,552	3,050	266
506100	Pension		862	5,966	15,262	-	146,142	10,853	82,299	14,339	1,241
507100	401k	(644)	867	628	1,705	-	14,159	3,892	18,247	3,388	214
508101	Defined Contribution Plan	(723)	1,474	434	3,297	-	8,720	5,697	19,777	4,256	273
520100	Materials & Supplies Operations						26,442		(0)	0	
531000	Contract Services-Engineering	217		739			30		7,700	10,058	
532000	Contract Services-Accounting	16		8,033					(381)		
533000	Contract Services-Legal										
533001	Contract Services-Litigation										
535000	Contract Services-Other	(392)	2,442	248	8,533	-	15,857	28,763	84,752	43,483	5,606
535001	Contract Services-Temp Employee		1,148	360			0		47,546	6,042	
536000	Contract Services-Lab Testing										
541000	Rents-Real Property						61,051	1,702	244	105	
541001	Rents-Real Property Intercompany										
541400	Rents-Equipment		9				2,019		67		
550000	Transportation IT-Admin	12	60		128	-		1,228	2,152	1,033	153
550001	Transportation Lease Cost				4,230	-	313	3	2		
550002	Transportation Lease Fuel				2,072	-	42	0	0	1	
550003	Transportation Lease Maintenance				249	-	27	0	0	0	
556000	Insurance Vehicle		4	4	12	-	101	18	94	20	1
557000	Insurance Gen Liability	2,670	781	679	2,349	-	19,306	3,517	18,081	3,779	182
558000	Insurance Work Comp		194	169	586	-	4,800	874	4,480	939	45
559000	Insurance Other		19	16	56	-	460	84	430	90	4
575000	Miscellaneous	(9,359)	0	0	935	-	2,947	3,777	(18,185)	(4,362)	(31)
575002	Misc General Office				644	-	493	237	91	76	36
575030	Advertising		2		0	-	48	7,882	7	3,780	
575100	Bank Service Charges										
575130	Brochures and Handouts				914	-	514	5,611		853	219
575140	Charitable Contributions Deduct					-	19	4,596			
575141	Charitable Contributions Nondeductible					-		67			
575220	Community Relations					-	327	3,119		52	
575240	Co Dues/Membership Deduct				64	-			71	1,209	
575241	Co Dues/Membership Nondeductible					-					0

Kentucky-American Service Company Charges
12 Months Ending September 2011 - by Function and Object Account (O&AGDR1#117

Object Account	Object Account Description	ITS	Laboratory	Legal	Operation Services	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos September 2011
501200	Labor	414,912	68,807	190,290	118,190	78,021	12,764	427,135	7,856	366,789	3,638,387
501203	Labor Internal Recharge	(36,898)									(37,692)
501210	Labor Non Scheduled Overtime	23,124						1		160	23,284
501211	Labor Overtime	8,031			827		26	639		2,825	28,003
501711	Incentive Plan-Off-Annual	46,102	3,889	32,714	21,370	8,751	198	78,299	1,585	28,432	391,863
501716	Compensation Exp-Options	2,788	220	13,808	10,279	758		38,707	870	2,154	102,235
501718	Compensation Exp-Restricted Stock Units	2,793	233	13,780	9,787	741		43,050	860	2,203	107,089
504100	Group Ins Maintenance	51,507	14,769	23,671	15,787	10,552	3,392	81,153	713	62,967	669,545
504341	Defined Contr Supp Exec Retirement Plan Exp	344		64	(88)			(1,375)			5,360
504500	Other Welfare Maintenance	12,263	47	(113)	280	223	(14)	(33)	(5)	1,179	31,901
504610	Employee Awards	70	312	0	24			110		121	9,381
504620	Employee Physical Exam	246	8	102	11			2,684		-	3,656
504660	Tuition Aid	3,151	377	1,960	118			315		2,909	19,958
504670	Training	10,448	145	97	357	266	218	1,202		6,137	32,550
504671	Training-Safety				4						4
505100	PBOP	11,085	2,618	3,913	5,996	3,432	494	15,660	366	12,323	114,840
506100	Pension	53,177	12,023	18,280	28,246	16,124	2,325	73,698	1,720	56,494	539,052
507100	401k	10,151	1,402	5,020	2,569	1,652	272	8,408	121	8,181	80,233
508101	Defined Contribution Plan	11,271	1,309	6,295	956	951	260	7,570	86	8,973	80,875
520100	Materials & Supplies Operations				6			2			8
531000	Contract Services-Engineering				153	165					26,760
532000	Contract Services-Accounting							79			8,657
533000	Contract Services-Legal				116	108					35,773
533001	Contract Services-Litigation										(0)
535000	Contract Services-Other	102,588	1,216	12,219	1,962	53		9,635	1,369	10,737	329,073
535001	Contract Services-Temp Employee	6,193	697	3	83	208	287	6		7,249	69,822
536000	Contract Services-Lab Testing		(11,211)							140	(11,070)
541000	Rents-Real Property Intercompany	14,548			264		76,424	88,569			252,497
541001	Rents-Equipment	831	472	2		144	31,100	5,444			44,184
541400	Rents-Equipment	48			212	270	6,133	11,798			20,904
550000	Transportation IT-Admin	352	1	1,236	1,779			9,813	262		19,035
550001	Transportation Lease Cost	467	142		3,075		755	7,499		555	16,486
550002	Transportation Lease Fuel	167	37		716		180	4,933			8,147
550003	Transportation Lease Maintenance	73	8		320		119	3,623			4,419
556000	Insurance Vehicle	51		28	16	10	2	45	1	46	461
557000	Insurance Gen Liability	9,762	1,561	5,323	3,057	1,881	292	8,532	176	8,697	90,625
558000	Insurance Work Comp	2,427	388	1,320	760	467	73	2,125	44	2,161	21,850
559000	Insurance Other	233	37	127	73	45	7	204	4	207	2,095
575000	Miscellaneous	(15)	569	863	1,077	401	3,083	1,216	5,625	(11,863)	(23,323)
575002	Misc General Office	200	3,451	377	349			19		1,383	7,354
575030	Advertising	72	62					56			11,909
575100	Bank Service Charges							-	(0)	(0)	(0)
575130	Brochures and Handouts				16			100			8,226
575140	Charitable Contributions Deduct							45			4,661
575141	Charitable Contributions Nondeductible							1			67
575220	Community Relations							9			3,499
575240	Co Dues/Membership Deduct	3		0	3	67		1			1,426
575241	Co Dues/Membership Nondeductible							1			1

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&M)
 AGDR1#117

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication	Finance	Human Resources	Investor Relations
575243	Co Dues Nondeductible AWWA										
575261	Credit Line Fees Inside	73	128	45	1,124	-	181	9,338	404	929	
575280	Dues/Membership Deductible						13,623	72	(0)		
575320	Electricity						5,070	13,333	19,088	10,639	2,060
575340	Employee Expense P/R JE	(33)	4,011	328	6,609	-	647	1,614	1,015	1,779	2,525
575342	Employee Exp Conf/Registration			136	1,570	-	633	1,364	1,967	2,065	293
575350	Meals Deduct		384	33	3,574	-	633	1,251	1,968	2,065	293
575351	Meals Non Deduct		384	33	3,574	-	633				
575420	Forms						186				
575460	Grounds Keeping						383				
575480	Heat - Oil/Gas						8,788	55			
575500	Janitorial										
575545	Lab Supplies										
575620	Office & Admin Supplies		204	272	736	-	3,771	923	3,109	1,561	63
575625	Overnight Shipping				54		799	106	63	81	1
575640	Penalties Nondeductible	81					4,829	(320)	4	411	57
575660	Postage		710		190		2,589	759	14,369	14,052	
575670	Relocation Expenses										
575680	Research & Development Exp						1,863	-			
575710	Security Service		87		2,308	-	236	2,677	2,328	5,681	
575715	Software Licenses & Support	(10,333)	7	27	351	-	61,651	312	2,381	669	51
575740	Telephone		186	23	1,982	-	1,517	2,476	1,656	1,439	48
575741	Cell Phone										
575742	Data Lines				121						
575743	Wireless Service 1st							4,327		89	
575775	Trade Shows				1						
575780	Trash Removal						646				
575998	PCard Undistributed		0		(0)		(49)	910	122	36	
575999	Purchased Card										
620000	Materials & Supplies Maintenance										
675000	Misc Maintenance	(3)					3,501	5		30	
675250	Comp Equip Hardware						666	0		0	
675350	HVAC Equipment						2,603				
675450	Office Equipment						275				
680112	Depreciation Exp-Non Utility	5,747					91,127	1,698			
685200	Property Taxes	(7)					3,697				
685320	FUTA	(0)	16	20	29		1,205	53	226	57	1
685325	FICA	(1,965)	2,335	2,393	6,665		62,958	11,153	52,510	9,518	515
685350	SUTA	(657)	138	184	166		8,427	215	1,835	426	31
685430	Other Taxes and Licenses	1					19				
690110	FIT-Current	(112,304)									
690210	SIT-Current	1,021									
690610	Def FIT-Current	(1,062)									
690630	Def FIT-Reg Asset	49,577									
690650	Def FIT-Other	60,556									
690710	Def SIT-Current	21									
690750	Def SIT-Other	(1,120)									
710400	Interest Income-Outside	340									

Kentucky-American Service Company Charges
12 Months Ending September 2011 - by Function and Object Account (O&M)
AGDR1#117

Object Account	Object Account Description	Admin	Audit	Benefit Svc Ctr	Business Development	Business Transformation	CSC	External Affairs Communication	Finance	Human Resources	Investor Relations
710500	Interest Income-Inside	(578)									
810300	Interest Cap Lease-Outside										
810301	Interest Cap Lease-AW02						37,323				
830100	Interest STD Inside	1,592									
840000	Other Interest Expense	1,419									
Grand Total		(41,642)	57,528	51,213	223,380	-	1,798,314	349,361	1,281,933	356,505	25,740

Kentucky-American Service Company Charges
 12 Months Ending September 2011 - by Function and Object Account (O&
 AGDR1#117

Object Account	Object Account Description	ITS	Laboratory	Legal	Operation Services	Procurement	Property	Regulated Operations	Regulatory Services	SSC	12 Mos September 2011
710500	Interest Income-Inside										(578)
810300	Interest Cap Lease-Outside							3			3
810301	Interest Cap Lease-AW02		4,450				80,391	10,211			132,376
830100	Interest STD Inside										1,592
840000	Other Interest Expense										1,419
Grand Total		1,716,682	209,420	376,500	291,296	137,762	397,291	1,066,463	24,340	626,979	8,949,065

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Lance Williams**

118. Meter replacements. (a) Please provide the dollar amount and quantity of meters, by type, (1) in service and (2) replaced as of December 31 for each of the past five years through December 31, 2009. (b) Please provide the dollar amount and quantity of meters, by type, for each month of 2010 and 2011 through 9/30/2011.

Response:

See attached.

For the electronic version, refer to KAW_R_AGDR1#118_042610.pdf.

Meters Installed
2005 to 2009

	Read Out Type					Total
	1	8	11	E	Blank	
2005 5/8"	1,976	31	2,755	328	334	5,424
3/4"	0	0	0	0	0	0
1"	45	0	121	25	2	193
1.5"	0	1	7	0	0	8
2"	0	0	23	1	0	24
3"	0	0	0	0	0	0
4"	0	1	10	0	0	11
6"	0	1	3	0	0	4
8"	0	0	4	0	0	4
Total	2,021	34	2,923	354	336	5,668

KEY
 1 Direct Read
 8 Touch Pad Read
 11 Neptune Radio Read
 E Badger Radio Read
 Blank Read Type NA

	Read Out Type					Total
	1	8	11	E	Blank	
2006 5/8"	6,864	21	3,557	244	76	10,762
3/4"	0	0	0	0	0	0
1"	179	0	493	21	2	695
1.5"	0	0	42	9	0	51
2"	0	2	315	6	0	323
3"	0	0	0	0	0	0
4"	0	3	26	0	0	29
6"	0	1	2	0	0	3
8"	0	0	4	0	0	4
Total	7,043	27	4,439	280	78	11,867

	Read Out Type					Total
	1	8	11	E	Blank	
2007 5/8"	7,354	18	2,061	242	10	9,685
3/4"	0	0	0	0	0	0
1"	59	4	631	24	0	718
1.5"	0	0	59	8	0	67
2"	0	11	468	21	0	500
3"	0	0	0	0	0	0
4"	0	2	7	0	0	9
6"	0	0	3	0	0	3
8"	0	0	0	0	0	0
Total	7,413	35	3,229	295	10	10,982

	Read Out Type					Total
	1	8	11	E	Blank	
2008 5/8"	18,323	4	3,189	148	8	21,672
3/4"	0	0	1	0	0	1
1"	7	0	426	14	0	447
1.5"	0	0	38	3	0	41
2"	1	0	576	53	0	630
3"	0	0	0	1	0	1
4"	1	0	6	0	0	7
6"	0	3	5	0	0	8
8"	0	0	0	0	0	0
Total	18,332	7	4,241	219	8	22,807

		Read Out Type					
		1	8	11	E	Blank	Total
2009	5/8"	15,733	9	3,920	184	8	19,854
	3/4"	0	0	0	0	0	0
	1"	5	0	654	16	0	675
	1.5"	0	0	37	1	0	38
	2"	4	3	547	7	0	561
	3"	1	0	1	0	0	2
	4"	0	1	6	1	0	8
	6"	0	0	7	0	0	7
	8"	0	0	0	0	0	0
Total		15,743	13	5,172	209	8	21,145

		Read Out Type					
		1	8	11	E	Blank	Total
2010	5/8"	8,761	0	5,600	0	0	14,361
	3/4"	0	0	0	0	0	0
	1"	0	0	433	0	0	433
	1.5"	0	0	57	0	0	57
	2"	0	0	608	0	0	608
	3"	0	0	1	0	0	1
	4"	0	0	0	0	0	0
	6"	0	0	0	0	0	0
	8"	0	0	0	0	0	0
Total		8,761	0	6,699	0	0	15,460

		Read Out Type					
		1	8	11	E	Blank	Total
2011	5/8"	5,327	0	1,815	0	0	7,142
	3/4"	0	0	0	0	0	0
	1"	0	0	561	0	0	561
	1.5"	0	0	115	0	0	115
	2"	0	0	777	0	0	777
	3"	0	0	7	0	0	7
	4"	0	0	0	0	0	0
	6"	0	0	0	0	0	0
	8"	0	0	0	0	0	0
Total		5,327	0	3,275	0	0	8,602

Meters Installed
Unit Costs
2005 to 2009

		Read Out Type				
		1	8	11	E	Blank
2005	5/8"	\$17.71	\$40.97	\$112.32	\$130.95	
	3/4"					1
	1"	\$52.92		\$146.78	\$198.80	8
	1.5"		\$159.24	\$227.16		11
	2"			\$275.98	\$413.60	E
	3"					Blank
	4"		\$417.05	\$489.68		
	6"		\$4,101.00	\$4,173.63		
	8"			\$5,430.75		

KEY
 Direct Read
 Touch Pad Read
 Neptune Radio Read
 Badger Radio Read
 Read Type NA

		Read Out Type				
		1	8	11	E	Blank
2006	5/8"	\$17.71	\$41.26	\$109.17	\$130.95	
	3/4"					
	1"	\$52.92		\$142.43	\$198.80	
	1.5"			\$227.16	\$327.10	
	2"		\$196.48	\$263.48	\$413.60	
	3"					
	4"		\$395.76	\$463.67		
	6"		\$4,087.97	\$4,155.88		
	8"			\$5,413.00		

		Read Out Type				
		1	8	11	E	Blank
2007	5/8"	\$22.98	\$48.65	\$115.65	\$147.60	
	3/4"					
	1"	\$52.92	\$91.85	\$158.85	\$198.80	
	1.5"			\$254.89	\$333.20	
	2"		\$239.19	\$306.19	\$428.90	
	3"					
	4"		\$474.43	\$543.93		
	6"			\$1,070.79		
	8"					

		Read Out Type				
		1	8	11	E	Blank
2008	5/8"	\$22.98	\$48.65	\$115.65	\$147.60	
	3/4"			\$133.45		
	1"	\$67.14		\$158.85	\$198.80	
	1.5"			\$254.85	\$333.20	
	2"	\$220.53		\$306.19	\$428.90	
	3"				\$570.70	
	4"	\$468.71		\$543.93		
	6"		\$1,001.29	\$1,070.79		
	8"					

		Read Out Type				
		1	8	11	E	Blank
2009	5/8"	\$29.90	\$48.16	\$113.15	\$153.10	
	3/4"					
	1"	\$73.10		\$156.84	\$205.33	
	1.5"			\$252.88	\$344.96	
	2"	\$220.53	\$239.19	\$304.18	\$442.58	
	3"	\$502.00		\$574.35		
	4"		\$600.50	\$667.92	\$828.75	
	6"			\$1,083.44		
	8"					

		Read Out Type				
		1	8	11	E	Blank
2010	5/8"	\$32.74		\$115.99		
	3/4"					
	1"			\$165.46		
	1.5"			\$252.88		
	2"			\$304.18		
	3"			\$574.35		
	4"					
	6"					
	8"					

		Read Out Type				
		1	8	11	E	Blank
2011	5/8"	\$32.74		\$115.99		
	3/4"					
	1"			\$165.46		
	1.5"			\$252.88		
	2"			\$304.18		
	3"			\$574.35		
	4"					
	6"					
	8"					

New/Replaced Meters per Month 2010

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Direct Read													
5/8"x3/4"	200	500	861	1,500	1,500	1,500	1,500	800	400				8,761
Neptune AMR													
5/8"x3/4"	80	90	120	140	160	1,170	1,180	1,190	1,080	130	90		5,430
1"	20	23	40	50	60	60	60	60	50	10			433
1-1/2"	2	5	7	8	8	8	8	7	4				57
2"	30	60	60	70	80	80	80	70	60	18			608
3"	1												1
4"													0
4 UME													0
6"													0
8"													0
	0	333	678	1,088	1,768	1,808	2,818	2,828	2,127	1,594	158	90	15,290

New/Replaced Meters per Month 2011

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Direct Read													
5/8"x3/4"	200	800	1,500	2,000	827								5,327
Neptune AMR													
5/8"x3/4"					2,000	2,500	2,500	2,000	2,000				11,000
1"	20	40	50	71	90	90	90	60	50				561
1-1/2"	2	5	12	18	20	20	20	14	4				115
2"	30	60	87	100	120	120	120	80	60				777
3"						7							7
4"													0
4 UME													0
6"													0
8"													0
	0	252	905	1,649	2,189	3,064	2,730	2,730	2,154	2,114	0	0	17,787

New/Replaced Meters per Month 2010

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Direct Read	\$0.00	\$6,548.00	\$16,370.00	\$28,189.14	\$49,110.00	\$49,110.00	\$49,110.00	\$49,110.00	\$26,192.00	\$13,096.00	\$0.00	\$0.00
5/8"x3/4"	\$0.00	\$2,619.20	\$10,439.10	\$13,918.80	\$16,238.60	\$18,558.40	\$135,708.30	\$136,868.20	\$138,028.10	\$125,269.20	\$15,078.70	\$10,439.10
Neptune AMR	\$0.00	\$3,309.20	\$3,805.58	\$6,618.40	\$8,273.00	\$9,927.60	\$9,927.60	\$9,927.60	\$9,927.60	\$8,273.00	\$1,654.60	\$0.00
5/8"x3/4"	\$0.00	\$505.76	\$1,264.40	\$1,770.16	\$2,023.04	\$2,023.04	\$2,023.04	\$2,023.04	\$1,770.16	\$1,011.52	\$0.00	\$0.00
1"	\$0.00	\$9,125.40	\$18,250.80	\$18,250.80	\$21,292.60	\$24,334.40	\$24,334.40	\$24,334.40	\$21,292.60	\$18,250.80	\$5,475.24	\$0.00
1-1/2"	\$0.00	\$574.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2"												
3"												
4"												

4 UIME

6"

8"

New/Replaced Meters per Month 2011

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Direct Read	\$0.00	\$6,548.00	\$26,192.00	\$49,110.00	\$65,480.00	\$27,075.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/8"x3/4"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$231,980.00	\$289,975.00	\$289,975.00	\$231,980.00	\$231,980.00	\$0.00	\$0.00
Neptune AMR	\$0.00	\$3,309.20	\$6,618.40	\$8,273.00	\$11,747.66	\$14,891.40	\$14,891.40	\$14,891.40	\$9,927.60	\$8,273.00	\$0.00	\$0.00
5/8"x3/4"	\$0.00	\$505.76	\$1,264.40	\$3,034.56	\$4,551.84	\$5,057.60	\$5,057.60	\$5,057.60	\$3,540.32	\$1,011.52	\$0.00	\$0.00
1"	\$0.00	\$9,125.40	\$18,250.80	\$26,463.66	\$30,418.00	\$36,501.60	\$36,501.60	\$36,501.60	\$24,334.40	\$18,250.80	\$0.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,020.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4 UME	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8"	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

4 UME

6"

8"

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Lance Williams

119. Please provide a copy of the Company's meter change-out program.

Response:

KAW follows the schedule required by the PSC with the exception of our 5/8" x 3/4" meters which are replaced every 15 years per a variance by the PSC.

For the electronic version, refer to KAW_R_AGDR1#119_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

120. Has the Company included any rate case expense or non-cash items in its request for cash working capital? If not, explain fully why not. If so, please identify (1) all rate case expense and (2) any and all non-cash expenses, included in KAWC's cash working capital calculations.

Response:

Yes.

- (1) Consistent with all past lead/lag studies filed by KAW, the Company included the annual amortization of rate case expense in its lead/lag study, which has consistently been accepted by the Commission. The Company did not seek rate base treatment for the unamortized deferred rate case expense, also consistent with the Commission's practice.
- (2) The Company included depreciation expense in the lead lag study consistent with the Commission's Order in case number 2004-00103.¹

For the electronic version, refer to KAW_R_AGDR1#120_042610.pdf.

¹ Please see Commission Order in case number 2004-001003, at pages 17 and 18.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: **Michael A. Miller**

121. Has the Company included any rate case expense in rate base? If so, please identify the amount and account.

Response:

Please see the response to KAW_R_AGDR1#120_042610.pdf.

For the electronic version of this response, refer to KAW_R_AGDR1#121_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller/Sheila Miller

122. Does the Company's request for rate case expense include any amounts related to past cases? If not, explain fully why not. If so, please identify the amount, and identify and explain the basis for including expense for past cases.

Response:

Yes, please see the attached documents which were also provided in response to KAW_R_PSCDR1#1a_WP3-8_031610. pages 2-4 of 4. On the attached documents we have added the date on which each amortization begins and ends.

In addition to the rate case expense (requested 3-year amortization), the depreciation study (requested 5-year amortization), and the cost of service study (requested 3-year amortization), the Company included the monthly amortizations of the 2008 rate case expense (amortized over 3 years ending May 2012), the 2007 depreciation study expense (amortized over 5 years ending November 2012), and the 2008 cost of service study (amortized over 3 years ending May 2012).

In all recent cases the Company has requested either a 3-year or 5-year amortization of the three distinct deferred rate case cost elements identified above. In the 2004 rate case order the 3-year amortization periods were recognized by the Commission. The Company has requested a five-year amortization for the 2007 and 2010 depreciation studies because it would be the Company's intent to file future depreciation studies on a five year interval.

For the electronic version of this response, refer to KAW_R_AGDR1#122_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
Regulatory Expense - Forecasted Test Year
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2011

CASE NO: 2010-00036

Cost of preparation and presentation of current case

AWWS Charges	\$	75,000	
Legal Fees		300,000	
Rate of Return Consultant		50,000	
Cost of Service Study Consultant		0	see below
Service Company Consultant - Baryenbruch		40,000	
Weather Normalization		20,000	
Customer notification		45,000	
Other		60,000	
TOTAL	\$	590,000	

Monthly Amortization	\$16,389
Annual Amortization (3 Year Amortization) Oct 2010 to Sept 2013	\$196,667

Case No. 2008-00427

Balance of costs for last rate case	231,327
	<u>\$ 231,327</u>

Amort period: 20 months Remaining	Monthly Amort:	11,567
	Annual Amort:	138,804
June 2009 - May 2015		

Depreciation Study 2010-00036

Estimated Cost	37,500
	<u>\$ 37,500</u>

Amort period: 5 years	Monthly Amort:	\$625
	Annual Amort:	\$7,500
Oct 2010 - Sept 2015		

Depreciation Study 2007-00143

Balance of costs for 2007 depreciation study	13,003
	<u>\$ 13,003</u>

Amort period: 26 months remaining	Monthly Amort:	\$500
	Annual Amort:	\$6,000
Dec 2007 - Nov 2012		

Cost of Service Study 2010-00036

Estimated Cost	\$ 42,500
	<u>\$ 42,500</u>

Amort period: 3 years	Monthly Amort:	\$1,181
	Annual Amort:	\$14,167
October 2007 - Nov 2012		

Cost of Service Study 2008-00427

Balance of costs for 2008 cost of service study	\$ 12,169
	<u>\$ 12,169</u>

Amort period: 44 months remaining	Monthly Amort:	\$277
	Annual Amort:	\$3,324
June 2009 - May 2012		

Kentucky-American Water Company																
Forecasted Regulatory Expense Data Base																
CASE NO: 2010-00036																
reg exp costs																
Object.Sub	BU	JDE Object Description	Awc Acct	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	March 2011	April 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011	Total
				F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12	L169
566100.16	120105	Reg Comm Rate Case Amort	928100	27,956	27,956	27,956	27,956	27,956	27,956	27,956	27,956	27,956	27,956	27,956	27,956	335,471
566200.16	120105	Reg Comm Cost of Service Study	928400	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	17,491
566200.16	120112	Reg Comm Depreciation Study	928300	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,500
																366,462
																366,462
																\$0
																Reference to Pivot Table
																Check Total = 0

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Sheila Miller

123. Please identify each type of revenue based tax and revenue based assessment that was paid during the test year. Also, please provide the related returns, and the amount and date of each such payment, and identification as to which type of revenue-based tax each such payment was for.

