

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2015-00418
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

5. Provide a complete copy of all Kentucky-American budget instructions, assumptions, directives, manuals, policies and procedures, time lines, and descriptions of budget procedures.

Response:

Please see attached.

Supplemental Response 6-29-16

Please see attached. Certain portions of the attached documents are confidential and are subject to a petition for confidential protection.



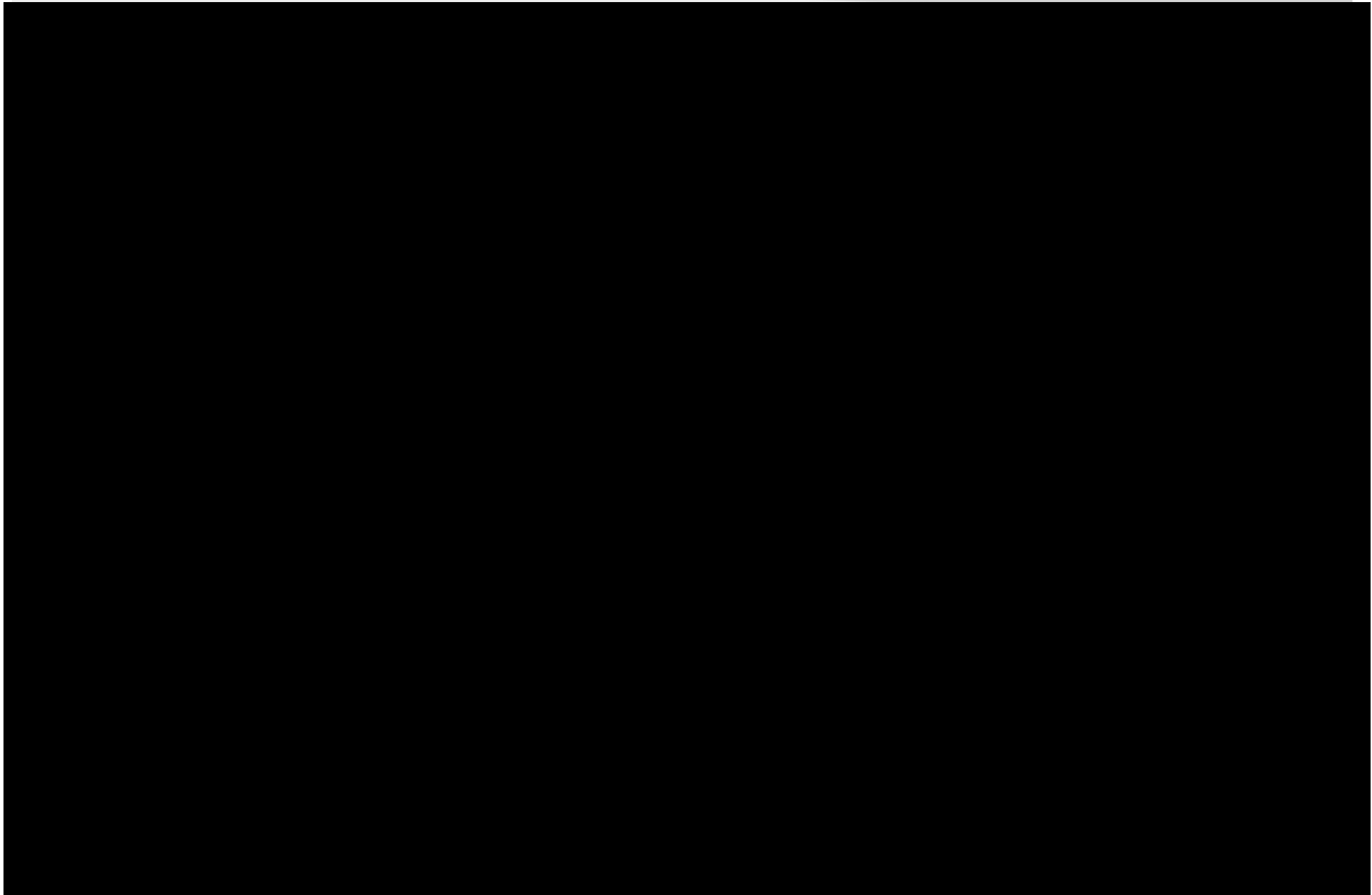
AMERICAN WATER

2015 Business Planning

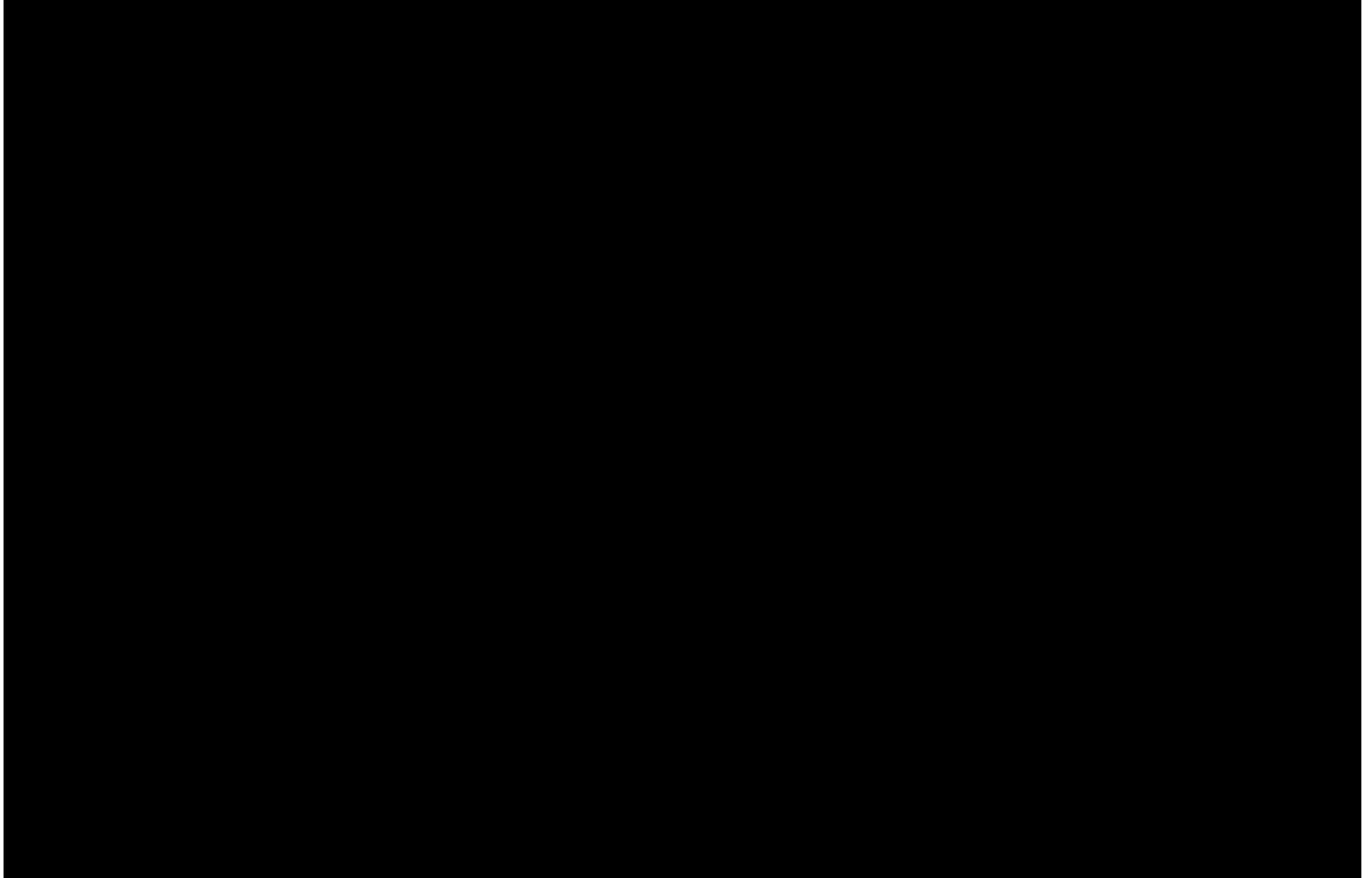


Strategy Framework

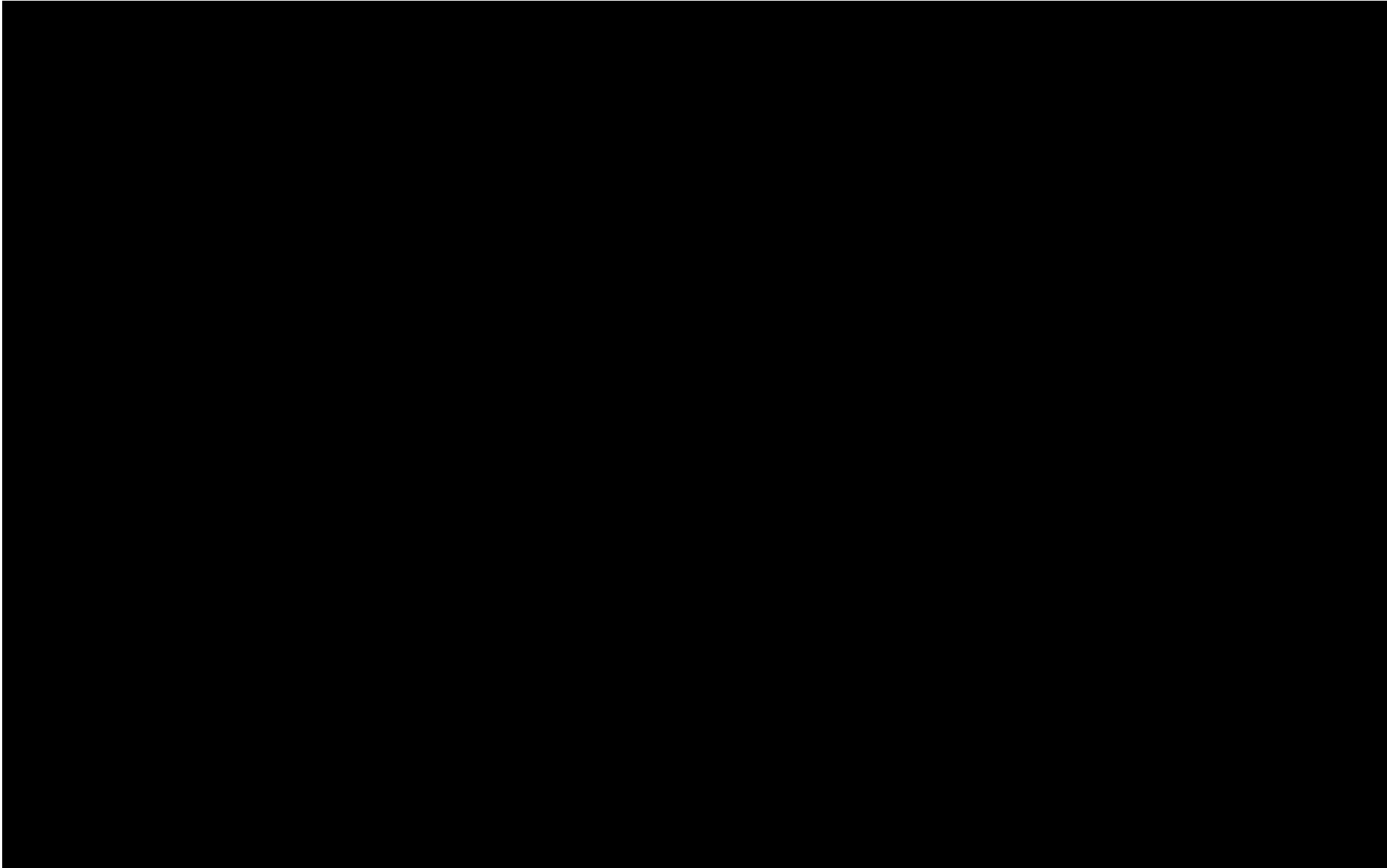
2015 Financial Planning Activities



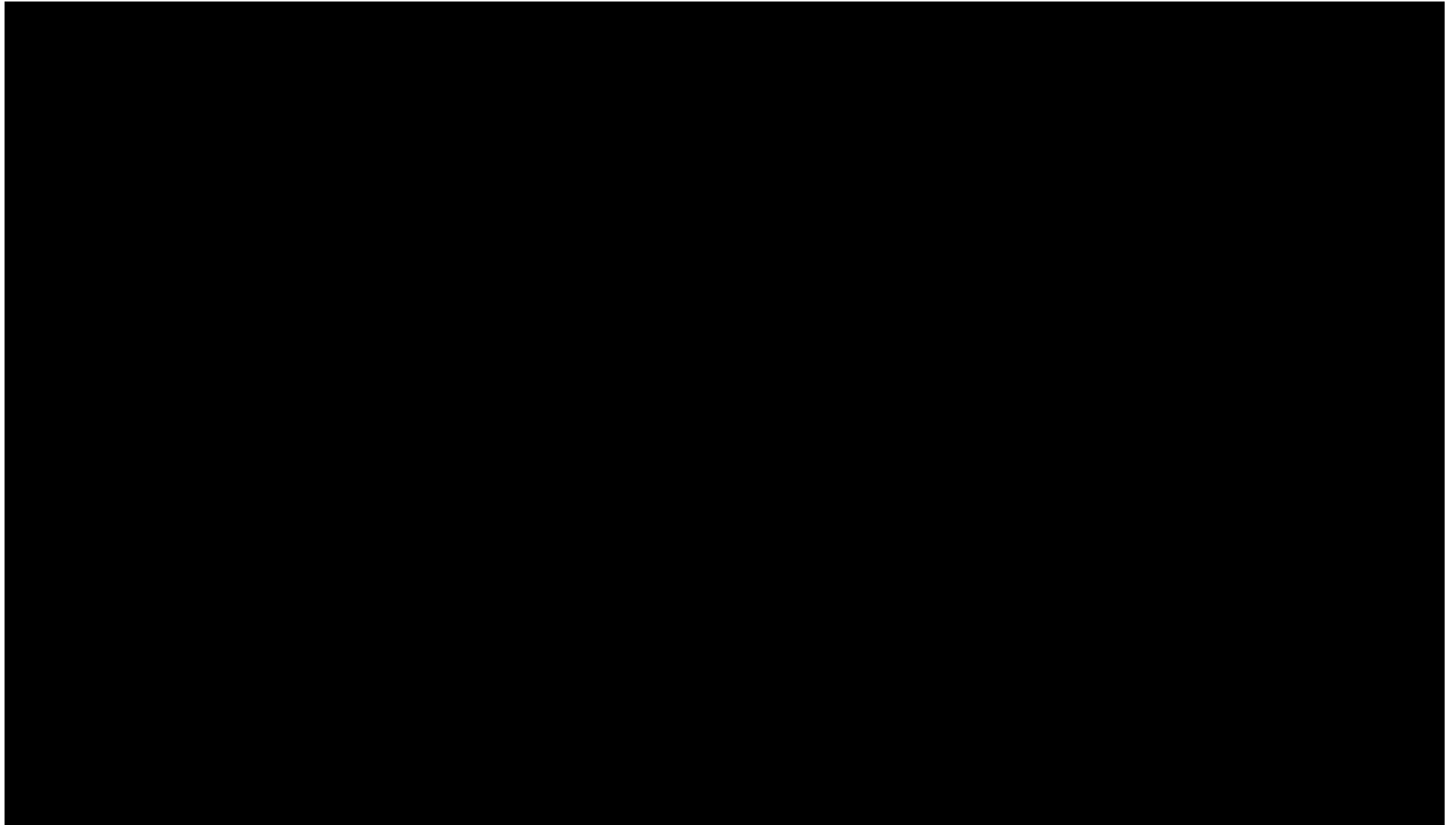
2015 Business Planning Activities



2015 Business Planning Activities



2015 Business Planning Activities



