

Kentucky American Water  
Case No 2012-00520

Summary of Forecast Year Revisions filed May 2013

Item	Requested Revenue Increase	Requested Revenue Increase Change	Explanation
Original Filing Case No 2012-00520	\$ 12,317,702		
Slippage	\$ 12,753,884	\$ 436,182	<u>Per Commission Staff's 2nd Data Request #41:</u> Application of Slippage. Also includes correction of math error in the income tax calculation, which had to be fixed prior to slippage calculation.
Working Capital	\$ 12,629,884	\$ (124,000)	Correction of Income tax
Water Revenues	\$ 12,596,846	\$ (33,038)	<u>Per LFUCG's 1st Data Request #10:</u> Revised number of public hydrants in base year which carried through
Pension	\$ 12,560,944	\$ (35,902)	Updated 2013 information now available
OPEB (Part if Group Insurance)	\$ 12,504,011	\$ (56,933)	Updated 2013 information now available <u>Per Commission Staff's 2nd Data Request #109:</u>
Miscellaneous Expense	\$ 12,291,761	\$ (212,250)	Removal of charitable contributions and low income assistance from revenue requirement
Cost of Capital	\$ 12,068,431	\$ (223,330)	Adjustment to capital structure related to timing change of long-term debt issuance. Updated interest rates and issuance costs related to projected long-term debt issuances.
	\$ (249,271)		

Kentucky American Water  
Case No. 2012 - 00520  
Update Filing 5/15/2013  
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**EXHIBIT 37  
SCHEDULE A**

**JURISDICTIONAL FINANCIAL SUMMARY FOR THE BASE AND FORCASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
A	Overall Financial Summary

Kentucky American Water Company  
Case No. 2012-00520  
Jurisdictional Financial Summary for the Base and Forecast Period Detailing Derivation of the Requested Revenue Increase

Exhibit 37, Schedule A  
Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue Requirement and Conversion Factor.xlsx\Rev Requirement - SCH A  
Witness: L. Bridwell

Data: X\_Base Period X\_Forecast Period  
Version: \_Original\_X\_Updated X\_Revised

Line #		Base Period Ended 3/31/2013	Forecast Period Ended 7/31/2014	Support Schedule Reference	Excel Reference
1					
2	<b>Present Rate Utility Operating Income:</b>				
3					
4	<b>Operating Revenue at Present Rates:</b>	\$ 85,630,818	\$ 84,139,983	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
5					
6	<b>Less: Deductions:</b>				
7	Operating and Maintenance	\$ 33,719,553	\$ 33,587,569	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
8	Depreciation	10,474,566	11,531,748	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
9	Amortization of UPAA	8,561	-	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
10	Amortization Expense	202,353	210,261	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
11	Removal Costs	1,445,681	1,609,669	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
12	State Income Taxes	1,438,899	1,194,844	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
13	Federal Income Taxes	8,253,792	6,991,830	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
14	Investment Tax Credits	(84,797)	(84,792)	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
15	General Taxes:	4,812,230	5,123,549	Exhibit 37 Schedule C-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statem
16	<b>Total Deductions (Sum Lines 7 - 15):</b>	\$ 60,270,840	\$ 60,164,679		
17					
18	<b>Present Rate Operating Income (Line 4 - Line 16):</b>	\$ 25,359,979	\$ 23,975,304		
19					
20					
21					
22	<b>Revenue Requirement and Increase Comparison:</b>				
23					
24	Net Original Cost Rate Base	\$ 369,482,684	\$ 385,415,684	Exhibit 37 Schedule B-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RE
25	Rate of Return	8.08%	8.12%	Exhibit 37 Schedule J-1.1	Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure
26					
27	<b>Operating Income Required (Line 24 x Line 25):</b>	\$ 29,854,201	\$ 31,295,754		
28					
29	Less: Operating Income at Present Rates (Line 18):	\$ 25,359,979	\$ 23,975,304		
30					
31	<b>Increase in Operating Income Required (Line 27 - Line 29)</b>	\$ 4,494,222	\$ 7,320,450		
32					
33	<b>Gross Revenue Conversion Factor</b>	164.8591%	164.8591%	Exhibit 37, Schedule H	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue Requirement and Conversion Factor.xlsx\Rev Conversion Factor - SCH
34					
35	<b>Requested Revenue Increase (Line 31 x Line 33)</b>	\$ 7,409,136	\$ 12,068,431		
36					
37	<b>Percent Increase over Operating Revenue at Present Rates (Line 35 / Line 4):</b>	8.65%	14.34%		
38					
39	<b>Revenue Requirement (Line 4 + Line 35)</b>	\$ 93,039,954	\$ 96,208,414		
40					

**EXHIBIT 37  
SCHEDULE B**

**JURISDICTIONAL RATE BASE SUMMARY FOR THE BASE AND FORCASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

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KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
RATE BASE SUMMARY  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-1  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xls\Sch B-1  
PAGE 1 OF 2  
Witness Responsible L Birdwell

DATA\_X\_BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL\_X\_UPDATED\_X\_REVISD

Line No.	Rate Base Component	Supporting Schedule Reference	Base Period	Excel File Location
1				
2	Utility Plant In Service	B-2	\$ 598,580,014	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-2
3	Property Held for Future Use	B-2.6	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-2
4				
5	Utility Plant Acquisition Adjustments		0	
6				
7	Accumulated Depreciation	B-3	(128,157,658)	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-3
8				
9				
10				
11	Net Utility Plant In Service		470,422,356	
12				
13	Construction Work in Progress	B-4	11,045,901	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-4
14				
15	Working Capital Allowance	B-5/W/P-1.13	2,298,000	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-5
16				
17	Other Working Capital Allowance	B-5 & W/P-1.5	817,289	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-5
18				
19	Contributions in Aid of Construction	B-6	(51,631,271)	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-6
20				
21	Customer Advances	B-6	(12,276,361)	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-6
22				
23	Deferred Income Taxes	B-6	(57,641,760)	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-6
24				
25	Deferred Investment Tax Credits	B-6	(61,653)	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-6
26				
27	Deferred Maintenance	W/P-1.10	3,218,555	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\2012 Rate Case Deferred Maintenance 10.xls\Sch B-6
28				
29	Deferred Debts	W/P-1.11	1,583,971	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\2012 Rate Case Deferred Debts.xls\Summary
30				
31	Other Rate Base Elements	W/P-1.12	2,007,657	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Other Rate Base.xls\Schedule
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	Jurisdictional Rate Base		\$369,482,684	



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PLANT IN SERVICE BY MAJOR GROUPING  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 1 of 2  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Major Property Grouping	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	End of Period Adjusted Jurisdiction
2						
3		\$	100%	\$ 672,505	-	\$ 672,505
4	Intangibles	672,505				
5	Source of Supply and Pumping	80,021,918		80,021,918	-	80,021,918
6	Water Treatment	85,596,595		85,596,595	-	85,596,595
7	Transmission and Distribution	389,029,904		389,029,904	-	389,029,904
8	General	43,259,091		43,259,091	-	43,259,091
9	Completed Construction not Classified	-		-	-	-
10	Other	-		-	-	-
11						
12						
13						
14						
15						
16						
17	Total	\$ 598,580,014		\$ 598,580,013	\$ -	\$ 598,580,013



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PLANT IN SERVICE BY MAJOR GROUPING  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 2 OF 2  
Witness Responsible L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Major Property Grouping	Forecasted Period	Jurisdictional Percent	Jurisdictional	Adjustments	End of Period Adjusted Jurisdiction	13 Month Average
1	Intangibles	\$ 926,736	100%	\$ 926,736	-	\$ 926,736	898,213
2							
3	Source of Supply and Pumping	85,012,730		85,012,730	-	85,012,730	84,767,102
4							
5	Water Treatment	79,032,741		79,032,741	-	79,032,741	80,727,065
6							
7	Transmission and Distribution	423,706,099		423,706,099	-	423,706,099	413,334,048
8							
9	General	51,494,301		51,494,301	-	51,494,301	50,112,711
10							
11	Completed Construction not Classified	-		-	-	-	-
12							
13	Other	-		-	-	-	-
14							
15		\$ 640,172,608		\$ 640,172,607	-	\$ 640,172,607	629,839,138

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.1  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 1 of 4  
Witness Responsible: L. Bridwell

DATA: X, BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X, UPDATED\_X, REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	NARC96 Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdictional
2							
3		Intangible Plant					
4	301.1	Organization	\$ 37,450		\$ 37,450	-	\$ 37,450
5	302.1	Franchise/Consents	70,261	100%	70,261	-	70,261
6	339.1	Other Plant & Equip Intangible	564,794		564,794	-	564,794
7							
8		Total Intangibles	\$ 672,505		\$ 672,505	-	\$ 672,505
9							
10		Source of Supply and Pumping Plant					
11	303.2	Land and Land Rights-SS	\$ 1,273,329		\$ 1,273,329	-	\$ 1,273,329
12	304.2	Structures and Improvements SS	27,824,888		27,824,888	-	27,824,888
13	305.2	Collecting and Impounding Reservoirs	992,394		992,394	-	992,394
14	306.2	Lake, River and Other Intakes	1,606,109		1,606,109	-	1,606,109
15	307.2	Wells and Springs	-		-	-	-
16	308.2	Infiltration Galleries & Tunnels	-		-	-	-
17	309.2	Supply Mains	18,547,234		18,547,234	-	18,547,234
18	310.2	Power Generation Equip	2,991,561		2,991,561	-	2,991,561
19	311.2	Pumping Equipment SS	26,786,404		26,786,404	-	26,786,404
20	339.2	Other Plant & Equip SS	-		-	-	-
21							
22		Total Source of Supply & Pumping	\$ 80,021,918		\$ 80,021,918	-	\$ 80,021,918
23							
24		Water Treatment Plant					
25	303.3	Land and Land Rights	\$ 800,183		800,183	-	800,183
26	304.3	Structures and Improvements	38,804,714		38,804,714	-	38,804,714
27	311.3	Pumping Equipment WT	-		-	-	-
28	320.3	Water Treatment Equipment	45,991,698		45,991,698	-	45,991,698
29	339.3	Other Plant & Equip WT	-		-	-	-
30							
31		Total Water Treatment	\$ 85,596,595		\$ 85,596,595	-	\$ 85,596,595
32							
33		Transmission and Distribution Plant					
34	303.4	Land and Land Rights TD	\$ 7,473,931		\$ 7,473,931	-	\$ 7,473,931
35	304.4	Struct & Improve TD	920,723		920,723	-	920,723
36	311.4	Pumping Equipment TD	121,716		121,716	-	121,716
37	330.4	Dist Reservoirs & Standpipes	15,916,830		15,916,830	-	15,916,830
38	331.4	TD Mains	257,501,067		257,501,067	-	257,501,067
39	333.4	Services	47,891,192		47,891,192	-	47,891,192
40	334.4	Meters & Meter Installations	45,175,493		45,175,493	-	45,175,493
41	335.4	Hydrants	14,028,952		14,028,952	-	14,028,952
42	336.4	Backflow Prevention Devices	-		-	-	-
43	339.4	Other Plant & Equip TD	-		-	-	-
44							
45		Total Transmission and Distribution	\$ 389,029,904		\$ 389,029,904	-	\$ 389,029,904

KENTUCKY AMERICAN WATER COMPANY  
Case No. 201200520  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.1  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 2 of 4  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	NAIUC 96 Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdictional
1							
2							
3							
4	303.5	General Plant	\$ -	100%	\$ -	\$ -	\$ -
5	304.5	Land & Land Rights AG	13,330,691		13,330,691	-	13,330,691
6	340.5	Struct & Improve AG	12,173,135		12,173,135	-	12,173,135
7	341.5	Office Furniture and Equipment	5,366,152		5,366,152	-	5,366,152
8	342.5	Transportation Equipment	59,882		59,882	-	59,882
9	343.5	Stores Equipment	2,230,151		2,230,151	-	2,230,151
10	344.5	Tools, Shop and Garage Equipment	1,946,912		1,946,912	-	1,946,912
11	345.5	Laboratory Equipment	1,465,286		1,465,286	-	1,465,286
12	346.5	Power Operated Equipment	5,101,670		5,101,670	-	5,101,670
13	347.5	Communication Equipment	1,446,730		1,446,730	-	1,446,730
14	348.5	Miscellaneous Equipment	138,485		138,485	-	138,485
15		Other Tangible Property					
16		Total General	\$ 43,259,091		\$ 43,259,091	\$ -	\$ 43,259,091
17							
18							
19							
20		Total Utility Plant in Service	\$ 598,580,014		\$ 598,580,017	\$ -	\$ 598,580,017

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.1  
Exhibits with Slippage - Updated with Actuals/Exhibits/Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 3 of 4  
Witness Responsible: L. Bridwell

DATA: \_\_\_BASE PERIOD\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL\_X\_UPDATED\_X\_REVISD  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	NARUC 96 Acct No.	Account Title	Forecasted	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction	13 Month Average
1								
2								
3								
4		Intangible Plant						
5	301.1	Organization	\$ 37,450	100%	\$ 37,450	\$ -	\$ 37,450	\$ 37,450
6	302.1	Franchise/Consents	70,261		70,261	-	70,261	70,261
7	339.1	Other Plant & Equip Intangible	819,025		819,025	-	819,025	790,501
8		Total Intangibles	\$ 926,736		\$ 926,736	\$ -	\$ 926,736	\$ 898,213
9								
10		Source of Supply and Pumping Plant						
11	303.2	Land and Land Rights - SS	1,273,329		1,273,329	-	1,273,329	1,273,329
12	304.2	Structures and Improvements - SS	16,545,394		16,545,394	-	16,545,394	16,561,285
13	305.2	Collecting and Impounding Reservoirs	984,638		984,638	-	984,638	986,753
14	306.2	Lake, River and Other Intakes	7,609,668		7,609,668	-	7,609,668	7,513,112
15	307.2	Wells and Springs	-		-	-	-	-
16	308.2	Infiltration Galleries & Tunnels	-		-	-	-	-
17	309.2	Supply Mains	27,882,185		27,882,185	-	27,882,185	27,882,254
18	310.2	Power Generation Equip	3,368,396		3,368,396	-	3,368,396	3,374,873
19	311.2	Power Equipment SS	27,349,120		27,349,120	-	27,349,120	27,175,495
20	339.2	Other Plant & Equip SS	-		-	-	-	-
21								
22		Total Source of Supply & Pumping	\$ 85,012,730		\$ 85,012,730	\$ -	\$ 85,012,730	\$ 84,767,102
23								
24		Water Treatment Plant						
25	303.3	Land and Land Rights WT	800,183		800,183	-	800,183	800,183
26	304.3	Structures and Improvements WT	26,823,546		26,823,546	-	26,823,546	26,589,081
27	311.3	Pumping Equipment WT	-		-	-	-	-
28	320.3	Water Treatment Equipment	51,212,273		51,212,273	-	51,212,273	53,141,221
29	339.3	Other Plant & Equip WT	196,738		196,738	-	196,738	196,580
30								
31		Total Water Treatment	\$ 79,032,741		\$ 79,032,740	\$ -	\$ 79,032,740	\$ 80,727,065
32								
33		Transmission and Distribution Plant						
34	303.4	Land and Land Rights TD	7,789,866		7,789,866	-	7,789,866	7,671,107
35	304.4	Structures and Improvements TD	895,487		895,487	-	895,487	909,077
36	311.4	Pumping Equipment TD	345,868		345,868	-	345,868	249,266
37	330.4	Dist Reservoirs & Stoppages	20,436,828		20,436,828	-	20,436,828	19,705,534
38	331.4	TD Mains	277,995,158		277,995,158	-	277,995,158	272,421,871
39	333.4	Services	52,114,092		52,114,092	-	52,114,092	50,778,822
40	334.4	Meters & Meter Installations	49,027,504		49,027,504	-	49,027,504	46,877,405
41	335.4	Hydrants	15,101,297		15,101,297	-	15,101,297	14,720,966
42	336.4	Backflow Prevention Devices	-		-	-	-	-
43	339.4	Other Plant & Equip TD	-		-	-	-	-
44								
45		Total Transmission and Distribution	\$ 423,706,099		\$ 423,706,100	\$ -	\$ 423,706,100	\$ 413,334,048

KENTUCKY AMERICAN WATER COMPANY  
Case No. 2012-00520  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.1  
Exhibits with Slippage - Updated with Actuals Exhibits Rate Base \\K\_RB12 - revised.xlsx Sch B-2  
PAGE 4 of 4  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_X\_ UPDATED \_\_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	NARUC 96 Acct No.	Account Title	Forecasted	Forecasted Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdiction	13 Month Average
1								
2								
3								
4	303.5	General Plant						
5	304.5	Land & Land Rights AG		100%	13,572,136	-	13,572,136	13,527,253
6	340.5	Structures and Improvements AG	\$ 13,572,136		18,672,193	-	18,672,193	18,582,700
7	341.5	Office Furniture and Equipment	18,672,193		5,271,600	-	5,271,600	4,930,084
8	342.5	Transportation Equipment	5,271,600		37,264	-	37,264	37,494
9	343.5	Stores Equipment	37,264		3,012,731	-	3,012,731	2,745,202
10	344.5	Tools, Shop and Garage Equipment	3,012,731		1,249,386	-	1,249,386	1,265,250
11	345.5	Laboratory Equipment	1,249,386		1,430,911	-	1,430,911	1,440,950
12	346.5	Power Operated Equipment	1,430,911		6,394,117	-	6,394,117	5,725,207
13	347.5	Communication Equipment	6,394,117		1,469,310	-	1,469,310	1,478,949
14	348.5	Miscellaneous Equipment	1,469,310		384,655	-	384,655	379,621
15		Other Tangible Property	384,655					
16		Total General	\$ 51,494,301		\$ 51,494,303		\$ 51,494,303	\$ 50,112,711
17								
18								
19		Total Utility Plant in Service	\$ 640,172,608		\$ 640,172,609		\$ 640,172,609	\$ 629,839,138

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\B-2  
PAGE 1 OF 2  
Witness Responsible: L. Birdwell

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X, UPDATED\_X, REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Account Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference Number	Description/Purpose of Adjustment
1							
2							
3							
4							
5							
6							
7							
8							

Not Applicable

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 201200520  
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_X\_ UPDATED \_\_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Acct No.	Account Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference Number	Description/Purpose of Adjustment
1							
2							
3							
4							
5							
6							

Not Applicable

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
GROSS ADDITIONS, RETIREMENTS AND TRANSFERS  
APRIL 2012 TO MARCH 2013

EXHIBIT 37, SCHEDULE B-2.3  
Exhibits with Slippage - Updated with Actuals/Exhibits/Rate Base/[(K\_RB12 - revised.xlsx)Sch B-2  
PAGE 1 OF 4  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	NARUC 96 Acct No.	Account Title	Base Period		Retirements	Additions	Amount	Transfers/Reclassifications Explanation	Other Accts Involved	Base Period
			Beginning Balance	Ending Balance						
1										
2										
3		Intangible Plant								
4	301.1	Organization	\$ 37,450	\$ -	\$ -	\$ -				\$ 37,450
5	302.1	Franchise/Consents	70,261	-	-	-				70,261
6	339.1	Other Plant & Equip Intangible	553,011	400,277	-	(238,252)	reclassification of business Transformation			715,036
7										
8		Total Intangibles	\$ 660,723	\$ 400,277	\$ -	\$ (238,252)				\$ 822,748
9										
10		Source of Supply and Pumping Plant								
11	303.2	Land and Land Rights - SS	\$ 1,273,329	\$ (0)	\$ -	\$ -				\$ 1,273,329
12	304.2	Structures and Improvements SS	16,596,113	7,549	15,891	-				16,587,771
13	305.2	Collecting and Impounding Reservoirs	995,930	-	5,651	-				990,279
14	306.2	Lake, River and Other Intakes	7,162,526	152,736	1,329	-				7,313,933
15	307.2	Wells and Springs	-	-	-	-				-
16	308.2	Infiltration Galleries & Tunnels	-	-	-	-				-
17	309.2	Supply Mains	27,879,819	2,640	90	-				27,882,369
18	310.2	Power Generation Equipment	3,400,049	14,418	37	-				3,385,668
19	311.2	Pumping Equipment SS	24,982,212	541,687	136,037	-				25,387,863
20	339.2	Other Plant & Equipment SS	-	-	-	-				-
21										
22		Total Source of Supply & Pumping	\$ 82,289,979	\$ 704,649	\$ 173,416	\$ -				\$ 82,821,211
23										
24		Water Treatment Plant								
25	303.3	Land and Land Rights WT	\$ 800,183	\$ -	\$ -	\$ -				\$ 800,183
26	304.3	Structures and Improvements WT	25,706,593	422,409	32,704	-				26,096,298
27	311.3	Pumping Equipment WT	-	-	-	-				-
28	320.3	Water Treatment Equipment	54,710,238	111,537	707,343	-				54,114,432
29	339.3	Other Plant & Equipment WT	-	-	-	-				-
30										
31		Total Water Treatment	\$ 81,217,014	\$ 533,946	\$ 740,047	\$ -				\$ 81,010,913
32										
33		Transmission and Distribution Plant								
34	303.4	Land and Land Rights TD	\$ 7,528,724	\$ (54,793)	\$ -	\$ -				\$ 7,473,931
35	304.4	Structures and Improvements TD	910,025	5,093	-	-				915,117
36	311.4	Pumping Equipment TD	129,682	(3,115)	28,164	-				98,403
37	330.4	Dist Reservoirs & Standpipes	17,281,137	821,771	28,121	-				18,074,786
38	331.4	TD Mains	253,452,749	7,995,514	60,474	-				261,387,789
39	333.4	Services	46,157,427	2,708,263	285,590	-				48,580,100
40	334.4	Meter & Meter Installations	38,434,285	5,648,290	540,442	-				43,542,133
41	335.4	Hydrants	13,231,403	781,147	8,442	-				14,004,108
42	336.4	Backflow Prevention Devices	-	-	-	-				-
43	339.4	Other Plant & Equip TD	-	-	-	-				-
44										
45		Total Transmission and Distribution	\$ 377,125,431	\$ 17,902,168	\$ 951,233	\$ -				\$ 394,076,367









KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY MERGED OR ACQUIRED  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.4  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 1 OF 2  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Acct No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date	Explanation of Treatment
1							
2							
3							
4							
5							
6							
7							
8							

NOT APPLICABLE

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY MERGED OR ACQUIRED  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.4  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RBT2 - revised.xlsx\sch B-2  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Acct No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date	Explanation of Treatment
1							
2							
3							
4							
5							
6							
7							
8							

NOT APPLICABLE

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
LEASED PROPERTY  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2-5  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 1 OF 2  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Identification or Ref No.	Description and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property	Explain Method of Capitalization
1							
2							
3							
4							

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
LEASED PROPERTY  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2-5  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Identification or Ref No.	Description and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Value of Property	Explain Method of Capitalization
----------	---------------------------	---------------------------------	----------------	----------------------	-------------------------	--------------------------	----------------------------------

- 1
- 2
- 3
- 4
- 5

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.6  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 1 OF 2  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	ription/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized Acct No.	Description	Amount	Expenses Incurred Acct No.	Description
----------	------------------------------	------------------	---------------	--------------------------	-------------------	--------	------------------------------	-------------	--------	-------------------------------	-------------

1  
2  
3

NOT APPLICABLE IN THIS RATE CASE.



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY HELD FOR FUTURE USE | INCLUDED IN RATE BASE  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.6  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Description/Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Amount	Revenue Realized Acct No.	Description	Amount	Expenses Incurred Acct No.	Description
1											
2											
3											

NOT APPLICABLE IN THIS RATE CASE.

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY EXCLUDED FROM RATE BASE  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.7  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-2  
PAGE 1 OF 2  
Witness Responsible: L. Bridwell

DATA: X, BASE PERIOD, FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X, UPDATED\_X, REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Acct. No.	Description	In-Service Date	Original Cost	Accumulated Depreciation	Net Original Cost	Period Revenue and Expenses		Reasons for Exclusion
							Amount	Acct No.	
1									
2									
3									

NONE

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
PROPERTY EXCLUDED FROM RATE BASE  
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.7  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch.B-2  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Acct. No.	Description	In-Service Date	Original Cost	Accumulated Depreciation	Net Original Cost	Period Revenue and Expenses		Reasons for Exclusion
							Amount	Acct No.	

NONE

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3  
Exhibits with Shippage - Updated with Actuals (Exhibits) (rate Base) (K\_RB12 - revised.xlsx) B-3  
PAGE 1 of 4  
Witness Responsible: L. Bridwell

DATA\_X\_BASE PERIOD ---- FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-2

Line No.	MARUC 96 Acct No.	Account Title	Base Period		Total Company	Jurisdictional Percent	Accumulated Reserve Balances		Adjusted Jurisdiction
			Total Company	Jurisdictional			Total	Adjustments	
1									
2									
3		<b>Intangible Plant</b>							
4	301.1	Organization	\$ 37,460	-	-		\$ -	\$ -	\$ -
5	302.1	Franchise/Consents	70,261	-	-	100%	-	-	0
6	339.1	Other Patent & Equip Intangible	564,794	286,595	286,595		286,595	286,595	286,595
7									
8		Total Intangibles	\$ 672,505	\$ 286,595	286,595		286,595	-	286,595
9									
10		<b>Source of Supply and Pumping Plant</b>							
11	303.2	Land and Land Rights - SS	1,273,329	-	-		\$ -	\$ -	\$ -
12	304.2	Structures and Improvements SS	27,824,888	2,930,154	2,930,154		2,930,154	-	2,930,154
13	305.2	Collecting and Impounding Reservoirs	992,394	384,086	384,086		384,086	-	384,086
14	306.2	Lake, River and Other Intakes	1,606,109	348,116	348,116		348,116	-	348,116
15	307.2	Wells and Springs	-	-	-		-	-	0
16	308.2	Infiltration Galleries & Tunnels	-	-	-		-	-	0
17	309.2	Supply Mains	18,547,234	2,689,276	2,689,276		2,689,276	-	2,689,276
18	310.2	Power Generation Equip	2,991,561	499,217	499,217		499,217	-	499,217
19	311.2	Pumping Equipment SS	26,786,404	6,653,705	6,653,705		6,653,705	-	6,653,705
20	339.2	Other Plant & Equip SS	-	-	-		0	-	0
21	354.2	Other Plant & Equip WT	-	(3,168)	(3,168)		(3,168)	-	(3,168)
22									
23		Total Source of Supply & Pumping	\$ 80,021,918	\$ 13,501,386	13,501,386		13,501,386	-	13,501,386
24									
25		<b>Water Treatment Plant</b>							
26	303.3	Land and Land Rights	800,183	-	-		\$ -	\$ -	\$ -
27	304.3	Structures and Improvements	38,804,714	3,218,813	3,218,813		3,218,813	-	3,218,813
28	311.3	Pumping Equipment WT	-	(242)	(242)		(242)	-	(242)
29	320.3	Water Treatment Equipment	45,991,698	17,689,832	17,689,832		17,689,832	-	17,689,832
30	339.3	Other Plant & Equip WT	-	-	-		-	-	-
31									
32		Total Water Treatment	\$ 85,596,595	\$ 20,908,403	20,908,403		20,908,403	-	20,908,403
33									
34		<b>Transmission and Distribution Plant</b>							
35	303.4	Land and Land Rights TD	7,473,931	-	-		\$ -	\$ -	\$ -
36	304.4	Struct & Improve TD	920,723	591,687	591,687		591,687	-	591,687
37	311.4	Pumping Equipment TD	121,716	(44,811)	(44,811)		(44,811)	-	(44,811)
38	330.4	Dist Reservoirs & Standpipes	15,916,830	4,355,392	4,355,392		4,355,392	-	4,355,392
39	331.4	TD Mains	257,501,067	41,181,930	41,181,930		41,181,930	-	41,181,930
40	333.4	Services	47,891,192	19,622,690	19,622,690		19,622,690	-	19,622,690
41	334.4	Meters & Meter Installations	45,175,493	5,481,599	5,481,599		5,481,599	-	5,481,599
42	335.4	Hydrants	14,008,952	3,633,855	3,633,855		3,633,855	-	3,633,855
43	336.4	Backflow Prevention Devices	-	0	0		0	-	0
44	339.4	Other Plant & Equip TD	-	-	-		0	-	0
45									
46		Total Transmission and Distribution	\$ 389,029,904	\$ 74,822,342	74,822,342		74,822,342	0	74,822,342

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 2013

DATA: \_X\_ BASE PERIOD: \_\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-2  
EXHIBIT 37, SCHEDULE B-3  
Exhibits with Shippage - Updated with Actuals (Exhibits) (rate Base) (K\_RB12 - revised.xlsx) B-3  
PAGE 2 of 4  
Witness Responsible: L. Bridwell

Line No.	MARUC 96 Acct No.	Account Title	Base Period		Total Company	Jurisdictional Percent	Accumulated Reserve Balances		Adjustments	Adjusted Jurisdiction
			Total Company	Jurisdictional Total			Total	Jurisdictional Total		
1										
2		General Plant								
3		Land & Land Rights AG								
4	303.5	Struct & Improve AG	\$ 13,330,691		2,460,467		\$ 2,460,467			\$ 2,460,467
5	340.5	Office Furniture and Equipment	12,173,135		8,602,369		8,602,369			8,602,369
6	341.5	Transportation Equipment	5,366,152		2,321,634		2,321,634			2,321,634
7	342.5	Stores Equipment	59,882		35,040		35,040			35,040
8	343.5	Tools, Shop and Garage Equipment	2,230,151		1,123,658		1,123,658			1,123,658
9	344.5	Laboratory Equipment	1,946,512		762,034		762,034			762,034
10	345.5	Power Operated Equipment	1,465,286		928,914		928,914			928,914
11	346.5	Communication Equipment	5,101,670		1,547,210		1,547,210			1,547,210
12	347.5	Miscellaneous Equipment	1,446,730		624,933		624,933			624,933
13	348.5	Other Tangible Property	138,485		232,673		232,673			232,673
14										
15										
16		Total General	45,299,092		18,638,933		18,638,932			18,638,932
17										
18										
19										
20		Total Utility Plant in Service	\$598,580,015		\$128,157,658		\$128,157,658			\$128,157,658

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
ACCUMULATED DEPRECIATION AND AMORTIZATION  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-3  
Exhibits with Slippage - Updated with Actuals (Exhibits) (rate Base) (K\_RB12 - revised.xlsx) B-3  
PAGE 3 of 4  
Witness Responsible: L. Bridwell

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ REVISED  
WORK/PAPER REFERENCE NO(S): W/P-1-2