Response:

The Company has one revenue based tax and revenue based assessment paid during the test year. The Public Service Commission Assessment Fee is based on gross revenues. The support for this payment was provided in response to KAW_R_PSCDR1#1a_WP5-2_031610 Pages 2 through 5 of 11.

For the electronic version of this response, refer to KAW_R_AGDR1#123_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda Bridwell/Michael A. Miller

124. Has the Company included any wells or other plant in rate base for which the Company has not received proper permits to begin construction? If so, please identify the amounts by account.

Response:

The Company is permitted by Commission rules to utilize a forecasted test-year in its filing. As such there are utility plant additions included in the case through September 2011. There are no wells included in the utility plant additions or CWIP from the end of November 2009, the 6 month historical information in the base period. While the Company has permits in hand for all major forecasted utility plant additions and CWIP, there may be the need to obtain permits for some small, normal-recurring projects which may be installed in state highway ROW's.

For the electronic version, refer to KAW_R_AGDR1#124_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Sheila Miller

125. Does the Company's claim for insurance expense include any "retrospective" or "retroactive" amounts? If not, explain fully why not. If so, please identify all such amounts, and provide comparative amounts for each of the past 6 calendar years through December 31, 2009. Also, show in detail how all such amounts are allocated to KAWC from the Service Company and/or total American Water Works amounts for each year.

Response:

The Company included an amount of \$29,240 for the retrospective adjustment ("contingency") in the forecasted test year which was derived from the Company's 2010/2011 insurance other budget. The information for the past 6 calendar years for "retrospective" adjustments are below:

2004	\$28,648.80
2005	\$28,696.92
2006	\$27,442.22
2007	(\$47,081.75)
2008	(\$83,922.00)
2009	(\$46,420.75)

Retrospective adjustment allocation is based upon the initial allocation at the inception of each policy year and includes the General Liability, Auto Liability and Workers Compensation premium.

Beginning in 2000, the premium allocation was based upon a combination of loss experience (50%) and exposure (50%) (e.g., estimated annual payroll and number of vehicles (for Auto Liability)). The loss experience is based upon a 5 year average of historical loss experience. An AW subsidiary can enjoy a lower premium with an effective loss control and safety program which mitigates frequency and severity of claims. The 5 year average is used to smooth out losses if a subsidiary has a consistent safety program but may suffer one year of bad claims experience. A subsidiary with an ineffective safety program and poor claims history will bear a larger share of the premium. This is consistent with the commercial insurance market underwriting practice.

Prior to 2000, allocation was based only on a Business unit's exposure compared to Company's total exposure.

For the electronic version, refer to KAW_R_AGDR1#125_042610.ppf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: **Sheila Miller/Michael A. Miller**

126. Has the Company included any plant in rate base for which it has not received final invoices? If not, explain fully why not. If so, please identify the amounts by account.

Response:

Yes. The Commission rules permit KAW to utilize a forecasted test-year and rate base for the first full year the rates from this case will be effective. By its very nature the forecasted test-year approach will include additions to utility plant and CWIP which are not yet complete, have not been invoiced, and for which construction has not yet commenced. The Company's forecasted additions to UPIS and CWIP were previously provided in response to KAW_R_PSCDR1#1a_WP1-1_031610, pages 3-12 of 48 (plant additions) and KAW_R_PSCDR1#1a_WP1-4_031610, Pages 1-16 of 53. The excel file with these work papers has been provided in response to KAW_R_AGDR1#1_042610, file name Constru-10.xls, see construction tab for UPIS additions and CWIP

For the electronic version of this response, refer to KAW_AGDR1#126_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

127. Refer to Ms. Bridwell's testimony at page 3. Please provide all supporting calculations in Excel relating to the use of a five-year average for tap fees.

Response:

Please refer to the workpapers of Linda Bridwell provided in response to KAW_R_AGDR1#2_042610. The excel file is labeled Ratecase 2010 Tap Fee worksheet.xls under the Tap Fee vs Indices Tab.

For the electronic version of this response, refer to KAW_R_AGDR1#127_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

128. Please list the number of taps by type in each year, 2005, 2006, 2007, 2008, and 2009.

Response:

Below is a table with a summary of the number of taps installed by the contractor in each year requested. A tap will include a service line installation and a meter installation. Adjacent residential homes frequently share a single 1" service line installation and have individual meter installation that share a meter box.

Year	5/8" Meter Installation	1" Meter Installation	2" Meter Installation
2005	2,844	125	65
2006	2,422	126	73
2007	1,643	100	28
2008	1,442	94	33
2009	1,335	64	45

For the electronic version, refer to KAW_R_AGDR1#128_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

129. Please list the total cost for taps, and the costs for each type of tap, for each year: 2005, 2006, 2007, 2008, and 2009.

Response:

The cost for a 5/8" tap is based on a 5/8" meter set in a meter box often jointly with an adjacent residence and a 1" service line, frequently shared with an adjacent residence. A 1" tap is based on a 1" meter installation set in an individual meter box and a 1" service line, and a 2" tap is based on a 2" meter installation set in an individual meter box and a 2" service line that connected to 3 – 1" corporation stops installed in the water main. The costs for the taps below include all costs of the taps, meter setting, meter boxes. It does not include the costs of the individual meters.

Year	Total Cost for Taps	5/8"	1"	2"
2005	\$1,798,703	\$1,495,905	\$123,525	\$179,273
2006	\$1,918,533	\$1,569,769	\$162,567	\$186,197
2007	\$1,261,276	\$1,064,734	\$109,618	\$86,924
2008	\$1,564,499	\$1,313,201	\$136,571	\$114,727
2009	\$1,773,816	\$1,462,442	\$136,030	\$175,344

For the electronic version, refer to KAW_R_AGDR1#129_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

130. Please list the total budgeted/forecast cost for taps for each period: (1) calendar 2010; (2) 12 months ending 9/30/2011.

Response:

The budgeted costs for taps, not including the cost of the individual meters is (1) \$1,198,560; (2) \$1,402,550.

For the electronic version, refer to KAW_R_AGDR1#130_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

131. Please list the budgeted/forecast number of taps for each period: (1) calendar 2010; (2) 12 months ending 9/30/2011.

Response:

(1) 1,400

(2) 1,400

For the electronic version, refer to KAW_R_AGDR1#131_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

132. Refer to Ms. Bridwell's testimony at page 4-5. Please identify the total cost for each consultant, by account. How has KAWC treated such cost in its filing? Please identify and explain fully.

Response:

Strand Consultants - \$32,029.10

Gannett Fleming Engineers - \$140,700.00

These costs were originally accumulated in a deferred account and three months worth of charges were amortized. In August 2009, the balance of the amount held in the deferred account was expensed, and any subsequent charges were then expensed to account 120205.575000.16. There are no costs in the forecasted period. Please refer to Page 10 of 55 of the response to Item 14 of the PSC's First Set of Information Requests.

For the electronic version of this response, refer to KAW_R_AGDR1#132_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell/Michael A. Miller/Sheila Miller

133. Refer to Ms. Bridwell's testimony concerning the water supply and treatment project.

- a. Please identify, quantify and explain each cost overrun that has occurred for the project through 3/31/2010.
- b. Please identify how much KAWC is requesting in rate base for the plant in excess of the cost estimates that KAWC had previously provided to the Commission when it was seeking approval. Include supporting calculations and provide references to sources for the amounts used.
- c. Has KAWC included the entire cost of the project in rate base? If not, explain fully why not. If so, please identify exactly how that was reflected.
- d. Has KAWC reflected the project in rate base on a 13-month average basis? If not, explain fully why not. If so, please show exactly how that was done.

Response:

- a. In May 2008, Kentucky American Water established a detailed cost budget of the project. As with all projects, the budget included labor, contractor costs, consultant costs, land and easement costs, inspection costs, other utility connections, miscellaneous costs, interest costs, and an allowance for omissions and contingencies that may arise during the project implementation. As contractor costs have increased, the omissions and contingencies have been reduced. The original budget in May 2008 totaled \$162,311,710 without the preliminary source of supply development charges. The project has been included in the current case for a total of \$163,885,837 including the preliminary source of supply development charges. A number of increases from the original budget detail have resulted in the change in the estimate. The table listing below shows the significant changes in the project estimate.

Item	May 2008 estimate	Current estimate	Variance
Preliminary source of supply development	\$0	\$2,200,060	\$2,200,060

KAW labor and OH	\$520,500	\$1,326,621	\$806,121
AW Const. Admin.	\$460,000	\$919,947	\$459,947
Consultant Const Admin	\$1,000,000	\$1,093,580	\$93,580
Resident Observation (Inspection)	\$1,000,000	\$1,365,560	\$365,560
Contractor Costs	\$126,086,653	\$131,577,589	\$5,490,936
Easements and Land	\$3,437,315	\$4,242,129	\$804,814
WTP Electric	\$0	\$2,000,000	\$2,000,000
Capitalized Clearing	\$7,715,862	\$933,751	(\$6,782,111)
AFUDC	\$10,278,033	\$12,343,872	\$2,065,839
Omissions and Contingencies	\$6,500,000	\$889,546	(\$5,610,454)

The amounts reflected above for the Consultant Construction Administration cost reflect the amount rounded in the budget, where my testimony identified the original contract costs with the combined consultants of \$942,580. The costs necessary for the WTP Electric were not identified in the original project budget, as the electrical provider had not been identified at that point. In addition to the explanations in my testimony, the change in the contractor costs are detailed below:

Change Order #1 – WTP Contract

The first change order, executed September 22, 2008, covered five items for a net increase of \$477,902 as well as an extension in the contract substantial completion date of 48 days and an extension of the contract final completion date of 30 days. The first item in the change order was for the addition of the third raw water intake line, screen and pier at \$472,726. This item was originally

considered a component of Phase II (the expansion to 25 mgd) but after further review, KAW realized that the reliability of the intake facility was less than 20 mgd without the third raw water intake line, screen and pier. This installation was necessary for reliability and the contractor was asked to separate this from the original Phase II costs and include in the contract. The second item was for additional site rock blasting. This blasting cost \$2,600 and would be required at any point that the plant would be expanded. Although there are no current plans to immediately expand the plant, it was recognized that this blasting was a minor cost on the project and would protect the existing building during any future expansion. There was no excavation of the material. The third item was for a modification of the aluminum handrail for the exterior concrete stairway at the raw water pump station based on Kentucky Division of Building Code Enforcement and increased the project cost \$2,576. The fourth and fifth items were for the extension of the contract times at no additional cost based on the execution of the contract occurring on May 28, 2008, which was later than anticipated even in the bid extension request.

Change Order #2 – WTP Contract

The second change order, executed February 24, 2009, covered five items for a net increase to the project costs of \$54,679.36. The first item was the installation of a 42” water transmission main to the edge of the treatment plant property and the installation of 42” gate valve at the connection point. This item was \$25,888.23 but was offset by a reduction in pipe installed by Garney on the 42” transmission main portion of the project. The second item was for additional work to the raw water intake station access road. This new alignment was a condition of the property owner at the time of the closing, and was not part of the original bid. It eliminated the need for any additional easement on the remaining property. This increased the project cost \$125,957. The third item was the installation of under slab drain modifications as proposed by Reynolds-Rogers that decreased the project cost \$34,683. The fourth item was the installation of underground electrical service to the Raw Water Pump station in lieu of overhead installation and replacement of electrical conduit from stainless steel to aluminum. This decreased the project cost \$78,255. The fifth item was the addition of two pipe support piers on the raw water pipe that were omitted in the original scope of work. This is an increase in the project cost of \$15,772.13.

Change Order #3 -- WTP Contract

The third change order, executed July 23, 2009, encompassed fourteen items for a total net increase in contract price of \$372,897.27. These items represent electrical changes after detailed review by the electrical subcontractor and the engineer due primarily to omissions in the original electrical design. The first was for a change from 800 amps to 2,500 amps due to a contract drawing omission for \$302,631.17 from the electrical subcontractor. It did not include equipment increases that may be required. The second item was to install separate structures

for three electrical equipment pieces that were originally shown as one structure, which increased the cost by \$26,615.72. The third item was a credit of \$31,838.39 due to a change in wiring from the generator. The fourth item was to provide and install electrical power to nine solenoid valves that were omitted in the original contract drawings at a cost of \$6,529.56. The fifth item was to install stairwell lighting in the waste water pump station, which was omitted from the original drawings, at a cost of \$6,469.12. The sixth item was to delete the emergency generator load bank for a credit of \$68,218.33. The seventh item was to provide and install the conduit and wiring for the emergency chlorine scrubber system, which was an increase over the original wiring size from the scrubber manufacturer at a cost of \$2,877.47. The eighth item was to install explosion proof lighting fixtures for rooms that store potentially flammable material that were not specified correctly in the original plans for \$15,230.20. The ninth item was for replacing wiring for a credit of \$10,500. The tenth item was to provide and install conduit and fiber optic cable for the security system, which was not part of the original bid documents, at a cost of \$131,191.25. The eleventh item was to replace electrical switches and modify the wash water pump starters for a credit of \$3,565.49. The twelfth item was to delete four disconnect switches that were not required due to electrical changes for a credit of \$12,140.21. The thirteenth item was for additional conduit and wiring for additional circuit assignments that were omitted in the original plans for an increase of \$3,899.23. The fourteenth item was to install additional wire and conduit for the mixer motor that was not included in the original plans for an increase of \$3,715.96.

Change Order #4 - WTP Contract

The fourth change order, executed September 27, 2009, included seven items for a net increase of \$163,440.45. The first item was for upgrades to the door hardware for security purposes for \$6,408.95. The second item was for relocation of a water line on the intake property access easement as part of the access road construction, which was not anticipated when the easement was acquired, for an additional \$10,587.88. The third item was for the installation of stainless steel headers and additional rebar in the residuals building roof slab due to an error in the original plans for \$1,632.30. The fourth item was for the installation of additional door hardware and electric strikes necessary for additional security for \$9,894.60. The fifth item was the modification of the intake piping per a revised drawing, which included the modification of the valve nest and relocated the valves inside the caisson, and the extension of the third intake and construction of a third valve to accommodate the piping reconfiguration. The design did not include these items, but site conditions warranted the overall change, and the piping configuration had to be adjusted. This item represents an increase of \$114,282.47.

Change Order #5 – WTP Contract

The fifth change order, executed February 3, 2010 was for eleven items that decreased the contract price by \$41,461.65 and an extension in contract times of 30 days on the substantial completion date with no change to the final completion date. The first item was for the installation of material for the portable generator connection that was omitted from original plans for an additional \$11,000.32. The second item was to increase the variable frequency drive (VFD) motors to accommodate the full load amps of the raw water and high service vertical turbines for an increase of \$29,367.61. The third item was to install a roadway and electrical duct bank for Owen Electric incoming primary electric service, at an additional cost of \$34,825.65. The fourth item was to modify water quality analyzers and delete particle counters for a credit of \$57,801.55. The fifth item was to provide and install material for the circuit to the generator load center that was omitted from the original plans for a cost increase of \$15,179.13. The sixth item was to provide and install materials for the overflow pipe for the ponds adjacent to the raw water pump station access road that, after negotiations with the property owner, increased costs by \$1,717.64. The seventh item was to provide and install material for four load cells for the ammonia hydroxide bulk tank because the drawings did not match the tanks available from the vendor. This item was an additional cost of \$1,719.90. The eighth item was to provide additional structural steel to accommodate the two large HVAC roof openings for an increase of \$9,994.65. The ninth item was a credit for uninstalled steel H piles included in the bid that were replaced with jet grouted columns at the raw water intake caisson for a savings of \$84,315. The tenth item was a credit for steel H piles reflecting a reduced length per pile at the location of the intake screens for \$3,150. The eleventh item was to extend the substantial completion date by 30 days due to significant weather days that have occurred.

Change Order #1-A – 42” Transmission Main Contract

The first change order on Section A, executed October 1, 2008, covered three items for an increase in the contact price of \$269,420. The first item was an increase in unit pricing on 60” boring due to unprecedented steel pricing increases between the time that the bids were extended and the time that the contracts were executed. None of the boring subcontractors was willing to honor their previous bids to Garney. This item represented \$195,580. The second item was a request by KAW for a 12” diameter bypass to be furnished at each 42” gate valve assembly and represented an increase of \$45,840. The third item was for unit pricing for additional silt fencing not shown on the original plans of erosion and sedimentation control for an increase of \$28,000.

Change Order #2-A – 42”Transmission Main Contract

The second change order on Section A, executed November 21, 2008, covered two items for an increased cost of \$46,005. The first was an increase to furnish an additional 42" gate valve at the treatment plant connection that was not included in the original plans for \$41,005. The second item was an increase to perform work as part of a temporary easement agreement that was not included in the original bid documents for \$5,000.

Change Order #3-A – 42" Transmission Main Contract

The third change order on Section A, executed March 24, 2009, covered five items for a total increase of \$63,219. The first item was to furnish additional permanent fencing in the contract that was not included in the original plans, estimated at \$30,000. The second item was for a pipe alignment that reflected no cost increase. The third item was to furnish and install pre-cast concrete vaults with 4' diameter manhole lids in lieu of valve boxes and lids for \$10,000. The fourth item eliminated insulation to be provided in the combination air valve vaults and gate valve vaults, which was no longer necessary as part of furnishing the pre-cast vaults, reducing costs by \$4,900. The fifth item was for additional pavement binder that was required by the KY Transportation Cabinet on Indian Gap Road for an increase of \$28,119.

Change Order #4-A – 42" Transmission Main Contract

The fourth change order on Section A, executed July 23, 2009, covered two items for an increase of \$481,694.55. The first item was for additional flowable fill in lieu of dense graded aggregate required by the KY Transportation Cabinet and additional binder on the asphalt paving for an estimated \$362,964.55. The second item was for revised base pavement requirements from the KY Transportation Cabinet for an increase of \$118,737.

Change Order #5-A – 42" Transmission Main Contract

The fifth change order on Section A, executed September 27, 2009, covered five items for an increase of \$912,522.86. The first item was an increase to repair additional pavement as required by the KY Transportation Cabinet beyond the scope that was bid in the original plans for an increase for \$84,355.20. The second item was for two trencher moves, one at Rocky Branch Road and another from the west to east side of Elkhorn Creek due to incomplete easement acquisition, for an increase of \$205,981.51. The third item was for additional construction costs for work to maintain traffic along Jones Lane for an increase of \$245,075.60. The fourth item was for additional milling and pavement repair work required by the KY Transportation Cabinet as part of the negotiations for the permit requirements, for an increase of \$352,740.55. The fifth item was for two days of delay for the trencher at Rocky Branch Road prior to the move identified in the second item of this answer for an increase of \$24,370.00.

Change Order #6-A – 42” Transmission Main Contract

The sixth change order on Section A was executed March 10, 2010, after my testimony was submitted. It covered three items for an increase of \$711,565.68. The first item was for the final paving overlay installed under a work change directive as required by the Kentucky Transportation Cabinet beyond the scope that was bid in the original plans for an increase of \$706,042.06. The second item is for two (2) bollard posts at each fire hydrant on the route to protect the hydrants in the rural area from being damaged by vehicles, for an increase of \$3,838.80. The third item is for a concrete valve pad poured underneath each 42” gate valve assembly at KAW’s request for easier long-term maintenance of the valve. This was an increase of \$1,684.82.

Change Order #1-B – 42” Transmission Main Contract

The first change order on Section B, executed October 1, 2008, covered five items for an increase of \$939,000. The first item was an increase due to additional 60” bore footage as required by the final permit with the KY Transportation Cabinet for an increase of \$1,110,470. The second item was to furnish a 12” diameter bypass at each 42” gate valve assembly for an increase of \$126,060. The third item was to furnish additional silt fencing not shown on original plans for erosion and sedimentation controls for an increase of \$28,000. The fourth item was a change in construction at Interstate 75 that allowed an open cut between interstate ramps for a reduction of \$337,230. The fifth item was to relocate a combination air valve and provide three additional air valves for an increase of \$12,000.

Change Order #2-B – 42” Transmission Main Contract

The second change order, executed November 21, 2008, covered two items for an increase of \$166,990. The first item was a trencher move to accommodate construction as part of easement negotiations, at an additional cost of \$129,750. The second item was to furnish a 24” gate valve at the tie-in to Newtown Pike that was not included in the original design for an increase cost of \$37,240.

Change Order #3-B – 42” Transmission Main Contract

The third change order, executed March 19, 2009, covered seven items for an increased cost of \$165,774. The first item was for the installation of a 12” outlet at US 62 and Ironworks as a flushing point for an increase of \$14,050. The second item was for additional permanent fencing along temporary easements that was not included in the original plans for an increase of \$30,000. The third item was for the construction of a launch point within the pipeline alignment that would allow KAW to insert a cleaning device in the pipe called a “pig”. This change was made at the request of KAW for an increase cost of \$76,900. The fourth item was for pipe alignment changes that result in no change in the contract

price. The fifth item was for the installation of pre-cast concrete vaults in lieu of valve boxes and lids at the request of KAW for an increase in cost of \$37,674. The sixth item was for extra trench depth in the vicinity of the KY Horse Park to accommodate a new entrance for an additional cost of \$37,674. The seventh item was to eliminate insulation in the combination vaults as a result in the use of the pre-cast concrete vaults for a decrease of \$11,600.

Change Order #4-B – Transmission Main Contract

The fourth change order on Section B, executed September 30, 2009, covered three items for an increase of cost of \$37,700. The first item was for the installation of an outlet at US 460 and Woodlake Road as a flushing point for an additional \$27,400. The second item was for extra trench depth due to negotiations with property owners for easements for an increase of \$8,050. The third item was for the removal of 900 linear feet of existing fencing as part of easement negotiations for an increase cost of \$2,250.

Change Order #5-B – Transmission Main Contract

The fifth change order on Section B, executed September 27, 2009, covered two items for an increase cost of \$204,674.50. The first item was for a trencher move around a property where the pipeline had been completed earlier as part of easement negotiations, for an increase of \$93,287. The second item was for delays due to lack of easement acquisitions for an increased cost of \$111,387.50.

Change Order #1 – Booster Station and Storage Tank Contract

The first change order, executed February 24, 2009, covered two items for an increase of \$132,916.50. The first item was for a change in suction piping from 24” to 30” required by the pump manufacturer, for an additional \$128,139.00. The second item was to complete work on the property as part of easement negotiations for an increase cost of \$4,777.50.

Change Order # 2 – Booster Station and Storage Tank Contract

The second change order, also executed February 24, 2009, covered four items for an increase of \$88,383.00. The first item was for changes to the floor drain system as required by building inspection regulations for an increased cost of \$4,626.00. The second item was to correct contract drawings to reflect yard piping adjustments for no change in contract price. The third item was the deletion of 198 feet of yard piping and two fittings to eliminate conflicts with tank piping, for an additional cost of \$144,526 and a reduction offset of \$67,943.00. The fourth item was the replacement of four fittings in the yard piping due to alignment changes, for an additional cost of \$7,174.00.

Change Order #3 – Booster Station and Storage Tank Contract

The third change order, executed September 27, 2009, covered five items for an increase of \$17,248. The first item was for a revision in the booster station door size from 3' 4" to 6' 4" in width requested by KAW to accommodate larger pieces of equipment, at an additional cost of \$2,288. The second item was for a change to the emergency generator set to include changes requested by KAW during the submittal review process, at a cost of \$4,438.00. The third item was for additional piping for a future fourth pump as requested by KAW, at an additional cost of \$6,834.00. The fourth item was for revisions to the HVAC system due to building code compliance issues raised by the HVAC subcontractor, for an increase of \$3,688.00. The fifth item was for a change to correct the contractor retainage held from 15% to 10% as reflected in addendum 5 of the bid documents that was not incorporated into the executed contract documents. This item did not change the overall contract price.

Change Order #4 – Booster Station and Storage Tank Contract

The fourth change order, executed March 10, 2010, covered six items for an increase of \$86,585.50. The first item was the increase in pricing to change the SCADA antennae mount, detaching it from the tank. This item was an additional \$1,659.50. The second item was an increase to change the roll door color to match the building roof and trim, at an additional \$3,029.00. The third item was for additional work on John Mucci's property to meet the terms of the booster station site easement. This work was originally authorized under Work Change Directive #1 and estimated at \$25,000, however, additional grading work was required. The final increase is \$34,603. The fourth item is for HVAC electrical modifications as required by changes to the HVAC unit. This work was an additional \$4,090.00. The fifth item is for additional work to exterior masonry walls due to an additional joint installation requirement for \$5,599.00. The sixth item is for modifications required due to the change in the electrical service from KU. This is an additional \$37,605.00.

- b. Please see the table below which compares the KRS II costs included in this case to the equivalent costs included in both the 2008 rate case and the 2007 certificate case. At the March 6, 2008 hearing in case number 2007-00134, KAW identified an estimated project cost of \$155.837 million¹ for a 20 MGD facility. Ms. Bridwell at the hearing indicated upon questioning by Chairman Goss that the bids received in December 2007 had expired in February 2008 and that the Company had received revised bids which the contractors would hold until May 2008, but the revised bids were \$5.453 million higher². The project costs provided in the certificate case assumed that approximately \$89 million of CWIP for the project would be given full rate base treatment, with AFUDC ceasing on the \$89 million, upon the effective date of rates in the 2008 rate case³ (June 1,

¹ Case No. 2007-00134, Hearing Exhibit 12.

² See transcript of March 6, 2008 hearing in case number 2007-00134, at pages 81-82. Also see Pool 3 Progress Report filed with the Commission on July 1, 2008 as required by the Order in case number 2007-00134.