2015 Strategic Planning



Considerations and discussion points

- A. ELT Feedback on 2014 Strategic Planning process

- B. ELT guidance regarding 2015 Strategic Planning expectations
 - 1. Optional/discretionary
 - 2. “Lite”
 - 3. Enhanced
 - 4. Transformed



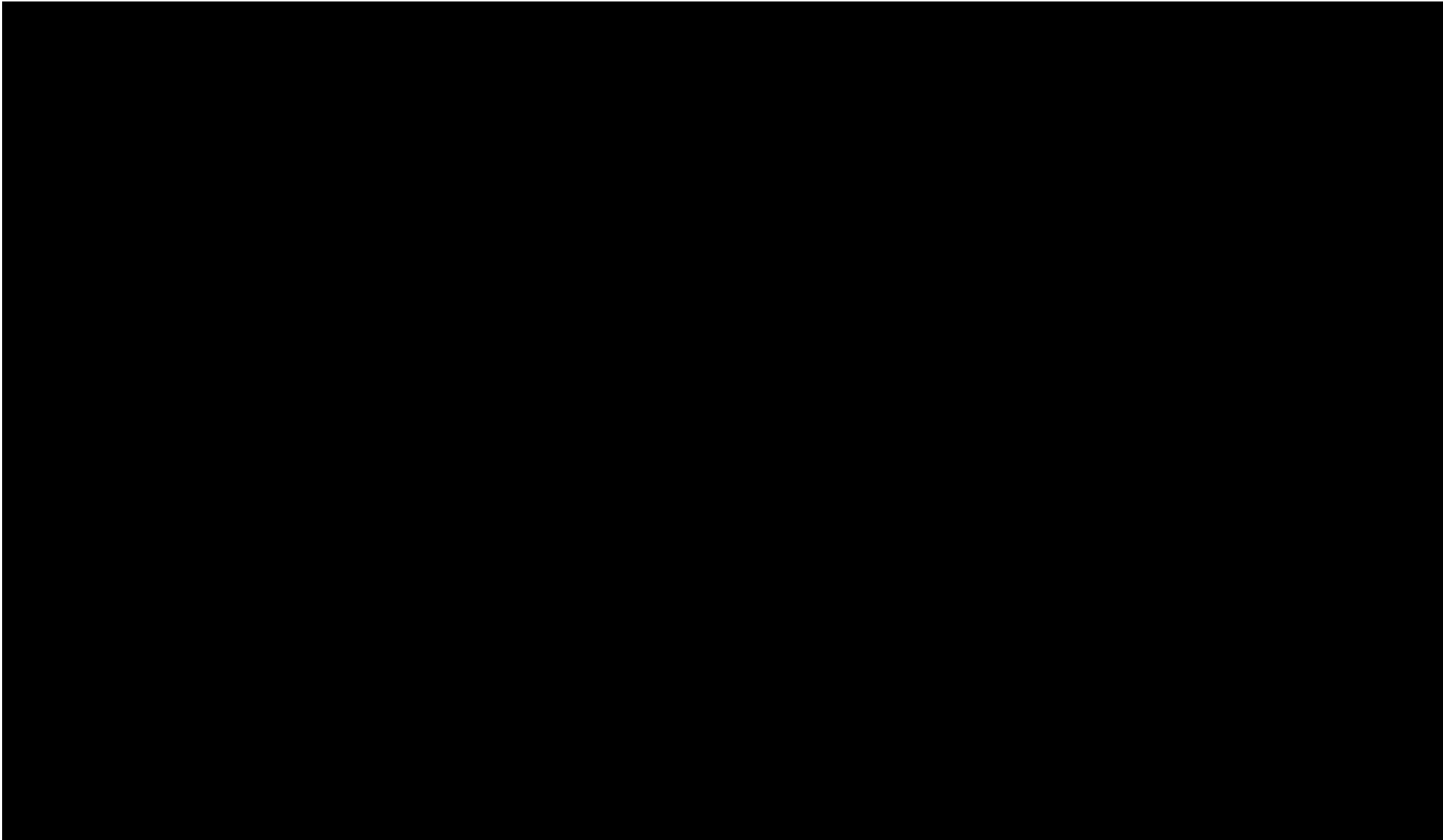
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2016-Budget and 2017-2020 Plan Global Assumptions and Enterprise Wide Costs

