

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

Witness: Michael A. Miller

15. Please provide a copy of all incentive compensation/bonus plans and provide the level of related bonus payments included in 2008, 2009, 2010 and for the forecast test year. In addition, please provide the level of bonus payments included in the Company's future test year cost of service.

Response:

Attached are the incentive plans and the level of incentive plan payments included in 2008, 2009, 2010 and for the test year and future test year. Also attached are the Service Company incentive plan expenses included in Management Fees and charged to KAWC for the years 2008, 2009, the test year and future test year. For recap of the stock based compensation amounts see the response to KAW_R_AGDR1#47_042610.

For the electronic version of this response, refer to KAW_R_AGDR1#15_042610.pdf.

Supplemental Response:

Based on additional work performed in responding the Commission Staff's Second Set of Information Requests, the Company is amending the forecasted test-year level of AIP awards for the employees of AWWSC. Please see the response and attachments to KAW_R_PSCDR2#9_043010 for the new forecasted test-year AWWSC AIP awards which now total \$436,987 compared to the \$349,529 provided in the original response to this question.

For the electronic version of this response, refer to KAW_R_AGDR1#15_SUPPLEMENTAL_050310.pdf.