HEARING DATA REQUESTS TO KENTUCKY AMERICAN WATER Item 11 of 15

11. Provide a narrative description of the basis of each of the assumptions used in the corrections to the R.W. Beck Report described by Mr. Harold Walker at the hearing of this matter.

Response:

Attached is the cost of service comparisons for both Pool 3 (HDR 11.1) and Section 2 (HDR 11.2) that was discussed during Mr. Walker's cross examination. The comparisons list the individual dollars of cost of service items listed on the R.W. Beck Analyses (Flat MGD) from Appendix B. These cost of service items were then compared to the expense items included in Mr. Walker's rebuttal analyses. It should be noted that Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The Present Value ("PV") cost difference was calculated using a 4.7% discount rate.

POOL 3 OPTION COST OF SERVICE COMPARISONS

Attached is **HDR 11.1** which lists the individual dollars of cost of service items listed on the R.W. Beck Analyses (Flat MGD) from Appendix B-1 for Pool 3 (dated October 2007). These cost of service items were then compared to the expense items included in Mr. Walker's rebuttal analyses. It should be noted that Mr. Walker recalculated his expense items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The PV cost difference was calculated using a 4.7% discount rate.

Chemicals

On row 1 (see column B) of **HDR 11.1**, Chemicals from the R.W. Beck Appendix B-1 are shown. On row 2 of HDR 11.1, Chemical Costs from Mr. Walker Revised Schedule 4 line #36 are listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The annual difference between the two items is shown on row 3 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 4 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$54,099 just for Chemicals alone. The basis for the chemicals costs from Mr. Walker's calculations are Table 4 to Ms. Bridwell's direct testimony, inflated from 2007 to 2010, and annually thereafter.

Labor

On row 6 (see column B) of HDR 11.1, Labor from the R.W. Beck Appendix B-1 are shown. On row 7 of HDR 11.1, Labor Costs Total from Mr. Walker Revised Schedule 4 line #20 is listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The annual difference between the two items is shown on row 8 of

HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 9 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$1,392,477 just for Labor alone. The basis for the labor costs from Mr. Walker's calculation are Table 4 to Ms. Bridwell's direct testimony, inflated from 2007 to 2010, and annually thereafter.

Electricity

On rows 11 and 12 (see column B) of HDR 11.1, Treatment Plant & Booster Pump Electricity from the R.W. Beck Appendix B-1 are shown. On row 14 of HDR 11.1, Power Costs Total from Mr. Walker Revised Schedule 4 line #26 is listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The annual difference between the two items is shown on row 15 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 16 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$219,011 just for Electricity alone. The basis for the electricity costs from Mr. Walker's calculation are Table 4 to Ms. Bridwell's direct testimony, inflated from 2007 to 2010, and annually thereafter.

Property Taxes

On row 18 (see column B) of HDR 11.1, Property Taxes from the R.W. Beck Appendix B-1 is shown. On row 19 of HDR 11.1, Property Taxes from Mr. Walker Revised Schedule 4 line #40 are listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The recalculated property taxes are shown on HDR 11.3 for property taxes based on net original cost property increasing at 2.4% per year. The annual difference between the two items is shown on row 20 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 21 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$5,189,993 just for Property Taxes alone. The basis for the electricity costs from Mr. Walker's calculation are Table 4 to Ms. Bridwell's direct testimony and the property tax schedule provided in this case, inflated annually on the depreciated original value of the facilities.

KRA Withdrawal Fee

On row 23 (see column B) of HDR 11.1, KRA Withdrawal Fee from the R.W. Beck Appendix B-1 are shown. On row 24 of HDR 11.1, KRA Withdrawal Fee from Mr. Walker Revised Schedule 4 line #38 is revised to \$0 based on the oral testimony at the hearings (i.e., withdrawals from Pool 3 are offsets of withdrawals from Pool 9). The annual difference between the two items is shown on row 25 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 26 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$1,285,347 just for KRA Withdrawal Fee alone.

Return of Capital (i.e., capital recovery or depreciation expense)

On row 30 (see column B) of HDR 11.1, The "Renewal and Replacement Fund" or R&R – TP at row 30 (see column B) of HDR 11.1, R&R – UV at row 31 (see column B) of HDR 11.1, R&R – TL at row 32 all from the R.W. Beck Appendix B-1. On row 34 (see column B) of HDR 11.1, Municipal Bond Principal Repayment was derived from the R.W. Beck Appendix B-1. The details of the Municipal Bond Principal Repayment are shown on the debt service schedule

attached as page 1 HDR 11.4. On row 35 of HDR 11.1 the total Return of Capital from the R.W. Beck Appendix B-1 is totaled.

On row 38 of HDR 11.1, Depreciation from Mr. Walker Revised Schedule 4 line #39 is listed. On row 39 of HDR 11.1, BWSC Principal Repayment was derived from the Mr. Walker Revised Schedule 4. The details of the BWSC Principal Repayment are shown on the debt service schedule attached as page 2 HDR 11.4. On row 40 of HDR 11.1 the total Return of Capital from the Mr. Walker Revised Schedule 4 is totaled.

The annual difference between the two items is shown on row 41 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 42 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$19,203,489 just for Return of Capital alone.

Return on Capital (i.e., rate of return and income taxes)

On row 46 (see column B) of HDR 11.1, KAWC Cost of Capital (80%) (17) from the R.W. Beck Appendix B-1. On row 47 (see column B) of HDR 11.1, UV Cost of Capital from the R.W. Beck Appendix B-1. On row 48 (see column B) of HDR 11.1, Municipal Bond Interest Payment was derived from the R.W. Beck Appendix B-1. The details of the Municipal Bond Interest Payment are shown on the debt service schedule attached as page 1 HDR 11.4. On row 49 of HDR 11.1 the Total Pre-Tax Return on Capital from the R.W. Beck Appendix B-1 is totaled.