May 6, 2015

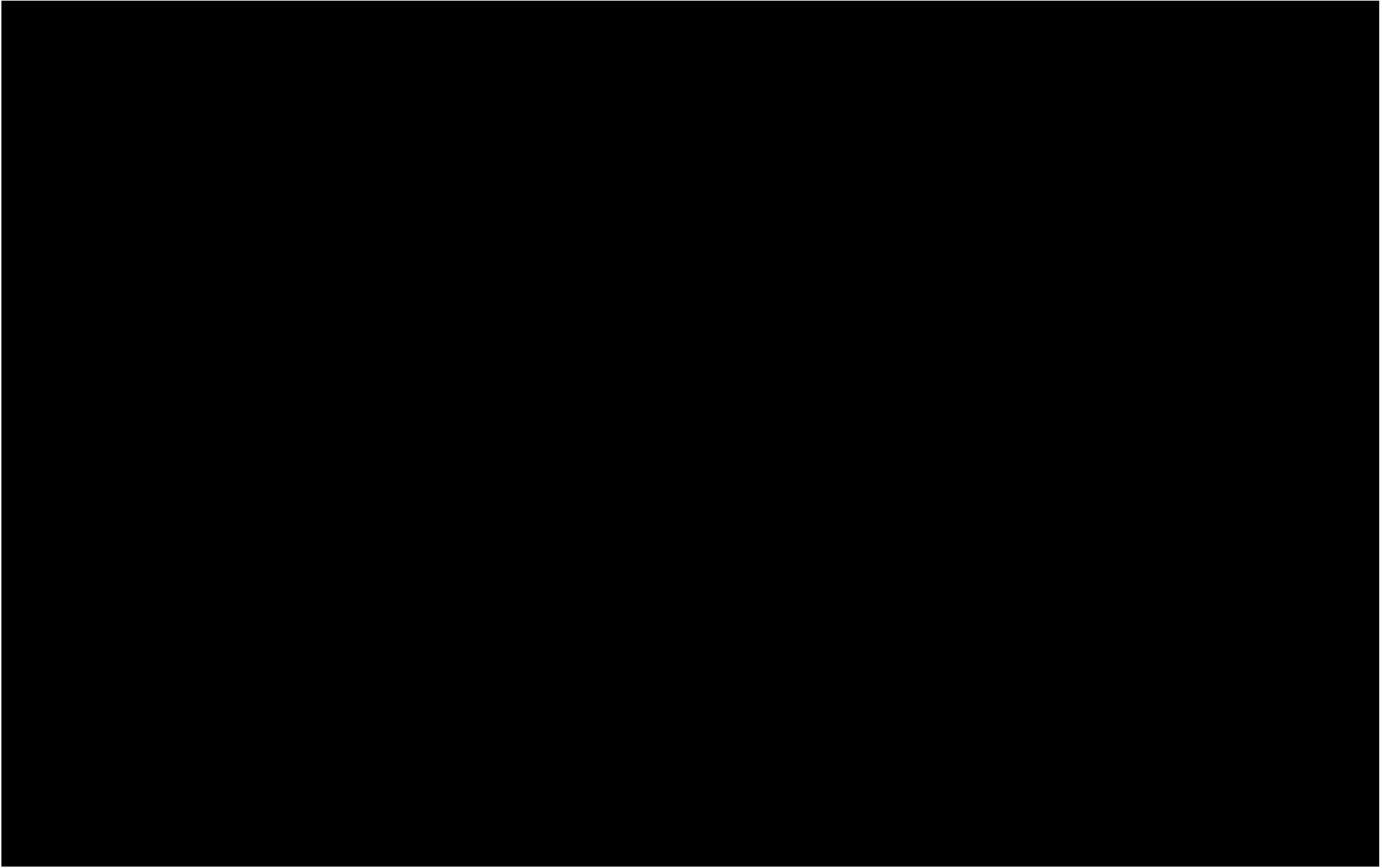


Merit, Promotion & Other Increases



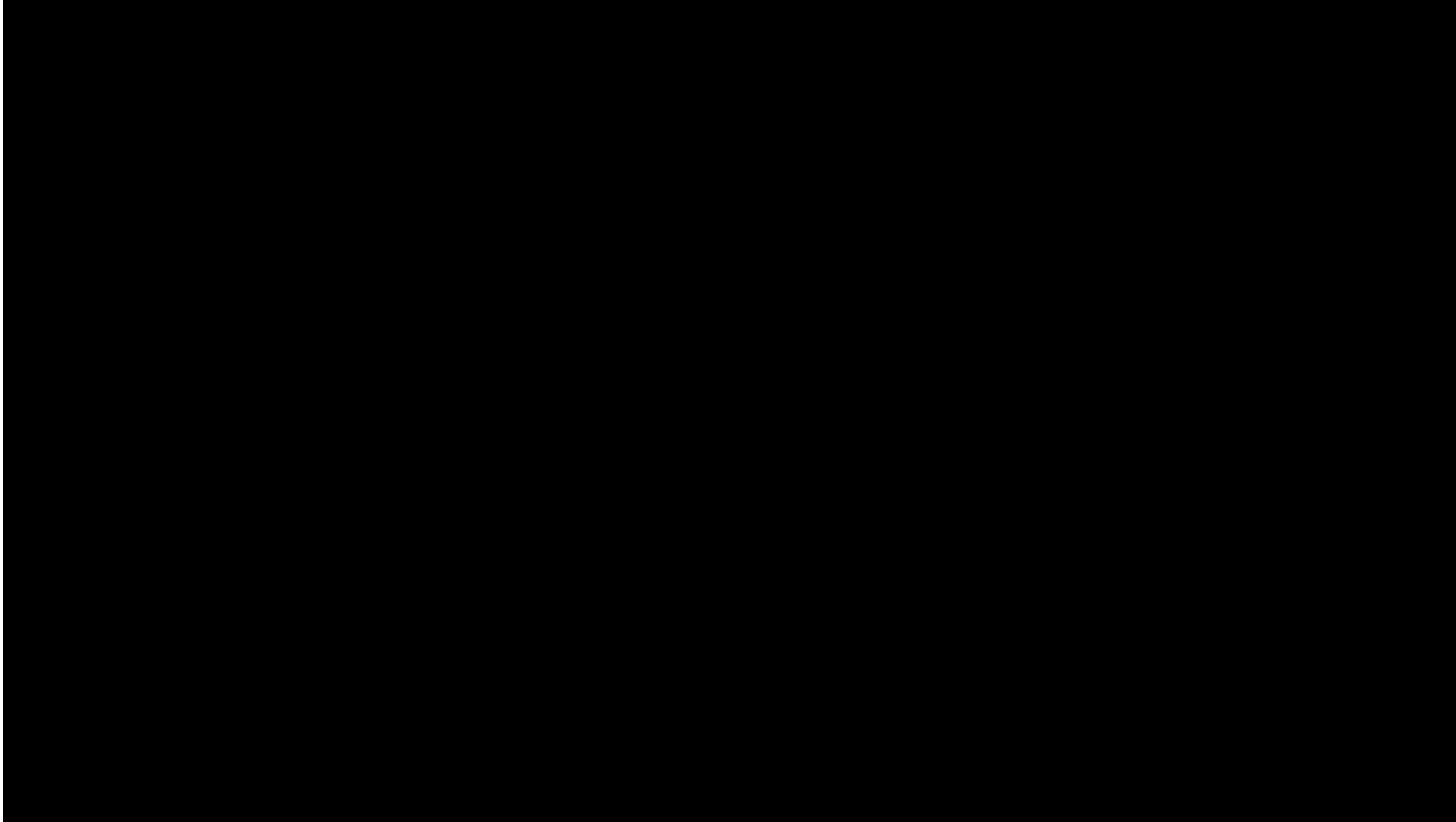


Defined Benefit Pension & OPEB



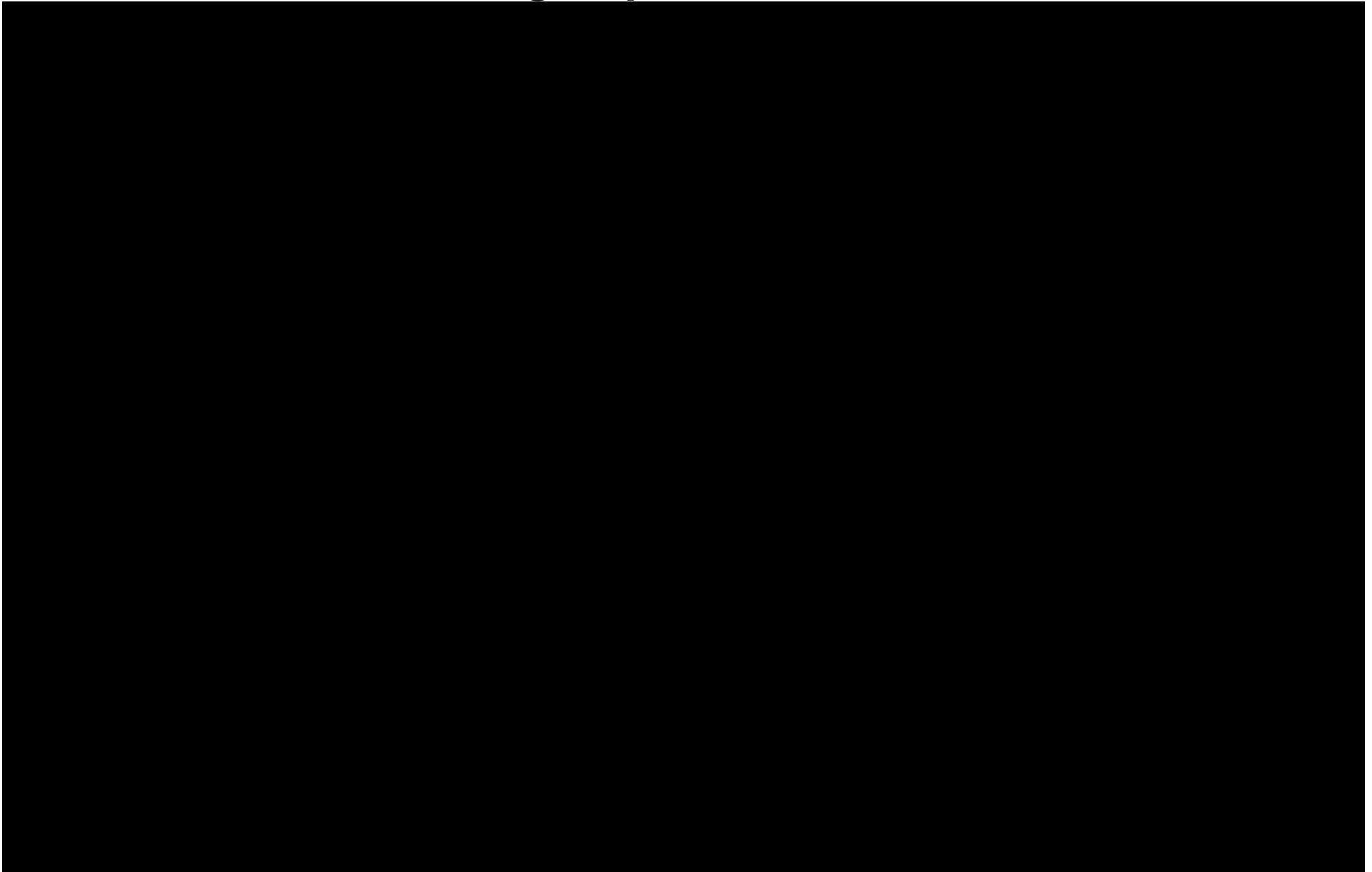


