

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2012-00520
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 37**

Description of Filing Requirement:

<u>Schedule</u>	<u>Description</u>
A.	Jurisdictional Financial Summary for the Rate Base and Forecasted Period
B.	Jurisdictional Rate Base Summary for the Base and Forecasted Period
C.	Jurisdictional Operating Income Summary for Base and Forecasted Period
D.	Jurisdictional Adjustment of Operating Income
E.	Jurisdictional Federal and State Income Tax Summary for Base and Forecasted Periods
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
G.	Payroll Cost Analysis
H.	Computation of Gross Revenue Conversion Factor
I.	Comparative 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
J.	Cost of Capital Summary for Base Period and Forecasted Period
K.	Comparative Financial Data and Earning Measures for the Ten Most Recent Calendar Years, Base Period and Forecasted Period
L.	Narrative Description and Explanation of all Proposed Tariff Change
M.	Revenue Summary for Base Period and Forecasted Period with Detailed Billing Analysis for all Customer Classes
N.	Typical Bill Comparison Under Present and Proposed Rates for all Customer Classes

Response:

Accounting Schedules provided under separate cover.

For electronic version, refer to KAW_APP_EX37_122812.pdf.

**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

<u>Schedule</u>	<u>Description</u>
A	Overall Financial Summary

For electronic version, see KAW_APP_EX37A_122812.pdf.

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\[Revenue Requirement and Conversion Factor.xlsx\Rev Requirement - SCH A
Witness: L. Bridwell

Data: X Base Period X Forecast Period
Version: X Original _Updated_ Revised

Line #		Base Period Ended 3/31/2013	Forecast Period Ended 7/31/2014	Support Schedule Reference	Excel Reference
1					
2	Present Rate Utility Operating Income:				
3					
4	Operating Revenue at Present Rates:	\$ 87,282,760	\$ 84,157,833	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
5					
6	Less: Deductions:				
7	Operating and Maintenance	\$ 33,903,162	\$ 33,892,179	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
8	Depreciation	10,182,567	11,517,623	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
9	Amortization of UPAA	6,421	-	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
10	Amortization Expense	200,598	210,261	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
11	Removal Costs	1,689,625	1,603,978	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
12	State Income Taxes	1,565,573	1,166,495	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
13	Federal Income Taxes	8,680,101	6,557,403	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
14	Investment Tax Credits	(63,597)	(84,792)	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
15	General Taxes:	4,797,323	5,114,771	Exhibit 37 Schedule C-1	Exhibits\[Income Statement.xlsx\Inc Statement - SCH C.1
16	Total Deductions (Sum Lines 7 - 15):	\$ 60,961,773	\$ 59,977,919		
17					
18	Present Rate Operating Income (Line 4 - Line 16):	\$ 26,320,987	\$ 24,179,914		
19					
20					
21					
22	Revenue Requirement and Increase Comparison:				
23					
24	Net Original Cost Rate Base	\$ 373,990,355	\$ 385,994,705	Exhibit 37 Schedule B-1	Exhibits\Rate Base\[K_RB12 - revised.xlsx\Sch B-1
25	Rate of Return	7.83%	8.20%	Exhibit 37 Schedule J-1.1	Exhibits\Capital Structure\[Capital Structure 2012.xls\Sch J
26					
27	Operating Income Required (Line 24 x Line 25):	\$ 29,283,445	\$ 31,651,566		
28					
29	Less: Operating Income at Present Rates (Line 18):	\$ 26,320,987	\$ 24,179,914		
30					
31	Increase in Operating Income Required (Line 27 - Line 29)	\$ 2,962,458	\$ 7,471,652		
32					
33	Gross Revenue Conversion Factor	164.8591%	164.8591%	Exhibit 37, Schedule H	Exhibits\[Revenue Requirement and Conversion Factor.xlsx\Rev Conversion Factor - SCH H
34					
35	Requested Revenue Increase (Line 31 x Line 33)	\$ 4,883,883	\$ 12,317,702		
36					
37	Percent Increase over Operating Revenue at Present Rates (Line 35 / Line 4):	5.60%	14.64%		
38					
39	Revenue Requirement (Line 4 + Line 35)	\$ 92,166,643	\$ 96,475,535		
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

Schedule	Description
B-1	Rate Base Summary
B-2	Plant in Service by Major Grouping
B-2.1	Plant in Service by Account and Subaccounts
B-2.2	Proposed Adjustments to Plant in Service
B-2.3	Gross Additions, Retirements and Transfers
B-2.4	Property Merged or Acquired
B-2.5	Leased Property
B-2.6	Property Held for Future Use Included in Rate Base
B-2.7	Property Excluded from Rate Base
B-3	Accumulated Depreciation and Amortization
B-3.1	Adjustments to Accumulated Depreciation and Amortization
B-3.2	Depreciation Accrual Rates and Accumulated Balances by Account
B-4	Construction Work in Progress
B-4.1	Construction Work in Progress - Percent Complete
B-5	Allowance for Working Capital
B-5.1	Working Capital Components
B-5.2	Working Capital - Lead / Lag Study
B-6	Deferred Credits and Accumulated Deferred Income Taxes
B-7	Jurisdictional Percentages
B-7.1	Jurisdictional Statistics - Rate Base
B-7.2	Explanation of Changes in Jurisdictional Procedures
B-8	Comparative Balance Sheets

For electronic version, see KAW_APP_EX37B_122812.pdf.

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

DATA: _X_ BASE PERIOD: ____ FORECASTED PERIOD
 TYPE OF FILING: _X_ ORIGINAL ____ UPDATED ____ REVISED

Line No.	Rate Base Component	Supporting Schedule Reference	Base Period	Excel File Location
1				
2	Utility Plant in Service	B-2	\$ 598,439,503	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-2
3	Property Held for Future Use	B-2.6	0	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-2
4	Utility Plant Acquisition Adjustments		0	
5	Accumulated Depreciation	B-3	(128,076,322)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-3
6				
7				
8				
9				
10				
11	Net Utility Plant in Service		470,363,181	
12				
13				
14				
15	Construction Work in Progress	B-4	15,575,022	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-4
16	Working Capital Allowance	B-5/W/P-1-13	2,700,000	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-5
17	Other Working Capital Allowance	B-5 & W/P-1-5	727,081	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-5
18				
19				
20	Contributions in Aid of Construction	B-6	(52,036,709)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
21	Customer Advances	B-6	(13,545,381)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
22	Deferred Income Taxes	B-6	(55,284,108)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
23	Deferred Investment Tax Credits	B-6	(61,653)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
24	Deferred Maintenance	W/P-1-10	3,226,606	Exhibits\Rate Base\2012 Rate Case Deferred Maintenance.10.xlsx\Schedule - rate base
25	Deferred Debts	W/P-1-11	1,583,971	Exhibits\Rate Base\2012 Rate Case Deferred Debts.xlsx\Summary
26	Other Rate Base Elements	W/P-1-12	739,176	Exhibits\Rate Base\Other Rate Base.xlsx\Schedule
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45	Jurisdictional Rate Base		\$373,987,185	

EXHIBIT 37, SCHEDULE B-1
 Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-1
 PAGE 2 OF 2
 Witness Responsible L. Bridwell

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

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
 TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED

Line No.	Rate Base Component	Supporting Schedule Reference	End of Period Amount	13 Month Avg Forecasted Period Amount	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-2
1					
2	Utility Plant in Service	B-2	\$637,251,317	\$627,540,278	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-2
3	Property Held for Future Use	B-2.6	0	0	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-2
4	Utility Plant Acquisition Adjustments				
5	Accumulated Depreciation	B-3	(140,031,466)	(136,604,885)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-3
6					
7	Net Utility Plant in Service		497,219,851	490,938,493	
8	Construction Work in Progress	B-4	5,769,198	6,851,268	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-4
9	Working Capital Allowance	B-5/W/P-1.13	3,946,000	3,946,000	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-5
10	Other Working Capital Allowance	B-5 & W/P-1.5	727,081	727,081	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-5
11	Contributions in Aid of Construction	B-6	(52,303,874)	(52,238,690)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
12	Customer Advances	B-6	(14,239,381)	(13,997,843)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
13	Deferred Income Taxes	B-6	(59,359,277)	(57,007,044)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
14	Deferred Investment Tax Credits	B-6	(51,450)	(55,276)	Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-6
15	Deferred Maintenance	W/P-1.10	5,061,367	4,644,233	Exhibits\Rate Base\K_RB12 - revised.xlsx\Schedule - rate base
16	Deferred Debts	W/P-1.11	1,507,864	1,536,404	Exhibits\Rate Base\K_RB12 - revised.xlsx\Schedule - rate base
17	Other Rate Base Elements	W/P-1.12	562,831	650,081	Exhibits\Rate Base\K_RB12 - revised.xlsx\Schedule - rate base
18					
19	Jurisdictional Rate Base		\$388,840,210	\$385,994,706	
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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\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: _X_ ORIGINAL ____ UPDATED ____ REVISED
 WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Major Property Grouping	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	End of Period Adjusted Jurisdiction
1						
2						
3	Intangibles	\$ 822,748	100%	\$ 822,748	-	\$ 822,748
4	Source of Supply and Pumping	82,746,104		82,746,104	-	82,746,104
5	Water Treatment	80,919,530		80,919,530	-	80,919,530
6	Transmission and Distribution	392,376,746		392,376,746	-	392,376,746
7	General	41,572,375		41,572,375	-	41,572,375
8	Completed Construction not Classified	-		-	-	-
9	Other	-		-	-	-
10	Total	\$ 598,439,503		\$ 598,439,503	\$ -	\$ 598,439,503
11						
12						
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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\Rate Base\K_RB12 - revised.xlsx\Sch B-2
 PAGE 2 OF 2
 Witness Responsible L. Birdwell

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
 TYPE OF FILING: ___X_ ORIGINAL ___ UPDATED ___ 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	\$ 907,887	100%	\$ 907,887	-	\$ 907,887	884,533
2	Source of Supply and Pumping	85,131,183		85,131,183	-	85,131,183	84,914,109
4	Water Treatment	78,801,751		78,801,751	-	78,801,751	80,555,186
5	Transmission and Distribution	421,142,367		421,142,367	-	421,142,367	411,062,692
6	General	51,268,129		51,268,129	-	51,268,129	50,123,859
7	Completed Construction not Classified	-		-	-	-	-
8	Other	-		-	-	-	-
9							
10							
11							
12							
13							
14							
15							
		\$ 637,251,317		\$ 637,251,317	-	\$ 637,251,317	627,540,378

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\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: _X_ ORIGINAL ____ UPDATED ____ REVISED
 WORKPAPER REFERENCE NO(S): W/P-1

Line No.	MARC 96 Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdictional
1							
2							
3							
4	301.1	Intangible Plant					
5	302.1	Organization	\$ 37,450		\$ 37,450	-	\$ 37,450
6	339.1	Franchise/Consents	70,261	100%	70,261	-	70,261
7		Other Plant & Equip Intangible	715,036		715,036	-	715,036
8		Total Intangibles	\$ 822,748		\$ 822,747	-	\$ 822,747
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	16,587,771		16,587,771	-	16,587,771
13	305.2	Collecting and Impounding Reservoirs	990,279		990,279	-	990,279
14	306.2	Lake, River and Other Intakes	7,286,518		7,286,518	-	7,286,518
15	307.2	Wells and Springs	-		-	-	-
16	308.2	Infiltration Galleries & Tunnels	-		-	-	-
17	309.2	Supply Mains	27,882,369		27,882,369	-	27,882,369
18	310.2	Power Generation Equip	3,385,668		3,385,668	-	3,385,668
19	311.2	Pumping Equipment SS	25,342,171		25,342,171	-	25,342,171
20	339.2	Other Plant & Equip SS	-		-	-	-
21		Total Source of Supply & Pumping	\$ 82,748,105		\$ 82,748,105	-	\$ 82,748,105
22							
23							
24		Water Treatment Plant					
25	303.3	Land and Land Rights	\$ 800,183		800,183	-	800,183
26	304.3	Structures and Improvements	26,023,192		26,023,192	-	26,023,192
27	311.3	Pumping Equipment WT	-		-	-	-
28	320.3	Water Treatment Equipment	54,096,155		54,096,155	-	54,096,155
29	339.3	Other Plant & Equip WT	-		-	-	-
30		Total Water Treatment	\$ 80,919,530		\$ 80,919,530	-	\$ 80,919,530
31							
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	915,117		915,117	-	915,117
36	311.4	Pumping Equipment TD	98,403		98,403	-	98,403
37	330.4	Dist Reservoirs & Standpipes	18,048,685		18,048,685	-	18,048,685
38	331.4	TD Mains	260,769,804		260,769,804	-	260,769,804
39	333.4	Services	48,339,231		48,339,231	-	48,339,231
40	334.4	Meters & Meter Installations	42,777,162		42,777,162	-	42,777,162
41	335.4	Hydrants	13,954,412		13,954,412	-	13,954,412
42	336.4	Backflow Prevention Devices	-		-	-	-
43	339.4	Other Plant & Equip TD	-		-	-	-
44		Total Transmission and Distribution	\$ 392,376,746		\$ 392,376,745	-	\$ 392,376,745
45							

KENTUCKY AMERICAN WATER COMPANY
 Case No. 2012-0520
 PLANT IN SERVICE BY ACCOUNT'S AND SUBACCOUNTS
 AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.1
 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: _X_ ORIGINAL ____ UPDATED ____ REVISED
 WORKPAPER REFERENCE NO(S): W/P-1

Line No.	MARUC96 Acct No.	Account Title	Base Period	Jurisdictional Percent	Jurisdictional	Adjustment	Adjusted Jurisdictional
1							
2		General Plant					
3		Land & Land Rights AG					
4	303.5		\$ -				
5	304.5	Struct & Improve AG	\$ 13,269,957	100%	\$ 13,269,957	\$ -	\$ 13,269,957
6	340.5	Office Furniture and Equipment	12,834,879		12,834,879	-	12,834,879
7	341.5	Transportation Equipment	4,580,168		4,580,168	-	4,580,168
8	342.5	Stores Equipment	37,878		37,878	-	37,878
9	343.5	Tools, Shop and Garage Equipment	2,321,550		2,321,550	-	2,321,550
10	344.5	Laboratory Equipment	1,291,690		1,291,690	-	1,291,690
11	345.5	Power Operated Equipment	1,456,342		1,456,342	-	1,456,342
12	346.5	Communication Equipment	4,122,555		4,122,555	-	4,122,555
13	347.5	Miscellaneous Equipment	1,291,052		1,291,052	-	1,291,052
14	348.5	Other Tangible Property	366,304		366,304	-	366,304
15		Total General	\$ 41,572,375		\$ 41,572,375	\$ -	\$ 41,572,375
16							
17							
18							
19							
20		Total Utility Plant in Service	\$ 598,439,503		\$ 598,439,503	\$ -	\$ 598,439,503

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\Rate Base\K_RIB12 - revised.xlsx\Sch B-2
PAGE 1 OF 2
Witness Responsible: L. Bridwell

DATA: X, BASE PERIOD, FORECASTED PERIOD
TYPE OF FILING: X, ORIGINAL, UPDATED, 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							
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8							

Not Applicable

KENTUCKY-AMERICAN WATER COMPANY
 Case No. 2012-00520
 PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
 AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.2
 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: ___X___ ORIGINAL ___ ___ UPDATED ___ ___ 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
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Not Applicable

KENTUCKY-AMERICAN WATER COMPANY
 Case No. 2012-00520
 GROSS ADDITIONS, RETIREMENTS AND TRANSFERS
 FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-2.3
 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: ___X___ ORIGINAL ___ UPDATED ___ REVISED
 WORKPAPER REFERENCE NO(S): W/P-1-1

Line No.	MARUC 96 Acct No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Other Accts Involved	Fore. Period	
						Amount	Explanation		Ending Balance	13 Month Average
1										
2										
3		Intangible Plant								
4	301.1	Organization	\$ 37,450	\$ -	\$ -				\$ 37,450	\$ 37,450
5	302.1	Franchise/Consents	70,261	-	-				70,261	70,261
6	339.1	Other Plant & Equip Intangibles	764,458	35,717	-				800,175	776,822
7										
8		Total Intangibles	\$ 872,170	\$ 35,717	\$ -				\$ 907,887	\$ 884,533
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	16,577,177	-	31,783				16,545,394	16,561,285
13	305.2	Collecting and Impounding Reservoirs	988,869	-	4,231				984,638	986,753
14	306.2	Lake, River and Other Intakes	7,328,496	202,166	2,659				7,528,004	7,449,191
15	307.2	Wells and Springs	-	-	-				-	-
16	308.2	Infiltration Galleries & Tunnels	-	-	-				-	-
17	309.2	Supply Mains	27,882,323	-	138				27,882,185	27,882,254
18	310.2	Power Generation Equipment	3,381,350	-	12,954				3,368,396	3,374,873
19	311.2	Pumping Equipment SS	27,068,946	622,863	142,571				27,549,237	27,386,423
20	339.2	Other Plant & Equipment SS	-	-	-				-	-
21										
22		Total Source of Supply & Pumping	\$ 84,500,489	\$ 825,029	\$ 194,335				\$ 85,131,183	\$ 84,914,109
23										
24		Water Treatment Plant								
25	303.3	Land and Land Rights WT	\$ 800,183	\$ -	\$ -				\$ 800,183	\$ 800,183
26	304.3	Structures and Improvements WT	26,119,789	539,110	53,125				26,605,774	26,418,624
27	311.3	Pumping Equipment WT	-	-	-				-	-
28	320.3	Water Treatment Equipment	54,004,098	134,777	2,981,046				51,157,830	53,096,607
29	339.3	Other Plant & Equipment WT	235,464	2,500	-				237,964	237,772
30										
31		Total Water Treatment	\$ 81,159,535	\$ 676,387	\$ 3,034,171				\$ 78,801,751	\$ 80,555,186
32										
33		Transmission and Distribution Plant								
34	303.4	Land and Land Rights TD	\$ 7,473,931	\$ 362,863	\$ 11,194				\$ 7,825,600	\$ 7,692,948
35	304.4	Structures and Improvements TD	915,117	-	19,630				895,487	909,077
36	311.4	Pumping Equipment TD	91,277	335,524	21,378				405,423	285,667
37	330.4	Dist Reservoirs & Standpipes	18,072,103	3,490,015	592,002				20,970,116	20,019,110
38	331.4	TD Mains	263,503,623	14,450,024	100,532				277,853,115	272,093,339
39	333.4	Services	49,148,100	2,276,071	217,316				51,206,855	50,133,322
40	334.4	Meter & Meter Installations	44,728,207	3,305,401	911,897				47,121,712	45,375,795
41	335.4	Hydrants	-	-	-				-	-
42	336.4	Backflow Prevention Devices	-	-	-				-	-
43	339.4	Other Plant & Equip TD	14,192,117	680,352	8,409				14,864,060	14,553,433
44										
45		Total Transmission and Distribution	\$ 398,324,474	\$ 24,900,350	\$ 1,882,358				\$ 421,142,367	\$ 411,063,692

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

EXHIBIT 37, SCHEDULE B-2.4
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: _X_ ORIGINAL ____ UPDATED ____ 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\Rate Base\K_RB12 - revised.xlsx
PAGE 2 OF 2
Witness Responsible: L. Bridwell

DATA ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ ___ UPDATED ___ ___ 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. 2012-0520
LEASED PROPERTY
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.5
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: _X_ ORIGINAL ___ UPDATED ___ 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. 2012-0520
LEASED PROPERTY
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.5
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: ___X___ ORIGINAL ___ ___ UPDATED ___ ___ 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
----------	---------------------------	---------------------------------	----------------	----------------------	-------------------------	--------------------------	----------------------------------

KENTUCKY-AMERICAN DOES NOT HAVE ANY CAPITAL LEASES.

- 1
- 2
- 3
- 4
- 5

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\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: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):

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

NOT APPLICABLE IN THIS RATE CASE.

1
2
3

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-0520
PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.6
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: ___X___ ORIGINAL ___ ___ REVISED
WORKPAPER REFERENCE NO(S):

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

NOT APPLICABLE IN THIS RATE CASE.

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-0520
PROPERTY EXCLUDED FROM RATE BASE
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-2.7
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: X ORIGINAL ___ UPDATED ___ 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. 2012-0520
PROPERTY EXCLUDED FROM RATE BASE
AS OF JULY 31, 2014

EXHIBIT 37, SCHEDULE B-2.7
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: ___X___ ORIGINAL ___ ___ UPDATED ___ ___ 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
 ACCUMULATED DEPRECIATION AND AMORTIZATION
 AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3
 Exhibits(Rate Base)(K_RBI2 - revised.xlsx)Sch B-3
 PAGE 1 of 4
 Witness Responsible L. Bridwell

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED
 WORK/PAPER REFERENCE NO(S): WP-1-2

Line No.	MARUC 96 Acct No.	Account Title	Base Period		Jurisdictional Percent	Accumulated Reserve Balances		Adjusted Jurisdiction
			Total Company	Total Company		Jurisdictional Total	Adjustments	
1								
2								
3		<u>Intangible Plant</u>						
4	301.1	Organization	\$ 37,450	-		\$ -	\$ -	\$ -
5	302.1	Franchise/Consents	70,261	-				0
6	339.1	Other Plant & Equip Intangible	715,096	274,637	100%	274,637		274,637
7								
8		Total Intangibles	\$ 822,748	\$ 274,637		274,637		274,637
9								
10		<u>Source of Supply and Pumping Plant</u>						
11	303.2	Land and Land Rights - SS	\$ 1,273,329	-		\$ -	\$ -	\$ -
12	304.2	Structures and Improvements SS	16,587,771	2,872,406		2,872,406		2,872,406
13	305.2	Collecting and Impounding Reservoirs	990,279	381,837		381,837		381,837
14	306.2	Lake, River and Other Intakes	7,286,518	370,933		370,933		370,933
15	307.2	Wells and Springs	-	-		-		-
16	308.2	Infiltration Galleries & Tunnels	-	-		0		0
17	309.2	Supply Mains	27,882,369	2,740,354		2,740,354		2,740,354
18	310.2	Power Generation Equip	3,385,668	495,530		495,530		495,530
19	311.2	Pumping Equipment SS	25,342,171	6,640,744		6,640,744		6,640,744
20	339.2	Other Plant & Equip SS	-	-		0		0
21	354.2	Other Plant & Equip WT	-	(3,168)		(3,168)		(3,168)
22								
23		Total Source of Supply & Pumping	\$ 82,746,104	\$ 13,498,637		13,498,636		13,501,804
24								
25		<u>Water Treatment Plant</u>						
26	303.3	Land and Land Rights	\$ 800,183	-		\$ -	\$ -	\$ -
27	304.3	Structures and Improvements	26,023,192	3,114,701		3,114,701		3,114,701
28	311.3	Pumping Equipment WT	-	(242)		(242)		(242)
29	320.3	Water Treatment Equipment	54,096,155	17,586,772		17,586,772		17,586,772
30	339.3	Other Plant & Equip WT	-	-		-		-
31		Total Water Treatment	\$ 80,919,530	\$ 20,701,231		20,701,231		20,701,231
32								
33								
34		<u>Transmission and Distribution Plant</u>						
35	303.4	Land and Land Rights TD	\$ 7,473,931	-		\$ -	\$ -	\$ -
36	304.4	Struct & Improve TD	915,117	592,259		592,259		592,259
37	311.4	Pumping Equipment TD	98,403	(55,544)		(55,544)		(55,544)
38	330.4	Dist Reservoirs & Standpipes	18,048,685	4,353,775		4,353,775		4,353,775
39	331.4	TD Mains	260,769,804	41,385,727		41,385,727		41,385,727
40	333.4	Services	48,339,231	19,742,326		19,742,326		19,742,326
41	334.4	Meters & Meter Installations	42,777,162	5,408,121		5,408,121		5,408,121
42	335.4	Hydrants	13,954,412	3,639,129		3,639,129		3,639,129
43	336.4	Backflow Prevention Devices	-	0		0		0
44	339.4	Other Plant & Equip TD	-	-		-		-
45								
46		Total Transmission and Distribution	\$ 392,376,746	\$ 75,065,793		75,065,793		75,065,793

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

EXHIBIT 37, SCHEDULE B-3
Exhibits\Rate Base\K_RBI2 - revised.xlsx\Sch B-3
PAGE 2 of 4
Witness Responsible: L. Bridwell

DATA: X, BASE PERIOD __, FORECASTED PERIOD
TYPE OF FILING: X, ORIGINAL, UPDATED, REVISED
WORK/PAPER REFERENCE NO(S): WP-1-2

Line No.	MARUC 96 Acct No.	Account Title	Base Period		Jurisdictional Percent	Accumulated Reserve Balances		Adjustments	Adjusted Jurisdiction
			Total Company	Total Company		Jurisdictional Total	Total		
1									
2		General Plant							
3		Land & Land Rights AG							
4	303.5	Struct & Improve AG			100%				
5	304.5	Office Furniture and Equipment							
6	340.5	Transportation Equipment							
7	341.5	Stores Equipment							
8	342.5	Tools, Shop and Garage Equipment							
9	343.5	Laboratory Equipment							
10	344.5	Power Operated Equipment							
11	345.5	Communication Equipment							
12	346.5	Miscellaneous Equipment							
13	347.5	Other Tangible Property							
14	348.5								
15									
16		Total General	41,572,376	18,532,857		18,532,857			18,532,857
17									
18									
19									
20		Total Utility Plant in Service	598,439,504	5128,073,154		5128,073,154			5128,073,154

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

EXHIBIT 37, SCHEDULE B-3
Exhibits(Rate Base)(K_RBI2 - revised.xlsx)Sch B-3
PAGE 3 of 4
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL ___UPDATED___REVISED
WORK/PAPER REFERENCE NO(S): W/P-1-2