Line No.	MARUC-96 Acct No.	Account Title	Forecasted Period Total Company	Accumulated Reserve Balances		Adjustment	Adjusted Jurisdiction	13 Month Average
				Total Company	Jurisdictional Percent			
1								
2								
3		<b>Intangible Plant</b>						
4	301.1	Organization	\$ 37,460	\$ -	100%	\$ -	\$ -	\$ -
5	302.1	Franchise/Consents	70,261					
6	339.1	Other Plant & Equip Intangible	790,501	386,722			386,722	343,688
7								
8		Total Intangibles	\$ 898,213	\$ 386,722		\$ -	\$ 386,722	\$ 343,688
9								
10		<b>Source of Supply and Pumping Plant</b>						
11	303.2	Land and Land Rights - SS	1,273,329					
12	304.2	Structures and Improvements SS	16,561,285	3,476,345			3,476,345	3,250,013
13	305.2	Collecting and Impounding Reservoirs	986,753	393,371			393,371	389,055
14	306.2	Lake, River and Other Intakes	7,513,112	555,474			555,474	485,533
15	307.2	Wells and Springs	-	-			-	-
16	308.2	Infiltration Galleries & Tunnels	-	-			-	-
17	309.2	Supply Mains	27,862,254	3,557,528			3,557,528	3,251,088
18	310.2	Power Generation Equip	3,374,873	609,928			609,928	567,089
19	311.2	Pumping Equipment SS	27,175,495	7,251,918			7,251,918	7,028,418
20	339.2	Other Plant & Equip SS	-	-			-	-
21	354.2	Other Plant & Equip WT	-	(3,168)			(3,168)	(3,168)
22								
23		Total Source of Supply & Pumping	\$ 84,767,102	\$ 15,841,396		\$ -	\$ 15,841,396	\$ 14,988,029
24								
25		<b>Water Treatment Plant</b>						
26	303.3	Land and Land Rights	800,183					
27	304.3	Structures and Improvements	26,589,081	4,074,221			4,074,221	3,711,786
28	311.3	Pumping Equipment WT	-	(242)			(242)	(242)
29	320.3	Water Treatment Equipment	53,141,221	16,382,237			16,382,237	17,698,761
30	339.3	Other Plant & Equip WT	196,580	-			-	-
31								
32		Total Water Treatment	\$ 80,727,065	\$ 20,456,216		\$ -	\$ 20,456,216	\$ 21,410,305
33								
34		<b>Transmission and Distribution Plant</b>						
35	303.4	Land and Land Rights TD	7,671,107	(11,529)			(11,529)	(3,547)
36	304.4	Struct & Improve TD	909,077	604,002			604,002	606,074
37	311.4	Pumping Equipment TD	249,266	(77,852)			(77,852)	(70,641)
38	330.4	Dist Reservoirs & Standpipes	19,705,534	4,203,571			4,203,571	4,439,081
39	331.4	TD Mains	272,421,871	47,134,895			47,134,895	44,938,488
40	333.4	Services	50,778,822	21,339,033			21,339,033	20,728,931
41	334.4	Meters & Meter Installations	46,877,405	5,662,314			5,662,314	5,557,532
42	335.4	Hydrants	14,720,966	3,878,999			3,878,999	3,787,105
43	336.4	Backflow Prevention Devices	-	0			0	-
44	339.4	Other Plant & Equip TD	-	-			-	-
45								
46		Total Transmission and Distribution	\$ 413,334,047	\$ 82,733,432		(1)	\$ 82,733,432	\$ 79,983,022



KENTUCKY-AMERICAN WATER COMPANY  
 Case No. 2012-08520  
 ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
 AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3.1  
 Exhibits with Slippage - Updated with Actuals (Exhibits) (rate Base) (K\_BB12 - revised.xlsx) B3  
 PAGE 1 OF 2  
 Witness Responsible L. Bridwell

DATA\_X\_BASE PERIOD --- FORECASTED PERIOD  
 TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISD  
 WORKPAPER REFERENCE NO(S):

Line No.	Adjustment Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
1						
2						
3						

NONE



KENTUCKY-AMERICAN WATER COMPANY  
 Case No. 2012-08520  
 ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION  
 FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-3.1  
 Exhibits with Slippage - Updated with Actuals (Exhibits) (rate Base) (K\_BB12 - revised.xlsx) B3  
 PAGE 2 OF 2  
 Witness Responsible L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
 TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
 WORKPAPER REFERENCE NO(S):

Line No.	Adjustment Title	Total Company Adjustment	Jurisdictional Percent	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
1						
2						
3						

NONE

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3.2  
Exhibits with Shippage - Updated with Actuals (Exhibits) (Rate Base) (K\_RB12 - revised.xlsx) B3  
PAGE 1 OF 4  
Witness Responsible L. Bridwell

DATA\_X\_BASE PERIOD ---- FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-2

Line No.	Act. No.	Account Title	Plant Investment	Adjusted Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
2									
3	339.10	Other P/E Intangibles	8,375	121,462	19.40%	1,625	0%	1.2	5-SQ
4	339.60	Other P/E Comprehensive Studies	556,419	165,143	10.72%	59,648	0%	8.3	10-SQ
5	304.10	SS Structures and Improvements	18,182,516	751,209	3.07%	558,203	-5%	33.3	35-51.5
6	305.00	Coil and Impounding Reservoir	384,086	13,199	1.33%	384,086	0%	47.7	75-R4
7	306.00	Lake, River, and Other Intakes	1,606,109	348,116	2.05%	32,925	0%	47.6	50-51
8	307.00	Wells and Springs	-	-	0%	0	0%	0.0	0%
9	309.00	Supply Mains	18,547,234	2,689,276	2.20%	408,039	-1.0%	40.0	65-52.5
10									
11	304.20	Pumping Structures and Improvements	9,642,371	2,178,944	2.85%	274,808	-2.0%	36.4	60-R2.5
12	310.10	Other Power Production Equipment	2,991,561	499,217	2.93%	87,653	0%	30.4	35-52.5
13	311.20	Electric Pumping Equipment	14,877,470	5,293,340	2.25%	334,743	-2.0%	41.8	50-R3
14	311.30	Diesel Pumping Equipment	704,706	389,656	2.26%	15,926	-2.0%	31.6	50-R3
15	311.40	Hydraulic Pumping Equipment	7,728	8,860	2.28%	176	-2.0%	43.4	50-R3
16	311.52	Source of Supply Pumping Equipment	11,196,499	961,860	2.43%	272,075	-2.0%	47.6	50-R3
17	311.54	T & D Pumping Equipment	121,716	(44,811)	2.43%	2,958	-2.0%	46.3	50-R3
18									
19	304.30	WT Structures and Improvements	38,804,714	3,218,813	2.95%	1,144,739	-2.0%	39.2	60-R2.5
20	320.11	Water Treatment Equipment	45,249,691	17,380,427	2.59%	1,171,967	-2.0%	35.7	45-R2.5
21	320.10	Water Treatment Equipment-Sir	-	-	1.97%	0	-2.0%	45.9	60-R3
22	320.20	Water Treatment - GAC	742,007	309,405	24.28%	180,159	0%	3.1	5-12.5
23									
24	304.40	T & D Structures and Improvements	920,723	591,687	2.63%	24,215	-5%	20.5	30-52
25	330.00	Dist Res and Standpipes	1,771,358	290,647	1.66%	29,405	0%	56.8	60-52.5
26	330.10	Elevated Tanks & Standpipes	10,230,642	3,846,485	2.03%	207,682	-2.5%	45.3	60-52.5
27	330.20	Ground Level Facilities	2,818,847	117,680	1.38%	38,900	0%	56.3	60-52.5
28	330.40	Cleanwells	1,095,983	100,579	1.68%	18,413	0%	59.2	60-52.5
29	331.00	T & D Mains	257,501,067	41,181,930	1.66%	4,274,518	-1.5%	62.6	75-R3
30	333.00	Services	47,891,192	19,622,690	3.00%	1,436,736	-100%	49.6	60-R2.5
31	334.10	Meters	14,081,943	(669,672)	2.68%	377,396	-1.0%	38.4	40-R1
32	334.11	Meters - Bronze Case	2,269,036	332,737	2.74%	62,172	-1.0%	38.7	40-R1
33	334.12	Meters - Plastic Case	418,154	(413,569)	3.25%	13,590	-1.0%	28.4	40-R1
34	334.13	Meters - Other	6,841,370	213,261	2.90%	198,400	-1.0%	34.1	40-R1
35	334.20	Meter Installations	20,910,483	6,081,070	2.78%	581,311	-1.0%	28.5	40-R1
36	334.30	Meter Vaults	654,506	(62,027)	2.73%	17,868	-1.0%	39.2	40-R1
37	335.00	Hydrants	14,028,952	3,633,855	1.49%	209,031	-2.5%	66.9	80-R3

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3.2  
Exhibits with Shippage - Updated with Actuals (Exhibits) (rate Base) (K\_RB12 - revised.xlsx) B-3  
PAGE 2 OF 4  
Witness Responsible: L. Bridwell

DATA\_X\_BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-2

Line No.	Acct No.	Account Title	Plant Investment	Adjusted Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3									
4	304.60	Office Structures and Improvements	4,041,133	262,484	2.96%	119,618	-5%	27.9	55-R2.5
5		<b>Office Structures and Improvements-not depreciated</b>				0			
6	304.61	Other Structures and Improvements	5,737,549	1,399,380	2.01%	115,325	-5%	44	55-R2.5
7	304.70	Stores, Shop & Garage Structures	1,789,335	389,563	2.03%	36,324	0%	44.4	50-R2.5
8	304.80	Misc Structures	1,752,103	407,891	4.98%	87,255	-10%	17.9	25-R2
9	340.10	Office Furniture	742,930	510,956	5.00%	37,147	0%	8.7	20-SQ
10		<b>Office Furniture-not depreciated</b>				0			
11	340.21	Mainframe Comp & Periph Eqpt	103,460	77,091	20.00%	25,777	0%	3.7	5-SQ
12		<b>Mainframe Comp &amp; Periph Eqpt-not depreciated</b>				0			
13	340.22	Personal Comp & Periph Eqpt	11,522	1,022,206	20.00%	106,750	0%	1.7	5-SQ
14		<b>Personal Comp &amp; Periph Eqpt-not depreciated</b>				0			
15	340.23	Computers & Periph Other	414,948	639,401	20.00%	127,880	0%	2.4	5-SQ
16		<b>Computers &amp; Periph Other-not depreciated</b>				0			
17	340.30	Mainframe Software	5,343,110	5,252,733	20.00%	1,068,622	0%	1.0	5-SQ
18		<b>Mainframe Software-not depreciated</b>				0			
19	340.32	Personal Comp Software	3,081	333,220	20.00%	616	0%	1.4	5-SQ
20		<b>Personal Comp Software-not depreciated</b>				0			
21	340.33	Other Software	103,200	1,050,026	20.00%	20,640	0%	1.3	5-SQ
22		<b>Other Software-not depreciated</b>				0			
23	340.50	Other Office Equipment	68,227	68,620	6.67%	4,551	0%	4.9	15-SQ
24		<b>Other Office Equipment-not depreciated</b>				0			
25	340.51	Computer Software Special	-	-	20.00%	0	20%	12.6	13-S2.5
26	341.10	Trans Equip-Light Trucks	2,544,283	1,140,628	1.53%	38,928	0%	13-52.5	14-S2
27		<b>Trans Equip-Light Trucks-not depreciated</b>				0			
28	341.20	Trans Equip-Heavy Trucks	1,915,901	739,462	2.34%	44,832	15%	10.6	14-S2
29	341.30	Trans Equip-Cars	31,569	232,613	8.50%	2,683	15%	0.0	10-S3
30		<b>Trans Equip-Cars-new additions</b>				0			
31	341.40	Other Trans Equip	96,396	208,941	5.51%	42,868	0%	12.1	16-L3
32	342.00	Stores Equipment	778,003	35,040	4.00%	2,395	0%	2.3	25-SQ
33		<b>Stores Equipment-not depreciated</b>				0			
34	343.00	Tools, Shop, & Garage Equip	2,230,151	1,123,658	5.00%	111,508	0%	13.2	20-SQ
35		<b>Tools, Shop, &amp; Garage Equip-not depreciated</b>				0			
36	344.00	Laboratory Equipment	1,946,912	762,034	6.67%	129,859	0%	5.0	20-SQ
37		<b>Laboratory Equipment-not depreciated</b>				0			
38	345.00	Power Operated Equipment	1,465,286	928,914	2.14%	31,357	15%	12.3	15-SQ
39	346.10	Communication Equipment-telephone	1,909,020	1,293,130	6.67%	127,332	0%	4.0	18-L4
40		<b>Communication Equipment-not depreciated</b>				0			
41	346.19	Communication Equipment-remote control	2,880,053	178,067	6.67%	192,100	0%	12.3	15-SQ
42	346.20	Communication Equipment-telephone	312,596	76,014	6.67%	20,850	0%	12.3	15-SQ
43	347.00	Misc Equipment	1,585,214	857,606	5.00%	79,261	0%	13.1	20-SQ
44		<b>Misc Equipment-not depreciated</b>				0			
45	348.00	Other Tangible Property	-	-	5.00%	0	0%	7.6	20-SQ
46									
47			588,914,290	1,261,159,921		14,622,958			

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-08520  
PROPOSED DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
FROM AUGUST 2013 TO JULY 2014

DATA: \_\_\_BASE PERIOD \_\_X\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_X\_\_ UPDATED \_\_X\_\_ REVISED  
WORK/PAPER REFERENCE NO(S): W/P-1-2  
EXHIBIT 37, SCHEDULE B-3.2  
K:\\_RB12 - revised.xlsx\sch B-3  
PAGE 3 OF 4  
Witness Responsible L. Bridwell

Line No.	Act. No.	Account Title	Plant Investment	Adjusted Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3	339.10	Other P/E Intangibles	8,375	123,618	19.40%	1,625	0%	1.2	5-SQ
4	339.60	Other P/E Comprehensive Studies	782,127	220,070	10.72%	83,844	0%	8.3	10-SQ
5	304.10	SS Structures and Improvements	6,958,361	885,666	3.07%	213,622	-5%	33.3	35-51.5
6	305.00	Coil and Impounding Reservoir	986,753	389,055	1.33%	113,124	0%	47.7	75-R4
7	306.00	Lake, River, and Other Intakes	7,513,112	485,533	2.05%	154,019	0%	47.6	50-51
8	307.00	Wells and Springs	-	-	0.0%	0	0%	0.0	
9	309.00	Supply Mains	27,882,254	3,251,088	2.20%	613,410	-10%	40.0	65-52.5
10									
11	304.20	Pumping Structures and Improvements	9,602,924	2,364,347	2.85%	273,683	-20%	36.4	60-R2.5
12	310.10	Other Power Production Equipment	3,374,873	567,089	2.93%	98,884	0%	30.4	35-52.5
13	311.20	Electric Pumping Equipment	11,730,766	5,445,472	2.25%	263,942	-20%	41.8	50-R3
14	311.30	Diesel Pumping Equipment	698,587	396,280	2.26%	15,788	-20%	31.6	50-R3
15	311.40	Hydraulic Pumping Equipment	7,728	9,082	2.28%	176	-20%	43.4	50-R3
16	311.52	Source of Supply Pumping Equipment	14,738,415	1,177,584	2.43%	358,143	-20%	47.6	50-R3
17	311.54	T & D Pumping Equipment	249,266	(70,641)	2.43%	6,057	-20%	46.3	50-R3
18									
19	304.30	WT Structures and Improvements	26,589,081	3,711,786	2.95%	784,378	-20%	39.2	60-R2.5
20	320.11	Water Treatment Equipment	52,632,633	17,300,620	2.59%	1,363,185	-20%	39.0	45-R2.5
21	320.10	Water Treatment Equipment-Sir	-	-	1.97%	0	-20%	45.9	60-R3
22	320.20	Water Treatment -GAC	508,588	398,141	24.28%	133,485	0%	3.1	5-12.5
23									
24	304.40	T & D Structures and Improvements	909,077	606,074	2.63%	23,909	-5%	20.5	30-52
25	330.00	Dist Res and Standpipes	1,771,358	312,225	1.66%	29,405	0%	56.8	60-52.5
26	330.10	Elevated Tanks & Standpipes	11,719,389	3,823,325	2.03%	237,904	-25%	45.3	60-52.5
27	330.20	Ground Level Facilities	3,633,030	160,566	1.38%	50,136	0%	56.3	60-52.5
28	330.40	Cleanwells	2,581,757	142,864	1.68%	43,374	0%	59.2	60-52.5
29	331.00	T & D Mains	272,421,871	44,938,488	1.66%	4,522,203	-15%	62.6	75-R3
30	333.00	Services	50,778,822	20,728,931	3.00%	1,523,365	-100%	49.6	60-R2.5
31	334.10	Meters	19,012,639	(874,478)	2.68%	509,539	-10%	38.4	40-R1
32	334.11	Meters - Bronze Case	2,270,905	421,479	2.74%	62,223	-10%	38.7	40-R1
33	334.12	Meters - Plastic Case	242,892	(342,234)	3.25%	7,894	-10%	28.4	40-R1
34	334.13	Meters - Other	6,396,187	3,237	2.90%	185,489	-10%	34.1	40-R1
35	334.20	Meter Installations	18,445,435	6,435,091	2.78%	512,783	-10%	28.5	40-R1
36	334.30	Meter Vaults	509,347	(85,563)	2.73%	13,905	-10%	39.2	40-R1
37	335.00	Hydrants	14,720,966	3,787,105	1.49%	219,342	-25%	66.9	80-R3

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
DEPRECIATION ACCRUAL RATES AND ACCUMULATED BALANCES BY ACCOUNT  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37 - SCHEDULE B-3.2  
Exhibits with Shippage - Updated with Actuals (Exhibits) (rate Base) (K\_RB12 - revised.xlsx) B-3  
PAGE 4 OF 4  
Witness Responsible L. Bridwell

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ REVISED  
WORK/PAPER REFERENCE NO(S): W/P-1-2

Line No.	Act No.	Account Title	Plant Investment	Adjusted Jurisdiction Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
2									
3									
4	304.60	Office Structures and Improvements	4,333,669	364,222	2.96%	128,277	-5%	27.9	55-R2.5
5		<b>Office Structures and Improvements-not depreciated</b>				0			55-R2.5
6	304.61	Other Structures and Improvements	5,744,299	1,501,208	2.01%	115,460	-5%	44.2	55-R2.5
7	304.70	Stores, Shop & Garage Structures	1,786,124	416,578	2.03%	36,258	0%	44.4	50-R2.5
8	304.80	Misc Structures	1,652,591	380,739	4.98%	82,299	-10%	17.9	25-R2
9	340.10	Office Furniture	664,431	537,144	5.00%	33,222	0%	8.7	20-SQ
10		<b>Office Furniture-not depreciated</b>				0			
11	340.21	Mainframe Comp & Periph Eqpt	70,452	82,764	20.00%	14,090	0%	3.7	5-SQ
12		<b>Mainframe Comp &amp; Periph Eqpt-not depreciated</b>				0			
13	340.22	Personal Comp & Periph Eqpt	432,877	1,006,859	20.00%	86,575	0%	1.7	5-SQ
14		<b>Personal Comp &amp; Periph Eqpt-not depreciated</b>				0			
15	340.23	Computers & Periph Other	647,876	399,253	20.00%	129,575	0%	2.4	5-SQ
16		<b>Computers &amp; Periph Other-not depreciated</b>				0			
17	340.30	Mainframe Software	126,616	4,546,240	20.00%	25,323	0%	1.0	5-SQ
18		<b>Mainframe Software-not depreciated</b>				0			
19	340.32	Personal Comp Software	3,081	262,927	20.00%	616	0%	1.4	5-SQ
20		<b>Personal Comp Software-not depreciated</b>				0			
21	340.33	Other Software	937,426	1,260,228	20.00%	187,485	0%	1.3	5-SQ
22		<b>Other Software-not depreciated</b>				0			
23	340.50	Other Office Equipment	61,401	64,317	6.67%	4,095	0%	4.9	15-SQ
24		<b>Other Office Equipment-not depreciated</b>				0			
25	340.51	Computer Software Special	11,027,990	1,535,574	10.00%	1,102,799	20%	12.6	13-S2.5
26	341.10	Trans Equip-Light Trucks	2,014,000	848,201	1.53%	30,814	0%	13.2	13-S2.5
27		<b>Trans Equip-Light Trucks-not depreciated</b>				0			
28	341.20	Trans Equip-Heavy Trucks	1,945,975	687,324	2.34%	45,536	15%	10.6	14-S2
29	341.30	Trans Equip-Cars	292,285	197,880	8.50%	24,844	15%	0.0	10-S3
30		<b>Trans Equip-Cars-new additions</b>				0			
31	341.40	Other Trans Equip	581,429	219,147	5.51%	32,037	0%	12.1	16-L3
32	342.00	Stores Equipment	35,226	35,009	4.00%	1,409	0%	2.3	25-SQ
33		<b>Stores Equipment-not depreciated</b>				0			25-SQ
34	343.00	Tools, Shop, & Garage Equip	2,577,416	1,207,424	5.00%	128,871	0%	13.2	20-SQ
35		<b>Tools, Shop, &amp; Garage Equip-not depreciated</b>				0			20-SQ
36	344.00	Laboratory Equipment	167,786	746,019	6.67%	76,302	0%	5.0	15-SQ
37		<b>Laboratory Equipment-not depreciated</b>				0			15-SQ
38	345.00	Power Operated Equipment	121,286	932,292	2.14%	30,836	15%	12.3	18-L4
39	346.10	Communication Equipment-telephone	1,440,950	1,384,449	6.67%	107,783	0%	4.0	15-SQ
40		<b>Communication Equipment-not depreciated</b>				0			15-SQ
41	346.19	Communication Equipment-remote control	3,656,426	314,540	6.67%	342,550	0%	12.3	15-SQ
42	346.20	Communication Equipment-telephone	283,749	92,993	6.67%	18,926	0%	12.3	15-SQ
43	347.00	Misc Equipment	1,771,213	903,800	5.00%	88,561	0%	13.1	20-SQ
44	347.00	<b>Misc Equipment - not depreciated</b>				0			20-SQ
45	348.00	Other Tangible Property	87,357	-	5.00%	0	0%	13.1	20-SQ
46								7.6	20-SQ
47			619,779,657	1,366,539,134		15,083,379			
48									
49									
50									

Note: 39128A - Computer Software Special, KAW is proposing a reduction in depreciation rate from 20% to 10%

Exhibits with Slippage - Update

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
CONSTRUCTION WORK IN PROGRESS  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B.4  
Exhibits with Slippage - Updated with Actuals (Exhibits) (Rate Base) (K\_RB2 - revised.xlsx) Sch B.4  
PAGE 1 OF 2  
Witness Responsible: L. Birdwell

DATA: X\_BASE PERIOD - FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISD  
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Description of Project	Construction Amount	Accumulated Costs AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	D12-01-P	Projects Funded by Others	\$ 657,205	-	-	\$657,205	100%	\$657,205	NA
3	R12-01-A1	Mains - New	462,163	1,551	-	463,714	-	463,714	NA
4	R12-01-B1	Mains - Replaced / Restored	113,393	3,533	-	116,927	-	116,927	NA
5	R12-01-CL	Mains - Unschedule Replacements	4,182	-	-	4,182	-	4,182	NA
6	R12-01-D1	Mains - Relocation	-	-	-	-	-	-	NA
7	R12-01-E1	Hydrants, Valves, and Manholes - New	40,731	316	-	41,047	-	41,047	NA
8	R12-01-F1	Hydrants, Valves, and Manholes - Replaced	-	-	-	-	-	-	NA
9	R12-01-G1	Services and Laterals - New	-	-	-	-	-	-	NA
10	R12-01-H1	Services and Laterals - Replaced	(4)	-	-	(4)	-	(4)	NA
11	R12-01-I1	Meters - New	291,889	-	-	291,889	-	291,889	NA
12	R12-01-J1	Meters - Replaced	-	-	-	-	-	-	NA
13	R12-01-K1	ITS Equipment and Systems	4,048	-	-	4,048	-	4,048	NA
14	R12-01-L1	SCADA Equipment and Systems	223,223	-	-	223,223	-	223,223	NA
15	R12-01-M1	Security Equipment and System	1,350	21	-	1,350	-	1,350	NA
16	R12-01-N1	Offices and Operations Centers	17,677	72	-	17,749	-	17,749	NA
17	R12-01-O1	Vehicles	-	-	-	-	-	-	NA
18	R12-01-P1	Tools and Equipment	22,879	35	-	22,915	-	22,915	NA
19	R12-01-Q1	Process Plant Facilities and Equipment	247,144	1,204	-	248,348	-	248,348	NA
20	R12-01-S1	Engineering Studies	366,346	32,438	-	400,784	-	400,784	NA
21	T12-002-P	Business Transformation 2010 - 2014	4,510,975	4,983,562	-	4,989,536	-	4,989,536	49%
22	T12-003-P	Business Transformation 2010 - 2014	352,109	25,260	-	377,370	-	377,370	-5%
23	I12-010001	Unallocated Indirect Overhead	5,255	-	-	5,255	-	5,255	0%
24	I12-020001	New WTP on Pool 3 of Kentucky	511,258	-	-	511,258	-	511,258	0%
25	I12-020027	Russell Cave Rd Main Extension	-	46,096	-	46,096	-	46,096	0%
26	I12-020009	US 25 Relocation	-	-	-	-	-	-	0%
27	I12-020010	Leestown Road	770,712	117,339	-	888,051	-	888,051	85%
28	I12-020025	Pump Efficiency Replacement	569,530	10,528	-	580,058	-	580,058	70%
29	I12-300003	Northern Division Connection	1,079,765	94,645	-	1,174,410	-	1,174,410	29%
30	IP-1202-9	Todd's and Cleveland Rd Main Extension	-	-	-	-	-	-	0%
31	IP-1202-10	KRS Clearwell Improvements (332)	-	-	-	-	-	-	0%
32	IP-1202-11	I-75 Main Extension	-	-	-	-	-	-	0%
33	IP-1202-13	Greenwich Rd Main Extension	-	-	-	-	-	-	0%
34	IP-1202-16	North Upper St Main Replacement (24.3)	-	-	-	-	-	-	0%
35	IP-1202-20	KY Major Highway	-	-	-	-	-	-	0%
36	IP-1202-23	RIS Carbon and Pre-Chlorine Feed	-	-	-	-	-	-	0%
37	IP-1202-27	RIS Hydroreducer Valve & Flow Meter	-	-	-	-	-	-	0%
38	IP-1202-39	Pump Efficiency Repl	-	-	-	-	-	-	0%
40									
41									
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45									
46			\$10,253,812	\$792,089		\$11,045,901		\$11,045,901	
47									
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51									

Note: Budget Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
CONSTRUCTION WORK IN PROGRESS  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B.4  
Exhibits with Slippage - Updated with Actuals (Exhibits) (Rate Base) (K\_RBB2 - revised.xlsx) Sch B.4  
PAGE 2 OF 2  
Witness Responsible: L. Birdwell

DATA: \_\_\_ BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL, X, UPDATED, X, REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	D12-01-P	Projects Funded by Others	\$434,405	\$0	\$0	\$434,405	100%	\$434,405	N/A
3	R12-01-A1	Mains - New	\$56,587	\$763	\$0	\$57,340		\$57,340	N/A
4	R12-01-B1	Mains - Replaced / Restored	\$429,492	\$5,822	\$0	\$435,314		\$435,314	N/A
5	R12-01-CL	Mains - Unscheduled Replacements	\$0	\$0	\$0	\$0		\$0	N/A
6	R12-01-DL	Mains - Relocation	\$106,275	\$1,405	\$0	\$107,680		\$107,680	N/A
7	R12-01-EL	Hydrants, Valves, and Manholes - New	\$0	\$0	\$0	\$0		\$0	N/A
8	R12-01-F1	Hydrants, Valves, and Manholes - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
9	R12-01-G1	Services and Laterals - New	\$0	\$0	\$0	\$0		\$0	N/A
10	R12-01-H1	Services and Laterals - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
11	R12-01-I1	Meters - New	\$0	\$0	\$0	\$0		\$0	N/A
12	R12-01-J1	Meters - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
13	R12-01-K1	ITS Equipment and Systems	\$0	\$0	\$0	\$0		\$0	N/A
14	R12-01-L1	SCADA Equipment and Systems	\$0	\$0	\$0	\$0		\$0	N/A
15	R12-01-M1	Security Equipment and System	\$491,553	\$26,331	\$0	\$517,884		\$517,884	N/A
16	R12-01-N1	Offices and Operations Centers	\$0	\$0	\$0	\$0		\$0	N/A
17	R12-01-O1	Vehicles	\$0	\$0	\$0	\$0		\$0	N/A
18	R12-01-P1	Tools and Equipment	\$0	\$0	\$0	\$0		\$0	N/A
19	R12-01-Q1	Process Plant Facilities and Equipment	\$380,982	\$3,791	\$0	\$384,773		\$384,773	N/A
20	R12-01-S1	Engineering Studies	\$22,211	\$1,477	\$0	\$23,688		\$23,688	N/A
21	T12-002-P	Business Transformation 2010 - 2014	\$167,827	\$0	\$0	\$167,827		\$167,827	100%
22	I12-003-P	Business Transformation 2010 - 2014	(\$44,275)	\$0	\$0	(\$44,275)		(\$44,275)	100%
23	I12-020001	New WTP on Pool 3 of Kentucky	\$0	\$0	\$0	\$0		\$0	0%
24	I12-020002	Russell Cave Rd Main Extension	(\$2,652)	\$0	\$0	(\$2,652)		(\$2,652)	0%
25	I12-020009	US 25 Relocation	\$0	\$0	\$0	\$0		\$0	0%
26	I12-020010	Leestown Road	\$0	\$0	\$0	\$0		\$0	0%
27	I12-020025	Pump Efficiency Replacement	\$3,442,752	\$160,026	\$0	\$3,602,778		\$3,602,778	100%
28	IP-1200-03	Northern Division Connection	\$133,592	\$2,664	\$0	\$136,256		\$136,256	23%
29	IP-1202-9	Todds and Cleveland Rd Main Extension	\$98,054	\$1,628	\$0	\$99,682		\$99,682	16%
30	IP-1202-10	KRS Clearwell Improvements (B32)	\$90,556	\$1,561	\$0	\$92,117		\$92,117	24%
31	IP-1202-11	I-75 Main Extension	\$117,243	\$1,027	\$0	\$118,270		\$118,270	47%
32	IP-1202-13	Greenwich Rd Main Extension	\$95,540	\$1,622	\$0	\$97,162		\$97,162	32%
33	IP-1202-16	North Upper St Main Replacement (B43)	\$70,732	\$1,556	\$0	\$72,288		\$72,288	30%
34	IP-1202-20	KY Major Highway	\$34,739	\$560	\$0	\$35,299		\$35,299	42%
35	IP-1202-23	KRS Carbon and Pre-Chlorine Feed	\$17,512	\$231	\$0	\$17,743		\$17,743	100%
36	IP-1202-27	KRS Hydroreducer Valve & Flow Meter	\$40,809	\$474	\$0	\$41,283		\$41,283	100%
37	IP-1202-39	Pump Efficiency Repl	\$0	\$0	\$0	\$0		\$0	59%
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								\$6,297,179	

Note: Budget Projects DV - 5 represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-4.1  
Exhibits with Slippage - Updated with Actuals (Exhibits) (Rate Base) (K\_RBB2 - revised.xlsx) Sch B.4  
PAGE 1 OF 2  
Witness Responsible: L. Birdwell

DATE: X\_BASE PERIOD - FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Date Construction Began	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	D12-01-P	NA	NA	NA	NA	NA	657,205	NA
3	R12-01-A1	NA	NA	NA	NA	NA	463,714	NA
4	R12-01-B1	NA	NA	NA	NA	NA	116,927	NA
5	R12-01-C1	NA	NA	NA	NA	NA	4,182	NA
6	R12-01-D1	NA	NA	NA	NA	NA	-	NA
7	R12-01-E1	NA	NA	NA	NA	NA	41,047	NA
8	R12-01-F1	NA	NA	NA	NA	NA	-	NA
9	R12-01-G1	NA	NA	NA	NA	NA	-	NA
10	R12-01-H1	NA	NA	NA	NA	NA	-	NA
11	R12-01-I1	NA	NA	NA	NA	NA	291,889	NA
12	R12-01-J1	NA	NA	NA	NA	NA	-	NA
13	R12-01-K1	NA	NA	NA	NA	NA	4,048	NA
14	R12-01-L1	NA	NA	NA	NA	NA	223,223	NA
15	R12-01-M1	NA	NA	NA	NA	NA	1,350	NA
16	R12-01-N1	NA	NA	NA	NA	NA	17,749	NA
17	R12-01-O1	NA	NA	NA	NA	NA	-	NA
18	R12-01-P1	NA	NA	NA	NA	NA	22,915	NA
19	R12-01-Q1	NA	NA	NA	NA	NA	248,638	NA
20	R12-01-S1	NA	NA	NA	NA	NA	480,784	NA
21	T12-002-P	Jan-10	May-13	97.45%	12,771,812	11,085,857	4,969,596	44.83%
22	T12-003-P	Jan-11	Aug-12	141.87%	238,147	763,739	377,370	49.41%
23	I12-020001	Aug-06	Sep-10	161.09%	140,875,523	164,113,992	-	0.00%
24	I12-020027	Nov-11	Jul-12	200.78%	749,998	486,004	557,354	114.68%
25	I12-020009	Feb-10	Jul-12	126.81%	3,200,000	2,810,647	-	0.00%
26	I12-020010	Oct-10	Apr-13	98.38%	1,500,000	1,773,269	888,051	50.00%
27	I12-020025	Jul-12	Apr-13	94.79%	775,000	2,418,253	580,458	24.00%
28	IP-120003	Jan-11	Dec-13	75.09%	7,000,000	14,104,868	1,174,410	8.33%
29	IP-1202-9	Jan-14	Nov-14	0.00%	2,400,000	2,400,000	-	0.00%
30	IP-1202-10	Jan-14	Nov-14	0.00%	4,308,818	3,000,000	-	0.00%
31	IP-1202-11	Jan-14	Nov-14	0.00%	2,000,000	2,000,000	-	0.00%
32	IP-1202-13	Jan-14	Oct-14	0.00%	1,300,000	1,300,000	-	0.00%
33	IP-1202-16	Jan-14	Dec-14	0.00%	1,500,382	1,500,382	-	0.00%
34	IP-1202-20	Jan-14	Sep-14	0.00%	3,000,000	1,000,000	-	0.00%
35	IP-1202-23	Jan-14	Sep-14	0.00%	500,000	500,000	-	0.00%
36	IP-1202-27	Feb-14	Jul-14	0.00%	250,000	250,000	-	0.00%
37	IP-1202-39	Apr-14	Sep-14	0.00%	457,866	457,866	-	0.00%
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					\$182,827,446	\$209,964,777	11,040,646	