Group Insurance



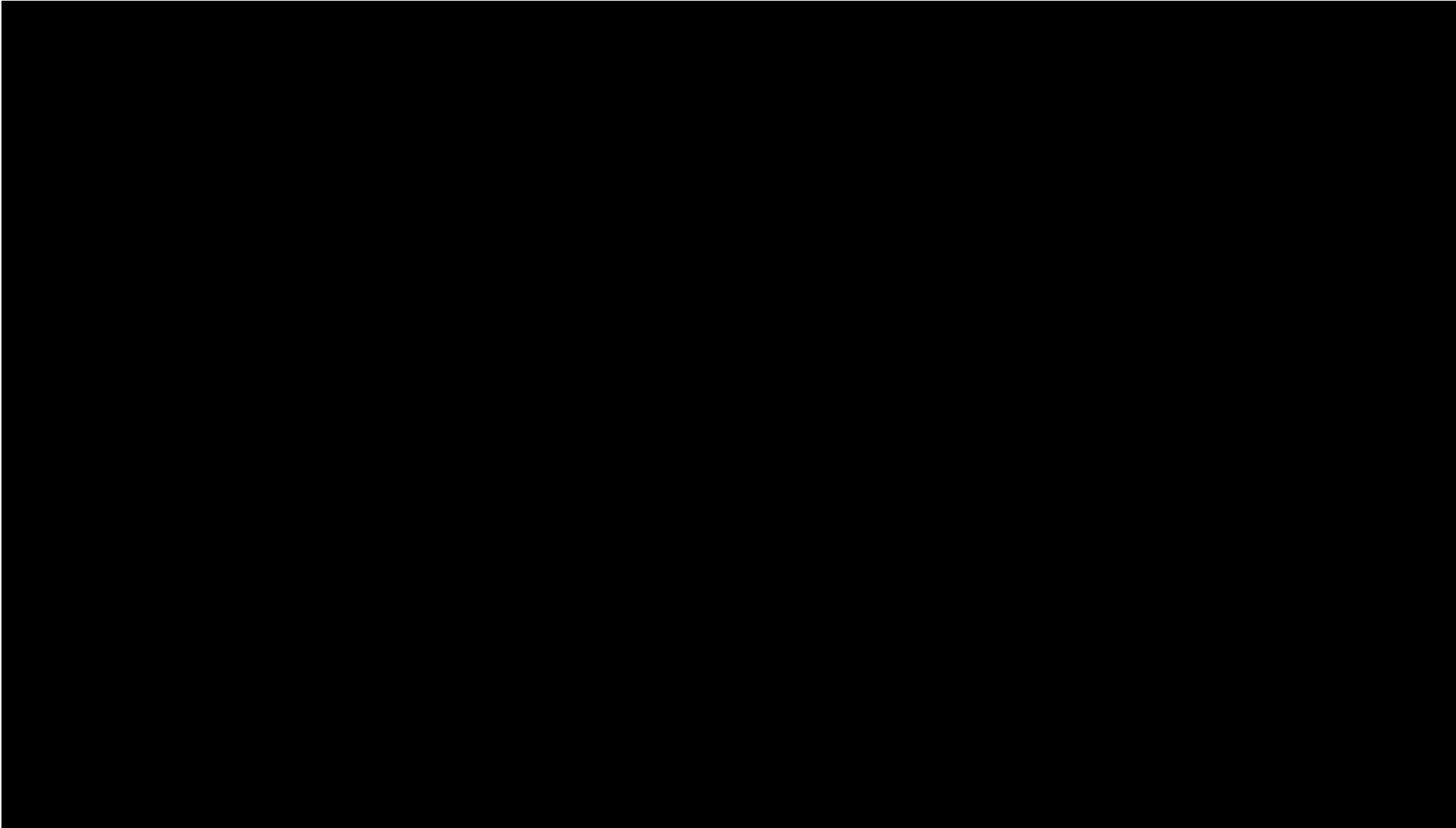


Insurance other than group



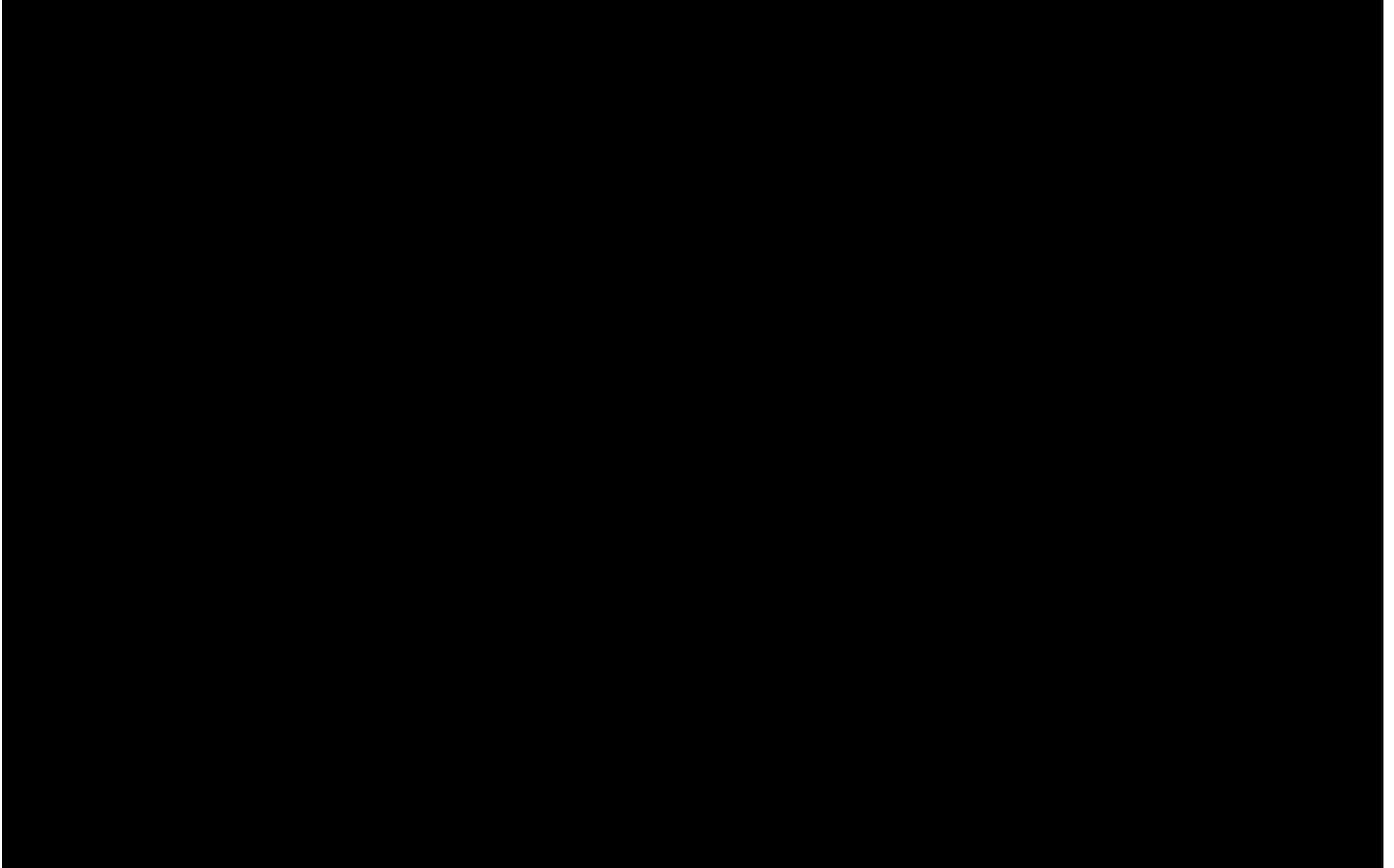


Projected Interest Rates



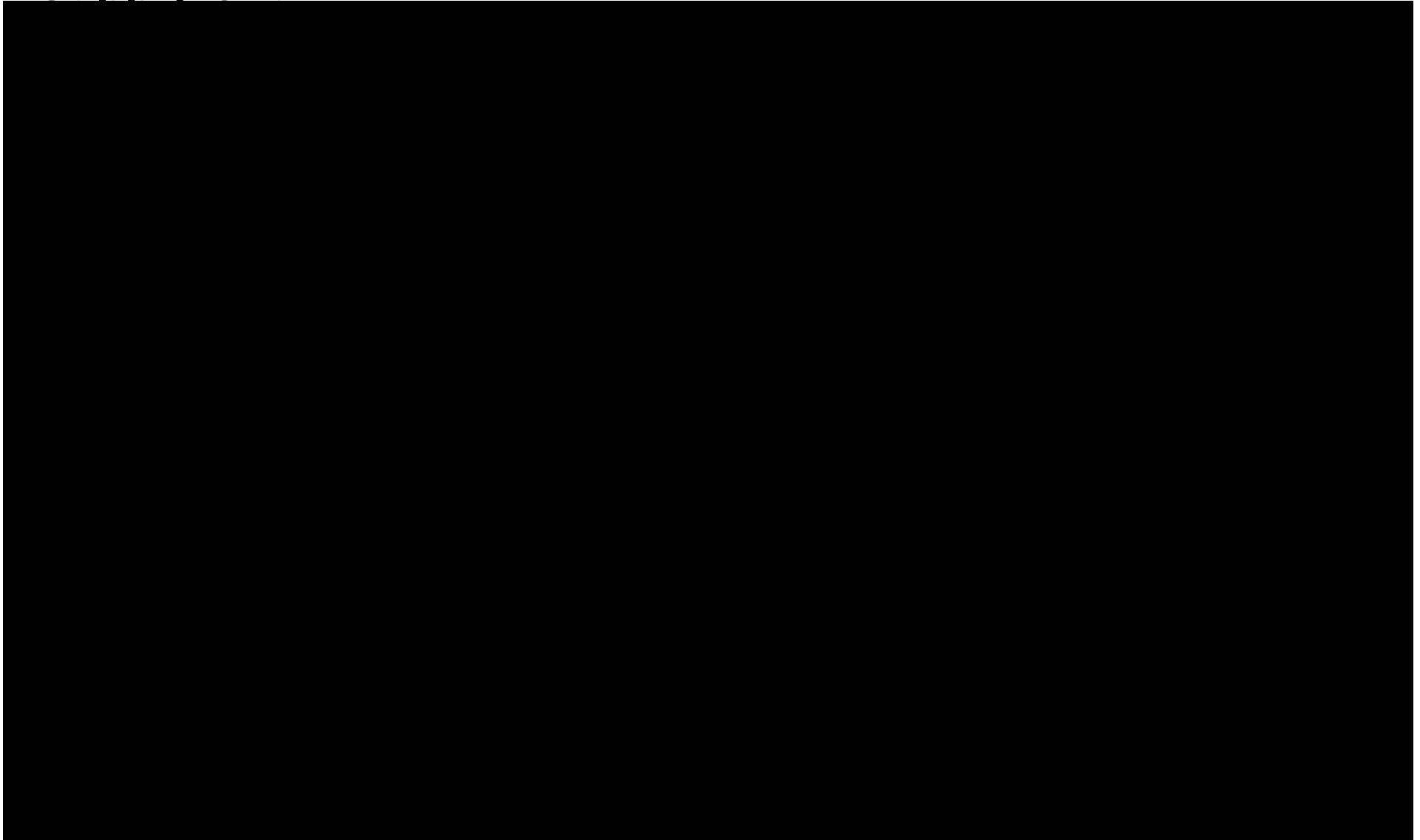


Usage





Supply Chain





Appendix

- **Assumptions unchanged from 2015**
- **Declining Usage Trend Graph**
- **Insurance Supporting Schedules**
 - General Liability & Workers Compensation
- **Supply Chain Supporting Schedules**
 - Chemicals