On row 51 of HDR 11.1, Income Taxes & Sales Taxes from Mr. Walker Revised Schedule 4 are shown. On row 52 of HDR 11.1, KAW - Income Before Interest Charges from Mr. Walker Revised Schedule 4 are shown. On row 53 of HDR 11.1, BWSC - Bond Interest Payment derived from Mr. Walker Revised Schedule 4 are shown. The details of the BWSC Bond Interest Payment are shown on the debt service schedule attached as page 2 HDR 11.4. On row 54 of HDR 11.1, Total Pre-Tax Return on Capital from Mr. Walker Revised Schedule 4 is shown.

The annual difference between the two items (row 49 vs. row 54) is shown on row 55 of HDR 11.1. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 56 of HDR 11.1. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$24,485,669 just for Return on Capital alone.

Summary of Pool 3 Option Cost of Service Comparisons

The PV cost of seven cost of service items summarized above totals \$51,830,085. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was overstated by \$51,830,085. Accordingly, R.W. Beck's PV cost for the Pool 3 Option (Appendix B-1) is overstated by \$51,830,085 and, therefore, R.W. Beck's PV cost for the Pool 3 Option of \$303,334,024 (Appendix B-1) should, in fact, be \$251,503,939 after these correction are reflected.

SECTION 2 OPTION COST OF SERVICE COMPARISONS

Attached is HDR 11.2 which lists the individual dollars of cost of service items listed on the

R.W. Beck Analyses (Flat MGD) from Appendix B-2 for Pool 2 (dated October 2007). These cost of service items were then compared to the expense items included in Mr. Walker's rebuttal analyses. It should be noted that Mr. Walker recalculated his expense items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The PV cost difference was calculated using a 4.7% discount rate.

Electricity

On row 1 (see column B) of **HDR 11.2**, Electricity from the R.W. Beck Appendix B-2 is shown. On row 2 of HDR 11.2, Power Costs Total from Mr. Walker Schedule 5 line #29 is listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The annual difference between the two items is shown on row 3 of HDR 11.2. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 4 of HDR 11.2. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was understated by \$2,608,324 just for Electricity alone. The basis for the electricity costs in Mr. Walker's calculation is an increase in electricity calculated in the R.W. Beck report based on the elevation difference between the two systems, using a 12.5 MGD purchase.

Wholesale Water Cost

On row 4 (see column B) of HDR 11.2, Wholesale Water Cost from the R.W. Beck Appendix B-2 are shown. On row 4 of HDR 11.2, Wholesale Water Charges Total from Mr. Walker Schedule 5 line #29 is listed. Mr. Walker calculated his wholesale water cost items using the rates listed in Mr. Heitznman's. The annual difference between the two items is shown on row 5 of HDR 11.2. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 6 of HDR 11.2. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was understated by \$79,220,894 just for Wholesale Water Cost alone. The basis for the Wholesale Water Cost in Mr. Walker's calculation is the cost of providing 12.5 MGD.

Meter Charge

On row 8 (see column B) of HDR 11.2, Meter Charge from the R.W. Beck Appendix B-2 are shown. On row 9 of HDR 11.2, Meter Charges Total from Mr. Walker Schedule 5 line #29 is listed. Mr. Walker recalculated his cost of service items using a 2.4% inflation rate to be consistent with the R.W. Beck analyses. The annual difference between the two items is shown on row 10 of HDR 11.2. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 11 of HDR 11.2. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was understated by \$9,413,221 just for Meter Charge alone. The basis for the meter charge in Mr. Walker's calculation is the stated LWC cost for an 8" meter, multiplied by five to provide capacity available for the full 25 MGD.

Return on Capital (i.e., rate of return and income taxes)

On row 15 (see column B) of HDR 11.2, Municipal Bond Interest Payment was derived from the R.W. Beck Appendix B-2. The details of the Municipal Bond Interest Payment are shown on the debt service schedule attached as page 3 HDR 11.4. On row 17 of HDR 11.2 the Total Pre-Tax Return on Capital from the R.W. Beck Appendix B-2 is totaled.

On row 17 of HDR 11.2, Income Taxes & Sales Taxes from Mr. Walker Schedule 5 are shown.

On row 19 of HDR 11.2, KAW - Income Before Interest Charges from Mr. Walker Schedule 5 are shown. On row 20 of HDR 11.2, BWSC - Bond Interest Payment derived from Mr. Walker Schedule 5 are shown. The details of the BWSC Bond Interest Payment are shown on the debt service schedule attached as page 4 HDR 11.4. On row 21 of HDR 11.2, Total Pre-Tax Return on Capital from Mr. Walker Schedule 5 is shown.

The annual difference between the two items (row 17 vs. row 21) is shown on row 22 of HDR 11.2. The PV cost difference was calculated using a 4.7% discount rate and is shown in row 23 of HDR 11.2. The PV cost difference demonstrates the R.W. Beck Pool 3 total PV cost was understated by \$85,662,560 for Return on Capital alone.

Summary of Section 2 Option Cost of Service Comparisons

The PV cost of service items summarized above totals \$176,904,999. The PV cost difference demonstrates the R.W. Beck Section 2 total PV cost was understated by \$176,904,999. Accordingly, R.W. Beck's PV cost for the Section 2 Option (Appendix B-2) is understated by \$176,904,999, and, therefore, R.W. Beck's PV cost for the Section 2 Option of \$146,693,865 (Appendix B-2) should, in fact, be \$323,598,864 after these corrections are reflected.