Line No.	MARUC 96 Acct No.	Account Title	Forecasted		Accumulated Reserve Balances			13 Month Average
			Period Total Company	Jurisdictional Percent	Total	Adjusted Jurisdiction	Adjustment	
1								
2								
3		<u>Intangible Plant</u>						
4	301.1	Organization	\$ 37,450		\$ -		\$ -	\$ -
5	302.1	Franchise/Consents	70,261		-		-	-
6	339.1	Other Plant & Equip Intangible	776,822	100%	385,106		385,106	342,860
7								
8		Total Intangibles	\$ 884,533		\$ 385,106		\$ 385,106	\$ 342,860
9								
10		<u>Source of Supply and Pumping Plant</u>						
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	7,449,191		553,894		553,894	484,651
15	307.2	Works and Springs	-		-		-	-
16	308.2	Infiltration Galleries & Tunnels	-		0		0	0
17	309.2	Supply Mains	27,882,254		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	27,386,423		7,257,584		7,257,584	7,031,684
20	339.2	Other Plant & Equip SS	-		0		0	-
21	354.2	Other Plant & Equip WT	-		(3,168)		(3,168)	(3,168)
22								
23		Total Source of Supply & Pumping	\$ 84,914,109		\$ 15,845,482		\$ 15,845,482	\$ 14,970,413
24								
25		<u>Water Treatment Plant</u>						
26	303.3	Land and Land Rights	\$ 800,183		\$ -		\$ -	\$ -
27	304.3	Structures and Improvements	26,418,624		4,068,157		4,068,157	3,708,401
28	311.3	Pumping Equipment WT	-		(242)		(242)	(242)
29	320.3	Water Treatment Equipment	53,096,607		16,380,906		16,380,906	17,898,018
30	339.3	Other Plant & Equip WT	237,772		-		-	-
31								
32		Total Water Treatment	\$ 80,555,186		\$ 20,448,821		\$ 20,448,821	\$ 21,406,177
33								
34		<u>Transmission and Distribution Plant</u>						
35	303.4	Land and Land Rights TD	\$ 7,692,948		(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	285,667		(77,015)		(77,015)	(70,384)
38	330.4	Dist Reservoirs & Standpipes	20,019,110		4,209,689		4,209,689	4,440,711
39	331.4	TD Mains	272,093,339		47,124,615		47,124,615	44,929,337
40	333.4	Services	50,133,322		21,315,894		21,315,894	20,716,231
41	334.4	Meters & Meter Installations	45,375,795		5,608,778		5,608,778	5,524,869
42	335.4	Hydrants	14,553,433		3,876,204		3,876,204	3,785,679
43	336.4	Backflow Prevention Devices	-		0		0	-
44	339.4	Other Plant & Equip TD	-		-		-	-
45								
46		Total Transmission and Distribution	\$ 411,062,691		\$ 82,650,637	(1)	\$ 82,650,637	\$ 79,928,968

KENTUCKY-AMERICAN WATER COMPANY

Case No. 2012-00520

ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
 AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-3.1
 Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-3
 PAGE 1 OF 2
 Witness Responsible: L. Bridwell

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ 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
 ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
 FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-3.1
 Exhibits\Rate Base\K_RB12 - revised.xlsx\Sch B-3
 PAGE 2 OF 2
 Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
 TYPE OF FILING: ___X___ ORIGINAL ___ ___UPDATED___ ___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\Rate Base\K_RR12 - revised.xlsx\Sch B-3
PAGE 1 OF 4
Witness Responsible: L. Bridwell

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-2

Line No.	Acct No.	Account Title	Adjusted Jurisdiction	Plant Investment	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	122,264	19.40%	1,625	0%	0%	1.2	5-SQ
4	339.60	Other P/E Comprehensive Studies	706,661	152,373	10.72%	75,754	0%	0%	8.3	10-SQ
5	304.10	SS Structures and Improvements	6,960,192	709,622	3.07%	213,678	-5%	-5%	33.3	35-51.5
6	305.00	Coil and Impounding Reservoir	990,279	381,837	1.33%	13,171	0%	0%	47.7	75-R4
7	306.00	Lake, River, and Other Intakes	7,286,518	370,933	2.05%	149,374	0%	0%	47.6	50-51
8	307.00	Wells and Springs	-	-	-	0	0%	0%	0.0	-
9	308.00	Supply Mains	27,882,369	2,740,354	2.20%	613,412	-10%	-10%	40.0	65-52.5
10										
11	304.20	Pumping Structures and Improvements	9,627,579	2,162,784	2.85%	274,386	-20%	-20%	36.4	60-R2.5
12	310.10	Other Power Production Equipment	3,385,668	495,530	2.93%	99,200	0%	0%	30.4	35-52.5
13	311.20	Electric Pumping Equipment	9,842,282	5,295,976	2.25%	221,451	-20%	-20%	41.8	50-R3
14	311.30	Diesel Pumping Equipment	702,411	387,187	2.26%	15,874	-20%	-20%	31.6	50-R3
15	311.40	Hydraulic Pumping Equipment	7,728	8,936	2.28%	176	-20%	-20%	43.4	50-R3
16	311.52	Source of Supply Pumping Equipment	14,789,750	948,646	2.43%	359,391	-20%	-20%	47.6	50-R3
17	311.54	T & D Pumping Equipment	98,403	(55,544)	2.43%	2,391	-20%	-20%	46.3	50-R3
18										
19	304.30	WT Structures and Improvements	26,023,192	3,114,701	2.95%	767,684	-20%	-20%	39.2	60-R2.5
20	320.11	Water Treatment Equipment	53,587,567	17,291,536	2.59%	1,387,918	-20%	-20%	35.7	45-R2.5
21	320.10	Water Treatment Equipment-Str	-	-	1.97%	0	-20%	-20%	45.9	60-R3
22	320.20	Water Treatment - GAC	508,588	295,236	24.28%	123,485	0%	0%	3.1	5-12.5
23										
24	304.40	T & D Structures and Improvements	915,117	592,259	2.63%	24,068	-5%	-5%	20.5	30-S2
25	330.00	Dit Res and Standpipes	1,771,358	289,550	1.66%	29,405	0%	0%	56.8	60-S2.5
26	330.10	Elevated Tanks & Standpipes	10,222,904	3,837,930	2.03%	207,525	-25%	-25%	45.3	60-S2.5
27	330.20	Ground Level Facilities	3,472,665	119,476	1.38%	47,923	0%	0%	56.3	60-S2.5
28	330.40	Clearwells	2,581,757	106,820	1.68%	43,374	0%	0%	59.2	60-S2.5
29	331.00	T & D Mains	260,769,804	41,385,727	1.66%	4,328,779	-15%	-15%	62.6	75-R3
30	333.00	Services	48,339,231	19,742,326	3.00%	1,450,177	-100%	-100%	49.6	60-R2.5
31	334.10	Meters	14,508,727	(878,933)	2.68%	388,834	-10%	-10%	38.4	40-R1
32	334.11	Meters - Bronze Case	2,273,841	370,907	2.74%	62,303	-10%	-10%	38.7	40-R1
33	334.12	Meters - Plastic Case	371,274	(219,277)	3.25%	12,066	-10%	-10%	28.4	40-R1
34	334.13	Meters - Other	6,671,634	149,111	2.90%	193,477	-10%	-10%	34.1	40-R1
35	334.20	Meter Installations	18,447,729	6,058,922	2.78%	512,847	-10%	-10%	28.5	40-R1
36	334.30	Meter Vaults	503,957	(72,608)	2.73%	13,758	-10%	-10%	39.2	40-R1
37	335.00	Hydrants	13,954,412	3,639,129	1.49%	207,921	-25%	-25%	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\Rate Base\K_RB12 - revised.xlsx\Sch B-3
PAGE 2 OF 4
Witness Responsible: L. Bridwell

DATA: X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-2

Line No.	Acct No.	Account Title	Plant Investment	Adjusted Jurisdiction 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	4,000,022	262,216	2.96%	118,401	-5%	27.9	55-R2.5
5	304.61	Office Structures and Improvements-not depreciated	-	-	2.01%	0	-5%	44	55-R2.5
6	304.70	Other Structures and Improvements	5,747,674	1,409,063	2.03%	115,528	0%	44.4	50-R2.5
7	304.80	Stores, Shop & Garage Structures	1,788,131	388,354	4.98%	36,299	-10%	17.9	25-R2
8	304.80	Misc Structures	1,723,559	382,478	5.00%	85,833	0%	8.7	20-SQ
9	340.10	Office Furniture	690,108	540,837	20.00%	34,505	0%	3.7	5-SQ
10		Office Furniture-not depreciated	103,460	0	20.00%	0	0%	3.7	5-SQ
11	340.21	Mainframe Comp & Periph Eqpt	74,833	71,781	20.00%	14,967	0%	1.7	5-SQ
12		Mainframe Comp & Periph Eqpt-not depreciated	11,522	0	20.00%	0	0%	1.7	5-SQ
13	340.22	Personal Comp & Periph Eqpt	513,816	1,125,660	20.00%	102,763	0%	2.4	5-SQ
14		Personal Comp & Periph Eqpt-not depreciated	414,948	0	20.00%	0	0%	2.4	5-SQ
15	340.23	Computers & Periph Other	657,076	287,759	20.00%	131,415	0%	1.0	5-SQ
16		Computers & Periph Other-not depreciated	88,579	0	20.00%	0	0%	1.0	5-SQ
17	340.30	Mainframe Software	268,937	4,738,712	20.00%	93,787	0%	1.4	5-SQ
18		Mainframe Software-not depreciated	3,459,484	0	20.00%	0	0%	1.4	5-SQ
19	340.32	Personal Comp Software	3,081	333,220	20.00%	616	0%	1.3	5-SQ
20		Personal Comp Software-not depreciated	400	0	20.00%	0	0%	1.3	5-SQ
21	340.33	Other Software	937,426	1,121,584	6.67%	187,485	0%	4.9	15-SQ
22		Other Software-not depreciated	527,874	0	6.67%	0	0%	4.9	15-SQ
23	340.50	Other Office Equipment	66,496	68,392	20.00%	4,435	0%	12.6	13-S2.5
24		Other Office Equipment-not depreciated	4,285	0	20.00%	0	0%	12.6	13-S2.5
25	340.51	Computer Software Special	5,012,553	477,295	1.53%	1,002,511	20%	10.6	14-S2
26	341.10	Trans Equip-Light Trucks	2,035,255	1,035,646	2.34%	31,139	15%	0.0	10-S3
27		Trans Equip-Light Trucks-not depreciated	-	-	5.51%	0	0%	12.1	16-L3
28	341.20	Trans Equip-Heavy Trucks	1,770,795	705,302	4.00%	41,437	0%	2.3	25-SQ
29	341.30	Trans Equip-Cars	83,246	209,812	5.00%	7,076	0%	13.2	20-SQ
30		Trans Equip-Cars-new additions	96,396	0	6.67%	0	0%	5.0	20-SQ
31	341.40	Other Trans Equip	594,476	201,077	2.14%	32,756	0%	18.14	15-SQ
32	342.00	Stores Equipment	37,878	34,590	6.67%	1,515	0%	4.0	15-SQ
33		Stores Equipment-not depreciated	-	-	6.67%	0	0%	4.0	15-SQ
34	343.00	Tools, Shop, & Garage Equip	2,321,550	1,127,054	6.67%	116,078	0%	12.3	15-SQ
35		Tools, Shop, & Garage Equip-not depreciated	-	-	6.67%	0	0%	12.3	15-SQ
36	344.00	Laboratory Equipment	1,291,690	732,963	2.14%	86,156	0%	12.3	15-SQ
37		Laboratory Equipment-not depreciated	-	-	2.14%	0	0%	12.3	15-SQ
38	345.00	Power Operated Equipment	1,456,342	919,649	6.67%	31,166	0%	13.1	20-SQ
39	346.10	Communication Equipment-telephone	1,850,095	1,265,396	6.67%	123,401	0%	7.6	20-SQ
40		Communication Equipment-not depreciated	-	-	6.67%	0	0%	7.6	20-SQ
41	346.19	Communication Equipment-remote control	1,988,712	153,662	5.00%	132,647	0%	13.1	20-SQ
42	346.20	Communication Equipment-telephone	283,749	75,462	5.00%	18,926	0%	13.1	20-SQ
43	347.00	Misc Equipment	1,657,356	866,850	5.00%	82,868	0%	13.1	20-SQ
44	347.00	Misc Equipment	-	-	5.00%	0	0%	13.1	20-SQ
45	348.00	Other Tangible Property	-	-	5.00%	0	0%	7.6	20-SQ
46									
47			588,773,780	128,075,523		14,435,137			

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

EXHIBIT 37, SCHEDULE B-3.2
 Exhibits\Rate Base\K_RR12 - revised.xlsx\Sch B-3
 PAGE 3 OF 4
 Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
 TYPE OF FILING: __X_ ORIGINAL ___ UPDATED ___ REVISED
 WORK/PAPER REFERENCE NO(S): W/P-1-2

Line No.	Acct No.	Account Title	Plant Investment	Adjusted Jurisdiction Accumulated Reserve	Current Accrual Rate	Calculated Depreciation Expense	% Net Salvage	Average Service Life	Curve Form
1									
2									
3	339.10	Other P/E Intractibles	8,375	123,618	19.40%	1,625	0%	1.2	5-SQ
4	339.60	Other P/E Comprehensive Studies	768,447	219,242	10.72%	82,378	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%	13,124	0%	47.7	75-R4
7	306.00	Lake, River, and Other Intakes	7,449,191	484,651	2.05%	152,708	0%	47.6	50-S1
8	307.00	Wells and Springs	-	-	-	0	0%	0.0	-
9	308.00	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	11,941,694	5,448,738	2.25%	2,686,688	-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	285,667	(70,384)	2.43%	6,942	-20%	46.3	50-R3
18									
19	304.30	WT Structures and Improvements	26,418,624	3,708,401	2.95%	779,349	-20%	38.2	60-R2.5
20	320.11	Water Treatment Equipment	52,590,019	17,299,877	2.59%	1,362,081	-20%	38.0	45-R2.5
21	320.10	Water Treatment Equipment-Str	-	-	1.97%	0	-20%	45.9	60-R3
22	320.20	Water Treatment - GAC	508,588	398,141	24.28%	123,485	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-S2
25	330.00	Dir Res and Standpipes	1,771,358	312,225	1.66%	29,405	0%	56.8	60-S2.5
26	330.10	Elevated Tanks & Standpipes	12,083,404	3,825,468	2.03%	245,293	-25%	45.3	60-S2.5
27	330.20	Ground Level Facilities	3,582,591	160,053	1.38%	49,440	0%	56.3	60-S2.5
28	330.40	Clearwells	2,581,757	143,984	1.68%	43,374	0%	59.2	60-S2.5
29	331.00	T & D Mains	272,093,339	44,929,337	1.66%	4,516,749	-15%	62.6	75-R3
30	333.00	Services	50,133,322	20,716,231	3.00%	1,504,000	-100%	49.6	60-R2.5
31	334.10	Meters	17,509,021	(907,141)	2.68%	469,242	-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	(342,294)	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	18,446,208	6,435,091	2.78%	512,805	-10%	28.5	40-R1
36	334.30	Meter Vaults	510,582	(85,563)	2.73%	13,939	-10%	39.2	40-R1
37	335.00	Hydrants	14,553,433	3,785,679	1.49%	216,846	-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\Rate Base\K_RB12 - revised.xlsx\Sch B-3
PAGE 4 OF 4
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORK/PAPER REFERENCE NO(S): W/P-1-2

Line No.	Acct No.	Account Title	Plant Investment	Adjusted Jurisdiction 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	4,272,344	363,448	2.96%	126,461	-5%	27.9	55-R2.5
5		Office Structures and Improvements-not depreciated				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		Office Furniture-not depreciated				0			
11	340.21	Mainframe Comp & Periph Eqpt	70,452	82,764	20.00%	14,090	0%	3.7	5-SQ
12		Mainframe Comp & Periph Eqpt-not depreciated				0			
13	340.22	Personal Comp & Periph Eqpt	11,522	1,006,859	20.00%	86,575	0%	1.7	5-SQ
14		Personal Comp & Periph Eqpt-not depreciated				0			
15	340.23	Computers & Periph Other	414,948	399,253	20.00%	129,575	0%	2.4	5-SQ
16		Computers & Periph Other-not depreciated				0			
17	340.30	Mainframe Software	88,579	4,546,240	20.00%	25,323	0%	1.0	5-SQ
18		Mainframe Software-not depreciated				0			
19	340.32	Personal Comp Software	3,459,484	262,927	20.00%	616	0%	1.4	5-SQ
20		Personal Comp Software-not depreciated				0			
21	340.33	Other Software	937,426	1,260,228	20.00%	187,485	0%	1.3	5-SQ
22		Other Software-not depreciated				0			
23	340.50	Other Office Equipment	61,401	64,317	6.67%	4,095	0%	4.9	15-SQ
24		Other Office Equipment-not depreciated				0			
25	340.51	Computer Software Special	4,285	1,574,381	10.00%	1,154,557	20%	12.6	13-S2.5
26	341.10	Trans Equip-Light Trucks	1,959,641	847,664	1.53%	29,983	0%	10.6	13-S2.5
27		Trans Equip-Light Trucks-not depreciated				0			
28	341.20	Trans Equip-Heavy Trucks	1,891,616	686,502	2.34%	44,264	15%	10.6	14-S2
29	341.30	Trans Equip-Cars	236,278	194,805	8.50%	20,084	15%	0.0	10-S3
30		Trans Equip-Cars-new additions				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		Stores Equipment-not depreciated				0			
34	343.00	Tools, Shop, & Garage Equip	2,467,538	1,203,412	5.00%	123,377	0%	13.2	20-SQ
35		Tools, Shop, & Garage Equip-not depreciated				0			
36	344.00	Laboratory Equipment	1,677,86	746,019	6.67%	76,302	0%	5.0	20-SQ
37		Laboratory Equipment-not depreciated				0			
38	345.00	Power Operated Equipment	121,286	932,292	2.14%	30,836	15%	12.3	15-SQ
39	346.10	Communication Equipment-telephone	1,440,950	1,384,449	6.67%	107,783	0%	4.0	18-L4
40		Communication Equipment-not depreciated				0			
41	346.19	Communication Equipment-remote control	3,427,142	308,826	6.67%	228,590	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	1,809,991	905,221	5.00%	90,500	0%	13.1	20-SQ
44	347.00	Misc Equipment - not depreciated				0			
45	348.00	Other Tangible Property			5.00%		0%	7.6	20-SQ
46									
47			617,417,864	136,607,803		15,044,801			
48									
49									
50									

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

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

EXHIBIT 37, SCHEDULE B-4
Exhibits(Rate Base)\K_RB12 - revised.xlsx B-4
PAGE 1 OF 2
Witness Responsible L. Bridwell

DATA: X_BASE PERIOD ____ FORECASTED PERIOD
TYPE OF FILING: X_ORIGINAL ____ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Description of Project	Construction Amount	AFUCO Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	D12-01-P	Projects Funded by Others	\$ 283,636	-	-	\$283,636	100%	\$283,636	NA
3	R12-01-A1	Mains - New	\$ -	-	-	-	-	-	NA
4	R12-01-B1	Mains - Replaced / Restored	\$ -	-	-	-	-	-	NA
5	R12-01-C1	Mains - Unscheduled Replacements	\$ 102,723	813	-	103,536	-	103,536	NA
6	R12-01-D1	Mains - Relocation	\$ -	-	-	-	-	-	NA
7	R12-01-E1	Hydrants, Valves, and Manholes - New	\$ -	-	-	-	-	-	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	\$ -	-	-	-	-	-	NA
11	R12-01-I1	Meters New	\$ -	-	-	-	-	-	NA
12	R12-01-J1	Meters - Replaced	\$ -	-	-	-	-	-	NA
13	R12-01-K1	ITS Equipment and Systems	\$ -	-	-	-	-	-	NA
14	R12-01-L1	SCADA Equipment and Systems	\$ 890,768	33,506	-	924,274	-	924,274	NA
15	R12-01-M1	Security Equipment and System	\$ -	-	-	-	-	-	NA
16	R12-01-N1	Offices and Operations Centers	\$ -	-	-	-	-	-	NA
17	R12-01-O1	Vehicles	\$ -	-	-	-	-	-	NA
18	R12-01-P1	Tools and Equipment	\$ -	-	-	-	-	-	NA
19	R12-01-Q1	Process Plant Facilities and Equipment	\$ 41,227	268	-	41,495	-	41,495	NA
20	R12-01-R1	Engineering Studies	\$ 36,012	22,131	-	58,144	-	58,144	NA
21	T12-0102-P	Business Transformation 2010 - 2014	\$ 5,274,989	465,156	-	5,740,156	-	5,740,156	52%
22	T12-0103-P	Business Transformation 2010 - 2014	\$ (57,447)	-	-	(57,447)	-	(57,447)	8%
23	I12-020001	New WTP on Pool 3 of Kentucky	\$ -	-	-	-	-	-	0%
24	I12-020027	Russell Cave Rd Main Extension	\$ (2,589)	2,589	-	-	-	-	0%
25	I12-020009	US 25 Relocation	\$ -	-	-	-	-	-	0%
26	I12-020010	Leestown Road	\$ 1,488,795	136,131	-	1,624,926	-	1,624,926	92%
27	I12-020025	Pump Efficiency Replacement	\$ 1,994,884	52,545	-	2,047,430	-	2,047,430	85%
28	I12-300003	Northern Division Connection	\$ 4,666,333	142,540	-	4,808,873	-	4,808,873	34%
29	IP-1202-9	Todds and Cleveland Rd Main Extension	\$ -	-	-	-	-	-	0%
30	IP-1202-10	KRS Cleanwell Improvements (332)	\$ -	-	-	-	-	-	0%
31	IP-1202-11	I-75 Main Extension	\$ -	-	-	-	-	-	0%
32	IP-1202-13	Greenwich Rd Main Extension	\$ -	-	-	-	-	-	0%
33	IP-1202-16	North Upper St Main Replacement (343)	\$ -	-	-	-	-	-	0%
34	IP-1202-20	KY Major Highway	\$ -	-	-	-	-	-	0%
35	IP-1202-23	KRS Carbon and Pre-Chlorine Feed	\$ -	-	-	-	-	-	0%
36	IP-1202-27	KRS Hydrotreater Valve & Flow Meter	\$ -	-	-	-	-	-	0%
37	IP-1202-39	Pump Efficiency Repl	\$ -	-	-	-	-	-	0%
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
						\$17,719,318		\$15,575,022	
						\$955,659		\$15,575,022	

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(Rate Base)(K_RB12 - revised.xlsx) B-4
PAGE 2 OF 2
Witness Responsible L. Bridwell

DATE: ___ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: __X__ ORIGINAL __ __REVISED
WORKPAPER REFERENCE NO(S): __ W/P-1-3

Line No.	Project Number	Description of Project	Construction Amount	AFUCO Capitalized	Indirect Costs	Total Costs	Jurisdictional Percent	Total Jurisdictional Cost	Estimated Percent Complete
1									
2	D12-00-P	Projects Funded by Others	\$355,661	\$0	\$0	\$355,661	100%	\$355,661	N/A
3	R12-00-A1	Mains - New	\$463,328	\$618	\$0	\$463,946		\$463,946	N/A
4	R12-00-B1	Mains - Replaced / Restored	\$35,162	\$4,777	\$0	\$39,939		\$39,939	N/A
5	R12-00-C1	Mains - Unschedule Replacements	\$0	\$0	\$0	\$0		\$0	N/A
6	R12-00-D1	Mains - Relocation	\$87,009	\$1,153	\$0	\$88,161		\$88,161	N/A
7	R12-00-E1	Hydrants, Valves, and Manholes - New	\$0	\$0	\$0	\$0		\$0	N/A
8	R12-00-F1	Hydrants, Valves, and Manholes - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
9	R12-00-G1	Services and Laterals - New	\$0	\$0	\$0	\$0		\$0	N/A
10	R12-00-H1	Services and Laterals - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
11	R12-00-I1	Meters New	\$0	\$0	\$0	\$0		\$0	N/A
12	R12-00-J1	Meters - Replaced	\$0	\$0	\$0	\$0		\$0	N/A
13	R12-00-K1	ITS Equipment and Systems	\$0	\$0	\$0	\$0		\$0	N/A
14	R12-00-L1	SCADA Equipment and Systems	\$402,372	\$21,637	\$0	\$424,008		\$424,008	N/A
15	R12-00-M1	Security Equipment and Systems	\$0	\$0	\$0	\$0		\$0	N/A
16	R12-00-N1	Offices and Operations Centers	\$0	\$0	\$0	\$0		\$0	N/A
17	R12-00-O1	Vehicles	\$0	\$0	\$0	\$0		\$0	N/A
18	R12-00-P1	Tools and Equipment	\$0	\$0	\$0	\$0		\$0	N/A
19	R12-00-Q1	Process Plant Facilities and Equipment	\$230,043	\$1,110	\$0	\$231,153		\$231,153	N/A
20	R12-00-S1	Engineering Studies	\$18,126	\$1,267	\$0	\$19,394		\$19,394	N/A
21	T12-0102-P	Business Transformation 2010 - 2014	\$204,440	\$0	\$0	\$204,440		\$204,440	100%
22	T12-0102-P	Business Transformation 2010 - 2014	(\$60,809)	\$0	\$0	(\$60,809)		(\$60,809)	100%
23	I12-00001	New WTP on Pool 3 of Kentucky	\$0	\$0	\$0	\$0		\$0	0%
24	I12-00002	Russell Cave Rd Main Extension	(\$2,959)	\$0	\$0	(\$2,959)		(\$2,959)	0%
25	I12-00009	US 25 Relocation	\$0	\$0	\$0	\$0		\$0	0%
26	I12-00010	Leestown Road	\$0	\$0	\$0	\$0		\$0	0%
27	I12-00025	Pump Efficiency Replacement	\$0	\$0	\$0	\$0		\$0	0%
28	I12-300003	Northern Division Connection	\$4,132,749	\$1,882,222	\$0	\$6,014,971		\$6,014,971	100%
29	IP-1202-9	Todd and Cleveland Rd Main Extension	\$162,414	\$3,246	\$0	\$165,660		\$165,660	28%
30	IP-1202-10	KRS Cleanwell Improvements (332)	\$119,209	\$1,984	\$0	\$121,194		\$121,194	20%
31	IP-1202-11	I-75 Main Extension	\$110,084	\$1,903	\$0	\$111,987		\$111,987	29%
32	IP-1202-13	Greenwich Rd Main Extension	\$142,539	\$2,348	\$0	\$144,887		\$144,887	57%
33	IP-1202-16	North Upper St Main Replacement (343)	\$116,153	\$1,976	\$0	\$118,129		\$118,129	39%
34	IP-1202-20	KY Major Highway	\$85,992	\$1,652	\$0	\$87,644		\$87,644	37%
35	IP-1202-23	KRS Carbon and Pre-Chlorine Feed	\$41,554	\$682	\$0	\$42,236		\$42,236	51%
36	IP-1202-27	KRS Hydrotreater Valve & Flow Meter	\$21,391	\$282	\$0	\$21,672		\$21,672	100%
37	IP-1202-39	Pump Efficiency Repl	\$49,037	\$578	\$0	\$49,615		\$49,615	72%
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						\$5,613,262	\$0	\$5,613,262	
						\$6,851,268		\$6,851,268	

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 - PERCENT COMPLETE
AS OF MARCH 31, 2013

EXHIBIT 37 - SCHEDULE B-4.1
Exhibits(Rate Base)(C_RB12 - revised.xlsx) B-4
PAGE 1 OF 2
Witness Responsible L. Bridwell