³ Case number 2007-00134, Hearing Exhibit 12.

2009). In case number 2008-00427, the Company included a request for \$66.0 million of CWIP for full rate base treatment with AFUDC ceasing on that \$66 million on June 1, 2009. As outlined in the Settlement Agreement⁴ in case number 2008-00427, the parties to that case, including the AG, agreed to recognize \$20.2 million of the KRS II costs in rate base and cease AFUDC on the \$20.2 million on the effective date of the new tariffs from that case. The result of including nearly \$46.0 million less CWIP in full rate base in the 2008 rate case settlement than had been used in the Company's certificate case results in an increase in AFUDC over the level on which the estimate in the both the certificate case and the treatment proposed in the 2008 rate case was based. The AG and the Company had lengthy discussion on this impact during the 2008 rate case process, and prior to reaching settlement in that case. The table below includes the additional AFUDC related to the lower CWIP fully embedded in the 2008 rate case rate base. When this "apples to apples" comparison is made, the KRS II costs included in this case are \$459,712 or 0.3% (3/10ths of 1%) lower than the estimate used in the 2008 rate case, and \$529,998 or 0.3% (3/10ths of 1%) over the estimate used in the certificate case. The Company has been able to keep the project on budget and in line with the estimate provided in the certificate case.

	KRS II Cost in Current Case	Est. in 2008 Rate Case	Variance	Est. KRS II costs in Cert. Case	Variance
	\$163,885,837	\$162,311,710		\$161,290,000	
Add'l AFUDC	<u>0</u>	<u>\$2,065,839</u>		<u>\$2,065,839</u>	
Comparable Total	\$163,885,837	\$164,377,549	(\$491,712)	\$163,355,839	\$529,998

- c. Yes. Please refer to KAW_R_PSCDR1#1a_WP1-4_031610, pages 10-12 and pages 29-31 of 53. The electronic version of these work papers can be found in the response to KAW_R_AGDR1#1_042610, file name Constr-10.xls, under the construction tab.
- d. Yes. The additions are reflected in the utility plant accounts in the month the project was completed and additional charges are detailed in the respective utility plant accounts in subsequent months thereafter. This is detailed on the excel file provided in response to KAW_R_AGDR1#1 on the file labeled Constr-10.xls under the Construction tab. As detailed on the excel file provided in response to KAW_R_AGDR1#1 on file K-RB10.XLS under tab WPS RB, the Company started with the ending utility plant balances by account as of May 31, 2009 and detailed the additions, retirements and net month end balances by account for each month from June 2009 through September 2011. The 13-month average utility plant balance was then calculated using the month end balances from September 2010 through September 2011.

⁴ Case No. 2008-00427, Settlement Agreement, Stipulation and Recommendation, paragraph 4.

For the electronic version of this response, refer to KAW_R_AGDR1#133_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

134. In the context of the future test year ending 9/30/2011, how much of the KRS II project is beyond KAWC's current capacity needs? Please explain and quantify.

Response:

None. The KRS II project solves KAW's treatment capacity problem and KAW's source of supply problem. As described in detail in Case No. 2007-00134, KAW has an existing treatment plant capacity deficit of 10.33 million gallons per day in 2010 based on the maximum day demand projections. This deficit is expected to grow to 21.6 million gallons per day by 2030. However, KAW also has an existing source of supply deficit for the Kentucky River supply to its two current treatment plants. The deficit for the source of raw water supply is 20 million gallons per day in 2010 based on a drought average day demand.

For the electronic version, refer to KAW_R_AGDR1#134_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

135. Refer to Ms. Bridwell's testimony at page 23. Please identify and provide a copy of all written or emailed responses from each of the BWSC utilities concerning KAWC's attempts at seeking a regional partnership for KRS II.

Response:

Correspondence related to negotiations and agreements with the BWSC utilities can be found on the Commission website at www.psc.ky.gov under case number 2007-00134. Since completion of case number 2007-00134 all of the responses from each of the BWSC utilities concerning KAW's attempts at seeking a regional partnership for KRS II have been verbal.

For the electronic version, refer to KAW_R_AGDR1#135_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Dr. Edward Spitznagel

136. Please provide a working model of Dr. Spitznagel's weather normalization study.

Response:

The various files utilized in his study are included in response to KAW_R_AGDR1#2_042610 on the enclosed CD in their native format.

For the electronic version of this response, refer to KAW_R_AGDR1#136_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Dr. Edward Spitznagel

137. To the extent not provided in Questions 3 and 4, please provide the data in Excel used to produce ELS Appendix B through Appendix E.

Response:

The data used to produce Appendices D and E is contained within the Excel workbooks themselves and have been supplied in response to KAW_R_AGDR1#2 with the workpapers and exhibits. The data used to produce Appendices B and C in excel format are included on the enclosed CD in folder KAW_R_AGDR1#137 entitled:

Appendix_B_Data.xls

Appendix_C_Data.xls

It should be noted that the data is essentially the same in both cases. However, the Appendix C data is sorted first by month, then by year, to make it simpler to use in responding to KAW_R_AGDR1#136_042610.

For the electronic version of this response, refer to KAW_R_AGDR1#137_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Dr. Edward Spitznagel

138. Please identify, quantify and explain in detail how Dr. Spitznagel accounted for and modeled the impact of the economic difficulties experienced in 2008 and 2009 on customer water usage.

Response:

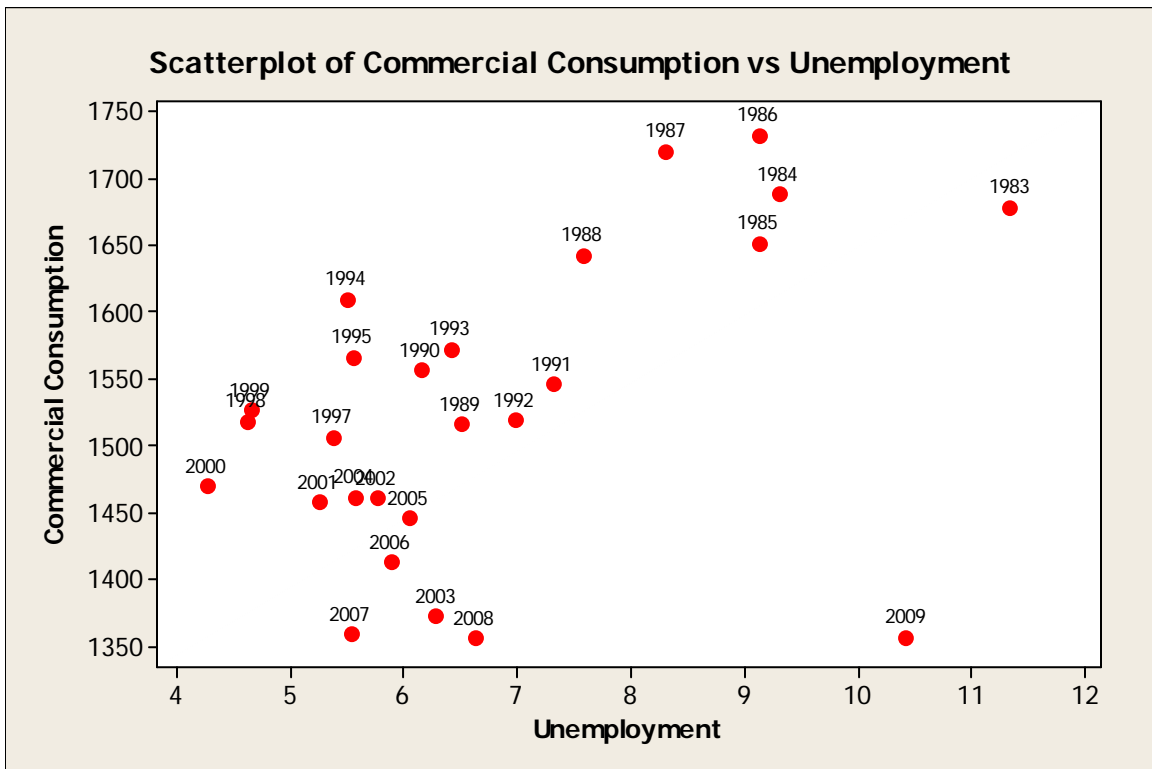
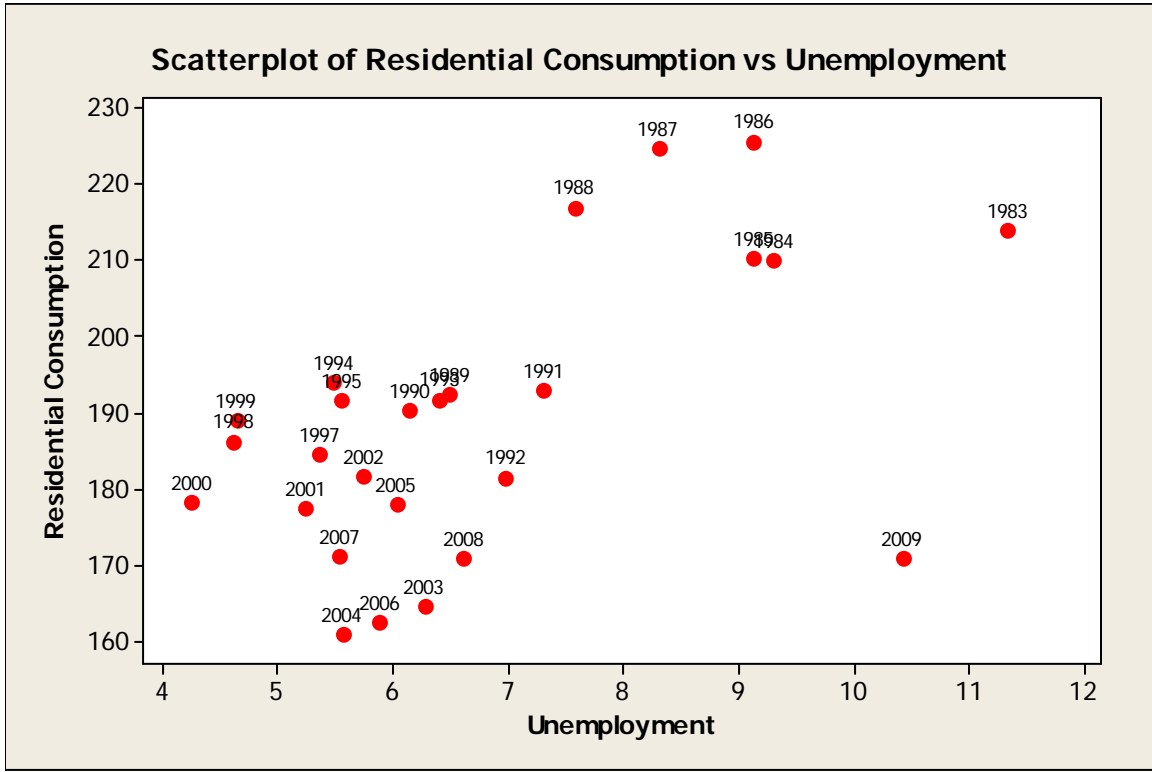
Water has a very inelastic demand compared with most other utilities. That is, because water is so inexpensive, demand for it is not affected by even severe economic conditions. For example, if the average residential user were to decrease usage by 10% in a given month, the saving would be less than the cost of a burger, fries, and a drink at a fast-food restaurant. Therefore, it is not necessary to account for economic conditions in modeling demand. To demonstrate the inelasticity of demand, I obtained unemployment data for Kentucky covering the entire period for which I have weather data, 1983 through 2009. (Source: <ftp://ftp.bls.gov/pub/time.series/la/la.data.24.Kentucky>.) In the year 1983, Kentucky had an even higher unemployment rate, 11.33%, than in the year just completed, 2009, when it was 10.42%. In the early 1980's under Paul Volcker, the Federal Reserve raised interest rates drastically, in order to break the back of inflation. For example, thirty-year home mortgage rates went above 18%. A consequence was that unemployment shot up and remained high for several years, giving us the opportunity to study the effect of bad economic conditions on water consumption.

In the Excel Workbook "Unemployment-Study.xls", I have plotted average daily residential and commercial consumption versus Kentucky unemployment rates for the years 1983 through 2009. In both cases, there appears to be a pattern of the letter V tilted clockwise onto its side, but this pattern is the opposite of what one would expect. That is, it appears that water consumption increases as the unemployment rate goes up. In reality, the upper arm of the V represents the recovery from unemployment along with the gradual decrease in water consumption over time. The excel file is included on the enclosed CD in folder KAW_R_AGDR1#138_042610

Unfortunately, Excel does not have the capability to label the points with the year, so I have also drawn the same graphs with the statistics package Minitab. These are pasted into the fifth sheet of the Excel workbook, the sheet called "With Year Labels." I have also pasted them into this document, on the next page. Most of the "noise" in the plots is due to the fact that the consumption is not weather-normalized.

The rest of the Excel workbook contains the same data I used to produce Appendix_B in Case 2008-00427 before this Commission, but freshly updated through December 2009.

To summarize: water demand is inelastic and therefore it is not necessary to account for economic conditions such as unemployment.



For the electronic version of this response, refer to KAW_R_AGDR1#138_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller/ Dr. Edward Spitznagel

139. Has the type of weather normalization proposed by Dr. Spitznagel in the current KAWC rate case ever been proposed by any of the other American Water Works water utility subsidiaries for adjusting test year water sales? If not, explain fully why not. If so, please identify each such instance (by affiliate name, jurisdiction, docket number, and date) and provide a copy of the related testimony and regulatory authority decision.

Response:

Yes. See attached list of cases where Dr. Spitznagel has appeared for AWW regulated subsidiaries, except KAW cases 2000-120, 2004-00103, 2007-00143, and 2008-00427. Also attached are copies of the related testimony, except testimony in KAW cases which can be found on the commission website www.psc.ky.gov

In Tennessee American ("TAW") case number 06-00290 the TRA accepted the Company's weather normalized sales levels for the residential and commercial customer classifications which was supported by the testimony of Dr. Spitznagel.

In TAW case number 08-0039 the TRA accepted the Company's weather normalized sales levels for the commercial customer classification while not adopting Dr. Spitznagel's methodology and provided the Commission's own weather normalized sales levels for the residential customer classification, a method or result not put in the record by any party. The TRA's decision in this case, and the weather normalization area specifically, are currently under appeal to the Tennessee Court of Appeals – Middle Section.

In KAW case number 2000-120, the Company's residential and commercial weather normalized sales (with minor adjustments for customer growth) as supported by the testimony of Dr. Spitznagel were recognized in establishing the rates approved by the Commission.

In KAW case number 2004-00103 the Company's residential and commercial weather normalized sales as supported by the testimony of Dr. Spitznagel were recognized in the Commission's final Order (pages 40-41) and were recognized in establishing the rates approved by the Commission.

For the electronic version, refer to KAW_R_AGDR1#139_042610.pdf.

Previous Weather Normalization Testimony of Edward L. Spitznagel, Jr.

Year	Jurisdiction	Docket No.	Client/Utility	Disposition
2007	IOWA UTILITIES BOARD	RPU-07-3	Iowa-American Water Company	Stipulated Case
2003	MO PSC	WR-2003-0500	Missouri-American Water Company	Stipulated Case
2007	MO PSC	WR-2007-0216	Missouri-American Water Company	Stipulated Case
2008	MO PSC	WR-2008-0311	Missouri-American Water Company	Stipulated Case
2010	MO PSC	WR-2010-0131	Missouri-American Water Company	Case in progress
2006	NJ BPU	WR-06030257	New Jersey-American Water Company	Stipulated Case
2002	TN Reg. Auth.	03-00118	Tennessee-American Water Company	Stipulated Case
2004	TN Reg. Auth.	04-00288	Tennessee-American Water Company	Stipulated Case
2006	TN Reg. Auth.	06-00290	Tennessee-American Water Company	Litigated Case
2008	TN Reg. Auth.	08-00039	Tennessee-American Water Company	Litigated Case

1 STATE OF IOWA
2 BEFORE THE IOWA UTILITIES BOARD

3
4
5 IN RE: : DOCKET NO. RPU-07-_____
6 :
7 IOWA-AMERICAN WATER COMPANY :
8 APPLICATION FOR REVISION OF RATES :
9

10 DIRECT TESTIMONY OF
11 EDWARD L. SPITZNAGEL, JR.
12

13 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

14 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box 1146,
15 One Brookings Drive, St. Louis, Missouri 63130-4899.

16 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

17 A. I am employed by Washington University, where I am Professor of Mathematics in the
18 College of Arts and Sciences at Washington University. I also hold a joint appointment
19 in the Division of Biostatistics of the Washington University School of Medicine.

20 Q. WHAT ARE YOUR RESPONSIBILITIES IN THIS POSITION?

21 A. My duties include teaching, research, and participation in Departmental administration. I
22 have also donated my assistance, as needed, to the University administration for work
23 such as placement examinations, course evaluation, North Central Association
24 accreditation, and statistical sampling for auditing.

25 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

26 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962 by
27 Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and Ph.D. (1965)
28 in mathematics awarded by the University of Chicago.

1 **Q. WHAT HAS BEEN YOUR BUSINESS EXPERIENCE?**

2 A. I have served on the Faculty of Arts and Sciences of Washington University since 1969.
3 I have held a joint appointment in the Division of Biostatistics since 1978. From 1965 to
4 1969 I was on the faculty of Northwestern University. I have consulted for a number of
5 businesses, some of which are listed on my Curriculum Vitae, attached to my Direct
6 Testimony as Exhibit __ [ELS-1].

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY MATTERS?**

8 A. Yes. I have previously testified in water rate cases in Missouri, Kentucky, Tennessee,
9 and New Jersey. In addition to this case, I am also currently involved in rate cases in
10 Missouri, Kentucky, and Tennessee.

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

12 A. I have been retained by Iowa-American Water Company ("Iowa-American" or the
13 "Company"), to estimate water utilization by residential and commercial customers of
14 the Company's Quad Cities District and the Clinton District for the period January 2007
15 to December 2007. This estimate is based on identifying and quantifying the impact of
16 both the trend in the decline in water sales and the impact of weather.

17 **Q. PLEASE EXPLAIN YOUR ANALYSIS.**

18 A. Regarding the impact of weather, from one year to the next, variations in temperature and
19 precipitation lead to changes in water consumption. More water will generally be used
20 during hotter, drier periods. The regulatory question is how to reflect those weather-
21 related differences when setting rates. For ratemaking purposes, revenues need to be set
22 to as "normal" a level as possible, factoring out the potential or actual results of unusual
23 weather conditions. This can be accomplished by building statistical models that predict

1 water utilization from meteorological data and other possible predictors. An estimate of
2 future utilization can then be made by using a long-term average of meteorological data
3 (since there is no better way to forecast next year's weather than as an average) and
4 known values of the other predictors.

5 **Q. WHAT ARE EXAMPLES OF THESE OTHER, NON-METEOROLOGICAL**
6 **PREDICTORS?**

7 A. One is the year itself. In many regions, due to gradual introduction of water-conserving
8 plumbing fixtures and appliances, use of water appears to be gradually declining over
9 time. Another is the month of the year. While water utilization increases during the
10 warmer, drier summer months, analysis of variance shows that month as a categorical
11 variable is a powerful predictor even after temperature and moisture have been included
12 in the model. My model takes into account both the impact of weather and the general
13 decline in sales due to the other non-meteorological predictors.

14 **Q. WHAT MODEL FOR WATER UTILIZATION DID YOU EMPLOY?**

15 A. In a 1997 case before the Public Service Commission of the Commonwealth of
16 Kentucky, I screened a large number of candidate predictors by examining data from
17 sixteen different operating companies in five states, Kentucky, Missouri, Ohio,
18 Tennessee, and Virginia. I used as candidate predictors only those variables that
19 correlated consistently with utilization for most or all of these operating companies. I
20 then fitted the surviving candidates in a multivariate model to predict utilization. I found
21 that calendar month was a strong predictor even in the presence of heat and moisture
22 variables. Therefore I included month as a categorical variable. With month included, I
23 added the Palmer Drought Severity Index ("PDSI"), temperature, and calendar year as

1 potential numeric predictors. I found that temperature was not a useful predictor in the
2 presence of the other variables, so from that point onward, I did not use it. For the months
3 of January through April, there was no evidence that moisture predicted utilization. For
4 the months of May through December, there was evidence of moisture predicting
5 utilization. The month was a very strong predictor, both as a main effect and interacting
6 with the drought severity index. Because of this, I estimated twelve separate predictive
7 models, one for each month of the year.

8 **[Q. DID THE KENTUCKY PSC ADOPT THIS METHODOLOGY?**

9 **A. Yes. The Commission adopted my recommendations for water utilizations.**

10 **Q. FOR THE PRESENT CASE, WHAT YEARS OF UTILIZATION AND WHAT**
11 **DATA WERE USED TO BUILD THE MODELS?**

12 A. For the present case I used those same predictors to estimate utilization by fitting them to
13 monthly consumption data from January 1997 through December 2006. For the Clinton
14 District, I was able to use all the data. For the residential monthly Quad Cities District
15 customers, I noticed a small anomaly consisting of a steeper decline in consumption in
16 2004 and 2005. It turned out that this was due to the acquisition in October 2003 of a
17 small company located in Le Claire, Iowa. On average, that company's customers were
18 lighter consumers than the rest of the Quad Cities customers. Since Iowa-American only
19 has a short amount of consumption data for those Le Claire customers, which is
20 insufficient for estimating a time trend, I have recommended that their consumption not
21 be trended using my study at this time. I believe the Company used actual test year sales
22 to determine the revenues from these customers..

1 **Q. GIVEN THAT CUSTOMERS ARE BILLED THROUGHOUT EACH MONTH,**
2 **WHICH MONTH OF THE PDSI DO YOU USE?**

3 A. For monthly billed customers, I used an average of the PDSI for the month in question
4 and the PDSI for the previous month. For quarterly billed customers I used an average of
5 the PDSI in the month of billing and the PDSIs for each of the two previous months. In
6 each rate case in which I am involved, I check several variations of the drought severity
7 index, such as current month, previous month, averages, and I also try indices truncated
8 at +1, 0, and -1, to maximize predictive power. Most of these variations yield
9 approximately the same predictive power. For the present case, the two averages
10 described above, applied to indices truncated at -1, gave the best fit.

11 **Q. WHAT IS THE RATIONALE FOR EXPLORING AND POSSIBLY USING**
12 **TRUNCATED VERSIONS OF THE PDSI?**

13 A. Positive values of PDSI indicate a moisture surplus, while negative values indicate a
14 moisture deficit, or drought. For some cities or regions, I have found that consumption
15 rises continuously as PDSI decreases. For other regions, consumption does not begin to
16 rise until the PDSI falls below a certain level. In both of the Iowa-American districts, the
17 best predictive model was obtained by truncating the PDSI at -1, which means that for
18 those districts, water consumption does not begin to rise until a mild drought condition
19 already exists.

20 **Q. IN THE SEPARATE MONTHLY MODELS THAT YOU ESTIMATED, NOT ALL**
21 **OF THE COEFFICIENT ESTIMATES ARE STATISTICALLY SIGNIFICANT.**
22 **IS THIS A PROBLEM?**

1 A. No. The candidate variables were obtained as described above, by examining data from
2 16 different water companies, selecting those that correlated with utilization over most or
3 all of those companies. Once those variables were selected, the resulting estimates based
4 on them will be unbiased. If they are subject to further selection based on statistical
5 significance, there is a chance that a small amount of bias could result.

6 **Q. ONCE YOU HAD ESTIMATED THE COEFFICIENTS IN THESE MONTHLY**
7 **MODELS, HOW DID YOU PROJECT UTILIZATION FOR JANUARY 2007**
8 **THROUGH DECEMBER 2007?**

9 A. I put the coefficients from the monthly regressions into four Excel workbooks, two for
10 each district. Within each district, I used one workbook for monthly billed customers,
11 and the other for quarterly billed customers. I calculated the mean PDSI values for each
12 of the twelve calendar months over the 30 year period from January 1977 to December
13 2006 and inserted those values into the spreadsheets. I then projected an average daily
14 utilization for each month or quarter. Once these twelve projections were computed, I
15 calculated the projected average daily utilization for the period January 2007 to
16 December 2007 by taking an average weighted by the number of days in each billing
17 cycle. These spreadsheets are contained in Exhibit __ [ELS-2].

18 **Q. WHAT ARE YOUR PROJECTIONS OF DAILY UTILIZATION UNDER**
19 **AVERAGE WEATHER FOR THE TWO IOWA-AMERICAN DISTRICTS AND**
20 **THE VARIOUS IOWA-AMERICAN CUSTOMER CLASSES FOR THE PERIOD**
21 **JANUARY 1, 2007 THROUGH DECEMBER 31, 2007?**

22 A. For Quad Cities residential customers (all billed quarterly): 157.41 gal/customer/day.
23 For Quad Cities commercial customers billed quarterly: 333.49 gal/customer/day.

1 For Quad Cities commercial customers billed monthly: 2,201.42 gal/customer/day.

2 For Clinton residential customers (all billed quarterly): 145.33 gal/customer/day

3 For Clinton commercial customers billed quarterly: 258.32 gal/customer/day

4 For Clinton commercial customers billed monthly: 1,997.54 gal/customer/day.

5 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

6 A. Yes, it does.

DIRECT TESTIMONY

EDWARD L. SPITZNAGEL, JR.

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND EMPLOYER.**

2 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box
3 1146, One Brookings Drive, St Louis, Missouri 63130. I am employed by
4 Washington University.

5 **Q. WHAT IS YOUR PRESENT POSITION?**

6 A. I am Professor of Mathematics in the College of Arts and Sciences at Washington
7 University. I also hold a joint appointment in the Division of Biostatistics of the
8 Washington University School of Medicine.