Note: Investment Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
CONSTRUCTION WORK IN PROGRESS - PERCENT COMPLETE  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B4.1  
Exhibits with Slippage - Updated with Actuals(Exhibits)(Rate Base)(K\_RBT\_2 - revised.xlsx)(Sch B.4  
PAGE 2 OF 2  
Witness Responsible L. Birdwell

DATA: \_\_\_ BASE PERIOD, X, FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL, X, UPDATED, X, REVISED  
WORKPAPER REFERENCE (NOIS): W/P-1-3

Line No.	Project Number	Date Construction Begin	Estimated Completion Date	% of Elapsed Time	Original Budget Estimate	Current Budget Estimate	Total Project Expenditures	% of Total Expenditures to Budget Est.
1								
2	D12-**01-P	NA	NA	NA	NA	NA	\$434,405	NA
3	R12-**A1	NA	NA	NA	NA	NA	\$57,340	NA
4	R12-**B1	NA	NA	NA	NA	NA	\$435,314	NA
5	R12-**C1	NA	NA	NA	NA	NA	\$0	NA
6	R12-**D1	NA	NA	NA	NA	NA	\$107,680	NA
7	R12-**E1	NA	NA	NA	NA	NA	\$0	NA
8	R12-**F1	NA	NA	NA	NA	NA	\$0	NA
9	R12-**G1	NA	NA	NA	NA	NA	\$0	NA
10	R12-**H1	NA	NA	NA	NA	NA	\$0	NA
11	R12-**I1	NA	NA	NA	NA	NA	\$0	NA
12	R12-**J1	NA	NA	NA	NA	NA	\$0	NA
13	R12-**K1	NA	NA	NA	NA	NA	\$0	NA
14	R12-**L1	NA	NA	NA	NA	NA	\$517,884	NA
15	R12-**M1	NA	NA	NA	NA	NA	\$0	NA
16	R12-**N1	NA	NA	NA	NA	NA	\$0	NA
17	R12-**O1	NA	NA	NA	NA	NA	\$0	NA
18	R12-**P1	NA	NA	NA	NA	NA	\$0	NA
19	R12-**Q1	NA	NA	NA	NA	NA	\$284,773	NA
20	R12-**S1	NA	NA	NA	NA	NA	\$23,688	NA
21	T12-002-P	Jan-10	May-13	137.50%	12,771,812	11,085,857	\$167,827	1.51%
22	T12-003-P	Jan-11	Aug-12	226.12%	238,147	763,739	(\$44,275)	-5.80%
23	I12-020001	Aug-06	Sep-10	193.32%	140,875,523	164,113,592	\$0	0.00%
24	I12-020002	Nov-11	Jul-12	390.27%	749,998	486,004	\$0	0.00%
25	I12-020009	Feb-10	Jul-12	180.33%	3,200,000	2,810,647	\$0	0.00%
26	I12-020010	Oct-10	Apr-13	150.92%	1,500,000	1,773,269	\$0	0.00%
27	I12-020025	Jul-12	Apr-13	263.89%	775,000	2,418,253	\$0	0.00%
28	IP-1202-9	Jan-11	Dec-13	119.69%	7,000,000	14,104,868	\$3,602,778	25.54%
29	IP-1202-10	Jan-14	Nov-14	66.35%	2,400,000	2,400,000	\$136,256	5.68%
30	IP-1202-11	Jan-14	Jun-15	39.81%	4,308,818	3,000,000	\$99,682	3.32%
31	IP-1202-13	Jan-14	Nov-14	66.95%	2,000,000	2,000,000	\$82,117	4.61%
32	IP-1202-16	Jan-14	Oct-14	73.52%	1,300,000	1,300,000	\$119,169	9.17%
33	IP-1202-20	Jan-14	Dec-14	60.63%	1,500,282	1,500,282	\$97,161	6.46%
34	IP-1202-23	Jan-14	Sep-14	82.10%	3,000,000	1,000,000	\$72,088	7.21%
35	IP-1202-27	Feb-14	Sep-14	100.56%	500,000	500,000	\$34,739	6.95%
36	IP-1202-39	Apr-14	Jul-14	100.56%	250,000	250,000	\$17,743	7.10%
37					457,866	457,866	\$40,809	8.91%
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
					\$18,287,446	\$209,964,777	\$6,297,179	

Note: Investment Projects DV - S represent normal on-going construction expenditures and are comprised of numerous construction jobs. The cost of these projects can range from approximately \$1,000 to \$95,000. The construction period may be as little as one week or as long as two months.

Exhibits with Slippage - Update

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
ALLOWANCE FOR WORKING CAPITAL  
AS OF MARCH 31, 2013

EXHIBIT 37- SCHEDULE B.5  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RR12 - revised\Exhibits B.5  
PAGE 1 OF 2  
Witness Responsible L. Briwell

DATA\_X\_BASE PERIOD... FORECASTED PERIOD  
TYPE OF FILING: ... ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): SCH 5.1/5.2

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1						
2						
3	Working Capital	Lead/Lag Study	B-5-2, Page 173	\$2,298,000	100.00%	\$2,298,000
4						
5						
6						
7	Materials and Supplies	24 Month Average Balance	B-5-1, Page 172	\$817,289	100.00%	\$817,289

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
ALLOWANCE FOR WORKING CAPITAL  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5  
PAGE 2 OF 2  
Exhibits with Slippage - Updated with Actuals (Exhibits) Rate Base (K\_RR12 - revised) (K) B-5  
Witness Responsible L. Brinwell

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): SCH 5.1/5.2

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1						
2						
3						
4						
5						
6	Working Capital	Lead/Lag Study	B-5.2, Page 1/3	\$3,092,000	100.00%	\$3,092,000
7						
8						
9	Materials and Supplies	24 Month Average Balance	B-5.1, Page 2/2	\$727,081	100.00%	\$727,081
10						

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
WORKING CAPITAL COMPONENTS  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5.1  
Exhibits with Slippage - Updated with Actuals (Exhibits) Rate Base (K\_RR12 - revised) (x) (S) B-5  
PAGE 1 OF 2  
Witness Responsible: L. Briawell

DATA\_X\_BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-1-5

Line No.	Description	24-Month Average For Period			Period Balance		
		Total Company	Jurisdictional Percent	Jurisdictional Amount	Total Company	Jurisdictional Percent	Jurisdictional Amount
1							
2							
3	Materials and Supplies						
4							
5							
6	Materials & Supplies	\$ 817,289	100.00%	\$817,289	\$817,289	100.00%	\$817,289
7							
8				0	0		0
9							
10				\$817,289	\$817,289		\$817,289
11							
12							
13							

Exhibits with Slippage - Updated with Actuals (Exhibits) Rate Base (K\_RR12 - revised) (x) (S) schedule



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5.2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RR12 - revised\Bx\SCB B-5  
PAGE 1 OF 6  
Witness Responsible: L. Brinwell

DATA\_X\_BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISIED  
WORKPAPER REFERENCE NO(S):

Line No.	Description	Days	Amount	Reference
1				
2				
3	Total Operating Funds		<u>\$86,627,905</u>	SCHEDULE B-5.2/Page 2 of 6
4				
5	Average Daily Operating Funds		<u>237,337</u>	
6				
7	Composite Average Days Interval Between:			
8	(A) Date Service Furnished and Date Collections Deposited	39.07		SCHEDULE B-5.2/Page 3 of 6
9				
10	(B) Date Expenses Incurred and Date of Payment	<u>29.39</u>		SCHEDULE B-5.2/Page 2 of 6
11				
12	(C) Net Interval	<u>9.68</u>		
13				
14	Total Working Capital		<u>\$2,237,695</u>	
15				
16	Use		<u>\$2,238,000</u>	
17				
18				

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
WORKING CAPITAL - LEAD/LAG STUDY  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5  
(K\_RR12 - revised.xlsx) B-5  
PAGE 2 OF 6  
Witness Responsible: L. Briwewell

DATA\_X\_BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days	Excel File Location
1					
2	Salaries & Wages	6,850,039	12.00	\$82,219,647	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
3	Fuel, Power and Electric	3,858,598	28.09	108,393,033	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
4	Chemicals	1,799,306	31.76	57,142,548	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
5	Purchased Water	320,957	48.44	15,545,589	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
6	Waste Disposal	360,495	34.18	12,322,823	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
7	Service Company Charges	8,912,419	(9.56)	(85,192,031)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
8	Contracted Services	762,038	27.56	(9,175,387)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
9	Group Insurance	1,240,437	(7.40)	(9,175,387)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
10	Opex	635,038	(1.56)	(989,707)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
11	Other Benefits	360,994	27.56	(989,707)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
12	Pensions	958,424	8.48	8,124,080	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
13	Insurance Other than Group	627,856	(76.06)	(47,753,198)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
14	Rents	46,162	(28.21)	(1,302,430)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
15	Regulatory Expense	212,934	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
16	Maintenance Service & Supplies	1,198,664	32.07	38,439,363	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
17	Amortization	441,745	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
18	Uncollectibles	1,662,068	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
19	Office Supplies & Services	195,990	12.04	2,359,445	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
20	Employee Related Exp. Travel & Ent	159,253	12.04	1,917,179	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
21	Other Operating Expenses	3,216,137	27.56	85,891,322	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
22	Total O & M Expenses	33,719,553		267,942,276	
23	Depreciation and Amortization	12,131,161	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
24	Property Taxes	4,159,433	189.73	789,189,614	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
25	Utility Tax	140,706	(178.27)	(25,083,041)	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
26	Payroll Taxes	512,116	12.00	6,145,391	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
27	Income Taxes - Current - SIT	2,035,552	52.00	106,848,728	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
28	Income Taxes - Current - FIT	9,420,118	36.74	346,095,132	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
29	Deferred Income Taxes	(0,762,979)	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
30	Interest Expense - Long - Term Debt	11,708,776	90.01	1,053,939,670	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
31	Interest Expense - Short - Term Debt	52,104	13.21	792,261	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
32	Preferred Dividends	20,485	47.75	978,142	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
33	Net Income	14,490,880	0.00	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Income Statement - SCH C.1
34	Net Operating Funds	\$86,627,905		\$2,546,848,173	
35	Average Days Interval between Date Expenses are Incurred and Date of Payment			29.39	

Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\2012 RC KY Lead-Lag Study\ SAP Format\Revised.xlsx\Linkout

Lead Lag Days Excel file Reference:





KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
WORKING CAPITAL - LEAD/LAG STUDY  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5-2  
PAGE 4 OF 6  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RR12 - revised\KAW\SCB B-5  
Witness Responsible: L. Brinwell

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKING CAPITAL REFERENCE NO(S):  
ADR#215(4, 5 & 6)

Line No.	Description	Days	Amount	Reference
1				
2				
3	Total Operating Funds		<u>\$84,534,512</u>	SCHEDULE B-5-2/Page 5 of 6
4				
5	Average Daily Operating Funds		231,601	
6				
7	Composite Average Days Interval Between:			
8	(A) Date Service Furnished and Date Collections Deposited	38.55		SCHEDULE B-5-2/Page 6 of 6
9				
10	(B) Date Expenses Incurred and Date of Payment	25.20		SCHEDULE B-5-2/Page 5 of 6
11				
12	(C) Net Interval	13.35		
13				
14	Total Working Capital		<u>\$3,091,882</u>	
15				
16	Use		<u>\$3,092,000</u>	
17				
18				



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
WORKING CAPITAL - LEAD/LAG STUDY  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5.2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RR12 - revised.xlsx\SCB B-5  
PAGE 6 OF 6  
Witness Responsible: L. Brinwell

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKING CAPITAL REFERENCE NO(S):  
ADR#219(4, 5 & 6)

Line No.	Revenues Amount	Median Service Days	Dollar Days	Excel File Reference
1				
2				
3	\$79,545,736	15.29	\$1,216,235,966	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\2012 RC KY Lead-Lag Study (SAP Format)\Revised.xlsx\RevenueLag
4				
5				
6				
7	2,219,440	15.86	35,786,218	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K KY Fire Serv Lead-Lag 2012.xlsx\Rev Lead Lag Ex
8	\$81,865,176		\$1,252,022,284	
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	81,865,176		3,198,566,613	
31				
32	1,834,056		28,042,446	
33				
34				
35				
36				
37	83,699,242	38.55	3,226,609,059	

Total/Average Days Interval between Number of Days from Date Services are Furnished to Date Collections are Received

Exhibits w

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-6  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-6  
PAGE 1 OF 2  
Witness Responsible L. Bridwell

DATA: X\_ BASE PERIOD: FORECASTED PERIOD  
TYPE OF FILING: ORIGINAL\_X\_UPDATED\_X\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Description	Worksheet Reference	Excel File Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
2							
3	252	Customer Advances	W/P-1-6	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital through 12_ \$	12,576,361	100.00%	\$12,576,361
4							
5	271	Contributions in Aid of Construction	W/P-1-7	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital through 12_ \$	51,631,271		\$51,631,271
6							
7	255	Investment Tax Credits:	W/P-1-9	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\KY ITC.xlsx\summary	\$61,653		\$61,653
8		Pre 1971 3% Credit					
9		1971-1975 4% Credit					
10		1975-12/31/85 10% Credit					
11							
12							
13							
14							
15	282	Deferred Taxes:					
16							
17					\$57,641,760		\$57,641,760
18							0
19							0
20							
21							
22							
23							
24					\$57,641,760		\$57,641,760

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-6  
Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-6  
PAGE 2 OF 2  
Witness Responsible L. Bridwell

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Description	Worksheet Reference	Excel File Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount	13-Month Average Balance
2								
3	252	Customer Advances	W/P-1-6	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital t through 12	\$14,472,005	100.00%	\$14,472,005	\$14,176,990
4								
5	271	Contributions in Aid of Construction	W/P-1-7	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital t through 12	\$53,298,208			\$53,051,691
6								
7	255	Investment Tax Credits:	W/P-1-9	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\KY ITC.xlsx\summary	\$51,450		\$51,450	\$55,276
8		Pre 1971 3% Credit						
9		1971-1975 4% Credit						
10		1975-12/31/85 10% Credit						
11								
12								
13								
14								
15	282	Deferred Taxes:						
16		Utility Plant in Service	0	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\KY Deferred Taxes 2012-2014.xlsx\S	\$59,271,291		\$59,271,291	\$57,011,010
17		Deferred Maintenance	0		634,719		634,719	472,454
18		Deferred Debits	0		(40,708)		(40,708)	(29,606)
19								
20								
21								
22								
23								
24					\$59,865,303		\$59,865,303	\$57,453,859

KENTUCKY-AMERICAN WATER COMPANY  
 Case No. 2012-00520  
 JURISDICTIONAL PERCENTAGES

EXHIBIT 37, SCHEDULE B-7  
 Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_REB2 - revised.xlsx\Sch B-7  
 PAGE 1 OF 1  
 Witness Responsible: L. Bridwell

DATA\_X\_BASE PERIOD\_X\_ FORECASTED PERIOD  
 TYPE OF FILING: \_ ORIGINAL\_X\_UPDATED\_X\_REVISIED  
 WORKPAPER REFERENCE NO(S):

Line No.	Acct No.	Account Title	Jurisdictional Percentage	Description of Factors And/Or Method of Allocation
1				
2				
3				
4				

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
 Case No. 2012-00520  
 JURISDICTIONAL STATISTICS - RATE BASE

EXHIBIT 37, SCHEDULE B-7.1  
 Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-7  
 PAGE 1 OF 1  
 Witness Responsible: L. Bridwell

DATA\_X\_BASE PERIOD\_X\_ FORECASTED PERIOD  
 TYPE OF FILING: \_ ORIGINAL\_X\_UPDATED\_X\_REVISIED  
 WORKPAPER REFERENCE NO(S):

Line No.	Description	Statistic Total Company	Adjustment	Adjusted Statistic	Statistic For Rate Area	Allocation Factor
1						
2						
3						
4						

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

KENTUCKY-AMERICAN WATER COMPANY  
 Case No. 2012-00520  
 EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES

EXHIBIT 37, SCHEDULE B-7.2  
 Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\K\_RB12 - revised.xlsx\Sch B-7  
 PAGE 1 OF 1  
 Witness Responsible: L. Bridwell

DATA \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
 TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
 WORKPAPER REFERENCE NO(S):

Line No.	Act# No.	Description	Procedures Approved In Prior Rate Case	Rationale for Change
1				
2				
3				
4				

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY



KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 2007 - 2011 AND BASE AND FORECASTED PERIODS

EXHIBIT 37, SCHEDULE B-8  
Exhibits with Slippage - Updated with Actuals/Exhibits/Rate Base/(K\_RB12 - revised.xlsx) B-8  
PAGE 1 OF 2  
Witness Responsible L. Bridwell

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Description	Forecasted Period	% Change	Base Period	% Change	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007
2	<b>Utility Plant</b>													
3	Utility Plant in Service	\$629,839,138	4.48%	\$602,807,022	3.82%	\$580,644,329	3.06%	\$563,384,358	46.38%	\$384,865,343	4.16%	\$369,485,721	6.99%	\$345,341,374
4	CWIP	6,297,179	-43.11%	11,069,815	8.78%	10,176,232	40.88%	7,223,273	-94.80%	138,797,378	154.67%	54,501,130	155.76%	21,309,716
5	Accum Prov - Depr/Amort	(136,633,217)	18.63%	(115,179,856)	9.59%	(105,103,645)	6.92%	(98,304,331)	8.09%	(90,949,724)	8.00%	(84,212,709)	4.70%	(80,434,539)
6	UPAA	254,000	-4.06%	240,559	-4.06%	250,730	-4.70%	263,109	-7.45%	284,296	-8.55%	310,871	-4.87%	326,777
7	Total Net Utility Plant	499,757,100	-20.00%	498,937,540	18.13%	485,967,646	46.16%	472,566,409	-47.78%	432,997,293	158.28%	340,085,013	162.58%	286,543,328
8														
9	<b>Other Property and Investments</b>													
10	Non-Utility Property	250,000	0.10%	249,738	0.00%	249,738	-7.57%	270,193	0.00%	270,193	0.00%	270,193	8.19%	249,738
11	Accum Prov - Depr/Amort													
12	Investment in Assoc. Co's													
13	Other Investments													
14	Total Other Property and Investments	250,000	0.10%	249,738	0.00%	249,738	-7.57%	270,193	0.00%	270,193	0.00%	270,193	8.19%	249,738
15														
16	<b>Current and Accrued Assets</b>													
17	Cash and Cash Equivalents	\$ -	0.00%	\$(505,667)	-279.28%	282,053	4.87%	248,962	52.60%	176,259	-24.80%	234,378	-41.15%	398,277
18	Temporary Cash Investments													
19	Customer Accounts Receivable	2,885,538	-10.76%	3,233,522	14.41%	2,826,297	-6.14%	3,011,145	15.27%	2,612,228	11.52%	2,342,465	21.49%	1,928,082
20	Accum Prov - Uncollectibles	0	0.00%	0	-100.00%	(542,769)	33.42%	(406,809)	46.86%	(277,011)	1.34%	(273,356)	22.41%	(223,309)
21	Accrued Utility Revenues	4,300,462	33.34%	3,225,236	-17.15%	3,893,019	-11.76%	4,412,023	36.57%	3,230,672	11.41%	2,899,825	13.18%	2,562,043
22	Income Tax Refund due	0		0		0		0		0		0		0
23	From Assoc. Co	0		0		0		0		0		0		0
24	Misc Accounts Receivable	0	-11.04%	817,289	18.24%	691,214	-7.51%	747,354	15.82%	645,292	11.82%	577,106	-9.06%	634,634
25	Materials and Supplies	341,000	-17.87%	415,215	119.55%	189,120	0.91%	187,421	-48.34%	362,811	-26.64%	494,557	316.29%	118,800
26	Other													
27	Total Current and Accrued Assets	8,254,081	-28.91%	7,185,595	37.79%	7,676,186	-60.13%	8,952,102	-115.12%	10,956,227	905.72%	6,687,104	317.21%	6,002,834
28														
29	<b>Deferred Debits</b>													
30	Unamortized Debt and Preferred Stock Expense	\$ -	0.00%	0	-100.00%	1,803,685	-4.56%	1,889,834	11.84%	1,689,840	112.45%	795,392	-5.97%	845,867
31	Unamortized Rate Case	0	0.00%	0	-100.00%	359,517	-32.64%	533,742	8.51%	491,878	-11.20%	553,892	13.99%	485,893
32	Expenses													
33	Preliminary Survey and Investigation Charges	0	-16.68%	15,115,716	24.07%	12,183,164	-0.09%	12,194,497	8.74%	11,214,568	2.99%	10,888,614	-7.33%	11,749,972
34	Misc Deferred Debits	12,593,957	-16.68%	15,115,716	-275.93%	14,398,570	-37.29%	14,670,277	29.08%	13,448,490	45.80%	12,363,555	0.70%	13,207,389
35	Total Deferred Debits	12,593,957	-16.68%	15,115,716	-275.93%	14,398,570	-37.29%	14,670,277	29.08%	13,448,490	45.80%	12,363,555	0.70%	13,207,389
36														
37	Total Assets	\$520,855,139	-65.49%	\$521,488,589	-220.01%	\$508,292,141	-59.24%	\$496,458,981	-133.81%	\$457,672,203	1109.80%	\$359,405,866	488.68%	\$306,003,289

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
COMPARATIVE BALANCE SHEETS  
AS OF DECEMBER 31, 2007 - 2011 AND BASE AND FORECASTED PERIODS

EXHIBIT 37, SCHEDULE B-8  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S):  
Exhibits with Slippage - Updated with Actuals/Exhibits/Rate Base/(K\_RB12 - revised.xlsx) B-8  
PAGE 2 OF 2  
Witness Responsible: L. Bridwell

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S):

Line No.	Description	Forecasted Period	% Change	Base Period	% Change	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007
2	<b>Common Equity</b>													
3	Common Stock Issued	\$36,569,000	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777	0.00%	\$36,568,777
4	Paid-In-Capital	82,124,615	4.14%	78,860,061	0.11%	74,767,650	31.83%	74,688,528	31.83%	56,656,045	134.83%	24,126,505	199.47%	8,056,319
5	Retained Earnings	53,102,800	20.35%	44,122,264	11.35%	43,936,694	39,457,813	39,457,813	12.04%	35,217,881	7.33%	32,812,189	8.79%	30,159,867
6	Total Common Equity	171,796,415	24.49%	159,551,102	5.90%	155,273,121	11.46%	150,715,118	43.87%	128,442,703	142.16%	93,507,471	208.27%	74,784,963
8	Preferred Stock Issued	4,482,398	-0.39%	4,500,000	0.00%	1,445,600	1,445,600	1,445,600	-0.69%	1,455,600	0.00%	1,455,600	-0.76%	1,466,700
9	Long-Term Debt	199,750,138	6.31%	187,890,000	2.34%	192,390,000	11.60%	172,390,000	15.32%	149,490,000	84.10%	81,200,000	-3.68%	84,300,000
10	Current Portion - LTD			0	-100.00%	3,100,000	3,100,000	3,100,000	0.00%	3,100,000	0.00%	3,100,000	0.00%	3,100,000
11	Total Capitalization	376,028,952	30.42%	351,941,102	214.85%	349,108,721	-76.94%	327,650,718	58.50%	282,488,303	226.26%	179,263,071	203.83%	163,651,663
13	<b>Current and Accrued Liabilities</b>													
14	Notes Payable	\$ 4,648,351	-64.45%	\$ 13,075,898	18.49%	11,035,902	-19.63%	13,731,627	-48.09%	26,452,050	-48.96%	51,825,821	186.08%	18,115,917
15	Accounts Payable	4,853,000	6.41%	4,560,762	-32.01%	6,707,820	11.19%	6,032,920	-48.09%	11,622,704	37.63%	8,445,101	29.78%	6,507,358
16	Accrued Taxes	68,131	-96.10%	3,589,357	(4,175,765)	(4,175,765)	-60.35%	(10,532,455)	-534.28%	2,425,290	-720.72%	(930,722)	-108.04%	4,862,016
17	Accrued Interest	3,458,000	-11.09%	3,889,315	1,925,961	1,925,961	3.13%	1,867,573	5.38%	1,772,268	54.16%	1,149,643	0.56%	1,143,224
18	Customer Deposits									2,006,260	2.00%	2,006,260	75.98%	3,267,524
19	Dividends Declared									4,515,438	4.51%	4,515,438	-21.47%	5,750,304
20	Other	3,424,231	14.25%	2,997,065	-29.29%	4,238,285	-40.89%	7,170,590	58.80%	4,515,438	-21.47%	5,750,304	75.98%	3,267,524
21	Total Current and Accrued Liabilities	16,451,713	-152.98%	28,112,397	-126.82%	19,732,205	-106.57%	18,270,255	-566.28%	48,794,010	-699.37%	66,780,147	184.37%	33,896,039
23	<b>Deferred Credits</b>													
24	Customer Advances	14,176,990	12.73%	12,576,361	-0.78%	12,675,126	-0.78%	12,774,225	-4.97%	13,441,748	12.80%	11,916,027	-18.68%	14,653,091
25	Deferred Income Taxes	57,453,859	-0.33%	57,941,760	-0.32%	57,826,951	-16.61%	69,347,781	51.20%	45,865,094	20.85%	37,953,254	14.76%	33,072,254
26	Accumulated Deferred ITC	704,000	-8.88%	772,627	-12.06%	878,623	-8.80%	963,420	-8.09%	1,048,217	-7.48%	1,133,014	-6.96%	1,217,811
27	Other	2,965,964	-84.23%	18,813,071	2.07%	18,432,167	-2.62%	18,927,435	2.70%	18,429,004	18.55%	15,544,878	-2.40%	15,927,116
28	Total Deferred Credits	75,300,812	-80.72%	89,803,819	-11.10%	89,812,867	-28.81%	102,012,862	40.85%	78,784,063	44.72%	66,547,173	-13.28%	64,870,272
30	Contributions in Aid of Construction	53,051,691	2.75%	51,631,271	4.01%	49,638,348	2.29%	48,525,146	1.93%	47,605,827	1.69%	46,815,475	7.41%	43,585,315
31	Total Liabilities	\$520,833,168	-200.53%	\$521,488,589	80.94%	\$508,292,141	-210.02%	\$496,458,981	-465.00%	\$457,672,203	-426.70%	\$359,405,866	382.33%	\$306,003,289

**EXHIBIT 37  
SCHEDULE C**

**JURISDICTIONAL OPERATING INCOME SUMMARY FOR BASE AND FORECASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
C-1	Operating Income Summary for the Base and Forecast Periods
C-2	Supporting Schedule for Operating Income Summary, Breakdown by Major Account Group & Individual Account

Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\Inc Statement - SCH C.1

Kentucky American Water Company  
Case No. 2012-00520

Jurisdictional Operating Income Summary for the Base and Forecasted Periods

Data: \Base Period\_X Forecast Period  
Version: \_Original\_Updated Xrevised

Line No.	Major Acct. Group	Description	Supporting Schedule Reference	Base Period Ended 3/31/2013	Adjustment for Present at Rates	Forecast Year Ended 7/31/2014 At Present Rates	Adjustment for Proposed Rates	Forecast Year at Proposed Rates	Forecast Adjustment Worksheet	Forecast Adjustment Worksheet Location
1		<b>Operating Revenues</b>								
2	400	Water Revenues	Exh 37 C-2	\$ 83,350,626	\$ (1,485,450)	\$ 81,865,176	\$ 11,722,283	\$ 93,587,459	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx
3	400	Other Revenues	Exh 37 C-2	2,280,193	(446,127)	1,834,066	346,149	2,180,214	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx
4	420	AFUDC	Exh 37 C-3	-	440,741	440,741	-	440,741	W/P - 1-4	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital th
5	<b>Total</b>	<b>Total Revenues (Sum Lines 2-3)</b>		<b>\$ 85,630,818</b>	<b>\$ (1,490,836)</b>	<b>\$ 84,139,983</b>	<b>\$ 12,068,431</b>	<b>\$ 96,208,414</b>		
6		<b>Operating Expenses</b>								
7	<b>401</b>	<b>O&amp;M:</b>								
8		Purchased Water	Exh 37 C-2	\$ 320,957	\$ (113,730)	\$ 207,227	\$ -	\$ 207,227	W/P - 3-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Purchased Water Expense
9		Fuel & Power	Exh 37 C-2	3,858,598	(90,306)	3,768,292	-	3,768,292	W/P - 3-3	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Fuel and Power Expense
10		Chemicals	Exh 37 C-2	1,799,306	(19,434)	1,779,872	-	1,779,872	W/P - 3-4	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Chemical Expense Exhibit
11		Waste Disposal	Exh 37 C-2	360,495	(23,745)	336,750	-	336,750	W/P - 3-5	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Waste Disposal Expense
12		Salaries and Wages	Exh 37 C-2	6,850,039	30,174	6,880,213	-	6,880,213	W/P - 3-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related
13		Pension	Exh 37 C-2	958,424	(11,119)	947,305	-	947,305	W/P - 3-1c	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related
14		Group Insurance	Exh 37 C-2	1,875,475	177,096	2,052,571	-	2,052,571	W/P - 3-1a	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related
15		Other Benefits	Exh 37 C-2	360,994	42,763	403,757	-	403,757	W/P - 3-1b	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related
16		Support Services	Exh 37 C-2	8,912,419	411,814	9,324,233	-	9,324,233	W/P - 3-7	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Support Services.xlsx\Ex
17		Contract Services	Exh 37 C-2	762,038	96,368	858,406	-	858,406	W/P - 3-18	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Contract Services.xlsx\Ex
18		Building Maintenance & Services	Exh 37 C-2	497,751	(18,793)	478,958	-	478,958	W/P - 3-12	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Building Maint & Service
19		Telecommunications	Exh 37 C-2	296,193	(38,825)	257,369	-	257,369	W/P - 3-14	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Telecommunication Expe
20		Postage, Printing, & Stationary	Exh 37 C-2	24,141	11,617	35,758	-	35,758	W/P - 3-15	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Postage, shipping, printer
21		Other Supplies & Services	Exh 37 C-2	195,990	181,385	377,375	-	377,375	W/P - 3-16	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Office Supplies & Expns
22		Advertising & Marketing	Exh 37 C-2	16,323	(16,323)	190,707	-	190,707	W/P - 3-17	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Advertising & Mktg.xlsx\Ex
23		Employee Related Expense	Exh 37 C-2	159,253	31,454	190,707	-	190,707	W/P - 3-18	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Contract Services.xlsx\Ex
24		Miscellaneous Expense	Exh 37 C-2	1,727,046	(768,748)	958,298	-	958,298	W/P - 3-20	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Miscellaneous Expense x
25		Rents	Exh 37 C-2	46,162	(8,243)	37,919	-	37,919	W/P - 3-11	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Rent Expense Exhibit.xlsx
26		Transportation	Exh 37 C-2	554,683	(73,619)	481,064	-	481,064	W/P - 3-21	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Transportation.xlsx\Exhit
27		Uncollectible Accounts	Exh 37 C-2	632,811	(150,818)	481,993	69,496	551,489	W/P - 3-10	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Uncollectibles Exhibit.xls
28		Other Customer Accounting	Exh 37 C-2	1,029,257	164,675	1,193,932	-	1,193,932	W/P - 3-9	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\2012 Customer Account
29		Regulatory Expense	Exh 37 C-2	212,934	62,061	274,995	-	274,995	W/P - 3-6	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Rate Case Expense Exhibit
30		Insurance Other Than Group	Exh 37 C-2	627,856	42,271	670,126	-	670,126	W/P - 3-22	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\IOTG Expense Exhibit.xls
31		Maintenance Supplies & Services	Exh 37 C-2	1,640,409	(49,960)	1,590,449	-	1,590,449	W/P - 3-13	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Maintenance Expense Ex
32		<b>Total O&amp;M Expenses (Sum of Lines 9-32):</b>		<b>\$ 33,719,553</b>	<b>\$ (131,984)</b>	<b>\$ 33,587,569</b>	<b>\$ 69,496</b>	<b>\$ 33,657,065</b>		
33		<b>Other Expenses</b>								
34		Depreciation	Exh 37 C-2	\$ 10,474,566	\$ 1,057,182	\$ 11,531,748	\$ -	\$ 11,531,748	W/P - 4-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital th
35		Amortization of UPAA	Exh 37 C-2	8,561	(8,561)	-	-	-	W/P - 4-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Amortization 12.xlsx\Exh
36		Amortization of Expense	Exh 37 C-2	202,353	7,908	210,261	-	210,261	W/P - 4-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Amortization 12.xlsx\Exh
37		Removal costs	Exh 37 C-2	1,445,681	163,989	1,609,669	-	1,609,669	W/P - 4-3	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital th
38		State Income Tax	Exh 37 C-2	2,035,552	(1,554,250)	481,302	718,868	1,200,171	SCHEDULE E-1.4	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272I
39		Deferred State Income Tax	Exh 37 C-2	(596,653)	1,310,195	713,542	-	713,542	SCHEDULE E-1.4	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272I
40		Federal Tax	Exh 37 C-2	9,420,118	(5,793,493)	3,626,625	3,941,779	7,568,403	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272I
41		Current Federal Income Tax	Exh 37 C-2	(1,166,326)	4,531,531	3,365,205	-	3,365,205	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272I
42		Deferred Federal Income Tax	Exh 37 C-2	(84,797)	(84,792)	(84,792)	-	(84,792)	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272I
43		Investment Tax Credits	Exh 37 C-2	4,812,230	311,318	5,123,549	17,838	5,141,387	W/P - 5	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\General Tax.xlsx\Exhibit -
44		General taxes	Exh 37 C-2	26,551,286	25,824	26,577,110	\$ 4,678,485	\$ 31,255,595		
45		<b>Total Other Expense (Sum of Lines 36-44)</b>		<b>\$ 60,270,840</b>	<b>\$ (106,160)</b>	<b>\$ 60,164,679</b>	<b>\$ 4,747,981</b>	<b>\$ 64,912,661</b>		
46		<b>Total Expenses (Line 33 + Lines 42):</b>		<b>\$ 25,359,979</b>	<b>\$ (1,384,675)</b>	<b>\$ 23,975,304</b>	<b>\$ 7,320,450</b>	<b>\$ 31,295,754</b>		
47		<b>Utility Operating Income (Line 5 - Line 44):</b>		<b>\$ 59,918,839</b>	<b>\$ 1,073,757</b>	<b>\$ 60,994,183</b>	<b>\$ 4,947,981</b>	<b>\$ 65,942,165</b>		