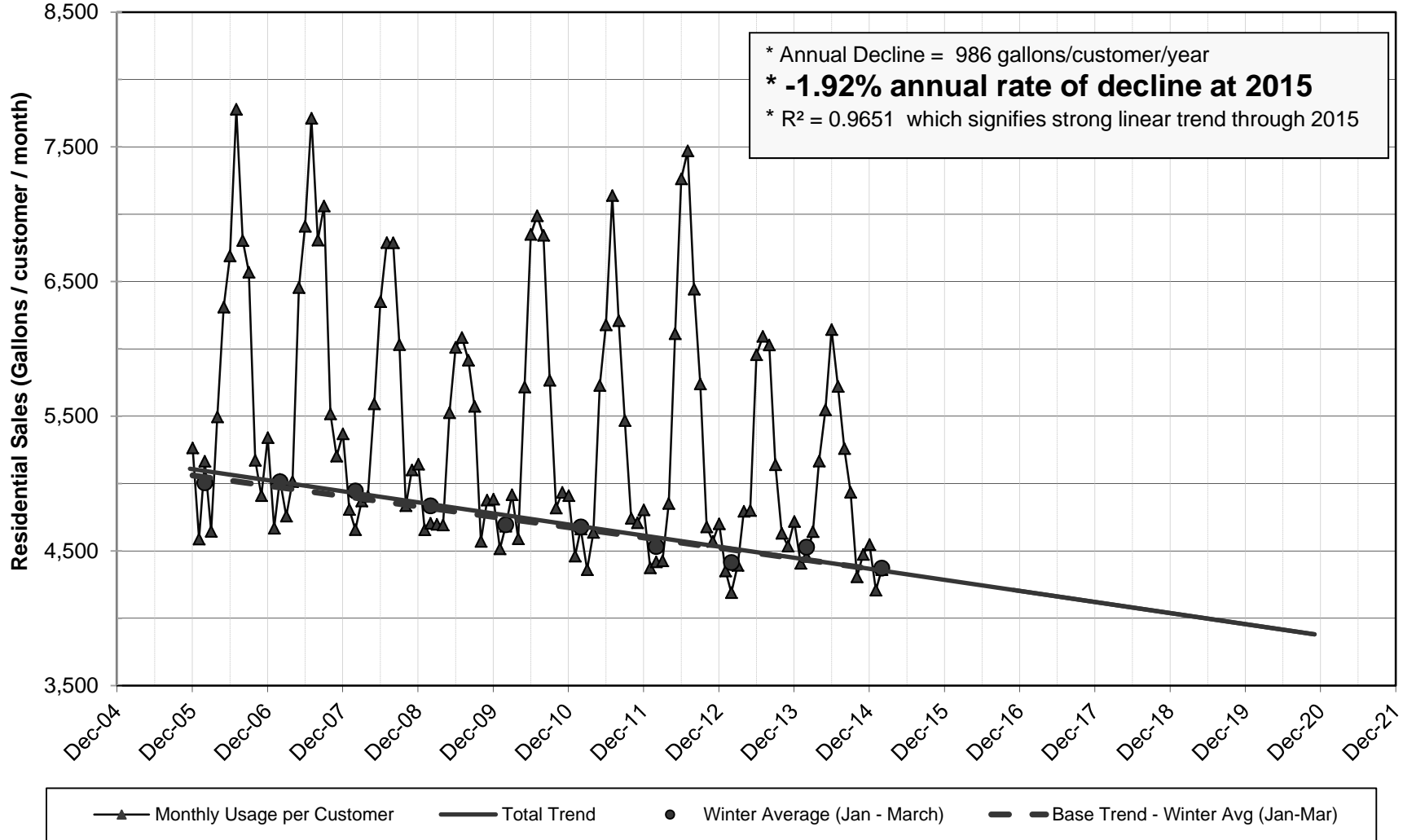


Assumptions unchanged from 2015

- Annual incentive plan target percentages
- Long-term incentive plan target percentages
- 401k company match percentages
- Defined contribution account (5.25%)

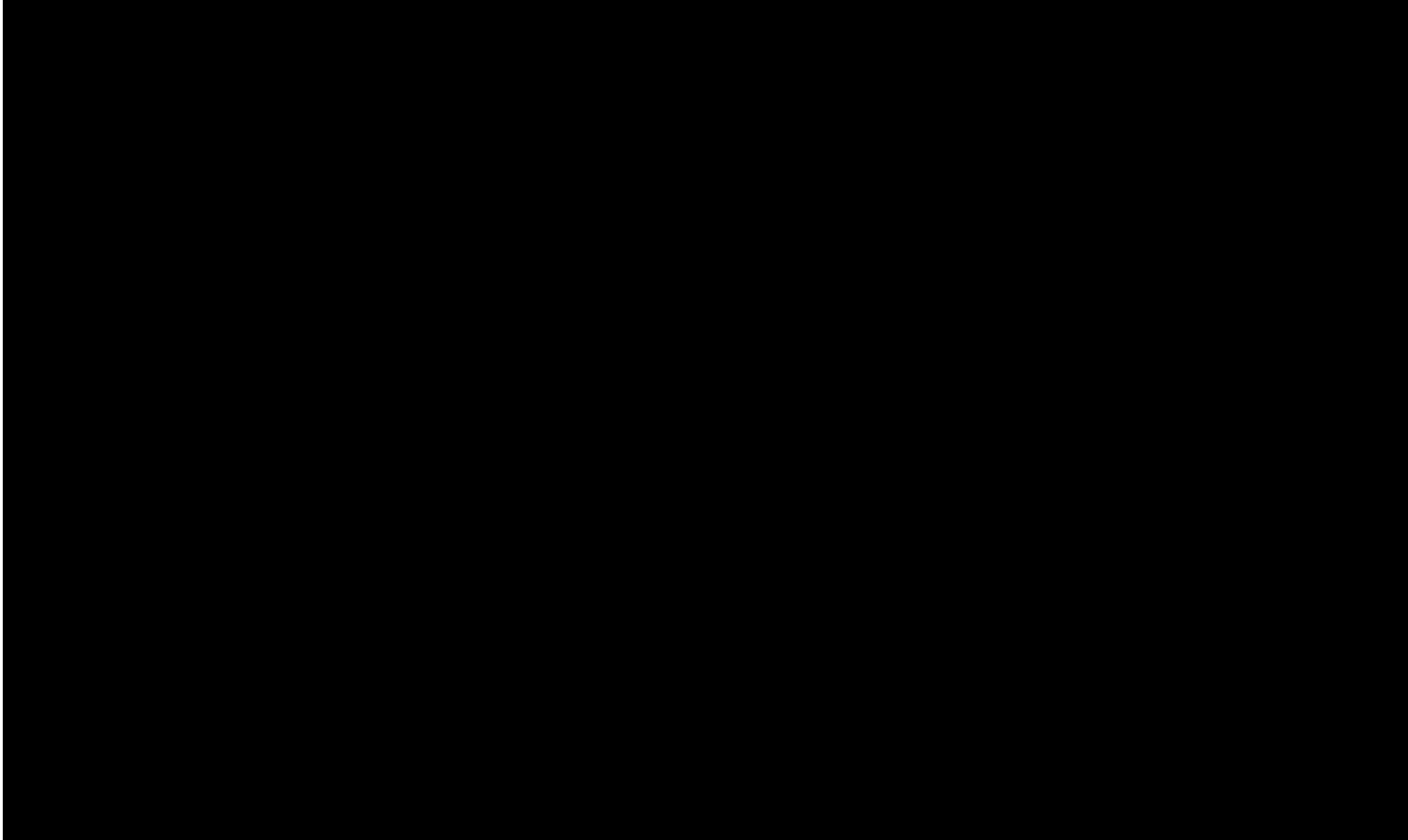


Residential Sales Per Customer Six Large State Subsidiaries (2006-2015)