DATA: X_BASE PERIOD ____ FORECASTED PERIOD
TYPE OF FILING: X_ORIGINAL ____ UPDATED ____ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Description	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	Projects Funded by Others	NA	NA	NA	NA	NA	283,636	NA
3	R12-**A1	Mains - New	NA	NA	NA	NA	NA	-	NA
4	R12-**B1	Mains - Replaced / Restored	NA	NA	NA	NA	NA	103,536	NA
5	R12-**C1	Mains - Unschedule Replacements	NA	NA	NA	NA	NA	-	NA
6	R12-**D1	Mains - Relocation	NA	NA	NA	NA	NA	-	NA
7	R12-**E1	Hydrants, Valves, and Manholes - New	NA	NA	NA	NA	NA	-	NA
8	R12-**F1	Hydrants, Valves, and Manholes - Replaced	NA	NA	NA	NA	NA	-	NA
9	R12-**G1	Services and Laterals - New	NA	NA	NA	NA	NA	-	NA
10	R12-**H1	Services and Laterals - Replaced	NA	NA	NA	NA	NA	-	NA
11	R12-**I1	Meters New	NA	NA	NA	NA	NA	-	NA
12	R12-**J1	Meters - Replaced	NA	NA	NA	NA	NA	-	NA
13	R12-**K1	ITS Equipment and Systems	NA	NA	NA	NA	NA	-	NA
14	R12-**L1	SCADA Equipment and Systems	NA	NA	NA	NA	924,274	-	NA
15	R12-**M1	Security Equipment and System	NA	NA	NA	NA	-	-	NA
16	R12-**N1	Offices and Operations Centers	NA	NA	NA	NA	-	-	NA
17	R12-**O1	Vehicles	NA	NA	NA	NA	-	-	NA
18	R12-**P1	Tools and Equipment	NA	NA	NA	NA	-	-	NA
19	R12-**Q1	Process Plant Facilities and Equipment	NA	NA	NA	NA	41,495	-	NA
20	R12-**S1	Engineering Studies	NA	NA	NA	NA	58,144	-	NA
21	T12-0102-P	Business Transformation 2010 - 2014	Jan-10	May-13	97.45%	12,771,812	11,085,857	-	NA
22	T12-0103-P	Business Transformation 2010 - 2014	Jan-11	Aug-12	141.87%	238,147	763,739	-	51.78%
23	I12-02001	New WTP on Pool 3 of Kentucky	Aug-06	Sep-10	161.09%	146,875,523	164,115,992	(57,447)	-7.53%
24	I12-02002	Russell Cave Rd Main Extension	Nov-11	Jul-12	200.78%	749,598	486,004	-	0.00%
25	I12-02009	US 25 Relocation	Feb-10	Jul-12	126.81%	3,200,000	2,810,647	-	0.00%
26	I12-02010	Leestown Road	Oct-10	Apr-13	98.38%	1,500,000	1,773,269	1,624,926	91.63%
27	I12-02025	Pump Efficiency Replacement	Jul-12	Apr-13	94.79%	775,000	2,418,253	2,047,430	84.67%
28	I12-300003	Northern Division Connection	Jan-11	Dec-13	75.09%	7,000,000	14,104,868	4,808,873	34.09%
29	IP-1202-9	Todd's and Cleveland Rd Main Extension	Jan-14	Nov-14	0.00%	2,400,000	2,400,000	-	0.00%
30	IP-1202-10	KRS Cleanwell Improvements (332)	Jan-14	Jun-15	0.00%	4,308,818	3,000,000	-	0.00%
31	IP-1202-11	I-75 Main Extension	Jan-14	Nov-14	0.00%	2,000,000	2,000,000	-	0.00%
32	IP-1202-13	Greenwich Rd Main Extension	Jan-14	Oct-14	0.00%	1,300,000	1,300,000	-	0.00%
33	IP-1202-16	North Upper St Main Replacement (343)	Jan-14	Dec-14	0.00%	1,500,282	1,500,282	-	0.00%
34	IP-1202-20	KY Major Highway	Jan-14	Dec-14	0.00%	3,000,000	1,000,000	-	0.00%
35	IP-1202-23	KRS Carbon and Pre-Chlorine Feed	Jan-14	Sep-14	0.00%	500,000	500,000	-	0.00%
36	IP-1202-27	KRS Hydrotreater Valve & Flow Meter	Feb-14	Jul-14	0.00%	250,000	250,000	-	0.00%
37	IP-1202-39	Pump Efficiency Repl	Apr-14	Sep-14	0.00%	457,866	457,866	-	0.00%
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5192,827,446 5209,964,772 15,575,022

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 B-4.1
Exhibits(Rate Base)(C_RB12 - revised.xlsx)B-4
PAGE 2 OF 2
Witness Responsible L. Birdwell

DATA: ___ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: __X__ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1-3

Line No.	Project Number	Description	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	Projects Funded by Others							
3	R12-**A1	Mains - New	Jan-10	May-13	137.50%	12,771,812	11,085,857	\$355,661	NA
4	R12-**B1	Mains - Replaced / Restored	Jan-11	Aug-12	226.12%	238,147	763,719	\$465,966	NA
5	R12-**C1	Mains - Unschedule Replacements	Aug-06	Sep-10	193.32%	140,875,523	164,115,992	\$395,406	NA
6	R12-**D1	Mains - Relocation	Feb-10	Jul-12	180.33%	749,598	486,004	\$0	NA
7	R12-**E1	Hydrants, Valves, and Manholes - New	Feb-10	Apr-13	150.92%	3,200,000	2,810,647	\$88,161	NA
8	R12-**F1	Hydrants, Valves, and Manholes - Replaced	Jul-12	Apr-13	263.89%	1,500,000	1,773,269	\$0	NA
9	R12-**G1	Services and Laterals - New	Jan-11	Dec-13	119.69%	775,000	2,418,253	\$0	NA
10	R12-**H1	Services and Laterals - Replaced	Jan-14	Nov-14	66.35%	2,400,000	14,104,868	\$165,660	NA
11	R12-**I1	Meters - New	Jan-14	Jun-15	39.81%	4,308,818	3,000,000	\$121,194	NA
12	R12-**J1	Meters - Replaced	Jan-14	Oct-14	73.53%	2,000,000	1,300,000	\$141,887	NA
13	R12-**K1	ITS Equipment and Systems	Jan-14	Dec-14	60.63%	1,500,282	1,300,282	\$118,129	NA
14	R12-**L1	SCADA Equipment and Systems	Jan-14	Dec-14	60.63%	3,000,000	1,000,000	\$87,844	NA
15	R12-**M1	Security Equipment and System	Jan-14	Sep-14	82.10%	500,000	500,000	\$42,236	NA
16	R12-**N1	Offices and Operations Centers	Jan-14	Jul-14	100.56%	250,000	250,000	\$21,572	NA
17	R12-**O1	Vehicles	Feb-14	Apr-14	68.36%	457,866	457,866	\$49,615	NA
18	R12-**P1	Tools and Equipment							
19	R12-**Q1	Process Plant Facilities and Equipment							
20	R12-**S1	Engineering Studies							
21	T12-0102-P	Business Transformation 2010 - 2014	Jan-10	May-13	137.50%	12,771,812	11,085,857	\$355,661	NA
22	T12-0103-P	Business Transformation 2010 - 2014	Jan-11	Aug-12	226.12%	238,147	763,719	\$465,966	NA
23	I12-02001	New WTP on Pool 3 of Kentucky	Aug-06	Sep-10	193.32%	140,875,523	164,115,992	\$395,406	NA
24	I12-02002	Russell Cave Rd Main Extension	Nov-11	Jul-12	390.27%	749,598	486,004	\$0	1.84%
25	I12-02009	US 25 Relocation	Feb-10	Jul-12	180.33%	3,200,000	2,810,647	\$0	-7.96%
26	I12-02010	Leestown Road	Feb-10	Jul-12	180.33%	3,200,000	2,810,647	\$0	0.00%
27	I12-02025	Pump Efficiency Replacement	Oct-10	Apr-13	150.92%	1,500,000	1,773,269	\$0	0.00%
28	I12-300003	Northern Division Connection	Jul-12	Apr-13	263.89%	775,000	2,418,253	\$0	0.00%
29	IP-1202-9	Todd's and Cleveland Rd Main Extension	Jan-11	Dec-13	119.69%	7,000,000	14,104,868	\$4,320,971	30.63%
30	IP-1202-10	KRS Cleanwell Improvements (332)	Jan-14	Nov-14	66.35%	2,400,000	2,400,000	\$165,660	6.90%
31	IP-1202-11	I-75 Main Extension	Jan-14	Jun-15	39.81%	4,308,818	3,000,000	\$121,194	4.04%
32	IP-1202-13	Greenwich Rd Main Extension	Jan-14	Oct-14	73.53%	2,000,000	1,300,000	\$141,887	5.60%
33	IP-1202-16	North Upper St Main Replacement (343)	Jan-14	Dec-14	60.63%	1,500,282	1,300,282	\$118,129	11.15%
34	IP-1202-20	KY Major Highway	Jan-14	Dec-14	60.63%	3,000,000	1,000,000	\$87,844	7.87%
35	IP-1202-23	KRS Carbon and Pre-Chlorine Feed	Jan-14	Sep-14	82.10%	500,000	500,000	\$42,236	8.45%
36	IP-1202-27	KRS Hydrotreater Valve & Flow Meter	Feb-14	Jul-14	100.56%	250,000	250,000	\$21,572	8.63%
37	IP-1202-39	Pump Efficiency Repl	Apr-14	Sep-14	68.36%	457,866	457,866	\$49,615	10.84%
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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.

\$182,827,446 \$209,964,777 \$6,851,268

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-0620
ALLOWANCE FOR WORKING CAPITAL
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5
Exhibits\Rate Base\K_0622 - revised.xlsx Sch B-5
PAGE 1 OF 2
Witness Responsible: L. Bridwell

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ 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	Working Capital	Lead/Log Study	B-5.2, Page 1/3	\$27,000,000	100.00%	\$27,000,000
4						
5						
6						
7	Materials and Supplies	24 Month Average Balance	B-5.1, Page 1/2	\$727,081	100.00%	\$727,081

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-0620
ALLOWANCE FOR WORKING CAPITAL
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5
Exhibits\Rate Base\K_R012 - revised.xlsx Sch B-5
PAGE 2 OF 2
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
TYPE OF FILING: __X_ 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	\$3,946,000	100.00%	\$3,946,000
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. 2012-06520
WORKING CAPITAL COMPONENTS
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5.1
Exhibits\Rate Base\K_C_R012 - revised.xlsx b-5
PAGE 2 OF 2
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
TYPE OF FILING: __X_ ORIGINAL __ UPDATED __ 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							
4							
5							
6	Materials and Supplies						
7							
8	Materials and Supplies	\$ 727,081	100.00%	\$727,081	\$727,081	100.00%	\$727,081
9							
10							
11							
12							
13							
14		\$727,081		\$727,081			\$727,081
15							
16							
17							
18							
19							

Excel File Location: Exhibits\Rate Base\KY M&S.xlsx\schedule

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-06820
WORKING CAPITAL - LEAD/LAG STUDY
AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5.2
Exhibits\Rate Base\K_C_R022 - revised.xlsx Sch B-5
PAGE 1 OF 6
Witness Responsible: L. Bridwell

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):

Line No.	Description	Days	Amount	Reference
1				
2				
3	Total Operating Funds		<u>\$88,228,184</u>	SCHEDULE B-5.2/Page 2 of 6
4				
5	Average Daily Operating Funds		241,721	
6				
7	Composite Average Days Interval Between:			
8				
9	(A) Date Service Furnished and Date Collections Deposited	39.07		SCHEDULE B-5.2/Page 3 of 6
10				
11	(B) Date Expenses Incurred and Date of Payment	27.90		SCHEDULE B-5.2/Page 2 of 6
12				
13	(C) Net Interval	11.17		
14				
15	Total Working Capital		<u>\$2,700,302</u>	
16				
17	Use		<u>\$2,700,000</u>	
18				

KENTUCKY-AMERICAN WATER COMPANY
 Case No. 2012-0620
 WORKING CAPITAL - LEAD/LAG STUDY
 AS OF MARCH 31, 2013

EXHIBIT 37, SCHEDULE B-5.2
 Exhibits\Rate Base\K_C_R02 - revised.xlsx\in b-5
 PAGE 2 OF 6
 Witness Responsible: L. Bridwell

DATA: X_ BASE PERIOD __ FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL __ UPDATED __ REVISED
 WORKPAPER REFERENCE NO(S):

Line No.	Description	Amount	Post Payment or (Lead) Days	Dollar Days	Excel File Location
1					
2	Salaries & Wages	7,150,158	12.00	\$85,821,915	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
3	Fuel, Power and Electric	3,994,390	28.09	112,207,613	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
4	Chemicals	1,834,701	31.76	58,266,690	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
5	Purchased Water	335,669	48.44	16,258,184	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
6	Waste Disposal	318,460	34.18	10,885,936	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
7	Service Company Charges	8,951,414	(9.56)	(85,564,772)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
8	Contracted Services	854,325	27.56	(9,434,394)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
9	Group Insurance	1,275,452	(7.40)	(1,073,966)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
10	Other	689,064	(1.56)	8,695,855	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
11	Other Benefits	354,192	27.56	(49,156,935)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
12	Pensions	1,025,678	8.46	(1,009,580)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
13	Insurance Other than Group	646,312	(76.06)	38,736,259	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
14	Rents	35,782	(28.21)	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
15	Regulatory Expense	212,934	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
16	Maintenance Service & Supplies	1,207,922	32.07	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
17	Amortization	485,811	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
18	Uncollectibles	1,437,455	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
19	Office Supplies & Services	236,813	12.04	2,850,901	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
20	Employee Related Exp, Travel & Ent	242,207	12.04	2,915,828	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
21	Other Operating Expenses	2,614,223	27.56	72,055,880	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
22	Total O & M Expenses	33,503,162		282,456,414	
23	Depreciation and Amortization	12,079,210	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
24	Property Taxes	4,125,012	189.73	782,658,856	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
25	Utility Tax	136,894	(178.27)	(24,403,473)	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
26	Payroll Taxes	535,417	12.00	6,425,002	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
27	Income Taxes - Current - SIT	1,384,008	52.00	71,968,429	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
28	Income Taxes - Current - FIT	7,480,524	36.74	274,834,453	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
29	Deferred Income Taxes	1,381,142	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
30	Interest Expense - Long - Term Debt	12,053,984	90.01	1,085,012,854	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
31	Interest Expense - Short - Term Debt	62,061	15.21	943,657	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
32	Preferred Dividends	39,985	47.75	1,909,267	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
33	Net Income	15,046,785	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SOH C1
34	Net Operating Funds	\$88,228,184		\$2,461,805,459	
35	Average Days Interval between Date Expenses are Incurred and Date of Payment			27.90	

Exhibits\Rate Base\2012 RIC KY Lead-Lag Study (SAP Format)-Revised.xlsx\in\out

Lead Lag Days Excel file Reference:

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-0620
WORKING CAPITAL - LEAD/LAG STUDY
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5.2
Exhibits\Rate Base\KAW_2012 - revised.xlsx Sch B-5
PAGE 4 OF 6
Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
TYPE OF FILING: __X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):
AGDR215(4, 5, & 6)

Line No.	Description	Days	Amount	Reference
1				
2				
3	Total Operating Funds		<u>\$93,220,371</u>	SCHEDULE B-5.2/Page 5 of 6
4				
5	Average Daily Operating Funds		255,388	
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	(B) Date Expenses Incurred and Date of Payment	23.10		SCHEDULE B-5.2/Page 5 of 6
10	(C) Net Interval	<u>15.45</u>		
11				
12	Total Working Capital		<u>\$3,945,857</u>	
13				
14	Use		<u>\$3,946,000</u>	
15				
16				
17				
18				

KENTUCKY-AMERICAN WATER COMPANY
 Case No. 2012-0620
 WORKING CAPITAL - LEAD/LAG STUDY
 FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5.2
 Exhibits\Rate Base\K_C_R012 - revised.xlsx\p05-5
 PAGE 5 OF 6
 Witness Responsible: L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
 TYPE OF FILING: __X_ ORIGINAL ___ UPDATED ___ REVISED
 WORK/PAPER REFERENCE NO(S):

Line No.	DESCRIPTION	Amount	Post Payment or (Lead) Days	Dollar Days	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
1	Salaries & Wages	6,880,213	12.00	82,581,817	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
2	Fuel, Power and Electric	3,758,292	28.69	105,856,221	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
4	Chemicals	1,779,872	31.76		Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
5	Purchased Water	207,227	48.44	10,037,082	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
6	Waste Disposal	336,750	34.18	11,511,159	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
7	Service Company Charges	9,324,233	(9.56)	(89,128,481)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
8	Contracted Services	858,406	27.56	23,660,590	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
9	Group Insurance	1,418,443	(7.40)	(10,492,080)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
10	Opex	691,061	(1.56)	(1,077,018)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
11	Other Benefits	403,472	27.56	11,121,049	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
12	Pensions	983,207	8.48	8,334,156	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
13	Insurance Other than Group	670,126	(76.06)	(50,968,194)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
14	Rents	37,919	(28.21)	(1,069,864)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
15	Regulatory Expense	274,995	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
16	Maintenance Service & Supplies	1,104,638	32.07	35,424,086	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
17	Amortization	485,811	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
18	Uncollectibles	1,675,735	0.00	-	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
19	Office Supplies & Services	377,375	12.04	4,543,068	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
20	Employee Related Exp, Travel & Ent	190,707	12.04	2,295,845	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
21	Other Operating Expenses	2,423,696	27.56	66,805,309	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
22	Total O & M Expenses	33,892,179		20,996,707	
23	Depreciation and Amortization	13,331,863	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
24	Property Taxes	4,455,772	189.73	845,415,465	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
25	Utility Tax	126,399	(178.27)	(22,532,560)	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
26	Payroll Taxes	532,600	12.00	6,391,206	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
27	Income Taxes - Current - ST	491,703	52.00	25,568,537	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
28	Income Taxes - Current - FT	3,658,209	36.74	134,402,603	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
29	Deferred Income Taxes	3,573,987	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
30	Interest Expense - Long - Term Debt	12,483,472	90.01	1,123,672,239	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
31	Interest Expense - Short - Term Debt	63,445	15.21	964,709	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
32	Preferred Dividends	381,150	47.75	18,199,913	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
33	Net Income	20,229,593	0.00	0	Exhibits\Income Statement.xlsx\Inc Statement - SCH C1
34	Net Operating Funds	593,220,371		52,153,078,819	
35					
36					
37					
38					
39	Average Days Interval between Date Expenses are Incurred and Date of Payment			23.10	
40					
41					
42					
43					

Exhibits\Rate Base\K_C_R012 FY Lead-Lag Study (SAP Format)\Revised.xlsx\In/out

Lead Lag Days Excel file Reference:

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-06620
WORKING CAPITAL - LEAD/LAG STUDY
FROM AUGUST 2013 TO JULY 2014

EXHIBIT 37, SCHEDULE B-5.2
Exhibits\Rate Base\K_C_R012 - revised.xlsx\sch b-5
PAGE 6 OF 6
Witness Responsible L. Bridwell

DATA: ___ BASE PERIOD __X_ FORECASTED PERIOD
TYPE OF FILING: __X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):
AGDR2H5(4, 5, & 6)

Line No.	Revenues Amount	Median Service Days	Dollar Days	Excel File Reference
1				
2				
3	Monthly - Areas Full Bills	15.29	\$1,215,730,822	Exhibits\Rate Base\2012 KC KY Lead-Lag Study (SAP Format)\Revised.xlsx\RevenueLag
4				
5				
6				
7	Fire Service	15.86	36,786,318	Exhibits\Rate Base\KY Fire Serv Lead-Lag 2012.xlsx\Rev Lead Lag Ex
8				
9	Total		\$1,252,517,140	
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Average Median Service Days		15.31	
21				
22	Number of Days between the Reading Date and the Billing Date		4.73	Exhibits\Rate Base\2012 KC KY Lead-Lag Study (SAP Format)\Revised.xlsx\RevenueLag
23				
24				
25	Number of Days between the Billing Date and the Date the Bills are Paid		19.03	Exhibits\Rate Base\2012 KC KY Lead-Lag Study (SAP Format)\Revised.xlsx\RevenueLag
26				
27				
28				
29				
30	Total		39.07	
31			3,197,275,780	
32	Other Revenues		15.29	
33			28,042,446	
34				
35	Total Average Days* Interval between Number of Days from Date Services are Furnished to Date Collections are Received		38.55	
36			3,225,318,226	
37				

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\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: X_ ORIGINAL _ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Description	Workpaper Reference	Excel File Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1							
2							
3	252	Customer Advances	W/P-1-6	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh DevAdv	\$ 13,545,381	100.00%	\$13,545,381
4							
5	271	Contributions in Aid of Construction	W/P-1-7	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh CIAC	\$ 52,036,709		\$52,036,709
6							
7	255	Investment Tax Credits:	W/P-1-9	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							
16	282	Deferred Taxes:	W/P-1-8	Exhibits\Taxes\KY Deferred Taxes 2012-2014.xlsx\Schedule	\$53,412,795		\$53,412,795
17		Utility Plant in Service	W/P-1-8		1,255,149		1,255,149
18		Deferred Maintenance	W/P-1-8		616,164		616,164
19		Deferred Debits					
20							
21							
22							
23							
24					\$55,284,108		\$55,284,108

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\Rate Base\K_RB12 - revised.xls\Sch B-6
PAGE 2 OF 2
Witness Responsible L. Bridwell

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL _UPDATED_ ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-1

Line No.	Acct No.	Description	Workpaper Reference	Excel File Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount	13-Month Average Balance
2								
3	252	Customer Advances	W/P-1-6	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xls\Exh DevAdv	\$14,239,381	100.00%	\$14,239,381	\$13,997,843
4	271	Contributions in Aid of Construction	W/P-1-7	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xls\Exh CIAC	\$52,303,874			\$52,238,690
5								
6								
7	255	Investment Tax Credits:	W/P-1-9	Exhibits\Rate Base\KY ITC.xls\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								
16	282	Deferred Taxes:	W/P-1-8	Exhibits\Taxes\KY Deferred Taxes 2012-2014.xls\Schedule	\$58,765,265		\$58,765,265	\$56,564,195
17		Utility Plant in Service	W/P-1-8		634,719		634,719	472,464
18		Deferred Maintenance	W/P-1-8		(40,708)		(40,708)	(29,606)
19		Deferred Debits						
20								
21								
22								
23								
24								
					\$59,359,277		\$59,359,276	\$57,007,044

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

EXHIBIT 37, SCHEDULE B-7
Exhibits\Rate Base\K_RB12 - revised.xls\Sch B-7
PAGE 1 OF 1
Witness Responsible L. Bridwell

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

Line No.	Acct 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\Rate Base\K_R812 - rev\sed.xlsx\Sch B-8
PAGE 1 OF 2
Witness Responsible L. Bridwell

DATA: _X_ BASE PERIOD _X_ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S):

Line No.	Description	Forecasted Period	% Change	Base Period	2011	% Change	2010	% Change	2009	% Change	2008	% Change	2007
1													
2	Utility Plant												
3	Utility Plant in Service	\$27,540,378	4.86%	\$598,439,503	\$580,644,329	3.06%	\$583,384,358	46.38%	\$384,865,343	4.16%	\$369,485,721	6.99%	\$345,341,374
4	CWIP	6,851,268	-56.01%	15,575,022	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	(136,601,885)	6.66%	(128,076,322)	(105,103,645)	21.86%	(98,304,331)	8.09%	(90,949,724)	8.00%	(84,212,709)	4.70%	(80,434,539)
6	UPAA	254,000		254,000	250,730	-1.30%	263,109	-7.45%	284,296	-8.55%	310,871	-4.87%	326,777
7													
8	Total Net Utility Plant	498,043,760	-44.49%	486,132,204	485,967,646	46.16%	472,566,409	-47.78%	432,997,293	158.28%	340,085,013	162.58%	286,543,328
9													
10	Other Property and Investments												
11	Non-Utility Property	250,000	0.00%	250,000	249,738	-0.10%	270,193	0.00%	270,193	0.00%	270,193	8.19%	249,738
12	Accum Prov - Depr/Amort												
13	Investment in Assoc. Co's												
14	Other Investments												
15													
16	Total Other Property and Investments	250,000	0.00%	250,000	249,738	-0.10%	270,193	0.00%	270,193	0.00%	270,193	8.19%	249,738
17													
18													
19	Current and Accrued Assets												
20	Cash and Cash Equivalents	\$ -	0.00%	\$ -	282,053	4.87%	268,962	52.60%	176,259	-24.80%	234,378	-41.15%	396,277
21	Temporary Cash Investments												
22	Customer Accounts	2,885,538	8.44%	2,661,000	2,836,297	-6.14%	3,011,145	15.27%	2,612,228	11.52%	2,342,465	21.49%	1,925,082
23	Receivable	0	0.00%	0	(542,769)	33.42%	(406,809)	46.86%	(277,011)	1.34%	(273,956)	22.41%	(223,309)
24	Accum Prov - Uncollectibles	4,300,462	26.15%	3,409,000	3,893,019	-11.76%	4,412,023	36.57%	3,230,672	11.41%	2,899,825	13.18%	2,562,043
25	Accrued Utility Revenues	0		0	0		0		0		0		388,038
26	Income Tax Refund due	0		0	337,252	-53.93%	732,006	-82.60%	4,205,976	920.55%	412,129	109.98%	196,269
27	From Assoc. Co	727,081	0.00%	727,081	691,214	-7.51%	747,354	15.82%	645,292	11.82%	577,106	-9.06%	634,634
28	MiscAccounts Receivable	341,000	-1.45%	346,000	189,120	0.91%	187,421	-48.34%	362,811	-26.64%	494,557	316.29%	118,800
29	Materials and Supplies												
30	Other												
31													
32	Total Current and Accrued Assets	8,254,081	-1.45%	7,143,081	7,676,186	-60.53%	8,952,102	-115.12%	10,956,227	905.72%	6,687,104	317.21%	6,002,834
33													
34													
35	Deferred Debits												
36	Unamortized Debt and	\$ -	0.00%	0	1,803,685	-4.56%	1,889,834	11.84%	1,689,840	112.45%	795,392	-5.97%	845,867
37	Preferred Stock Expense												
38	Unamortized Rate Case	0	0.00%	0	359,517	-32.64%	533,742	8.51%	491,878	-11.20%	553,892	13.99%	485,893
39	Expenses												
40	Preliminary Survey and												
41	Investigation Charges	12,563,635	9.04%	11,521,602	52,204	0.00%	52,204	0.00%	52,204	-58.46%	125,657	0.00%	125,657
42	Misc Deferred Debits												
43													
44	Total Deferred Debits	12,563,635	9.04%	11,521,602	14,398,570	-37.29%	14,670,277	29.08%	13,448,490	45.80%	12,363,555	0.70%	13,207,389
45													
46													
47	Total Assets	\$519,111,477	-36.89%	\$505,106,887	\$508,292,141	-59.24%	\$496,458,981	-133.81%	\$457,672,203	1109.80%	\$359,405,866	488.68%	\$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

For electronic version, see KAW_APP_EX37C_122812.pdf.