9 **Q. Please review your educational background and work experience.**

10 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962
11 by Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and Ph.D.
12 (1965) in mathematics awarded by the University of Chicago. I have served on the
13 Faculty of Arts and Sciences of Washington University since 1969. I have held a
14 joint appointment in the Division of Biostatistics since 1978. From 1965 to 1969, I
15 was on the faculty of Northwestern University.

16

17 Attached to my testimony is Schedule ELS-1, which provides a more detailed listing
18 of my education and qualifications in the area of mathematics and statistics.

19

PURPOSE AND SCOPE

1
2 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

3 A. I have been employed by Missouri-American Water Company to make weather-
4 normalized predictions of water utilization for the period January 2003 to December
5 2003.

6 **Q. WHAT IS WEATHER NORMALIZATION?**

7 A. From one year to the next, variations in temperature and precipitation lead to
8 changes in water consumption. More water will generally be used during hotter,
9 drier periods. The regulatory question is how to reflect those weather-related
10 differences when setting rates.

11
12 For ratemaking purposes, revenues need to be set at as "normal" a level as
13 possible, factoring out the potential or actual results of unusual weather conditions.
14 This can be accomplished by building statistical models that predict water utilization
15 from meteorological data and other possible predictors. An estimate of future
16 utilization can then be made by using a long-term average of meteorological data
17 and known values of the other predictors.

18 **Q. WHAT ARE EXAMPLES OF THESE OTHER NON-METEOROLOGICAL**
19 **PREDICTORS?**

20 A. One is the year itself. Due to gradual introduction of water-conserving plumbing
21 fixtures and appliances, in many regions use of water appears to be slowly
22 declining over time. In other regions where the growth has led to new homes with

1 expansive lawns and/or larger commercial establishments, the use of water can
2 increase over time.

3
4 Another is the month of the year. While water utilization increases during the
5 warmer, drier summer months, analysis of variance shows that month as a
6 categorical variable is a powerful predictor even after temperature and moisture
7 have been included in the model.

8 **Q. WHAT MODEL FOR WATER UTILIZATION DID YOU EMPLOY?**

9 A. In a previous case before the Public Service Commission of the Commonwealth of
10 Kentucky (1997), I screened a large number of candidate predictors by examining
11 data from fourteen different operating systems in five states: Kentucky, Missouri,
12 Ohio, Tennessee, and Virginia. Five of these fourteen operations were located in
13 Missouri: Brunswick, Cottleville (St. Charles), Mexico, Parkville, and Warrensburg.
14 I also received data from two other Missouri operations: Joplin and St. Joseph.
15 These two systems billed on a quarterly basis but could not provide records on the
16 numbers of customers billed in each billing cycle, so it was not possible to compute
17 consumption on a per-customer basis.

18
19 I used as candidate predictors only those variables that correlated consistently with
20 utilization for most or all of these operating companies.

21 **Q. WHAT WERE SOME OF THE VARIABLES THAT MET THIS CRITERION?**

22 A. For heat, both mean temperature and cooling degree days correlated strongly with
23 utilization. For moisture, the Palmer Drought Severity Index correlated strongly

1 with utilization. Rainfall and the available soil moisture index used in Missouri at
2 that time did not correlate nearly as well.

3
4 I then fitted the surviving candidates in a multivariate model to predict utilization. I
5 found that calendar month was a strong predictor even in the presence of heat and
6 moisture variables. Therefore, I included month as a categorical variable. With
7 month included, I tested drought severity index, temperature, and calendar year as
8 potential numeric predictors. I found that temperature was not a useful predictor in
9 the presence of the other variables, so from that point onward, I did not use it.

10
11 For the months of January through April, there was no evidence that moisture
12 predicted utilization. For the months of May through December, there was evidence
13 of moisture predicting utilization, being a weak predictor in the months of May, June,
14 November, and December and a strong predictor for the months of July through
15 October.

16
17 I tested truncated versions of the Palmer Drought Severity Index as predictors,
18 finding that truncation at 0 yielded a slightly larger R-square than the non-truncated
19 index and the index truncated at all other levels.

20
21 Month was a very strong predictor, both as a main effect and interacting with the
22 drought severity index. Because of this, I estimated twelve separate predictive
23 models, one for each month of the year.

1 **Q. DID YOU RE-SCREEN FOR PREDICTORS IN THE PRESENT CASE?**

2 A. For the present case, I screened those same predictors to estimate water utilization
3 by fitting them to monthly or quarterly consumption data from January 1993 through
4 December 2002, for six of the nine operating districts: Brunswick, Mexico, Parkville,
5 Warrensburg, St. Charles County, and St. Louis County. In the case of
6 Warrensburg, the numbers of commercial customers were too low during the ten
7 month period from October 1994 through Jly 1995. For Warrensburg commercial
8 customers, I used the remaining 110 months of data. Jefferson City had only three
9 years of billing information. The numbers of bills per cycle were not available for
10 Joplin and St. Joseph, so these two companies' quarterly data could not be used.
11 The only major difference I found was that the Palmer Drought Severity Index
12 worked best with no truncation.

13
14 I then estimated monthly or quarterly consumption models for the six companies
15 separately for residential and commercial customers, as well as for Other Public
16 Authority customers of St. Louis County consumption. Each model potentially
17 includes month as a categorical variable and separate monthly slopes for Palmer
18 Drought Severity Index (for May through December) and year-since-1990.
19 Analyses of variance for these full models can be found in Schedule ELS-2. Both
20 Type I (sequential) and Type III (partial) sums of squares and F-tests are given.
21 The selection criterion for retaining a term in the model was based on its Type III
22 sum of squares and F-test. If the drought severity index slopes as a group were not
23 statistically significant, they were removed from the model. If the year since 1990

1 slopes as a group were not statistically significant, they were removed from the
2 model. For Joplin and St. Joseph, I fitted models with the same predictors, except
3 on an annual basis using the mean number of customers each year as the divisor to
4 obtain the per-customer consumption.

5
6 **Q. WHAT IS SERIAL CORRELATION?**

7 A. Serial correlation is a positive or negative correlation of a time series with itself
8 shifted in time. Formal statistical significance tests assume independence of the
9 error term in the statistical model. That is, the error term is assumed not to have
10 serial correlation.

11 **Q. IS IT A PROBLEM IN THIS METHODOLOGY?**

12 A. In these models, because of the use of monthly or quarterly data, there could be a
13 slight positive correlation of the error term. This tends to increase the p-values
14 (equivalent to making hypothesis tests slightly less significant). It does not cause
15 the coefficient estimates to be biased. In the 1997 case before the Public Service
16 Commission of the Commonwealth of Kentucky, I tested for this decreased
17 statistical significance by using the SAS AUTOREG procedure. That was
18 somewhat awkward because I needed to create individual dummy variables and it
19 was hard to test them simultaneously as a set. In the current case, except for the
20 St. Louis County quarterly-billed customers and the Joplin and St. Joseph
21 customers I have used the new MIXED procedure with an AR(1) (autoregressive
22 order 1) error term. For the quarterly-billed customers, I used the SAS AUTOREG
23 procedure in order to allow for an AR(3) error term. The results are displayed in

1 Schedule ELS-3. Five models do not appear in Schedule ELS-3 because in
2 Schedule ELS-2 neither the drought severity index slopes nor the year since 1990
3 slopes were statistically significant. Since Joplin and St. Joseph were modeled on
4 an annual basis, there is no problem with serial correlation, and hence they do not
5 appear in Schedule ELS-3..

6 **Q. DID ANY TERMS THAT WERE STATISTICALLY SIGNIFICANT IN SCHEDULE**
7 **ELS-2 LOSE THAT SIGNIFICANCE IN SCHEDULE ELS-3 DUE TO SERIAL**
8 **CORRELATION?**

9 A. No, all terms that were statistically significant remained statistically significant. I
10 therefore ran the reduced monthly, quarterly (for St. Louis County), and annual (for
11 Joplin and St. Joseph) models with an option that their coefficients be printed.
12 These coefficients appear in Schedule ELS-4.

13 **Q. THE ST. JOSEPH COMMERCIAL MODEL INCLUDES YEAR SINCE 1990, YET**
14 **THIS TERM WAS NOT STATISTICALLY SIGNIFICANT IN SCHEDULE ELS-2.**
15 **PLEASE EXPLAIN THIS EXCEPTION.**

16 A. The overall model for St. Joseph commercial customers was statistically significant,
17 ($F = 6.66$, $P\text{-value} = 0.0240$) which indicates that consumption can be predicted
18 from the drought severity index and/or year since 1990. However, neither of these
19 terms is statistically significant in the presence of the other. This is due to the
20 condition of collinearity, in which the explanatory variables are correlated with each
21 other. That is, each variable can partly substitute for the other. Since I did not wish
22 to lose the ability to predict utilization, I ran simple regressions of annual
23 consumption on each of the drought severity index and year since 1990 by

1 themselves. Year since 1990 turned out to be the stronger predictor, with a P-value
2 of 0.0065, which made it worthwhile to base a predictive model on it.

3 **Q. ONCE YOU HAD ESTIMATED THE COEFFICIENTS IN THESE MODELS, HOW**
4 **DID YOU PROJECT UTILIZATION FOR JANUARY 2003 THROUGH DECEMBER**
5 **2003?**

6 A. For the six operating companies for which I was able to fit monthly or quarterly
7 models, I inserted the thirty-year averages (from 1973 to 2002) of the Palmer
8 Drought Severity Index for each of the months of April through December and the
9 value 13 for the variable year since 1990 into those models. This resulted in twelve
10 predicted values, one for each month of 2003. I then computed a weighted average
11 of these values, with weights equal to the number of days in the month or quarter
12 preceding the billing month. This weighted average is the projected daily per-
13 customer consumption for the year 2003, for average weather. For Joplin and St.
14 Joseph, I did the same computation, except on an annual basis. The resulting
15 estimates are given in Schedule ELS-4. In that case, I did not need a weighted
16 average since I was already estimating average daily consumption over an entire
17 year.

18 **Q. NOT ALL OF THE COEFFICIENT ESTIMATES IN SCHEDULE ELS-4 ARE**
19 **STATISTICALLY SIGNIFICANT. IS THIS A PROBLEM?**

20 A. No. The candidate categorical variables were obtained as described above, by
21 examining data from all the different water systems, selecting those that correlated
22 with utilization over most or all of those companies. They were then subjected to
23 the further requirement that they had to be statistically significant in the predictive

1 model for residential, commercial, or other public authority within the given water
2 system. Once those variables were selected, the resulting estimates based on their
3 dummy codes will be unbiased. If the dummy codes were subject to further
4 selection based on statistical significance, there is a chance that a small amount of
5 bias could result.

6 **Q. WHAT ARE YOUR PROJECTIONS OF DAILY UTILIZATION UNDER AVERAGE**
7 **WEATHER BY CUSTOMER AND OPERATING COMPANY?**

8 A. These projections are given in Schedule ELS-5.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.

11

DIRECT TESTIMONY

EDWARD L. SPITZNAGEL, JR.

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND EMPLOYER.**

2 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box
3 1146, One Brookings Drive, St Louis, Missouri 63130. I am employed by
4 Washington University.

5

6 **Q. WHAT IS YOUR PRESENT POSITION?**

7 A. I am Professor of Mathematics in the College of Arts and Sciences at Washington
8 University. I also hold a joint appointment in the Division of Biostatistics of the
9 Washington University School of Medicine.

10

11 **Q. Please review your educational background and work experience.**

12 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962
13 by Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and Ph.D.
14 (1965) in mathematics awarded by the University of Chicago. I have served on the
15 Faculty of Arts and Sciences of Washington University since 1969. I have held a
16 joint appointment in the Division of Biostatistics since 1978. From 1965 to 1969, I
17 was on the faculty of Northwestern University.

18

1 Attached to my testimony is Schedule ELS-1, which provides a more detailed listing
2 of my education and qualifications in the area of mathematics and statistics.

3
4 **PURPOSE AND SCOPE**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

6 A. I have been employed by Missouri-American Water Company to make weather-
7 normalized predictions of water utilization for the period January 2007 to December
8 2007.

9
10 **Q. WHAT IS WEATHER NORMALIZATION?**

11 A. From one year to the next, variations in temperature and precipitation lead to
12 changes in water consumption. More water will generally be used during hotter,
13 drier periods. The regulatory question is how to reflect those weather-related
14 differences when setting rates.

15
16 For ratemaking purposes, revenues need to be set at as "normal" a level as
17 possible, factoring out the potential or actual results of unusual weather conditions.
18 This can be accomplished by building statistical models that predict water utilization
19 from meteorological data and other possible predictors. An estimate of future
20 utilization can then be made by using a long-term average of meteorological data
21 and known values of the other predictors.

1 **Q. WHAT ARE EXAMPLES OF THESE OTHER NON-METEOROLOGICAL**
2 **PREDICTORS?**

3 A. One is the year itself. Due to gradual introduction of water-conserving plumbing
4 fixtures and appliances, in many regions use of water appears to be slowly
5 declining over time. In other regions where the growth has led to new homes with
6 expansive lawns and/or larger commercial establishments, the use of water can
7 increase over time.

8
9 Another is the month of the year. While water utilization increases during the
10 warmer, drier summer months, analysis of variance shows that month as a
11 categorical variable is a powerful predictor even after temperature and moisture
12 have been included in the model.

13

14 **Q. WHAT MODEL FOR WATER UTILIZATION DID YOU EMPLOY?**

15 A. In a previous case before the Public Service Commission of the Commonwealth of
16 Kentucky (1997), I screened a large number of candidate predictors by examining
17 data from fourteen different operating systems in five states: Kentucky, Missouri,
18 Ohio, Tennessee, and Virginia. Five of these fourteen operations were located in
19 Missouri: Brunswick, Cottleville (St. Charles), Mexico, Parkville, and Warrensburg.
20 I also received data from two other Missouri operations: Joplin and St. Joseph.
21 These two systems billed on a quarterly basis but could not provide records on the
22 numbers of customers billed in each billing cycle, so it was not possible to compute
23 monthly consumption on a per-customer basis.

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I used as candidate predictors only those variables that correlated consistently with utilization for most or all of these operating companies.

Q. WHAT WERE SOME OF THE VARIABLES THAT MET THIS CRITERION?

A. For heat, both mean temperature and cooling degree days correlated strongly with utilization. For moisture, the Palmer Drought Severity Index correlated strongly with utilization. Rainfall and the available soil moisture index used in Missouri at that time did not correlate nearly as well.

I then fitted the surviving candidates in a multivariate model to predict utilization. I found that calendar month was a strong predictor even in the presence of heat and moisture variables. Therefore, I included month as a categorical variable. With month included, I tested drought severity index, temperature, and calendar year as potential numeric predictors. I found that temperature was not a useful predictor in the presence of the other variables, so from that point onward, I did not use it.

For the months of January through April, there was no evidence that moisture predicted utilization. For the months of May through December, there was evidence of moisture predicting utilization, being a weak predictor in the months of May, June, November, and December and a strong predictor for the months of July through October.

1 Month was a very strong predictor, both as a main effect and interacting with the
2 drought severity index. Because of this, I estimated twelve separate predictive
3 models, one for each month of the year.
4

5 **Q. WERE ANY CHANGES TO YOUR METHODS REQUIRED IN THE PRESENT**
6 **CASE?**

7 A. From 2003 onward a new billing method called 445 was introduced. The idea
8 behind this method is to provide the company with income based on four quarters of
9 year, since the thirteen weeks of the 445 reporting corresponds to one-fourth of a
10 year minus one day. Due to some non-uniformities in this new billing method, I was
11 unable to make accurate estimates of monthly consumption. As a consequence, I
12 found it necessary to use annual consumption rather than monthly consumption. I
13 also skipped over the year 2003, because the changeover to the 445 billing method
14 caused this year to be short by nine days. I added the year 1995 to the
15 consumption data so I would have ten years of consumption data to estimate the
16 effects of weather.
17

18 **Q. HOW DID YOU ADAPT THE MEASURE OF DROUGHT SEVERITY TO MAKING**
19 **ESTIMATES ON AN ANNUAL RATHER THAN A MONTHLY BASIS?**

20 A. Since the monthly predictions of my previous method were combined linearly
21 to obtain daily consumption averaged over a year, I calculated the average value of
22 the Palmer Drought Severity Index over the eight weather-sensitive months of May
23 through December and used this average value in an annual prediction equation.

1 This effectively produces the same prediction, just with the computations done in a
2 different order. The computations can be found in Schedule ELS-2. Both Type I
3 (sequential) and Type III (partial) sums of squares and F-tests are given. The
4 selection criterion for retaining a term in the model was based on its Type III sum of
5 squares and F-test. If the drought severity index was not statistically significant, it
6 was removed from the model. If the year since 1990 was not statistically significant,
7 it was removed from the model.

8
9 **Q. ONCE YOU HAD ESTIMATED THE COEFFICIENTS IN THESE MODELS, HOW**
10 **DID YOU PROJECT UTILIZATION FOR JANUARY 2007 THROUGH DECEMBER**
11 **2007?**

12 **A.** In fitting each model, I added an additional line of data with years since 1990 set
13 equal to 17, to correspond to the year 2007. I set the Palmer Drought Severity
14 Index to the thirty-year average from 1976 to 2005 for the months of April through
15 December, for the climate region in which the water company is located. I left the
16 daily consumption missing so the regression coefficients would not be affected by
17 the addition of this line of data. I then asked for the predicted value to be
18 calculated, and I printed it out as the estimated average daily consumption for 2007.
19 This produces the same result as if I had evaluated the regression equation with the
20 values of 17 for year since 1990, and the average regional PDSI value, but with no
21 risk of computational error.

1 **Q. WHAT ARE YOUR PROJECTIONS OF DAILY UTILIZATION UNDER AVERAGE**
2 **WEATHER BY OPERATING COMPANY AND CUSTOMER CLASS, IN GALLONS**
3 **PER CUSTOMER PER DAY?**

4 **A.** They are:

	Residential	Commercial
5		
6 St Louis County Quarterly	260.681	1214.18
7 St Louis County Monthly		14,448.09
8 St Charles	270.755	1215.55
9 St Joseph	158.307	833.223
10 Joplin	185.770	960.654

11

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 **A.** Yes, it does.

14

DIRECT TESTIMONY

EDWARD L. SPITZNAGEL, JR.

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND EMPLOYER.**

2 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box
3 1146, One Brookings Drive, St Louis, Missouri 63130. I am employed by
4 Washington University.

5

6 **Q. WHAT IS YOUR PRESENT POSITION?**

7 A. I am Professor of Mathematics in the College of Arts and Sciences at Washington
8 University. I also hold a joint appointment in the Division of Biostatistics of the
9 Washington University School of Medicine.

10

11 **Q. Please review your educational background and work experience.**

12 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962
13 by Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and Ph.D.
14 (1965) in mathematics awarded by the University of Chicago. I have served on the
15 Faculty of Arts and Sciences of Washington University since 1969. I have held a
16 joint appointment in the Division of Biostatistics since 1978. From 1965 to 1969, I
17 was on the faculty of Northwestern University.

18

1 Attached to my testimony is Schedule ELS-1, which provides a more detailed listing
2 of my education and qualifications in the area of mathematics and statistics.

3
4 **PURPOSE AND SCOPE**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

6 A. I have been employed by Missouri-American Water Company to make weather-
7 normalized predictions of water utilization for the period January 2008 to December
8 2008 and to determine if there are non-meteorological impacts on sales by
9 customers.

10
11 **Q. WHAT IS WEATHER NORMALIZATION?**

12 A. From one year to the next, variations in temperature and precipitation lead to
13 changes in water consumption. More water will generally be used during hotter,
14 drier periods. The regulatory question is how to reflect those weather-related
15 differences when setting rates.

16
17 For ratemaking purposes, revenues need to be set at as "normal" a level as
18 possible, factoring out the potential or actual results of unusual weather conditions.
19 This can be accomplished by building statistical models that predict water utilization
20 from meteorological data and other possible predictors. An estimate of future
21 utilization can then be made by using a long-term average of meteorological data
22 and known values of the other predictors.

1 **Q. WHAT ARE EXAMPLES OF THESE OTHER NON-METEOROLOGICAL**
2 **PREDICTORS?**

3 A. One is the year itself. Due to gradual introduction of water-conserving plumbing
4 fixtures and appliances, in many regions use of water appears to be slowly declining
5 over time. In other regions where growth has led to new homes with expansive
6 lawns and/or larger commercial establishments, the use of water can increase over
7 time.

8
9 Another is the month of the year. While water utilization increases during the
10 warmer, drier summer months, analysis of variance shows that month as a
11 categorical variable is a powerful predictor even after temperature and moisture
12 have been included in the model.

13
14 **Q. WHAT MODEL FOR WATER UTILIZATION DID YOU EMPLOY?**

15 A. In a previous case before the Public Service Commission of the Commonwealth of
16 Kentucky (1997), I screened a large number of candidate predictors by examining
17 data from fourteen different operating systems in five states: Kentucky, Missouri,
18 Ohio, Tennessee, and Virginia. Five of these fourteen operations were located in
19 Missouri: Brunswick, Cottleville (St. Charles), Mexico, Parkville, and Warrensburg.
20 I also received data from two other Missouri operations: Joplin and St. Joseph.
21 These two systems billed on a quarterly basis but could not provide records on the
22 numbers of customers billed in each billing cycle, so it was not possible to compute
23 monthly consumption on a per-customer basis.

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I used as candidate predictors only those variables that correlated consistently with utilization for most or all of these operating companies.

Q. WHAT WERE SOME OF THE VARIABLES THAT MET THIS CRITERION?

A. For heat, both mean temperature and cooling degree days correlated strongly with utilization. For moisture, the Palmer Drought Severity Index correlated strongly with utilization. Rainfall and the available soil moisture index used in Missouri at that time did not correlate nearly as well.

I then fitted the surviving candidates in a multivariate model to predict utilization. I found that calendar month was a strong predictor even in the presence of heat and moisture variables. Therefore, I included month as a categorical variable. With month included, I tested drought severity index, temperature, and calendar year as potential numeric predictors. I found that temperature was not a useful predictor in the presence of the other variables, so from that point onward, I did not use it.

For the months of January through April, there was no evidence that moisture predicted utilization. For the months of May through December, there was evidence of moisture predicting utilization, being a weak predictor in the months of May, June, November, and December and a strong predictor for the months of July through October.

1 Month was a very strong predictor, both as a main effect and interacting with the
2 drought severity index. Because of this, I estimated twelve separate predictive
3 models, one for each month of the year.
4

5 **Q. WERE ANY CHANGES TO YOUR METHODS REQUIRED IN THE CURRENT**
6 **AND PREVIOUS CASES?**

7 A. From 2003 to 2006 a billing method called 4-4-5 was employed by the Company.
8 The idea behind this method was to provide the company with income based on
9 four quarters of a year, since the thirteen weeks of the 4-4-5 reporting corresponds
10 to one-fourth of a year minus one day. In the previous case, due to some non-
11 uniformities in this new billing method, I was unable to make accurate estimates of
12 monthly consumption. As a consequence, I found it necessary to use annual
13 consumption rather than monthly consumption. I also skipped over the year 2003,
14 because the changeover to the 4-4-5 billing method caused monthly reporting to be
15 very uneven in this year. I added the year 1995 to the consumption data so I would
16 have ten years of consumption data to estimate the effects of weather.
17

18 In the current case, I used the same methodology for St. Charles, St. Joseph, and
19 Joplin, this time using the ten years 1997 to 2007, with 2003 skipped as described
20 above. For St. Louis County, I was able to return to weather normalization based
21 on monthly data, described in detail on page 7 below.
22

1 **Q. HOW DID YOU ADAPT THE MEASURE OF DROUGHT SEVERITY TO MAKING**
2 **ESTIMATES ON AN ANNUAL RATHER THAN A MONTHLY BASIS?**

3 A. Since the monthly predictions of my previous method were combined linearly to
4 obtain daily consumption averaged over a year, I calculated the average value of
5 the Palmer Drought Severity Index ("PDSI") over the eight weather-sensitive months
6 of May through December and used this average value in an annual prediction
7 equation. This effectively produces the same prediction, just with the computations
8 done in a different order. The computations can be found in Schedule ELS-2. Both
9 Type I (sequential) and Type III (partial) sums of squares and F-tests are given.
10 The selection criterion for retaining a term in the model was based on its Type III
11 sum of squares and F-test. If the drought severity index was not statistically
12 significant, it was removed from the model. If the year since 1990 was not
13 statistically significant, it was removed from the model.

14
15 **Q. ONCE YOU HAD ESTIMATED THE COEFFICIENTS IN THESE MODELS, HOW**
16 **DID YOU PROJECT UTILIZATION FOR JANUARY 2008 THROUGH DECEMBER**
17 **2008?**

18 A. In fitting each model, I added an additional line of data with years since 1990 set
19 equal to 18, to correspond to the year 2008. I set the Palmer Drought Severity
20 Index to the thirty-year average from 1978 to 2007 for the months of April through
21 December, for the climate region in which the water company is located. I left the
22 daily consumption missing so the regression coefficients would not be affected by
23 the addition of this line of data. I then asked for the predicted value to be

1 calculated, and I printed it out as the estimated average daily consumption for 2008.
2 This produces the same result as if I had evaluated the regression equation with the
3 values of 18 for year since 1990, and the average regional PDSI value, but with no
4 risk of computational error.

5
6 I used these predicted values when at least one of year and PDSI was statistically
7 significant. If neither variable was a statistically significant predictor of consumption,
8 I used the 4-year average as the estimate of 2008 consumption.

