

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2015-00418
ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION

Witness: Christine Karlsson

7. Reference Kentucky American Water's Application in general and identify all categories of employees (if applicable) that a) do not currently participate in any incentive compensation program; b) will not participate in any incentive compensation program in 2017.

Response:

- a) The short term incentive plan (APP – formerly AIP) does not cover union employees.

In calendar year 2015 (paid in 2016), no nonexempt employees were eligible for the plan. Exempt employee eligibility was based upon level within the organization.

- b) In calendar year 2016 (paid in 2017), all nonunion employees (exempt and nonexempt) are eligible for the plan. Therefore, only union employees are ineligible for 2016 APP.

Please see attached for LTPP details.

Supplemental Response 6-29-16

- b) Please see attached for LTPP details. The brochure contains confidential information and is subject to a petition for confidential protection.

**ATTACHMENT TO KAW_R_AGDR2_NUM007_SUPP_062916
FILED UNDER SEAL PURSUANT TO PETITION FOR
CONFIDENTIAL TREATMENT FILED ON JUNE 29, 2016**