A	В

		Basis						
<u>Ln #</u>			2007	2008	2009	2010	2011	2012
		3.10/	\$ -	s -		\$168,555	\$172.600	\$176,743
Beck's Actual	Chemicals Chapter of Control	2.4% 1 2.4% 2.4% 2.4% 2.4% 2.4% 2.4% 2.4% 2.4%	5 - 153,300	ъ - 156.979	160.746	164,604	168.554	172,599
GF Base # 36.	Chemical Costs Difference - (Beck # - GF #)	3	133,300	1,00.777	100.740	3,951	4,046	4,144
	PV of Difference	\$57,099 4			-	\$3,364	\$3,291	\$3,219
	1 · Or Difference	5			=		······································	
Beck's Actual	Labor	2.4% 6	\$ -	\$ -		\$650,518	\$666,130	\$682,117
GF Base # 0	Labor Costs Total	2.4% 7	542,622	555,645	568,980	582,636	596,619	610,938
	Difference - (Beck # - GF #)	8			_	67,882	69,511	71,179
	PV of Difference	\$1,392,477			2	\$57,802	\$56,532	\$55,290
		10						
Beck's Actual	Treatment Plant Electricity	11				\$526,415	\$539,049	\$551.987
Beck's Actual	Booster Pump Electricity (14)	12	e.	\$ -	-	120,273	123,160 662,209	126,116 678,102
Beck's Actual	Total Electricity Power Costs Total	2 4% 13 2 4% 14	\$ - 588.159	602,275	616.730	646,689 631,532	646,689	662,210
GF Base # 26.	Difference - (Beck # - GF #)	15	,100.1.17	004,475	010:7.00	15,157	15,520	15,892
	PV of Difference	\$219,011 16			-	\$12,906	\$12,622	\$12,345
	1 V OI Difference	17			•			
Beck's Actual	Property Taxes (15)	2.4% 18	\$ -	\$ -		\$1,212.834	\$1,241,942	\$1,271.749
GF Base # 40	Property Taxes	2.4% 19				1,025,253	1,030,736	1,035,891
	Difference - (Beck # - GF #)	20				187,581	211.206	235,858
	PV of Difference	\$5,189,993				\$159,726	\$171,770	\$183,208
		22						
Beck's Actual	KRA Withdrawal Fee (16)	0.0% 23	\$ -	\$ -		\$109,500	\$109,500	\$109,500
GF Base # 38	KRA Withdrawal Fee	0.0% 24 25				109,500	109,500	109,500
	Difference - (Beck # - GF #)					\$93,240	\$89,054	\$85,056
	PV of Difference	\$1,285,347 26 27				393,240	\$67,024	362,030
Datu	rn of Capital	28						
	Renewal and Replacement Fund	29						
Beck's Actual	R&R (TP) (16)	2 500% 30	\$ -	\$ -	\$ -	\$2,253,928	\$2,253,928	\$2,253,928
Beck's Actual	R&R (UV) ()	2.500% 31						209,323
Beck's Actual	R&R (TL) (17)	1.333% 32	$\overline{0}$	0	0	982,129	982,129	982,129
Beck's Actual T	Total Renewal and Replacement Fund Costs (Depreciation)	33				3,236,057	3,236,057	3.445,381
Beck's Actual	Municipal Bond Principal Repayment	Derived Amount 34				1,045,172	1,094,295	1,145,727
	Total Capital Recovery	35			:	4,281,229	4,330,352	4,591,107
		36 37						
GF Base # 39	Depreciation	38				2,685,567	2,685,567	2.685,567
GF Base # 9	BWSC Principal Repayment	Derived Amount 39				398,656	417,613	437,472
	Total Capital Recovery	40				3,084,223	3,103,180	3,123,039
	Difference - (Beck # - GF #)	41				1,197,006	1,227,172	1,468,069
	PV of Difference	\$19,203,489 42				\$1,019,255	\$998,034	\$1,140,354
		43						
	rn on Capital	44						
	Phase I Project	45 46				16.836.675	17.363,451	17.031,600
Beck's Actual	KAWC Cost of Capital (80%) (17)	47				10.830.073	17.505,451	1.046,452
Beck's Actual Beck's Actual	UV Cost of Capital (100%) (17) Municipal Bond Interest Payment	Derived Amount 48				1,573,743	1,524,619	1,473,188
Beck's Actual	Total Pre-Tax Return on Capital	49				18,410,418	18,888,071	19,551,240
	•	50						
GF Base # 41.	Income Taxes & Sales Taxes	51				4.254,995	4.176,577	4,098.158
GF Base # 43	KAW - Income Before Interest Charges	52				11.147,505	10,942,059	10.736,613
GF Base #	BWSC - Bond Interest Payment	Derived Amount 53				1,724,691	1,705,734	1,685,875
	Total Pre-Tax Return on Capital	54				17,127,191	16,824,370	16,520,646
	Difference - (Beck # - GF #)	55				1,283,227 \$1,092,673	2,063,701 \$1,678,366	3,030,593 \$2,354,078
	PV of Difference	\$24,485,669 56				\$1,092,073	91,010,300	92,034,070
		3.7	3					