Kentucky American Water Company
Case No. 2012-00520
Jurisdictional Operating Income Summary for the Base and Forecasted Periods

Line No.	Major Acct Group	Description	Supporting Schedule Reference	Base Period Ended 3/31/2013	Adjustment for Forecast at Present Rates	Forecast Year Ended 7/31/2014 At Present Rates	Adjustment for Proposed Rates	Forecast Year at Proposed Rates	Forecast Adjustment Worksheet	Forecast Location
1		Operating Revenues								
2	400	Water Revenues	Exh 37 C-2	\$ 84,830,506	\$ (2,998,368)	\$ 81,832,138	\$ 11,971,553	\$ 93,803,691	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit
3	400	Other Revenues	Exh 37 C-2	2,452,254	(618,188)	1,834,066	346,149	2,180,215	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit
4	420	AFUDC	Exh 37 C-3	-	491,629	491,629	-	491,629	W/P - 1-4	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\AFUDC Activiti
5	Total	Total Revenues (Sum Lines 2-3)		\$ 87,282,760	\$ (3,124,927)	\$ 84,157,833	\$ 12,317,702	\$ 96,475,535		
6		Operating Expenses								
7	401	O&M:								
9		Purchased Water	Exh 37 C-2	\$ 335,669	\$ (128,402)	\$ 207,227	\$ -	\$ 207,227	W/P - 3-2	Exhibits\Expense\Purchased Water Expense Exhibit.xlsx\Exhibit
10		Fuel & Power	Exh 37 C-2	3,994,390	(226,098)	3,768,292	-	3,768,292	W/P - 3-3	Exhibits\Expense\Fuel and Power Expense Exhibit.xlsx\Exhibit
11		Chemicals	Exh 37 C-2	1,834,701	(54,829)	1,779,872	-	1,779,872	W/P - 3-4	Exhibits\Expense\Chemical Expense Exhibit.xlsx\Exhibit
12		Waste Disposal	Exh 37 C-2	318,460	18,290	336,750	-	336,750	W/P - 3-5	Exhibits\Expense\Waste Disposal Expense Exhibit.xlsx\Exhibit
13		Salaries and Wages	Exh 37 C-2	7,150,158	(269,945)	6,880,213	-	6,880,213	W/P - 3-1	Exhibits\Expense\Labor and Labor Related Expense Exhibit.xlsx\Exhibit
14		Pension	Exh 37 C-2	1,025,878	(42,671)	983,207	-	983,207	W/P - 3-1c	Exhibits\Expense\Labor and Labor Related Expense Exhibit.xlsx\Exhibit
15		Group Insurance	Exh 37 C-2	1,964,516	144,987	2,109,504	-	2,109,504	W/P - 3-1a	Exhibits\Expense\Labor and Labor Related Expense Exhibit.xlsx\Exhibit
16		Other Benefits	Exh 37 C-2	354,192	49,280	403,472	-	403,472	W/P - 3-1b	Exhibits\Expense\Labor and Labor Related Expense Exhibit.xlsx\Exhibit
17		Support Services	Exh 37 C-2	8,951,414	372,820	9,324,233	-	9,324,233	W/P - 3-7	Exhibits\Expense\Contract Services.xlsx\Exhibit
18		Contract Services	Exh 37 C-2	854,325	4,081	858,406	-	858,406	W/P - 3-18	Exhibits\Expense\Contract Services.xlsx\Exhibit
19		Building Maintenance & Services	Exh 37 C-2	524,208	(45,250)	478,958	-	478,958	W/P - 3-12	Exhibits\Expense\Building Maint & Services.xlsx\Exhibit
20		Telecommunications	Exh 37 C-2	286,997	(29,628)	257,369	-	257,369	W/P - 3-14	Exhibits\Expense\Telecommunication Expenses.xlsx\Exhibit
21		Postage, Printing, & Stationary	Exh 37 C-2	33,775	1,983	35,758	-	35,758	W/P - 3-15	Exhibits\Expense\Postage, shipping, printing Exhibit.xlsx\Exhibit
22		Other Supplies & Services	Exh 37 C-2	236,813	140,562	377,375	-	377,375	W/P - 3-16	Exhibits\Expense\Office Supplies & Expenses.xlsx\Exhibit
23		Advertising & Marketing	Exh 37 C-2	29,862	(29,862)	-	-	-	W/P - 3-17	Exhibits\Expense\Advertising & Mktg.xlsx\Exhibit
24		Employee Related Expense	Exh 37 C-2	242,207	(51,500)	190,707	-	190,707	W/P - 3-19	Exhibits\Expense\Employee Related Expenses.xlsx\Exhibit
25		Miscellaneous Expense	Exh 37 C-2	1,299,821	(129,274)	1,170,548	-	1,170,548	W/P - 3-20	Exhibits\Expense\Miscellaneous Expense.xlsx\Exhibit
26		Rents	Exh 37 C-2	35,782	2,137	37,919	-	37,919	W/P - 3-11	Exhibits\Expense\Rent Expense Exhibit.xlsx\Exhibit
27		Transportation	Exh 37 C-2	439,561	41,503	481,064	-	481,064	W/P - 3-21	Exhibits\Expense\Transportation.xlsx\Exhibit
28		Uncollectible Accounts	Exh 37 C-2	300,934	180,869	481,803	70,932	552,735	W/P - 3-10	Exhibits\Expense\Uncollectibles Exhibit.xlsx\Exhibit
29		Other Customer Accounting	Exh 37 C-2	1,136,521	57,411	1,193,932	-	1,193,932	W/P - 3-9	Exhibits\Expense\2012 Customer Accounting - Postage.xlsx\Exhibit - Customer Acctg
30		Regulatory Expense	Exh 37 C-2	212,934	62,061	274,995	-	274,995	W/P - 3-6	Exhibits\Expense\Rate Case Expense Exhibit.xlsx\Exhibit
31		Insurance Other Than Group	Exh 37 C-2	646,312	23,814	670,126	-	670,126	W/P - 3-22	Exhibits\Expense\OTG Expense Exhibit.xlsx\Exhibit
32		Maintenance Supplies & Services	Exh 37 C-2	1,693,733	(103,284)	1,590,449	-	1,590,449	W/P - 3-13	Exhibits\Expense\Maintenance Expense Exhibit.xlsx\Exhibit
33	Total	Total O&M Expenses (Sum of Lines 9-32):		\$ 33,908,162	\$ (10,983)	\$ 33,897,179	\$ 70,932	\$ 33,968,111		
34		Other Expenses								
36	403	Depreciation	Exh 37 C-2	\$ 10,182,567	\$ 1,335,056	\$ 11,517,623	\$ -	\$ 11,517,623	W/P - 4-1	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh Depr Exp
37	406	Amortization of UPAA	Exh 37 C-2	6,421	(6,421)	-	-	-	W/P - 4-2	Exhibits\Expense\Amortization 12.xlsx\Exhibit
38	407	Amortization Expense	Exh 37 C-2	200,598	9,663	210,261	-	210,261	W/P - 4-2	Exhibits\Expense\Amortization 12.xlsx\Exhibit
39	403	Removal costs	Exh 37 C-2	1,689,625	(85,646)	1,603,978	-	1,603,978	W/P - 4-3	Exhibits\Rate Base\Rate Base KY Capital through 12_31_14.xlsx\Exh COR Exp
40		State Income Tax	Exh 37 C-2	-	-	-	-	-		
41	409	Current State Income Tax	Exh 37 C-2	1,384,008	(892,306)	491,703	733,716	1,225,419	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast
42	410	Deferred State Income Tax	Exh 37 C-2	181,565	493,228	674,793	-	674,793	SCHEDULE E-1.4	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast
43		Federal Tax	Exh 37 C-2	-	-	-	-	-	SCHEDULE E-1.4	
44	409	Current Federal Income Tax	Exh 37 C-2	7,480,524	(3,822,315)	3,658,209	4,023,195	7,681,404	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast
45	410	Deferred Federal Income Tax	Exh 37 C-2	1,199,577	1,699,617	2,899,194	-	2,899,194	SCHEDULE E-1.3	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast
46	412	Investment Tax Credits	Exh 37 C-2	(63,597)	(21,195)	(84,792)	-	(84,792)	SCHEDULE E-1.3	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.3 Federal Inc Tax Forecast
47	408	General taxes	Exh 37 C-2	4,797,323	317,448	5,114,771	18,207	5,132,978	W/P - 5	Exhibits\Expense\General Tax.xlsx\Exhibit - General Tax
48		Total Other Expense (Sum of Lines 36-41)		\$ 27,058,611	\$ (972,870)	\$ 26,085,740	\$ 4,775,118	\$ 30,860,859		
49		Total Expenses (Line 33 + Lines 42):		\$ 60,961,773	\$ (983,854)	\$ 59,977,919	\$ 4,846,050	\$ 64,823,969		
50		Utility Operating Income (Line 5 - Line 44):		\$ 26,320,987	\$ (2,141,073)	\$ 24,179,914	\$ 7,471,652	\$ 31,651,566		

Data: X\Base Period_X Forecast Period
Version: X Original_Updated_ Revised

Exhibits \Income Statement.xlsx\Inc Statement - SCH C-1
Exhibit 37, Schedule C-1

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

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

Exhibit 37, Schedule C-2
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	\$ 45,167,276	\$ (733,743)	\$ 44,433,533
3			40112000	Res Sales Unbilled	461.1	470,610	(470,610)	(0)
4			40121000	Com Sales Billed	461.2	21,885,893	(498,054)	21,387,839
5			40122000	Com Sales Unbilled	461.2	177,267	(177,267)	0
6			40131000	Ind Sales Billed	461.3	2,193,794	(46,357)	2,147,437
7			40132000	Ind Sales Unbilled	461.3	22,966	(22,966)	0
8			40141000	Publ Fire Billed	462.1	2,525,108	819,452	3,344,560
9			40145000	Priv Fire Billed	462.2	3,154,381	(834,941)	2,319,440
10			40151000	Publ Auth Billed	461.4	6,933,633	(608,150)	6,325,483
11			40152000	Publ Auth Unbilled	461.4	175,624	(175,624)	(0)
12			40161000	SlS/Rsle Billed	466.	1,985,725	(156,204)	1,829,521
13			40161050	SlS/Rsle Billed I/C	467.	19,217	(19,217)	-
14			40162000	SalesforRsle Unbilld	466.	17,270	(17,270)	0
15			40171000	Misc Sales Billed	474.	21,254	(21,254)	(0)
16			40189900	Other Water Revenue	474.	80,489	(36,163)	44,326
17				Total		84,830,506	(2,998,368)	81,832,138
18								
19	420	AFUDC			420	-	-	491,629
20					Total	-	-	491,629
21								
22	400	Other revenues	40310100	OthRev-Late Pymt Fee	470.	228,124	451,876	680,000
23			40310200	OthRev-Rent	472.	92,757	(957)	91,800
24			40310250	OthRev-Rent I/C	469.	277,643	(177,643)	100,000
25			40310300	OthRev-CFO	471.	706,072	(706,072)	0
26			40310400	OthRev-NSF Ck Chrg	471.	28,708	3,434	32,142
27			40310500	OthRev-Appl/InitFee	471.	612,461	(1,609)	610,852
28			40310600	OthRev-Usage Data	471.	1,300	(1,300)	-
29			40310700	OthRev-Reconct Fee	471.	471,424	(212,152)	259,272
30			40319900	OthRev-Misc Svc	471.	33,265	26,735	60,000
31			40359900	OthRev WW-Misc Svc	536.	500	(500)	-
32				Total		2,452,254	(618,188)	1,834,066
33								
34	401	Purchased water	51010000	Purchased Water	610.1	335,669	(128,442)	207,227
35			51015000	Purchased Water I/C	610.1	-	-	-
36				Total		335,669	(128,442)	207,227
37								
38	401	Fuel and power	51510000	Purchased Power	615.8	850,705	(850,705)	-
39			51510011	Purchased Power SS	615.1	21,752	4,372	26,124
40			51510012	Purchased Power P	615.1	525,671	105,650	631,321
41			51510013	Purchased Power WT	615.3	2,590,120	520,565	3,110,685
42			51510014	Purchased Power TD	615.5	135	27	163
43			51520000	Fuel for Power Prod	616.1	6,007	(6,007)	-
44				Total		3,994,390	(226,098)	3,768,292
45								
46	401	Chemicals	51800000	Chemicals	618.3	1,834,701	(54,829)	1,779,872
47				Total		1,834,701	(54,829)	1,779,872
48								
49	401	Waste Disposal	51110000	Waste Disposal	675.3	218,460	12,547	231,007
50			51120000	Amort Waste Disposal	675.3	100,000	5,743	105,743
51				Total		318,460	18,290	336,750
52								
53	401	Salaries and wages	50100000	Labor Expense	601.8	3,603,542	(3,603,542)	-
54			50100001	Labor ExpenseAccrual	601.8	104,440	(104,440)	-
55			50101300	Labor Oper WT	601.3	637,716	1,131,392	1,769,108
56			50101305	Labor Oper WT SupEng	601.3	391,131	693,918	1,085,049
57			50101400	Labor Oper TD	601.5	481,085	853,508	1,334,593
58			50101405	Labor Oper TD SupEng	601.5	19,424	34,460	53,884
59			50101415	Labor Oper TD Lines	601.5	75,115	133,264	208,379
60			50101420	Labor Oper TD Meter	601.5	266,964	473,630	740,594
61			50101500	Labor Oper CA	601.7	14,477	25,683	40,160
62			50101510	Labor Oper CA MtrRd	601.7	157,336	279,135	436,471
63			50101520	Labor Oper CA CstSrv	601.7	52,797	93,668	146,465
64			50101600	Labor Oper AG	601.8	226,420	401,699	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	64,780	114,928	179,708
69			50102305	Labor Mnt WT Sup&Eng	601.4	3,784	6,713	10,496
70			50102400	Labor Maint TD	601.6	27,279	48,397	75,676
71			50102410	Labor Mnt TD Str&Imp	601.6	1,994	3,537	5,530
72			50102415	Labor Mnt TD DistRes	601.6	983	1,744	2,726
73			50102420	Labor Mnt TD Mains	601.6	74,875	132,838	207,713
74			50102430	Labor Mnt TD Service	601.6	130,608	231,715	362,323
75			50102435	Labor Mnt TD Meter	601.6	17,057	30,261	47,318
76			50102440	Labor Mnt TD Hydrant	601.6	70,179	124,507	194,686
77			50109900	Labor Cap Credits	601.8	(211,951)	(1,037,732)	(1,249,682)
78			50110000	Labor NS OT -Natural	601.8	313,832	(313,832)	-
79			50111300	LaborOper NS OT WT	601.3	95,737	119,251	214,988
80			50111305	LaborOperNS OT WT SE	601.3	14,854	18,503	33,357
81			50111400	LaborOper NS OT TD	601.5	6,516	8,116	14,633
82			50111405	LaborOperNS OT TD SE	601.5	0	-	0

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

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

Exhibit 37, Schedule C-2
 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
85			50111500	LaborOper NS OT CA	601.7	113	140	253
86			50111510	LaborOperNS OT CA MR	601.7	13,929	17,350	31,278
87			50111520	LaborOperNS OT CA CS	601.7	1,464	1,824	3,288
88			50111600	LaborOper NS OT AG	601.8	297	370	666
89			50112100	LaborMaint NS OT SS	601.2	319	398	717
90			50112200	LaborMaint NS OT P	601.2	1,048	1,305	2,352
91			50112300	LaborMaint NS OT WT	601.4	10,299	12,829	23,129
92			50112305	LaborMaintNSOT WT SE	601.4	348	434	782
93			50112400	LaborMaint NS OT TD	601.6	4,087	5,091	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	25,410	31,651	57,061
97			50112430	LaborMaintNSOT TD Sv	601.6	19,658	24,486	44,145
98			50112435	LaborMaintNSOT TD Mt	601.6	18	23	41
99			50112440	LaborMaintNSOT TD Hy	601.6	7,661	9,543	17,204
100			50119900	LaborNSOT CapCredits	601.8	(14,706)	(38,349)	(53,055)
101			50120000	Labor OT - Natural	601.8	23,544	(23,544)	
102			50121300	LaborOper OT WT	601.3	13,586	8,471	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	
107			50171000	Annual Incent Plan	601.8	200,489	(200,489)	0
108			50171600	Comp Exp-Options	601.8	29,454	(29,454)	0
109			50171800	Comp Exp-RSU's	601.8	46,973	(46,973)	0
110			50185000	Severance	601.8	53,022	(53,022)	
111				Total:		7,150,158	(269,945)	6,880,213
112								
113	401	Pensions	50610000	Pension Expense	604.8	1,231,741	(51,505)	1,180,236
114			50610100	Pension Cap Credits	604.8	-205,863	8,835	-197,029
115				Total		1,025,878	(42,671)	983,207
116								
117	401	Group insurance	50510000	PBOP Expense	604.8	828,762	783	829,545
118			50510100	PBOP Cap Credits	604.8	-139,698	1,213	-138,484
119			50550000	Group Insur Expense	604.8	1,523,155	163,959	1,687,113
120			50550100	Group Ins Cap Credits	604.8	-247,702	(20,968)	-268,670
121				Total		1,964,516	144,987	2,109,504
122								
123	401	Other benefits	50421000	401k Expense	604.8	129,811	39,280	169,091
124			50421100	401k Exp Cap Credits	604.8	-5,020	-28,436	-33,456
125			50422000	DCP Expense	604.8	164,015	43,599	207,614
126			50422100	DCP Exp Cap Credits	604.8	-6,039	-30,866	-36,905
127			50423000	ESPP Expense	604.8	11,968	-1,408	10,560
128			50426000	Retiree Medical Exp	604.8	6,926	1,573	8,498
129			50450000	Other Welfare	604.8	8,220	12,550	20,770
130			50450016	Other Welfare AG	604.8	7,433	11,348	18,780
131			50451000	Employee Awards	604.8	11,988	-4,848	7,140
132			50452000	Emp Physical Exams	604.8	4,479	1,691	6,170
133			50454000	Safety Incentive Awards	604.8	1,600	800	2,400
134			50456000	Tuition Aid	604.8	11,483	4,027	15,510
135			50457000	Training	604.8	7,329	-29	7,300
136				Total		354,192	49,280	403,472
137								
138	401	Service Company Costs	53401000	AWWSC Labor OPEX	634.8	1,750,821	2,039,872	3,790,693
139			53401100	AWWSC Pension OPEX	634.8	213,393	295,489	508,882
140			53401200	AWWSC Group Ins OPEX	634.8	289,962	417,105	707,067
141			53401300	AWWSC Other Ben OPEX	634.8	93,736	144,166	237,903
142			53401400	AWWSC Cont Svcs OPEX	634.8	545,352	522,932	1,068,284
143			53401500	AWWSC Off Suppl OPEX	634.8	235,725	146,340	382,065
144			53401700	AWWSC Rents OPEX	634.8	105,019	247,982	353,001
145			53401900	AWWSC Maint OPEX	634.8	97,877	-97,877	
146			53402100	AWWSC Oth O&M OPEX	634.8	0	662,768	662,768
147			53402200	AWWSC Dpr/Amrt OPEX	634.8	414,228	739,927	1,154,155
148			53402300	AWWSC Gen Tax OPEX	634.8	156,546	204,918	361,463
149			53402400	AWWSC Interest OPEX	634.8	30,306	47,676	77,982
150			53402500	AWWSC Oth Inc OPEX	634.8	5,014	-3,258	1,756
151			53402600	AWWSC Inc Tax OPEX	634.8	10,495	7,722	18,217
152			53409999	AWWSC Conversion	634.8	5,002,942	-5,002,942	0
153				Total		8,951,414	372,820	9,324,234
154								
155	401	Contracted services	53150000	Contr Svc-Other	636.8	145,127	-145,127	
156			53150013	Contr Svc-Other WT	636.8	136,901	35,992	172,893
157			53150014	Contr Svc-Other TD	636.5	75,706	19,904	95,610
158			53150015	Contr Svc-Other CA	636.7	55,636	14,627	70,264
159			53150016	Contr Svc-Other AG	636.8	114,987	30,231	145,217
160			53151014	Contr Svc-Temp EE TD	636.5	7,224	1,899	9,123
161			53151015	Contr Svc-Temp EE CA	636.7	27,923	7,341	35,264
162			53151016	Contr Svc-Temp EE AG	636.8	13,117	3,449	16,566
163			53152000	Contr Svc-Lab Testng	635.3	15,872	-3,950	11,922
164			53153000	Contr Svc-Accounting	632.8	0	9,000	9,000
165			53154000	Contr Svc-Audit Fees	632.8	103,357	-10,010	93,347
166			53155000	Contr Svc-Legal	633.8	158,473	40,727	199,200

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

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

Exhibit 37, Schedule C-2
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 Descrpt	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
169	401	Building maintenance and services	52532000	Electricity	675.8	39,295	-39,295	0
170			52532013	Electricity WT	675.3	1,586	815	2,402
171			52532014	Electricity TD	675.5	41,439	21,297	62,736
172			52532016	Electricity AG	675.8	55,847	28,702	84,549
173			52546013	Grounds Keeping WT	675.3	16,655	-16,655	0
174			52546014	Grounds Keeping TD	675.5	1,517	-1,517	0
175			52546016	Grounds Keeping AG	675.8	1,204	-1,204	0
176			52548000	Heating Oil/Gas	675.8	23,882	-23,882	0
177			52548014	Heating Oil/Gas TD	675.5	8,190	15,655	23,846
178			52548016	Heating Oil/Gas AG	675.8	8,687	16,604	25,290
179			52550000	Janitorial	675.8	22,030	-22,030	0
180			52550012	Janitorial P	675.1	196	49	245
181			52550013	Janitorial WT	675.3	8,025	2,012	10,037
182			52550016	Janitorial AG	675.8	62,234	15,604	77,839
183			52571013	Security Svc WT	675.3	6,734	-6,734	0
184			52571016	Security Svc AG	675.8	3,808	-3,808	0
185			52571100	Add'l Security Costs	675.8	136,368	-43,453	92,915
186			52578000	Trash Removal	675.8	6,253	-6,253	0
187			52578011	Trash Removal SS	675.1	5,245	2,483	7,729
188		52578013	Trash Removal WT	675.3	1,821	862	2,682	
189		52578014	Trash Removal TD	675.5	7,016	3,322	10,338	
190		52578016	Trash Removal AG	675.8	2,184	1,034	3,218	
191		52583000	Water & WW	675.8	18,611	-18,611	0	
192		52583011	Water & WW SS	675.1	26,478	17,360	43,838	
193		52583013	Water & WW WT	675.3	21	13	34	
194		52583016	Water & WW AG	675.8	18,882	12,380	31,262	
195					Total	524,208	-45,250	478,958
196								
197	401	Telecommunication expenses	52574000	Telephone	675.8	38,978	-38,978	
198			52574013	Telephone WT	675.3	10,577	361	10,938
199			52574015	Telephone CA	675.7	97,262	3,322	100,584
200			52574016	Telephone AG	675.8	42,924	1,466	44,390
201			52574100	Cell Phone	675.8	24,806	-24,806	
202			52574113	Cell Phone WT	675.3	669	268	936
203			52574114	Cell Phone TD	675.5	10,190	4,080	14,270
204			52574115	Cell Phone CA	675.7	1,912	766	2,678
205			52574116	Cell Phone AG	675.8	59,680	23,894	83,573
206						Total	286,997	-29,628
207								
208	401	Postage, printing and stationery	52562500	Overnight Shippng	675.8	9,336	-9,336	
209			52562513	Overnight Shippng WT	675.3	7,277	4,995	12,271
210			52562514	Overnight Shippng TD	675.5	12	9	21
211			52562516	Overnight Shippng AG	675.8	10,712	7,353	18,066
212			52566000	Postage	675.8	1,175	-1,175	
213			52566016	Postage AG	675.8	5,262	138	5,400
214					Total	33,775	1,983	35,758
215								
216	401	Office supplies and services	52510016	Bank Svc Charges-AG	675.8	0	0	0
217			52526000	Credit Line Fees	675.8	19,601	-19,601	0
218			52526100	Credit Line Fees I/C	675.8	38,290	59,667	97,957
219			52542016	Forms AG	675.8	1,439	587	2,026
220			52562000	Office Supplies	675.8	12,632	-12,632	
221			52562013	Off&Adm Supplies WT	675.3	7,290	4,926	12,215
222			52562014	Off&Adm Supplies TD	675.5	9,325	6,301	15,625
223			52562015	Off&Adm Supplies CA	675.7	94	506	600
224			52562016	Off&Adm Supplies AG	675.8	13,226	8,937	22,162
225			52571500	Software Licenses	675.8	103,062	85,458	188,520
226			52582000	Uniforms	675.7	10,357	-10,357	
227			52582013	Uniforms WT	675.3	9,942	7,606	17,548
228			52582014	Uniforms TD	675.5	11,741	8,982	20,722
229			52599800	PCard Undistributed	675.8	-185	185	0
230					Total	236,813	140,562	377,375
231								
232	401	Advertising & marketing expenses	52503000	Advertising	660.8	29,862	-29,862	0
233					Total	29,862	-29,862	0
234								
235	401	Employee Related Expense	52534000	Employee Expenses	675.8	133,836	-37,141	96,695
236			52534200	Conferences & Reg	675.8	14,515	26,907	41,422
237			52535000	Meals Deductible	675.8	83,166	-56,871	26,295
238			52535100	Meals Nondeductible	675.8	10,689	15,606	26,295
239					Total	242,207	-51,500	190,707
240								
241	401	Miscellaneous expenses	52000000	M&S Expense (O&M)	620.5	58,595	-58,595	
242			52001300	M&S Oper WT	620.3	33,674	-1,325	32,349
243			52001400	M&S Oper TD	620.5	84,180	-3,312	80,868
244			52001600	M&S Oper AG	620.8	112,281	-4,418	107,863