9
10 **Q. PLEASE DESCRIBE HOW YOU PERFORMED WEATHER NORMALIZATION**
11 **BASED ON MONTHLY DATA FOR ST. LOUIS COUNTY.**

12 **A.** From June of 2003 onward, data exists in an alternative form from the Company's
13 customer service reporting system called ORCOM. This data contains total sales
14 and billed days, allowing for a more accurate calculation of consumption per day
15 than is possible with the 4-4-5 data. By combining this data with pre-4-4-5 data
16 from 1996 through 2001, I obtained 120 months (ten years) of consumption data on
17 free of the 4-4-5 reporting. In 2002, two municipal water companies, Florissant and
18 Webster Groves, were acquired by St. Louis County Water Company. In order to
19 have the same customer base over the ten years of data, I asked for ORCOM data
20 omitting consumption from those two regions. I then combined years 2004-2007 of
21 the data from ORCOM with the years 1996-2001 of monthly data, which is prior to
22 both the 4-4-5 reporting and the acquisition of the Florissant and Webster Groves
23 customers.

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I then ran separate regression models for each of the twelve months, shown in Schedule ELS-2. I then combined the estimates in the Excel workbook SLCWC2008.XLS, also shown in Schedule ELS-2. I was able to do this for both residential and commercial quarterly-billed customers. From these combined regression models, I calculated weather-normalized estimates of 2008 consumption for all of St. Louis County excluding Florissant and Webster Groves. I recommended to the company that these estimates be combined with a 4-year average consumption from Florissant and Webster Groves to provide estimates for the entire St. Louis County customer base. This way the acquisition of Florissant and Webster Groves, both of which have lower consumers of water, does not artificially magnify the (downward) time trend in consumption. I will continue this separate-estimation strategy until we finally have ten years of consumption available for Florissant and Webster Groves, from 2004 to 2013.

St. Louis County Water Company also has a class of monthly-billed commercial customers. Their consumption was too “noisy” for weather normalization by regression. I have recommended that their consumption be estimated by computation of a 6-year average, using the methodology described in the paragraph below.

Q. WHAT METHODOLOGY DID YOU RECOMMEND THAT THE COMPANY USE IN THOSE CASES WHERE YOU DID NOT PERFORM WEATHER NORMALIZATION?

1 A. In such cases, use the average consumption over the last few years, or fit a trend
2 line, and if it is statistically significant, use it to project into the next year, 2008 in this
3 case. Because of issues arising from the phase-in and phase-out of the 4-4-5
4 system, I recommended using 6 years, from 2000 through 2007 with 2003 and 2006
5 excluded.

6 **Q. WHAT ARE YOUR AND THE COMPANY'S PROJECTIONS OF DAILY**
7 **UTILIZATION UNDER AVERAGE WEATHER BY OPERATING COMPANY AND**
8 **CUSTOMER CLASS, IN GALLONS PER CUSTOMER PER DAY?**

9 A. They are:

	Residential	Commercial
10 St Louis County Quarterly	248	1156
11 St Louis County Monthly		15022
12 St Charles	270	1277†
13 St Joseph	158	841†
14 Joplin	179†	1087.72
15 Brunswick	123†	202†
16 Mexico	150†	620†
17 Parkville	266‡	1126‡
18 Warrensburg	172†	677‡
19 Jefferson City	161†	710‡

21 * Includes Florissant and Webster Groves customers.

22 † Based on 6-year average (2000-2007 excluding 2003, 2006)
23 rather than regression.

24 ‡ Based on 6-year trend line (2000-2007 excluding 2003, 2006)

1

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 A. Yes, it does.

4

DIRECT TESTIMONY

EDWARD L. SPITZNAGEL, JR.

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND EMPLOYER.**

2 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box
3 1146, One Brookings Drive, St Louis, Missouri 63130. I am employed by
4 Washington University.

5
6 **Q. WHAT IS YOUR PRESENT POSITION?**

7 A. I am Professor of Mathematics in the College of Arts and Sciences at Washington
8 University. I also hold a joint appointment in the Division of Biostatistics of the
9 Washington University School of Medicine.

10

11 **Q. Please review your educational background and work experience.**

12 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962
13 by Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and Ph.D.
14 (1965) in mathematics awarded by the University of Chicago. I have served on the
15 Faculty of Arts and Sciences of Washington University since 1969. I have held a
16 joint appointment in the Division of Biostatistics since 1978. From 1965 to 1969, I
17 was on the faculty of Northwestern University.

18

1 Attached to my testimony is Schedule ELS-1, which provides a more detailed listing
2 of my education and qualifications in the area of mathematics and statistics.
3

4 **PURPOSE AND SCOPE**

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?**

6 A. I have been employed by Missouri-American Water Company to make weather-
7 normalized predictions of water utilization for the periods January 2009 to
8 December 2009 and January 2010 to December 2010, and to determine if there are
9 non-meteorological impacts on sales by customers. The districts I was asked to
10 analyze were St. Louis Metro (to include St. Louis County and St. Charles County),
11 St. Joseph, Joplin and Jefferson City.
12

13 **Q. WHAT IS WEATHER NORMALIZATION?**

14 A. From one year to the next, variations in temperature and precipitation lead to
15 changes in water consumption. More water will generally be used during hotter,
16 drier periods. The regulatory question is how to reflect those weather-related
17 differences when setting rates.
18

19 For ratemaking purposes, revenues need to be set at as "normal" a level as
20 possible, factoring out the potential or actual results of unusual weather conditions.
21 This can be accomplished by building statistical models that predict water utilization
22 from meteorological data and other possible predictors. An estimate of future

1 utilization can then be made by using a long-term average of meteorological data
2 and known values of the other predictors.

3
4 **Q. WHAT ARE EXAMPLES OF THESE OTHER NON-METEOROLOGICAL**
5 **PREDICTORS?**

6 A. One is the year itself. Due to gradual introduction of water-conserving plumbing
7 fixtures and appliances, in many regions use of water appears to be slowly declining
8 over time. In other regions where growth has led to new homes with expansive
9 lawns and/or larger commercial establishments, the use of water can increase over
10 time.

11
12 Another is the month of the year. While water utilization increases during the
13 warmer, drier summer months, analysis of variance shows that month as a
14 categorical variable is a powerful predictor even after temperature and moisture
15 have been included in the model.

16
17 **DESCRIPTION OF ANALYSIS**

18 **Q. WHAT MODEL FOR WATER UTILIZATION DID YOU EMPLOY?**

19 A. In a previous case before the Public Service Commission of the Commonwealth of
20 Kentucky (1997), I screened a large number of candidate predictors by examining
21 data from fourteen different operating systems in five states: Kentucky, Missouri,
22 Ohio, Tennessee, and Virginia. Five of these fourteen operations were located in
23 Missouri: Brunswick, Cottleville (St. Charles), Mexico, Parkville, and Warrensburg.

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I used as candidate predictors only those variables that correlated consistently with utilization for most or all of these operating companies.

Q. WHAT WERE SOME OF THE VARIABLES THAT MET THIS CRITERION?

A. For heat, both mean temperature and cooling degree days correlated strongly with utilization. For moisture, the Palmer Drought Severity Index (PDSI) correlated strongly with utilization. Rainfall and the available soil moisture index used in Missouri at that time did not correlate nearly as well.

I then fitted the surviving candidates (i.e., those variables displaying strong correlation to water usage) in a multivariate model to predict utilization. I found that calendar month was a strong predictor even in the presence of heat and moisture variables. Therefore, I included month as a categorical variable. With month included, I tested drought severity index, temperature, and calendar year as potential numeric predictors. I found that temperature was not a useful predictor in the presence of the other variables, so from that point onward, I did not use it in my model.

For the months of January through April, there was no evidence that moisture predicted utilization. For the months of May through December, there was evidence of moisture predicting utilization, being a weak predictor in the months of May, June,

1 November, and December and a strong predictor for the months of July through
2 October.

3 Month was a very strong predictor, both as a main effect and interacting with the
4 drought severity index. Because of this, I estimated twelve separate predictive
5 models, one for each month of the year.

6
7 **Q. WERE ANY CHANGES TO YOUR METHODS REQUIRED IN THE CURRENT**
8 **AND PREVIOUS CASES?**

9 A. From 2003 to 2006 a billing method called 4-4-5 was employed by the Company. In
10 other words, for a calendar quarter, or 13 weeks, the Company would use two
11 billing cycles of four weeks and one billing cycle of five weeks. The idea behind this
12 method was to provide the company with income based on four quarters of a year,
13 since the thirteen weeks of the 4-4-5 reporting corresponds to one-fourth of a year
14 minus one day. In the previous two cases, due to some non-uniformities in this new
15 billing method, I was unable to make accurate estimates of monthly consumption.
16 As a consequence, I found it necessary to use annual consumption rather than
17 monthly consumption. I also skipped over the year 2003, because the changeover
18 to the 4-4-5 billing method caused monthly reporting to be very uneven in this year.
19 I added earlier years to the consumption data so I would have ten years of
20 consumption data to estimate the effects of weather.

21
22 In the current case, I used the same methodology for St. Louis County, St. Charles
23 County, St. Joseph, Joplin, and Jefferson City, this time using the ten years 1998 to

1 2008, with 2003 skipped as described above. Webster Groves and Florissant
2 customers are excluded from the St. Louis County estimates because they were
3 added during the study period and are both light consumers of water. Including
4 them causes the rate of decrease in consumption to be over-estimated.
5

6 **Q. HOW DID YOU ADAPT THE MEASURE OF DROUGHT SEVERITY TO MAKING**
7 **ESTIMATES ON AN ANNUAL RATHER THAN A MONTHLY BASIS?**

8 A. Since the monthly predictions of my previous method were combined linearly to
9 obtain daily consumption averaged over a year, I calculated the average value of
10 the Palmer Drought Severity Index ("PDSI") over the eight weather-sensitive months
11 of May through December and used this average value in an annual prediction
12 equation. This effectively produces the same prediction, just with the computations
13 done in a different order. The computations can be found in Schedule ELS-2. Both
14 Type I (sequential) and Type III (partial) sums of squares and F-tests are given.
15 The selection criterion for retaining a term in the model was based on its Type III
16 sum of squares and F-test. If the drought severity index was not statistically
17 significant, it was removed from the model. If the year since 1990 was not
18 statistically significant, it was removed from the model.
19

20 **Q. ONCE YOU HAD ESTIMATED THE COEFFICIENTS IN THESE MODELS, HOW**
21 **DID YOU PROJECT UTILIZATION FOR JANUARY 2009 THROUGH DECEMBER**
22 **2009 AND JANUARY 2010 THROUGH DECEMBER 2010?**

1 A. In fitting each model, I added two additional lines of data with years since 1990 set
2 equal to 19 and 20, to correspond to the years 2009 and 2010. I set the Palmer
3 Drought Severity Index to the thirty-year average from 1979 to 2008 for the
4 weather-sensitive months of May through December, for the climate region in which
5 the water company is located. I left the daily consumption missing so the
6 regression coefficients would not be affected by the addition of this line of data. I
7 then calculated the predicted value, and I printed it out as the estimated average
8 daily consumptions for 2009 and 2010. This produces the same results as if I had
9 evaluated the regression equation with the values of 19 and 20 for year since 1990,
10 and the average regional PDSI value, but with no risk of computational error.

11
12 I used these predicted values when at least one of the years and the PDSI was
13 statistically significant. If neither variable was a statistically significant predictor of
14 consumption, I used the 6-year average as the estimate of both 2009 and 2010
15 consumption, except in Jefferson City commercial customers, where I used a 4-year
16 average because of a large unexplained drop in commercial customers between
17 April and May in 2003.

18
19 **CONCLUSIONS & RECOMMENDATIONS**

20 **Q. WHAT ARE YOUR PROJECTIONS OF DAILY UTILIZATION UNDER AVERAGE**
21 **WEATHER BY OPERATING COMPANY AND CUSTOMER CLASS, IN GALLONS**
22 **PER CUSTOMER PER DAY?**

23 A. They are, for 2009:

		Residential	Commercial
1			
2	St Louis County Quarterly	245.84	1053.65
3	St Louis County Monthly		13,798
4	St Charles	267.94	1275.48
5	St Joseph	158.78	822.32
6	Joplin	190.73	1066.88
7	Jefferson City	159.81	746.63

8 And for 2010:

		Residential	Commercial
9			
10	St Louis County Quarterly	242.96	1053.65
11	St Louis County Monthly		13,798
12	St Charles	267.94	1275.48
13	St Joseph	156.61	822.32
14	Joplin	190.73	1090.10
15	Jefferson City	159.81	746.63

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A.** Yes, it does.

18

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY
FOR AN INCREASE IN RATES FOR WATER AND SEWER SERVICE
AND OTHER TARIFF MODIFICATIONS

B.P.U. Docket No. WR06 _____

O.A.L. Docket No. PUC

Direct Testimony of
Edward L. Spitznagel, Jr.

Exhibit PT-15

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 1. **Q. Please state your name and business address.**

2 A. My name is Edward L. Spitznagel, Jr., and my business address is Campus Box
3 1146, One Brookings Drive, St Louis, Missouri 63130-4899.

4 2. **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Washington University. I am Professor of Mathematics in the
6 College of Arts and Sciences at Washington University. I also hold a joint
7 appointment in the Division of Biostatistics of the Washington University School
8 of Medicine.

9 3. **Q. What are your responsibilities in this position?**

10 A. My duties include teaching, research, and participation in departmental
11 administration. I have also donated my assistance, as needed, to the university
12 administration for work such as placement examinations, course evaluation, North
13 Central Association accreditation, and statistical sampling for auditing.

14 4. **Q. Please describe your educational background.**

15 A. I hold a Bachelor of Science, summa cum laude, in mathematics, awarded in 1962
16 by Xavier University, Cincinnati, Ohio. I hold a Master of Science (1963) and
17 Ph.D. (1965) in mathematics awarded by the University of Chicago.

18 5. **Q. What has been your business experience?**

19 A. I have served on the Faculty of Arts and Sciences of Washington University since
20 1969. I have held a joint appointment in the Division of Biostatistics since 1978.
21 From 1965 to 1969 I was on the faculty of Northwestern University. I have
22 consulted for a number of companies, some of which are listed on my Curriculum
23 Vitae, attached as Schedule ELS-1.

24 6. **Q. Have you previously participated in regulatory matters?**

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 A. Yes. I have participated in the preparation of water rate cases in Missouri,
2 Kentucky, Tennessee. I am currently assisting in rate cases in Iowa and New
3 Jersey. Later this year I will assist in rate cases in Indiana and Illinois.

4 7. **Q. What is the purpose of your testimony in this case?**

5 A. I have been employed by Elizabethtown Water Company ("EWC"), The Mount
6 Holly Water Company ("MHWC") and New Jersey American Water Company
7 ("NJAWC") collectively the "Company" to assist the Company in making
8 weather-normalization adjustments to water utilization by residential and
9 commercial customers of the Company for the period April 2006 to March 2007.

10 8. **Q. What is weather normalization?**

11 A. From one year to the next, variations in temperature and precipitation lead to
12 changes in water consumption. More water will generally be used during hotter,
13 drier periods. The regulatory question is how to reflect those weather-related
14 differences when setting rates. For ratemaking purposes, revenues need to be set
15 to as "normal" a level as possible, factoring out the potential or actual results of
16 unusual weather conditions. This will result in rates emanating from a rate case
17 being more representative of future conditions. This can be accomplished by
18 building statistical models that adjust water utilization based upon meteorological
19 data and other information. An estimate of future utilization can then be made by
20 using a long-term average of meteorological data (since there is no better way to
21 forecast next year's weather than as an average) and known values of the other
22 data.

23 9. **Q. What are examples of these other, non-meteorological predictors?**

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 A. One is the year itself. In many regions, due to gradual introduction of water-
2 conserving plumbing fixtures and appliances, use of water appears to be gradually
3 declining over time. Another is the month of the year. While water utilization
4 increases during the warmer, drier summer months, analysis of variance shows that
5 month as a categorical variable is a powerful indicator even after temperature and
6 moisture have been included in the model.

7 **10. Q. What model for water utilization did you employ?**

8 A. In a previous case before the Public Service Commission of the Commonwealth of
9 Kentucky (1997), I screened a large number of candidate indicators by examining
10 data from sixteen different operating companies in five states, Kentucky, Missouri,
11 Ohio, Tennessee, and Virginia. I used as candidate indicators only those variables
12 that correlated consistently with utilization for most or all of these operating
13 companies. I then fitted the surviving candidates in a multivariate model to
14 forecast utilization. I found that calendar month was a strong indicator even in the
15 presence of heat and moisture variables. Therefore I included month as a
16 categorical variable. With month included, I added the Palmer Drought Severity
17 Index (PDSI), temperature, and calendar year as potential numeric indicators. I
18 found that temperature was not a useful indicator in the presence of the other
19 variables, so from that point onward, I did not use it. For the months of January
20 through April, there was no evidence that moisture indicates utilization. For the
21 months of May through December, there was evidence of moisture indicating
22 utilization. Month was a very strong indicator, both as a main effect and
23 interacting with the drought severity index. Because of this, I estimated twelve
24 separate forecasting models, one for each month of the year.

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 **11. Q. For the present case, what years of utilization were used to build the models?**

2 A. For the present case I used those same indicators to estimate utilization by fitting
3 them to monthly consumption data from January 1997 through December 2005 for
4 NJAWC and January 1996 through December 2005 for EWC. Ordinarily, I would
5 use ten years of consumption. However, NJAWC did not have 1996 monthly
6 utilization data, so I was only able to use nine years for it. This not a major
7 limitation; in the most recent rate case (2004) I did for Kentucky American, I used
8 seven years of consumption data beginning with the time it switched from
9 quarterly to monthly billing.

10 **12. Q. Given that customers are billed throughout each month, which month of the**
11 **Palmer Drought Severity Index do you use?**

12 A. I use an average of the index for the month in question and the index for the
13 previous month, which I denote as PDSI12. With each rate case I do, I check
14 several variations of the drought severity index, such as current month, previous
15 month, indices truncated at +1, 0, and -1, to maximize predictive power. Most of
16 these variations yield approximately the same predictive power. For the present
17 case, PDSI12 was overall the best predictor.

18 **13. Q. Does the recent adoption of "445" billing affect your estimates?**

19 A. If the change to 445 billing were not taken into account, it would make estimating
20 consumption much less accurate. I received from the Company the actual days
21 billed for each of the twelve months once the 445 billing had been adopted and
22 adjusted monthly consumptions billed back to the actual numbers of days in the
23 calendar months.

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 **14. Q. In the separate monthly models that you estimated, not all of the coefficient**
2 **estimates are statistically significant. Is this a problem?**

3 A. No. The candidate variables were obtained as described above, by examining data
4 from 16 different water companies, selecting those that correlated with utilization
5 over most or all of those companies. Once those variables were selected, the
6 resulting estimates based on them will be unbiased. If they are subject to further
7 selection based on statistical significance, there is a chance that a small amount of
8 bias could result.

9 **15. Q. Once you had estimated the coefficients in these monthly models, how did you**
10 **project utilization for April 2006 through March 2007?**

11 A. I put the coefficients from the monthly regressions into Excel workbooks, one for
12 NJAWC residential and commercial customers, and the other for EWC residential
13 and commercial customers. I calculated the mean PDSI12 values for each of the
14 twelve calendar months over the 30 year period from January 1976 to December
15 2005 and inserted those values into the spreadsheets. I then projected an average
16 daily utilization for each month. Once these twelve monthly projections were
17 computed, I calculated average daily utilization for the period April 2006 to March
18 2007 by taking an average weighted by the number of days in each calendar
19 month. These spreadsheets are given in Schedule ELS-2.

20 **16. Q. What are your projections of daily utilization under average weather for the**
21 **two companies and the two customer classes?**

22 A. For NJAWC residential customers, 219.77 gallons/customer day. For NJAWC
23 commercial customers, 1172.82 gallons/customer day. For EWC residential

SPITZNAGEL PT-15

NEW JERSEY-AMERICAN WATER COMPANY, INC.
ELIZABETHTOWN WATER COMPANY
THE MOUNT HOLLY WATER COMPANY

1 customers, 262.84 gallons/customer day. For EWC commercial customers,
2 1220.36 gallons/customer day.

3 **17. Q. Does this conclude your testimony?**

4 A. Yes, it does..

TESTIMONY

OF

EDWARD L. SPITZNAGEL, JR.

1
2
3
4
5 1. Q. Please state your name, business address, and employer.

6
7 A. My name is Edward L. Spitznagel, Jr., and my
8 business address is Campus Box 1146, One
9 Brookings Drive, St Louis, Missouri 63130. I am
10 employed by Washington University.

11
12 2. Q. What is your present position?

13
14 A. I am Professor of Mathematics in the College of
15 Arts and Sciences at Washington University. I
16 also hold a joint appointment in the Division of
17 Biostatistics of the Washington University School
18 of Medicine.

19
20 3. Q. Please review your educational background and work
21 experience.

22
23 A. I hold a Bachelor of Science, summa cum laude, in
24 mathematics, awarded in 1962 by Xavier University,
25 Cincinnati, Ohio. I hold a Master of Science
26 (1963) and Ph.D. (1965) in mathematics awarded by

1 the University of Chicago. I have served on the
2 Faculty of Arts and Sciences of Washington
3 University since 1969. I have held a joint
4 appointment in the Division of Biostatistics
5 since 1978. From 1965 to 1969 I was on the
6 faculty of Northwestern University.

7
8 Attached to my testimony is Appendix A, which
9 provides a more detailed listing of my education and
10 qualifications in the area of mathematics and statistics.

11
12 4. Q. What is the purpose of your testimony in this case?

13
14 A. I have been employed by Tennessee American Water
15 Company to make weather-normalized predictions of
16 water utilization for the period January 2003 to
17 December 2003.

18
19 5. Q. What is weather normalization?

20
21 A. From one year to the next, variations in temperature
22 and precipitation lead to changes in water consumption.
23 More water will generally be used during hotter, drier
24 periods. The regulatory question is how to reflect
25 those weather-related differences when setting rates.

26

1 For ratemaking purposes, revenues need to be set at as
2 "normal" a level as possible, factoring out the
3 potential or actual results of unusual weather
4 conditions. This can be accomplished by building
5 statistical models that predict water utilization from
6 meteorological data and other possible predictors. An
7 estimate of future utilization can then be made by
8 using a long-term average of meteorological data
9 (since there is no better way to forecast next year's
10 weather than as an average) and known values of the
11 other predictors.

12
13 6. Q. What are examples of these other, non-meteorological
14 predictors?

15
16 A. One is the year itself. Due to gradual introduction
17 of water-conserving plumbing fixtures and appliances,
18 use of water appears to be gradually declining over time.

19
20 Another is the month of the year. While water
21 utilization increases during the warmer, drier
22 summer months, analysis of variance shows that
23 month as a categorical variable is a powerful
24 predictor even after temperature and moisture have
25 been included in the model.

26

1 7. Q. What model for water utilization did you employ?

2

3 In a previous case before the Public Service Commission
4 of the Commonwealth of Kentucky (1997), I screened a
5 large number of candidate predictors by examining data
6 from sixteen different operating companies in five states,
7 Kentucky, Missouri, Ohio, Tennessee, and Virginia.
8 Tennessee American Water Company was one of these sixteen
9 companies.

10

11 I used as candidate predictors only those variables that
12 correlated consistently with utilization for most or all
13 of these operating companies.

14

15 I then fitted the surviving candidates in a multivariate
16 model to predict utilization. I found that calendar month
17 was a strong predictor even in the presence of heat and
18 moisture variables. Therefore I included month as a
19 categorical variable. With month included, I tested drought
20 severity index, temperature, and calendar year as potential
21 numeric predictors. I found that temperature was not a useful
22 predictor in the presence of the other variables, so from
23 that point onward, I did not use it.

24

25 For the months of January through April, there was no evidence
26 that moisture predicted utilization. For the months of May

1 through December, there was evidence of moisture predicting
2 utilization, being a weak predictor in the months of May, June,
3 November, and December and a strong predictor for the months
4 of July through October.

5
6 Since only a deficit of moisture should lead to increased
7 water utilization, I tested truncated versions of the Palmer
8 Drought Severity Index as predictors, finding that truncation
9 at 0 yielded a larger R-square than the non-truncated index
10 and the index truncated at all other levels.

11
12 Month was a very strong predictor, both as a main effect and
13 interacting with the truncated drought severity index. Because
14 of this, I estimated twelve separate predictive models, one
15 for each month of the year.

16
17 For the present case I used those same predictors to estimate
18 Tennessee American Water Company utilization by fitting them
19 to monthly TAWC consumption data from August 1992 through
20 July 2002. The models were estimated separately for residential
21 and commercial consumption. The coefficient estimates can be
22 found in Appendix B.

23
24 8. Q. Not all of the coefficient estimates are statistically
25 significant. Is this a problem?
26

1 A. No. The candidate variables were obtained as described above,
2 by examining data from 16 different water companies, selecting
3 those that correlated with utilization over most or all of
4 those companies. Once those variables were selected, the
5 resulting estimates based on them will be unbiased. If they
6 are subject to further selection based on statistical
7 significance, there is a chance that a small amount of bias
8 could result.

9
10 9. Q. Once you had estimated the coefficients in these monthly
11 models, how did you project utilization for January 2003
12 through December 2003?

13
14 I put the coefficients from the monthly regressions into
15 Excel spreadsheets, one for residential customers, and the
16 other for commercial customers. I calculated the mean
17 truncated Palmer Drought Severity Index for each of the
18 twelve calendar months over the 30 year period from August
19 1972 to July 2002 and inserted those values into the
20 spreadsheets.

21
22 I then projected an average daily utilization for each
23 month. Once these twelve monthly projections were computed,
24 I calculated average daily utilization for the year by taking
25 an average weighted by the number of days in each calendar
26 month, counting February as having 28 days since 2003 is not

1 a leap year.

2

3 These spreadsheets are given in Appendix C.

4

5 10. Q. What are your projections of daily utilization under
6 average weather for the two customer classes?