		Basis							
<u>Ln #</u>)w#	2013	2014	2015	2016	2017	2018
<u> </u>									
Beck's Actual	Chemicals	2.4%	1	\$180,985	\$185,328	\$189,776	\$194,331	\$198,995	\$203,771
GF Base # 36.	Chemical Costs	2.4%	2	176,741	180,983	185,327	189,775	194,330	198,994
	Difference - (Beck # - GF #)		3	4,244	4,345	4,449	4,556	4,665	4,777
	PV of Difference	\$57,099	4	\$3,148	\$3,079	\$3,011	\$2,945	\$2,880	\$2,817
			5						
Beck's Actual	Labor	2.4%	6	\$698,488	\$715.252	\$732,418	\$749,996	\$767,996	\$786.428
GF Base # 0	Labor Costs Total	2.4%	7	625,601	640,615	655,990	671,734	687,856	704,365
	Difference - (Beck # - GF #)		8 _	72,887	74,637	76,428	78,262	80,140	82.063
	PV of Difference	\$1,392,477	9	\$54,075	\$52,887	\$51,725	\$50,589	\$49,477	\$48,390
			10						
Beck's Actual	Treatment Plant Electricity		11	\$565,234	\$578,800	\$592.691	\$606.916	\$621,482	\$636,397
Beck's Actual	Booster Pump Electricity (14)		12	129,143	132,242	135,416	138,666	141,994	145,402
Beck's Actual	Total Electricity	2 4%	13	694,377	711,042	728,107	745.581	763.475	781,799
GF Base # 26	Power Costs Total	2.4%	14	678,103	694,377	711.042	728,107	745,582	763,476
	Difference - (Beck # - GF #)		15	16,274	16,665	17,065	17,474	17,893	18,323
	PV of Difference	\$219,011	16	\$12,074	\$11,809	\$11,549	\$11,296	\$11,047	\$10,804
			17		01.222.727	01 345 530	61 200 303	61 131 073	¢1.466.337
Beck's Actual	Property Taxes (15)	2.4%	18	\$1.302,271	\$1.333,526	\$1,365,530	\$1.398.303 1,052,852	\$1,431.862 1,056,073	\$1.466.227 1,058,842
GF Base # 40.	Property Taxes	2.4%	19	1,040,701	1,045,144 288,382	1,049,201 316,329	345,451	375,789	407,385
	Difference - (Beck # - GF #)	47.100.002	20	261,570	\$204,347	\$214,088	\$223,302	\$232,009	\$240,225
	PV of Difference	\$5,189,993	21 =	\$194,059	\$204,347	5214,000	200,002	\$232,009	9240(22)
Director Automat	KRA Withdrawal Fee (16)	0.0%	23	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500
Beck's Actual GF Base # 38	KRA Withdrawal Fee	0.0%	24	0	0	0	0	Ō	0
Or base # 50	Difference - (Beck # - GF #)	V	25	109,500	109,500	109,500	109,500	109,500	109.500
	PV of Difference	\$1,285,347	26	\$81,238	\$77,591	\$74,108	\$70,782	\$67,604	\$64,569
	t , vi billetonov		27						
Retu	rn of Capital		28						
	Renewal and Replacement Fund		29						
Seck's Actual	R&R (TP) (16)	2.500%	30	\$2,253,928	\$2,253.928	\$2,253,928	\$2.253.928	\$2,253.928	\$2,253,928
eck's Actual	R&R (UV) ()	2.500%	31	209,323	209.323	209,323	209,323	209,323	209,323
Beck's Actual	R&R (TL) (17)	1 333%	32	982,129	982,129	982,129	982,129	982,129	982,129
Beck's Actual T	otal Renewal and Replacement Fund Costs (Depreciation)		33	3.445.381	3,445.381	3.445.381	3,445,381	3.445.381	3,445.381
Beck's Actual	Municipal Bond Principal Repayment	Derived Amount	34	1,199,576	1,255,956	1,314,986	1,376,790	1,441,499	1,509,250
	Total Capital Recovery		35 [4,644,956	4,701,336	4,760,366	4,822,171	4,886.880	4,954,630
			36						
			37						2
GF Base # 39.	Depreciation		38	2.685,567	2.685,567	2,685.567	2,685,567	2.685.567	2,685,567
GF Base # 9	BWSC Principal Repayment	Derived Amount	39	458,274	480,066	502,895	526,808	551,859	578,101
	Total Capital Recovery		40	3,143,841	3,165,633	3,188,462	3,212,375	3,237,426	3,263,668
	Difference - (Beck # - GF #)	,	41	1,501,115	1,535,703	1,571,905	1,609,795	1,649,454	1,690,962
	PV of Difference	\$19,203,489	42	\$1,113,680	\$1,088,196	\$1,063,848	\$1,040,584	\$1,018,357	\$997,119
			43						
	urn on Capital		44						
	Phase I Project		45 46	16.699.749	16.367,898	16,036,046	15,704,195	15.372,344	15,040,493
Beck's Actual	KAWC Cost of Capital (80%) (17)		47	1.019.620	992,788	965,956	939.124	912,292	885.459
Beck's Actual	UV Cost of Capital (100%) (17)	Derived Amount	48	1,419,338	1,362,958	1,303,928	1,242,124	1,177,415	1,109,665
Beck's Actual	Municipal Bond Interest Payment	Derived Amount	49		18,723,644	18,305,931	17.885.443	17.462.051	17,035,617
Beck's Actual	Total Pre-Tax Return on Capital		50	12,130,107	10,140,074	.0,000,701	11,000,710		
GF Base # 41	Income Taxes & Sales Taxes		51	4.019,740	3.941,321	3,862,902	3,784,484	3.706,065	3.627,647
GF Base # 43.	KAW - Income Before Interest Charges		52	10,531,167	10.325,721	10,120,275	9,914.829	9.709,384	9.503,938
GF Base # 45	BWSC - Bond Interest Payment	Derived Amount	53	1,665,073	1,643,281	1,620,452	1,596,539	1,571,488	1,545,246
OI: Dase #	Total Pre-Tax Return on Capital		54	16,215,980	15,910,323	15,603,629	15,295,852	14,986,937	14,676,831
	Difference - (Beck # - GF #)		55	2,922,728	2,813,321	2,702,301	2,589,591	2,475,114	2,358,786
	PV of Difference	\$24,485,669	56	\$2,168,378	\$1,993,514	\$1,828,887	\$1,673,932	\$1,528,111	\$1,390,919
		الحصيف	57						
		960	,chumoisk						