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**Supporting Schedule for Jurisdictional Operating Income Summary**  
**Breakdown by Major Account Group & Individual Account**

Data:  Base Period  Forecast Period  
Version:  Original  Updated  Revised

Exhibit 37, Schedule C-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MSFR Inc Stmt by Acct - SCH C.2

Line #	Major NARUC Group	Financial Statement Grouping	SAP GL Account	SAP GL Acct Descr	96 NARUC Account	Base Period 12 Months Ended 3/31/2013	Allocated Adjustment Forecast at Present Rates	Forecast Year at Present Rates, 12 Mo. Ended 7/31/2014
1								
2	400	Water revenues	40111000	Res Sales Billed	461.1	\$ 44,663,612	\$ (230,081)	\$ 44,433,531
3			40112000	Res Sales Unbilled	461.1	(134,624)	\$ 134,624	0
4			40121000	Com Sales Billed	461.2	21,915,930	\$ (528,091)	21,387,839
5			40122000	Com Sales Unbilled	461.2	(41,925)	\$ 41,925	(0)
6			40131000	Ind Sales Billed	461.3	2,236,384	\$ (88,946)	2,147,438
7			40132000	Ind Sales Unbilled	461.3	8,884	\$ (8,884)	0
8			40141000	Publ Fire Billed	462.1	3,370,201	\$ 7,397	3,377,598
9			40145000	Priv Fire Billed	462.2	2,384,983	\$ (65,543)	2,319,440
10			40151000	Publ Auth Billed	461.4	6,966,589	\$ (641,107)	6,325,482
11			40152000	Publ Auth Unbilled	461.4	(41,687)	\$ 41,687	(0)
12			40161000	Sls/Rsle Billed	466.	1,958,959	\$ (129,438)	1,829,521
13			40161050	Sls/Rsle Billed I/C	467.	32,566	\$ (32,566)	-
14			40162000	SalesforRsle Unbilld	466.	6,243	\$ (6,243)	(0)
15			40171000	Misc Sales Billed	474.	26,331	\$ (26,331)	(0)
16			40189900	Other Water Revenue	474.	(1,821)	\$ 46,147	44,326
17				<b>Total</b>		<b>83,350,626</b>	<b>(1,485,450)</b>	<b>81,865,176</b>
18								
19	420	AFUDC			420	-	440,741	440,741
20					<b>Total</b>	<b>-</b>	<b>440,741</b>	<b>440,741</b>
21								
22	400	Other revenues	40310100	OthRev-Late Pyrmt Fee	470.	197,697	482,303	680,000
23			40310200	OthRev-Rent	472.	95,990	(4,190)	91,800
24			40310250	OthRev-Rent I/C	469.	283,244	(183,244)	100,000
25			40310300	OthRev-CFO	471.	710,414	(710,414)	(0)
26			40310400	OthRev-NSF Ck Chrg	471.	23,688	8,454	32,142
27			40310500	OthRev-Appl/InitFee	471.	643,116	(32,264)	610,852
28			40310600	OthRev-Usage Data	471.	28,605	(28,605)	0
29			40310700	OthRev-Reconnect Fee	471.	284,245	(24,973)	259,272
30			40319900	OthRev-Misc Svc	471.	12,694	47,306	60,000
31			40359900	OthRev WW-Misc Svc	536.	500	(500)	-
32				<b>Total</b>		<b>2,280,193</b>	<b>(446,127)</b>	<b>1,834,066</b>
33								
34	401	Purchased water	51010000	Purchased Water	610.1	320,957	(113,730)	207,227
35			51015000	Purchased Water I/C	610.1	-	-	-
36				<b>Total</b>		<b>320,957</b>	<b>(113,730)</b>	<b>207,227</b>
37								
38	401	Fuel and power	51510000	Purchased Power	615.8	-	-	-
39			51510011	Purchased Power SS	615.1	87,008	(60,885)	26,124
40			51510012	Purchased Power P	615.1	549,312	82,009	631,321
41			51510013	Purchased Power WT	615.3	3,210,959	(100,275)	3,110,685
42			51510014	Purchased Power TD	615.5	978	(815)	163
43			51520000	Fuel for Power Prod	616.1	10,340	(10,340)	-
44				<b>Total</b>		<b>3,858,598</b>	<b>(90,306)</b>	<b>3,768,292</b>
45								
46	401	Chemicals	51800000	Chemicals	618.3	1,799,306	(19,434)	1,779,872
47				<b>Total</b>		<b>1,799,306</b>	<b>(19,434)</b>	<b>1,779,872</b>
48								
49	401	Waste Disposal	51110000	Waste Disposal	675.3	260,495	(16,289)	244,206
50			51120000	Amort Waste Disposal	675.3	100,000	(7,456)	92,544
51				<b>Total</b>		<b>360,495</b>	<b>(23,745)</b>	<b>336,750</b>
52								
53	401	Salaries and wages	50100000	Labor Expense	601.8	1,518,933	(1,518,933)	-
54			50100001	Labor ExpenseAccrual	601.8	72,398	(72,398)	-
55			50101300	Labor Oper WT	601.3	1,219,499	549,609	1,769,108
56			50101305	Labor Oper WT SupEng	601.3	659,558	425,492	1,085,049
57			50101400	Labor Oper TD	601.5	682,713	651,879	1,334,593
58			50101405	Labor Oper TD SupEng	601.5	29,506	24,378	53,884
59			50101415	Labor Oper TD Lines	601.5	100,012	108,366	208,379
60			50101420	Labor Oper TD Meter	601.5	528,642	211,952	740,594
61			50101500	Labor Oper CA	601.7	20,882	19,278	40,160
62			50101510	Labor Oper CA MtrRd	601.7	297,538	138,933	436,471
63			50101520	Labor Oper CA CstSrv	601.7	141,396	5,069	146,465
64			50101600	Labor Oper AG	601.8	541,832	86,288	628,120
65			50102100	Labor Maint SS	601.2	4,275	7,585	11,860
66			50102125	Labor Mnt SS Wells	601.2	0	-	0
67			50102200	Labor Maint P	601.2	17,930	31,810	49,740
68			50102300	Labor Maint WT	601.4	163,567	16,141	179,708
69			50102305	Labor Mnt WT Sup&Eng	601.4	4,030	6,467	10,496
70			50102400	Labor Maint TD	601.6	56,879	18,798	75,676
71			50102405	Labor Mnt TD Sup&Eng	601.6	331	(331)	-
72			50102410	Labor Mnt TD Str&Imp	601.6	1,832	3,698	5,530
73			50102415	Labor Mnt TD DistRes	601.6	1,040	1,686	2,726
74			50102420	Labor Mnt TD Mains	601.6	132,567	75,146	207,713
75			50102430	Labor Mnt TD Service	601.6	249,502	112,821	362,323
76			50102435	Labor Mnt TD Meter	601.6	38,343	8,975	47,318
77			50102440	Labor Mnt TD Hydrant	601.6	127,085	67,601	194,686
78			50109900	Labor Cap Credits	601.8	(771,846)	(477,836)	(1,249,682)
79			50110000	Labor NS OT -Natural	601.8	169,199	(169,199)	-
80			50111300	LaborOper NS OT WT	601.3	233,006	(18,019)	214,988
81			50111305	LaborOperNS OT WT SE	601.3	25,018	8,339	33,357
82			50111400	LaborOper NS OT TD	601.5	13,196	1,436	14,633
83			50111405	LaborOperNS OT TD SE	601.5	0	-	0
84			50111415	LaborOperNS OT TD Ln	601.5	6,822	2,371	9,193
85			50111420	LaborOperNS OT TD Mt	601.5	70,341	35,716	106,057
86			50111500	LaborOper NS OT CA	601.7	424	(171)	253
87			50111510	LaborOperNS OT CA MR	601.7	29,767	1,511	31,278
88			50111520	LaborOperNS OT CA CS	601.7	3,597	(309)	3,288
89			50111600	LaborOper NS OT AG	601.8	2,149	(1,483)	666
90			50112100	LaborMaint NS OT SS	601.2	319	398	717
			50112200	LaborMaint NS OT P	601.2	1,048	1,305	2,352

**Kentucky American Water Company**  
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Exhibit 37, Schedule C-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MSFR Inc Stmt by Acct - SCH C.2

Line #	Major NARUC Group	Financial Statement Grouping	SAP GL Account	SAP GL Acct Descrip	96 NARUC Account	Base Period 12 Months Ended 3/31/2013	Allocated Adjustment Forecast at Present Rates	Forecast Year at Present Rates, 12 Mo. Ended 7/31/2014
91			50112300	LaborMaint NS OT WT	601.4	26,760	(3,631)	23,129
92			50112305	LaborMaintNSOT WT SE	601.4	582	200	782
93			50112400	LaborMaint NS OT TD	601.6	11,626	(2,447)	9,179
94			50112410	LaborMaintNSOT TD SI	601.6	35	43	78
95			50112415	LaborMaintNSOT TD DR	601.6	0	-	0
96			50112420	LaborMaintNSOT TD Mn	601.6	52,834	4,227	57,061
97			50112430	LaborMaintNSOT TD Sv	601.6	46,403	(2,258)	44,145
98			50112435	LaborMaintNSOT TD Mt	601.6	74	(33)	41
99			50112440	LaborMaintNSOT TD Hy	601.6	17,846	(641)	17,204
100			50119900	LaborNSOT CapCredits	601.8	(94,817)	41,762	(53,055)
101			50120000	Labor OT - Natural	601.8	2,558	(2,558)	0
102			50121300	LaborOper OT WT	601.3	30,507	(8,450)	22,057
103			50121420	LaborOperOT TD Meter	601.5	363	226	589
104			50122420	LaborMaintOT TD Main	601.6	548	342	890
105			50122430	LaborMaintOT TD Svc	601.6	255	159	414
106			50129900	Labor OT Cap Credits	601.8	(2,558)	2,558	0
107			50171000	Annual Incent Plan	601.8	239,742	(239,742)	0
108			50171600	Comp Exp-Options	601.8	21,465	(21,465)	0
109			50171800	Comp Exp-RSU's	601.8	49,463	(49,463)	0
110			50185000	Severance	601.8	53,022	(53,022)	0
111				<b>Total:</b>		<b>6,850,039</b>	<b>30,174</b>	<b>6,880,213</b>
112								
113	401	Pensions	50610000	Pension Expense	604.8	1,166,104	(28,966)	1,137,139
114			50610100	Pension Cap Credits	604.8	-207,681	17,847	-189,834
115				<b>Total</b>		<b>958,424</b>	<b>(11,119)</b>	<b>947,305</b>
116								
117	401	Group insurance	50510000	PBOP Expense	604.8	775,498	(3,751)	771,747
118			50510100	PBOP Cap Credits	604.8	-140,460	11,624	-128,836
119			50550000	Group Insur Expense	604.8	1,492,106	195,007	1,687,113
120			50550100	Group Ins Cap Credits	604.8	-251,670	(25,784)	-277,454
121				<b>Total</b>		<b>1,875,475</b>	<b>177,096</b>	<b>2,052,571</b>
122								
123	401	Other benefits	50421000	401k Expense	604.8	140,707	28,384	169,091
124			50421100	401k Exp Cap Credits	604.8	-20,141	-13,314	-33,456
125			50422000	DCP Expense	604.8	178,269	29,344	207,614
126			50422100	DCP Exp Cap Credits	604.8	-22,314	-14,592	-36,905
127			50423000	ESPP Expense	604.8	9,404	1,156	10,560
128			50426000	Retiree Medical Exp	604.8	9,686	-902	8,783
129			50450000	Other Welfare	604.8	0	3,611	3,611
			50450013	Other Welfare WT	604.3	20	-20	0
			50450014	Other Welfare TD	604.5	10	-10	0
			50450016	Other Welfare AG	604.8	32,675	3,265	35,939
130			50451000	Employee Awards	604.8	7,579	-439	7,140
131			50452000	Emp Physical Exams	604.8	5,912	258	6,170
132			50454000	Safety Incentive Awards	604.8	0	2,400	2,400
133			50456000	Tuition Aid	604.8	4,783	10,727	15,510
134			50457000	Training	604.8	14,405	-7,105	7,300
135				<b>Total</b>		<b>360,994</b>	<b>42,763</b>	<b>403,757</b>
136								
137								
138	401	Service Company Costs	53401000	AWWSC Labor OPEX	634.8	2,789,565	1,001,128	3,790,693
139			53401100	AWWSC Pension OPEX	634.8	325,689	183,193	508,882
140			53401200	AWWSC Group Ins OPEX	634.8	418,025	289,042	707,067
141			53401300	AWWSC Other Ben OPEX	634.8	179,562	58,341	237,903
142			53401400	AWWSC Cont Svcs OPEX	634.8	995,393	72,891	1,068,284
143			53401500	AWWSC Off Suppl OPEX	634.8	177,191	204,874	382,065
144			53401700	AWWSC Rents OPEX	634.8	196,069	156,932	353,001
145			53401900	AWWSC Maint OPEX	634.8	82,722	-82,722	0
146			53402100	AWWSC Oth O&M OPEX	634.8	0	662,768	662,768
147			53402200	AWWSC Dpr/Amrt OPEX	634.8	712,299	441,856	1,154,155
148			53402300	AWWSC Gen Tax OPEX	634.8	226,911	134,553	361,463
149			53402400	AWWSC Interest OPEX	634.8	37,954	40,028	77,982
150			53402500	AWWSC Oth Inc OPEX	634.8	19,729	-17,974	1,756
151			53402600	AWWSC Inc Tax OPEX	634.8	4,735	13,481	18,217
152			53409999	AWWSC Conversion	634.8	2,746,575	-2,746,575	0
153				<b>Total</b>		<b>8,912,419</b>	<b>411,815</b>	<b>9,324,234</b>
154								
155	401	Contracted services	53150000	Contr Svc-Other	636.8	0	60,953	60,953
			53110011	Contr Svc-Eng SS	631.1	41	-41	0
			53150011	Contr Svc-Other SS	636.1	438	-438	0
156			53150013	Contr Svc-Other WT	636.3	197,934	-25,041	172,893
157			53150014	Contr Svc-Other TD	636.5	95,205	405	95,610
158			53150015	Contr Svc-Other CA	636.7	76,535	-6,271	70,264
159			53150016	Contr Svc-Other AG	636.8	115,397	29,821	145,217
160			53151014	Contr Svc-Temp EE TD	636.5	3,545	-3,545	0
161			53151015	Contr Svc-Temp EE CA	636.7	27,472	-27,472	0
162			53151016	Contr Svc-Temp EE AG	636.8	29,376	-29,376	0
163			53152000	Contr Svc-Lab Testng	635.3	9,040	2,882	11,922
164			53153000	Contr Svc-Accounting	632.8	0	9,000	9,000
165			53154000	Contr Svc-Audit Fees	632.8	101,544	-8,197	93,347
166			53155000	Contr Svc-Legal	633.8	105,512	93,688	199,200
167				<b>Total</b>		<b>762,038</b>	<b>96,368</b>	<b>858,406</b>
168								
169	401	Building maintenance and services	52532000	Electricity	675.8	0	0	0
170			52532013	Electricity WT	675.3	5,601	-3,199	2,402
171			52532014	Electricity TD	675.5	47,343	15,393	62,736
172			52532016	Electricity AG	675.8	73,638	10,910	84,549
			52546011	Grounds Keeping SS	675.8	368	-368	0
173			52546013	Grounds Keeping WT	675.3	18,932	-18,932	0
174			52546014	Grounds Keeping TD	675.5	25,472	-25,472	0
175			52546016	Grounds Keeping AG	675.8	1,204	-1,204	0

**Kentucky American Water Company**  
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Exhibit 37, Schedule C-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MSFR Inc Stmt by Acct - SCH C.2

Line #	Major NARUC Group	Financial Statement Grouping	SAP GL Account	SAP GL Acct Descrip	96 NARUC Account	Base Period 12 Months Ended 3/31/2013	Allocated Adjustment Forecast at Present Rates	Forecast Year at Present Rates, 12 Mo. Ended 7/31/2014
176			52548000	Heating Oil/Gas	675.8	0	0	0
177			52548014	Heating Oil/Gas TD	675.5	14,658	9,188	23,846
178			52548016	Heating Oil/Gas AG	675.8	13,135	12,155	25,290
179			52550000	Janitorial	675.8	0	0	0
180			52550012	Janitorial P	675.1	196	49	245
181			52550013	Janitorial WT	675.3	11,664	-1,627	10,037
			52550014	Janitorial TD		110	-110	
182			52550016	Janitorial AG	675.8	85,602	-7,763	77,839
183			52571013	Security Svc WT	675.3	6,843	-6,843	0
184			52571016	Security Svc AG	675.8	3,808	-3,808	0
185			52571100	Add'l Security Costs	675.8	95,826	-2,911	92,915
186			52578000	Trash Removal	675.8	0	0	0
187			52578011	Trash Removal SS	675.1	1,951	5,777	7,729
188			52578013	Trash Removal WT	675.3	6,043	-3,361	2,682
189			52578014	Trash Removal TD	675.5	11,271	-933	10,338
190			52578016	Trash Removal AG	675.8	3,588	-370	3,218
191			52583000	Water & WW	675.8	0	0	0
192			52583011	Water & WW SS	675.1	45,837	-1,999	43,838
193			52583013	Water & WW WT	675.3	21	13	34
194			52583016	Water & WW AG	675.8	24,642	6,620	31,262
195				<b>Total</b>		<b>497,751</b>	<b>-18,793</b>	<b>478,958</b>
196								
197	401	Telecommunication expenses	52574000	Telephone	675.8	0	0	0
198			52574013	Telephone WT	675.3	23,147	-12,209	10,938
199			52574015	Telephone CA	675.7	109,503	-8,920	100,584
200			52574016	Telephone AG	675.8	56,207	-11,818	44,390
201			52574100	Cell Phone	675.8	0	0	0
202			52574113	Cell Phone WT	675.3	888	48	936
203			52574114	Cell Phone TD	675.5	16,346	-2,076	14,270
204			52574115	Cell Phone CA	675.7	5,018	-2,340	2,678
205			52574116	Cell Phone AG	675.8	85,083	-1,510	83,573
206				<b>Total</b>		<b>296,193</b>	<b>-38,825</b>	<b>257,369</b>
207								
208	401	Postage, printing and stationery	52562500	Overnight Shippng	675.8	0	0	0
209			52562513	Overnight Shippng WT	675.3	14,931	-2,659	12,271
210			52562514	Overnight Shippng TD	675.5	21	0	21
211			52562516	Overnight Shippng AG	675.8	5,657	12,409	18,066
212			52566000	Postage	675.8	0	0	0
213			52566016	Postage AG	675.8	3,396	2,004	5,400
			52566700	Printing	675.8	137	-137	
214				<b>Total</b>		<b>24,141</b>	<b>11,617</b>	<b>35,758</b>
215								
216	401	Office supplies and services	52510016	Bank Svc Charges-AG	675.8	0	0	0
217			52526000	Credit Line Fees	675.8	6,667	-6,667	0
218			52526100	Credit Line Fees I/C	675.8	45,158	52,799	97,957
219			52542016	Forms AG	675.8	1,482	544	2,026
220			52562000	Office Supplies	675.8	0	0	0
			52562011	Off&Adm Supplies SS	675.1	870	-870	
221			52562013	Off&Adm Supplies WT	675.3	19,913	-7,697	12,215
222			52562014	Off&Adm Supplies TD	675.5	15,131	494	15,625
223			52562015	Off&Adm Supplies CA	675.7	-56	656	600
224			52562016	Off&Adm Supplies AG	675.8	19,304	2,858	22,162
225			52571500	Software Licenses	675.8	40,608	147,912	188,520
226			52582000	Uniforms	675.7	0	0	0
			52582012	Uniforms P	675.3	111	-111	
227			52582013	Uniforms WT	675.3	17,088	460	17,548
228			52582014	Uniforms TD	675.5	28,518	-7,795	20,722
			52582016	Uniforms AG	675.7	1,381	-1,381	
229			52599800	PCard Undistributed	675.8	-185	185	0
230				<b>Total</b>		<b>195,990</b>	<b>181,385</b>	<b>377,375</b>
231								
232	401	Advertising & marketing expenses	52503000	Advertising	660.8	16,323	-16,323	0
233				<b>Total</b>		<b>16,323</b>	<b>-16,323</b>	<b>0</b>
234								
235	401	Employee Related Expense	52534000	Employee Expenses	675.8	84,354	12,341	96,695
236			52534200	Conferences & Reg	675.8	13,563	27,859	41,422
237			52535000	Meals Deductible	675.8	61,136	-34,841	26,295
238			52535100	Meals Nondeductible	675.8	199	26,096	26,295
239				<b>Total</b>		<b>159,253</b>	<b>31,454</b>	<b>190,707</b>
240								
241	401	Miscellaneous expenses	52000000	M&S Expense (O&M)	620.5	0	0	0
			52001200	M&S Oper P	620.1	706	-706	
242			52001300	M&S Oper WT	620.3	102,761	-70,412	32,349
243			52001400	M&S Oper TD	620.5	96,235	-15,367	80,868
244			52001600	M&S Oper AG	620.8	26,641	81,222	107,863
245			52500000	Misc Expense (O&M)	675.8	0	0	0
246			52501100	Misc Oper SS	675.1	33,360	-29,120	4,239
247			52501200	Misc Oper P	675.1	-36	28	-8
248			52501300	Misc Oper WT	675.3	20,859	-7,264	13,595
249			52501400	Misc Oper TD	675.5	70,713	-46,698	24,014
250			52501600	Misc Oper AG	675.8	83,475	64,557	148,031
251			52514500	Charitb Don-H/Ed/En	675.8	156,376	-156,376	0
252			52514600	Charitb Don-Commnty	675.8	59,467	-59,467	0
253			52514700	Community Partnrshps	675.8	102,136	-27,036	75,100
			52514901	Cust Edu Comm-Reg	675.8	2,013	-2,013	
			52514902	Cust Edu Comm-3rd Party	675.8	43	-43	

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254			52514901	Cust Edu Comm-Reg	675.8		5,000	5,000
255			52514903	Cust Edu Comm-Issues	675.8	1,529	4,471	6,000
256			52514904	Cust Edu Comm-Consrv	675.8	81,720	28,280	110,000
257			52514905	Cust Edu Comm-Printd	675.8	12,330	20,170	32,500
258			52514907	Cust Edu-Press Rls	675.8	323	2,677	3,000
259			52514908	Cust Edu-MediaEditor	675.8		500	500
260			52514909	Cust Edu-Video&Photo	675.8	963	12,237	13,200
261			52515000	Commun Relations-E	675.8	12,737	-137	12,600
262			52515001	Commun Relations-S	675.8	22,627	-15,127	7,500
263			52522000	Community Relations	675.8	-12,604	15,104	2,500
264			52524000	Co Dues/Mmbrshp Ded	675.8	74,333	16,694	91,027
265			52527000	Directors Fees	675.8	39,285	-3,285	36,000
			52527100	Directors Expenses	675.8	304	-304	
			52540000	Amort Bus Services Proj Exp	675.8	247	-247	
266			52548100	Hiring Costs	675.8	777	-777	0
267			52549000	Injuries and Damages	675.8	30,005	-24,005	6,000
			52549500	Inv Phys W/O Scrap	675.8	14,235	-14,235	
268			52545000	Lab Supplies	675.3	128,996	-7,471	121,525
269			52556500	Low Income Pay Prog	675.8	70,500	-70,500	0
270			52568000	Research & Develop	675.8	21,396	-2,304	19,092
271			52579000	Trustee Fees	675.8	17,398	16,133	33,531
272			52585000	Discounts Available	675.8	-22,497	-5,232	-27,729
273			52586000	PO Small Differences	675.8	-41	41	0
274			53402100	AWWSC Oth O&M OPEX	634.8	477,735	-477,735	0
275				<b>Total</b>		<b>1,727,046</b>	<b>-768,747</b>	<b>958,298</b>
276								
277	401	Rents	54110000	Rents-Real Prop	641.8	0	0	
278			54110014	Rents-Real Prop TD	641.5	6,371	-563	5,808
279			54140000	Rents-Equip	642.8	0	0	
			54140013	Rents-Equip WT	642.3	1,254	-1,254	
			54140014	Rents-Equip TD	642.5	528	-528	
280			54140016	Rents-Equip AG	642.8	38,009	-5,898	32,111
281				<b>Total</b>		<b>46,162</b>	<b>-8,243</b>	<b>37,919</b>
282								
283	401	Transportation	55000000	Transportation (O&M)	650.8	38,465	-38,465	
			55000012	Trans Oper P	650.1	118	-118	
			55000013	Trans Oper WT	650.3	634	-634	
284			55000014	Trans Oper TD	650.5	10,887	-7,836	3,051
285			55000015	Trans Oper CA	650.7	10	8	18
286			55000016	Trans Oper AG	650.8	27,971	14,721	42,692
			55000021	Trans Maint SS	650.2	87	-87	
			55000023	Trans Maint WT	650.4	71	-71	
			55000024	Trans Maint TD	650.6	666	-666	
287			55000100	Trans Cap Credits	650.8	-128,988	43,405	-85,583
288			55010100	Trans Lease Costs	650.8		-62,274	0
289			55010200	Trans Lease Fuel	650.8	358,751	11,351	370,102
290			55010300	Trans Lease Maint	650.8	182,257	-30,787	151,470
291			55010400	Trans Emp Reimb Co	650.8	-510	-690	-1,200
292			55010500	Trans Reimb EE Prsnl	650.8	1,990	-1,477	513
293				<b>Total</b>		<b>554,683</b>	<b>-73,620</b>	<b>481,064</b>
294								
295	401	Uncollectible accounts exp	57010015	Uncoll Accts Exp CA	670.7	635,154	-199,852	435,302
296			57010016	Uncoll Accts Exp AG	670.7		49,034	46,691
297				<b>Total</b>		<b>632,811</b>	<b>-150,818</b>	<b>481,993</b>
298								
299	401	Customer accounting other	52501500	Misc Oper CA	675.7	0	600	600
300			52510015	Bank Svc Charges-CA	675.7	185,117	5,947	191,064
301			52514906	Cust Edu-Bill Insert	675.8	23,018	26,982	50,000
302			52520000	Collection Agencies	675.7	65,142	64,422	129,564
303			52542015	Forms CA	675.7	182,610	23,718	206,328
304			52562515	Overnight Shippng CA	675.7	986	-986	0
305			52566015	Postage CA	675.7	572,384	43,992	616,377
306				<b>Total</b>		<b>1,029,257</b>	<b>164,675</b>	<b>1,193,932</b>
307								
308	401	Regulatory expense	56610000	Reg Exp-Amort	666.8	198,790	67,675	266,465
309			56620000	Reg Exp-Depr Stdy	667.8	14,144	-5,614	8,530
310				<b>Total</b>		<b>212,934</b>	<b>62,061</b>	<b>274,995</b>
311								
312	401	Insurance other than group	55110000	Ins Vehicle	656.8	33,356	-3,883	29,473
313			55710000	Ins General Liability	657.8	326,163	-79,120	247,043
314			55720000	Ins Work Comp	658.8	166,126	-3,335	162,791
315			55720100	Ins W/C Cap Credits	658.8	-28,073	3,521	-24,552
316			55730000	Ins Other	659.8	130,284	125,087	255,371
317				<b>Total</b>		<b>627,856</b>	<b>42,271</b>	<b>670,126</b>
318								
319	401	Maintenance service and supplies	62002100	M&S Maint SS	620.2	36,226	113,466	149,692
320			62002300	M&S Maint WT	620.4	356,305	-56,917	299,388
321			62002400	M&S Maint TD	620.6	311,101	-34,501	276,600
322			62002600	M&S Maint AG	620.8	23,448	-23,448	0
323			62502300	Misc Maint WT	675.4	3,323	20,727	24,050
324			62502400	Misc Maint TD	675.6	63,401	-35,801	27,600
325			62502430	Misc Maint TD Svc	675.6	-1,663	1,663	0
326			62502440	Misc Maint TD Hydrnt	675.6	282	-282	0
327			62502600	Misc Maint AG	675.8	118,293	-41,972	76,322
328			62510000	Amort Def Maint	675.6	0	0	0
329			62512300	Amort Def Maint WT	675.4	135,448	77,151	212,599
330			62512400	Amort Def Maint TD	675.6	306,297	-37,999	268,298



Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Jurisdictional Operating Income Summary  
Breakdown by Major Account Group & Individual Account

Data:  Base Period  Forecast Period  
Version:  Original  Updated  Revised

Exhibit 37, Schedule C-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MSFR Inc Stmt by Acct - SCH C.2