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

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

Exhibit 37, Schedule C-2
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 Descrpt	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
247			52501200	Misc Oper P	675.1	16	8	-8
248			52501300	Misc Oper WT	675.3	27,596	-14,001	13,595
249			52501400	Misc Oper TD	675.5	48,745	-24,730	24,014
250			52501600	Misc Oper AG	675.8	300,476	-152,445	148,031
251			52514500	Charitb Don-H/Ed/En	675.8	40,750	57,250	98,000
252			52514600	Charitb Don-Commnty	675.8	26,250	26,000	52,250
253			52514700	Community Partnrshps	675.8	56,050	19,050	75,100
254			52514901	Cust Edu Comm-Reg	675.8		5,000	5,000
255			52514903	Cust Edu Comm-Issues	675.8	2,203	3,797	6,000
256			52514904	Cust Edu Comm-Consrsv	675.8	27,463	82,537	110,000
257			52514905	Cust Edu Comm-Printd	675.8	16,172	16,328	32,500
258			52514907	Cust Edu-Press Rls	675.8		3,000	3,000
259			52514908	Cust Edu-MediaEditor	675.8		500	500
260			52514909	Cust Edu-Video&Photo	675.8	300	12,900	13,200
261			52515000	Commun Relations-E	675.8	6,277	6,323	12,600
262			52515001	Commun Relations-S	675.8	7,738	-238	7,500
263			52522000	Community Relations	675.8	6,189	-3,689	2,500
264			52524000	Co Dues/Mmbrshp Ded	675.8	80,387	10,640	91,027
265			52527000	Directors Fees	675.8	41,486	-5,486	36,000
266			52548100	Hiring Costs	675.8	305	-305	0
267			52549000	Injuries and Damages	675.8	20,813	-14,813	6,000
268			52554500	Lab Supplies	675.3	79,133	42,392	121,525
269			52556500	Low Income Pay Prog	675.8	30,500	31,500	62,000
270			52568000	Research & Develop	675.8	20,119	-1,027	19,092
271			52579000	Trustee Fees	675.8	24,166	9,365	33,531
272			52585000	Discounts Available	675.8	-31,806	4,077	-27,729
273			52586000	PO Small Differences	675.8	83	-83	0
274			53402100	AWWSC Oth O&M OPEX	634.8	120,497	-120,497	0
275				Total		1,299,821	-129,274	1,170,548
276								
277	401	Rents	54110000	Rents-Real Prop	641.8	1,452	-1,452	
278			54110014	Rents-Real Prop TD	641.5	2,676	3,132	5,808
279			54140000	Rents-Equip	642.8	8,028	-8,028	
280			54140016	Rents-Equip AG	642.8	23,627	8,484	32,111
281				Total		35,782	2,137	37,919
282								
283	401	Transportation	55000000	Transportation (O&M)	650.8	10,409	-10,409	
284			55000014	Trans Oper TD	650.5	1,665	1,386	3,051
285			55000015	Trans Oper CA	650.7	10	8	18
286			55000016	Trans Oper AG	650.8	23,300	19,392	42,692
287			55000100	Trans Cap Credits	650.8	-95,864	10,281	-85,583
288			55010100	Trans Lease Costs	650.8	1,542	-1,542	0
289			55010200	Trans Lease Fuel	650.8	369,852	251	370,102
290			55010300	Trans Lease Maint	650.8	128,331	23,139	151,470
291			55010400	Trans Emp Reimb Co	650.8	-810	-390	-1,200
292			55010500	Trans Reimb EE Prsnl	650.8	1,126	-613	513
293				Total		439,561	41,503	481,064
294								
295	401	Uncollectible accounts exp	57010015	Uncoll Accts Exp CA	670.7	271,782	163,348	435,130
296			57010016	Uncoll Accts Exp AG	670.7	29,152	17,521	46,673
297				Total		300,934	180,869	481,803
298								
299	401	Customer accounting other	52501500	Misc Oper CA	675.7	900	-300	600
300			52510015	Bank Svc Charges-CA	675.7	196,926	-5,862	191,064
301			52514906	Cust Edu-Bill Insert	675.8	38,703	11,297	50,000
302			52520000	Collection Agencies	675.7	101,097	28,467	129,564
303			52542015	Forms CA	675.7	200,947	5,381	206,328
304			52562515	Overnight Shippng CA	675.7	67	-67	0
305			52566015	Postage CA	675.7	597,881	18,496	616,377
306				Total		1,136,521	57,411	1,193,932
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				Total		212,934	62,061	274,995
311								
312	401	Insurance other than group	55110000	Ins Vehicle	656.8	32,432	-2,959	29,473
313			55710000	Ins General Liabilty	657.8	287,292	-40,249	247,043
314			55720000	Ins Work Comp	658.8	162,390	401	162,791
315			55720100	Ins W/C Cap Credits	658.8	-25,515	964	-24,552
316			55730000	Ins Other	659.8	189,713	65,658	255,371
317				Total		646,312	23,814	670,126
318								
319	401	Maintenance service and supplies	62002100	M&S Maint SS	620.2	164,029	-14,338	149,692
320			62002300	M&S Maint WT	620.4	296,280	3,108	299,388
321			62002400	M&S Maint TD	620.6	331,540	-54,940	276,600
322			62002600	M&S Maint AG	620.8	24,535	-24,535	0
323			62502300	Misc Maint WT	675.4	10,431	13,619	24,050
324			62502400	Misc Maint TD	675.6	35,001	-7,401	27,600

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

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

Exhibit 37, Schedule C-2
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 Descrpt	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
327			62502600	Misc Maint AG	675.8	120,556	-44,234	76,322
328			62510000	Amort Def Maint	675.6	100,955	-100,955	
329			62512300	Amort Def Maint WT	675.4	170,140	42,459	212,599
330			62512400	Amort Def Maint TD	675.6	214,715	53,583	268,298
331			62520700	Misc Main Pvg/Bckfil	675.6	164,767	57,233	222,000
332			63110026	Contr Svc-Maint AG	631.8	6,500	-6,500	0
333			63150023	Contr Svc-Maint WT	636.4	918	-918	0
334			63150024	Contr Svc-Maint TD	636.6	20,082	-20,082	0
335			63150026	Contr Svc-Maint AG	636.8	33,714	186	33,900
336			88101000	CAP Move-UP	675.8	2,492,379	-2,492,379	0
337			88106000	CAP Move-CCNC	675.8	5,602,296	-5,602,296	0
338			88107000	CAP Move-CWIP	675.8	-5,782,528	5,782,528	0
339			88108020	CAP Move-UP A/D Salv	675.8	-69,749	69,749	0
340			88252170	CAP Move-ADV NT WIP	675.8	-70,076	70,076	0
341			88257000	CAP Move-COR	675.8	158,755	-158,755	0
342			88257100	CAP Move-RWIP	675.8	73,170	-73,170	0
343			88271100	CAP Move-CIAC NT	675.8	-77,917	77,917	0
344			88271170	CAP Move-CIAC NT WIP	675.8	-127,311	127,311	0
345			88271200	CAP Move-CIAC Tax	675.8	-40,875	40,875	0
346			88271270	CAP Move-CIAC Tx WIP	675.8	-868	868	0
347			88900000	CAP Move-Settlement	675.8	-2,157,275	2,157,275	0
348				Total		1,693,733	-103,284	1,590,449
349								
350	403	Depreciation	68011000	Depr -UPIS General	403.	11,300,206	1,277,161	12,577,367
351			68012000	Depr -Amort CIAC Tx	403.	-793,310	-100,699	-894,008
352			68012500	Depr-Amort CIAC Nntx	403.	-324,330	158,594	-165,736
353				Total		10,182,567	1,335,056	11,517,623
354								
355	406 & 407	Amortization	68254000	Amort-RegAsset AFUDC	407.1	136,617	16,564	153,181
356			68255000	Amort-UPAA	406.	6,421	-6,421	0
357			68257000	Amort-Prop Losses	407.2	57,081	-1	57,080
358			68258000	Amort-Reg Asset	407.4	6,900	-6,900	0
359				Total		207,018	3,243	210,261
360								
361	403	Removal costs	68311000	Rem Costs-ARO/NNS	403.	2,040,541	87,022	2,127,563
362			68312000	Rmv Csts-NNS CIAC Tx	403.	-86,723	-34,245	-120,968
363			68312500	Rmv Csts-NNS CIAC NT	403.	-264,193	-138,423	-402,617
364				Total		1,689,625	-85,646	1,603,978
365								
366	409	Current income taxes	69011000	FIT-Current	409.1	4,814,455	-1,156,246	3,658,209
367			69012000	FIT-Prior Year Adj	409.1	2,666,069	-2,666,069	0
368			69021000	SIT-Current	409.1	960,288	-468,585	491,703
369			69022000	SIT-Prior Year Adj	409.1	423,721	-423,721	0
370				Total		8,864,532	-4,714,621	4,149,912
371								
372	410	Deferred taxes	69061000	Def FIT-Current	410.1	64,938	-64,938	0
373			69062000	Def FIT-Pr Yr Adj	410.1	-2,671,473	2,671,473	0
374			69063000	Def FIT-RegAsst/Liab	410.1	217,707	95,521	313,228
375			69065000	Def FIT-Other	410.1	3,588,405	-1,002,439	2,585,966
376			69071000	Def SIT-Current	410.1	11,843	-11,843	0
377			69072000	Def SIT-Pr Yr Adj	410.1	-423,716	423,716	0
378			69073000	Def SIT-RegAsst/Liab	410.1	12,653	8,410	21,063
379			69073500	Def SIT-Other	410.1	580,785	72,944	653,730
380				Total		1,381,142	2,192,845	3,573,987
381								
382	412	Amortization of investment tax credit	69522000	ITC Restored-3%	412.1	-3,826	-1,275	-5,101
383			69523000	ITC Restored-4%	412.1	-3,153	-1,051	-4,203
384			69524000	ITC Restored-10%	412.1	-56,618	-18,870	-75,488
385				Total		-63,597	-21,195	-84,792
386								
387	408	General taxes	68520000	Property Taxes	408.1	4,132,859	322,912	4,455,772
388			68520100	Tax Discounts	408.1	-7,847	7,847	0
389			68532000	FUTA	408.1	6,473	-1,623	4,850
390			68533000	FICA	408.1	530,793	99,030	629,823
391			68533100	FICA Cap Credits	408.1	-16,547	-100,060	-116,607
392			68535000	SUTA	408.1	14,880	2,285	17,165
393			68535100	SUTA Cap Credits	408.1	-183	-2,448	-2,631
394			68543000	Othr Taxes & Licenses	408.1	10,000	-7,260	2,740
395			68545000	Utility Reg Assessme	408.1	126,894	-3,235	123,659
396				Total		4,797,323	317,448	5,114,771
397		Operating Income		Operating Income = Account Groups 400+420-401-403-406-407-408-409-410-412		\$ 26,320,987	\$ (2,632,703)	\$ 24,179,913

**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

For electronic version, see KAW_APP_EX37D_122812.pdf.

Kentucky American Water Company
Case No. 2012-00520
Summary of Jurisdictional Adjustments to Operating Income by Major Account

Data: X Base Period X Forecast Period
Version: X Original_Updated_Revised
Exhibit 37, Schedule D-1
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	84,157,833	
1	400 (and 420)	Operating Revenues	\$ 87,282,760	\$ (3,124,927)	\$	\$	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	\$ 33,903,162	\$ (10,983)	\$	\$ 33,892,179	See D-2	
5								
6	403	Depreciation Expense	\$ 11,872,191	\$ 1,249,410	\$	\$ 13,121,601	See D-2	
7								
8	406	Amortization of Utility Plant Acquisition Adjustments	\$ 6,421	\$ (6,421)	\$	\$ -	See D-2	
9								
10	407	Amortization Expense	\$ 200,598	\$ 9,663	\$	\$ 210,261	See D-2	
11								
12	408	Taxes Other Than Income	\$ 4,797,323	\$ 317,448	\$	\$ 5,114,771	See D-2	
13								
14	409	Income Taxes (Current, Utility Operating Income)	\$ 8,864,532	\$ (4,714,621)	\$	\$ 4,149,912	See D-2	
15								
16	410	Provision for Deferred Income Taxes	\$ 1,381,142	\$ 2,192,845	\$	\$ 3,573,987	See D-2	
19								
20	412	Investment Tax Credits	\$ (63,597)	\$ (21,195)	\$	\$ (84,792)	See D-2	
		Utility Operating Income	\$ 26,320,987	\$ (2,141,073)	\$	\$ 24,179,914		

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

Data: X Base Period X Forecast Period
Version: X Original _Updated_ Revised

Line #	Major NARUC Acct. 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
1	400	Operating Revenues						
2		Water Revenues						
3		Residential Sales	\$ 45,637,885	\$ (1,204,353)	\$ 44,433,532	Exh 37, Schedule M-1	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	22,063,160	(675,321)	21,387,839	Exh 37, Schedule M-1	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	2,216,761	(69,323)	2,147,438	Exh 37, Schedule M-1	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	2,525,108	819,452	3,344,560	Exh 37, Schedule M-1	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	3,154,381	(834,941)	2,319,440	Exh 37, Schedule M-1	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	7,109,256	(783,774)	6,325,482	Exh 37, Schedule M-1	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	2,022,212	(192,691)	1,829,521	Exh 37, Schedule M-1	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	21,254	(21,254)	-	Exh 37, Schedule M-1	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	80,489	(36,163)	44,326	Exh 37, Schedule M-1	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	Other Revenues						
13		OthRev-Late Pymt Fee	228,124	451,876	680,000	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Late Payment Fees for the forecast period.
14		OthRev-Rent	92,757	(957)	91,800	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-Rent for the forecast period.
15		OthRev-Rent 1/C	277,643	(177,643)	100,000	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-Rent 1/C for the forecast period.
16		OthRev-CFO	706,072	(706,072)	-	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Other Revenue-CFO for the forecast period.
17		OthRev-NSF OK Chrg	28,708	3,434	32,142	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Returned Check Charges for the forecast period.
18		OthRev-App/InitFee	612,461	(1,609)	610,852	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Application and Initiation Fees for the forecast period.
19		OthRev-Usage Data	1,300	(1,300)	-	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Usage Data for the forecast period.
20		OthRev-Reconnect Fee	471,424	(212,152)	259,272	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Reconnect Fees for the forecast period.
21		OthRev-Misc Svc	33,265	26,735	60,000	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Miscellaneous Service for the forecast period.

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

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

Line #	Major NARUC Acct. 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
22		Other WW-Misc Svc	500	(500)	-	Exh 37, Schedule M-1	Exhibits\Revenue\KY Revenue Exhibit.xlsx\Exhibit	To adjust Waster Water Miscellaneous Service for the forecast period.
23	420	AFUDC		491,629	491,629	W/P - 1-4	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)	87,282,760	(3,124,927)	84,157,833			
25	401	Operating Expense						
26		O&M:						
27		Purchased Water	\$ 335,669	\$(128,442)	\$ 207,227	W/P - 3-2	Exhibits\Expense\Purchased 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	3,994,390	(226,098)	3,768,292	W/P - 3-3	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 was based on KU's current rate case increase of 10%. 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).
29		Chemicals	1,834,701	(54,829)	1,779,872	W/P - 3-4	Exhibits\Expense\Chemical Expense Exhibit.xlsx\Exhibit	Chemical adjustments are based on forecasted amounts, plus the following adjustments. 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.
30		Waste Disposal	318,460	18,290	336,750	W/P - 3-5	Exhibits\Expense\Waste Disposal Expense Exhibit.xlsx\Exhibit	The Waste Disposal adjustment is based on the forecasted amount, plus the following adjustment. 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 Waste Disposal expense.
31		Salaries and Wages	7,150,158	(269,945)	6,880,213	W/P - 3-1	Exhibits\Expense\Labor and Labor Related.xlsx\Exhibit Labor	Adjustment reflects savings from reduced headcount net of wage increases. Reduced headcount is due to business realignment, meter reading efficiencies, and Northern Connection project (if approved). Wage increases include negotiated wage increases for union employees under the current contract and annual merit increases for non-union employees. Expense is net of capitalization and sewer utility charges.
32		Pension	1,025,878	(42,671)	983,207	W/P - 3-1c	Exhibits\Expense\Labor and Labor Related.xlsx\Exhibit Pension	Adjustment reflects current estimate for FAS 87 Pension accruals for the months August 2013 - July 2014. Expense is net of capitalization and sewer utility charges.
33		Group Insurance	1,964,516	144,987	2,109,504	W/P - 3-1a	Exhibits\Expense\Labor and Labor Related.xlsx\Exhibit Group Ins	Adjustment reflects costs for all group insurances net of employee contributions, at selected plan rates where available. Costs reflect flat plan costs through September 2013, then 8% increase through July 2014, with matching increase for employee contributions beginning January 2014. Expense is net of capitalization and sewer utility charges.
34		Other Benefits	354,192	49,280	403,472	W/P - 3-1b	Exhibits\Expense\Labor and Labor Related.xlsx\Exhibit Other Benefits	Adjustment reflects costs forecasted through the budget process, including allowances for tuition assistance, training, drug screenings, health & safety incentives, and biological exposure vaccinations.
35		Support Services	8,951,414	372,820	9,324,233	W/P - 3-7	Exhibits\Expense\Support Services.xlsx\Exhibit	Adjustment reflects costs for BT-related maintenance and consulting for 2013, as well as for additional depreciation and interest related to BT and other investments. Adjustment also reflects inflation of non-labor costs and merit &/or contract increases to labor.
36		Contract Services	854,325	4,081	858,406	W/P - 3-18	Exhibits\Expense\Contract Services.xlsx\Exhibit	The Contract Services 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 budget includes contracts for lab testing, accounting, audit fees, legal, and other services such as snow removal, landscaping, and janitorial services.

Exhibit 37, Schedule D-2
Exhibits\Income Statement.xlsx\MSFR 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: X Original _Updated_ Revised

Line #	Major NARUC Acct. 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 #	Excel Location	Description of Adjustment
38		Building Maintenance & Services	524,208	(45,250)	478,958	W/P - 3-12	Exhibits\Expense\Building Maint & Services.xlsx\Exhibit	The Building Maintenance and Services 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 forecasted budget is based off of 2011 actuals that show historical decrease. Groundkeeping and security costs were also reclassified in the forecasted year.
39		Telecommunications	286,997	(29,628)	257,369	W/P - 3-14	Exhibits\Expense\Telecommunications Expenses.xlsx\Exhibit	The Telecommunications 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 forecasted budget is based off of 2011 actuals with no increase.
40		Postage, Printing, & Stationary	33,775	1,983	35,758	W/P - 3-15	Exhibits\Expense\Postage, shipping, printing Exhibit.xlsx\Exhibit	The Postage, Printing, & Stationary 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 forecasted budget is based off of 2011 actuals with no increase.
41		Other Supplies & Services	236,813	140,562	377,375	W/P - 3-16	Exhibits\Expense\Office Supplies & Expenses.xlsx\Exhibit	The Office Supplies & Services 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.
42		Advertising & Marketing	29,862	(29,862)	-	W/P - 3-17	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	242,207	(51,500)	190,707	W/P - 3-19	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	1,299,821	(129,274)	1,170,548	W/P - 3-20	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	35,782	2,137	37,919	W/P - 3-11	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	439,561	41,503	481,064	W/P - 3-21	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	300,934	180,869	481,803	W/P - 3-10	Exhibits\Expense\Uncollectible s 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	1,136,521	57,411	1,193,932	W/P - 3-9	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\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	646,312	23,814	670,126	W/P - 3-22	Exhibits\Expense\IOTG Expense Exhibit.xlsx\Exhibit	The Insurance Other than Group adjustment is based on the forecasted amount.
51		Maintenance Supplies & Services	1,693,733	(103,284)	1,590,449	W/P - 3-13	Exhibits\Expense\Maintenance Expense Exhibit.xlsx\Exhibit	The Maintenance adjustment is based on the forecasted amount.
52		Total O & M Expense (Sum of Lines 28 through 51):	\$ 33,903,162	\$ (10,983)	\$ 33,892,179			

Kentucky American Water Company

Case No. 2012-00520

Supporting Schedule for Individual Adjustments to Operating Income

Exhibits\Income Statement.xlsx\MFSR IS Adjust Support D-2
Exhibit 37, Schedule D-2

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

Line #	Major NARUC Acct. 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
Other Expenses								
54	403	Depreciation	\$ 10,182,567	\$ 1,335,056	\$ 11,517,623	W/P - 4-1	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 adjustment 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.
55	406	Amortization of UPAA	\$ 6,421	\$ (6,421)	\$ -	W/P - 4-2	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	\$ 200,598	\$ 9,663	\$ 210,261	W/P - 4-2	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	403	Removal costs	\$ 1,689,625	\$ (85,646)	\$ 1,603,978	W/P - 4-3	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	\$ 1,384,008	\$ (892,306)	\$ 491,703	SCHEDULE E-1.4	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.
61	410	Deferred State Income Tax	\$ 181,565	\$ 493,228	\$ 674,793	SCHEDULE E-1.4	Exhibits\Taxes\Income Tax Expense 11272012.xlsx\E-1.4 State Inc Tax Forecast	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	\$ 7,480,524	\$ (3,822,315)	\$ 3,658,209	SCHEDULE E-1.3	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	\$ 1,199,577	\$ 1,699,617	\$ 2,899,194	SCHEDULE E-1.3	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	\$ (63,597)	\$ (21,195)	\$ (84,792)	SCHEDULE E-1.3	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.
65	408	General taxes	\$ 4,797,323	\$ 317,448	\$ 5,114,771	W/P - 5	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.
67	Total Other Expense (Sum of Lines 55 through 66)			\$ 27,058,611	\$ (972,870)	\$ 26,085,740		
68	Total Expenses (Line 52 + Lines 67):			\$ 60,961,773	\$ (983,854)	\$ 59,977,919		
69	Utility Operating Income (Line 24 - Line 69):			\$ 26,320,987	\$ (2,141,073)	\$ 24,179,914		

Kentucky American Water Company

Case No. 2012-00520

Supporting Schedule for Jurisdictional Factors

Data: Base Period Forecast Period
Version: Original Updated Revised

Exhibit 37, Schedule D-3
Exhibits\[Income Statement.xlsx]D-3

Jurisdictional Factors are not applicable to Kentucky American Water Company in this proceeding.

**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

<u>Schedule</u>	<u>Description</u>
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

For electronic version, see KAW_APP_EX37E_122812.pdf.

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

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	Book Revenue (+)				
2		Operating Revenue	\$ 87,282,760	\$ -	\$ 87,282,760
3					
4	Book Deductions (-)				
5		O&M Expenses	(33,903,162)	0	(33,903,162)
6		Depreciation, Amortization, & Cost of Removal	(12,079,210)	0	(12,079,210)
7		Taxes Other Than Income	(4,797,323)	0	(4,797,323)
8		Current State Income Tax	(967,539)	0	(967,539)
10		Interest Expense	(11,847,606)	0	(11,847,606)
11		Total Book Deductions (Sum Lines 5 - 10)	\$ (63,594,840)	\$ -	\$ (63,594,840)
12					
13		Book Pre-Tax Income (Line 2 + Line 11)	\$ 23,687,920	\$ -	\$ 23,687,920
14					
15	Reconciling Items				
		Permanent Differences:			
16		(Deduction) or Reversal of Deduction			
17		Non-Deductible Meals	10,689	0	10,689
18		Non-Deductible Penalties and Mandatory Dividends	381,846	0	381,846
19		Pre-Tax Income After Perm. Differences (Line 13 + Line 17 + Line 18)	\$ 24,080,454	\$ -	\$ 24,080,454
20					
		Temporary Differences:			
21		(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)			
22		Deduct Tax Depreciation (State or Federal)	(14,851,891)	0	(14,851,891)
23		Reverse Deduction of Book Depreciation	11,300,206	0	11,300,206
24		Reverse Deduction of Amortization of Property Losses	57,081	0	57,081
25		Reverse Deduction of Amortization of UPAA	0	0	0
26		Reverse Deduction of Deferred Maintenance Amortization	384,856	0	384,856
27		Deduct Actual Deferred Maintenance Expenditures	(900,000)	0	(900,000)
28		Reverse All CIAC Amortization Credits	(1,468,556)	0	(1,468,556)
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	2,040,541	0	2,040,541
32		Reflect Actual Cost of Removal	(689,505)	0	(689,505)
33		Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 22 - 32)	\$ (11,384,859)	\$ -	\$ (11,384,859)
34					
35		Pre-Tax Income After Permanent and Temporary Differences (Line 19 + Line 33)	\$ 12,695,595	\$ -	\$ 12,695,595
36					
37	Calculation of Current Federal Income Taxes				
38		Tax Rate	35%	35%	35%
39		Current Taxes (Line 35 x Line 38)	\$ 4,443,458	\$ -	\$ 4,443,458
40		Adjustment For Tax Provision	370,997		
41		Total Current Taxes	\$ 4,814,455		\$ 4,814,455
42		Less: Prior Year Adjustment	(2,666,069)	2,666,069	0
43		Total Federal Income Taxes - Current (Line 41 - Line 42)	\$ 7,480,524	\$ (2,666,069)	\$ 4,814,455
44					
45	Calculation of Deferred Federal Income Taxes				
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	180,300	0	180,300
48		Federal Defered Taxes Related to Property Losses	(19,978)	0	(19,978)
49		Federal Defered Taxes Related to Cost of Removal	(472,863)	0	(472,863)
50		Federal Defered Taxes - Prior Year	(2,671,473)	2,671,473	-
51		Items Deferred	\$ 815,311	\$ 2,671,473	\$ 3,486,784
52		Adjustment For Tax Provision	(166,559)		(166,559)
53		Sum Items Deferred	\$ 981,870	\$ 2,671,473	\$ 3,653,343
54					
55		Amortization of Deferred Income Tax Assets & Liabilities			
56		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	217,707	0	217,707
57					
58		Amortization of Deferred ITC	(63,597)	0	(63,597)
59		Sum Total Federal Deferred Taxes + Amortization of ITC	\$ 1,135,981	\$ 2,671,473	\$ 3,807,454
60					
61					
62		Total Current + Deferred Federal Income Taxes + Amortization of ITC (Line 43 + Line 59)	\$ 8,616,505	\$ 5,404	\$ 8,621,909