		Basis							
Ln #			w#	2019	2020	2021	2022	2023	2024
Beck's Actual	Chemicals	2.4%	1 \$	\$208,661	\$213,669	\$218.797	\$224,048	\$229,425	\$234.932
GF Base # 36.	Chemical Costs	2 4%	2	203,770	208,660	213,668	218,796	224,047	229,424
	Difference - (Beck # - GF #)		3	4,891	5,009	5,129	5,252	5,378	5,508
	PV of Difference	\$57,099	4	\$2,755	\$2,694	\$2,635	\$2,577	\$2,521	\$2,465
			5						
Beck's Actual	Labor	2.4%	6 \$	805,302	\$824,629	\$844,420	\$864,686	\$885.439	\$906.689
GF Base # 0	Labor Costs Total	2.4%	7	721,270	738,580	756,306	774,457	793,044	812,077
	Difference - (Beck # - GF #)		8	84,032	86,049	88,114	90,229	92,395	94,612
	PV of Difference	\$1,392,477	9	\$47,327	\$46,288	\$45,271	\$44,277	\$43,304	\$42,353
			10						
Beck's Actual	Treatment Plant Electricity		11 \$	\$651.671	\$667.311	\$683,326	\$699,726	\$716,519	\$733,716
Beck's Actual	Booster Pump Electricity (14)		000000	148,891	152,465	156,124	159,871	163,708	167,637
Beck's Actual	Total Electricity	8888	2000004	800,562	819,775	839,450	859,597	880,227	901,353
GF Base # 26.	Power Costs Total	E-82/4	88899	781,799	800,562	819,775	839,450	859,597	880,227
	Difference - (Beck # - GF #)		15	18,763	19,213	19,675	20,147	20,630	21,126
	PV of Difference			\$10,567	\$10,335	\$10,109	\$9,886	\$9,669	\$9,457
			17						
Beck's Actual	Property Taxes (15)		000000	,501.416	\$1.537,450	\$1,574,349	\$1,612,133	\$1.650,825	\$1.690.444
GF Base # 40	Property Taxes	100000	200000	,061,135	1,062,930 474,520	1,064,199 510,150	1,064,916 547,217	1,065,055 585,770	1,064,588 625,856
	Difference - (Beck # - GF #)			440,281 \$247,969	\$255,255	\$262,102	\$268,526	\$274,541	\$280,161
	PV of Difference		22	\$247,909	ΦΔJJ, ΔJJ	\$202,102	\$208,320	02/4,541	\$200,101
Beck's Actual	KRA Withdrawal Fee (16)	A CONTRACTOR OF THE PROPERTY O	69999 8	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500	\$109,500
GF Base # 38	KRA Withdrawal Fee	Children for Committee Com	24	0	0	0	0	0	0
Or Dane ii so	Difference - (Beck # - GF #)		200000	109,500	109,500	109,500	109,500	109,500	109,500
	PV of Difference			\$61,671	\$58,903	\$56,258	\$53,733	\$51,321	\$49,017
			27						
Ret	urn of Capital	65000	28						
	Renewal and Replacement Fund		29						
'Seck's Actual	R&R (TP) (16)	2.500%	30 \$2	2.253,928	\$2,253,928	\$2,253,928	\$2,253.928	\$2,253,928	\$2,253.928
eck's Actual	R&R (UV) ()	2.500%	31	209.323	209,323	209.323	209,323	209.323	209,323
Beck's Actual	R&R (TL) (17)	1.333%	32	982,129	982,129	982,129	982,129	982,129	982,129
Beck's Actual	Total Renewal and Replacement Fund Costs (Depreciation)		33 3	3,445,381	3,445,381	3,445.381	3.445.381	3,445,381	3,445,381
Beck's Actual	Municipal Bond Principal Repayment	Derived Amount	34 1	,580.184	1,654,453	1,732,212	1,813,626	1,898,867	1,988,114
	Total Capital Recovery		355	5,025,565	5,099,834	5,177,593	5,259,007	5,344,247	5,433,494
			36			••••			
		100000	37						
GF Base # 39.	Depreciation	5000		2.685,567	2,685,567	2,685.567	2,685,567	2.685,567	2,685,567
GF Base # 9	BWSC Principal Repayment	10/05	39	605,591	634,389	664,555	696,156	729,260	763,938
	Total Capital Recovery		1000	3,291,158	3,319,956	3,350,122	3,381,723	3,414,827	3,449,505
	Difference - (Beck # - GF #)		SSEE	1,734,407	1,779,878	1,827,471	1,877,284	1,929,420	1,983,989
	PV of Difference			\$976,826	\$957,437	\$938,909	\$921,205	\$904,288	\$888,121
	0.14.1		43						
Rei	turn on Capital		45						
Dauld, Assess	Phase I Project KAWC Cost of Capital (80%) (17)	25.42	5300535 1	1.708,642	14.376,790	14,044.939	13.713.088	13,381,237	13,049,386
Beck's Actual Beck's Actual	UV Cost of Capital (100%) (17)		47	858.627	831,795	804.963	778.131	751,299	724,467
Beck's Actual	Municipal Bond Interest Payment		S00000	1,038,730	964,461	886,702	805,288	720,047	630,801
Beck's Actual	Total Pre-Tax Return on Capital	0000		5,605,999	16,173,047	15,736,604	15,296,507	14,852,583	14,404,653
Sock of Actions		100	50						
GF Base # 41.	Income Taxes & Sales Taxes		0805/8550	3.549,228	3,470.810	3,392,391	3,313,973	3,235.554	3,157,135
GF Base # 43.	KAW - Income Before Interest Charges	5.58	2000000	9.298,492	9,093.046	8.887,600	8.682,154	8.476,708	8,271.262
GF Base #	BWSC - Bond Interest Payment	Derived Amount	531	1,517,756	1,488,958	1,458,792	1,427,191	1,394,087	1,359,409
	Total Pre-Tax Return on Capital		54 14	1,365,476	14,052,814	13,738,783	13,423,318	13,106,349	12,787,806
	Difference - (Beck # - GF #)		55 2	2,240,523	2,120,232	1,997,821	1,873,189	1,746,234	1,616,847
	PV of Difference	\$24,485,669	56 \$1	1,261,874	\$1,140,521	\$1,026,431	\$919,196	\$818,431	\$723,772
			57						