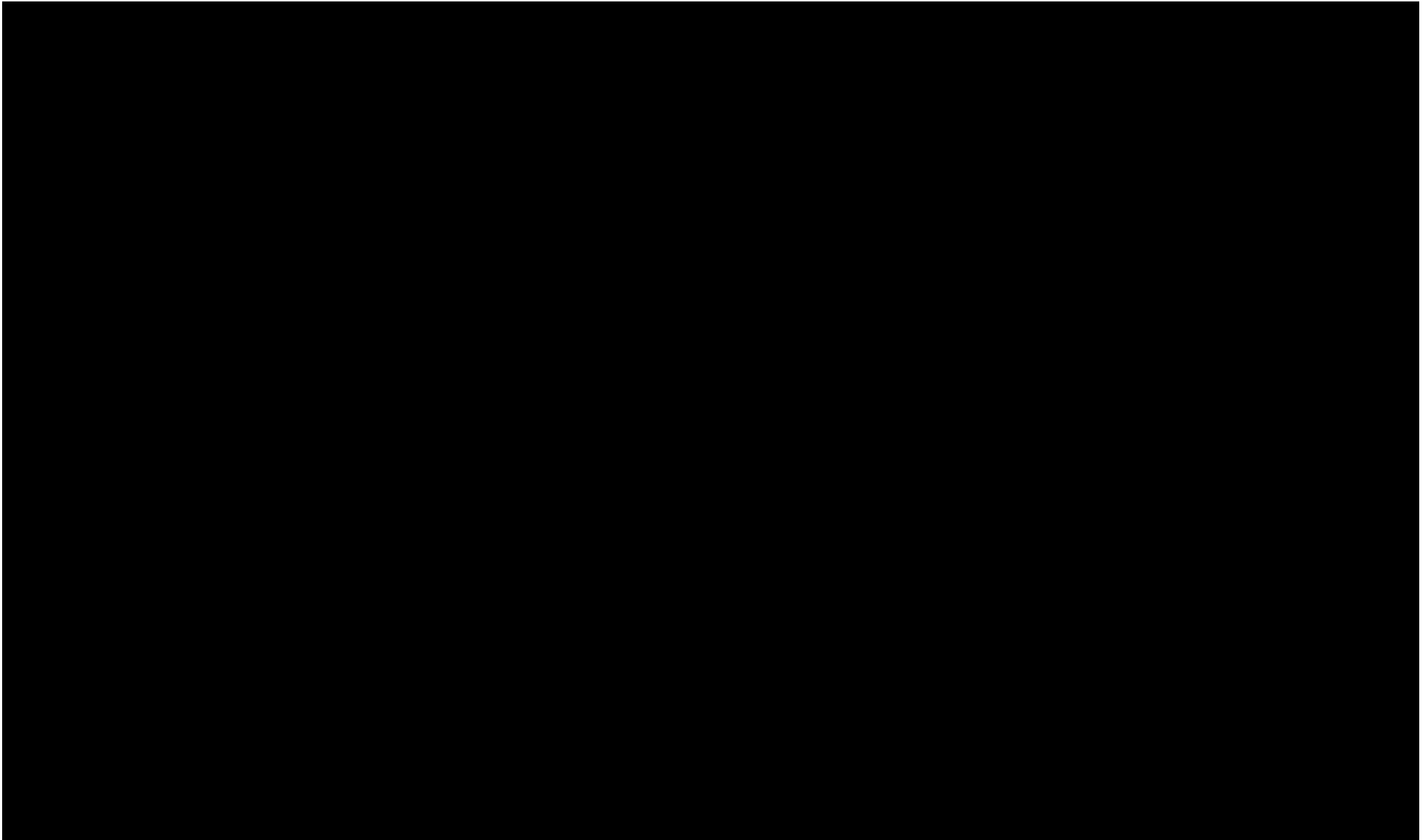


Casualty Insurance Premiums



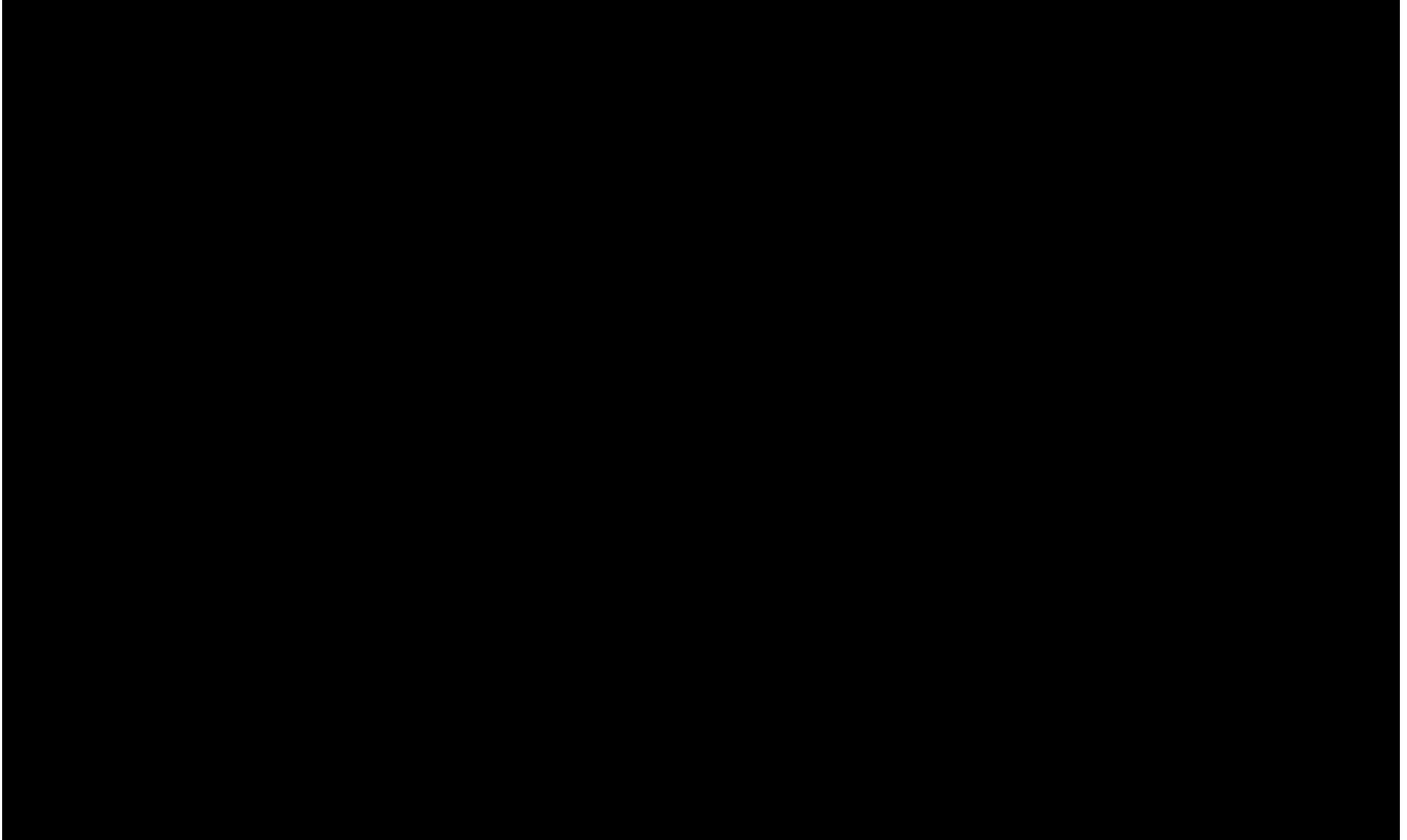


Supply Chain – Chemical Pricing





Supply Chain – Chemical Pricing





Supply Chain – Chemical Spend Details