Line #	Major NARUC Group	Financial Statement Grouping	SAP GL Account	SAP GL Acct Descrip	96 NARUC Account	Base Period 12 Months Ended 3/31/2013	Allocated Adjustment Forecast at Present Rates	Forecast Year at Present Rates, 12 Mo. Ended 7/31/2014
331			62520700	Misc Main Pvg/Bckfill	675.6	101,263	120,737	222,000
332			63110026	Contr Svc-Maint AG	631.8	0	0	0
333			63150023	Contr Svc-Maint WT	636.4	28,345	-28,345	0
334			63150024	Contr Svc-Maint TD	636.6	86,790	-86,790	0
335			63150026	Contr Svc-Maint AG	636.8	71,549	-37,649	33,900
336			88101000	CAP Move-UP	675.8	163,170,237	-163,170,237	0
337			88106000	CAP Move-CCNC	675.8	-142,963,811	142,963,811	0
338			88107000	CAP Move-CWIP	675.8	-3,499,599	3,499,599	0
339			88108020	CAP Move-UP A/D Salv	675.8	-119,974	119,974	0
			88252100	CAP Move-ADV NT	675.8	684,181	-684,181	0
340			88252170	CAP Move-ADV NT WIP	675.8	-921,887	921,887	0
341			88257000	CAP Move-COR	675.8	916,952	-916,952	0
342			88257100	CAP Move-RWIP	675.8	75,043	-75,043	0
343			88271100	CAP Move-CIAC NT	675.8	-439,658	439,658	0
344			88271170	CAP Move-CIAC NT WIP	675.8	-537,896	537,896	0
345			88271200	CAP Move-CIAC Tax	675.8	-149,929	149,929	0
346			88271270	CAP Move-CIAC Tx WIP	675.8	-500	500	0
347			88900000	CAP Move-Settlement	675.8	-16,213,159	16,213,159	0
348				<b>Total</b>		<b>1,640,409</b>	<b>-49,960</b>	<b>1,590,449</b>
349								
350	403	Depreciation	68011000	Depr -UPIS General	403.	11,336,482	1,265,812	12,602,294
351			68012000	Depr -Amort CIAC Tx	403.	-133,721	-770,336	-904,057
352			68012500	Depr-Amort CIAC Nntx	403.	-728,195	561,706	-166,489
353				<b>Total</b>		<b>10,474,566</b>	<b>1,057,182</b>	<b>11,531,748</b>
354								
355	406 & 407	Amortization	68254000	Amort-RegAsset AFUDC	407.1	138,373	14,808	153,181
356			68255000	Amort-UPAA	406.	406.	-8,561	0
357			68257000	Amort-Prop Losses	407.2	57,080	0	57,080
358			68258000	Amort-Reg Asset	407.4	6,900	-6,900	0
359				<b>Total</b>		<b>210,914</b>	<b>-653</b>	<b>210,261</b>
360								
361	403	Removal costs	68311000	Rem Costs-ARO/NNS	403.	2,041,267	97,930	2,139,197
362			68312000	Rmv Csts-NNS CIAC Tx	403.	-145,832	24,111	-121,721
363			68312500	Rmv Csts-NNS CIAC NT	403.	-449,754	41,948	-407,806
364				<b>Total</b>		<b>1,445,681</b>	<b>163,989</b>	<b>1,609,669</b>
365								
366	409	Current income taxes	69011000	FIT-Current	409.1	6,300,723	-2,674,098	3,626,625
367			69012000	FIT-Prior Year Adj	409.1	3,119,395	-3,119,395	0
368			69021000	SIT-Current	409.1	1,090,292	-608,990	481,302
369			69022000	SIT-Prior Year Adj	409.1	945,261	-945,261	0
370				<b>Total</b>		<b>11,455,670</b>	<b>-7,347,743</b>	<b>4,107,927</b>
371								
372	410	Deferred taxes	69061000	Def FIT-Current	410.1	0	0	0
373			69062000	Def FIT-Pr Yr Adj	410.1	-3,148,638	3,148,638	0
374			69063000	Def FIT-RegAsst/Liab	410.1	288,891	24,337	313,228
375			69065000	Def FIT-Other	410.1	1,693,422	1,358,555	3,051,977
376			69071000	Def SIT-Current	410.1	0	0	0
377			69072000	Def SIT-Pr Yr Adj	410.1	-996,618	996,618	0
378			69073000	Def SIT-RegAsst/Liab	410.1	16,619	4,444	21,063
379			69073500	Def SIT-Other	410.1	383,346	309,133	692,479
380				<b>Total</b>		<b>-1,762,979</b>	<b>5,841,726</b>	<b>4,078,747</b>
381								
382	412	Amortization of investment tax credit	69522000	ITC Restored-3%	412.1	-7,652	0	-7,652
383			69523000	ITC Restored-4%	412.1	-6,305	0	-6,305
384			69524000	ITC Restored-10%	412.1	-70,840	4	-70,835
385				<b>Total</b>		<b>-84,797</b>	<b>5</b>	<b>-84,792</b>
386								
387	408	General taxes	68520000	Property Taxes	408.1	4,176,100	288,401	4,464,501
388			68520100	Tax Discounts	408.1	-16,668	16,668	0
389			68532000	FUTA	408.1	3,689	1,161	4,850
			68532100	FUTA Cap Credits	408.1	-25	25	0
390			68533000	FICA	408.1	557,931	71,892	629,823
391			68533100	FICA Cap Credits	408.1	-64,145	-52,462	-116,607
392			68535000	SUTA	408.1	18,967	-1,802	17,165
393			68535100	SUTA Cap Credits	408.1	-4,326	1,695	-2,631
394			68543000	Othr Taxes & Licenses	408.1	2,790	-50	2,740
395			68545000	Utility Reg Assessme	408.1	137,916	-14,209	123,707
396				<b>Total</b>		<b>4,812,230</b>	<b>311,319</b>	<b>5,123,549</b>
397								
				<b>Operating Income = Account Groups 400+420-401-403-</b>				
				<b>406-407-408-409-410-412</b>		<b>\$ 25,359,979</b>	<b>\$ (1,384,677)</b>	<b>\$ 23,975,303</b>

Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Jurisdictional Operating Income Summary  
Breakdown by Major Account Group & Individual Account

Data:  Base Period  Forecast Period  
Version:  Original  Updated  Revised

Exhibit 37, Schedule C-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\[Income Statement.xlsx]MSFR Inc Stmt by Acct - SCH C.2

Line #	Major NARUC Group	Financial Statement Grouping	SAP GL Account	SAP GL Acct Descrip	96 NARUC Account	Base Period 12 Months Ended 3/31/2013	Allocated Adjustment Forecast at Present Rates	Forecast Year at Present Rates, 12 Mo. Ended 7/31/2014
398								
399	<b>Breakdown by Major Account Group</b>							
400	400	Sum Operating Revenues				\$ 85,630,818	\$ (1,931,577)	\$ 83,699,241
401	420	Sum AFUDC				-	440,741	440,741
402	401	Sum Operating Expenses				33,719,553	(131,983)	33,587,570
403	403	Sum Depreciation Expense				11,920,247	1,221,171	13,141,418
404	406	Sum Amortization of UPAA				8,561	(8,561)	-
405	407	Sum Amortization Expense				202,353	7,908	210,261
406	408	Sum Taxes Other Than income				4,812,230	311,319	5,123,549
407	409	Sum Current Income Taxes				11,455,670	(7,347,743)	4,107,927
408	410	Sum Deferred Tax				(1,762,979)	5,841,726	4,078,747
409	412	Sum Investment Tax Credits				(84,797)	5	(84,792)
410						<b>\$ 25,359,979</b>	<b>\$ (1,384,677)</b>	<b>\$ 23,975,303</b>
411								

**EXHIBIT 37  
SCHEDULE D**

**JURISDICTIONAL ADJUSTMENT OF OPERATING INCOME**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
D-1	Summary of Adjustments to Operating Income by Major Account
D-2	Support Schedule for Individual Adjustments to Operating Income
D-3	Supporting Schedule for Jurisdictional Factors

Kentucky American Water Company  
Case No. 2012-00520

Summary of Jurisdictional Adjustments to Operating Income by Major Account

Exhibit 37, Schedule D-1

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MSFR IS Adjust D.1

Line Number	Major Account Group	Description	Base Period		Adjust for Forecast at Present Rates	Forecast Year at Present Rates		Supporting Schedule Information
			12 Months Ended 3/31/2013	12 Months Ended 7/30/2014		12 Mos. Ended 7/30/2014	12 Mos. Ended 7/30/2014	
1	400 (and 420)	Operating Revenues	\$ 85,630,818	\$ (1,490,836)	\$	\$ 84,139,983	See D-2	
2		<i>(Adjustment for Forecast Includes AFUDC, from Account Group 420, per Prior Orders re: inclusion of CWIP in Rate Base)</i>						
3								
4	401	Operating Expenses	\$ 33,719,553	\$ (131,984)	\$	\$ 33,587,569	See D-2	
5								
6	403	Depreciation Expense	\$ 11,920,247	\$ 1,221,171	\$	\$ 13,141,418	See D-2	
7								
8	406	Amortization of Utility Plant Acquisition Adjustments	\$ 8,561	\$ (8,561)	\$	\$ -	See D-2	
9								
10	407	Amortization Expense	\$ 202,353	\$ 7,908	\$	\$ 210,261	See D-2	
11								
12	408	Taxes Other Than Income	\$ 4,812,230	\$ 311,318	\$	\$ 5,123,549	See D-2	
13								
14	409	Income Taxes (Current, Utility Operating Income)	\$ 11,455,670	\$ (7,347,743)	\$	\$ 4,107,927	See D-2	
15								
16	410	Provision for Deferred Income Taxes	\$ (1,762,979)	\$ 5,841,726	\$	\$ 4,078,747	See D-2	
19								
20	412	Investment Tax Credits	\$ (84,797)	\$ 5	\$	\$ (84,792)	See D-2	
		Utility Operating Income	\$ 25,359,979	\$ (1,384,675)	\$	\$ 23,975,304		

Exhibit 37, Schedule D-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MISFR IS Adjust Support D-2

Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Individual Adjustments to Operating Income

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line #	Major NARUC Acct. Group	Description	Base Period Ended at 3/31/2013	Adjustment for Forecast at Present Rates	Forecast Year Ended 7/31/2014 At Present Rates	Work Paper #	Worksheet Excel Location	Description of Adjustment
1	400	<b>Operating Revenues</b>						
2		<b>Water Revenues</b>						
3		Residential Sales	\$ 44,528,989	\$ (95,457)	\$ 44,433,532	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Residential Sales adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
4		Commercial Sales	21,874,005	(486,166)	21,387,839	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Commercial Sales adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
5		Industrial Sales	2,245,268	(97,830)	2,147,438	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Industrial Sales adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
6		Public Fire	3,370,201	7,397	3,377,598	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Public Fire adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
7		Private Fire	2,384,983	(65,543)	2,319,440	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Private Fire adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
8		Public Authority Sales	6,924,902	(599,420)	6,325,482	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Public Authority Sales adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period.
9		Sale for Resale	1,997,768	(168,247)	1,829,521	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Sale for Resale adjustment is based on the change in billing determinants for billed water revenue and to eliminate the net change in unbilled accrued utility revenues recorded during the base period. The adjustment also includes the elimination of Owenton Revenue.
10		Miscellaneous Sales	26,331	(26,331)	-	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Miscellaneous Sales adjustment is based on the change in billing determinants for billed water revenue.
11		Other Water Revenues	(1,821)	46,147	44,326	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	The Other Water Revenues adjustment is based on the change in billing determinants for billed water revenue.
12	400	<b>Other Revenues</b>						
13		Other Rev-Late Pymt Fee	197,697	482,303	680,000	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Late Payment Fees for the forecast period.
14		Other Rev-Rent	95,990	(4,190)	91,800	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-Rent for the forecast period.
15		Other Rev-Rent /C	283,244	(183,244)	100,000	Exh 37, Schedule M-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-Rent /C for the forecast period.

Exhibit 37, Schedule D-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MISFR IS Adjust Support D-2

Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Individual Adjustments to Operating Income

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line #	Major NARUC Act. Group	Description	Base Period Ended 3/31/2013	Adjustment for Forecast at Present Rates	Forecast Year Ended 7/31/2014 At Present Rates	Work Paper #	Worksheet Location	Description of Adjustment
16		OthRev-CFO	710,414	(710,414)	-	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-CFO for the forecast period.
17		OthRev-NSF Ck Chg	23,688	8,454	32,142	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Returned Check Charges for the forecast period.
18		OthRev-App/InitFee	643,116	(32,264)	610,852	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Application and Initiation Fees for the forecast period.
19		OthRev-Usage Data	28,605	(28,605)	-	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Usage Data for the forecast period.
20		OthRev-Reconnect Fee	284,245	(24,973)	259,272	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Reconnect Fees for the forecast period.
21		OthRev-Misc Svc	12,694	47,306	60,000	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Miscellaneous Service for the forecast period.
22		OthRev WW-Misc Svc	500	(500)	-	Ekh 37, Schedule M-1	Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Waster Water Miscellaneous Service for the forecast period.
23	420	AFUDC		440,741	440,741	W/P - 1-4	Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\AFUDC Activity	Adjustment to Reflect AFUDC for the Forecast Year
24		Total Water ,Other & AFUDC Revenues (Sum Lines 3-23)	85,630,819	(1,490,836)	84,139,983			
25	401	Operating Expense						
26		O&M:						
27		Purchased Water	\$ 320,957	\$ (113,730)	\$ 207,227	W/P - 3-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Procured Water Expense Exhibit.xlsx\Exhibit	Our purchased water amounts are expected to decrease in 2013-2014 as a result of our Northern Pipeline Connection. We will be no longer purchase water from Georgetown Municipal as a result of this project. We also experienced higher than expected purchased water in 2012, as a result of a hot dry spring and summer.
28		Fuel & Power	3,858,598	(90,306)	3,768,292	W/P - 3-3	Updated with Actuals\Exhibits\Expense\Fuel and Power Expense Exhibit.xlsx\Exhibit	Fuel and Power adjustments are based on forecasted amounts, plus the following adjustments, The forecast for energy from KU's current rate case increase of 1.0%. The amount the KU filed in their rate case is 6.5% resulting in an adjustment of 3.5%. The Owenton Plant was forecasted to shut down in August 2013. The plan has been revised so that the plant will remain open through December 2013. The result is 4 months of additional Fuel and Power expense. Northern Booster Station additional pumping process was not included in forecast for January through July 2014 (7 months).



Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised  
Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Individual Adjustments to Operating Income  
Exhibit 37 - Schedule D-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MISER IS Adjust Support D-2

Line #	Major NARUC Act. Group	Description	Base Period Ended 3/31/2013	Adjustment for Forecast at Present Rates	Forecast Year Ended 7/31/2014 At Present Rates	Work Paper #	Workpaper Excel Location	Description of Adjustment
42		Advertising & Marketing	16,323	(16,323)	-	W/P - 3-17	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Advertising & Mktg.xlsx\Exhibit	The Advertising and Marketing adjustment is based on the difference between the base period amounts from April 2012 through March 2013 and the forecasted budget amounts for August 2013 through July 2014. Advertising and marketing expenses have been removed in the forecast year.
43		Employee Related Expense	159,253	31,454	190,707	W/P - 3-19	Exhibits with Slippage - Actuals\Exhibits\Expense\EmpLOYEE Related Expenses.xlsx\Exhibit	The Employee Related Expense adjustment is based on the difference between the base period amounts from April 2012 through March 2013 and the forecasted budget amounts for August 2013 through July 2014.
44		Miscellaneous Expense	1,727,046	(768,748)	958,298	W/P - 3-20	Exhibits with Slippage - Actuals\Exhibits\Expense\Miscellaneous Expense.xlsx\Exhibit	The Miscellaneous Expense adjustment is based on the difference between the base period amounts from April 2012 through March 2013 and the forecasted budget amounts for August 2013 through July 2014. The decrease is due to shared services Other O&M Operation Expenses being reclassified.
45		Rents	46,162	(8,243)	37,919	W/P - 3-11	Exhibits with Slippage - Actuals\Exhibits\Expense\Rent Expense Exhibit.xlsx\Exhibit	The Rents adjustment is based on the difference between the base period amounts from April 2012 through March 2013 and the forecasted budget amounts for August 2013 through July 2014. The forecast amount is based on contracts for equipment leases such as copiers and real estate agreements.
46		Transportation	554,683	(73,619)	481,064	W/P - 3-21	Exhibits with Slippage - Actuals\Exhibits\Expense\Transportation.xlsx\Exhibit	The Transportation adjustment is based on the difference between the base period amounts from April 2012 and March 2013 and the forecasted budget amounts for August 2013 through July 2014. The forecast uses the same fuel usage as 2012, but accounts for increased fuel costs.
47		Uncollectible Accounts	632,811	(150,818)	481,993	W/P - 3-10	Exhibits with Slippage - Actuals\Exhibits\Expense\Uncollectibles Exhibit.xlsx\Exhibit	Adjustment based on a 3 year uncollectible percent to billed revenue avg. times the forecasted test year billed revenues
48		Other Customer Accounting	1,029,257	164,675	1,193,932	W/P - 3-9	Exhibits with Slippage - Actuals\Exhibits\Expense\2012 Customer Accounting - Postage.xlsx\Exhibit - Customer Acctg	The adjustment is based on the difference between the base period amounts from April 2012 and March 2013 and the forecasted budget amounts for August 2013 through July 2014. The forecast shows increased expenses for collection number agencies, customer education, and postage due to a forecasted increase in number of customers.
49		Regulatory Expense	212,934	62,061	274,995	W/P - 3-6	Exhibits with Slippage - Actuals\Exhibits\Expense\Rate Case Expense Exhibit.xlsx\Exhibit	The Regulatory Expense adjustment is based on the forecasted amount, plus the following adjustment. The 2010 Rate Case Amortization is in the forecast through 11/2013, however, the amortization schedule ends 9/30/2013 which results in an adjustment for two months of the amortization.
50		Insurance Other Than Group	627,856	42,271	670,126	W/P - 3-22	Exhibits with Slippage - Actuals\Exhibits\Expense\OTG Expense Exhibit.xlsx\Exhibit	The Insurance Other than Group adjustment is based on the forecasted amount.
51		Maintenance Supplies & Services	1,640,409	(49,960)	1,590,449	W/P - 3-13	Exhibits with Slippage - Actuals\Exhibits\Expense\Maintenance Expense Exhibit.xlsx\Exhibit	The Maintenance adjustment is based on the forecasted amount.
52		<b>Total O &amp; M Expense (Sum of Lines 28 through 51):</b>	<b>\$ 33,719,553</b>	<b>\$ (131,984)</b>	<b>\$ 33,587,569</b>			



Exhibit 37 - Schedule D-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Income Statement.xlsx\MISER IS Adjust Support D-2

Kentucky American Water Company  
Case No. 2012-00520  
Supporting Schedule for Individual Adjustments to Operating Income

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line #	Major NARUC Act. Group	Description	Base Period Ended 3/31/2013	Adjustment for Forecast at Present Rates	Forecast Year Ended 7/31/2014 At Present Rates	Work Paper #	Worksheet Excel Location	Description of Adjustment
54	403	Other Expenses						
55		Depreciation	\$ 10,474,566	\$ 1,057,182	\$ 11,531,748	W/P - 4-1	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh Depr Exp	Adjustment to reflect forecasted life depreciation expense net of Life CIAC credits. Life depreciation is based on Utility Plant in Service balances, by account, for each month of the forecasted period multiplied by the monthly authorized depreciation rates. Life CIAC credits are based on the CIAC balances, by account, for each month of the forecasted period multiplied by the monthly CIAC amortization rates. Additional adjustments for non-depreciating utility plant and regulatory depreciation credits and debits are also reflected.
56	406	Amortization of UPAA	\$ 8,561	\$ (8,561)	\$ -	W/P - 4-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Amortization 12.xlsx\Exhibit	Adjustment to reflect forecasted amortization of Utility Plant Acquisition Adjustments. Amortization is not currently allowed in rates, so adjustment eliminates the expense.
57	407	Amortization Expense	\$ 202,353	\$ 7,908	\$ 210,261	W/P - 4-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Amortization 12.xlsx\Exhibit	Adjustment to reflect forecasted amortization expense. Amortization of Regulatory Asset is not allowed, so this expense has been eliminated. Remaining adjustment is to true-up amortization of AFUDC costs to reflect budgeted amount.
58	409	Removal costs	\$ 1,445,681	\$ 163,989	\$ 1,609,669	W/P - 4-3	Exhibits with Slippage - Updated with Actuals\Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh COR Exp	Adjustment to reflect forecasted Cost of Removal accrual expense net of cost of removal CIAC credits. Cost of removal accrual adjustment is based on Utility Plant in Service balances, by account, for each month of the forecasted period multiplied by the monthly authorized cost of removal rates. Life CIAC credits are based on the CIAC balances, by account, for each month of the forecasted period multiplied by the monthly CIAC cost of removal amortization rates. Additional adjustments for non-depreciating utility plant and regulatory depreciation credits and debits are also reflected.
59	409	State Income Tax	\$ 2,035,552	\$ (1,554,250)	\$ 481,302	SCHEDULE E-1.4	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast	Forecasted expenses were deducted from operating revenues to arrive at pre-tax income. From this number statutory add backs in the form of permanent differences, and deductions in the form of temporary differences, were made to arrive at the taxable income. These statutory adjustments are shown as reconciling items.
60	410	Deferred State Income Tax	\$ (596,653)	\$ 1,310,195	\$ 713,542	SCHEDULE E-1.4	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast	Consistent with prior rate cases, the Company used SFAS 109 in recording deferred income taxes. The sum of deferred taxes also includes amortization of deferred regulatory tax assets and liabilities. Deferred income tax provision is shown in total and also recognizes the regulatory assets and liabilities that will be recovered in rates in future years, consistent with SFAS 109.
62	409	Federal Tax	\$ 9,420,118	\$ (5,793,493)	\$ 3,626,625	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast	Forecasted expenses were deducted from operating revenues to arrive at pre-tax income. From this number statutory add backs in the form of permanent differences, and deductions in the form of temporary differences, were made to arrive at the taxable income. These statutory adjustments are shown as reconciling items.
63	410	Current Federal Income Tax	\$ (1,166,326)	\$ 4,531,531	\$ 3,365,205	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast	Consistent with prior rate cases, the Company used SFAS 109 in recording deferred income taxes. The sum of deferred taxes also includes amortization of deferred regulatory tax assets and liabilities. Deferred income tax provision is shown in total and also recognizes the regulatory assets and liabilities that will be recovered in rates in future years, consistent with SFAS 109.
64	412	Investment Tax Credits	\$ (84,797)	\$ 5	\$ (84,792)	SCHEDULE E-1.3	Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast	Amortization of deferred investment tax credits (ITCs) includes amortization of the 3%, 4%, and 10% ITC amounts.
66	408	General taxes	\$ 4,812,230	\$ 311,318	\$ 5,123,549	W/P - 5	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\General Tax.xlsx\Exhibit - General Tax	Adjustment reflects changes to General Tax, including Property Tax, Payroll Tax, Regulatory Assessment Fees, and Other Taxes. The Property Tax adjustment is based on the most recent property tax assessment and tax rates, multiplied by the forecasted amount of property. The Payroll Tax adjustment is made according to current tax rates and employee wages for the forecast period. Regulatory Assessment Fees are based on recent rates multiplied by forecasted revenues at present rates. Other Taxes are based on current accounting.



**EXHIBIT 37  
SCHEDULE E**

**JURISDICTIONAL FEDERAL AND STATE INCOME TAX SUMMARY FOR BASE AND FORECASTED PERIODS**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
E-1.1	Federal Income Tax Calculation for the Base Period, Support Schedule
E-1.2	State Income Tax Calculation for the Base Period, Support Schedule
E-1.3	Federal Income Tax Calculation for the Forecast Period, Support Schedule
E-1.4	State Income Tax Calculation for the Forecast Period, Support Schedule
E-1.5	Summary of Income Tax for the Base and Forecast Period
E-2	Development of Jurisdictional Federal and State Income Taxes

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**Federal Income Taxes at Present Rates, for the Base Period**  
**Base Year for the 12 Months Ended March 31, 2013**

SCHEDULE E-1.1

DATA: \_\_\_X\_\_\_BASE PERIOD\_\_\_FORECASTED PERIOD  
TYPE OF FILING:\_\_\_ORIGINAL\_X\_UPDATED\_X\_REVIS  
WORKPAPER REFERENCE NO(S): W/P-6-1, 6.2

Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx]E-1.1 Federal Inc Tax Base

PAGE 1 of 1

Witness Responsible: Scott Rungren

Line	Category	Item	Current Rates Federal Tax Calculation Base Period	Adjustments	Adjusted Base Period
1	<b>Book Revenue (+)</b>				
2		Operating Revenue	\$ 85,630,818	\$ -	\$ 85,630,818
3					
4	<b>Book Deductions (-)</b>				
5		O&M Expenses	(33,719,553)	0	(33,719,553)
6		Depreciation, Amortization, & Cost of Removal	(12,131,161)	0	(12,131,161)
7		Taxes Other Than Income	(4,812,230)	0	(4,812,230)
8		Current State Income Tax	(875,090)	0	(875,090)
10		Interest Expense	(11,958,178)	0	(11,958,178)
11		<b>Total Book Deductions (Sum Lines 5 - 10)</b>	<b>\$ (63,496,213)</b>	<b>\$ -</b>	<b>\$ (63,496,213)</b>
12					
13		<b>Book Pre-Tax Income (Line 2 + Line 11)</b>	<b>\$ 22,134,606</b>	<b>\$ -</b>	<b>\$ 22,134,606</b>
14					
15	<b>Reconciling Items</b>				
		<b>Permanent Differences:</b>			
16		<b>(Deduction) or Reversal of Deduction</b>			
17		Non-Deductible Meals	199	0	199
18		Non-Deductible Penalties and Mandatory Dividends	381,846	0	381,846
19		<b>Pre-Tax Income After Perm. Differences (Line 13 + Line 17 + Line 18)</b>	<b>\$ 22,516,651</b>	<b>\$ -</b>	<b>\$ 22,516,651</b>
20					
		<b>Temporary Differences:</b>			
21		<b>(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)</b>			
22		Deduct Tax Depreciation (State or Federal)	(14,851,891)	0	(14,851,891)
23		Reverse Deduction of Book Depreciation	11,336,482	0	11,336,482
24		Reverse Deduction of Amortization of Property Losses	57,080	0	57,080
25		Reverse Deduction of Amortization of UPAA	0	0	0
26		Reverse Deduction of Deferred Maintenance Amortization	441,745	0	441,745
27		Deduct Actual Deferred Maintenance Expenditures	(900,000)	0	(900,000)
28		Reverse All CIAC Amortization Credits	(1,457,502)	0	(1,457,502)
29		Reflect Actual Taxable CIAC Received	292,772	0	292,772
30		Reflect Repairs Deduction	(7,550,364)	0	(7,550,364)
31		Reverse Book Cost of Removal	2,041,267	0	2,041,267
32		Reflect Actual Cost of Removal	(689,505)	0	(689,505)
33		<b>Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 22 - 32)</b>	<b>\$ (11,279,915)</b>	<b>\$ -</b>	<b>\$ (11,279,915)</b>
34					
35		<b>Pre-Tax Income After Permanent and Temporary Differences (Line 19 + Line 33)</b>	<b>\$ 11,236,736</b>	<b>\$ -</b>	<b>\$ 11,236,736</b>
36					
37	<b>Calculation of Current Federal Income Taxes</b>				
38		Tax Rate	35%	35%	35%
39		<b>Current Taxes (Line 35 x Line 38)</b>	<b>\$ 3,932,858</b>	<b>\$ -</b>	<b>\$ 3,932,858</b>
40		Adjustment For Tax Provision	2,367,866		
41		<b>Total Current Taxes</b>	<b>\$ 6,300,723</b>		<b>\$ 6,300,723</b>
42		Less: Prior Year Adjustment	(3,119,395)	3,119,395	0
43		<b>Total Federal Income Taxes - Current (Line 41 - Line 42)</b>	<b>\$ 9,420,118</b>	<b>\$ (3,119,395)</b>	<b>\$ 6,300,723</b>
44					
45	<b>Calculation of Deferred Federal Income Taxes</b>				
46		Federal Defered Taxes Related to UPIS, CIAC, and Repairs	3,799,325	0	3,799,325
47		Federal Defered Taxes Related to Deferred Maintenance	160,389	0	160,389
48		Federal Defered Taxes Related to Property Losses	(19,978)	0	(19,978)
49		Federal Defered Taxes Related to Cost of Removal	(473,117)	0	(473,117)
50		Federal Defered Taxes - Prior Year	(3,148,638)	3,148,638	-
51		<b>Items Deferred</b>	<b>\$ 317,981</b>	<b>\$ 3,148,638</b>	<b>\$ 3,466,619</b>
52		Adjustment For Tax Provision	1,773,198		1,773,198
53		<b>Sum Items Deferred</b>	<b>\$ (1,455,216)</b>	<b>\$ 3,148,638</b>	<b>\$ 1,693,422</b>
54					
55		<b>Amortization of Deferred Income Tax Assets &amp; Liabilities</b>			
56		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	288,891	0	288,891
57					
58		Amortization of Deferred ITC	(84,797)	0	(84,797)
59		<b>Sum Total Federal Deferred Taxes + Amortization of ITC</b>	<b>\$ (1,251,123)</b>	<b>\$ 3,148,638</b>	<b>\$ 1,897,516</b>
60					
61					
62		<b>Total Current + Deferred Federal Income Taxes + Amortization of ITC (Line 43 + Line 59)</b>	<b>\$ 8,168,995</b>	<b>\$ 29,243</b>	<b>\$ 8,198,239</b>

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**State Income Taxes at Present Rates, for the Base Period**  
**Base Year for the 12 Months Ended March 31, 2013**

SCHEDULE E-1.2

DATA:  BASE PERIOD  FORECASTED PERIOD  
TYPE OF FILING:  ORIGINAL  UPDATED  REVISED  
WORKPAPER REFERENCE NO(S): W/P-6-1, 6.2

Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx]E-1.2 State Inc Tax Base  
PAGE 1 of 1  
Witness Responsible: Scott Rungren