		Basis							
Ln #	!	%	Row#	2025	. 2026	2027	2028	2029	2030
D. H. Assess	Clarate de	2.4%	1	\$240,570	\$246,344	\$252,256	\$258,310	\$264,509	\$270.858
Beck's Actual GF Base # 36	Chemicals Chemical Costs	2.4%	1 2	234,930	240,568	246,342	252,254	258,308	264,507
Or base # 50	Difference - (Beck # - GF #)	₩. - - A.	3	5,640	5,776	5,914	6,056	6,201	6,351
	PV of Difference	\$57,099	4	\$2,411	\$2,359	\$2,307	\$2,256	\$2,206	\$2,158
			5						
Beck's Actual	Labor	2.4%	6	\$1,097,945	\$1.124,295	\$1,151.279	\$1.178,909	\$1,207,203	\$1,236,176
GF Base # 0	Labor Costs Total	2.4%	7	831,567	851,525	871,962	892,889	914,318	936,262
	Difference - (Beck # - GF #)		8	266,378	272,770	279,317	286,020	292,885	299,914
	PV of Difference	\$1,392,477	9	\$113,890	\$111,388	\$108,941	\$106,547	\$104,207	\$101,918
	m. m. m		10	0751 775	F740 257	670707	5007 770	#037 ANI	0015 017
Beck's Actual	Treatment Plant Electricity		11	\$751.325	\$769,357	\$787.822	\$806.729 184,318	\$826,091 188,742	\$845,917 193,272
Beck's Actual Beck's Actual	Booster Pump Electricity (14) Total Electricity	2.4%	12 13	171,660 922,985	175,780 945,137	179,998 967,820	991.048	1,014.833	1.039,189
GF Base # 26	Power Costs Total	2.4%	14	901,352	922,984	945,136	967,819	991,047	1,014,832
GI Base ii 20	Difference - (Beck # - GF #)	<u>-</u>	15	21,633	22,153	22,684	23,229	23,786	24,357
	PV of Difference	\$219,011	16	\$9,249	\$9,046	\$8,847	\$8,653	\$8,463	\$8,277
			17						
Beck's Actual	Property Taxes (15)	2.4%	18	\$1,731,015	\$1,772,559	\$1,815,101	\$1,858,663	\$1,903.271	\$1.948,950
GF Base # 40.	Property Taxes	2.4%	19	1,063,484	1,061,715	1,059,249	1,056,050	1,052,090	1,047,331
	Difference - (Beck # - GF #)	<u> </u>	20	667,531	710,844	755.852	802,613	851,181	901,619
	PV of Difference	\$5,189,993	21	\$285,403	\$290,278	\$294,802	\$298,987	\$302,846	\$306,391
D. D. A. A	MDA Wish January Francisco	0.0%	22 23	\$100.500	\$109,500	\$100.500	\$109,500	\$109,500	\$109,500
Beck's Actual GF Base # 38.	KRA Withdrawal Fee (16) KRA Withdrawal Fee	0.0%	24	\$109,500 0	0 -	\$109,500 0	0	0 (0	0
Of Black 50.	Difference - (Beck # - GF #)	M.M.Y.	25	109,500	109,500	109,500	109,500	109,500	109,500
	PV of Difference	\$1,285,347	26	\$46,817	\$44,715	\$42,708	\$40,791	\$38,960	\$37,211
			27					2	
Re	turn of Capital		. 28						
Beck's Actual	Renewal and Replacement Fund		29						
Reck's Actual	R&R (TP) (16)	2.500%	30	\$2.253,928	\$2,253,928	\$2,253,928	\$2,253,928	\$2,253,928	\$2,253,928
eck's Actual Beck's Actual	R&R (UV) () R&R (TL) (17)	2.500% 1.333%	31 32	209,323 982,129	209.323 982,129	209.323 982,129	209,323 982,129	209.323 982,129	209,323 982,129
Beck's Actual	Total Renewal and Replacement Fund Costs (Depreciation)	1 333 7/	33	3,445,381	3,445,381	3,445,381	3,445.381	3,445,381	3,445,381
Beck's Actual	Municipal Bond Principal Repayment	Derived Amount	34	2,081,555	2,179,388	2.281,819	2,389.065	2,501,351	5,445,561
Deck's Actual	Total Capital Recovery	Derived Amount	35	5,526,935	5,624,769	5,727,200	5,834,445	5,946,731	3,445,381
	•		36						
			37						
GF Base # 39	Depreciation		38	2,685,567	2,685.567	2.685,567	2,685,567	2.685,567	2.685.567
GF Base # 9		Derived Amount	39	800,265	838,319	878,183	919,943	963,688	1,009,514
	Total Capital Recovery		40	3,485,832	3,523,886	3,563,750	3,605,510	3,649,255 2,297,476	3,695,081 (249,700)
	Difference - (Beck # - GF #) PV of Difference	\$19,203,489	41	2,041,103 \$872,673	2,100,882 \$857,909	2,163,449 \$843,800	2,228,935 \$830,317	\$817,430	(\$84.854)
	ry of Difference	\$19,203,409	43	3072,073	\$657,909	\$645,600	\$650,517	,,4,,0	(404,654)
Re	turn on Capital		44						
	Phase I Project		45						
Beck's Actual	KAWC Cost of Capital (80%) (17)		46	12,818.250	12,486,398	12.154,547	11.822,696	11.490.845	11,158.994
Beck's Actual	UV Cost of Capital (100%) (17)		47	697.635	670.803	643,971	617,138	590,306	563,474
Beck's Actual	Municipal Bond Interest Payment	Derived Amount	48	537,359	439,526	337,095	229,850	117,563	0
Beck's Actual	Total Pre-Tax Return on Capital		49	14,053,244	13,596,727	13,135,613	12,669,684	12,198,715	11,722,468
CE David 41	Income Toyee & Salar Toyee		50 51	דוד טרון ג	3 000 200	7 671 000	LAL FLR C	2 765 042	2,686.624
GF Base # 41. GF Base # 43.	Income Taxes & Sales Taxes KAW - Income Before Interest Charges		51 52	3,078,717 8,065,817	3.000.298 7,860,371	2,921,880 7,654,925	2,843,461 7,449,479	2,765,043 7,244,033	7.038.587
GF Base #	BWSC - Bond Interest Payment	Derived Amount	53	1,323,082	1,285,028	1,245,164	1,203,404	1,159,659	1.113.833
	Total Pre-Tax Return on Capital		54	12,467,616	12,145,697	11,821,969	11,496,344	11,168,735	10,839,044
	Difference - (Beck # - GF #)		55	1,585,628	1,451,031	1,313,644	1,173,340	1,029,980	883,424
	PV of Difference	\$24,485,669	56	\$677,934	\$592,538	\$512,355	\$437,089	\$366,462	\$300,208
			57						