7

8 A. For residential customers: 155.68 gallons / customer / day

9 For commercial customers: 1060.66 gallons / customer / day

10

11 11. Q. Does this conclude your testimony?

12

13 A. Yes, it does.

1 TESTIMONY

2 OF

3 EDWARD L. SPITZNAGEL, JR.

4
5 1. Q. Please state your name, business address, and employer.

6
7 A. My name is Edward L. Spitznagel, Jr., and my
8 business address is Campus Box 1146, One
9 Brookings Drive, St Louis, Missouri 63130. I am
10 employed by Washington University.

11
12 2. Q. What is your present position?

13
14 A. I am Professor of Mathematics in the College of
15 Arts and Sciences at Washington University. I
16 also hold a joint appointment in the Division of
17 Biostatistics of the Washington University School
18 of Medicine.

19
20 3. Q. Please review your educational background and work
21 experience.

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23 A. I hold a Bachelor of Science, summa cum laude, in
24 mathematics, awarded in 1962 by Xavier University,
25 Cincinnati, Ohio. I hold a Master of Science
26 (1963) and Ph.D. (1965) in mathematics awarded by

1 the University of Chicago. I have served on the
2 Faculty of Arts and Sciences of Washington
3 University since 1969. I have held a joint
4 appointment in the Division of Biostatistics
5 since 1978. From 1965 to 1969 I was on the
6 faculty of Northwestern University.

7
8 Attached to my testimony is Appendix A, which
9 provides a more detailed listing of my education and
10 qualifications in the area of mathematics and statistics.

11
12 4. Q. What is the purpose of your testimony in this case?

13
14 A. I have been employed by Tennessee American Water
15 Company to make weather-normalized predictions of
16 water utilization for the period January 2005 to
17 December 2005.

18
19 5. Q. What is weather normalization?

20
21 A. From one year to the next, variations in temperature
22 and precipitation lead to changes in water consumption.
23 More water will generally be used during hotter, drier
24 periods. The regulatory question is how to reflect
25 those weather-related differences when setting rates.
26

1 For ratemaking purposes, revenues need to be set at as
2 "normal" a level as possible, factoring out the
3 potential or actual results of unusual weather
4 conditions. This can be accomplished by building
5 statistical models that predict water utilization from
6 meteorological data and other possible predictors. An
7 estimate of future utilization can then be made by
8 using a long-term average of meteorological data
9 (since there is no better way to forecast next year's
10 weather than as an average) and known values of the
11 other predictors.

12
13 6. Q. What are examples of these other, non-meteorological
14 predictors?

15
16 A. One is the year itself. Due to gradual introduction
17 of water-conserving plumbing fixtures and appliances,
18 use of water appears to be gradually declining over time.

19
20 Another is the month of the year. While water
21 utilization increases during the warmer, drier
22 summer months, analysis of variance shows that
23 month as a categorical variable is a powerful
24 predictor even after temperature and moisture have
25 been included in the model.

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1 7. Q. What model for water utilization did you employ?

2

3 In a previous case before the Public Service Commission
4 of the Commonwealth of Kentucky (1997), I screened a
5 large number of candidate predictors by examining data
6 from sixteen different operating companies in five states,
7 Kentucky, Missouri, Ohio, Tennessee, and Virginia.
8 Tennessee American Water Company was one of these sixteen
9 companies.

10

11 I used as candidate predictors only those variables that
12 correlated consistently with utilization for most or all
13 of these operating companies.

14

15 I then fitted the surviving candidates in a multivariate
16 model to predict utilization. I found that calendar month
17 was a strong predictor even in the presence of heat and
18 moisture variables. Therefore I included month as a
19 categorical variable. With month included, I tested drought
20 severity index, temperature, and calendar year as potential
21 numeric predictors. I found that temperature was not a useful
22 predictor in the presence of the other variables, so from
23 that point onward, I did not use it.

24

25 For the months of January through April, there was no evidence
26 that moisture predicted utilization. For the months of May

1 through December, there was evidence of moisture predicting
2 utilization, being a weak predictor in the months of May, June,
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6 Since only a deficit of moisture should lead to increased
7 water utilization, I tested truncated versions of the Palmer
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9 at 0 yielded a larger R-square than the non-truncated index
10 and the index truncated at all other levels.

11
12 Month was a very strong predictor, both as a main effect and
13 interacting with the truncated drought severity index. Because
14 of this, I estimated twelve separate predictive models, one
15 for each month of the year.

16
17 For the present case I used those same predictors to estimate
18 Tennessee American Water Company utilization by fitting them
19 to monthly TAWC consumption data from January 1994 through
20 December 2003. The models were estimated separately for
21 residential and commercial consumption. The coefficient
22 estimates can be found in Appendix B.

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24 8. Q. Not all of the coefficient estimates are statistically
25 significant. Is this a problem?
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1 A. No. The candidate variables were obtained as described above,
2 by examining data from 16 different water companies, selecting
3 those that correlated with utilization over most or all of
4 those companies. Once those variables were selected, the
5 resulting estimates based on them will be unbiased. If they
6 are subject to further selection based on statistical
7 significance, there is a chance that a small amount of bias
8 could result.

9

10 9. Q. Once you had estimated the coefficients in these monthly
11 models, how did you project utilization for January 2005
12 through December 2005?

13

14 I put the coefficients from the monthly regressions into
15 Excel spreadsheets, one for residential customers, and the
16 other for commercial customers. I calculated the mean
17 truncated Palmer Drought Severity Index for each of the
18 twelve calendar months over the 30 year period from January
19 1974 to December 2003 and inserted those values into the
20 spreadsheets.

21

22 I then projected an average daily utilization for each
23 month. Once these twelve monthly projections were computed,
24 I calculated average daily utilization for the year by taking
25 an average weighted by the number of days in each calendar
26 month, counting February as having 28 days since 2003 is not

1 a leap year.

2

3 These spreadsheets are given in Appendix C.

4

5 10. Q. What are your projections of daily utilization under
6 average weather for the two customer classes?

7

8 A. For residential customers: 155.14 gallons / customer / day

9 For commercial customers: 1023.67 gallons / customer / day

10

11 11. Q. Does this conclude your testimony?

12

13 A. Yes, it does.

1 TESTIMONY

2 OF

3 EDWARD L. SPITZNAGEL, JR.

4
5 1. Q. Please state your name, business address, and employer.

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10 qualifications in the area of mathematics and statistics.

11
12 4. Q. What is the purpose of your testimony in this case?

13
14 A. I have been employed by Tennessee American Water
15 Company to make weather-normalized predictions of
16 water utilization for the period September 2008 to
17 August 2009.

18
19 5. Q. What is weather normalization?

20
21 A. From one year to the next, variations in temperature
22 and precipitation lead to changes in water consumption.
23 More water will generally be used during hotter, drier
24 periods. The regulatory question is how to reflect
25 those weather-related differences when setting rates.

26

1 For ratemaking purposes, revenues need to be set at as
2 "normal" a level as possible, factoring out the
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6 are subject to further selection based on statistical
7 significance, there is a chance that a small amount of bias
8 could result.

9

10 9. Q. Once you had estimated the coefficients in these monthly
11 models, how did you project utilization for September 2008
12 through August 2009?

13

14 I put the coefficients from the monthly regressions into
15 Excel spreadsheets, one for residential customers, and the
16 other for commercial customers. I calculated the mean
17 truncated Palmer Drought Severity Index for each of the
18 twelve calendar months over the 30 year period from January
19 1978 to December 2007 and inserted those values into the
20 spreadsheets.

21

22 I then projected an average daily utilization for each
23 month. Once these twelve monthly projections were computed,
24 I calculated average daily utilization for the year by taking
25 an average weighted by the number of days in each calendar
26 month.

1 These spreadsheets are given in Appendix C.

2

3 10. Q. What are your projections of daily utilization under
4 average weather for the two customer classes?

5

6 A. For residential customers: 141.81 gallons / customer / day

7 For commercial customers: 1029.41 gallons / customer / day

8

9 11. Q. Does this conclude your testimony?

10

11 A. Yes, it does.

1 TESTIMONY

2 OF

3 EDWARD L. SPITZNAGEL, JR.

4

5 1. Q. Please state your name, business address, and employer.

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18 of Medicine.

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9 provides a more detailed listing of my education and
10 qualifications in the area of mathematics and statistics.

11
12 4. Q. What is the purpose of your testimony in this case?

13
14 A. I have been employed by Tennessee American Water
15 Company to make weather-normalized predictions of
16 water utilization for the period March 2007 to
17 February 2008.

18
19 5. Q. What is weather normalization?

20
21 A. From one year to the next, variations in temperature
22 and precipitation lead to changes in water consumption.
23 More water will generally be used during hotter, drier
24 periods. The regulatory question is how to reflect
25 those weather-related differences when setting rates.

26

1 For ratemaking purposes, revenues need to be set at as
2 "normal" a level as possible, factoring out the
3 potential or actual results of unusual weather
4 conditions. This can be accomplished by building
5 statistical models that predict water utilization from
6 meteorological data and other possible predictors. An
7 estimate of future utilization can then be made by
8 using a long-term average of meteorological data
9 (since there is no better way to forecast next year's
10 weather than as an average) and known values of the
11 other predictors.

12
13 6. Q. What are examples of these other, non-meteorological
14 predictors?

15
16 A. One is the year itself. Due to gradual introduction
17 of water-conserving plumbing fixtures and appliances,
18 use of water appears to be gradually declining over time.

19
20 Another is the month of the year. While water
21 utilization increases during the warmer, drier
22 summer months, analysis of variance shows that
23 month as a categorical variable is a powerful
24 predictor even after temperature and moisture have
25 been included in the model.

26

1 7. Q. What model for water utilization did you employ?

2

3 In a previous case before the Public Service Commission
4 of the Commonwealth of Kentucky (1997), I screened a
5 large number of candidate predictors by examining data
6 from sixteen different operating companies in five states,
7 Kentucky, Missouri, Ohio, Tennessee, and Virginia.
8 Tennessee American Water Company was one of these sixteen
9 companies.

10

11 I used as candidate predictors only those variables that
12 correlated consistently with utilization for most or all
13 of these operating companies.

14

15 I then fitted the surviving candidates in a multivariate
16 model to predict utilization. I found that calendar month
17 was a strong predictor even in the presence of heat and
18 moisture variables. Therefore I included month as a
19 categorical variable. With month included, I tested drought
20 severity index, temperature, and calendar year as potential
21 numeric predictors. I found that temperature was not a useful
22 predictor in the presence of the other variables, so from
23 that point onward, I did not use it.

24

25 For the months of January through April, there was no evidence
26 that moisture predicted utilization. For the months of May

1 through December, there was evidence of moisture predicting
2 utilization, being a weak predictor in the months of May, June,
3 November, and December and a strong predictor for the months
4 of July through October.

5
6 Since only a deficit of moisture should lead to increased
7 water utilization, I tested truncated versions of the Palmer
8 Drought Severity Index as predictors, finding that truncation
9 at 0 yielded a larger R-square than the non-truncated index
10 and the index truncated at all other levels.

11
12 Month was a very strong predictor, both as a main effect and
13 interacting with the truncated drought severity index. Because
14 of this, I estimated twelve separate predictive models, one
15 for each month of the year.

16
17 For the present case I used those same predictors to estimate
18 Tennessee American Water Company utilization by fitting them
19 to monthly TAWC consumption data from July 1996 through
20 June 2006. The models were estimated separately for
21 residential and commercial consumption. The coefficient
22 estimates can be found in Appendix B.

23
24 8. Q. Not all of the coefficient estimates are statistically
25 significant. Is this a problem?
26

1 A. No. The candidate variables were obtained as described above,
2 by examining data from 16 different water companies, selecting
3 those that correlated with utilization over most or all of
4 those companies. Once those variables were selected, the
5 resulting estimates based on them will be unbiased. If they
6 are subject to further selection based on statistical
7 significance, there is a chance that a small amount of bias
8 could result.

9
10 9. Q. Once you had estimated the coefficients in these monthly
11 models, how did you project utilization for March 2007
12 through February 2008?

13
14 I put the coefficients from the monthly regressions into
15 Excel spreadsheets, one for residential customers, and the
16 other for commercial customers. I calculated the mean
17 truncated Palmer Drought Severity Index for each of the
18 twelve calendar months over the 30 year period from July
19 1976 to June 2006 and inserted those values into the
20 spreadsheets.

21
22 I then projected an average daily utilization for each
23 month. Once these twelve monthly projections were computed,
24 I calculated average daily utilization for the year by taking
25 an average weighted by the number of days in each calendar
26 month.

1 These spreadsheets are given in Appendix C.

2

3 10. Q. What are your projections of daily utilization under
4 average weather for the two customer classes?

5

6 A. For residential customers: 146.23 gallons / customer / day

7 For commercial customers: 1055.43 gallons / customer / day

8

9 11. Q. Does this conclude your testimony?

10

11 A. Yes, it does.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Keith Cartier

140. Refer to the testimony of Mr. Cartier at page 4. (a) When is KRS II expected to be operational and treating the minimum 6 million gallons per day? (b) How has KAWC reflected in its filing efficiencies from using KRS II for treatment of at least 6 million gallons per day versus other older facilities? Identify, quantify and explain fully and in detail how KAWC has quantified and reflected all such efficiencies.

Response:

- (a) KRS II is expected to be on line by late summer 2010 and is expected to be treating the minimum 6 million gallons per day (mgd) at that time.
- (b) KAWC has deducted 6mgd from the treatment profile of KRS I. The fuel and power and chemical costs are projected accordingly.

For the electronic version, refer to KAW_R_AGDR1#140_042610.pdf.

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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Keith Cartier

141. Electricity and power expense. Please identify KAWC's electricity usage and related power cost for each of these actual and projected periods: (1) each year, 2007 through 2009 actual; (2) each year 2007 through 2009 budgeted; (3) budgeted/forecast for calendar 2010; (4) budgeted/forecast for the 12 months ending 9/30/2011.

Response:

(1) KAW electric usage and power expenses for 2007, 2008 and 2009 are:

	2007	2008	2009
Actual Cost	\$2,927,271	\$3,321,625	\$3,093,479
Budget Cost	\$3,079,528	\$2,961,326	\$4,093,215
Actual KWH	60,930,498	58,777,609	49,118,586
Budget KWH	56,330,203	59,467,700	57,959,235

(2) See response above.

(3) The budgeted fuel and power expense for 2010 is included in response to KAW_R_AGDR1#1_042610, file FP&CHEM10.xls, tab 2010 F&P Budget.

(4) The forecasted fuel and power expense for the 12 months ending 9/30/2011 is included in response to KAW_R_AGDR1#1a_042610, file FP&CHEM10.xls, tab TYFPBD.

For the electronic version of this response, refer to KAW_R_AGDR1#141_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Keith Cartier

142. Water related staffing. Refer to the testimony of Mr. Cartier at page 14. Please provide comparative information (position counts, salaries, and total costs) on water related staffing for each of the following periods: (1) each year, 2007 through 2009 actual; (2) each year 2007 through 2009 budgeted; (3) budgeted/forecast for calendar 2010; (4) budgeted/forecast for the 12 months ending 9/30/2011.

Response:

2007					
Headcount		Total O&M Salaries & Wages		Total Salaries & Wages	
Actual	Budget	Actual	Budget	Actual	Budget
133	133	6,090,611	5,792,668	7,722,048	7,346,654

2008					
Headcount		Total O&M Salaries & Wages		Total Salaries & Wages	
Actual	Budget	Actual	Budget	Actual	Budget
139	144	6,487,151	6,692,726	8,408,490	8,673,499

2009					
Headcount		Total O&M Salaries & Wages		Total Salaries & Wages	
Actual	Budget	Actual	Budget	Actual	Budget
137	147	6,648,533	6,894,863	8,183,325	8,484,655

2010					
Headcount		Total O&M Salaries & Wages		Total Salaries & Wages	
Actual	Budget	Actual	Budget	Actual	Budget
NA	152	NA	7,708,232	NA	9,573,262

12 mths ending 9/30/2011					
Headcount		Total O&M Salaries & Wages		Total Salaries & Wages	
Actual	Budget	Actual	Budget	Actual	Budget
NA	152	NA	8,039,622	NA	9,787,192

For the electronic version, refer to KAW_R_AGDR1#142_042610.pdf.

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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Keith Cartier/Michael A. Miller**

143. Computerized Maintenance Management System. Refer to the testimony of Mr. Cartier at page 15. (a) Please identify, quantify and explain the cost of the new CMMS. (b) Is the same CMMS in use at any other of American Water Works water utility operating subsidiaries? If not, explain fully why not. If so, please identify which other subsidiaries are using the same CMMS and, for each, when they first started using it. (c) Please provide all work orders and accounting entries related to the CMMS. (d) Please identify, quantify and explain all cost savings that the CMMS is expected to produce. (e) Please identify, quantify and explain how KAWC has reflected each item of cost savings identified in response to part d in its filing.

Response:

- (a) KAW anticipates annual expense to be approximately \$8107, beginning in June 2010, primarily comprised of license and support fees. The software is being purchased at AWWSC, and KAW will be allocated its share of the capital cost through management fees over the book life of the property.
- (b) Yes, the CMMS has been designed/configured to support the regulated American Water operations. The program will be rolled out to a number of regulated subsidiaries over the coming months.
- (c) See the response to part a above.
- (d) The CMMS is a management tool that at its core helps organize and track maintenance work activities on assets (i.e., pumps, motors, hydrants, valves, etc.). The tool will enable KAW to better manage maintenance tasks and improve reporting of maintenance data, which should enhance reliability of service. KAW has not attempted to quantify any potential cost savings that may ultimately result from better management of maintenance work activities.
- (e) No cost savings have been identified or incorporated into the filing.

For the electronic version, refer to KAW_R_AGDR1#143_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: **Michael A. Miller**

144. Pension Trust Fund Assets. Please provide the following:

- a. The overall expected rate of return used for pension assets;
- b. The expected rates of return for alternative assets classes (long-term bonds, common stock) used in determining the overall expected rate of return used for pension assets; and
- c. Copies of all documentation used in determining the expected rates of return for alternative assets classes (long-term bonds, common stock).

Response:

Please see the attached schedule.

For the electronic version, refer to KAW_R_AGDR1#144_042610.pdf.

2010 Projected Investment Returns
AWW Pension

Asset Class	Asset Allocation	2008 Callan Capital Market Assumptions*	2009 Projected Returns	2009 Callan Capital Market Assumptions*	2010 AWW capital market expectations	2010 Projected Returns**	Treasury Comments
S&P 500	36.0%	8.85%	3.19%	9.20%	8.85%	3.19%	Recent Market turmoil presents an opportunity. Recent change from passive management to active management and recent market turmoil presents an opportunity. Fundamentals indicate LT lower return trend as Treasuries are at significant highs Recommend 7.9%
Small Cap International	12.0%	9.85%	1.18%	10.00%	9.85%	1.18%	
	22.0%	9.00%	1.98%	9.25%	9.00%	1.98%	
Fixed Income	30.0%	5.25%	1.58%	5.25%	5.25%	1.58%	
Expected return on Plan Assets	100.0%		7.92%			7.92%	

* 2008 Callan Capital Market Assumptions

** Projected Returns were derived from asset allocation multiplied by the 2010 AWW market expectations for those asset classes

**KENTUCKY-AMERICAN WATER COMPANY
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Witness: Sheila Miller

145. To the extent not provided in Questions 1 and 2, please provide the original electronic spreadsheet files in Excel used to create each Schedule in Exhibit 37, with all formulas and links intact, including all files linked thereto that are necessary for the proper functioning of the file. If any of the links are to a mainframe database or application, please provide the version of the output from such database or application that was used to produce Exhibit 37.

Response:

See the information provided in response to KAW_R_AGDR1#1_042610.pdf.

For the electronic version of this response, refer to KAW_R_AGDR1#145_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: All Witnesses

146. To the extent not provided in Questions 1 and 2, please provide in Microsoft Excel or Excel compatible format, copies of all schedules and workpapers created in the process of filing the current rate increase request. This specifically includes all accounting schedules and related workpapers filed as Exhibit No. 37 and the workpapers provided in response to discovery. Please provide files with all formulae intact, and provide any linked files.

Response:

See the information provided in response to KAW_R_AGDR1#1_042610 and KAW_R_AGDR1#2_042610.

For the electronic version of this response, refer to KAW_R_AGDR1#146_042610.pdf.

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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Sheila Miller/Michael A. Miller

147. Please show in detail how KAWC has reflected the inclusion of net negative salvage in accumulated depreciation (a rate base reduction). For forecasting purposes, indicate whether Mr. Spanos's cost of removal proposals were used to estimate these amounts, and how they were used.

Response:

The detail of this calculation can be found on the excel file that was provided in response to KAW_R_AGDR1#1_042610 and labeled as file K_RB10.XLS under tab WPS RB. For forecasting purposes, the Company used the depreciation rates proposed by Mr. Spanos beginning October 2010 through September 2011 (the forecasted test-year) which include the net negative salvage component, and the current depreciation rates which include the negative salvage component for depreciation expense from December 2009 through September 2010.

For the electronic version of this response, refer to KAW_R_AGDR1#147_042610.pdf.

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Witness: **Michael A. Miller/Sheila Miller**

148. Refer to Sheila Miller's testimony at pages 13-14.

- a. Please identify, quantify and explain all impacts on expenses and rate base from SFAS 109.
- b. When did the Company adopt SFAS 109 for financial reporting purposes?
- c. Is this the first rate case in which KAWC has attempted to apply SFAS 109 for ratemaking purposes? If not, explain fully why not, and identify the other rate cases in which KAWC attempted to use SFAS 109 for ratemaking purposes. If so, explain fully why.

Response:

- a. The Company objects to this question as being overly broad and vague in nature. Notwithstanding the objection the Company responds, as a summary, SFAS 109 is a balance sheet approach to deferred income taxes that considers the impact of all timing differences between book and tax treatment for certain expenses and deductions, including the impacts of normalization requirements on book/tax depreciation and other items. SFAS 109 also involves recording regulatory assets and regulatory liabilities to account for the future recovery/payback of items previously flowed through to customers from prior years. For more detail please refer to KAW_R_PSCDR1a#1a_031610.pdf for the work papers referred to later in this response and Schedule E and Schedule B-6 of the Company's original Application filing in this case. For the electronic versions refer to the responses to KAW_R_AGDR1#1_042610.pdf. See files titled; 1) K_COS10.xls, Schedule E TAB, 2) Deferred Taxes 10 revised 1109.xls, and 3) K_RB10.xls, Tab Sch B-1, Tab Sch B-6, Tab Deferred Taxes.

If the AG has specific questions about any element of the Company's deferred tax expense or accumulated deferred income taxes included in the filing, he may pose them in a follow-up DR and the Company will provide a response.

- b. SFAS 109 was implemented by the Company on 1-1-1993.
- c. The Company has consistently filed all rate cases since at least case number 2000-120. The Commission has consistently recognized SFAS 109 tax accounting (as filed by the Company) in all cases since at least case number 2000-120. Review of all Company rate case orders since at least case number 2000-120 reflect no

adjustments to income tax expense and accumulated deferred income taxes that would indicate any change to the Company's requested filing using SFAS 109.

For the electronic version of this response, refer to KAW_R_AGDR1#148_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

149. Please show in detail how meter costs are considered in the derivation of KAWs proposed tap fees.

Response:

Please refer to the response to Item 2 of this same data request, with regard to the files for Linda C. Bridwell. The file is titled "Ratecase 2010 Tap Fee Worksheet.xls." Under the worksheet "07-09 Tapfees" there is a listing of the 2010 contract price for meters including sales tax. On worksheet "Tap Fees vs Indices" there is a section highlighted in blue with the heading of "Proposed Tap Fees". The calculations highlighted pick up the five-year average costs for all components except the meters, and add the 2010 contract price of the corresponding meter size.

For the electronic version of this response, refer to KAW_R_AGDR1#149_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller/Linda C. Bridwell

150. Re AMR meters, please respond to the following:

- a. How are these meters handled for rate base purposes? In other words, are they included in rate base?
- b. Please provide the number of meters paid for in tap fees, as well as the total dollar amount collected.
- c. For the computation of meter cost that is included in the tap fee calculation, does KAW use the actual meter cost, or the meter cost plus an estimate for net salvage? Explain fully and show calculations.
- d. Provide the amounts included in tap fees for each type of meter. In other words, the "full cost" for each meter.

Response:

- a. Yes. The entire cost of the meter is included in rate base. Tap fees, which have a portion of the cost attributed to a meter, are indentified as contributed property and are reduced from rate base.
- b. In 2009 there were 1,354 tap fees collected for \$1,091,619.74. Therefore 1,354 meters were paid for in tap fees for 2009.
- c. Only the actual meter cost. The tap fee would be applicable to new taps which would not have an associated retirement of a meter, nor did the Company include a depreciation component in the current or proposed tap fee.

While not directly related to the question concerning tap fees, actual net negative salvage associated with the retirement of meters would be charged to RWIP and appropriately cleared to Accumulated Depreciation in accordance with the NARUC accounting instructions and Commission practice.

- d. Please refer to the response to Item 149 of this same data request.

For the electronic version of this response, refer to KAW_R_AGDR1#150_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Keith Cartier/Michael A. Miller**

151. Leak detection revenue.

- a. Please explain how KAWC tracks revenues and expenses related to the provision of leak detection services for other utilities.

- b. Are any of these revenues or expenses included in the base or test year periods? If yes, explain where they are located in the filing and the rationale for including them.

Response:

- a. A work order is created in PowerPlant with a description of work and to whom the bill is sent. The work order number is used on time sheets by employees who work on the project. Time sheets are entered biweekly into J. D. Edwards and labor is automatically charged to work orders. All time and materials are charged to work orders, including mileage, gas, meals and any overnight stays. These charges are accumulated and the utility is billed. If the request for assistance is made through the Kentucky River Authority, the Kentucky River Authority is sent an invoice.