Line	Category	Item	Current Rates State Tax Calculation Base Period	Adjustments	Adjusted Base Period
1	<b>Book Revenue (+)</b>				
2		Operating Revenue	\$ 85,630,818	\$ -	\$ 85,630,818
3					
4	<b>Book Deductions (-)</b>				
5		O&M Expenses	(33,719,553)	0	(33,719,553)
6		Depreciation, Amortization, & Cost of Removal	(12,131,161)	0	(12,131,161)
7		Taxes Other Than Income	(4,812,230)	0	(4,812,230)
8		Current State Income Tax	0	0	0
10		Interest Expense	(11,958,178)	0	(11,958,178)
11		<b>Total Book Deductions (Sum Lines 5 - 10)</b>	<b>\$ (62,621,123)</b>	<b>\$ -</b>	<b>\$ (62,621,123)</b>
12					
13		<b>Book Pre-Tax Income (Line 2 + Line 11)</b>	<b>\$ 23,009,695</b>	<b>\$ -</b>	<b>\$ 23,009,695</b>
14					
15	<b>Reconciling Items</b>				
		<b>Permanent Differences:</b>			
		<b>(Deduction) or Reversal of Deduction</b>			
17		Non-Deductible Meals	26,295	0	26,295
18		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
19		<b>Pre-Tax Income After Perm. Differences (Line 13 + Line 17 + Line 18)</b>	<b>\$ 23,417,891</b>	<b>\$ -</b>	<b>\$ 23,417,891</b>
20					
		<b>Temporary Differences:</b>			
		<b>(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)</b>			
22		Deduct Tax Depreciation (State or Federal)	(12,405,037)	0	(12,405,037)
23		Reverse Deduction of Book Depreciation	11,336,482	0	11,336,482
24		Reverse Deduction of Amortization of Property Losses	57,080	0	57,080
25		Reverse Deduction of Amortization of UPAA	0	0	0
26		Reverse Deduction of Deferred Maintenance Amortization	441,745	0	441,745
27		Deduct Actual Deferred Maintenance Expenditures	(900,000)	0	(900,000)
28		Reverse All CIAC Amortization Credits	(1,457,502)	0	(1,457,502)
29		Reflect Actual Taxable CIAC Received	292,772	0	292,772
30		Reflect Repairs Deduction	(7,550,364)	0	(7,550,364)
31		Reverse Book Cost of Removal	2,041,267	0	2,041,267
32		Reflect Actual Cost of Removal	(689,505)	0	(689,505)
33		<b>Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 22 - 32)</b>	<b>\$ (8,833,061)</b>	<b>\$ -</b>	<b>\$ (8,833,061)</b>
34					
35		<b>Pre-Tax Income After Permanent and Temporary Differences (Line 19 + Line 33)</b>	<b>\$ 14,584,830</b>	<b>\$ -</b>	<b>\$ 14,584,830</b>
36					
37	<b>Calculation of Current State Income Taxes</b>				
38		Tax Rate	6.0%	6.0%	6.0%
39		<b>Current Taxes (Line 35 x Line 38)</b>	<b>\$ 875,090</b>	<b>\$ -</b>	<b>\$ 875,090</b>
40		Adjustment For Tax Provision	215,202		215,202
41		<b>Total Current Taxes</b>	<b>\$ 1,090,292</b>	<b>\$ -</b>	<b>\$ 1,090,292</b>
42		Less: Prior Year Adjustment	(945,261)	945,261	0
43		<b>Total State Income Taxes (Line 41 - Line 42)</b>	<b>\$ 2,035,552</b>	<b>\$ (945,261)</b>	<b>\$ 1,090,292</b>
44					
45	<b>Calculation of Deferred State Income Taxes</b>				
46		State Deferred Taxes Related to UPIS, CIAC, and Repairs	692,377	0	692,377
47		State Deferred Taxes Related to Deferred Maintenance	27,495	0	27,495
48		State Deferred Taxes Related to Property Losses	(3,425)	0	(3,425)
49		State Deferred Taxes Related to Cost of Removal	(81,106)	0	(81,106)
50		State Deferred Taxes - Prior Year	(996,618)	996,618	-
51		<b>Items Deferred</b>	<b>\$ (361,276)</b>	<b>\$ 996,618</b>	<b>\$ 635,342</b>
52		Adjustment For Tax Provision	251,996	0	251,996
53		<b>Sum Items Deferred</b>	<b>\$ (613,273)</b>	<b>\$ 996,618</b>	<b>\$ 383,346</b>
54					
55	<b>Amortization of Deferred Income Tax Assets &amp; Liabilities</b>				
56		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	16,619	0	16,619
57		<b>Sum Total Deferred Taxes</b>	<b>\$ (596,653)</b>	<b>\$ 996,618</b>	<b>\$ 399,965</b>
58					
59		<b>Total Current + Deferred State Income Taxes (Line 43 + Line 57)</b>	<b>\$ 1,438,899</b>	<b>\$ 51,358</b>	<b>\$ 1,490,257</b>
60					

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**Federal Income Taxes at Present Rates, for the Forecast Period**  
**For the 12 Months Ending July 31, 2014**

SCHEDULE E-1.3

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL \_\_\_X\_\_\_ UPDATED \_\_\_X\_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-6-1, 6-3, 6-4, 6-5

Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast

PAGE 1 of 1

Witness Responsible: Scott Rungren

Line	Category	Item	Current Rates	At Proposed Rates	Forecast Period
			Federal Tax Calculation Forecast Period	Adjustments	At Proposed Rates
1	<b>Book Revenue (+)</b>				
2		Operating Revenue	\$ 83,699,241	\$ 12,068,431	\$ 95,767,673
3					
4	<b>Book Deductions (-)</b>				
5		O&M Expenses	(33,587,569)	(69,496)	(33,657,065)
6		Depreciation, Amortization, & Cost of Removal	(13,351,679)	0	(13,351,679)
7		Taxes Other Than Income	(5,123,549)	(17,838)	(5,141,387)
8		Current State Income Tax	(481,302)	(718,866)	(1,200,168)
9		Interest Expense	(12,481,618)	0	(12,481,618)
10		<b>Total Book Deductions (Sum Lines 5 - 9)</b>	<b>\$ (65,025,718)</b>	<b>\$ (806,200)</b>	<b>\$ (65,831,918)</b>
11					
12		<b>Book Pre-Tax Income (Line 2 + Line 10)</b>	<b>\$ 18,673,523</b>	<b>\$ 11,262,231</b>	<b>\$ 29,935,755</b>
13					
14	<b>Reconciling Items</b>				
		<b>Permanent Differences:</b>			
15		<b>(Deduction) or Reversal of Deduction</b>			
16		Non-Deductible Meals	26,295	0	26,295
17		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
18		<b>Pre-Tax Income After Perm. Differences (Line 12 + Line 16 + Line 17)</b>	<b>\$ 19,081,719</b>	<b>\$ 11,262,231</b>	<b>\$ 30,343,950</b>
19					
		<b>Temporary Differences:</b>			
20		<b>(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)</b>			
21		Deduct Tax Depreciation (State or Federal)	(16,302,319)	0	(16,302,319)
22		Reverse Deduction of Book Depreciation	12,602,294	0	12,602,294
23		Reverse Deduction of Amortization of Property Losses	57,080	0	57,080
24		Reverse Deduction of Amortization of UPAA	0	0	0
25		Reverse Deduction of Deferred Maintenance Amortization	480,898	0	480,898
26		Deduct Actual Deferred Maintenance Expenditures	(400,000)	0	(400,000)
27		Reverse All CIAC Amortization Credits	(1,600,073)	0	(1,600,073)
28		Reflect Actual Taxable CIAC Received	133,658	0	133,658
29		Reflect Repairs Deduction	(5,304,134)	0	(5,304,134)
30		Reverse Book Cost of Removal	2,139,197	0	2,139,197
31		Reflect Actual Cost of Removal	(526,535)	0	(526,535)
32		<b>Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 21 - 31)</b>	<b>\$ (8,719,934)</b>	<b>\$ -</b>	<b>\$ (8,719,934)</b>
33					
34		<b>Pre-Tax Income After Permanent and Temporary Differences (Line 18 + Line 32)</b>	<b>\$ 10,361,785</b>	<b>\$ 11,262,231</b>	<b>\$ 21,624,016</b>
35					
36	<b>Calculation of Current Federal Income Taxes</b>				
37		Tax Rate	35%	35%	35%
38		<b>Current Taxes (Line 34 x Line 37)</b>	<b>\$ 3,626,625</b>	<b>\$ 3,941,781</b>	<b>\$ 7,568,405</b>
39					
40					
41	<b>Calculation of Deferred Federal Income Taxes</b>				
42		Federal Deferred Taxes Related to UPIS, CIAC, and Repairs	3,664,701	0	3,664,701
43		Federal Deferred Taxes Related to Deferred Maintenance	(28,314)	0	(28,314)
44		Federal Deferred Taxes Related to Property Losses	(19,978)	0	(19,978)
45		Federal Deferred Taxes Related to Cost of Removal	(564,432)	0	(564,432)
46		<b>Sum Items Deferred</b>	<b>\$ 3,051,977</b>	<b>\$ -</b>	<b>\$ 3,051,977</b>
47					
48		<b>Amortization of Deferred Income Tax Assets &amp; Liabilities</b>			
49		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	313,228	0	313,228
50					
51		Amortization of Deferred ITC	(84,792)	0	(84,792)
52		<b>Sum Total Federal Deferred Taxes + Amortization of ITC</b>	<b>\$ 3,280,413</b>	<b>\$ -</b>	<b>\$ 3,280,413</b>
53					
54					
55		<b>Total Current + Deferred Federal Income Taxes + Amortization of ITC (Line 38 + Line 52)</b>	<b>\$ 6,907,038</b>	<b>\$ 3,941,781</b>	<b>\$ 10,848,819</b>

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**State Income Taxes at Present Rates, for the Forecast Period**  
**For the 12 Months Ending July 31, 2014**

SCHEDULE E-1.4

DATA: \_\_\_BASE PERIOD \_\_\_X\_\_\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ORIGINAL\_\_\_X\_\_\_ UPDATED \_\_\_REVISED  
WORKPAPER REFERENCE NO(S): W/P-6-1, 6-3, 6-4, 6-5

Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast  
PAGE 1 of 1  
Witness Responsible: Scott Rungren

Line	Category	Item	Current Rates	At Proposed Rates	Forecast Period
			State Tax Calculation Forecast Period	Adjustments	At Proposed Rates
1	<b>Book Revenue (+)</b>				
2		Operating Revenue	\$ 83,699,241	\$ 12,068,431	\$ 95,767,673
3					
4	<b>Book Deductions (-)</b>				
5		O&M Expenses	(33,587,569)	(69,496)	(33,657,065)
6		Depreciation, Amortization, & Cost of Removal	(13,351,679)	-	(13,351,679)
7		Taxes Other Than Income	(5,123,549)	(17,838)	(5,141,387)
8		Current State Income Tax			
9		Interest Expense	(12,481,618)	0	(12,481,618)
10		<b>Total Book Deductions (Sum Lines 5 - 9)</b>	<b>\$ (64,544,416)</b>	<b>\$ (87,334)</b>	<b>\$ (64,631,750)</b>
11					
12		<b>Book Pre-Tax Income (Line 2 + Line 10)</b>	<b>\$ 19,154,826</b>	<b>\$ 11,981,097</b>	<b>\$ 31,135,923</b>
13					
14	<b>Reconciling Items</b>				
		<b>Permanent Differences:</b>			
15		<b>(Deduction) or Reversal of Deduction</b>			
16		Non-Deductible Meals	26,295	0	26,295
17		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
18		<b>Pre-Tax Income After Perm. Differences (Line 12 + Line 16 + Line 17)</b>	<b>\$ 19,563,021</b>	<b>\$ 11,981,097</b>	<b>\$ 31,544,118</b>
19					
		<b>Temporary Differences:</b>			
20		<b>(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)</b>			
21		Deduct Tax Depreciation (State or Federal)	(19,099,740)	0	(19,099,740)
22		Reverse Deduction of Book Depreciation	12,602,294	0	12,602,294
23		Reverse Deduction of Amortization of Property Losses	57,080	0	57,080
24		Reverse Deduction of Amortization of UPAA	0	0	0
25		Reverse Deduction of Deferred Maintenance Amortization	480,898	0	480,898
26		Deduct Actual Deferred Maintenance Expenditures	(400,000)	0	(400,000)
27		Reverse All CIAC Amortization Credits	(1,600,073)	0	(1,600,073)
28		Reflect Actual Taxable CIAC Received	109,700	0	109,700
29		Reflect Repairs Deduction	(5,304,134)	0	(5,304,134)
30		Reverse Book Cost of Removal	2,139,197	0	2,139,197
31		Reflect Actual Cost of Removal	(526,535)	0	(526,535)
32		<b>Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 21 - 31)</b>	<b>\$ (11,541,314)</b>	<b>\$ -</b>	<b>\$ (11,541,314)</b>
33					
34		<b>Pre-Tax Income After Permanent and Temporary Differences (Line 18 + Line 32)</b>	<b>\$ 8,021,708</b>	<b>\$ 11,981,097</b>	<b>\$ 20,002,804</b>
35					
36	<b>Calculation of Current State Income Taxes</b>				
37		Tax Rate	6.0%	6.0%	6.0%
38		<b>Current Taxes (Line 34 x Line 37)</b>	<b>\$ 481,302</b>	<b>\$ 718,866</b>	<b>\$ 1,200,168</b>
39					
40					
41	<b>Calculation of Deferred State Income Taxes</b>				
42		State Deferred Taxes Related to UPIS, CIAC, and Repairs	797,517	0	797,517
43		State Deferred Taxes Related to Deferred Maintenance	(4,854)	0	(4,854)
44		State Deferred Taxes Related to Property Losses	(3,425)	0	(3,425)
45		State Deferred Taxes Related to Cost of Removal	(96,760)	0	(96,760)
46		<b>Sum Items Deferred</b>	<b>\$ 692,479</b>	<b>\$ -</b>	<b>\$ 692,479</b>
47					
48		<b>Amortization of Deferred Income Tax Assets &amp; Liabilities</b>			
49		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	21,063	0	21,063
50		<b>Sum Total Deferred Taxes</b>	<b>\$ 713,542</b>	<b>\$ -</b>	<b>\$ 713,542</b>
51					
52					
53		<b>Total Current + Deferred State Income Taxes (Line 38 + Line 50)</b>	<b>\$ 1,194,844</b>	<b>\$ 718,866</b>	<b>\$ 1,913,710</b>

**Kentucky American Water Company**  
**Case No. 2012-00520**  
**Summary of Income Tax Adjustments**

SCHEDULE E-1.5

DATA: \_\_X\_BASE PERIOD\_\_X\_\_ FORECASTED PERIOD Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\[Income Tax Expense 11272012.xlsx]E-1.5 Summary of Income Tax Adj  
TYPE OF FILING: \_\_ORIGINAL\_\_X\_\_UPDATED\_\_X\_\_REVISED  
WORKPAPER REFERENCE NO(S): N/A

PAGE 1 of 1

Witness Responsible: Scott Rungren

Line	Reference Base Period	Reference Forecasted Period	Description	At Current Rates Base Period	Present Rates Forecasted Period	Adjustment
1						
2						
3			<u>State Income Taxes</u>			
4	Sch E-1.2	Sch E-1.4	Current	\$ 1,090,292	\$ 481,302	\$ (608,990)
5	Sch E-1.2	Sch E-1.4	Deferred	\$ 399,965	\$ 713,542	\$ 313,577
6						
7						
8			Total State Income Taxes	\$ 1,490,257	\$ 1,194,844	\$ (295,413)
9						
10						
11						
12			<u>Federal Income Taxes</u>			
13	Sch E-1.1	Sch E-1.3	Current	\$ 6,300,723	\$ 3,626,625	\$ (2,674,098)
14	Sch E-1.1	Sch E-1.3	Deferred	\$ 1,693,422	\$ 3,051,977	\$ 1,358,555
15	Sch E-1.1	Sch E-1.3	Amort. Def Reg Assets/Liab.	\$ 288,891	\$ 313,228	\$ 24,337
16	Sch E-1.1	Sch E-1.3	Deferred - ITC	\$ (84,797)	\$ (84,792)	\$ 5
17						
18						
19			Total Federal Income Taxes	\$ 8,198,239	\$ 6,907,038	\$ (1,291,201)
20						
21						
22			Total Income Taxes	\$ 9,688,496	\$ 8,101,882	\$ (1,586,614)



**Kentucky American Water Company**  
**Case No. 2012-00520**  
**Development of Jurisdictional Factors for State & Federal Income Taxes**  
**For the 12 Months Ending July 31, 2014**

SCHEDULE E-2

DATA:  X  BASE PERIOD  X  FORECASTED PERIOD  
 TYPE OF FILING:  ORIGINAL  X  UPDATED  REVISIED  
 WORKPAPER REFERENCE NO(S): N/A

Exhibits with Slippage - Updated with Actuals\Exhibits\Taxes\[Income Tax Expense 11272012.xlsx]E-2 Jurisdictional Income Taxes

PAGE 1 of 1

Witness Responsible: Scott Rungren

Line	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code / Explanation
1					
2					
3					
4					
5					
6					
7					
8					
9					

**NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.**

**100% JURISDICTIONAL FOR KENTUCKY-AMERICAN WATER COMPANY.**

**EXHIBIT 37  
SCHEDULE F**

**ORGANIZATIONAL MEMBERSHIP DUES, INITIATION FEES, COUNTRY CLUB EXPENDITURES, CHARITABLE CONTRIBUTIONS, MARKETING EXPENSES, SALES EXPENSES, ADVERTISING EXPENSES, PROFESSIONAL SERVICE EXPENSES, CIVIC AND POLITICAL ACTIVITY EXPENSES, EMPLOYEE PARTIES AND OUTING EXPENSES, EMPLOYEE GIFT EXPENSES, AND RATE CASE EXPENSES FOR THE BASE AND FORECASTED PERIODS**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
F-1	Social and Service Club Dues
F-2.1	Charitable Contributions
F-2.2	Initiation Fees/Country Club Expenses
F-2.3	Employee Party, Outing and Gift Expenses
F-3	Customer Service, Sales Promotion and Advertising Expense
F-4	Advertising
F-5	Professional Service Expense
F-6	Rate Case Expense
F-7	Civic, Political and Related Activities

Kentucky American Water Company  
Case No. 2012-00520  
Social and Service Club Dues  
Base Year for the 12 Months Ended March 31, 2013  
Forecast Year for the 12 Months Ended July 31, 2014

Data: X\_Base Period, X\_Forecasted Period  
Type of Filing: Original X\_Updated X\_ Revised  
Worksheet Reference No(s): N/A

Exhibits with Slippage - Updated with Actuals Exhibits Exhibits (Exhibit 37 Schedule F1 to F7.XLS) Sch F1 to F7  
Witness Responsible: Scott Rungruen

Exhibits with Slippage - Updated with Actuals Exhibits Exhibits (Exhibit 37 Schedule F1 to F7.XLS) Sch F1 to F7  
Witness Responsible: Scott Rungruen

Line No.	Account No.	Social Organization / Service Club	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1			\$ 2,600	100.00%	\$ 2,000	100.00%
2	52524000	AWWA Partnership for Safe Water	715		715	
3	52524000	Better Business Bureau				
4	52524000	Blue Grass Trust				
5	52524000	Bourbon Co. Chamber	495		1,075	
6	52524000	Clark Co. Chamber				
7	52524000	Commerce Lexington	5,278		5,000	
8	52524000	Downtown Lexington Corporation	750		800	
9	52524000	Greater Lexington Apartment Association	350		750	
10	52524000	Harrison Co. Chamber				
11	52524000	Homebuilders Association of Lexington	450		750	
12	52524000	Jessamine Co. Chamber	430		450	
13	52524000	Kentucky Chamber of Commerce	1,667		10,000	
14	52524000	Kentucky League of Cities	2,500		2,500	
15	52524000	Owen Co. Chamber	500		750	
16	52524000	Scott Co. Chamber	500		500	
17	52524000	Scott Co. Homebuilders Association			260	
18	52524000	Woodford Co. Chamber	500		750	
19	52524000	NAWC Fees	45,606		45,600	
20	52524000	AWWA Membership	6,311		6,400	
21	52524000	iAnywhere	3,603		2,700	
22	52524000	Kentucky Rural Water Membership	400		400	
23	52524000	Kynthiana Harrison Membership	350		350	
24	52524000	Rotary Club of Owenton				
25	52524000	Calence			276	
26	52524000	KY County Judge			4,100	
27	52524000	Winchester Clark			200	
28	52524000	Blue Grass Cross Connections	500		500	
29	52524000	Blue Grass Tomorrow			350	
30	52524000	Lexington Forum			1,000	
31	52524000	National Society of Engineers	300		225	
32	52524000	KY Board of Engineers			261	
33	52524000	AICPA			150	
34	52524000	Public Relations Society	625		215	
35	52524000	Kentucky GIS	175			
36	52524000	KAED	300			
37	52524000	KWOWA Membership	140			
38						
39			\$ 75,044		\$ 91,027	





Kentucky American Water Company  
Case No. 2012-00520  
Charitable Contributions  
Base Year for the 12 Months Ended March 31, 2013  
Forecast Year for the 12 Months Ended July 31, 2014

Data: X\_ Base Period X\_ Forecasted Period  
Type of Filing: Original X\_ Updated X\_ Revised  
Worksheet Reference No(s): N/A

Exhibits with Slippage - Updated with Actuals (Exhibits)(Exhibits)(Exhibit 37 Schedule F1 to F7.XLS)(Sch F1 to F7  
Witness Responsible: Scott Rungrn

Exhibits with Slippage - Updated with Actuals (Exhibits)(Exhibits)(Exhibit 37 Schedule F1 to F7.XLS)(Sch F1 to F7  
Witness Responsible: Scott Rungrn

Line No.	Forecasted Period Jurisdictional %	Total Utility	Forecasted Period Jurisdictional %	Total Utility	Jurisdictional %	Total Utility	Jurisdictional %	Total Utility
1	100%	\$ 1,200	100%	\$ 1,200	100%	\$ 1,200	100%	\$ 1,200
2								
3								
4								
5								
6								
7								
8								
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Account 52514700 Total  
\$ 102,136  
\$ 317,888

Total Charitable Contributions  
\$ 102,136  
\$ 317,888

Total Charitable Contributions  
\$ 102,136  
\$ 317,888

Total Charitable Contributions  
\$ 102,136  
\$ 317,888



Kentucky American Water Company  
Case No. 2012-00520  
Employee Party, Outing and Gift Expenses  
Base Year for the 12 Months Ended March 31, 2013  
Forecast Year for the 12 Months Ended July 31, 2014

Data:  Base Period  Forecasted Period  
 Type of Filing:  Original  Updated  Revised  
 Worksheet Reference No(s): N/A

Exhibits with Slippage - Updated with Actuals \Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7  
 Exhibit 37, Schedule F-2.3  
 Witness Responsible: Melissa Schwarzell

Line No.	Account No.	Employee Expenditures	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1						
2						
3						
4	50451000	Employee Recognition Banquet	\$ 7,579	100.00%	\$ 7,140	100.00%
5	50450000	Employee Awards	19,513			7,140
6	50450000	Company Picnic	8,594			4,500
7	50450000	United Way rally	300			400
8	50450000	Holiday Event	4,297			3,500
9	50450000	Healthy Solutions	-			31,150
10		Totals	\$40,283		\$ 46,690	
11						
12						











Kentucky American Water Company  
Case No. 2012-00520  
Civic, Political, and Related Activities  
Base Year for the 12 Months Ended March 31, 2013  
Forecast Year for the 12 Months Ended July 31, 2014

Data:  Base Period  Forecasted Period  
Type of Filing:  Original  Updated  Revised  
Workpaper Reference No(s): N/A

Exhibits with Slippage - Updated with Actuals \Exhibits\Exhibits (Exhibit 37 Schedule F1 to F7.XLS) Sch F1 to F7  
Witness Responsible: Scott Rungren

Exhibit 37, Schedule F-7

Line No.	Item	Amount
1		
2		
3		
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28		
29		
30		
31		
	<u>Base Period:</u>	
	Donations	317,888
	Civic Activities	75,044
	Political Activities	-
	Other	-
	Totals	<u>\$392,932</u>
	<u>Forecasted Period:</u>	
	Donations	225,350
	Civic Activities	91,027
	Political Activities	-
	Other	-
	Totals	<u>\$316,377</u>

**EXHIBIT 37  
SCHEDULE G**

**PAYROLL COST ANALYSIS**

**KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
G-1	Payroll Costs
G-2	Payroll Analyses by Employee Classification
G-3	Executive Compensation

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520

PAYROLL COSTS (WATER SEGMENT ONLY)

FOR THE TWELVE MONTHS ENDED: March 31, 2013 (Base Period)  
FOR THE TWELVE MONTHS ENDED: JULY 31, 2014 (Forecast Period)

Exhibit 37, Schedule G-1  
Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related.Xls\Exh 37 G  
Witness: M. Schwarzell

Data: X Base Period Y Forecast Period  
Version: \_ Original X Updated X Revised

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
2	<b>Base Period Expense:</b>					
3	Total Salary	\$6,486,347	100.00%	\$6,486,347	\$0	\$6,486,347
4	Other Allowances and Compensation	363,692		363,692	0	363,692
5	Sub-total	6,850,039		6,850,039	0	6,850,039
6						
7	<b>Employee Benefits:</b>					
8	Pension	958,424		958,424	0	958,424
9	Group Insurance	1,875,475		1,875,475	0	1,875,475
10	Defined Contribution Plan	155,955		155,955	0	155,955
11	401-K Plan	120,566		120,566	0	120,566
12	Sub-total	3,110,420		3,110,420	0	3,110,420
13						
14	<b>Payroll Taxes:</b>					
15	F.I.C.A.	493,786		493,786	0	493,786
16	Federal Unemployment	3,664		3,664	0	3,664
17	State Unemployment	14,641		14,641	0	14,641
18	Sub-total	512,091		512,091	0	512,091
19						
20	Total Compensation & Taxes	\$10,472,550		\$10,472,550	\$0	\$10,472,550
21						
22						
23						
24						
25	<b>Forecasted Period Expense:</b>					
26	Total Salary	6,880,213	100.00%	6,880,213	0	6,880,213
27	Other Allowances and Compensation	349,221		349,221	(349,221)	0
28	Sub-total	7,229,434		7,229,434	0	6,880,213
29						
30	<b>Employee Benefits:</b>					
31	Pension	947,305		947,305	0	947,305
32	Group Insurance	2,052,571		2,052,571	0	2,052,571
33	Defined Contribution Plan	170,708		170,708	0	170,708
34	401-K Plan	137,675		137,675	(2,040)	135,635
35	Sub-total	3,308,259		3,308,259	0	3,306,220
36						
37	<b>Payroll Taxes:</b>					
38	F.I.C.A.	527,682		527,682	0	527,682
39	Federal Unemployment	4,850		4,850	0	4,850
40	State Unemployment	14,534		14,534	0	14,534
41	Sub-total	547,067		547,067	(14,466)	532,600
42						
43	Total Compensation & Taxes	\$11,084,760		\$11,084,760	\$0	\$10,719,033
44						
45						

KENTUCKY-AMERICAN WATER COMPANY

Case No. 2012-00520

PAYROLL ANALYSIS BY EMPLOYEE CLASSIFICATION (WATER SEGMENT ONLY)

FOR THE TWELVE MONTHS ENDED: March 31, 2013 (Base Period)

FOR THE TWELVE MONTHS ENDED: JULY 31, 2014 (Forecast Period)

Data: X Base Period Y Forecast Period  
Version: \_ Original X Updated XRevised

Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related.xlsx\Exh 37 G  
Witness: M. Schwarzell

Line No.	Description	12 Mos. Sept. 2007	% Change	12 Mos. Sept. 2008	% Change	12 Mos. Sept. 2009	% Change	12 Mos. Sept. 2010	% Change	12 Mos. Sept. 2011	% Change	Base Period	% Change	Forecasted Period
1														
2	<b>Total Company</b>													
3														
4	Employee Hours:													
5	Straight-Time Hours	272,250	1.68%	276,820	3.44%	286,331	1.98%	291,988	1.98%	298,097	2.09%	263,114	-11.74%	278,064
6	Overtime Hours	25,486	5.44%	26,873	-1.02%	26,598	-11.35%	23,581	-11.35%	22,081	-6.36%	21,075	-4.55%	15,748
7	Total Employee Hours	297,736		303,693		312,929		315,569		320,178		284,189		293,812
9	Ratio of Overtime Hours to Straight-Time Hours	9.36%		9.71%		9.29%		8.08%		7.41%		8.01%		5.66%
10														
11														
12														
13														
14	Labor Dollars:													
15	Straight-Time Dollars	6,456,683	10.90%	7,160,156	2.02%	7,304,769	1.17%	7,389,927	1.17%	7,842,718	6.13%	7,009,683	-10.62%	7,590,599
16	Overtime Dollars	794,650	32.21%	1,050,628	-14.61%	897,178	-8.26%	823,084	-8.26%	786,562	-4.44%	796,143	1.22%	592,351
17	Total Labor Dollars	\$7,251,332		\$8,210,784		\$8,201,947		\$8,213,011		\$8,629,280		\$7,805,826		\$8,182,950
18														
19														
20	Ratio of Overtime Dollars to Straight-Time Dollars	12.31%		14.67%		12.28%		11.14%		10.03%		11.36%		7.80%
21														
22														
23														
24	O&M Labor Dollars	5,750,567	12.05%	6,443,353	1.64%	6,549,296	2.50%	6,712,813	2.50%	7,177,820	6.93%	6,486,347	-9.63%	6,880,213
25	Ratio of Labor Dollars to Total Labor Dollars	79.30%		78.47%		79.85%		81.73%		83.18%		83.10%		84.08%
26														
27														
28														
29	Total Employee Benefits	2,404,504	-2.55%	2,343,284	36.27%	3,193,265	0.43%	3,206,953	0.43%	3,306,839	3.11%	3,743,155	13.19%	3,972,704
30	Employee Benefits Expensed	1,906,772	-3.57%	1,838,775	38.67%	2,549,822	2.79%	2,621,043	2.79%	2,750,629	4.94%	3,110,420	13.08%	3,315,003
31	Ratio of Employee Benefits Expensed to Total Employee Benefits	79.30%		78.47%		79.85%		81.73%		83.18%		83.10%		83.44%
32														
33														
34														
35	Total Payroll Taxes	552,071	15.89%	639,782	0.09%	640,382	4.76%	670,861	4.76%	692,372	3.21%	616,263	-10.95%	658,837
36	Payroll Taxes Expensed	437,792	14.67%	502,037	1.85%	511,345	7.23%	548,295	7.23%	575,915	5.04%	512,091	-11.08%	547,067
37	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	79.30%		78.47%		79.85%		81.73%		83.18%		83.10%		83.04%
38														
39														
40														
41	Average Employee Levels	132	3.03%	136	2.21%	139	2.88%	143	2.88%	143	0.00%	134	-6.29%	133
42														
43	Year-End Employee Levels	135	0.74%	136	2.94%	140	3.57%	145	3.57%	140	-3.45%	128	-8.57%	131













KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520

EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: March 31, 2013 (Base Period)  
FOR THE TWELVE MONTHS ENDED: JULY 31, 2014 (Forecast Period)

Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related.xlsx\Exh 37 G  
Witness: M. Schwarzell

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
2	Title of Executive: President					
3						
4						
5	<b>Base Period:</b>					
6	Total Salary	\$172,745	100.00%	\$172,745	\$0	\$172,745
7	Other Allowances and Compensation (AIP)	125,513		125,513	0	\$125,513
8	Sub-total	250,787		250,787	0	250,787
9						
10	<b>Employee Benefits:</b>					
11	Pension	25,525		25,525	0	25,525
12	Group Insurance	13,996		13,996	0	13,996
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	4,319		4,319	0	4,319
15	Sub-total	43,840		43,840	0	43,840
16						
17	<b>Payroll Taxes:</b>					
18	F.I.C.A.	10,946		10,946	0	10,946
19	Federal Unemployment	42		42	0	42
20	State Unemployment	126		126	0	126
21	Sub-total	11,114		11,114	0	11,114
22						
23	Total Compensation and Taxes	\$305,741		\$305,741	\$0	\$305,741
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary	\$181,990	100.00%	\$181,990	\$0	\$181,990
29	Other Allowances and Compensation (AIP)	109,194		\$109,194	(109,194)	\$0
30	Sub-total	291,184		291,184	(109,194)	181,990
31						
32	<b>Employee Benefits:</b>					
33	Pension	27,035		27,035	0	27,035
34	Group Insurance	17,160		17,160	0	17,160
35	Defined Contribution Plan	0		0	0	0
36	401-K Plan	4,550		4,550	0	4,550
37	Sub-total	48,745		48,745	0	48,745
38						
39	<b>Payroll Taxes:</b>					
40	F.I.C.A.	10,052		10,052	0	10,052
41	Federal Unemployment	42		42	0	42
42	State Unemployment	126		126	0	126
43	Sub-total	10,220		10,220	0	10,220
44						
45	Total Compensation and Taxes	\$350,149		\$350,149	(\$109,194)	\$240,955
46						

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: March 31, 2013 (Base Period)  
FOR THE TWELVE MONTHS ENDED: JULY 31, 2014 (Forecast Period)

Exhibit 37, Schedule G-3  
Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related.xlsx\Exh 37 G  
Witness: M. Schwarzell