		Basis							
Ln#		%	Row# 2007	2008	2009	2010	2011	2012	2013
Beck's Actual	Electricity (8)	2.4%	1 5 -	\$ -		\$172,266	\$176,400	\$180.634	\$184.969
GF Base # 29	Power Costs Total	2.4%	2 328,548	336.433	344.507	352,775	361,242	369,912	378,790
Of Dase # 27	Difference - (Beck # - GF #)		3			(180,509)	(184,842)	(189,278)	(193,821)
	PV of Difference	(\$2,608,324)	4			(\$153,704)	(\$150,328)	(\$147,026)	(\$143,796)
	Difference - (Beck # - GF #)		5			(4,056,975)	(3,944,628)	(3,828,911)	(3,709,722)
	PV of Difference	(\$79,220,894)	1 6			(\$3,454,530)	(\$3,208,086)	(\$2,974,188)	(\$2,752,250)
	1 v or Directance	(477)	4 7 7						
Beck's Actual	Meter Charge	2.4%	8			\$18,522	\$19,077	\$19.650	\$20,239
GF Base # 39	Meter Charges Total	2 4%	\$13.55 \$40.000 P	43,392	44.433	45,499	887,040	887,040	887,040
GI Dase # 37	Difference - (Beck # - GF #)		10			(26,977)	(867,963)	(867,390)	(866,801)
	PV of Difference	(\$9,413,221)	1 11			(\$22,971)	(\$705,896)	(\$673,764)	(\$643,081)
	1 Vol Difference	L (1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,	12						
			13						
р	hase I Project		14						
Beck's Actual	Municipal Bond Interest Payment	Derived Amount	16			\$5,324,833	\$5,158,623	\$4,984,601	\$4,802,400
Beck's Actual	Total Pre-Tax Return on Capital	2011.02.1111.0011	17			5,324,833	5,158,623	4,984,601	4,802,400
Beck's Actual	Total Fre-Tax Return on Capital		18				***************************************		
GF Base # 52.	Income Taxes & Other Taxes		19			3,280,057	3,225,379	3.170.701	3,116.023
GF Base # 54.	KAW - Income Before Interest Charges		20			8,043,298	7,909,217	7.775,137	7,641.056
GF Base # 55.	RWSC - Annual Debt Service		21			1,542,145	1,542,145	1,542,145	1.542,145
GF Base #	BWSC - Bond Interest Payment	Derived Amount	22			1,252,609	1,238,841	1,224,418	1,209,309
GF Base #	Total Pre-Tax Return on Capital	Delived illinount	23			12,575,964	12,373,437	12,170,256	11,966,388
GP Base #	Difference - (Beck # - GF #)		24			(7,251,130)	(7,214,814)	(7,185,655)	(7,163,989)
		(\$85,662,560)	25			(\$6,174,366)	(\$5,867,661)	(\$5,581,612)	(\$5,314,978)
	PV of Difference	(405,002,500)	26			(12,17,1,000)			
			8939839 2-(C) 1908						

<u>Ln #</u>	
Beck's Actual	Electricity (8)
GF Base # 29	Power Costs Total
	Difference - (Beck # - GF #)
	PV of Difference
	Difference - (Beck # - GF #)
	PV of Difference
Beck's Actual	Meter Charge
GF Base # 39.	Meter Charges Total
0, 24	Difference - (Beck # - GF #)
	PV of Difference
Di	ase I Project
Beck's Actual	Municipal Bond Interest Payment
Beck's Actual	Total Pre-Tax Return on Capital
Beck's Actual	Total kite Tan Ketalii on Suprini
GF Base # 52.	Income Taxes & Other Taxes
GF Base # 54.	KAW - Income Before Interest Charges
GF Base # 55.	BWSC - Annual Debt Service
GF Base #	BWSC - Bond Interest Payment
GF Base #	Total Pre-Tax Return on Capital
	Difference - (Beck # - GF #)
	PV of Difference

Basis							
%	Row#	2014	2015	2016	2017	2018	2019
2.4%	1 2	\$189,408 387,881	\$193,954 397,190	\$198,609 406,723	\$203,376 416,484	\$208,257 426,480	\$213,255 436,716
	3	(198,473)	(203,236)	(208,114)	(213,108)	(218,223)	(223,461)
(\$2,608,324)	4	(\$140,637)	(\$137,548)	(\$134,527)	(\$131,571)	(\$128,681)	(\$125,855)
(42,000,000,000,000,000,000,000,000,000,0	l = =	(3,586,957)	(3,460,510)	(5,708,070)	(6,082,905)	(6,479,166)	(6,898,003)
(\$79,220,894)	6	(\$2,541,710)	(\$2,342,034)	(\$3,689,740)	(\$3,755,527)	(\$3,820,606)	(\$3,884,990)
	7						
2.4%	8	\$20,846	\$21,472	\$22.116	\$22.779	\$23,463	\$24,167
2.4%	9	887,040	887,040	887,040	887,040	887,040	887,040
	10	(866,194)	(865,568)	(864,924)	(864,261)	(863,577)	(862,873)
(\$9,413,221)	11	(\$613,783)	(\$585,807)	(\$559,094)	(\$533,586)	(\$509,230)	(\$485,975)
Derived Amount	12 13 14 16	\$4,611.635	\$4,411.905	\$4,202,787	\$3,983,840	\$3,754,603	\$3,514,592
Derived Amount	17	4,611,635	4,411,905	4,202,787	3,983,840	3,754,603	3,514,592
	18 19	3,061.345	3.006,667	2,951,988	2,897.311	2.842,632	2,787,954 6,836,572
	20	7,506,976	7,372,895	7.238.814	7,104,734	6,970.653	
	21	1,542.145	1,542,145	1.542,145	1,542,145	1.542.145	1,542,145
Derived Amount	22	1,193,482	1,176,903	1,159,534	1,141,340	1,122,281	1,102,316
	23	11,761,803	11,556,465	11,350,336	(7.159.545)	(7.180,963)	(7,212,250)
	24	(7,150,168)	(7,144,560)	(7,147,550)			(\$4,061,975)
(\$85,662,560)	25	(\$5,066,594)	(\$4,835,359)	(\$4,620,231)	(\$4,420,234)	(\$4,234,439)	(\$4,001,973)
	26						