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\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	Book Revenue (+)				
2		Operating Revenue	\$ 87,282,760	\$ -	\$ 87,282,760
3					
4	Book Deductions (-)				
5		O&M Expenses	(33,903,162)	0	(33,903,162)
6		Depreciation, Amortization, & Cost of Removal	(12,079,210)	0	(12,079,210)
7		Taxes Other Than Income	(4,797,323)	0	(4,797,323)
8		Current State Income Tax	0	0	0
10		Interest Expense	(11,847,606)	0	(11,847,606)
11		Total Book Deductions (Sum Lines 5 - 10)	\$ (62,627,301)	\$ -	\$ (62,627,301)
12					
13		Book Pre-Tax Income (Line 2 + Line 11)	\$ 24,655,459	\$ -	\$ 24,655,459
14					
15	Reconciling Items				
		Permanent Differences:			
16		(Deduction) or Reversal of Deduction			
17		Non-Deductible Meals	26,295	0	26,295
18		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
19		Pre-Tax Income After Perm. Differences (Line 13 + Line 17 + Line 18)	\$ 25,063,654	\$ -	\$ 25,063,654
20					
		Temporary Differences:			
21		(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)			
22		Deduct Tax Depreciation (State or Federal)	(12,405,037)	0	(12,405,037)
23		Reverse Deduction of Book Depreciation	11,300,206	0	11,300,206
24		Reverse Deduction of Amortization of Property Losses	57,081	0	57,081
25		Reverse Deduction of Amortization of UPAA	0	0	0
26		Reverse Deduction of Deferred Maintenance Amortization	384,856	0	384,856
27		Deduct Actual Deferred Maintenance Expenditures	(900,000)	0	(900,000)
28		Reverse All CIAC Amortization Credits	(1,468,556)	0	(1,468,556)
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	2,040,541	0	2,040,541
32		Reflect Actual Cost of Removal	(689,505)	0	(689,505)
33		Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 22 - 32)	\$ (8,938,005)	\$ -	\$ (8,938,005)
34					
35		Pre-Tax Income After Permanent and Temporary Differences (Line 19 + Line 33)	\$ 16,125,649	\$ -	\$ 16,125,649
36					
37	Calculation of Current State Income Taxes				
38		Tax Rate	6.0%	6.0%	6.0%
39		Current Taxes (Line 35 x Line 38)	\$ 967,539	\$ -	\$ 967,539
40		Adjustment For Tax Provision	(7,251)		(7,251)
41		Total Current Taxes	\$ 960,288	\$	\$ 960,288
42		Less: Prior Year Adjustment	(423,721)	423,721	0
43		Total State Income Taxes (Line 41 - Line 42)	\$ 1,384,008	\$ (423,721)	\$ 960,288
44					
45	Calculation of Deferred State Income Taxes				
46		State Deferred Taxes Related to UPIS, CIAC, and Repairs	692,377	0	692,377
47		State Deferred Taxes Related to Deferred Maintenance	30,909	0	30,909
48		State Deferred Taxes Related to Property Losses	(3,425)	0	(3,425)
49		State Deferred Taxes Related to Cost of Removal	(81,062)	0	(81,062)
50		State Deferred Taxes - Prior Year	(423,716)	423,716	-
51		Items Deferred	\$ 215,082	\$ 423,716	\$ 638,799
52		Adjustment For Tax Provision	46,170	0	46,170
53		Sum Items Deferred	\$ 168,912	\$ 423,716	\$ 592,628
54					
55	Amortization of Deferred Income Tax Assets & Liabilities				
56		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	12,653	0	12,653
57		Sum Total Deferred Taxes	\$ 181,565	\$ 423,716	\$ 605,281
58					
59					
60		Total Current + Deferred State Income Taxes (Line 43 + Line 57)	\$ 1,565,573	\$ (4)	\$ 1,565,569

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: ___X___ ORIGINAL ___ ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-6-1, 6-3, 6-4, 6-5

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 Federal Tax Calculation Forecast Period	At Proposed Rates Adjustments	Forecast Period At Proposed Rates
1	Book Revenue (+)				
2		Operating Revenue	\$ 83,666,204	\$ 12,317,702	\$ 95,983,906
3					
4	Book Deductions (-)				
5		O&M Expenses	(33,892,179)	(70,932)	(33,963,111)
6		Depreciation, Amortization, & Cost of Removal	(13,331,863)	0	(13,331,863)
7		Taxes Other Than Income	(5,114,771)	(18,207)	(5,132,978)
8		Current State Income Tax	(491,703)	(733,714)	(1,225,416)
9		Interest Expense	(12,710,004)	0	(12,710,004)
10		Total Book Deductions (Sum Lines 5 - 9)	\$ (65,540,519)	\$ (822,852)	\$ (66,363,371)
11					
12		Book Pre-Tax Income (Line 2 + Line 10)	\$ 18,125,685	\$ 11,494,850	\$ 29,620,534
13					
14	Reconciling Items				
		Permanent Differences:			
15		(Deduction) or Reversal of Deduction			
16		Non-Deductible Meals	26,295	0	26,295
17		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
18		Pre-Tax Income After Perm. Differences (Line 12 + Line 16 + Line 17)	\$ 18,533,880	\$ 11,494,850	\$ 30,028,730
19					
		Temporary Differences:			
20		(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)			
21		Deduct Tax Depreciation (State or Federal)	(16,581,660)	0	(16,581,660)
22		Reverse Deduction of Book Depreciation	12,577,367	0	12,577,367
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	(1,583,328)	0	(1,583,328)
28		Reflect Actual Taxable CIAC Received	109,430	0	109,430
29		Reflect Repairs Deduction	(4,342,668)	0	(4,342,668)
30		Reverse Book Cost of Removal	2,127,563	0	2,127,563
31		Reflect Actual Cost of Removal	(526,535)	0	(526,535)
32		Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 21 - 31)	\$ (8,081,854)	\$ -	\$ (8,081,854)
33					
34		Pre-Tax Income After Permanent and Temporary Differences (Line 18 + Line 32)	\$ 10,452,026	\$ 11,494,850	\$ 21,946,876
35					
36	Calculation of Current Federal Income Taxes				
37		Tax Rate	35%	35%	35%
38		Current Taxes (Line 34 x Line 37)	\$ 3,658,209	\$ 4,023,197	\$ 7,681,407
39					
40					
41	Calculation of Deferred Federal Income Taxes				
42		Federal Deferred Taxes Related to UPIS, CIAC, and Repairs	3,194,618	0	3,194,618
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	(560,360)	0	(560,360)
46		Sum Items Deferred	\$ 2,585,966	\$ -	\$ 2,585,966
47					
48		Amortization of Deferred Income Tax Assets & Liabilities			
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		Sum Total Federal Deferred Taxes + Amortization of ITC	\$ 2,814,402	\$ -	\$ 2,814,402
53					
54					
55		Total Current + Deferred Federal Income Taxes + Amortization of ITC (Line 38 + Line 52)	\$ 6,472,611	\$ 4,023,197	\$ 10,495,809

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: __X__ ORIGINAL _____UPDATED__REVISIED
WORKPAPER REFERENCE NO(S): W/P-6-1, 6-3, 6-4, 6-5

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 State Tax Calculation Forecast Period	At Proposed Rates Adjustments	Forecast Period At Proposed Rates
1	Book Revenue (+)				
2		Operating Revenue	\$ 83,666,204	\$ 12,317,702	\$ 95,983,906
3					
4	Book Deductions (-)				
5		O&M Expenses	(33,892,179)	(70,932)	(33,963,111)
6		Depreciation, Amortization, & Cost of Removal	(13,331,863)	-	(13,331,863)
7		Taxes Other Than Income	(5,114,771)	(18,207)	(5,132,978)
8		Current State Income Tax			
9		Interest Expense	(12,710,004)	0	(12,710,004)
10		Total Book Deductions (Sum Lines 5 - 9)	\$ (65,048,817)	\$ (89,138)	\$ (65,137,955)
11					
12		Book Pre-Tax Income (Line 2 + Line 10)	\$ 18,617,387	\$ 12,228,564	\$ 30,845,951
13					
14	Reconciling Items				
		Permanent Differences:			
15		(Deduction) or Reversal of Deduction			
16		Non-Deductible Meals	26,295	0	26,295
17		Non-Deductible Penalties and Mandatory Dividends	381,900	0	381,900
18		Pre-Tax Income After Perm. Differences (Line 12 + Line 16 + Line 17)	\$ 19,025,582	\$ 12,228,564	\$ 31,254,146
19					
		Temporary Differences:			
20		(Deduction) or Reversal of Deduction; Revenue or (Reversal of Revenue)			
21		Deduct Tax Depreciation (State or Federal)	(19,330,615)	0	(19,330,615)
22		Reverse Deduction of Book Depreciation	12,577,367	0	12,577,367
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	(1,583,328)	0	(1,583,328)
28		Reflect Actual Taxable CIAC Received	109,700	0	109,700
29		Reflect Repairs Deduction	(4,342,668)	0	(4,342,668)
30		Reverse Book Cost of Removal	2,127,563	0	2,127,563
31		Reflect Actual Cost of Removal	(526,535)	0	(526,535)
32		Net Temporary (Deductions) or Reversal of Deductions (Sum Lines 21 - 31)	\$ (10,830,538)	\$ -	\$ (10,830,538)
33					
34		Pre-Tax Income After Permanent and Temporary Differences (Line 18 + Line 32)	\$ 8,195,044	\$ 12,228,564	\$ 20,423,608
35					
36	Calculation of Current State Income Taxes				
37		Tax Rate	6.0%	6.0%	6.0%
38		Current Taxes (Line 34 x Line 37)	\$ 491,703	\$ 733,714	\$ 1,225,416
39					
40					
41	Calculation of Deferred State Income Taxes				
42		State Deferred Taxes Related to UPIS, CIAC, and Repairs	758,070	0	758,070
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	(96,062)	0	(96,062)
46		Sum Items Deferred	\$ 653,730	\$ -	\$ 653,730
47					
48		Amortization of Deferred Income Tax Assets & Liabilities			
49		Amortization of Deferred Regulatory Tax Assets & Tax Liabilities	21,063	0	21,063
50		Sum Total Deferred Taxes	\$ 674,793	\$ -	\$ 674,793
51					
52					
53		Total Current + Deferred State Income Taxes (Line 38 + Line 50)	\$ 1,166,495	\$ 733,714	\$ 1,900,209

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

SCHEDULE E-1.5

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

Exhibits\Taxes\[Income Tax Expense 11272012.xlsx]E-1.5 Summary of Income Tax Adj

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	\$ 960,288	\$ 491,703	\$ (468,585)
5	Sch E-1.2	Sch E-1.4	Deferred	\$ 605,281	\$ 674,793	\$ 69,511
6						
7						
8			Total State Income Taxes	\$ 1,565,569	\$ 1,166,495	\$ (399,074)
9						
10						
11						
12			<u>Federal Income Taxes</u>			
13	Sch E-1.1	Sch E-1.3	Current	\$ 4,814,455	\$ 3,658,209	\$ (1,156,246)
14	Sch E-1.1	Sch E-1.3	Deferred	\$ 3,653,343	\$ 2,585,966	\$ (1,067,377)
15	Sch E-1.1	Sch E-1.3	Amort. Def Reg Assets/Liab.	\$ 217,707	\$ 313,228	\$ 95,521
16	Sch E-1.1	Sch E-1.3	Deferred - ITC	\$ (63,597)	\$ (84,792)	\$ (21,195)
17						
18						
19			Total Federal Income Taxes	\$ 8,621,909	\$ 6,472,611	\$ (2,149,298)
20						
21						
22			Total Income Taxes	\$ 10,187,478	\$ 7,639,106	\$ (2,548,372)

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

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

SCHEDULE E-2
 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					NOT APPLICABLE TO KENTUCKY-AMERICAN WATER COMPANY.
5					
6					100% JURISDICTIONAL FOR KENTUCKY-AMERICAN WATER COMPANY.
7					
8					
9					

**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

For electronic version, see KAW_APP_EX37F_122812.pdf.

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

Exhibit 37, Schedule F-1
Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7
Witness Responsible: Scott Rungren

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

Line No.	Account No.	Social Organization / Service Club	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1			\$ 2,000	100.00%	\$ 2,000	100.00%
2			715		715	
3			1,075		1,075	
4	52524000	AWWA Partnership for Safe Water	\$ 2,000	100.00%	\$ 2,000	100.00%
5	52524000	Better Business Bureau	715		715	
6	52524000	Blue Grass Trust	1,075		1,075	
7	52524000	Bourbon Co. Chamber	750		750	
8	52524000	Clark Co. Chamber	500		500	
9	52524000	Commerce Lexington	5,000		5,000	
10	52524000	Downtown Lexington Corporation	800		800	
11	52524000	Greater Lexington Apartment Association	750		750	
12	52524000	Harrison Co. Chamber	750		750	
13	52524000	Homebuilders Association of Lexington	450		450	
14	52524000	Jessamine Co. Chamber	750		750	
15	52524000	Kentucky Chamber of Commerce	10,000		10,000	
16	52524000	Kentucky League of Cities	2,500		2,500	
17	52524000	Owen Co. Chamber	750		750	
18	52524000	Scott Co. Chamber	500		500	
19	52524000	Scott Co. Homebuilders Association	260		260	
20	52524000	Woodford Co. Chamber	750		750	
21	52524000	NAWC Fees	45,600		45,600	
22	52524000	AWWA Membership	6,387		6,387	
23	52524000	Anywhere	-		-	
24	52524000	Kentucky Rural Water Membership	-		-	
25	52524000	Cynthiana Harrison Membership	-		-	
26	52524000	Rotary Club of Owenton	-		-	
27	52524000	Calence	-		-	
28	52524000	KY County Judge	-		-	
29	52524000	Winchester Clark	-		-	
30	52524000	Blue Grass Cross Connections	-		-	
31	52524000	Blue Grass Tomorrow	-		-	
32	52524000	Lexington Forum	-		-	
33	52524000	National Society of Engineers	-		-	
34	52524000	KY Board of Engineers	-		-	
35	52524000	AICPA	-		-	
36	52524000	KY Board of Accountancy	100		100	
37			\$ 80,387		\$ 80,387	
38			\$ 91,027		\$ 91,027	

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
 Exhibit 37, Schedule F-2.3
 Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7
 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	\$ 11,988	100.00%	\$ 7,140	100.00%
5	50450000	Company Picnic	5,280		4,500	
6	50450000	United Way rally	300		400	
7	50450000	Holiday Event	2,640		3,500	
9	50450000	Healthy Solutions	-		31,150	
10		Totals	\$20,208		\$ 46,690	
11						
12						

Kentucky American Water Company

Case No. 2012-00520
Customer Service, Sales Promotion and Advertising Expense
Base Year for the 12 Months Ended March 31, 2013
Forecast Year for the 12 Months Ended July 31, 2014

Exhibit 37, Schedule F-3
Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7
Witness Responsible: Scott Rungren

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

Line No.	Account No.	Description of Expenses	Base Period		Forecasted Period	
			Total Utility	Jurisdictional %	Total Utility	Jurisdictional %
1						
2						
3		<u>CUSTOMER SERVICE EXPENSES</u>				
4		Customer Service and Informational Expense	\$0	100.00%	\$0	100.00%
5						
6						
7		<u>SALES PROMOTION EXPENSE</u>				
8	4262	Sales Promotion	-	-	-	-
9						
10	4262	Institutional or Goodwill Advertising Expense	-	-	-	-
11						
12	93021	Conservation Advertising	27,463	27,463	110,000	110,000
13						
14	93089	Other (Educational)	101,255	101,255	105,200	105,200
15						
16		Totals	\$128,719	\$128,718	\$215,200	\$215,200
17						

Kentucky American Water Company
Case No. 2012-00520

Advertising
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: X Original Updated Revised
Worksheet Reference No(s): N/A
Exhibit 37, Schedule F-4
Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7
Witness Responsible: Scott Rungren

Line No.	Item	Sales or Promotional Advertising	Institutional Advertising	Conservation Advertising	Rate Case	Other Customer Education	Total
2	Base Period:						
3	Newspaper	\$0	\$0	\$ 1,373	\$0	\$ 13,052	\$14,425
4	Magazine and Other	-	-	-	-	7,590	7,590
5	Television	-	-	10,985	-	-	10,985
6	Radio	-	-	8,514	-	3,251	11,764
7	Direct Mail	-	-	824	-	40,790	41,613
8	Sales	-	-	-	-	-	-
9	Customer Handouts	-	-	275	-	10,909	11,183
10	Outdoor billboard	-	-	-	-	10,695	10,695
11	Misc Bus Adv	-	-	5,493	-	14,970	20,463
12	Totals	\$0	\$0	\$27,463	\$0	\$101,255	\$128,719
13	Amount Assigned to Kentucky Retail	\$0	\$0	\$27,463	\$0	\$101,255	\$128,719
14	Forecasted Period:						
15	Newspaper	-	-	5,500	-	1,625	7,125
16	Magazine and Other	-	-	-	-	3,250	3,250
17	Television	-	-	44,000	-	-	44,000
18	Radio	-	-	34,100	-	140	34,240
19	Direct Mail	-	-	3,300	-	55,105	58,405
20	Sales	-	-	-	-	-	-
21	Customer Handouts	-	-	1,100	-	11,565	12,665
22	Outdoor billboard	-	-	-	-	924	924
23	Misc Bus Adv	-	-	22,000	-	32,591	54,591
24	Totals	\$0	\$0	\$110,000	\$0	\$105,200	\$215,200
25	Amount Assigned to Kentucky Retail	\$0	\$0	\$110,000	\$0	\$105,200	\$215,200

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

Exhibit 37, Schedule F-7
Exhibits\Exhibits\Exhibit 37 Schedule F1 to F7.XLS\Sch F1 to F7
Witness Responsible: Scott Rungren

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

Line No.	Item	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
	<u>Base Period:</u>	
	Donations	123,050
	Civic Activities	80,387
	Political Activities	-
	Other	-
	Totals	<u>\$203,437</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

For electronic version, see KAW_APP_EX37G_122812.pdf.

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\Expense(Labor and Labor Related.xlsx)\Exh 37 G
Witness: M. Schwarzell

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2						
3	Base Period Expense:					
4	Total Salary	\$6,820,218	100.00%	\$6,820,218	\$0	\$6,820,218
5	Other Allowances and Compensation	329,939		329,939	0	\$329,939
6	Sub-total	7,150,158		7,150,158	0	7,150,158
7						
8	Employee Benefits:					
9	Pension	1,025,878		1,025,878	0	1,025,878
10	Group Insurance	1,964,516		1,964,516	0	1,964,516
11	Defined Contribution Plan	157,976		157,976	0	157,976
12	401-K Plan	124,791		124,791	0	124,791
13	Sub-total	3,273,161		3,273,161	0	3,273,161
14						
15	Payroll Taxes:					
16	F.I.C.A.	514,246		514,246	0	514,246
17	Federal Unemployment	6,473		6,473	0	6,473
18	State Unemployment	14,697		14,697	0	14,697
19	Sub-total	535,417		535,417	0	535,417
20						
21	Total Compensation & Taxes	\$10,958,736		\$10,958,736	\$0	\$10,958,736
22						
23						
24						
25	Forecasted Period Expense:					
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	Employee Benefits:					
31	Pension	983,207		983,207	0	983,207
32	Group Insurance	2,109,504		2,109,504	0	2,109,504
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	3,401,094		3,401,094	0	3,399,054
36						
37	Payroll Taxes:					
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	0	547,067
42						
43	Total Compensation & Taxes	\$11,177,594		\$11,177,594	\$0	\$10,826,334
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)

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	Total Company													
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%	283,669	-4.84%	278,064
6	Overtime Hours	25,486	5.44%	26,873	-1.02%	26,598	-1.35%	23,581	-11.35%	22,081	-6.36%	18,447	-16.46%	15,748
7														
8	Total Employee Hours	297,736		303,693		312,929		315,569		320,178		302,116		293,812
9														
10	Ratio of Overtime Hours to													
11	Straight-Time Hours	9.36%		9.71%		9.29%		8.08%		7.41%		6.50%		5.66%
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%	7,456,188	-4.93%	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%	680,829	-13.44%	592,351
17														
18	Total Labor Dollars	\$7,251,332		\$8,210,784		\$8,201,947		\$8,213,011		\$8,629,280		\$8,137,017		\$8,182,950
19														
20	Ratio of Overtime Dollars to													
21	Straight-Time Dollars	12.31%		14.67%		12.28%		11.14%		10.03%		9.13%		7.80%
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%	6,820,218	-4.98%	6,880,213
25	Ratio of Labor Dollars to													
26	Total Labor Dollars	79.30%		78.47%		79.85%		81.73%		83.18%		83.82%		84.08%
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%	3,905,119	18.09%	4,073,599
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%	3,273,161	19.00%	3,399,054
31	Ratio of Employee Benefits Expensed													
32	to Total Employee Benefits	79.30%		78.47%		79.85%		81.73%		83.18%		83.82%		83.44%
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%	638,791	-7.74%	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%	535,417	-7.03%	547,067
37	Ratio of Payroll Taxes Expensed													
38	to Total Payroll Taxes	79.30%		78.47%		79.85%		81.73%		83.18%		83.82%		83.04%
39														
40														
41	Average Employee Levels	132	3.03%	136	2.21%	139	2.88%	143	2.88%	143	0.00%	139	-3.15%	133
42														
43	Year-End Employee Levels	135	0.74%	136	2.94%	140	3.57%	145	3.57%	140	-3.45%	137	-2.14%	131

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

Exhibit 37, Schedule G-2
Exhibits\Expense\Labor and Labor Related.xls\Exh 37 G
Witness: M. Schwarzell

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)

Exhibit 37, Schedule G-2
Exhibits\Expense\Labor and Labor Related.xlsx [Exh 37 G
Witness: M. Schwarzell

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

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	Distribution													
3	Employee Hours:													
4	Straight-Time Hours	130,044	-2.80%	126,399	9.45%	138,341	7.58%	148,826	-3.91%	143,007	-12.24%	125,500	3.87%	130,354
5	Overtime Hours	16,755	2.91%	17,243	1.09%	17,431	-12.95%	15,174	-21.66%	11,887	-21.11%	9,377	11.21%	10,428
6	Total Employee Hours	146,799		143,641		155,772		164,000		154,893		134,877		140,783
7	Ratio of Overtime Hours to Straight-Time Hours	12.88%		13.64%		12.60%		10.20%		8.31%		7.47%		8.00%
8	Labor Dollars:													
9	Straight-Time Dollars	\$2,658,889	1.28%	\$2,692,811	11.45%	\$3,001,118	10.78%	\$3,324,788	-0.80%	\$3,298,273	-8.39%	\$3,021,446	8.77%	3,286,475
10	Overtime Dollars	515,365	15.99%	597,796	-3.90%	574,465	-10.43%	514,542	-20.72%	407,945	-21.14%	321,710	20.58%	387,933
11	Total Labor Dollars	\$3,174,254		\$3,290,607		\$3,575,583		\$3,839,330		\$3,706,218		\$3,343,156		\$3,674,408
12	Ratio of Overtime Dollars to Straight-Time Dollars	19.38%		22.20%		19.14%		15.48%		12.37%		10.65%		11.80%
13	O&M Labor Dollars													
14	Ratio of Labor Dollars to Total Labor Dollars	3,174,254	3.67%	3,290,607	8.66%	3,575,583	7.38%	3,839,330	-3.47%	3,706,218	-9.80%	3,343,156	9.91%	3,674,408
15	Total Employee Benefits	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
16	Employee Benefits Expensed	1,052,518	-10.78%	939,059	48.24%	1,392,073	7.69%	1,499,081	-5.26%	1,420,268	12.97%	1,604,448	17.27%	1,881,598
17	Ratio of Employee Benefits Expensed to Total Employee Benefits	1,052,518	-10.78%	939,059	48.24%	1,392,073	7.69%	1,499,081	-5.26%	1,420,268	12.97%	1,604,448	17.27%	1,881,598
18	Total Payroll Taxes	100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%
19	Payroll Taxes Expensed	241,657	6.10%	256,389	8.88%	279,168	12.33%	313,592	-5.17%	297,370	-11.74%	262,452	12.01%	283,961
20	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	241,657	6.10%	256,389	8.88%	279,168	12.33%	313,592	-5.17%	297,370	-11.74%	262,452	12.01%	293,961
21	Average Employee Levels													
22	Average Employee Levels	77	1.30%	78	1.28%	79	0.00%	79	-5.06%	75	-3.33%	73	-2.18%	71
23	Year-End Employee Levels													
24	Year-End Employee Levels	79	-2.53%	77	3.90%	80	-2.50%	78	-7.69%	72	1.39%	73	-4.11%	70

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\Expense\Labor and Labor Related.xls\Exh 37 G
Witness: M. Schwarzell

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

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: President					
3						
4						
5	Base Period:					
6	Total Salary	\$167,549	100.00%	\$167,549	\$0	\$167,549
7	Other Allowances and Compensation (AIP)	104,120		104,120	0	\$104,120
8	Sub-total	250,787		250,787	0	250,787
9						
10	Employee Benefits:					
11	Pension	25,202		25,202	0	25,202
12	Group Insurance	14,184		14,184	0	14,184
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	4,189		4,189	0	4,189
15	Sub-total	43,575		43,575	0	43,575
16						
17	Payroll Taxes:					
18	F.I.C.A.	10,561		10,561	0	10,561
19	Federal Unemployment	42		42	0	42
20	State Unemployment	126		126	0	126
21	Sub-total	10,729		10,729	0	10,729
22						
23	Total Compensation and Taxes	\$305,091		\$305,091	\$0	\$305,091
24						
25						
26						
27	Forecasted Period:					
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	Employee Benefits:					
33	Pension	28,060		28,060	0	28,060
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	49,769		49,769	0	49,769
38						
39	Payroll Taxes:					
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	\$351,174		\$351,174	(\$109,194)	\$241,980
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\Expense\Labor and Labor Related.xls\Exh 37 G
Witness: M. Schwarzell

Data: Base Period Forecast Period
Version: Original Updated Revised

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: Vice President Operations					
3						
4						
5	Base Period:					
6	Total Salary	\$146,019	100.00%	\$146,019	\$0	\$146,019
7	Other Allowances and Compensation	45,406		\$45,406	0	\$45,406
8	Sub-total	191,425		191,425	0	191,425
9						
10	Employee Benefits:					
11	Pension	24,491		24,491	0	24,491
12	Group Insurance	14,184		14,184	0	14,184
13	Defined Contribution Plan	0		0	0	0
14	401-K Plan	3,650		3,650	0	3,650
15	Sub-total	42,326		42,326	0	42,326
16						
17	Payroll Taxes:					
18	F.I.C.A.	9,397		9,397	0	9,397
19	Federal Unemployment	42		42	0	42
20	State Unemployment	126		126	0	126
21	Sub-total	9,565		9,565	0	9,565
22						
23	Total Compensation	\$243,316		\$243,316	\$0	\$243,316
24						
25						
26						
27	Forecasted Period:					
28	Total Salary	\$158,848	100.00%	\$158,848	\$0	\$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	Employee Benefits:					
33	Pension	23,893		\$23,893	0	23,893
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	44,582		44,582	0	44,582
38						
39	Payroll Taxes:					
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	\$260,637		\$260,637	\$0	\$212,983
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)

Data: Base Period Forecast Period
Version: Original Updated Revised

Exhibit 37, Schedule G-3
Exhibits\Expense\Labor and Labor Related.xls\Exh 37 G
Witness: M. Schwarzell

Line No.	Description	Total Company	Jurisdictional %	Jurisdictional Unadjusted	Adjustments	Jurisdictional Adjusted
1						
2	Title of Executive: Vice President Treasurer and Comptroller					
3						
4						
5	Base Period:					
6	Total Salary	0	100.00%	\$0	\$0	\$0
7	Other Allowances and Compensation	0		0	0	0
8	Sub-total	0		0	0	0
9						
10	Employee Benefits:					
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	Payroll Taxes:					
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	Forecasted Period:					
28	Total Salary	0	100.00%	\$0	\$0	\$0
29	Other Allowances and Compensation	0		0	0	0
30	Sub-total	0		0	0	0
31						
32	Employee Benefits:					
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	Payroll Taxes:					
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

<u>Schedule</u>	<u>Description</u>
H	Gross Revenue Conversion Factor

For electronic version, see KAW_APP_EX37H_122812.pdf.