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3	Title of Executive: Vice President Operations					
4						
5	<b>Base Period:</b>					
6	Total Salary	\$152,090	100.00%	\$152,090	\$0	\$152,090
7	Other Allowances and Compensation	69,217		\$69,217	0	\$69,217
8	Sub-total	221,307		221,307	0	221,307
9						
10	<b>Employee Benefits:</b>					
11	Pension	23,597		23,597	0	23,597
12	Group Insurance	13,996		13,996	0	13,996
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	3,802		3,802	0	3,802
15	Sub-total	41,395		41,395	0	41,395
16						
17	<b>Payroll Taxes:</b>					
18	F.I.C.A.	9,831		9,831	0	9,831
19	Federal Unemployment	42		42	0	42
20	State Unemployment	126		126	0	126
21	Sub-total	9,999		9,999	0	9,999
22						
23	Total Compensation	\$272,701		\$272,701	\$0	\$272,701
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary	\$158,848	100.00%	\$158,848	\$ -	\$158,848
29	Other Allowances and Compensation	47,654		47,654	(47,654)	\$0
30	Sub-total	206,502		206,502	0	158,848
31						
32	<b>Employee Benefits:</b>					
33	Pension	23,471		\$23,471	0	23,471
34	Group Insurance	16,717		16,717	0	16,717
35	Defined Contribution Plan	0		0	0	0
36	401-K Plan	3,971		3,971	0	3,971
37	Sub-total	44,160		44,160	0	44,160
38						
39	<b>Payroll Taxes:</b>					
40	F.I.C.A.	9,386		9,386	0	9,386
41	Federal Unemployment	42		42	0	42
42	State Unemployment	126		126	0	126
43	Sub-total	9,554		9,554	0	9,554
44						
45	Total Compensation	\$260,215		\$260,215	\$0	\$212,561
46						

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EXECUTIVE COMPENSATION  
FOR THE TWELVE MONTHS ENDED: March 31, 2013 (Base Period)  
FOR THE TWELVE MONTHS ENDED: JULY 31, 2014 (Forecast Period)

Exhibit 37, Schedule G-3  
Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Labor and Labor Related.xlsx\Exh 37 G  
Witness: M. Schwarzell

Data: X Base Period X Forecast Period  
Version: \_ Original X Updated X Revised

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: Vice President Treasurer and Comptroller					
3						
4						
5	<b>Base Period:</b>					
6	Total Salary		100.00%	\$0	\$0	\$0
7	Other Allowances and Compensation	0		0	0	0
8	Sub-total	0		0	0	0
9						
10	<u>Employee Benefits:</u>					
11	Pension	0		0	0	0
12	Group Insurance	0		0	0	0
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	0		0	0	0
15	Sub-total	0		0	0	0
16						
17	<u>Payroll Taxes:</u>					
18	F.I.C.A.			0	0	0
19	Federal Unemployment			0	0	0
20	State Unemployment			0	0	0
21	Sub-total	0		0	0	0
22						
23	Total Compensation	\$0		\$0	\$0	\$0
24						
25						
26						
27	<b>Forecasted Period:</b>					
28	Total Salary		100.00%	\$0	\$0	\$0
29	Other Allowances and Compensation	0		0	0	0
30	Sub-total	0		0	0	0
31						
32	<u>Employee Benefits:</u>					
33	Pension	0		0	0	0
34	Group Insurance	0		0	0	0
35	Defined Contribution Plan	0		0	0	0
36	401-K Plan	0		0	0	0
37	Sub-total	0		0	0	0
38						
39	<u>Payroll Taxes:</u>					
40	F.I.C.A.			0	0	0
41	Federal Unemployment			0	0	0
42	State Unemployment			0	0	0
43	Sub-total	0		0	0	0
44	Total Compensation	\$0		\$0	\$0	\$0



**EXHIBIT 37  
SCHEDULE H**

**COMPUTATION OF GROSS REVENUE CONVERSION FACTOR**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
H	Gross Revenue Conversion Factor

Kentucky American Water Company  
Case No. 2012-00520

Computation of the Gross Revenue Conversion Factor for the Forecast Period

Exhibit 37, Schedule H  
Witness: G. VerDouw

Data: X Base Period X Forecast Period  
Version: X Original \_Updated \_Revised

Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue Requirement and Conversion Factor.xlsx\Rev Conversion Factor - SCH H

Line #	Gross Revenue Conversion Factor Calculation	Total Rate	Gross Revenue Conversion Factor %	Percent of Total Conversion Factor	Worksheet Reference	Excel Reference
1	Gross Income from Revenue		100.0000%			
2	Less: Bad Debt Rate/ Uncollectible Expense	0.5759%	0.5759%	1.4637%	W/P - 3-10	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\Uncollectibles Exhibit.xlsx
3	Less: PSC / Utility Reg Assessment Fee	0.1478%	0.1478%	0.3757%	W/P - 5-2	Exhibits with Slippage - Updated with Actuals\Exhibits\Expense\PSC Fees Exhibit.xlsx\PSC
4	Net Income After Uncollectibles & Reg Assessment Fees		99.2763%			
5						
6						
7	Less: State Income Tax @ 6.0%	6.00%	5.9566%	15.1405%		
9	Net Income After Uncollectibles, Reg Assessment Fees & State Tax		93.3198%			
10						
11	Less: Federal income Tax @ 35%	35.00%	32.6619%	83.0201%		
12	Net Income After Uncollectibles, Reg Assessment Fees, & State & Federal Income Taxes:		60.6578%	100.0000%		
13						
14						
15	Gross Revenue Conversion Factor (1 / Line 13)		164.8591%			
16						

**EXHIBIT 37  
SCHEDULE I**

**COMPARITIVE INCOME STATEMENTS, REVENUE STATISTICS AND SALES STATISTICS  
FOR FIVE MOST RECENT CALENDAR YEARS, THE BASE PERIOD, FORECASTED PERIOD  
AND TWO CALENDAR YEARS BEYOND THE FORECAST PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
I-1	Comparative Income Statement
I-2	Revenue Statistics - Total Company
I-3	Sales Statistics - Total Company
I-4	Revenue Statistics - Jurisdictional
I-5	Sales Statistics - Jurisdictional





KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
REVENUE STATISTICS - JURISDICTIONAL  
Base Year for the 12 Months Ended March 31, 2013  
Forecast Year for the 12 Months Ended July 31, 2014

Exhibits with Slippage - Updated with Actuals Exhibits Exhibits Exhibits Exhibits (Exhibit 37 (I-2),(I-3),(I-4),(I-5),XIS),Exh Sch. (I-2012) Exhibit 37 - Schedule I-3  
Witness Responsible: Linda Bridwell

Type of Filing: Original \_\_\_X\_\_\_ Updated \_\_\_\_\_ Revised \_\_\_\_\_

Line No.	Description	2007	2008	2009	2010	2011	Base Period	Forecasted Period	2013	2014
2	Revenue by Customer Class:									
3	Residential									
4	Commercial									
5	Industrial									
6	Other Public Authorities									
7	Other Water Utilities									
8	Miscellaneous									
9	Fire Service									
10	Total									
11										
12	Number of Customers:									
13	Residential									
14	Commercial									
15	Industrial									
16	Other Public Authorities									
17	Other Water Utilities									
18	Miscellaneous									
19	Fire Service									
20	Total									
21										
22										
23										
24										
25										
26	End of Period:									
27	Residential									
28	Commercial									
29	Industrial									
30	Other Public Authorities									
31	Other Water Utilities									
32	Miscellaneous									
33	Fire Service									
34	Total									
35										
36										
37										
38	Average Revenue per Customer:									
39	Residential									
40	Commercial									
41	Industrial									
42	Other Public Authorities									
43	Other Water Utilities									
44	Miscellaneous									
45	Fire Service									

ALL COMPANY OPERATIONS ARE JURISDICTIONAL







**EXHIBIT 37  
SCHEDULE J**

**COST OF CAPITAL SUMMARY FOR BASE PERIOD AND FORECASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
J-1	Cost of Capital Summary
J-1.1 / J-1.2	Cost of Capital Summary
J-2	Embedded Cost of Short-Term Debt
J-3	Embedded Cost of Long-Term Debt
J-4	Embedded Cost of Preferred Stock

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
COST OF CAPITAL SUMMARY  
AS OF JULY 31, 2014

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-1, 7-2, 7-3  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 1 of 2  
Witness Responsible: Scott Rungren

Line No.	Class of Capital	Reference	Net Carrying Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Terminal Weighted Cost	13 Month Average Weighted Cost
2	Short-Term Debt	J-2, Page 1	\$ 8,260,115	2.117%	\$ 12,874	\$ 8,272,989	0.500%	0.010%	0.010%
3									
4	Long-Term Debt	J-3, Page 1	203,054,582	52.033%	316,420	203,371,002	6.030%	3.140%	3.140%
5									
6	Preferred Stock	J-4, Page 1	4,482,784	1.149%	6,987	4,489,771	8.520%	0.100%	0.100%
7									
8	Common Equity		174,443,134	44.701%	271,833	174,714,967	10.900%	4.870%	4.870%
9									
10	Total Capital		\$ 390,240,614	100.000%	\$ 608,114	\$ 390,848,729		8.120%	8.120%
11									
12									
13									
14									
15									
16	(1) JDITC	\$ 608,114							

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
COST OF CAPITAL SUMMARY  
AS OF MARCH 31, 2013

DATA: X\_ BASE PERIOD \_\_\_\_\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ X\_ UPDATED \_\_\_ X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-1, 7-2, 7-3  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 2 of 2  
Witness Responsible: Scott Rungren

Line No.	Class of Capital	Reference	Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Terminal Weighted Cost
2	Short-Term Debt	J-2, Page 2	\$ 13,077,729	3.600%	\$ 25,593	\$ 13,103,322	0.390%	0.010%
4	Long-Term Debt	J-3, Page 2	186,192,717	51.250%	364,374	186,557,091	6.190%	3.170%
6	Preferred Stock	J-4, Page 2	4,481,756	1.234%	8,771	4,490,527	8.520%	0.110%
8	Common Equity		159,551,101	43.917%	312,236	159,863,338	10.900%	4.790%
10	Total Capital		\$ 363,303,304	100.000%	\$ 710,974	\$ 364,014,278		8.080%
16	(1) JDITC:	\$ 710,974						

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
COST OF CAPITAL SUMMARY  
13 MONTH AVERAGE FOR FORECAST PERIOD ENDING JULY 31, 2014

Exhibit 37, Schedule J-1.1/1-1.2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 1 of 1  
Witness Responsible: Scott Rungren

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: AVERAGE FOR FORECASTED PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-1, 7-2, 7-3

Line No.	Class of Capital	13 Month Average Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Average Weighted Cost
2	Short-Term Debt	\$ 9,189,188	2.391%	\$ 15,462	\$ 9,204,650	0.500%	0.010%
4	Long-Term Debt	198,907,129	51.748%	334,648	199,241,777	6.060%	3.140%
6	Preferred Stock	4,482,398	1.166%	7,540	4,489,938	8.520%	0.100%
8	Common Equity	171,796,415	44.695%	289,037	172,085,452	10.900%	4.870%
10	Total Capital	\$ 384,375,130	100.000%	\$ 646,687	\$ 385,021,817		8.120%

(1) JDITC: \$ 646,687

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EMBEDDED COST OF SHORT-TERM DEBT  
AS OF JULY 31, 2014

DATA: \_\_\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR  
TYPE OF FILING: \_\_\_ ORIGINAL \_X\_ UPDATED \_X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-4

Exhibit 37, Schedule J-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 1 of 2  
Witness Responsible: Scott Rungren

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 8,260,115	0.500%	\$ 41,301
5				
6				
7	Weighted Cost of Short-Term Debt	0.500%		
8				

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EMBEDDED COST OF SHORT-TERM DEBT  
AS OF MARCH 31, 2013

DATA: X\_ BASE PERIOD \_\_\_\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ X\_ UPDATED \_\_\_ X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-4

Exhibit 37, Schedule J-2  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 2 of 2  
Witness Responsible: Scott Rungren

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 13,077,729	0.390%	\$ 51,003
5				
6				
7	Weighted Cost of Short-Term Debt	0.390%		
8				

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EMBEDDED COST OF LONG-TERM DEBT  
AS OF JULY 31, 2014

DATA: \_\_\_ BASE PERIOD \_\_\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-5

Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 1 of 2  
Witness Responsible: Scott Rungren

No.	Debt Issue Type & Rate	Issue Date	Maturity Date	Amount Outstanding	Cost Rate at Issue	Cost Rate at Maturity	Bond Rating at Issue	Annualized Interest	Principal Amount	Annual Amort. of Issue Expense	Unamortized Discount or Premium	Unamortized Debt Expense	Unamortized Gain/Loss	Carrying Value
3	<u>General Mortgage Bonds:</u>													
4														
5	Series 6.96% GMB	12/01/93	12/01/23	7,000,000	6.960%	7.006%	N/A	490,420	7,000,000	3,227	0	30,116	0	6,969,884
6	Series 7.15% GMB	02/14/97	02/01/27	7,500,000	7.150%	7.182%	N/A	538,650	7,500,000	2,429	0	30,361	0	7,469,639
7	Series 6.99% GMB	09/01/98	06/01/28	9,000,000	6.990%	7.026%	N/A	632,340	9,000,000	3,262	0	45,122	0	8,954,878
8	Series 6.593% Note	06/12/02	06/12/37	47,000,000	6.593%	6.628%	N/A	3,115,160	47,000,000	16,574	0	385,338	0	46,614,662
9	Series 6.25% Note	06/23/09	06/01/39	45,390,000	6.250%	6.295%	N/A	2,857,301	45,390,000	20,390	0	506,356	0	44,883,644
10	Series 5.625% Note	09/10/09	09/01/39	26,000,000	5.625%	5.675%	N/A	1,475,500	26,000,000	13,008	0	326,290	0	25,673,710
11	Series 5.375% Note	06/01/10	06/01/40	26,000,000	5.375%	5.417%	N/A	1,408,420	26,000,000	10,866	0	280,693	0	25,719,307
12	Series 5.05% Note	11/01/10	11/01/40	20,000,000	5.050%	5.050%	N/A	1,010,000	20,000,000	0	0	0	0	20,000,000
13	Proposed 4.00% Note	05/15/13	10/15/37	7,859,000	4.000%	4.000%	N/A	314,360	7,859,000	0	0	0	0	7,859,000
14	Proposed 4.49% Note	11/15/13	11/15/43	6,000,000	4.490%	4.514%	N/A	270,840	6,000,000	1,445	0	59,755	0	5,940,245
16	Proposed 4.62% Note	05/15/14	05/15/44	3,000,000	4.620%	4.627%	N/A	138,810	3,000,000	213	0	30,388	0	2,969,613
24	<hr/>													
25	Total Long-Term Debt and Annualized Cost			\$ 204,749,000				\$ 12,251,801	\$ 204,749,000	\$ 71,413	\$ 0	\$ 1,694,418	\$ 0	\$ 203,054,582
26	<hr/>													
27	Annualized Cost Rate			6.030%										
28	<hr/>													

KENTUCKY-AMERICAN WATER COMPANY  
Case No. 2012-00520  
EMBEDDED COST OF LONG-TERM DEBT  
AS OF MARCH 31, 2013

DATA: X\_ BASE PERIOD \_\_\_\_\_ FORECASTED PERIOD  
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD  
TYPE OF FILING: \_\_\_ ORIGINAL \_\_\_ X\_ UPDATED \_\_\_ X\_ REVISED  
WORKPAPER REFERENCE NO(S): W/P-7-5  
Exhibits with Slippage - Updated with Actuals\Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J  
PAGE 2 of 2  
Exhibit 37, Schedule J-3  
Witness Responsible: Scott Rungren

Line No.	Debt Issue Type & Rate	Issue Date	Maturity Date	Amount Outstanding	Cost Rate at Issue	Cost Rate at Maturity	Bond Rating at Issue	Annualized Interest	Principal Amount	Annual Amort. of Issue Expense	Unamortized Discount or Premium	Unamortized Debt Expense	Unamortized Gain/Loss	Carrying Value
3	<u>General Mortgage Bonds:</u>													
6	Series 6.96% GMB	12/01/93	12/01/23	7,000,000	6.960%	7.006%	N/A	490,420	7,000,000	3,227	0	34,418	0	6,965,582
7	Series 7.15% GMB	02/14/97	02/01/27	7,500,000	7.150%	7.182%	N/A	538,650	7,500,000	2,429	0	33,600	0	7,466,400
8	Series 6.99% GMB	09/01/98	06/01/28	9,000,000	6.990%	7.026%	N/A	632,340	9,000,000	3,262	0	49,471	0	8,950,529
9	Series 6.593% Note	06/12/02	06/12/37	47,000,000	6.593%	6.628%	N/A	3,115,160	47,000,000	16,574	0	407,436	0	46,592,564
10	Series 6.25% Note	06/23/09	06/01/39	45,390,000	6.250%	6.295%	N/A	2,857,301	45,390,000	20,390	0	533,543	0	44,856,457
11	Series 5.625% Note	09/10/09	09/01/39	26,000,000	5.625%	5.675%	N/A	1,475,500	26,000,000	13,008	0	343,634	0	25,656,366
12	Series 5.375% Note	06/01/10	06/01/40	26,000,000	5.375%	5.417%	N/A	1,408,420	26,000,000	10,866	0	295,180	0	25,704,820
13	Series 5.05% Note	11/01/10	11/01/40	20,000,000	5.050%	5.050%	N/A	1,010,000	20,000,000	0	0	0	0	20,000,000
14	Proposed 4.00% Note	05/15/13	10/15/37	0	4.000%	0.000%	N/A	0	0	0	0	0	0	0
15	Proposed 4.49% Note	11/15/13	11/15/43	0	4.490%	0.000%	N/A	0	0	0	0	0	0	0
17	Proposed 4.62% Note	05/15/14	05/15/44	0	4.620%	0.000%	N/A	0	0	0	0	0	0	0
26	Total Long-Term Debt and Annualized Cost				\$ 187,890,000			\$ 11,527,791	\$ 187,890,000	\$ 69,756	\$ 0	\$ 1,697,283	\$ 0	\$ 186,192,717
28	Annualized Cost Rate								6.190%					







**EXHIBIT 37  
SCHEDULE K**

**COMPARATIVE FINANCIAL DATA AND EARNING MEASURES FOR THE  
TEN MOST RECENT CALENDAR YEARS, BASE PERIOD AND FORECASTED PERIOD**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
K	Comparative Financial Data

Kentucky American Water Company  
Case No. 2012-00520  
COMPARATIVE FINANCIAL DATA

Exhibits with Slippage - Updated with Actuals/Exhibits/Exhibits[Exhibit 37 I-1 and K updated.xlsx]Sch K

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
DATE CERTAIN: FOR THE PERIODS INDICATED  
TYPE OF FILING: X\_ ORIGINAL X\_ UPDATED X\_ REVISED  
WORKPAPER REFERENCE NO(S): N/A

Exhibit 37, Schedule K-1

Line No.	Description	Forecasted Period	Base Period	Water Only 2011	Water Only 2010	Water Only 2009	Water Only 2008	Water Only 2007	Water Only 2006	Water Only 2005	Water Only 2004	Water Only 2003	Water Only 2002
2	Plant Data:												
3	Utility Plant in Service												
4	Intangible Plant	\$884,533	\$822,748	\$107,711	\$107,711	\$107,711	\$107,711	\$107,795	\$101,901	\$100,885	\$95,445	\$93,281	\$93,281
5	Source of Supply & Pumping Plant	84,914,109	82,748,104	53,910,303	52,364,403	15,002,102	14,957,121	15,175,468	14,478,568	12,466,321	12,529,556	12,222,824	11,851,498
6	Water Treatment Plant	80,555,186	80,919,530	110,619,131	107,824,450	60,047,045	55,468,176	49,581,746	46,455,253	46,582,960	43,858,265	43,269,652	41,679,213
7	Transmission & Distribution Plant	411,062,692	392,376,746	375,533,150	368,236,957	276,896,561	267,564,327	251,496,546	237,337,350	217,739,263	205,236,394	194,299,087	182,982,843
8	Sewer Plant	0	0	0	0	0	0	33,573	33,579	33,573	0	0	0
9	General Plant	50,123,859	41,572,375	36,318,699	30,801,153	28,785,576	27,371,650	25,049,064	25,269,382	22,985,853	20,424,144	19,381,380	16,346,888
10	Gross Plant	627,540,378	598,439,503	576,488,994	559,334,674	380,838,996	365,468,985	341,446,192	323,676,034	299,908,853	282,143,804	269,266,224	252,953,823
11													
12	Less: Accumulated Depreciation	136,601,885	128,073,154	116,997,882	109,120,928	100,397,576	92,378,248	87,721,073	82,015,524	74,104,932	65,972,037	59,225,801	54,187,985
13	Accumulated Amortization									7,674	7,674	7,674	7,674
14													
15	Net Plant in Service	490,938,493	470,366,349	459,491,113	450,213,747	280,441,421	273,090,738	253,725,119	241,660,510	225,796,248	216,164,093	210,032,749	198,758,165
16													
17	Total CWIP	6,851,268	15,575,022	10,175,999	7,221,475	138,797,378	54,501,131	21,309,579	11,735,349	11,416,985	6,345,740	4,417,165	7,208,291
18													
19	Total Plant Data	\$497,789,760	\$485,941,372	\$469,667,112	\$457,435,222	\$419,238,799	\$327,591,869	\$275,034,698	\$253,395,859	\$237,213,233	\$222,509,833	\$214,449,914	\$205,966,456
20													
21	% of Construction Financed Internally	63.3%	53.5%	110.3%	30.4%	86.2%	42.3%	47.3%	25.9%	44.3%	58.2%	50.4%	70.1%
22													
23													
24													
25	Capital Structure:												
26	(\$'s Based on Period-End Accounts)												
27	Long-Term Debt	198,907,129	186,192,717	192,390,000	172,390,000	149,490,000	81,200,000	84,300,000	54,400,000	81,500,000	82,500,000	68,500,000	68,500,000
28	Preferred Stock	4,482,398	4,481,756	1,445,600	1,445,600	1,445,600	1,445,600	1,466,700	1,466,100	1,468,700	6,048,500	6,052,800	6,910,000
29	Common Equity	171,796,415	159,551,101	155,289,658	150,715,659	128,444,633	93,561,588	74,567,855	73,200,719	63,623,360	60,182,809	62,908,394	61,769,039
30													
31	Total Capital	\$375,185,942	\$350,225,574	\$349,125,258	\$324,551,259	\$279,380,233	\$176,207,188	\$160,334,555	\$129,066,819	\$146,592,060	\$148,731,309	\$137,461,194	\$137,179,039

Kentucky American Water Company  
Case No. 2012-00520  
COMPARATIVE FINANCIAL DATA

DATA: \_X\_ BASE PERIOD \_X\_ FORECASTED PERIOD  
DATE CERTAIN: FOR THE PERIODS INDICATED  
TYPE OF FILING: \_X\_ ORIGINAL \_\_\_ UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): N/A

Exhibits with Slippage - Updated with Actuals/Exhibits/Exhibits(Exhibit 37 I-1 and K updated.xlsx)[S] K

Exhibit 37, Schedule K-1

Line No.	Description	Forecasted Period	Base Period	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
2	Condensed Income Statement Data:												
3	Operating Revenues	\$83,699,241	\$85,630,818	\$ 83,016,582	\$ 73,761,818	\$ 61,710,499	\$ 59,774,669	\$ 52,466,838	\$ 48,859,772	\$ 49,973,132	\$ 42,321,221	\$ 42,764,618	\$ 43,595,516
4	Operating Expenses	52,062,797	50,662,945	48,923,129	47,375,401	42,703,200	39,832,456	37,679,505	37,160,018	36,020,566	37,889,420	29,868,266	28,587,121
5	(Excluding Income Taxes)	481,302	2,035,552	(140,666)	676,653	629,464	599,554	396,290	589,055	503,486	379,185	512,959	636,891
6	State Income Taxes - Current	0	0	0	0	0	0	0	0	0	0	0	0
7	Deferred SIT - Accelerated Depreciation	713,542	(596,653)	877,884	629,638	482,960	277,052	225,146	(162,568)	555,762	(50,216)	223,533	222,489
8	Federal Income Taxes - Current	3,626,625	9,420,118	(483,454)	(36,209,720)	1,535,934	3,273,479	2,926,746	3,305,428	2,216,361	(1,525,757)	1,857,305	1,594,132
9	Deferred FIT - Accelerated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
10	Federal Income Taxes - Other	3,365,205	(1,166,326)	4,775,154	43,850,412	4,268,422	1,926,709	601,270	(1,218,281)	172,735	1,085,295	965,170	1,676,242
11	Deferred FIT - ITC	0	0	0	0	0	0	0	0	0	0	0	0
12	Amortization of ITC	(84,792)	(84,797)	(84,797)	(84,797)	(84,797)	(84,797)	(84,837)	(84,757)	(95,596)	(95,596)	(85,352)	(84,797)
13													
14	Operating Income	23,534,562	25,359,979	29,149,332	17,524,231	12,175,316	13,950,216	10,722,718	9,270,877	10,599,818	4,638,890	9,422,737	10,963,438
15	AFUDC	440,741	(1,000,318)	412,080	3,370,915	4,897,575	1,918,748	1,226,848	390,200	494,177	173,521	655,695	652,328
16	Other Income (Deductions), Net	0	(29,925)	(429,902)	(555,333)	(269,064)	(10,952)						
17													
18	Income Available for Fixed Charges	23,975,304	24,329,736	29,131,510	20,339,813	17,072,891	15,599,900	11,938,614	9,661,077	11,093,995	4,812,411	10,078,432	11,615,766
19	Interest Charges	12,410,089	11,838,464	11,019,329	7,109,349	5,942,543	6,544,685	6,104,079	5,658,020	5,632,872	5,145,289	4,706,384	5,043,371
20													
21	Net Income	11,565,214	12,491,271	18,112,181	13,230,464	11,130,348	9,055,215	5,834,535	4,003,057	5,461,123	(332,878)	5,372,048	6,572,395
22	Preferred Dividends	381,150	381,150	458,776	458,776	460,552	459,457	459,923	458,797	79,874	448,208	513,293	533,615
23													
24	Net Income to Common Equity	\$11,184,064	\$12,110,121	\$17,653,405	\$12,771,688	\$10,669,796	\$8,595,758	\$5,374,612	\$3,544,260	\$5,381,249	-\$781,086	\$4,858,755	\$6,038,780
25													
26	AFUDC as a Percent of Net Income	3.81%	-8.01%	2.28%	25.48%	44.00%	21.19%	21.03%	9.75%	9.05%	-52.13%	12.21%	9.93%
27	AFUDC as a Percent to Earnings Available for Common Equity	3.94%	-8.26%	2.33%	26.39%	45.90%	22.32%	22.83%	11.01%	9.18%	-22.22%	13.50%	10.80%
28	Cost of Capital:												
29	Embedded Cost of Long-Term Debt	6.03%	6.19%	5.73%	4.05%	3.89%	7.13%	6.06%	6.29%	6.91%	6.24%	6.87%	7.34%
30	Embedded Cost of Preferred Stock	8.52%	8.52%	5.37%	5.37%	5.37%	5.38%	5.37%	5.37%	5.44%	7.41%	8.50%	7.74%
31	Fixed Charge Coverages:												
32	Pre-Tax Interest Coverage	2.58	2.87	3.09	4.11	4.02	3.30	2.62	2.14	2.56	0.90	2.88	3.11
33	Pre-Tax Interest Coverage (Excluding AFUDC)	2.55	2.95	3.05	3.63	3.20	3.01	2.42	2.07	2.48	0.86	2.74	2.98
34	After-Tax Interest Coverage	1.93	2.06	2.64	2.86	2.87	2.38	1.96	1.71	1.97	0.94	2.14	2.30
35	After-Tax Fixed Charge Coverage	1.87	1.99	2.54	2.69	2.67	2.23	1.82	1.58	1.94	0.86	1.93	2.08
36													
37													
38													
39													
40													
41													
42													
43													
44													
45													
46													

Data for forecast excludes the effect of any additional revenues approved by the commission in this proceeding.

Kentucky American Water Company  
Case No. 2012-00520  
COMPARATIVE FINANCIAL DATA

DATA: X\_ BASE PERIOD X\_ FORECASTED PERIOD  
DATE CERTAIN: FOR THE PERIODS INDICATED  
TYPE OF FILING: X\_ ORIGINAL UPDATED \_\_\_ REVISED  
WORKPAPER REFERENCE NO(S): N/A

Exhibits with Slippage - Updated with Actuals/Exhibits/Exhibits[Exhibit 37 I-1 and K updated.xlsx]Sch K

Exhibit 37, Schedule K-1

Line No.	Description	Forecasted Period	Base Period	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
2	<u>Stock and Bond Ratings:</u>												
3	Moody's Bond Rating												
4	S&P Bond Rating												
5	Moody's Preferred Stock Rating												
6	S&P Preferred Stock Rating												
7													
8	<u>Common Stock Related Data:</u>												
9	Shares Outstanding - Year-End	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391
10	Shares Outstanding - Monthly Average	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391	1,567,391
11	Earnings per Share - Weighted Average	\$7.14	\$7.73	\$11.26	\$8.15	\$6.81	\$5.48	\$3.43	\$2.26	\$3.43	(\$0.50)	\$3.10	\$3.85
12	Dividends Paid per Share	\$5.36	\$5.80	\$8.66	\$5.70	\$5.17	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01
13	Dividends Declared per Share	\$5.36	\$5.80	\$8.66	\$5.70	\$5.17	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01
14	Dividend Payout Ratio (Declared Basis)	75.07%	75.03%	76.91%	69.94%	75.92%	69.89%	77.55%	56.64%	32.07%	-244.00%	70.00%	78.18%
15	Market Price - High/Low												
16	1st Quarter												
17	2nd Quarter												
18	3rd Quarter												
19	4th Quarter												
20	Book Value per Share (Year-End)	\$109.61	\$101.79	\$99.08	\$96.16	\$81.95	\$59.69	\$47.57	\$46.70	\$40.59	\$38.40	\$40.14	\$39.41
21	<u>Rate of Return Measures:</u>												
22	Return on Common Equity (Average)	6.75%	7.69%	11.54%	9.15%	9.61%	10.23%	7.27%	5.18%	8.69%	-1.27%	7.79%	19.55%
23	Return on Total Capital - (Average)	6.49%	7.25%	8.65%	5.80%	5.34%	8.29%	7.41%	6.73%	7.18%	3.24%	10.10%	
24	Return on Net Plant in Service (Average)	4.90%	5.45%	6.41%	4.80%	4.40%	5.30%	4.33%	3.97%	4.80%	2.18%	4.61%	5.31%
25	<u>Other Financial and Operating Data:</u>												
26	Mix of Sales (Gas and Electric)												
27	Mix of Fuel (Gas and Electric)												
28	Composite Depreciation Rate	1.88%	1.78%	1.56%	1.41%	1.56%	1.64%	1.87%	2.14%	1.99%	2.41%	2.23%	2.27%
29	Return on net plant calculated by dividing utility operating income by average net plant.												

ALL BOND AND PREFERRED STOCK ISSUES ARE PRIVATELY PLACED AND THEREFORE, NOT RATED.

NO MARKET PRICE IS AVAILABLE FOR KENTUCKY-AMERICAN WATER COMPANY. STOCK IS NOT PUBLICLY TRADED.

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY

**EXHIBIT 37  
SCHEDULE L**

**NARRATIVE DESCRIPTION AND EXPLANATION OF ALL PROPOSED TARIFF CHANGE**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
L	No update required for Schedule L.