- b. No.

For the electronic version, refer to KAW_R_AGDR1#151_042610.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Keith Cartier/Sheila Miller

152. Please provide all support and workpapers relating to any forecasted increase in fuel and power costs. Include any correspondence and/or other material received from KU or other electric service providers relating to these estimates.

Response:

Support and workpapers relating to the forecasted increase in fuel and power costs were provided in response to KAW_R_PSCDR1#1a_WP3-2_031610 pages 2 to 32 of 32. The excel version of the calculation has been provided in response to KAW_R_AGDR1#1_042610, file name FP&CHEM10.xls. This includes the 2010 and 2011 fuel and power budgets, budget assumptions, pumpage information, and the forecasted test year calculation.

For the electronic version of this response, refer to KAW_R_AGDR1#152_042610.pdf.

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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Keith Cartier

153. Please provide all support and workpapers related to the forecasted increase in chemical prices. Include any correspondence with suppliers.

Response:

Please refer to question AGDR1#105 of this data request for purchase orders and invoices detailing the 2010 contract chemical prices. See the attached schedule for the assumptions used in determining the estimated 2011 chemical prices.

For the electronic version refer of this response, to KAW_R_AGDR1#153_042610.pdf.

	2011 forecast (Global November 2009 forecast)	Preliminary 2011 Forecast Update (2-1-2010)	Comments
Aluminum Sulfate	1	0-2%	modest increase in feed stock pricing (Sulfuric Acid & Aluminum)
Caustic Soda	-6	0-2%	suppliers aiming to stabilize profits on ECU's
Chemicals - Other	2	2 to 4%	General inorganic chemical market will have a modest recovery
Chlorine	3	3%	suppliers aiming to stabilize profits on ECU's
Ferric Chloride	-3	-3 to 1%	Ferrous scrap experiencing increases due to stronger export market. Domestic steel market is projected to have a slow recovery in 2010; however scrap prices are being driven by the export market
HFS (Flouride)	2	2%	modest increase due to lower fertilizer production.
Phosphates	-10	-5 to -10%	new competition will exercise penetration pricing reducing prices further.
Polymers	1	1 to 3%	oil prices projected to remain in the high \$70s
Sulfuric Acid		1 to 3%	related to modest increase in the price of Sulfur and energy.

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Witness: Keith Cartier

154. Please provide a copy of "The American Systems Operations Manual."

Response:

The Operations policies/procedures responsive to this question are confidential and proprietary, and, therefore, the Company has filed a Petition for Confidential Treatment contemporaneously with these responses. The Company will provide copies of the requested documents to all parties in this case upon execution of an appropriate confidentiality agreement.

For the electronic versions, refer to KAW_R_AGDR1#154_CONF_PART1_042610.pdf and KAW_R_AGDR1#154_CONF_PART2_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Michael A. Miller**

155. Please provide a list of the capital improvements made since the last case. Show the applicable accounts and amounts.

Response:

The Company objects to this question on the grounds is vague, requires information already provided in the application, previous discovery responses or in other areas of the AG's First Set of Discovery.

Notwithstanding the objection the Company responds as follows. The Commission rules permit the use of a forecasted test-year for the first full year rates from this case will be effective. In the Company's 2008 rate case, rates went into effect on June 1, 2009 with a forecasted test-year ending May 2010. In the Company's filing in this case, the Company started the process of developing forecasted test-year rate base with the actual numbers as of November 2009. There is an overlap between the cases and it would require generating comparisons not currently in the Company's possession to respond to this request. The Company's forecasted capital (utility plant) expenditures for the period October 2010 through September 2011 (the forecasted test-year) are provided in great detail in the information referred to in the response to KAW_R_AGDR1#156. The expenditures plan information by project and 300 account used by the Company in developing its rate base can be found in the response to KAW_R_PSCDR1#1a_031610, at pages 12-23 and 36-39 of 48.

For the electronic version of this response, refer to KAW_R_AGDR1#155_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller/Sheila A. Miller

156. Please provide a list of the items included in the increase to ratebase since the last case. In both cases, show the applicable accounts and amounts.

Response:

The Company objects to this question on the grounds that it is vague, burdensome and seeks information that Company has provided in its filing, previously filed discovery responses, or previously in the AG's First Set of Discovery. In addition the request appears to request the expansive rate base information previously supplied in the Company's application in a format which would have to be generated by the Company.

Notwithstanding the objection the Company responds as follows. Please refer to Exhibit 37B provided in the Company application identified as KAW_APP_Ex37B_022610, which can also be found in electronic format in the response to KAW_R_AGDR1#1_042610, file name K_RB10.xls. Please refer to the response to KAW_R_PSCDR1#1a_031610.pdf., at WP1_1 thru WP1-12. Please refer to KAW_R_AGDR1#1_042610, file names Constru10.xls, Deferred Debits 10.xls, Deferred Maintenance 10.xls, Other Rate Base.xls, and Deferred Taxes 10 revised.xls.

If after review of this information the AG has a specific question not already included in other responses to the discovery requests issued, he may ask it in a follow up question.

For the electronic version of this response, refer to KAW_R_AGDR1#156.pdf.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: **Michael A. Miller/Sheila Miller**

157. Please reconcile the ratebase in this case with the ratebase in the most recent prior case, by element. Identify, quantify and explain each reconciling item.

Response:

Please see the attached schedule.

For the electronic version of this response, refer to KAW_R_AGDR1#157_042610.pdf.

**Kentucky American Water
Response to AGDR1#157**

	<u>Case Number 2010-00036</u>	<u>Case Number 2008-00427</u>	<u>Variance</u>	
Utility Plant in Service	566,014,484	385,086,157	180,928,327	New Construction, primarily the KRS II Treatment Plant
CWIP	9,463,931	102,817,344	(93,353,413)	Primarily transfer to the KRS II CWIP to UPIS
Accumulated Depreciation	(110,085,251)	(98,464,904)	(11,620,347)	Add'l depreciation on UPIS additions.
<u>Deducts:</u>				
Customer Advances	(19,089,182)	(15,618,202)	(3,470,980)	Additional Developer extensions, net of refunds
CIAC's	(48,865,890)	(45,274,826)	(3,591,064)	State DOH relocations & transfer of expired Cust. Advance Agreements
Deferred Taxes	(40,026,731)	(33,941,806)	(6,084,925)	Add'l Def. Tax On difference on tax vs. book depreciation primarily KRS II
Deferred ITC	(76,952)	(87,154)	10,202	Amortization
JPAA	2,342	18,488	(16,146)	Amortization of Boonesboro JPAA
Other Net Rate Base Elements	(2,349,854)	(1,212,447)	(1,137,407)	Primarily payment of contract retention on KRS II
<u>Additions:</u>				
Materials and Supplies	642,421	575,573	66,848	Higher chemical contract prices and inventory price increases
Cash Working Capital	2,634,000	2,588,495	45,505	changes in cost of service elements
Deferred Debits	1,700,474	1,940,458	(239,984)	Amortization of Source of Supply, Bluegrass Water deferrals allowed in 2000-120.
Deferred Maintenance	2,708,236	2,902,195	(193,959)	Amortization of tank painting & hydrant painting, net of new painting projects.
Total Rate Base	362,672,028	301,329,371	61,342,657	

**KENTUCKY-AMERICAN WATER COMPANY
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ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION**

Witness: Michael A. Miller

158. Are any costs related to the Divestiture and/or Sarbanes-Oxley Act (SOX) included in the filing as costs allocated to the Company by the Service Company? If so, please list all amounts and provide supporting documents. Also, indicate where in the filing the costs are included.

Response:

There are no costs related to the divestiture of AWW stock by RWE included in the filing. There are no SOX implementation costs included in the filing. The year 2009 was the first year AWW as a publicly traded company was required to provide Section 302 certification regarding the Company's internal controls and the external auditors were required to provide Section 404 certification regarding the Company's management representations concerning internal controls as required by the Sarbanes-Oxley Act. SOX costs have been fully implemented and future costs will be limited to on-going compliance costs.

For the electronic version, refer to KAW_R_AGDR1#158_042610.pdf.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Michael A. Miller/Sheila Miller/Keith Cartier**

159. Please provide the "Business Plans" pertaining to KAWC, AWWSC and American Water Works (parent company) for 2009, 2010 and 2011.

Response:

American Water Works Co. Inc (parent company) does not bill any expenses to KAW.

Please see the attached schedules for the 2010/2011 Business Plan allocations to KAW from AWWSC. The 2009 Plan management fees from AWWSC can be found on the attached schedule titled "Income Statement Year-To-Date, Kentucky with Growth, Dec YTD 2009", at lines 13 and 14.

Please see the attached schedules titled "Income Statement Year-To-Date, Kentucky with Growth, Dec YTD 2009" described above that provides the KAWC 2009 Plan income statement with detailed revenue and expenses, and "Balance Sheet, Kentucky with Growth, December YTD 2009) that provides the KAW 2009 Plan balance sheet detail. Please see the attached schedule titled "Strategic Capital Expenditure Plan" that provides the 2009 KAW Capital Expenditure Plan.

For information on 2010-2012 KAW Plan information previously supplied please refer to the following:

- KAW_APP_EX11_031110 (and 022610).pdf – Capital Expenditures
- KAW_APP_EX13_022610.pdf – Budget income statement & CAPEX for 12 months ending Feb. 2010 and for the base period ending May 2010
- KAW_APP_EX17_022610.pdf – Income Statement
- KAW_APP_EX18_022610.pdf – Balance Sheet
- KAW_APP_EX19_022610.pdf – Cash Flow
- KAW_APP_EX21_022610.pdf - Employee Levels
- KAW_APP_EX22_022610.pdf – Labor Costs
- KAW_APP_EX23_022610.pdf – Capital Structure
- KAW_APP_EX24_022610.pdf – Rate Base
- KAW_APP_EX25_022610.pdf – Water Sales
- KAW_APP_EX26_022610.pdf - Customers

For electronic version of this response, refer to KAW_R_AGDR1#159_042610.pdf.

Kentucky American Water
Revised 2010 management fee plan 12/23/09

	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total
A534603_S16 : Mgmt Fees - Audit	4,074.75	2,274.60	4,133.86	4,737.65	4,247.27	4,670.39	5,381.93	5,030.78	5,179.81	5,130.47	5,849.30	5,334.75	56,045.57
A534607_S16 : Mgmt Fees-Business Development	22,430.12	17,322.84	15,498.50	14,141.41	16,839.93	13,100.00	14,622.25	14,144.19	14,369.99	13,759.04	13,332.68	14,498.04	184,069.99
A534600_16 : Mngt Fees-Corporate	7,570.73	(719.69)	(25,269.20)	55,597.22	(1,344.95)	(7,599.08)	(7,917.47)	(7,576.24)	(8,986.56)	(7,996.29)	(7,861.42)	(8,615.34)	(39,766.29)
A534601_S16 : Mgmt Fees-Ext Affairs/Communications	24,630.07	24,405.33	27,994.09	24,563.81	25,260.82	33,995.31	29,433.29	26,543.95	29,060.70	30,808.86	32,768.54	29,645.50	339,989.77
A534602_S16 : Mgmt Fees-Finance	125,791.66	98,745.38	114,336.21	96,481.31	105,341.91	123,466.97	121,216.97	123,957.59	123,782.69	122,949.78	119,517.34	123,988.26	1,407,959.20
A534603_S16 : Mgmt Fees-Human Resources	23,963.52	19,494.76	19,828.83	24,511.93	19,730.96	13,794.54	36,492.13	35,528.37	37,018.18	36,167.92	37,934.31	37,981.92	457,237.36
A534611_S16 : Mgmt Fees - Inv Relations	1,382.36	1,743.00	1,689.52	1,639.67	1,688.16	2,249.12	2,284.76	2,209.94	2,247.35	3,813.60	2,209.94	2,883.20	25,441.60
A534604_S16 : Mgmt Fees-Operations	25,958.98	28,294.38	31,518.11	26,218.25	28,196.00	32,157.63	32,064.45	36,715.75	41,140.36	40,062.98	38,498.37	44,195.49	407,040.96
A534605_S16 : Shared Bus Svcs - CSC	32,131.98	34,114.24	13,910.52	19,714.09	21,405.42	24,861.19	37,139.56	24,621.49	25,709.79	29,921.18	25,547.44	29,519.17	318,596.07
A534606_S16 : Mgmt Fees-Property	34,843.51	31,738.63	29,984.32	31,230.51	34,013.84	32,032.53	32,922.53	32,720.79	33,379.08	34,451.27	32,381.52	31,562.96	391,263.52
A534701_S16 : Mgmt Fees-Regulatory	1,137.76	1,527.26	3,557.51	1,663.06	1,963.32	1,982.14	2,498.66	1,919.11	1,957.13	1,957.05	1,919.11	1,965.05	24,077.15
A534701_S16 : Mgmt Fees-Eastern Division	72,486.88	67,083.23	67,915.56	62,612.14	65,836.56	73,930.54	99,516.20	93,157.84	95,570.76	99,222.68	92,479.04	97,449.91	987,261.34
A534608_S16 : Mgmt Fees - Bus Trans													
A534615_S16 : Shared Bus Svcs - SSC	50,919.12	45,457.52	50,215.76	44,469.14	47,467.61	58,435.45	57,836.15	45,291.45	56,549.13	55,261.73	53,290.94	58,590.66	623,784.65
A534625_S16 : Shared Bus Svcs - CSC	159,989.36	150,110.06	139,154.49	129,271.56	137,666.65	159,394.86	160,786.47	153,342.93	155,979.84	152,675.75	150,812.45	156,144.12	1,803,027.22
A534635_S16 : Shared Bus Svcs - ITS	129,989.36	112,596.75	117,126.29	113,147.35	122,213.55	130,375.86	141,916.00	136,376.61	141,146.65	138,044.03	138,793.90	147,978.79	1,569,000.14
A534645_S16 : Shared Bus Svcs - Procurement	12,894.89	11,971.82	11,397.61	10,080.31	11,185.82	12,719.59	13,259.53	12,337.67	13,351.13	12,960.65	12,208.30	13,983.49	146,390.80
A534655_S16 : Shared Bus Svcs - Laboratory	17,662.38	16,446.94	17,874.80	15,743.83	18,056.31	17,540.96	18,856.38	17,624.52	17,249.61	17,876.08	16,243.09	16,247.44	207,424.25
A534655_S16 : Shared Bus Svcs - Benefits Svc Ctr	3,766.19	3,815.55	3,960.32	3,569.47	3,964.56	4,612.63	4,578.40	4,289.81	4,688.20	4,419.57	4,431.84	4,804.45	50,890.99
PL105200_S1 : CWIP Co Labor N	255,256.59	252,065.52	256,793.23	250,037.94	251,775.42	259,927.99	262,727.15	261,428.18	265,511.53	264,507.41	262,908.02	269,312.62	3,112,251.60
Total	1,004,619.25	916,487.11	881,620.34	929,421.15	915,510.17	1,009,663.37	1,070,377.97	1,018,924.00	1,056,715.26	1,055,993.08	1,031,064.70	1,076,281.49	11,968,677.89
	749,362.66	666,421.59	624,827.11	679,383.21	663,734.75	749,735.38	807,650.82	757,496.82	791,203.74	791,485.67	768,186.68	806,968.87	

Total O&M

Revised 2011 management fee plan 12/23/09

	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total
A534609_S16 : Mgmt Fees - Audit	4,242.86	2,423.82	4,330.68	4,939.44	4,450.43	4,837.39	5,540.41	5,178.18	5,331.91	5,281.02	6,022.52	5,491.74	58,070.40
A534607_S16 : Mgmt Fees-Business Development	21,402.58	15,373.40	14,949.49	13,630.23	16,059.30	13,333.54	14,904.44	14,392.81	14,625.60	13,995.31	13,555.75	14,758.00	180,980.45
A534600_16 : Mngt Fees-Corporate	6,008.45	(544.46)	(63,965.07)	57,552.54	(1,188.21)	(7,046.19)	(7,424.18)	(7,056.97)	(7,597.17)	(7,490.19)	(7,351.05)	(8,125.28)	(44,236.78)
A534601_S16 : Mgmt Fees-Ext Affairs/Communications	25,602.00	25,239.03	28,778.92	25,264.36	26,051.76	34,852.41	30,188.33	27,206.05	30,751.31	31,575.82	33,598.00	30,406.63	349,524.61
A534602_S16 : Mgmt Fees-Finance	133,846.77	104,505.84	121,282.33	102,703.81	111,325.72	126,064.43	128,477.27	123,560.25	126,203.86	125,343.61	121,808.26	128,415.71	1,451,537.85
A534603_S16 : Mgmt Fees-Human Resources	24,073.90	19,668.91	23,630.49	27,466.57	20,965.46	32,886.84	37,444.94	36,420.71	37,957.50	37,080.46	36,633.51	38,312.00	372,731.28
A534611_S16 : Mgmt Fees - Inv Relations	1,550.43	1,923.03	1,868.20	1,815.98	1,869.36	2,299.28	2,336.08	2,258.84	2,297.46	3,914.54	2,258.84	2,334.48	26,726.53
A534604_S16 : Mgmt Fees-Legal	27,315.73	29,611.83	34,203.85	28,375.64	30,152.30	33,421.07	33,346.20	39,570.55	42,069.09	40,959.15	39,346.46	45,217.28	423,589.15
A534605_S16 : Mgmt Fees-Operations	27,564.62	30,453.05	21,604.71	23,882.20	22,198.07	25,528.01	38,176.82	25,242.90	26,360.42	30,363.54	25,870.90	29,907.12	327,172.36
A534606_S16 : Mgmt Fees-Property	35,798.55	32,865.90	31,056.10	32,029.06	34,702.73	32,544.15	33,601.28	32,949.17	33,012.55	34,031.65	31,896.67	30,859.70	395,347.51
A534610_S16 : Mgmt Fees - Regulatory	1,152.97	1,551.91	3,651.25	1,691.26	2,005.51	2,019.68	2,552.51	1,954.66	1,993.88	1,993.81	1,954.66	2,032.99	24,555.09
A534701_S16 : Mgmt Fees-Eastern Division	70,011.78	73,995.71	72,023.55	63,458.15	68,460.82	78,304.88	101,248.16	94,360.31	96,893.01	100,653.86	93,704.40	98,649.27	1,011,763.89
A534608_S16 : Mgmt Fees - Bus Trans													
A534625_S16 : Shared Bus Svcs - SSC	52,374.01	48,082.64	54,917.71	47,165.81	50,391.13	60,809.86	60,191.91	47,249.00	58,864.04	57,536.13	55,502.74	60,970.04	654,055.03
A534625_S16 : Shared Bus Svcs - CSC	157,476.56	152,616.50	144,021.78	130,359.03	139,560.61	157,532.33	158,300.05	151,239.13	154,220.01	150,712.15	148,638.36	154,302.30	1,799,178.80
A534635_S16 : Shared Bus Svcs - ITS	138,430.36	118,613.24	129,208.00	122,068.95	132,644.95	142,180.58	152,132.47	148,005.60	154,632.43	150,025.94	151,308.46	161,483.03	1,700,734.20
A534645_S16 : Shared Bus Svcs - Procurement	12,566.67	11,329.79	12,726.19	10,733.77	11,492.85	12,926.00	13,451.66	12,501.24	13,143.75	13,143.75	12,367.94	14,166.76	150,942.20
A534655_S16 : Shared Bus Svcs - Laboratory	17,633.97	16,605.39	18,790.67	16,103.39	18,437.81	17,578.01	19,030.81	17,515.53	17,200.41	17,849.99	16,170.21	16,176.74	209,328.94
A534655_S16 : Shared Bus Svcs - Benefits Svc Ctr	3,945.22	3,846.63	4,178.98	3,705.14	4,114.17	4,663.20	4,627.89	4,330.17	4,741.16	4,464.03	4,476.69	4,861.09	51,954.36
PL105200_S1 : CWIP Co Labor N	201,576.10	197,756.52	204,379.47	195,397.22	199,080.76	205,172.02	208,866.64	207,849.39	211,699.76	210,631.92	208,952.98	215,165.90	2,468,530.67
Total	962,563.56	885,918.68	871,837.31	909,332.54	892,785.55	990,907.47	1,036,995.67	984,954.71	1,024,802.98	1,022,086.30	996,916.27	1,043,385.48	11,612,486.53
	760,987.46	686,162.16	667,457.84	712,935.34	693,704.78	774,735.45	828,127.03	777,105.31	813,103.23	811,454.38	787,963.29	828,219.58	

Total O&M

Report ID: FRN-7-7
American Water Residential

Close Status: final
source: SYSTEM financial
data

Friday, January 15, 2010 8:21:07 AM

Balance Sheet
Kawartha Growth
Period: 12/31/2009
(\$ in thousands)

AMERICAN WATER

Account	Actuals	Reimburse	Increase (Decrease)	% Variance	Plan	Increase (Decrease)	% Variance	Prior Yr. Dec	Increase (Decrease)	% Variance
Assets										
Utility Plant	384,685	389,170	(4,485)	(1.1)%	389,474	(6,609)	(1.2)%	389,486	15,380	4.2%
Construction Work in Progress	138,797	131,814	6,983	5.2%	118,503	20,294	17.1%	84,286	154,771	184.7%
Accumulated Depreciation	(90,904)	(90,904)	0	0.0%	(94,237)	3,333	3.5%	(84,213)	(6,727)	(8.0)%
Utility Plant Acquisition Adjustments	284	281	3	(1.1)%	312	(27)	(8.3)%	305	(20)	(6.6)%
Other Utility Plant	432,997	430,571	2,426	0.6%	414,842	18,955	4.6%	340,079	82,818	27.3%
Total Utility Plant	855,869	859,336	(3,467)	(0.4)%	828,376	31,460	3.8%	814,075	45,261	5.6%
Non-Utility Property	433,267	430,841	2,426	0.6%	414,312	18,955	4.6%	340,348	82,919	27.3%
Total Property, plant and equipment	1,289,136	1,290,177	(1,041)	(0.1)%	1,242,688	47,489	3.8%	1,154,423	135,754	11.7%
Cash and Cash Equivalents	178	891	(713)	(399.9)%	200	(24)	(12.1)%	234	(56)	(24.3)%
Restricted funds	2,612	2,372	240	9.2%	4,210	(1,588)	(38.0)%	2,342	270	11.5%
Utility customer accounts receivable	(277)	(204)	(77)	(27.8)%	(32)	(245)	(765.6)%	(4)	(4)	0.0%
Allowance for uncollectible accounts	3,231	4,001	(770)	(23.8)%	3,681	(450)	(12.5)%	2,900	331	11.4%
Accrued utility revenues	763	572	191	25.0%	572	191	33.4%	412	362	88.1%
Other receivables, net	645	850	(205)	(31.8)%	677	(32)	(4.7)%	577	68	11.8%
Taxes receivable, including federal income	3,443	1	3,442	321,853.6%	13	3,428	26,536.4%	1	3,442	584,523.6%
Materials and supplies	313	555	(242)	(77.3)%	234	78	33.5%	411	(88)	(21.5)%
Receivable from affiliated companies	10,308	8,739	1,569	15.3%	8,052	1,855	23.2%	4,303	4,303	100.0%
Other Current Assets	4,215	200	4,015	95.3%	6,304	(2,089)	(33.1)%	3,230	985	30.5%
Regulatory assets - income tax recovery	1,680	1,258	422	25.2%	654	1,036	158.4%	795	884	112.5%
Debt and deferred stock expenses	-	-	-	-	-	-	-	-	-	-
Deferred pension expense	-	-	-	-	-	-	-	-	-	-
Deferred postretirement benefit expense	-	-	-	-	-	-	-	-	-	-
Deferred security costs	-	-	-	-	-	-	-	-	-	-
Deferred business services project expense	-	-	-	-	-	-	-	-	-	-
Deferred integration costs	1,608	1,637	(29)	(1.8)%	1,417	162	13.5%	1,727	(128)	(7.4)%
Deferred tank painting costs	482	451	31	6.4%	508	(16)	(3.2)%	584	(62)	(10.6)%
Deferred rate cash	-	-	-	-	-	-	-	-	-	-
Asset premium recoverable thru rates	2,404	2,892	(488)	(20.3)%	3,152	(759)	(24.0)%	2,750	(355)	(12.9)%
Environmental remediation recoverable thr	10,410	10,252	158	1.5%	12,046	(1,637)	(13.6)%	9,076	1,384	16.7%
Other Regulatory Assets	-	-	-	-	-	-	-	-	-	-
Regulatory assets	-	-	-	-	-	-	-	-	-	-
Other investments	-	-	-	-	-	-	-	-	-	-
Long term receivable from affiliate	-	-	-	-	-	-	-	-	-	-
Funds restricted for construction	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangible assets	54	52	2	3.7%	1,029	(975)	(94.8)%	129	(72)	(55.8)%
Other Long Term Assets	10,463	10,304	159	1.5%	13,075	(2,612)	(20.0)%	9,208	1,255	13.6%
Total Regulatory & Other LT Assets	457,637	459,884	(2,247)	(0.5)%	438,439	19,188	4.2%	358,160	88,777	27.6%
Capital & Liabilities										
Common stock	36,569	36,569	0	0.0%	36,569	0	0.0%	36,569	0	0.0%
Paid in Capital	56,649	56,649	0	0.0%	52,113	4,536	8.7%	24,127	32,530	134.8%
Retained Earnings	35,220	35,042	178	0.5%	34,586	656	1.9%	32,812	2,207	7.3%
Accumulated other comprehensive income	-	-	-	-	-	-	-	-	-	-
Unearned compensation	-	-	-	-	-	-	-	-	-	-
Treasury stock	128,444	129,280	(836)	(0.6)%	123,278	5,166	4.2%	93,507	34,937	37.4%
Preferred stock without mandatory redemp	1,458	1,458	0	0.0%	1,447	11	0.8%	1,486	0	0.0%
Long term debt	144,990	144,980	10	0.0%	138,600	6,380	5.1%	78,700	68,280	88.0%
Redeemable preferred stock at redemption	4,500	4,500	0	0.0%	4,500	0	0.0%	4,500	0	0.0%
Total Capitalization	279,380	280,206	(826)	(0.3)%	285,825	(6,545)	(2.3)%	176,163	103,227	88.6%
Short Term Debt	27,426	27,827	(401)	(1.4)%	31,277	(3,851)	(12.3)%	53,106	(25,681)	(48.4)%
Current portion of Long-term Debt	3,100	3,100	0	0.0%	3,100	0	0.0%	3,100	0	0.0%
Current portion of redeemable stock at red	11,623	15,425	(3,802)	(32.7)%	3,184	8,459	267.4%	6,445	3,178	37.6%
Accounts Payable	2,904	56	2,848	98.1%	2,853	55	2.4%	3,089	(3,033)	(98.2)%
Taxes Accrued	1,772	(137)	1,909	107.7%	2,898	(1,122)	(38.7)%	1,150	633	84.2%
Interest Accrued	5,548	3,118	2,430	43.8%	2,879	2,669	92.7%	4,473	(1,078)	(24.1)%
Total Other Current Liabilities	52,373	49,391	2,982	5.7%	45,687	6,706	14.7%	69,363	(17,990)	(26.1)%
Total Current Liabilities	134,442	134,893	(451)	(0.3)%	137,137	(2,695)	(2.1)%	119,818	1,528	12.8%
Customer Advances for Construction	47,287	42,895	4,392	9.3%	39,519	7,748	19.6%	37,871	9,398	24.8%
Deferred Income Taxes	1,048	1,052	(4)	(0.4)%	1,052	(4)	(0.4)%	1,133	(85)	(7.5)%
Deferred investment tax credits	11,829	11,142	687	5.8%	10,844	655	6.0%	9,755	1,874	18.2%
Regulatory liability	1,353	2,147	(794)	(58.6)%	3,003	(1,650)	(55.0)%	1,389	(37)	(2.6)%
Accrued pension expense	467	490	(23)	(4.9)%	187	283	151.3%	418	49	11.6%
Accrued postretirement benefit expense	63	62	1	1.6%	4,098	(4,034)	(98.4)%	736	(674)	(91.5)%
Other Deferred Credits	75,268	71,563	3,705	4.9%	74,719	549	0.7%	63,219	12,049	19.1%
Regulatory & Other Long Term Liabilities	47,606	48,505	(899)	(1.9)%	50,228	(2,622)	(5.2)%	46,815	790	1.7%
Contributions in aid of construction	454,637	449,684	4,953	1.1%	436,439	18,198	4.2%	385,160	88,477	23.0%
Total capital and liabilities	1,289,136	1,290,177	(1,041)	(0.1)%	1,242,688	47,489	3.8%	1,154,423	135,754	11.7%