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 \[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\[Expense\Uncollectibles Exhibit.xlsx\3 Years Uncollectible - Water
3	Less: PSC / Utility Reg Assessment Fee	0.1478%	0.1478%	0.3757%	W/P - 5-2	Exhibits\[Expense\]PSC Fees Exhibit.xlsx\PSC Fee
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

Schedule	Description
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

For electronic version, see KAW_APP_EX37I_122812.pdf.

Kentucky American Water Company
Case No. 2012-00520
COMPARATIVE INCOME STATEMENT
Forecast Year for the 12 Months Ended July 31, 2014

DATA: X, BASE PERIOD, X, FORECASTED PERIOD
TYPE OF FILING: X, ORIGINAL, UPDATED, REVISED
WORKPAPER REFERENCE NO(S): SCH C
Exhibit 37, Schedule I-1
Exhibits\Exhibits\Exhibit 37 I-1 and K updated.xlsx\Sch I 1

Line No.	Description	Forecasted Period	% Change	Base Period	Water only 2011		Water only 2010		Water only 2009		Water only 2008		Water only 2007	
					12 Mos Dec	% Change	12 Mos Dec	% Change	12 Mos Dec	% Change	12 Mos Dec	% Change	12 Mos Dec	% Change
1	Operating Revenues	\$83,666,204	-4.14%	\$87,282,760	5.14%	\$83,016,582	12.55%	\$73,761,818	19.53%	\$61,710,499	3.24%	\$59,774,669	13.93%	\$52,466,838
2	Operating Expenses	33,892,179	-0.03%	33,903,162	3.40%	32,788,356	-2.92%	33,773,806	7.76%	31,340,961	8.35%	28,924,776	8.46%	26,668,684
3	Depreciation	11,517,623	13.11%	10,182,567	14.99%	8,855,144	33.72%	6,622,393	13.67%	5,826,151	0.38%	5,804,151	-6.88%	6,233,184
4	Amortization	1,814,240	-4.34%	1,896,643	-13.11%	2,182,924	0.02%	2,182,549	7.17%	2,036,583	5.41%	1,931,969	12.00%	1,724,913
5	Taxes Other	5,114,771	6.62%	4,797,323	-5.87%	5,096,705	6.26%	4,796,653	37.07%	3,499,505	10.34%	3,171,560	3.89%	3,052,724
6	State Income Taxes	1,166,495	-25.49%	1,565,573	112.36%	737,218	-43.56%	1,306,291	17.43%	1,112,424	26.90%	876,606	41.06%	621,436
7	Federal Income Taxes	6,472,611	-24.88%	8,616,505	104.82%	4,206,903	-44.32%	7,555,895	32.11%	5,719,559	11.81%	5,115,391	48.57%	3,443,179
8	Total Operating Expenses	59,977,919	-1.61%	60,961,773	13.17%	53,867,250	-4.21%	56,237,587	13.53%	49,535,183	8.10%	45,824,453	9.77%	41,744,120
9	Operating Income	23,688,285	-10.00%	26,320,987	-9.70%	29,149,332	66.34%	17,524,231	43.93%	12,175,316	-12.72%	13,950,216	30.10%	10,722,718
10	AFUDC	491,629	-146.93%	(1,047,642)	-354.23%	412,080	-87.78%	3,370,915	-31.17%	4,897,575	155.25%	1,918,748	56.40%	1,226,848
11	Other Income	0	-100.00%	(55,870)	-100.29%	19,083,460	12526.60%	151,137	-1415.95%	(11,485)	-224.49%	9,226	-97.00%	307,724
12	Total Other Income	491,629	-144.55%	(1,103,512)	-105.66%	19,495,540	453.53%	3,522,052	-27.92%	4,886,090	153.43%	1,927,974	25.64%	1,534,572
13	Income before Deductions	24,179,914	-4.11%	25,217,475	-48.16%	48,644,872	131.13%	21,046,283	23.36%	17,061,406	7.45%	15,878,190	29.54%	12,257,290
14	Income Deductions	12,483,472	3.56%	12,053,984	10.96%	10,863,634	58.32%	6,861,929	25.19%	5,481,409	-3.72%	5,683,320	22.39%	4,651,663
15	Interest on Long-Term Debt	83,505	13.99%	73,259	-14.96%	86,149	-33.01%	128,607	22.22%	105,230	17.52%	89,540	19.28%	75,069
16	Amort of Debt Expense	62,061	0.00%	62,061	-14.50%	72,584	-36.68%	114,638	-67.72%	355,136	-53.38%	761,822	-46.18%	1,415,522
17	Interest on Bank Debt	0	0.00%	0	-100.00%	(3,038)	-172.77%	4,175	443.62%	768	25500.00%	3	-100.01%	(38,175)
18	Other Interest	(212)	0.00%	(212)	-50.05%	(425)	0.00%	(425)	0.00%	(425)	0.00%	(425)	0.00%	(425)
19	Miscellaneous Amortization	0	-100.00%	188,623	-99.03%	19,513,787	2660.49%	706,895	28.96%	548,133	96.66%	278,715	-12.66%	319,101
20	Other Deductions	12,626,825	2.03%	12,377,714	-59.46%	30,532,691	290.65%	7,815,819	20.42%	6,490,251	-4.88%	6,822,975	6.23%	6,422,755
21	Total Income Deductions	\$11,551,088	-10.04%	\$12,839,760	-29.11%	\$18,112,181	36.90%	\$13,230,464	25.16%	\$10,571,155	16.74%	\$9,065,215	55.20%	\$5,834,535
22	Net Income	\$12,626,825	-10.04%	\$12,377,714	-29.11%	\$18,112,181	36.90%	\$13,230,464	25.16%	\$10,571,155	16.74%	\$9,065,215	55.20%	\$5,834,535

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

Exhibit 37 - Schedule I-3
Exhibits\Exhibits\Exhibit 37 (I-2),(I-3),(I-4),(I-5).xlsx\Exh Sch. I(2012)
Witness Responsible: Linda Birdwell

Type of Filing: ___X___ Original ___ ___ Updated ___ ___ Revised

Line No.	Description	2007		2008		2009		2010		2011		Base Period	Forecasted Period	2 Projected Calendar Years		
		2007	2008	2009	2010	2011	2012	2013	2014							
1																
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																
11	Total															
12																
13	Number of Customers:															
14	12-Month Average:															
15	Residential															
16	Commercial															
17	Industrial															
18	Other Public Authorities															
19	Other Water Utilities															
20	Miscellaneous															
21	Fire Service															
22																
23	Total															
24																
25																
26																
27	End of Period:															
28	Residential															
29	Commercial															
30	Industrial															
31	Other Public Authorities															
32	Other Water Utilities															
33	Miscellaneous															
34	Fire Service															
35																
36	Total															
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

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

Exhibit 37 - Schedule I-4
Exhibits\Exhibits\Exhibit 37 (I-2),(I-3),(I-4),(I-5).xlsx\Exh Sch. I(2012)
Witness Responsible: Linda Birdwell

Type of Filing: ___X___ Original _____ Updated _____ Revised _____

Line No.	Description	2 Projected Calendar Years											
		2007	2008	2009	2010	2011	Base Period	Forecasted Period	2013	2014			
Sales by Customer Class:													
1	Residential	7,638,396	8,837,505	7,976,610	8,332,477	7,938,092	8,273,482	8,099,216	8,117,842	8,089,806			
2	Commercial	5,308,863	5,769,787	5,084,668	5,460,556	5,010,771	5,199,837	5,089,489	5,143,230	5,060,749			
3	Industrial	1,007,927	1,071,592	695,988	758,592	642,269	721,432	704,784	704,784	704,784			
4	Other Public Authorities	1,833,668	2,031,685	1,807,022	2,150,371	1,851,134	1,889,335	1,809,408	1,830,036	1,794,531			
5	Other Water Utilities	531,179	593,584	605,583	649,774	590,080	611,134	664,068	575,075	537,158			
6	Miscellaneous	3,953	448	16,573,527	-65,193	628,376	322,865	527,206					
7	Total	16,363,985	18,309,601	32,633,709	17,278,479	16,550,722	17,317,105	16,794,232	16,370,967	16,177,019			
Number of Customers:													
12-Month Average:													
8	Residential	105,572	106,694	107,343	108,169	108,971	110,118	111,291	110,778	111,658			
9	Commercial	8,623	8,716	8,771	8,767	8,756	8,746	8,746	8,746	8,746			
10	Industrial	21	21	22	23	23	21	21	21	21			
11	Other Public Authorities	487	500	511	529	529	531	531	531	531			
12	Other Water Utilities	13	11	12	12	12	12	12	12	12			
13	Miscellaneous	0	0	34	34	42	0	0	0	0			
14	Total	114,716	115,942	116,693	117,533	118,334	119,428	120,601	120,088	120,968			
End of Period:													
15	Residential	106,068	107,003	107,500	108,389	109,071	110,999	112,673	111,019	111,899			
16	Commercial	8,585	8,748	8,760	8,766	8,735	8,736	8,807	8,746	8,746			
17	Industrial	21	22	22	22	23	21	21	21	21			
18	Other Public Authorities	488	504	519	524	532	531	531	531	531			
19	Other Water Utilities	13	12	12	12	13	12	12	12	12			
20	Miscellaneous	0	0	34	34	43	0	0	0	0			
21	Total	115,175	116,289	116,847	117,747	118,417	120,289	122,044	120,329	121,209			
Average Sales per Customer:													
22	Residential	72	83	74	77	72	75	73	73	73			
23	Commercial	670	662	580	623	572	604	582	588	578			
24	Industrial	47,997	50,710	31,415	33,223	28,232	34,354	33,561	33,561	33,561			
25	Other Public Authorities	3,785	4,066	5,732	4,067	3,497	3,746	3,408	3,446	3,380			
26	Other Water Utilities	40,860	52,674	50,465	54,148	47,844	50,928	47,006	47,523	44,763			
27	Miscellaneous	N/A	N/A	482,758	(1,854)	14,961	N/A	N/A	N/A	N/A			

Note: Sales are stated in 100 Cubic Feet

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

Exhibit 37 - Schedule I- 5
Exhibits\Exhibits\Exhibit 37 (I-2),(I-3),(I-4),(I-5).xlsx\Exh Sch. I(2012)
Witness Responsible: Linda Birdwell

Type of Filing: ___X___ Original ___ ___ Updated ___ ___ Revised

Line No.	Description	2007	2008	2009	2010	2011	Base Period	Forecasted Period	2 Projected Calendar Years 2013 2014
1									
2	Sales by Customer Class:								
3	Residential								
4	Commercial								
5	Industrial								
6	Other Public Authorities								
7	Other Water Utilities								
8	Miscellaneous								
9	Total								
10									
11									
12									
13	Number of Customers:								
14	12-Month Average:								
15	Residential								
16	Commercial								
17	Industrial								
18	Other Public Authorities								
19	Other Water Utilities								
20	Miscellaneous								
21	Total								
22									
23									
24									
25	End of Period:								
26	Residential								
27	Commercial								
28	Industrial								
29	Other Public Authorities								
30	Other Water Utilities								
31	Miscellaneous								
32	Total								
33									
34									
35									
36									
37	Average Revenue per Customer:								
38	Residential								
39	Commercial								
40	Industrial								
41	Other Public Authorities								
42	Other Water Utilities								
43	Miscellaneous								
44									
45									
46									
47	Note: Sales are stated in 100 Cubic Feet								

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

For electronic version, see KAW_APP_EX37J_122812.pdf.

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: ___ X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7-1, 7-2, 7-3

Exhibit 37, Schedule J-1
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	\$ 8,119,115	2.080%	\$ 12,649	\$ 8,131,764	0.810%	0.020%	0.020%
4	Long-Term Debt	J-3, Page 1	202,791,766	52.020%	316,341	203,108,107	6.210%	3.230%	3.200%
6	Preferred Stock	J-4, Page 1	4,482,784	1.150%	6,993	4,489,777	8.520%	0.100%	0.100%
8	Common Equity		174,443,134	44.750%	272,131	174,715,265	10.900%	4.880%	4.880%
10	Total Capital		\$ 389,836,799	100.000%	\$ 608,114	\$ 390,444,913		8.230%	8.200%
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: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7-1, 7-2, 7-3

Exhibit 37, Schedule J-1
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	\$ 14,734,711	3.973%	\$ 28,245	\$ 14,762,956	0.810%	0.030%
4	Long-Term Debt	J-3, Page 2	193,955,717	52.294%	371,796	194,327,513	5.850%	3.060%
6	Preferred Stock	J-4, Page 2	4,481,756	1.208%	8,591	4,490,347	8.520%	0.100%
8	Common Equity		157,723,157	42.525%	302,342	158,025,499	10.900%	4.640%
10	Total Capital		\$ 370,895,341	100.000%	\$ 710,974	\$ 371,606,315		7.830%
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

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

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

Line No.	Class of Capital	13 Month Average Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Average Weighted Cost
2	Short-Term Debt	\$ 7,832,734	2.041%	\$ 13,199	\$ 7,845,933	0.810%	0.020%
4	Long-Term Debt	199,750,138	52.037%	336,517	200,086,655	6.140%	3.200%
6	Preferred Stock	4,482,398	1.168%	7,553	4,489,951	8.520%	0.100%
8	Common Equity	171,796,415	44.754%	289,418	172,085,833	10.900%	4.880%
10	Total Capital	\$ 383,861,686	100.000%	\$ 646,687	\$ 384,508,373		8.200%

(1) JDTC: \$ 646,687

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

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

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

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 8,119,115	0.810%	\$ 65,765
5				
6				
7	Weighted Cost of Short-Term Debt	0.810%		
8				

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

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

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

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	\$ 14,734,711	0.810%	\$ 119,351
5				
6				
7	Weighted Cost of Short-Term Debt	0.810%		
8				

KENTUCKY-AMERICAN WATER COMPANY
Case No. 2012-00520
EMBEDDED COST OF LONG-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 ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7-5

Exhibit 37, Schedule J-3
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%	9.346%	N/A	654,220	7,000,000	167,010	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	6/12/2002	6/12/2037	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	6/23/2009	6/1/2039	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 5.200% Note	05/15/13	05/15/43	8,000,000	5.200%	5.300%	N/A	424,000	8,000,000	8,000	0	230,333	0	7,769,667
14	Proposed 5.200% Note	05/15/13	05/15/43	3,000,000	5.200%	5.300%	N/A	159,000	3,000,000	3,000	0	86,375	0	2,913,625
15	Proposed 5.200% Note	11/15/13	11/15/43	3,000,000	5.200%	5.271%	N/A	158,130	3,000,000	2,125	0	87,875	0	2,912,125
16	Proposed 5.200% Note	05/15/14	05/15/44	3,000,000	5.200%	5.221%	N/A	156,630	3,000,000	625	0	89,375	0	2,910,625
17														
18														
19														
20														
21														
22														
23														
24														
25	Total Long-Term Debt and Annualized Cost													
26				\$ 204,890,000				\$ 12,589,351	\$ 204,890,000	\$ 247,289	\$ 0	\$ 2,098,234	\$ 0	\$ 202,791,766
27														
28	Annualized Cost Rate													
					6.210%									

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: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7-5

Exhibit 37, Schedule J-3
Exhibits\Capital Structure\Capital Structure 2012.xls\Sch J
PAGE 2 of 2
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	General Mortgage Bonds:													
6	Series 6.96% GMB	12/01/93	12/01/23	7,000,000	7.150%	7.196%	N/A	503,720	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	6.990%	7.022%	N/A	526,650	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	6.593%	6.629%	N/A	596,610	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	6.250%	6.285%	N/A	2,953,950	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	5.625%	5.670%	N/A	2,573,613	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	5.375%	5.425%	N/A	1,410,500	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	5.050%	5.092%	N/A	1,323,920	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	5.200%	5.200%	N/A	1,040,000	20,000,000	0	0	0	0	20,000,000
14	Proposed 5.100% Note	11/15/12	11/15/42	8,000,000	5.200%	5.300%	N/A	424,000	8,000,000	8,000	0	237,000	0	7,763,000
15	Proposed 5.200% Note	05/15/13	05/15/43	0	5.200%	0.000%	N/A	0	0	0	0	0	0	0
16	Proposed 5.200% Note	11/15/13	11/15/43	0	5.200%	0.000%	N/A	0	0	0	0	0	0	0
17	Proposed 5.200% Note	05/15/14	05/15/44	0	0.000%	0.000%	N/A	0	0	0	0	0	0	0
26	Total Long-Term Debt and Annualized Cost				\$ 195,890,000			\$ 11,352,963	\$ 195,890,000	\$ 77,756	\$ -	\$ 1,934,283	\$ -	\$ 193,955,717
28	Annualized Cost Rate				5.850%									

**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

<u>Schedule</u>	<u>Description</u>
K	Comparative Financial Data

For electronic version, see KAW_APP_EX37K_122812.pdf.

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 _X_ UPDATED _X_ REVISED
WORKPAPER REFERENCE NO(S): N/A

Exhibit 37, Schedule K-1
Exhibits\Exhibits\Exhibit 37 1-1 and K updated.xlsx\Sch K

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	\$83,666,204	\$87,282,760	\$ 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	52,338,813	50,779,695	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)	491,703	1,384,008	(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	674,793	181,565	877,884	629,638	482,960	277,052	225,146	(162,568)	555,762	(50,216)	223,533	222,489
8	Deferred SIT - Other	3,658,209	7,480,524	(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	Federal Income Taxes - Current	0	0	0	0	0	0	0	0	0	0	0	0
10	Deferred FIT - Accelerated Depreciation	2,899,194	1,199,577	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 - Other	0	0	0	0	0	0	0	0	0	0	0	0
12	Deferred FIT - ITC	(84,792)	(63,597)	(84,797)	(84,797)	(84,797)	(84,797)	(84,837)	(84,757)	(95,596)	(95,596)	(85,352)	(84,797)
13	Amortization of ITC												
14													
15	Operating Income	23,688,285	26,320,987	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
16	AFUDC	491,629	(1,047,642)	412,080	3,370,915	4,897,575	1,918,748	1,226,848	390,200	494,177	173,521	655,695	652,328
17	Other Income (Deductions), Net	0	(55,870)	(429,902)	(555,333)		(269,064)	(10,952)					
18													
19													
20	Income Available for Fixed Charges	24,179,914	25,217,475	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
21	Interest Charges	12,628,825	12,189,092	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
22													
23	Net Income	11,551,088	13,028,383	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
24	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
25	Net Income to Common Equity	\$11,169,938	\$12,647,233	\$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
26													
27													
28	AFUDC as a Percent of Net Income	4.26%	-8.04%	2.28%	25.48%	44.00%	21.19%	21.03%	9.75%	9.05%	-52.13%	12.21%	9.93%
29													
30	AFUDC as a Percent to Earnings Available for Common Equity	4.40%	-8.28%	2.33%	26.39%	45.90%	22.32%	22.83%	11.01%	9.18%	-22.22%	13.50%	10.80%
31													
32	Cost of Capital:												
33	Embedded Cost of Long-Term Debt	6.21%	5.85%	5.73%	4.05%	3.89%	7.13%	6.06%	6.29%	6.91%	6.24%	6.87%	7.34%
34	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%
35													
36	Fixed Charge Coverages:												
37	Pre-Tax Interest Coverage	2.52	2.90	3.09	4.11	4.02	3.30	2.62	2.14	2.56	0.90	2.88	3.11
38	Pre-Tax Interest Coverage (Excluding AFUDC)	2.48	2.99	3.05	3.63	3.20	3.01	2.42	2.07	2.48	0.86	2.74	2.98
39	After-Tax Interest Coverage	1.91	2.07	2.64	2.86	2.87	2.38	1.96	1.71	1.97	0.94	2.14	2.30
40	After-Tax Fixed Charge Coverage	1.86	2.01	2.54	2.69	2.67	2.23	1.82	1.58	1.94	0.86	1.93	2.08
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

Exhibit 37, Schedule K-1
Exhibits\Exhibits\Exhibit 37 1-1 and K updated.xlsx\Sch K

Line No.	Description	Forecasted Period	Base Period	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
2	Stock and Bond Ratings:												
3	Moody's Bond Rating												
4	S&P Bond Rating												
5	Moody's Preferred Stock Rating												
6	S&P Preferred Stock Rating												
7													
8	Common Stock Related Data:												
10	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
11	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
12	Earnings per Share - Weighted Average	\$7.13	\$8.07	\$11.26	\$8.15	\$6.81	\$5.48	\$3.43	\$2.26	\$3.43	(\$0.50)	\$3.10	\$3.85
14													
15	Dividends Paid per Share	\$5.35	\$6.05	\$8.66	\$5.70	\$5.17	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01
16	Dividends Declared per Share	\$5.35	\$6.05	\$8.66	\$5.70	\$5.17	\$3.83	\$2.66	\$1.28	\$1.10	\$1.22	\$2.17	\$3.01
17	Dividend Payout Ratio (Declared Basis)	75.04%	74.97%	76.91%	69.94%	75.92%	69.89%	77.55%	56.64%	32.07%	-244.00%	70.00%	78.18%
18													
19	Market Price - High/Low												
20	1st Quarter												
21	2nd Quarter												
22	3rd Quarter												
23	4th Quarter												
24	Book Value per Share (Year-End)	\$109.61	\$100.63	\$99.08	\$96.16	\$81.95	\$59.69	\$47.57	\$46.70	\$40.59	\$38.40	\$40.14	\$39.41
26													
27													
28	Rate of Return Measures:												
29	Return on Common Equity (Average)	6.78%	8.08%	11.54%	9.15%	9.61%	10.23%	7.27%	5.18%	8.69%	-1.27%	7.79%	19.55%
30													
31	Return on Total Capital - (Average)	6.47%	7.46%	8.65%	5.80%	5.34%	8.29%	7.41%	6.73%	7.18%	3.24%	10.10%	
32													
33	Return on Net Plant in Service (Average)	4.93%	5.66%	6.41%	4.80%	4.40%	5.30%	4.33%	3.97%	4.80%	2.18%	4.61%	5.31%
34													
35													
36	Other Financial and Operating Data:												
37	Mix of Sales (Gas and Electric)												
38													
39	Mix of Fuel (Gas and Electric)												
40													
41	Composite Depreciation Rate	1.88%	1.73%	1.56%	1.41%	1.56%	1.64%	1.87%	2.14%	1.99%	2.41%	2.23%	2.27%
42													
43													
44	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

<u>Schedule</u>	<u>Description</u>
L	Narrative Rationale for Tariff Changes

For electronic version, see KAW_APP_EX37L_122812.pdf.

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

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

For electronic version, see KAW_APP_EX37M_122812.pdf.