Kentucky American Water Company  
Case No. 2012-00520  
Narrative Description and Explanation of Proposed Tariff Changes  
For the 12 Months Ending July 31, 2014

DATA: \_\_\_BASE PERIOD \_\_\_X\_ FORECASTED PERIOD  
TYPE OF FILING: \_\_\_X\_ ORIGINAL \_\_\_UPDATED \_\_\_REVISED

Exhibit 37, Schedule L  
Exhibits\Revenue\Schedule L.xlsx\Exhibit  
Witness Responsible: Linda Bridwell

Line No.	Reference	Type of Rate or Regulation	Description
1			The Company is proposing to increase its rates based on Mr. Paul Herbert's cost of service study for all metered tariffs, plus public and private fire protection.
2			Please see the testimony of Linda Bridwell for a general discussion about the impact of the change in water service tariffs proposed by the testimony and exhibits of Paul Herbert. Also see the cost of service study prepared by Mr. Herbert attached to Exhibit 36.
3			
4			
5			The Company is proposing to add a tariff for a Purchased Power and Chemical Charge Rider. The tariff provides for recovery or crediting of incremental changes in the cost of purchased power and chemicals between rate cases. This Rider will be applied as a percentage to all customer classes and re-calculated on an annual basis. Please refer to the testimony of Mr. Gary VerDouw.
6			
7			
8			
9			The Company is proposing to add a tariff for a Distribution System Improvement Charge Rider. The rider will recover the fixed costs (pre-tax return and depreciation) of certain non-revenue producing distribution system improvement projects completed and placed in service on an annual prospective basis between base rate cases and recorded in the individual utility plant accounts, and provide the Company with the resources to accelerate the replacement of aging water distribution system infrastructure. The initial annual prospective DSC year will be the first full twelve month period following the Forecast Test Period utilized by the Commission in establishing Base Rates of the Company in its prior Base Rate Case proceeding. Please see Mr. Gary VerDouw's testimony.
10			
11			
12			
13			
14			
15			
16			The Company is proposing to adjust its Tapping Fee tariff due to increased costs for water service installations. Please refer to the testimony of Mr. Lance Williams.
17			
18			The Company is proposing to increase its service activation fees and reconnection fees due to increased costs. Please refer to the testimony of Ms. Linda Bridwell.
19			
20			The Company is proposing to eliminate its after-hours charge for service activations and reconnections. Please refer to the testimony of Ms. Linda Bridwell.
21			
22			The Company is proposing to revise its Returned Check Charge to an Insufficient Funds charge that will apply for both paper checks and electronic fund transfers that are not honored. Please refer to the testimony of Ms. Linda Bridwell.
23			
24			
25			The Company is proposing language for customer service classifications to be included in its tariff. Currently, the Company's tariff does not include definitions for each customer class. KAW has therefore proposed language that clearly defines each service classification so that customers can more easily determine which service is applicable to their usage.
26			
27			



**EXHIBIT 37  
SCHEDULE M**

**REVENUE SUMMARY FOR BASE PERIOD AND FORECASTED PERIOD  
WITH DETAILED BILLING ANALYSIS FOR ALL CUSTOMER CLASSES**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

Schedule	Description
M-1	Revenue Summary
M-2	Revenues at Present and Proposed Rates
M-3	Bill Analysis for the Base Period and Forecasted Period

Kentucky American Water Company  
Case No. 2012-00520  
Revenue Summary

For the Base Period Ended 3/31/13 & the Forecast Year Ended 7/31/14 (At Both Present and Proposed Rates)

Line No.	Description	Supporting Schedule Reference	Base Period 12 Months Ended 3/31/13	Adjustments for Present Rates	Forecast Year at Present Rates	Adjustments for Proposed Rates	Forecast Year at Proposed Rates	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	
								[KY Revenue Exhibit.xlsx]	[Exhibit M-1 Revenue Exhibit.xlsx]
1									
2	<b>Sales of Water</b>								
3	Residential	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	\$ 44,528,989	\$ (95,457)	\$ 44,433,532	\$ 7,944,541	\$ 52,378,073		
4	Commercial	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	21,874,005	(486,166)	21,387,839	1,902,961	23,290,800		
5	Industrial	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	2,245,268	(97,850)	2,147,438	425,844	2,573,282		
6	Other Public Authorities	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	6,924,902	(599,420)	6,325,482	748,874	7,074,356		
7	Sale for Resale	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	1,997,768	(168,247)	1,829,521	45,796	1,875,317		
8	Private Fire	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	2,384,983	(65,543)	2,319,440	231,907	2,551,347		
9	Public Fire	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	3,370,201	7,397	3,377,598	665,880	4,043,478		
10	Miscellaneous	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	26,331	(26,331)	-	-	-		
11	Other Water Revenue	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	(1,821)	46,147	44,326	12,084	56,410		
12	<b>Total Sales of Water</b>		<b>\$ 83,350,626</b>	<b>\$ (1,485,450)</b>	<b>\$ 81,865,176</b>	<b>\$ 11,977,887</b>	<b>\$ 93,843,063</b>		
13									
14									
15	<b>Other Operating Revenues</b>								
16	Other Water Revenue	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	\$ -	\$ -	\$ -	\$ -	\$ -		
17	Late Payment Fee	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	197,697	482,303	680,000	-	680,000		
18	Rent	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	95,990	(4,190)	91,800	-	91,800		
19	Rent I/C	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	283,244	(183,244)	100,000	-	100,000		
20	Collect for Others	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	710,414	(710,414)	-	-	-		
21	NSF Check Charge	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	23,688	8,454	32,142	-	32,142		
22	Application/Initiation Fee	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	643,116	(32,264)	610,852	46,989	657,841		
23	Usage Data	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	28,605	(28,605)	-	-	-		
24	Reconnect Fee	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	284,245	(24,973)	259,272	299,160	558,432		
25	Miscellaneous Service	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	12,694	47,306	60,000	-	60,000		
26	WW-Miscellaneous Service	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	500	(500)	-	-	-		
27	<b>Total Other Operating Revenues</b>		<b>\$ 2,280,193</b>	<b>\$ (446,127)</b>	<b>\$ 1,834,066</b>	<b>\$ 346,149</b>	<b>\$ 2,180,215</b>		
28									
29									
30	<b>Total Operating Revenues</b>		<b>\$ 85,630,819</b>	<b>\$ (1,931,577)</b>	<b>\$ 83,699,242</b>	<b>\$ 12,324,036</b>	<b>\$ 96,023,278</b>		

Kentucky American Water Company  
Case No. 2012-00520  
Revenue Summary  
Summary of Adjustments for Operating Revenues at Present Rates

Line Number	Adjustments	Schedule Reference	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\					Other Public Authorities	Sole for Resale
			Residential	Commercial	Industrial	Public Fire	Miscellaneous		
1									
2	Billing Determinant Change	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	\$ (230,081)	\$ (528,091)	\$ (88,946)	\$ (641,107)	\$ (129,438)		
3	Unbilled Adjustment	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	134,624	41,925	(8,884)	41,687	(6,243)		
4	Eliminate Owenton Revenue	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\					(32,566)		
5									
6									
7	Total		<u>\$ (95,457)</u>	<u>\$ (486,166)</u>	<u>\$ (97,830)</u>	<u>\$ (599,420)</u>	<u>\$ (168,247)</u>		
8									
9									
10									
11									
12									
13									
14									
15	Billing Determinant Change	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\	\$ (65,543)	\$ 7,397	\$ (26,331)	\$ 46,147	\$ (1,655,993)		
16	Unbilled Adjustment	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\					203,109		
17	Eliminate Owenton Revenue	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\					(32,566)		
18									
19									
20	Total		<u>\$ (65,543)</u>	<u>\$ 7,397</u>	<u>\$ (26,331)</u>	<u>\$ 46,147</u>	<u>\$ (1,485,450)</u>		

Kentucky American Water Company  
Case No. 2012-00520  
Revenue Summary  
Summary of Adjustments for Operating Revenues at Present Rates

Line Number	Adjustments	Schedule Reference	Other Water Revenue	Late Payment Fee	Rent	Rent I/C	Collect for Others	NSF Check Charge
1								
2	To Adjust for the Forecast Period	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M	\$ -	\$ 482,303	\$ (4,190)	\$ (183,244)	\$ (710,414)	\$ 8,454
3								
4								
5								
6								
7	Total		\$ -	\$ 482,303	\$ (4,190)	\$ (183,244)	\$ (710,414)	\$ 8,454
8								
9								
10								
11								
12								
13								
14								
15	To Adjust for the Forecast Period	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M	\$ (32,264)	\$ (28,605)	\$ (24,973)	\$ 47,306	\$ (500)	\$ (446,127)
16								
17								
18								
19								
20	Total		\$ (32,264)	\$ (28,605)	\$ (24,973)	\$ 47,306	\$ (500)	\$ (446,127)

Application/Initiation Fee	Usage Data	Reconnect Fee	Miscellaneous Service	WW-Miscellaneous Service	Total
\$ (32,264)	\$ (28,605)	\$ (24,973)	\$ 47,306	\$ (500)	\$ (446,127)
\$ (32,264)	\$ (28,605)	\$ (24,973)	\$ 47,306	\$ (500)	\$ (446,127)

Kentucky American Water Company  
Case No. 2012-00520  
Revenue Summary

Summary of Adjustments for Operating Revenues for Forecast Year at Proposed Rates

Witness Responsible: Linda Bridwell  
Type of Filing: Original X Updated X Revised X  
Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit  
Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit

Exhibit 37, Schedule M-1

Line Number	Adjustments	Schedule Reference	Residential	Commercial	Industrial	Other Public Authorities	Sale for Resale
1							
2	Proposed Rates	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M	\$ 7,944,541	\$ 1,902,961	\$ 425,844	\$ 748,874	45,796
3							
4							
5							
6							
7	Total		\$ 7,944,541	\$ 1,902,961	\$ 425,844	\$ 748,874	\$ 45,796
8							
9							
10							
11							
12							
13							
14							
15	Proposed Rates	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M	\$ 231,907	665,880	-	12,084	\$ 11,977,887
16							
17							
18							
19							
20	Total		\$ 231,907	\$ 665,880	\$ -	\$ 12,084	\$ 11,977,887

Private Fire  
Public Fire  
Miscellaneous  
Water Revenue  
Total

Kentucky American Water Company  
Case No. 2012-00520  
Revenue Summary  
Summary of Adjustments for Other Revenues for Forecast Year at Proposed Rates

Witness Responsible: Linda Bridwell  
Type of Filing: Original \_\_\_X\_\_\_ Updated \_\_\_X\_\_\_ Revised \_\_\_X\_\_\_ Exhibit 37, Schedule M-1

Line Number	Adjustments	Schedule Reference	Other Water Revenue	Late Payment Fee	Rent	Rent I/C	Collect for Others	NSF Check Charge
1								
2	To Adjust for the Forecast Period	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M						
3								
4								
5								
6								
7	Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8								
9								
10								
11								
12								
13								
14								
15	To Adjust for the Forecast Period	Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch M	\$ 46,989		\$ 299,160			\$ 346,149
16								
17								
18								
19								
20	Total		\$ 46,989	\$ -	\$ 299,160	\$ -	\$ -	\$ 346,149

Application/Initiation Fee	Usage Data	Reconnect Fee	Miscellaneous Service	WW-Miscellaneous Service	Total
\$ 46,989		\$ 299,160			\$ 346,149
\$ 46,989	\$ -	\$ 299,160	\$ -	\$ -	\$ 346,149

Kentucky American Water Company  
Forecast Year Operating Revenues at Present Rates vs Proposed Rates  
Case No. 2012-00520

Base Year for the 12 Months Ended March 31, 2013 and Forecast Year for the 12 Months Ended July 31, 2014

Witness Responsible: Linda Bridwell  
Type of Filing: Original  Updated  Revised  Exhibit 37, Schedule M-2  
Exhibits with Slippage - Updated with Actuals/Exhibits (Revenue)(Revenue.XLS)(Sch M)

Line #	Class/Description	Base Period at Present Rates		Base Period at Proposed Rates		Test Year at Present Rates		Test Year at Proposed Rates		Percentage Change
		Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	
1	<b>Monthly Billing:</b>									
2	Residential	6,108,550	\$44,663,615	6,058,213	\$52,691,275	6,058,213	\$44,433,532	6,058,213	\$52,378,073	17.88%
3	Commercial	3,916,727	21,915,929	3,916,727	23,855,915	3,806,938	21,387,839	3,806,938	23,290,800	8.90%
4	Industrial	550,294	2,236,385	550,294	2,678,183	527,179	2,147,438	527,179	2,573,282	19.83%
5	Other Public Authority	1,497,070	6,966,588	1,497,070	7,767,417	1,353,437	6,325,482	1,353,437	7,074,356	11.84%
6	Sale for Resale	452,480	1,978,702	452,480	2,026,237	421,923	1,829,521	421,923	1,875,317	2.50%
7	Private Fire Service:	0	2,349,650	0	2,584,840	0	2,319,440	0	2,551,347	10.00%
8	Public Fire Service:	0	3,370,030	0	4,034,418	0	3,377,598	0	4,043,478	19.71%
9	Miscellaneous	242,980	26,331	242,980	26,331	394,395	44,326	394,395	665,880	0.00%
10	Other Water Revenue	0	33,684	0	33,684	0	44,326	0	56,410	27.26%
11	Total	12,768,101	\$83,540,914	12,768,101	\$95,698,300	12,562,085	\$81,865,176	12,562,085	\$93,843,063	14.63%
12										
13	<b>Miscellaneous Revenues:</b>									
14	Other Water Revenue		\$0		\$0		\$0		\$0	0.00%
15	Late Payment Fee		197,697		228,124		680,000		680,000	0.00%
16	Rent		95,990		92,757		91,800		91,800	0.00%
17	Rent/IC		283,244		277,643		100,000		100,000	0.00%
18	Collect for Others		710,414		706,072		0		0	0.00%
19	NSF Check Charge		23,688		28,708		32,142		32,142	0.00%
20	Application/Initiation Fee		643,116		659,573		610,852		657,841	7.69%
21	Usage Data		28,605		1,300		0		0	0.00%
22	Reconnect Fee		284,245		1,015,375		259,272		558,432	115.38%
23	Miscellaneous Service		12,694		33,265		60,000		60,000	0.00%
24	WW-Miscellaneous Service		500		500		0		0	0.00%
25	Total Other Revenue		\$2,280,193		\$3,043,317		\$1,834,066		\$2,180,215	18.87%
26	Total		\$85,821,107		\$98,741,617		\$83,699,242		\$96,023,278	14.72%
27										
28	Total Revenue		\$85,821,107		\$98,741,617		\$83,699,242		\$96,023,278	14.72%

Witness Responsible: Linda Bridwell  
Type of Filing: Original X Updated X Revised X

Kentucky American Water Company  
Test Year Operating Revenues at Present Rates vs Proposed Rates  
Case No. 2012-00520

Base Year for the 12 Months Ended March 31, 2013 and Forecast Year for the 12 Months Ended July 31, 2014

Exhibit 37, Schedule M-3  
Exhibits with Slippage - Updated with Actuals Exhibits (Revenue, Revenue, X) X (Sch, M)

Line #	Class/Description	Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
		Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	Residential:																		
2	Minimum Charge:																		
3	5/8" Monthly	1,333,594	6,125,784	\$5.3004	\$32,469,106	1,333,594	6,125,784	\$5.4462	\$33,362,245	1,320,569	6,058,213	\$5.3004	\$32,110,954	1,320,569	6,058,213	\$5.4462	\$32,994,242	\$6,734,904	57.30%
4	3/4" Monthly	28	0	0.0000	0	28	0	0.0000	0	12	0	0.0000	0	12	0	0.0000	0	0	0.00%
5	1" Monthly	22,171	0	0.0000	0	22,171	0	0.0000	0	21,816	0	0.0000	0	21,816	0	0.0000	0	278,154	57.30%
6	1-1/2" Monthly	168	0	0.0000	0	168	0	0.0000	0	168	0	0.0000	0	168	0	0.0000	0	4,284	57.30%
7	2" Monthly	972	0	0.0000	0	972	0	0.0000	0	924	0	0.0000	0	924	0	0.0000	0	37,699	57.30%
8	3" Monthly	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
9	4" Monthly	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
10	6" Monthly	25	0	0.0000	0	25	0	0.0000	0	24	0	0.0000	0	24	0	0.0000	0	6,120	57.30%
11	8" Monthly	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
12	Surcharge	0	(17,234)	0.0000	(255,932)	0	(17,234)	0.0000	(255,932)	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
13																			
14																			
15																			
16	VoluMetric Charges:																		
17	First Block	6,125,784	6,125,784	\$5.3004	\$32,469,106	6,125,784	6,125,784	\$5.4462	\$33,362,245	6,058,213	6,058,213	\$5.3004	\$32,110,954	6,058,213	6,058,213	\$5.4462	\$32,994,242	\$683,288	2.75%
18	Second Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
19	Third Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
20	Fourth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
21	Fifth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
22	Sixth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
23	Credits	(17,234)	(17,234)	0.0000	(255,932)	0	(17,234)	0.0000	(255,932)	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
24																			
25	Total	6,108,550	6,108,550		\$44,663,615	6,058,213	6,058,213		\$52,691,275	6,058,213	6,058,213		\$44,433,532	6,058,213	6,058,213		\$52,376,073	\$7,944,541	17.88%





Kentucky American Water Company  
Test Year Operating Revenues at Present Rates vs Proposed Rates  
Case No. 2012-00520  
Base Year for the 12 Months Ended March 31, 2013 and Forecast Year for the 12 Months Ended July 31, 2014

Line #	Class/Description	Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates			Exhibits with Slippage - Updated with Actuals (Revenue.xlsx) Sch MI	Exhibit 37, Schedule M-3 (Revenue.xlsx) Sch MI					
		Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue			Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change
1	<b>Industrial:</b>																			
2	Minimum Charge:																			
3	5/8" Monthly	81		\$8.90	\$724	81	\$14.00	\$1,139	84	\$8.90	\$748	84	\$14.00	\$1,176	\$428	57.22%				
4	3/4" Monthly	7		13.35	93	7	21.00	147	12	13.35	160	12	21.00	252	92	57.50%				
5	1" Monthly	24		22.25	536	24	35.00	844	24	22.25	534	24	35.00	840	306	57.30%				
6	1-1/2" Monthly	24		44.50	1,071	24	70.00	1,685	24	44.50	1,068	24	70.00	1,680	612	57.30%				
7	2" Monthly	284		71.20	20,221	284	112.00	31,808	276	71.20	19,651	276	112.00	30,912	11,261	57.30%				
8	3" Monthly	0		133.50	0	0	210.00	0	0	133.50	0	0	210.00	0	0	0.00%				
9	4" Monthly	127		222.50	28,273	127	350.00	44,475	132	222.50	29,370	132	350.00	46,200	16,830	57.30%				
10	6" Monthly	96		445.00	42,720	96	700.00	67,200	96	445.00	42,720	96	700.00	67,200	24,480	57.30%				
11	8" Monthly	0		712.00	0	0	1,120.00	0	0	712.00	0	0	1,120.00	0	0	0.00%				
12	Surcharge																			
13																				
14																				
15																				
16	<b>VoluMetric Charges:</b>																			
17	First Block		550,294	\$3.8947	\$2,143,213		\$4.6000	\$2,531,351		527,179	\$3.8947	\$2,053,187		527,179	\$4.6000	\$2,425,022	\$371,835	18.11%		
18	Second Block		0	0.0000	0		0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%		
19	Third Block		0	0.0000	0		0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%		
20	Fourth Block		0	0.0000	0		0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%		
21	Fifth Block		0	0.0000	0		0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%		
22	Sixth Block		0	0.0000	0		0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%		
23	Credits		0	0.0000	(466)		0.0000	(466)		0	0.0000	0		0	0.0000	0	0	0.00%		
24																				
25	<b>Total</b>		<b>550,294</b>		<b>\$2,236,385</b>		<b>\$50,294</b>	<b>\$2,678,183</b>		<b>527,179</b>	<b>\$2,147,438</b>		<b>527,179</b>	<b>\$2,573,282</b>	<b>\$425,844</b>	<b>19.89%</b>				

Kentucky American Water Company  
Test Year Operating Revenues at Present Rates vs Proposed Rates  
Case No. 2012-00520  
Base Year for the 12 Months Ended March 31, 2013 and Forecast Year for the 12 Months Ended July 31, 2014

Line #	Class/ Description	Base Period at Present Rates				Test Year at Proposed Rates				Test Year at Present Rates				Exhibits with Slippage - Updated with Actuals Exhibits (Revenue.xlsx) Sch M				
		Customer		Total Revenue	Customer		Total Revenue	Customer		Total Revenue	Customer		Total Revenue	Customer		Total Revenue	Dollar Change	Percentage Change
		Meter Billings	Sales ('000 Gal)		Current Rate	Proposed Rate		Meter Billings	Sales ('000 Gal)		Current Rate	Proposed Rate		Meter Billings	Sales ('000 Gal)			
1	<b>Other Public Authority:</b>																	
2	Minimum Charge:																	
3	5/8" Monthly	1,660		\$14,770	\$8.90	1,660	\$23,234	\$14.00	\$14,845	1,668		\$14,000	\$23,352	1,668		\$8,507	57.31%	
4	3/4" Monthly	0	0	0	13.35	0	0	21.00	0	0	0	21.00	0	0	0	0	0.00%	
5	1" Monthly	2,111	46,959	46,959	22.25	2,076	73,868	35.00	46,191	2,076	73,868	35.00	73,660	26,469	57.30%			
6	1-1/2" Monthly	356	15,854	15,854	44.50	336	24,958	70.00	14,952	336	24,958	70.00	23,520	8,568	57.30%			
7	2" Monthly	4,476	318,704	318,704	71.20	4,452	501,332	112.00	316,982	4,452	498,624	112.00	498,624	181,642	57.30%			
8	3" Monthly	13	1,695	1,695	133.50	12	2,667	210.00	1,602	12	2,520	210.00	2,520	918	57.30%			
9	4" Monthly	492	109,523	109,523	222.50	492	172,284	350.00	109,470	492	172,284	350.00	172,200	62,730	57.30%			
10	6" Monthly	140	62,505	62,505	445.00	132	98,322	700.00	58,740	132	92,400	700.00	92,400	33,660	57.30%			
11	8" Monthly	24	17,088	17,088	712.00	24	26,880	1,120.00	17,088	24	26,880	1,120.00	26,880	9,792	57.30%			
12	Surcharge																	
13																		
14																		
15																		
16	<b>Volume Charges:</b>																	
17	First Block	1,508,778	\$4,2452	\$6,405,064	1,508,778	1,508,778	\$6,869,466	\$4,5550	\$5,745,612	1,353,437	\$5,745,612	\$4,55530	\$6,162,200	1,353,437	\$416,588	7.25%		
18	Second Block	0	0.00000	0	0.00000	0	0	0.00000	0	0	0	0.00000	0	0	0	0.00%		
19	Third Block	0	0.00000	0	0.00000	0	0	0.00000	0	0	0	0.00000	0	0	0	0.00%		
20	Fourth Block	0	0.00000	0	0.00000	0	0	0.00000	0	0	0	0.00000	0	0	0	0.00%		
21	Fifth Block	0	0.00000	0	0.00000	0	0	0.00000	0	0	0	0.00000	0	0	0	0.00%		
22	Sixth Block	0	0.00000	0	0.00000	0	0	0.00000	0	0	0	0.00000	0	0	0	0.00%		
23	Credits	(11,708)	(11,708)	(25,574)	(11,708)	(11,708)	(25,574)	0.00000	(25,574)	0	(25,574)	0.00000	0	0	0	0.00%		
24																		
25	<b>Total</b>	<b>1,497,070</b>	<b>\$6,966,588</b>	<b>\$6,966,588</b>	<b>1,497,070</b>	<b>1,497,070</b>	<b>\$7,674,171</b>	<b>\$4,5550</b>	<b>\$6,325,482</b>	<b>1,353,437</b>	<b>\$6,325,482</b>	<b>\$4,55530</b>	<b>\$7,074,356</b>	<b>1,353,437</b>	<b>\$748,874</b>	<b>11.84%</b>		





**EXHIBIT 37  
SCHEDULE N**

**TYPICAL BILL COMPARISON UNDER PRESENT AND PROPOSED RATES FOR ALL CUSTOMER CLASSES**

**KENTUCKY-AMERICAN WATER COMPANY**

**Case No. 2012-00520**

Forecasted Test Period: For the 12 Months Ended July 31, 2014

Base Period: For the 12 Months Ended March 31, 2013

<u>Schedule</u>	<u>Description</u>
N	No update required for Schedule N.

Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Residential - 5/8" Meter

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\				Exhibit 37, Schedule N
Type of Filing: _____	Original	X_ Updated	_____ Revised	Revenue\		Sch N
Consumption	Present	Proposed	Difference	Percentage	Difference	Percentage
Thousand Gallons	Rate	Rate	Rate	Difference	Difference	Difference
0	\$8.90	\$14.00	\$	5.10	57.30%	
1	14.20	19.45		5.25	36.97%	
2	19.50	24.89		5.39	27.64%	
3	24.80	30.34		5.54	22.34%	
4	30.10	35.78		5.68	18.87%	
4.50	32.75	38.51		5.76	17.59%	
5	35.40	41.23		5.83	16.47%	
6	40.70	46.68		5.98	14.69%	
7	46.00	52.12		6.12	13.30%	
8	51.30	57.57		6.27	12.22%	
9	56.60	63.02		6.42	11.34%	
10	61.90	68.46		6.56	10.60%	
15	88.41	95.69		7.28	8.23%	
20	114.91	122.92		8.01	6.97%	
25	141.41	150.16		8.75	6.19%	
30	167.91	177.39		9.48	5.65%	
35	194.41	204.62		10.21	5.25%	
40	220.92	231.85		10.93	4.95%	
45	247.42	259.08		11.66	4.71%	
50	273.92	286.31		12.39	4.52%	
75	406.43	422.47		16.04	3.95%	
100	538.94	558.62		19.68	3.65%	
Average User	\$	32.75	\$	38.51	\$	5.76
						17.59%

Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Commercial - 5/8" Meter

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\			Exhibit 37, Schedule N		
Type of Filing: _____	Original	X_ Updated	_____ Revised				
Consumption	Present	Proposed		Difference		Percentage	
Thousand Gallons	Rate	Rate				Difference	
0	\$8.90	\$14.00	\$	5.10		57.30%	
1	13.73	18.88		5.15		37.51%	
2	18.56	23.75		5.19		27.96%	
3	23.38	28.63		5.25		22.46%	
4	28.21	33.50		5.29		18.75%	
5	30.63	35.94		5.31		17.34%	
5	33.04	38.38		5.34		16.16%	
6	37.87	43.25		5.38		14.21%	
7	42.70	48.13		5.43		12.72%	
8	47.52	53.00		5.48		11.53%	
9	52.35	57.88		5.53		10.56%	
10	57.18	62.75		5.57		9.74%	
15	81.32	87.13		5.81		7.14%	
20	105.46	111.50		6.04		5.73%	
25	129.60	135.88		6.28		4.85%	
30	153.74	160.25		6.51		4.23%	
35	177.88	184.63		6.75		3.79%	
36	182.71	189.50		6.79		3.72%	
40	202.02	209.00		6.98		3.46%	
50	250.30	257.76		7.46		2.98%	
75	371.00	379.63		8.63		2.33%	
100	491.70	501.51		9.81		2.00%	
Average User	\$	182.71	\$	189.50	\$	6.79	3.72%



Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Industrial - 2" Meter

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\			Exhibit 37, Schedule N		
Type of Filing:	Original	X_Updated	Revised				
Consumption	Present	Proposed		Difference	Percentage	Difference	
Thousand Gallons	Rate	Rate	Rate				
0	\$71.20	\$112.00	\$	40.80	57.30%		
10	110.15	158.00		47.85	43.44%		
25	168.57	227.00		58.43	34.66%		
50	265.93	342.00		76.07	28.61%		
75	363.30	457.00		93.70	25.79%		
100	460.67	572.00		111.33	24.17%		
150	655.40	802.00		146.60	22.37%		
200	850.13	1,032.00		181.87	21.39%		
250	1,044.87	1,262.00		217.13	20.78%		
500	2,018.54	2,412.00		393.46	19.49%		
750	2,992.20	3,562.00		569.80	19.04%		
1,000	3,965.87	4,712.00		746.13	18.81%		
1,250	4,939.54	5,862.00		922.46	18.68%		
1,500	5,913.21	7,012.00		1,098.79	18.58%		
2,000	7,860.54	9,312.00		1,451.46	18.47%		
2,092	8,218.85	9,735.20		1,516.35	18.45%		
2,500	9,807.88	11,612.00		1,804.12	18.39%		
2,750	10,781.54	12,762.00		1,980.46	18.37%		
3,000	11,755.21	13,912.00		2,156.79	18.35%		
5,000	19,544.55	23,112.00		3,567.45	18.25%		
10,000	39,017.90	46,112.00		7,094.10	18.18%		
20,000	77,964.60	92,112.00		14,147.40	18.15%		
Average User	\$	8,218.85	\$	9,735.20	\$	1,516.35	18.45%

Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Other Public Authority - 2" Meter

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\Revenue.xlsx\Sch N				Exhibit 37, Schedule N
Type of Filing:	Original	X_Updated	Revised			
Consumption Thousand Gallons	Present Rate	Proposed Rate	Difference	Difference	Percentage Difference	
0	\$71.20	\$112.00	\$ 40.80		57.30%	
5	92.43	134.77	42.34		45.81%	
10	113.65	157.53	43.88		38.61%	
15	134.88	180.30	45.42		33.67%	
25	177.33	225.83	48.50		27.35%	
50	283.46	339.65	56.19		19.82%	
75	389.59	453.48	63.89		16.40%	
100	495.72	567.30	71.58		14.44%	
125	601.85	681.13	79.28		13.17%	
150	707.98	794.95	86.97		12.28%	
175	814.11	908.78	94.67		11.63%	
200	920.24	1,022.60	102.36		11.12%	
212	971.18	1,077.24	106.06		10.92%	
250	1,132.50	1,250.25	117.75		10.40%	
300	1,344.76	1,477.90	133.14		9.90%	
350	1,557.02	1,705.55	148.53		9.54%	
400	1,769.28	1,933.20	163.92		9.26%	
500	2,193.80	2,388.50	194.70		8.88%	
750	3,255.10	3,526.75	271.65		8.35%	
1,000	4,316.40	4,665.00	348.60		8.08%	
2,500	10,684.20	11,494.50	810.30		7.58%	
5,000	21,297.20	22,877.00	1,579.80		7.42%	
Average User	\$ 971.18	\$ 1,077.24	\$ 106.06		10.92%	

Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Sales for Resale - 6" Meter

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\			Exhibit 37, Schedule N	
Type of Filing: _____	Original	X_ Updated	_____ Revised			
Consumption	Present	Proposed		Difference	Percentage	Difference
Thousand Gallons	Rate	Rate				
0	\$445.00	\$700.00	\$	255.00	57.30%	
25	550.23	806.13		255.90	46.51%	
50	655.47	912.26		256.79	39.18%	
75	760.70	1,018.39		257.69	33.88%	
100	865.93	1,124.52		258.59	29.86%	
150	1,076.40	1,336.78		260.38	24.19%	
200	1,286.87	1,549.04		262.17	20.37%	
250	1,497.33	1,761.30		263.97	17.63%	
500	2,549.67	2,822.60		272.93	10.70%	
750	3,602.00	3,883.90		281.90	7.83%	
1,000	4,654.33	4,945.20		290.87	6.25%	
1,500	6,759.00	7,067.80		308.80	4.57%	
2,000	8,863.66	9,190.40		326.74	3.69%	
2,500	10,968.33	11,313.00		344.67	3.14%	
2,930	12,778.34	13,138.44		360.10	2.82%	
3,000	13,072.99	13,435.60		362.61	2.77%	
5,000	21,491.65	21,926.00		434.35	2.02%	
7,500	32,014.98	32,539.00		524.02	1.64%	
10,000	42,538.30	43,152.00		613.70	1.44%	
15,000	63,584.95	64,378.00		793.05	1.25%	
25,000	105,678.25	106,830.00		1,151.75	1.09%	
50,000	210,911.50	212,960.00		2,048.50	0.97%	
Average User	\$ 12,778.34	\$ 13,138.44	\$	360.10		2.82%

Kentucky American Water Company  
Case No. 2012-00520  
Forecast Year for the 12 Months Ended July 31, 2014  
Typical Bill Comparisons under Present and Proposed Rates  
Fire

Witness Responsible: Linda Bridwell		Exhibits with Slippage - Updated with Actuals\Exhibits\Revenue\		Exhibit 37, Schedule N
Type of Filing: _____	Original ___X___	Updated _____	Revised _____	Revenue\Revenue.xlsx\Sch N
Consumption Thousand Gallons	Present Rate	Proposed Rate	Difference	Percentage Difference
<b>Private Fire</b>				
Private Fire Hydrant	\$72.52	\$79.77	\$	10.00%
2"	8.11	8.92	7.25	9.99%
4"	32.63	35.89	0.81	9.99%
6"	73.40	80.74	3.26	10.00%
8"	130.49	143.54	7.34	10.00%
10"	203.94	224.33	13.05	10.00%
12"	293.75	323.13	20.39	10.00%
14"	399.89	439.88	29.38	10.00%
16"	522.19	574.41	39.99	10.00%
<b>Public Fire</b>				
Public Fire Hydrant	\$37.84	\$45.30	\$	19.71%