STRATEGIC CAPITAL EXPENDITURE PLAN		U.S. \$												
PROGRAM		Period 1												
Business Unit	Business Unit No.	Project Title	2	3	4	5	6	7	8	9	10	11	12	Total 2009
Business 1 Kentucky		RECURRING PROJECTS												
Division 10		Projects Funded by Others (Contrib./Adv./Refunds)												
Description KY 2008 Original Budget														
Business Unit		Period 1												
Kentucky	DV	Projects Funded by Others (Contrib./Adv./Refunds)	251,286	298,736	205,208	630,950	511,536	113,594	257,350	539,974	262,184	400,198	731,988	4,700,000
Kentucky	A	Mains - New	15,680	18,480	56,000	11,760	26,320	28,000	72,240	12,880	43,120	46,480	218,400	560,000
Kentucky	B	Mains - Replaced / Restored	32,748	228	18,668	37,953	253,295	46,428	184,453	83,690	65,848	26,643	245,345	1,005,300
Kentucky	C	Mains - Unshutted	7,799	54	4,445	9,038	60,319	11,056	46,307	19,930	15,891	6,345	58,429	239,400
Kentucky	D	Mains - Relocated	32,748	228	18,668	37,953	253,295	46,428	184,453	83,690	65,848	26,643	245,345	1,005,300
Kentucky	E	Hydrants, Valves, and Manholes - New	22,670	13,948	8,627	27,274	13,950	8,550	9,370	14,532	13,802	12,846	22,865	192,000
Kentucky	F	Hydrants, Valves, and Manholes - Replaced	7,600	1,650	150	34,200	27,000	8,550	27,000	48,900	9,000	9,000	160,035	980,000
Kentucky	G	Services and Laterals - New	20,100	75,174	18,685	13,950	109,522	54,327	97,550	158,712	74,909	80,204	160,035	980,000
Kentucky	H	Services and Laterals - Replaced	71,810	9,671	60,077	87,244	109,706	170,945	109,706	168,189	119,374	120,348	321,759	1,400,000
Kentucky	I	Meters - New	135,853	78,409	48,912	55,009	72,107	110,845	114,283	121,413	152,648	35,532	213,539	1,215,048
Kentucky	J	Meters - Replaced	79,674	97,288	21,127	188,853	227,098	144,024	155,194	254,403	322,166	439,434	2,000,000	
Kentucky	K	ITS Equipment and Systems	906	4,209	4,986	18,116	4,947	12,543	287	1,133	9,995	15,507	90,000	
Kentucky	L	SCADA Equipment and Systems		3,300		3,300		9,667		9,667		15,507	90,000	
Kentucky	M	Equipment and Systems		101,461		109		6,622		13,309		23,705	304,613	10,000
Kentucky	N	Offices and Operations Centers	55,839	21,530	2,492	1,000	6,500	433	25,099	18,309	35,000	109,000	500,000	
Kentucky	O	Vehicles	2,500	30,573	25,595	27,185	30,759	13,875	9,936	21,867	5,344	6,686	85,981	257,200
Kentucky	P	Tools and Equipment	30,756	46,022	12,817	48,932	62,331	34,265	101,320	38,240	80,082	72,462	274,173	800,000
Kentucky	Q	Process Plant Facilities and Equipment												
Kentucky	R	Capitalized Tank Rehabilitation / Painting												
Kentucky	S	Engineering Studies	2,650	14,850	3,450	6,700	6,750	4,350	16,500	34,650	39,600	21,600	150,000	
		Total Recurring Projects	559,899	418,948	305,129	657,488	1,333,442	490,816	1,191,741	1,049,546	987,527	929,616	2,980,768	11,256,248
		Total Acquisitions	341,227	559,899	305,129	657,488	1,333,442	490,816	1,191,741	1,049,546	987,527	929,616	2,980,768	11,256,248
		Total Centrally Sponsored Projects												358,622
		INVESTMENT PROJECTS												
Kentucky	12020204	Source of Supply Project Dev	5,826	5,926	5,926	5,826	5,826	5,826	5,826	5,826	4,221	4,221	64,200	
Kentucky	12020402	Major Highway Relocations												49,930
Kentucky	12020605	Replace Trac/Vac System at												
Kentucky	12020606	Storage Handling Improvement												
Kentucky	12020608	Storage Reliability Improvement												
Kentucky	12020609	New WTP On Parcel 3 of Mill	80,000											80,000
Kentucky	12020609	New WTP On Parcel 3 of Mill	4,500,000	4,980,000										
Kentucky	12020603	Highway Relocations-Claivs Mill												
Kentucky	12020702	KY MAJOR HIGHWAY												
Kentucky	12030402	Major Highway Relocations												
Kentucky	12030403	Owen County Main Extensions												
Kentucky	12030507	CHEMICAL FEED IMPROVEMENTS												
Kentucky	IP-1202-5	Owenton Sewer	1,500	100,000										
Kentucky	IP-1202-9	North Broadway Main Replacement												
Kentucky	IP-1202-10	North, Upper, St Main Replacement (343)												
Kentucky	IP-1202-11	Install 22,700' of 12" in Todd's and Cleveland Rd												
Kentucky	IP-1202-12	Install 19,000' of 12" along I-75												
Kentucky	IP-1202-13	Owenton WTP Improvements												
Kentucky	IP-1202-14	Install 14,700' of 12" & 3600' of 8" Greenwich Rd												
Kentucky	IP-1202-15	Install 34,000' of 16" along Carrick Pike												
Kentucky	IP-1202-16	Install 43,000' 30"												
Kentucky	IP-1202-17	UV Installation - KRS/RRS (332)												
Kentucky	IP-1202-18	Owenton Post Acquisition Phase 2												
Kentucky	IP-1202-19	Ground Storage Tank												
Kentucky	IP-1202-20	KENTUCKY INCLINE CAR												
Kentucky	IP-1202-21	LEX-Major Highway Relocations												
Kentucky	IP-1202-22	Elevated Storage Tank - 2 MG												
Kentucky	IP-1202-23	#N/A												
Kentucky	IP-1202-24	#N/A												
Kentucky	IP-1202-25	#N/A												
		Total Investment Projects	4,517,070	5,177,769	5,276,689	6,279,170	5,995,026	5,554,426	5,868,126	5,709,764	5,676,731	5,571,651	5,449,543	66,255,771
		Total Investment and Centrally Sponsored Projects	5,177,070	5,177,769	5,276,689	6,279,170	5,995,026	5,554,426	5,868,126	5,709,764	5,676,731	5,571,651	5,449,543	66,255,771
		Operating Expenses												
		Advances												
		Total Refunds												
		IAS AFUDC												
		Removal Costs (not included in IP projects)												
		Gross Capex	5,109,594	5,896,453	5,789,006	7,567,608	6,158,937	6,158,937	7,317,218	7,299,283	6,936,443	6,901,485	5,519,231	82,568,841
		Net Capex	-10,000	-292,000	-350,000	-60,000	-60,000	-300,000	-505,000	-977,000	-500,000	-508,000	-4,375,000	
		Net Capex	5,099,594	5,646,453	5,439,006	7,592,608	6,158,937	6,158,937	7,012,218	6,322,283	6,436,443	6,093,485	8,991,231	78,193,841

STRATEGIC CAPITAL EXPENDITURE PLAN													
Business Unit	Project Title	Inservice Date	Prior	Account	Period 12	Total 2008	2010	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6
Business Unit #REF!	Business Unit No.												
Description													
Kentucky	INVESTMENT PROJECTS	4/30/2010	2,066,851	300000	28,096	28,096	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Kentucky	Source of Supply Project Dev	9/20/2010	127,287,918	303400	4,939,028	4,939,028	7,600,392	3,103,808	3,186,919	2,494,487	2,443,962	2,235,693	
	New WTP On Pool 3 of Kentucky	9/20/2010	405000										
	WT Land	9/20/2010	85,000	303300									
	Pumping Land	9/20/2010	507,397	303200									
	SS Land	9/20/2010	3,116,224	303500									
	TD Land	9/20/2010	52,341,375	331400	90,000		50,000	2,260,174	2,783,143	21,246	20,815	19,041	
	TD Mains 18 in and Greater	9/20/2010	524,492	309000	2,202,548		2,671,090	5,725	3,332	3,332	19,999	18,295	
	Supply Mains	9/20/2010	5,901,705	311200	21,017		16,305	68,652	27,937	171,122	167,656	153,369	
	Pump Equip Electric	9/20/2010	4,377,713	306000	196,849		736,092	47,782	27,815	170,373	166,923	152,698	
	Lake River and Other Intakes	9/20/2010	13,838,188	320100	564,508		430,194	151,042	87,924	538,560	527,651	482,686	
	WT Equip Non-Media	9/20/2010	11,005,173	304100	440,967		342,123	120,120	69,924	428,303	419,628	383,868	
	Struct & Impr SS	9/20/2010	28,323,739	304300	1,134,956		880,513	309,150	179,962	1,102,314	1,079,987	987,963	
	Struct & Impr P	9/20/2010	3,655,787	304200	48,820		1,417,592	48,820	22,520	6,862	42,157	41,303	
	Dist Reservoirs & Standpipes	9/20/2010	1,640,236	330000	22,520		653,916	198,231,048	5,000	100,000	150,000	150,000	
	Power Generation Equip	9/20/2010	1,665,889	310000	51,405		265,971	5,000	5,000	6,862	42,157	41,303	
Kentucky	North Broadway Main Replacement	9/30/2010	1,618,147	331400	159,293	159,293	5,000	5,000	5,000	100,000	150,000	150,000	175,000
Kentucky	Install 34,000' of 16" along Carrick Pike	12/31/2012	83,003	331400									
Kentucky	Install 22,700' of 12" in Todds and Cleveland Rd	12/31/2014		331400									
Kentucky	South Limestone Replacement	8/15/2010		331400								132,854	200,000
Kentucky	US 25 Relocation	12/15/2010		331400				125,000		250,000	400,000	400,000	400,000
Kentucky	Leestown Road	12/15/2011		331400									
Kentucky	KRS Raw Water Transfer	12/31/2011		311200									
Kentucky	KRS Raw Water Access	12/1/2011		304200						20,000	20,000	100,000	225,000
Kentucky	Lexington New Garage	10/31/2011		304700									
Kentucky	Northern Division Connection	8/15/2012		331400									
Kentucky	Owanton WWTP Phosphorous	12/31/2011		321300									
	Total Investment Projects		131,055,919		5,126,417	5,126,417	7,615,392	3,243,808	3,566,919	3,074,487	3,236,816	3,245,693	

STRATEGIC CAPITAL EXPENDITURE PLAN											
Business Unit	Project Title	Inservice Date	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Total 2010		
Kentucky	INVESTMENT PROJECTS										
Kentucky	Source of Supply Project Dev	4/30/2010	9,294	10,000	20,970	-2,200,060					
Kentucky	New WTP Qt. Pool 3 of Kentucky	9/20/2010	2,178,810	2,049,234	1,757,678	3,157,347	850,700	405,684			
	WT Land	9/20/2010									
	Pumping Land	9/20/2010									
	SS Land	9/20/2010									
	TD Land	9/20/2010									
	TD Mains 18 in and Greater	9/20/2010	18,557	17,453	14,970	26,891	7,245	3,455			100,000
	Supply Mains	9/20/2010	17,829	16,769	14,363	25,837	6,961	3,320			7,864,081
	Pump Equip Electric	9/20/2010	149,466	140,577	120,577	216,594	58,358	27,830			189,167
	Lake River and Other Intakes	9/20/2010	148,813	139,963	120,049	215,647	58,103	27,708			2,036,734
	WT Equip Non-Media	9/20/2010	470,405	442,430	379,483	681,671	183,666	87,587			1,411,965
	Struct & Impr SS	9/20/2010	374,102	351,853	301,793	542,116	146,065	69,666			4,463,299
	Struct & Impr WT	9/20/2010	962,816	905,557	776,718	1,395,232	375,924	179,272			3,549,553
	Struct & Impr P	9/20/2010									1,466,412
	Dist Reservoirs & Standpipes	9/20/2010	36,822	34,632	29,705	53,359	14,377	6,856			676,436
	Power Generation Equip	9/20/2010	175,000	175,000	175,000	41,929					589,670
Kentucky	North Broadway Main Replacement	9/30/2010									
Kentucky	Install 34,000' of 16" along Carrick Pike	12/31/2012									
Kentucky	Install 22,700' of 12" in Todds and Cleveland Rd	12/31/2014									
Kentucky	South Limestone Replacement	8/15/2010	200,000								532,854
Kentucky	US 25 Relocation	12/15/2010	500,000	500,000	400,000	225,000					3,200,000
Kentucky	Leestown Road	12/15/2011									
Kentucky	KRS Raw Water Transfer	12/31/2011									
Kentucky	KRS Raw Water Access	12/11/2011	300,000	300,000	400,000	500,000	25,000	25,000			50,000
Kentucky	Lexington New Garage	10/31/2011									
Kentucky	Northern Division Connection	8/15/2012									
Kentucky	Owenton WWTP Phosphorous	12/31/2011	3,363,104	3,034,234	2,753,648	1,724,216	960,700	480,684			36,289,701
Kentucky	Total Investment Projects										

STRATEGIC CAPITAL EXPENDITURE PLAN											
Business Unit	Business Unit No.	Project Title	Inservice Date	2011	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7
Kentucky	12020204	INVESTMENT PROJECTS	4/30/2010								
Kentucky	12020607	Source of Supply Project Dev	9/20/2010	24,101	24,101	40,472	40,472	40,472	40,472	30,382	
		New WTP On Pool 3 of Kentucky	9/20/2010								
		WT Land	9/20/2010								
		Pumping Land	9/20/2010								
		SS Land	9/20/2010								
		TD Land	9/20/2010								
		TD Mains 18 in and Greater	9/20/2010								
		Supply Mains	9/20/2010	205	205	345	345	345	345	259	
		Pump Equip Electric	9/20/2010	197	197	331	331	331	331	249	
		Lake River and Other Intakes	9/20/2010	1,653	1,653	2,776	2,776	2,776	2,776	2,064	
		WT Equip Non-Media	9/20/2010	1,646	1,646	2,764	2,764	2,764	2,764	2,075	
		Struct & Impr SS	9/20/2010	5,203	5,203	8,738	8,738	8,738	8,738	6,559	
		Struct & Impr WT	9/20/2010	4,138	4,138	6,949	6,949	6,949	6,949	5,217	
		Struct & Impr P	9/20/2010	10,650	10,650	17,885	17,885	17,885	17,885	13,426	
		Dist Reservoirs & Standpipes	9/20/2010								
		Power Generation Equip	9/20/2010	407	407	684	684	684	684	513	
Kentucky	IP-1202-5	North Broadway Main Replacement	9/30/2010								
Kentucky	IP-1202-6	Install 34,000' of 16" along Carrick Pike	12/31/2012								150,000
Kentucky	IP-1202-9	Install 22,700' of 12" in Todds and Cleveland Rd	12/31/2014								
Kentucky	IP-1202-17	South Limestone Replacement	8/15/2010								
Kentucky	IP-1202-18	US 25 Relocation	12/15/2010								
Kentucky	IP-1202-19	Leestown Road	12/15/2011					100,000	225,000	250,000	300,000
Kentucky	IP-1202-22	KRS Raw Water Transfer	12/31/2011							75,000	100,000
Kentucky	IP-1202-31	KRS Raw Water Access	12/1/2011					70,000	125,000	175,000	195,000
Kentucky	IP-1202-32	Lexington New Garage	10/31/2011								
Kentucky	IP-1232-3	Northern Division Connection	8/15/2012								
Kentucky	IP-1233-1	Owenton WWTP Phosphorous	12/31/2011								
		Total Investment Projects		274,101	274,101	460,472	460,472	660,472	890,472	1,080,382	1,295,000

STRATEGIC CAPITAL EXPENDITURE PLAN											
Business Unit	Business Unit No.	Project Title	Inservice Date	Period 8	Period 9	Period 10	Period 11	Period 12	Total	2011	
Kentucky	12020204	INVESTMENT PROJECTS	4/30/2010								
Kentucky	12020607	Source of Supply Project Dev	9/20/2010								
		New WTP On Pool 3 of Kentucky	9/20/2010								200,000
		WT Land	9/20/2010								
		Pumping Land	9/20/2010								
		SS Land	9/20/2010								
		TD Land	9/20/2010								
		TD Mains 18 in and Greater	9/20/2010								
		Supply Mains	9/20/2010								
		Pump Equip Electric	9/20/2010								
		Lake River and Other Intakes	9/20/2010								
		WT Equip Non-Media	9/20/2010								
		Struct & Impr SS	9/20/2010								
		Struct & Impr WT	9/20/2010								
		Struct & Impr P	9/20/2010								
		Dist Reservoirs & Standpipes	9/20/2010								
		Power Generation Equip	9/20/2010								
Kentucky	IP-1202-5	North Broadway Main Replacement	9/30/2010	225,000	225,000	225,000	100,000	75,000	1,000,000		
Kentucky	IP-1202-6	Install 34,000' of 16" along Carrick Pike	12/31/2012			10,000	20,000	20,000	50,000		
Kentucky	IP-1202-9	Install 22,700' of 12" in Todds and Cleveland Rd	12/31/2014								
Kentucky	IP-1202-17	South Limestone Replacement	8/15/2010								
Kentucky	IP-1202-18	US 25 Relocation	12/15/2010								
Kentucky	IP-1202-19	Leestown Road	12/15/2011	300,000	225,000	100,000			1,500,000		
Kentucky	IP-1202-22	KRS Raw Water Transfer	12/31/2011	25,000					200,000		
Kentucky	IP-1202-31	KRS Raw Water Access	12/1/2011	200,000	185,000				950,000		
Kentucky	IP-1202-32	Lexington New Garage	10/31/2011								
Kentucky	IP-1233-3	Northern Division Connection	8/15/2012	550,000	400,000	400,000	250,000	250,000	4,700,000		
Kentucky	IP-1233-1	Owenton WWTP Phosphorous	12/31/2011						140,000		
		Total Investment Projects		1,300,000	1,035,000	735,000	370,000	345,000	8,740,000		

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2010-00036
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: **Michael A. Miller**

160. Please identify and explain all new or upgraded software and systems costing over \$20,000 per year for KAWC since the last KAWC rate case, including software and systems charged to KAWC from AWWSC or other affiliates. For each new software and system:
- a. Please provide all costs and expenses associated with the software since inception. Include both capital costs associated with this software and as well as any O&M expenses. Include a description of each cost or expense.
 - b. For the costs and expenses shown in part a., please indicate how much of each cost and expense was charged to KAWC.
 - c. Were any prudence reviews conducted prior to purchasing the software? If yes, please provide those reviews. If not, explain why not.
 - d. Please provide any cost-benefit studies conducted prior to purchasing such software.

Response:

- a. See the attached table.
- b. The table attached indicates KAW's allocated portion of the total project cost in the column on the far right of the table. KAW will be billed the depreciation for its share of each IT applications over a five year book life through its monthly AWWSC bill.
- c. Infrastructure and software changes and purchases were reviewed by an internal standards committee, the Information Technology Review Board (ITRB), prior to purchase to ensure compliance with current architecture footprint. The capital investment for technology is planned for on an annual basis considering support requirements, vendor recommendations, AW subsidiary needs, customer expectations, and the lifecycle of the application and supporting technologies. AW's philosophy is not to be cutting edge or upgrade applications just for new functionality from vendors but to ensure that our environment is technically current and supportable and we are not reliant on end of life or out of support technologies. American Water's ITS department worked closely with the business to identify initiatives to pursue. An executive steering team met monthly to review proposed initiatives for new software applications and solutions and

discuss the merits of them. This steering team approves these projects to move forward. Once projects are approved, all funding requests are presented to the corporate Capital Investment Management committee for approval and release of funds. All capital investments are managed through PowerPlant, our capital management application.

- d. See part c above.

For the electronic version, refer to [KAW_R_AGDR1#160_042610.pdf](#).

PROJECT NAME	PROJECT DESCRIPTION	TYPE OF SYSTEM	IN SERVICE/ ESTIMATED COMPLETE DATE	TOTAL COST TO AW	TOTAL COST TO KAWC
Web Self Service	<p>Web Self Service (WSS), is a web facing application that allows all AW customers to register their account(s) for self service. This self service allows AW customers to perform tasks on-line that previously would have required a phone call to the AW Customer Service Center. Services offered on-line include balance inquiry, bill payment, register for EFT, name change, grant access to third party, view water usage, view account activity (charges, payments, adjustments, etc.) and requesting service turn on or turn off. As a result of the infrastructure built to support WSS, AW ITS was able to bring the American Water websites in-house from an external web hosting vendor, IBM. This move provides AW greater control/flexibility over the web infrastructure supports quicker issue response time. In addition, internally hosting our websites reduces risk, as American Water is now fully self sustaining in this area.</p>	<p>AW built this system to integrate with the eCIS billing system.</p>	Sep-09	\$5,059,682	\$181,643
PowerTax	<p>Project to streamline the property tax and income tax provision functions of the company and transform them from manual processes to automated processes within the PowerPlant system ensuring compliance with SOX, federal, state, local and utility commission regulations including US GAAP, and FRSB regulations.</p>	<p>Powertax is a commercial packaged software product that AW uses and is a module within the PowerPlan suite of products that AW already was using.</p>	June-09	\$5,214,172	\$187,189

Billing and Collections	Consolidation of 30 initiatives to eliminate inefficiencies in the Electronic Customer Information System (ECIS). Scope includes programming, changes to existing reports and new reports to increase accuracy of date, increase efficiency and reduce manpower requirements	This was a custom development effort.	Dec-09	\$1,262,939	\$45,340
IVR	Interactive Voice Response (IVR) and the associated infrastructure were upgraded to an industry standard level of capability, functionality and supportability. In addition, call routing menus (i.e. Press 1 for "x," 2 for "y") were modified so that customers had more choice on whether they wanted to use the IVR system or speak directly to a Customer Service Representative (CSR). This was done due to the fact that over 65% of our customer interactions preferred or needed CSR support rather than automated (IVR) support. As a result of this initiative, all components of the IVR and associated infrastructure are under vendor supported platforms and versions and the customer experience has been improved by offering customers more flexibility in getting their inquiries solved by the right resources (IVR or CSR).	The IVR is a commercially available product from Avaya and was an upgrade to the existing application.	Feb-10	\$2,628,534	\$94,364
Enterprise Customer Information System (eCIS) Purge Phase 1	Deploy and utilize a new E-CIS add-on module to purge data that exceeds retention requirements defined by state and federal regulations. This purging process improves system performance for eCIS users which primarily include representatives at the call centers. The reduction of data stored in eCIS decreases the time it takes a call center agent to refresh a screen, speeding up the time it takes to provide service to a customer.	This is a software module provided by the software vendor that supports eCIS.	Jan-10	\$570,108	\$20,467