



09-00086

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David L. Armstrong
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James W. Gardner
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Charles R. Borders
Commissioner

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August 7, 2009

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Ms. Darlene Standley
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

TN REGULATORY AUTHORITY
UTILITIES DIVISION

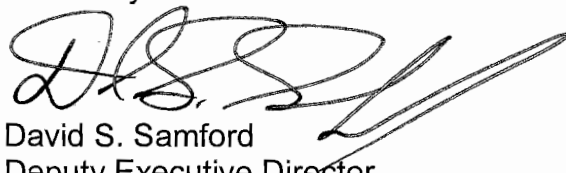
Dear Ms. Standley:

Please accept this in follow-up to recent discussions between our respective Chairmen and your discussion with John Rogness, of our staff, regarding issues surrounding payments that have been made by state regulated affiliates to American Water Works. Information regarding Kentucky American Water Company's (KAWC) expense and dividend payments to its parent company can be found in two recent cases: Case Nos. 2008-00427 and 2008-00479.

Case No. 2008-00427 was a rate case with a forecasted test year that was ultimately settled. Case No. 2008-00479 was a case regarding dividend payments from KAWC to the parent. The case contains historical as well as the most current dividend payment information. KAWC must request Commission approval prior to dividends being remitted to the parent corporation. Both cases were filed electronically and all the information is available through our website at http://psc.ky.gov/efs/EFS_Search.aspx. This link should get you started. At this site, type in the case appropriate number and then scroll down and click on the "Filter" button. This will bring up the case filings and a brief description of each filing.

If you have additional questions, please feel free to call Mark Frost at 502-564-3940 ext. 274.

Sincerely:



David S. Samford
Deputy Executive Director