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

For the Base Peiod 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	Exhibit 37, Schedule M-1	
								Exhibits\Revenue\	Exhibits\Revenue\
1									
2	Sales of Water								
3	Residential	Exhibits\Revenue\[Revenue.xlsx]Sch M	\$ 45,637,885	\$ (1,204,353)	\$ 44,433,532	\$ 7,944,541	\$ 52,378,073		
4	Commercial	Exhibits\Revenue\[Revenue.xlsx]Sch M	22,063,160	(675,321)	21,387,839	1,902,961	23,290,800		
5	Industrial	Exhibits\Revenue\[Revenue.xlsx]Sch M	2,216,761	(69,323)	2,147,438	425,844	2,573,282		
6	Other Public Authorities	Exhibits\Revenue\[Revenue.xlsx]Sch M	7,109,256	(783,774)	6,325,482	748,874	7,074,356		
7	Sale for Resale	Exhibits\Revenue\[Revenue.xlsx]Sch M	2,022,212	(192,691)	1,829,521	45,796	1,875,317		
8	Private Fire	Exhibits\Revenue\[Revenue.xlsx]Sch M	3,154,381	(834,941)	2,319,440	231,907	2,551,347		
9	Public Fire	Exhibits\Revenue\[Revenue.xlsx]Sch M	2,525,108	819,452	3,344,560	659,367	4,003,927		
10	Miscellaneous	Exhibits\Revenue\[Revenue.xlsx]Sch M	21,254	(21,254)	-	-	-		
11	Other Water Revenue	Exhibits\Revenue\[Revenue.xlsx]Sch M	80,489	(36,163)	44,326	12,084	56,410		
12	Total Sales of Water		\$ 84,830,506	\$ (2,998,368)	\$ 81,832,138	\$ 11,971,374	\$ 93,803,512		
13									
14									
15	Other Operating Revenues								
16	Other Water Revenue	Exhibits\Revenue\[Revenue.xlsx]Sch M	\$ -	\$ -	\$ -	\$ -	\$ -		
17	Late Payment Fee	Exhibits\Revenue\[Revenue.xlsx]Sch M	228,124	451,876	680,000	-	680,000		
18	Rent	Exhibits\Revenue\[Revenue.xlsx]Sch M	92,757	(957)	91,800	-	91,800		
19	Rent I/C	Exhibits\Revenue\[Revenue.xlsx]Sch M	277,643	(177,643)	100,000	-	100,000		
20	Collect for Others	Exhibits\Revenue\[Revenue.xlsx]Sch M	706,072	(706,072)	-	-	-		
21	NSF Check Charge	Exhibits\Revenue\[Revenue.xlsx]Sch M	28,708	3,434	32,142	-	32,142		
22	Application/Initiation Fee	Exhibits\Revenue\[Revenue.xlsx]Sch M	612,461	(1,609)	610,852	46,989	657,841		
23	Usage Data	Exhibits\Revenue\[Revenue.xlsx]Sch M	1,300	(1,300)	-	-	-		
24	Reconnect Fee	Exhibits\Revenue\[Revenue.xlsx]Sch M	471,424	(212,152)	259,272	299,160	558,432		
25	Miscellaneous Service	Exhibits\Revenue\[Revenue.xlsx]Sch M	33,265	26,735	60,000	-	60,000		
26	WW-Miscellaneous Service	Exhibits\Revenue\[Revenue.xlsx]Sch M	500	(500)	-	-	-		
27	Total Other Operating Revenues		\$ 2,452,254	\$ (618,188)	\$ 1,834,066	\$ 346,149	\$ 2,180,215		
28									
29									
30	Total Operating Revenues		\$ 87,282,760	\$ (3,616,556)	\$ 83,666,204	\$ 12,317,523	\$ 95,983,727		

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

Summary of Adjustments for Operating Revenues at Present Rates

Witness Responsible: Linda Bridwell
Type of Filing: ___X___ Original ___ Updated ___ Revised

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	Billing Determinant Change	Exhibits\Revenue\[Revenue.xlsx\Sch M	\$ (733,743)	\$ (498,054)	\$ (46,357)	\$ (608,150)	\$ (156,204)
3	Unbilled Adjustment		(470,610)	(177,267)	(22,966)	(175,624)	(17,270)
4	Eliminate Owenton Revenue	Exhibits\Revenue\[Revenue.xlsx\Sch M					(19,217)
5							
6							
7	Total		<u>\$ (1,204,353)</u>	<u>\$ (675,321)</u>	<u>\$ (69,323)</u>	<u>\$ (783,774)</u>	<u>\$ (192,691)</u>
8							
9							
10							
11							
12							
13							
14							
15	Billing Determinant Change	Exhibits\Revenue\[Revenue.xlsx\Sch M	\$ (834,941)	\$ 819,452	\$ (21,254)	\$ (36,163)	\$ (2,115,414)
16	Unbilled Adjustment						(863,737)
17	Eliminate Owenton Revenue	Exhibits\Revenue\[Revenue.xlsx\Sch M					(19,217)
18							
19							
20	Total		<u>\$ (834,941)</u>	<u>\$ 819,452</u>	<u>\$ (21,254)</u>	<u>\$ (36,163)</u>	<u>\$ (2,998,368)</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 /C	Collect for Others	NSF Check Charge
1								
2	To Adjust for the Forecast Period	Exhibits\Revenue\[Revenue.xlsx]Sch M	\$ -	\$ 451,876	\$ (957)	\$ (177,643)	\$ (706,072)	\$ 3,434
3								
4								
5								
6								
7	Total		\$ -	\$ 451,876	\$ (957)	\$ (177,643)	\$ (706,072)	\$ 3,434
8								
9								
10								
11								
12								
13								
14								
15	To Adjust for the Forecast Period	Exhibits\Revenue\[Revenue.xlsx]Sch M	\$ (1,609)	\$ (1,300)	\$ (212,152)	\$ 26,735	\$ (500)	\$ (618,188)
16								
17								
18								
19								
20	Total		\$ (1,609)	\$ (1,300)	\$ (212,152)	\$ 26,735	\$ (500)	\$ (618,188)

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

Summary of Adjustments for Operating Revenues for Forecast Year at Proposed Rate:

Line Number	Adjustments	Schedule Reference	Residential	Commercial	Industrial	Other Public Authorities	Sale for Resale
1							
2	Proposed Rates	Exhibits\Revenue\[Revenue.xlsx\Sch M	\$ 7,944,541	\$ 1,902,961	\$ 425,844	\$ 748,874	45,796
3							
4							
5							
6							
7	Total		<u>\$ 7,944,541</u>	<u>\$ 1,902,961</u>	<u>\$ 425,844</u>	<u>\$ 748,874</u>	<u>\$ 45,796</u>
8							
9							
10							
11							
12							
13							
14							
15	Proposed Rates	Exhibits\Revenue\[Revenue.xlsx\Sch M	\$ 231,907	659,367	-	12,084	\$ 11,971,374
16							
17							
18							
19							
20	Total		<u>\$ 231,907</u>	<u>\$ 659,367</u>	<u>\$ -</u>	<u>\$ 12,084</u>	<u>\$ 11,971,374</u>

Witness Responsible: Linda Bridwell
Type of Filing: X__ Original ___ Updated ___ Revised

Exhibit 37, Schedule M-1
Exhibits\Revenue\[KY Revenue Exhibit.xlsx]Exhibit

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

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

Line Number	Adjustments	Schedule Reference	Other Water Revenue	Late Payment Fee	Rent	Rent /C	Collect for Others	NSF Check Charge
1								
2	To Adjust for the Forecast Period	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\Revenue\[Revenue.xlsx]Sch M	\$ 46,989		\$ 299,160			\$ 346,149
16								
17								
18								
19								
20	Total		\$ 46,989	\$ -	\$ 299,160	\$ -	\$ -	\$ 346,149

Witness Responsible: Linda Bridwell
Type of Filing: ___X___ Original ___ Updated ___ Revised

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

Line #	Class/ Description	Base Period at Present Rates		Test Year at Proposed Rates		Test Year at Present Rates		Exhibits \ Revenue \ (Revenue.xls) \ (Rev M)			
		Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	Percentage Change
1	Monthly Billing:										
2	Residential	6,188,565	\$44,945,535	6,058,213	\$52,836,912	6,058,213	\$44,433,532	6,058,213	\$52,378,073	\$7,944,541	17.88%
3	Commercial	3,888,730	21,767,610	3,888,730	23,678,758	3,806,938	21,387,839	3,806,938	23,290,800	1,902,961	8.90%
4	Industrial	539,631	2,194,696	539,631	2,628,878	527,179	2,147,438	527,179	2,573,282	425,844	19.83%
5	Other Public Authority	1,488,037	6,910,698	1,488,037	7,701,827	1,353,437	6,325,482	1,353,437	7,074,356	748,874	11.84%
6	Sale for Resale	457,129	1,997,368	457,129	2,044,769	421,923	1,829,521	421,923	1,875,317	45,796	2.50%
7	Private Fire Service:	0	2,320,207	0	2,551,881	0	2,319,440	0	2,551,347	231,907	10.00%
8	Public Fire Service:	0	3,359,282	0	4,021,551	0	3,344,560	0	4,003,927	659,367	19.71%
9	Miscellaneous	391,103	21,254	391,103	21,254	394,395	44,326	394,395	0	0	0.00%
10	Other Water Revenue	80,489	80,489	80,489	80,489	80,489	80,489	80,489	80,489	0	0.00%
11	Total	12,953,195	\$83,597,139	12,953,195	\$95,566,319	12,562,085	\$81,832,138	12,562,085	\$93,803,512	\$11,971,374	14.63%
12											
13	Miscellaneous Revenues:										
14	Other Water Revenue		\$0		\$0		\$0		\$0	0	0.00%
15	Late Payment Fee		228,124		92,757		91,800		91,800	0	0.00%
16	Rent		277,643		706,072		100,000		100,000	0	0.00%
17	Collect for Others		706,072		32,142		0		0	0	0.00%
18	NSF Check Charge		612,461		659,573		610,852		657,841	46,989	7.69%
19	Application/Initiation Fee		1,300		1,300		0		0	0	0.00%
20	Usage Data		471,424		1,015,375		259,272		558,432	299,160	115.38%
21	Reconnect Fee		33,265		33,265		60,000		60,000	0	0.00%
22	Miscellaneous Service		500		500		0		0	0	0.00%
23	WWW-Miscellaneous Service		\$2,452,254		\$3,043,317		\$1,834,066		\$2,180,215	\$346,149	18.87%
24	Total Other Revenue		\$86,049,393		\$98,609,636		\$83,666,204		\$95,983,727	\$12,317,523	14.72%
25	Total Revenue		\$86,049,393		\$98,609,636		\$83,666,204		\$95,983,727	\$12,317,523	14.72%

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

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

Exhibit 37, Schedule M-3
Exhibits \Revenue\Revenue.xls\Scn M

Line #	Class/ Description	Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates			Total Revenue	Dollor Change	Percentage Change
		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			
1	Residential:															
2	Minimum Charge:															
3	5/8" Monthly	1,305,223	\$8.90	\$11,616,485	1,305,223	\$14.00	\$18,273,122	\$8.90	\$11,753,067	1,320,569	\$14.00	\$18,487,971	\$6,734,904	57.30%		
4	3/4" Monthly	12	13.35	160	12	21.00	252	13.35	160	12	21.00	252	92	57.50%		
5	1" Monthly	22,332	22.25	496,879	22,332	35.00	781,608	22.25	485,406	21,816	35.00	763,560	278,154	57.30%		
6	1-1/2" Monthly	168	44.50	7,487	168	70.00	11,777	44.50	7,476	168	70.00	11,760	4,284	57.30%		
7	2" Monthly	926	71.20	65,938	926	112.00	103,723	71.20	65,789	924	112.00	103,488	37,699	57.30%		
8	3" Monthly	0	133.50	0	0	210.00	0	133.50	0	0	210.00	0	0	0.00%		
9	4" Monthly	0	222.50	0	0	350.00	0	222.50	0	0	350.00	0	0	0.00%		
10	6" Monthly	24	445.00	10,680	24	700.00	16,800	445.00	10,680	24	700.00	16,800	6,120	57.30%		
11	8" Monthly	0	712.00	0	0	1,120.00	0	712.00	0	0	1,120.00	0	0	0.00%		
12	Surcharge															
13																
14																
15																
16	Volumetric Charges:															
17	First Block	6,188,664	\$5.3004	\$32,781,196	6,188,664	\$5.4462	\$33,682,920	\$5.3004	\$32,110,954	6,058,213	\$5.3004	\$32,994,242	\$883,288	2.75%		
18	Second Block	0	0.0000	0	0	0.0000	0	0.0000	0	0	0.0000	0	0	0.00%		
19	Third Block	0	0.0000	0	0	0.0000	0	0.0000	0	0	0.0000	0	0	0.00%		
20	Fourth Block	0	0.0000	0	0	0.0000	0	0.0000	0	0	0.0000	0	0	0.00%		
21	Fifth Block	0	0.0000	0	0	0.0000	0	0.0000	0	0	0.0000	0	0	0.00%		
22	Sixth Block	0	0.0000	0	0	0.0000	0	0.0000	0	0	0.0000	0	0	0.00%		
23	Credits	3,900		(33,290)	3,900		(33,290)									
24																
25	Total	6,188,664		\$44,945,535	6,188,664		\$52,836,912	6,058,213		6,058,213		\$52,378,073	\$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 Revenue	Revenue	Percentage Change
		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			
1	Commercial:																			
2	Minimum Charge:																			
3	5/8" Monthly	54,525	\$485,276	\$8.90	\$763,356	54,431	\$484,433	\$8.90	\$484,433	54,431	\$484,433	\$8.90	\$484,433	54,431	\$14.00	\$762,029	\$277,596	57.30%		
4	3/4" Monthly	4	53	13.35	84	0	0	13.35	0	0	0	21.00	0	0	21.00	0	0	0.00%		
5	1" Monthly	28,318	630,073	22.25	991,127	28,080	624,780	22.25	624,780	28,080	624,780	22.25	624,780	28,080	35.00	982,800	358,020	57.30%		
6	1-1/2" Monthly	2,061	91,719	44.50	144,276	2,069	92,057	44.50	92,057	2,069	92,057	44.50	92,057	2,069	70.00	144,809	52,752	57.30%		
7	2" Monthly	21,825	1,553,913	71.20	2,444,357	21,804	1,552,445	71.20	1,552,445	21,804	1,552,445	71.20	1,552,445	21,804	112.00	2,442,048	889,603	57.30%		
8	3" Monthly	167	22,337	133.50	35,137	156	20,873	133.50	20,873	156	20,873	133.50	20,873	156	210.00	32,835	11,962	57.31%		
9	4" Monthly	337	75,054	222.50	118,062	337	74,930	222.50	74,930	337	74,930	222.50	74,930	337	350.00	117,868	42,938	57.30%		
10	6" Monthly	141	62,824	445.00	98,824	144	98,824	445.00	98,824	144	98,824	445.00	98,824	144	700.00	101,030	36,804	57.30%		
11	8" Monthly	132	93,935	712.00	147,763	132	147,763	712.00	147,763	132	147,763	712.00	147,763	132	1,120.00	148,177	53,979	57.30%		
12	Surcharge																		0.00%	
13																				
14																				
15																				
16	Volumetric Charges:																			
17	First Block	3,892,708	\$18,793,993	\$4.8280	\$18,977,339	3,892,708	\$18,977,339	\$4.8280	\$18,977,339	3,892,708	\$18,977,339	\$4.8280	\$18,977,339	3,892,708	\$4.8751	\$18,559,204	\$179,307	0.98%		
18	Second Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	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	0.0000	0	0	0.00%		
20	Fourth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0.00%		
21	Fifth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0.00%		
22	Sixth Block	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0.00%		
23	Credits	(3,978)	(41,567)		(41,567)	(3,978)	(41,567)		(41,567)	(3,978)	(41,567)		(41,567)	(3,978)		0	0	0.00%		
24																				
25	Total		\$21,767,610		\$23,678,758		\$23,678,758		\$23,678,758		\$23,678,758		\$23,678,758		3,806,938		\$23,290,800	\$1,902,961	8.90%	

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

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

Witness Responsible: Linda Bridwell
Type of Filing: X Original Updated Revised
Exhibit 37, Schedule M-3
Exhibits \Revenue\Revenue.xls\Scn 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					
		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	Industrial:																		
2	Minimum Charge:																		
3	5/8" Monthly	87		\$8.90	\$773	87	\$14.00	\$1,216	84		\$8.90	\$748	84		\$14.00	\$1,176	\$428	57.22%	
4	3/4" Monthly	8		13.35	107	8	21.00	168	12		13.35	160	12		21.00	252	92	57.50%	
5	1" Monthly	24		22.25	534	24	35.00	840	24		22.25	534	24		35.00	840	306	57.30%	
6	1-1/2" Monthly	24		44.50	1,068	24	70.00	1,680	24		44.50	1,068	24		70.00	1,680	612	57.30%	
7	2" Monthly	278		71.20	19,794	278	112.00	31,136	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	128		222.50	28,480	128	350.00	44,800	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																	0	0.00%
13																		0	0.00%
14																		0	0.00%
15																		0	0.00%
16	Volumetric Charges:																		
17	First Block		539,631	\$3.8947	\$2,101,665		\$4.6000	\$2,482,303		539,631	\$3.8947	\$2,053,187		539,631	\$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	(465)		(465)			0	0.0000			0	0.0000	0	0	0.00%	
24																		0	0.00%
25	Total		539,631		\$2,194,696		\$2,628,878		\$2,628,878		539,631	\$2,147,438		539,631	\$2,573,282		\$425,844	19.83%	

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

Witness Responsible: Linda Bridwell
Type of Filing: X Original Updated Revised
Exhibit 37, Schedule M-3
Exhibits \Revenue\Revenue.xls\Sheet 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				
		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
1	Other Public Authority:																	
2	Minimum Charge:	1,676	0	\$8.90	\$14,919	1,676	0	\$23,469	1,668	0	\$8.90	\$14,845	1,668	0	\$14.00	\$23,352	\$8,507	57.31%
3	5/8" Monthly	0	0	13.35	0	0	0	0	0	0	13.35	0	0	0	21.00	0	0	0.00%
4	3/4" Monthly	2,086	46,414	22.25	46,414	2,076	73,011	22.25	46,191	2,076	22.25	46,191	2,076	2,076	35.00	72,660	26,469	57.30%
5	1" Monthly	338	15,044	44.50	15,044	336	23,664	44.50	14,952	336	44.50	14,952	336	336	70.00	23,520	8,568	57.30%
6	1-1/2" Monthly	4,437	315,907	71.20	315,907	4,437	496,933	71.20	316,982	4,452	71.20	316,982	4,452	4,452	112.00	498,624	181,642	57.30%
7	2" Monthly	12	1,633	133.50	1,633	12	2,568	133.50	1,602	12	133.50	1,602	12	12	210.00	2,520	918	57.30%
8	3" Monthly	491	109,352	222.50	109,352	491	172,015	222.50	109,470	492	222.50	109,470	492	492	350.00	172,200	62,730	57.30%
9	4" Monthly	132	58,785	445.00	58,785	132	92,470	445.00	58,740	132	445.00	58,740	132	132	700.00	92,400	33,660	57.30%
10	6" Monthly	24	17,088	712.00	17,088	24	26,880	712.00	17,088	24	712.00	17,088	24	24	1,120.00	26,880	9,792	57.30%
11	8" Monthly																	0.00%
12	Surcharge																	0.00%
13																		0.00%
14																		0.00%
15																		0.00%
16	Volumetric Charges:																	
17	First Block	1,492,076	\$6,334,162	\$4.2452	\$6,334,162	1,492,076	\$6,793,423	\$4.2452	\$5,745,612	1,353,437	\$4.2452	\$5,745,612	1,353,437	1,353,437	\$4.5530	\$6,162,200	\$416,588	7.25%
18	Second Block	0	0	0.0000	0	0	0	0.0000	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	0.0000	0	0	0	0.0000	0	0	0.00%
20	Fourth Block	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
21	Fifth Block	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
22	Sixth Block	0	0	0.0000	0	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0.00%
23	Credits	(4,039)	(2,606)		(2,606)	(4,039)												0.00%
24																		0.00%
25	Total		\$6,910,698		\$6,910,698	1,488,037	\$7,701,827		\$6,325,482	1,353,437		\$6,325,482	1,353,437	1,353,437		\$7,074,356	\$748,874	11.84%

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

Witness Responsible: Linda Bridwell
Type of Filing: X Original Updated Revised
Exhibit 37, Schedule M-3 Exhibits \Revenue\Revenue.xlsx\Sheet M1

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					
		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	Sale for Resale:																		
2	Minimum Charge:	0	0	\$8.90	\$0	0	\$14.00	\$0	0	0	\$8.90	\$0	0	0	\$14.00	\$0	0	0.00%	
3	5/8" Monthly	0	0	13.35	0	0	21.00	0	0	0	13.35	0	0	0	21.00	0	0	0.00%	
4	3/4" Monthly	0	0	22.25	0	0	35.00	0	0	0	22.25	0	0	0	35.00	0	0	0.00%	
5	1" Monthly	47	2,104	44.50	2,104	47	70,000	2,081	47	44.50	2,081	2,081	47	70,000	3,273	1,192	1,192	57.28%	
6	1-1/2" Monthly	100	7,100	71.20	7,100	100	112,000	7,022	99	71.20	7,022	7,022	99	112,000	11,046	4,024	4,024	57.31%	
7	2" Monthly	0	0	133.50	0	0	210.00	0	0	133.50	0	0	0	210.00	0	0	0	0.00%	
8	3" Monthly	83	18,579	222.50	18,579	83	350,000	29,225	83	222.50	18,374	18,374	83	350,000	28,903	10,529	10,529	57.30%	
9	4" Monthly	59	26,321	445.00	26,321	59	700,000	41,404	58	445.00	26,031	26,031	58	700,000	40,948	14,917	14,917	57.30%	
10	6" Monthly	0	0	712.00	0	0	1,120.00	0	0	712.00	0	0	0	1,120.00	0	0	0	0.00%	
11	8" Monthly	0	0		0	0		0	0		0	0	0		0	0	0	0.00%	
12	Owenton		19,217		19,217							0.00				0	0	0	0.00%
13																			
14																			
15																			
16	Volume Metric Charges:																		
17	First Block	457,129	\$1,924,205	\$4.2093	\$1,940,602	457,129	\$4.2452	\$1,776,013	421,923	\$4.2093	\$1,776,013	\$1,776,013	421,923	\$4.2452	\$1,791,147	\$15,134	\$15,134	0.85%	
18	Second Block	0	0	0.0000	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0	0.00%	
19	Third Block	0	0	0.0000	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0	0.00%	
20	Fourth Block	0	0	0.0000	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0	0.00%	
21	Fifth Block	0	0	0.0000	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0	0.00%	
22	Sixth Block	0	0	0.0000	0	0	0.0000	0	0	0.0000	0	0	0	0.0000	0	0	0	0.00%	
23	Credits	0	(158)	0.0000	(158)	0	0.0000	(158)	0	0.0000	(158)	(158)	0	0.0000	0	0	0	0.00%	
24																			
25	Total	457,129	\$1,997,368		\$2,048,769	457,129		\$1,829,521	421,923		\$1,829,521	\$1,829,521	421,923		\$1,875,317	\$45,796	\$45,796	2.50%	

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 #	Connection Size	Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates			Exhibits \ Revenue \ Revenue.xls \ Sct M	
		Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue		Dollar Change
1	Private Fire Service:														
2	Hydrant	13,029	\$72.52	\$944,827	13,029	\$79.77	\$1,039,284	13,042	\$72.52	\$945,776	13,042	\$79.77	\$1,040,328	\$94,552	10.00%
3	2"	770	8.11	6,245	770	8.92	6,869	771	8.11	6,251	771	8.92	6,876	625	10.00%
4	4"	4,674	32.63	152,517	4,674	\$35.89	167,755	4,679	32.63	152,671	4,679	35.89	167,924	15,253	9.99%
5	6"	10,329	73.40	758,145	10,329	\$80.74	833,960	10,339	73.40	758,907	10,339	80.74	834,798	75,891	10.00%
6	8"	3,188	130.49	416,015	3,188	\$143.54	457,620	3,191	130.49	416,433	3,191	143.54	458,079	41,646	10.00%
7	10"	95	203.94	19,412	95	\$224.33	21,352	95	203.94	19,431	95	224.33	21,374	1,943	10.00%
8	12"	48	293.75	13,980	48	\$323.13	15,378	48	293.75	13,994	48	323.13	15,394	1,400	10.00%
9	14"	2	399.89	793	2	\$439.88	872	2	399.89	794	2	439.88	873	79	9.95%
10	16"	10	522.19	5,177	10	\$574.41	5,695	10	522.19	5,183	10	574.41	5,701	518	9.99%
11															
12															
13	Credits			3,096			3,096						0		
14	Total	32,144		\$2,320,207	32,144		\$2,551,881	32,177		\$2,319,440	32,177		\$2,551,347	\$231,907	10.00%
15															
16															
17	Public Fire Protection:														
18	Public Fire Hydrants	88,776	\$37.84	\$3,359,282	88,776	\$45.30	\$4,021,551	88,387	\$37.84	\$3,344,560	88,387	\$45.30	\$4,003,927	\$659,367	19.71%
19															
20		88,776		\$3,359,282	88,776		\$4,021,551	88,387		\$3,344,560	88,387		\$4,003,927	\$659,367	19.71%
21															
22															
23															
24	Total Fire			\$5,679,489			\$6,573,432			\$5,664,000			\$6,555,274	\$891,274	15.74%

Witness Responsible: Linda Bridwell
Type of Filing: X - Original Updated Revised Exhibits \ Revenue \ Revenue.xls \ Sct M

**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	Typical Bill Comparison

For electronic version, see KAW_APP_EX37N_122812.pdf.

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		Exhibit 37, Schedule N	
Type of Filing: ___X___	Original	Updated	Revised
Consumption Thousand Gallons	Present Rate	Proposed Rate	Percentage Difference
0	\$8.90	\$14.00	57.30%
1	14.20	19.45	36.97%
2	19.50	24.89	27.64%
3	24.80	30.34	22.34%
4	30.10	35.78	18.87%
4.50	32.75	38.51	17.59%
5	35.40	41.23	16.47%
6	40.70	46.68	14.69%
7	46.00	52.12	13.30%
8	51.30	57.57	12.22%
9	56.60	63.02	11.34%
10	61.90	68.46	10.60%
15	88.41	95.69	8.23%
20	114.91	122.92	6.97%
25	141.41	150.16	6.19%
30	167.91	177.39	5.65%
35	194.41	204.62	5.25%
40	220.92	231.85	4.95%
45	247.42	259.08	4.71%
50	273.92	286.31	4.52%
75	406.43	422.47	3.95%
100	538.94	558.62	3.65%
Average User	\$ 32.75	\$ 38.51	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
Type of Filing: Original Updated Revised Exhibit 37, Schedule N
Exhibits\Revenue\[Revenue.xlsx]Sch N

Consumption Thousand Gallons	Present Rate	Proposed Rate	Difference	Percentage Difference
0	\$8.90	\$14.00	\$	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		Exhibit 37, Schedule N	
Type of Filing: <input type="checkbox"/> X <input type="checkbox"/> Original	Updated	Revised	Exhibits\Revenue\[Revenue.xlsx]Sch N
Consumption Thousand Gallons	Present Rate	Proposed Rate	Percentage Difference
0	\$71.20	\$112.00	57.30%
10	110.15	158.00	43.44%
25	168.57	227.00	34.66%
50	265.93	342.00	28.61%
75	363.30	457.00	25.79%
100	460.67	572.00	24.17%
150	655.40	802.00	22.37%
200	850.13	1,032.00	21.39%
250	1,044.87	1,262.00	20.78%
500	2,018.54	2,412.00	19.49%
750	2,992.20	3,562.00	19.04%
1,000	3,965.87	4,712.00	18.81%
1,250	4,939.54	5,862.00	18.68%
1,500	5,913.21	7,012.00	18.58%
2,000	7,860.54	9,312.00	18.47%
2,092	8,218.85	9,735.20	18.45%
2,500	9,807.88	11,612.00	18.39%
2,750	10,781.54	12,762.00	18.37%
3,000	11,755.21	13,912.00	18.35%
5,000	19,544.55	23,112.00	18.25%
10,000	39,017.90	46,112.00	18.18%
20,000	77,964.60	92,112.00	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		Exhibit 37, Schedule N		
Type of Filing: <input type="checkbox"/> X	Original	Updated	Revised	
Consumption Thousand Gallons	Present Rate	Proposed Rate	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		Exhibit 37, Schedule N	
Type of Filing: ___X___	Original ___	Updated ___	Revised ___
Consumption Thousand Gallons	Present Rate	Proposed Rate	Percentage Difference
0	\$445.00	\$700.00	57.30%
25	550.23	806.13	46.51%
50	655.47	912.26	39.18%
75	760.70	1,018.39	33.88%
100	865.93	1,124.52	29.86%
150	1,076.40	1,336.78	24.19%
200	1,286.87	1,549.04	20.37%
250	1,497.33	1,761.30	17.63%
500	2,549.67	2,822.60	10.70%
750	3,602.00	3,883.90	7.83%
1,000	4,654.33	4,945.20	6.25%
1,500	6,759.00	7,067.80	4.57%
2,000	8,863.66	9,190.40	3.69%
2,500	10,968.33	11,313.00	3.14%
2,930	12,778.34	13,138.44	2.82%
3,000	13,072.99	13,435.60	2.77%
5,000	21,491.65	21,926.00	2.02%
7,500	32,014.98	32,539.00	1.64%
10,000	42,538.30	43,152.00	1.44%
15,000	63,584.95	64,378.00	1.25%
25,000	105,678.25	106,830.00	1.09%
50,000	210,911.50	212,960.00	0.97%
Average User	\$ 12,778.34	\$ 13,138.44	2.82%
		\$ 360.10	

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		Exhibit 37, Schedule N		
Type of Filing: ___X___	Original ___	Updated ___	Revised ___	
Consumption Thousand Gallons	Present Rate	Proposed Rate	Difference	Percentage Difference
Private Fire				
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%
Public Fire				
Public Fire Hydrant	\$37.84	\$45.30	\$	19.71%
			7.46	