<u>A</u> <u>B</u>

Beck's Actual	Electricity (8)
GF Base # 29	Power Costs Total
	Difference - (Beck # - GF #)
	PV of Difference
	Difference - (Beck # - GF #)
	PV of Difference
Beck's Actual	Meter Charge
GF Base # 39	Meter Charges Total
	Difference - (Beck # - GF #)
	PV of Difference
P	hase I Project
Beck's Actual	Municipal Bond Interest Payment
Beck's Actual	Total Pre-Tax Return on Capital
GF Base # 52.	Income Taxes & Other Taxes
GF Base # 54.	KAW - Income Before Interest Charges
GF Base # 55.	BWSC - Annual Debt Service
GF Base #	BWSC - Bond Interest Payment
GF Base #	Total Pre-Tax Return on Capital
	Difference - (Beck # - GF #)
	PV of Difference

<u>Ln #</u>

Basis							
%	Row#	2020	2021	2022	2023	2024	2025
2.49	6 1	\$218,373	\$223,614	\$228,980	\$234.476	\$240.103	\$245,866
2.4%	2	447,197	457,930	468,920	480,174	491,698	503,499
	3	(228,824)	(234,316)	(239,940)	(245,698)	(251,595)	(257,633)
(\$2,608,324)	4	(\$123,090)	(\$120,386)	(\$117,741)	(\$115,155)	(\$112,625)	(\$110,151)
	4 5	(7,340,629)	(7,808,317)	(8,302,408)	(8,824,315)	(9,375,521)	(9,957,587)
(\$79,220,894)	6	(\$3,948,690)	(\$4,011,719)	(\$4,074,089)	(\$4,135,812)	(\$4,196,899)	(\$4,257,361)
	7						
2.45	% 8	\$24,892	\$25,638	\$26.408	\$27,200	\$28,016	\$28.856
2.44	% 9	887,040	887,040	887,040	887,040	887,040	887,040
	10	(862,148)	(861,402)	(860,632)	(859,840)	(859,024)	(858,184)
(\$9,413,221)	11	(\$463,769)	(\$442,567)	(\$422,322)	(\$402,993)	(\$384,537)	(\$366,916)
	12						A
	13						
	14						
Derived Amount	16	\$3,263,301	\$3,000,198	\$2,724,730	\$2,436,315	\$2,134,344	\$1.818,181
	17	3,263,301	3,000,198	2,724,730	2,436,315	2,134,344	1,818,181
	18						
	19	2,733,276	2.678,598	2,623,920	2.569.242	2.514.564	2,459,885
	20	6,702,492	6,568.411	6,434,330	6,300,250	6.166.169	6.032,088
	21	1,542.145	1,542.145	1.542.145	1.542,145	1.542,145	1,542,145
Derived Amount	. 22	1,081,401	1,059,492	1,036,540	1,012,498	987,312	960,928
	23	10,517,169	10,306,501	10,094,790	9,881,990	9,668,045	9,452,901
	24	(7,253,868)	(7,306,302)	(7,370,060)	(7,445,675)	(7,533,700)	(7,634,720)
(\$85,662,560)	7 25	(\$3,902,020)	(\$3,753,797)	(\$3,616,575)	(\$3,489,666)	(\$3,372,418)	(\$3,264,221)
	26						
	10/21/20/00/00/00						

<u>Ln#</u>	
Beck's Actual GF Base # 29.	Electricity (8) Power Costs Total Difference - (Beck # - GF #) PV of Difference Difference - (Beck # - GF #) PV of Difference
Beck's Actual GF Base # 39	Meter Charge Meter Charges Total Difference - (Beck # - GF #) PV of Difference
	Phase I Project
Beck's Actual Beck's Actual	Municipal Bond Interest Payment Total Pre-Tax Return on Capital
GF Base # 52. GF Base # 54. GF Base # 55. GF Base # GF Base #	Income Taxes & Other Taxes KAW - Income Before Interest Charges BWSC - Annual Debt Service BWSC - Bond Interest Payment Total Pre-Tax Return on Capital Difference - (Beck # - GF #) PV of Difference

Basis						
%	Row#	2026	2027	2028	2029	2030
2.4%	1	\$251.767	\$257,809	\$263.997	\$270,332	\$276,820
2.4%	2	515,583	527,957	540,628	553,603	566,889
	3	(263,816)	(270,148)	(276,631)	(283,271)	(290,069)
(\$2,608,324)	4	(\$107,731)	(\$105,365)	(\$103,050)	(\$100,786)	(\$98,572)
	5	(10,572,155)	(11,220,952)	(11,905,794)	(12,628,592)	(13,391,356)
(\$79,220,894)	6	(\$4,317,210)	(\$4,376,458)	(\$4,435,113)	(\$4,493,188)	(\$4,550,693)
	7					
2.4%	8	\$29,722	\$30,614	\$31,532	\$32.478	\$33,452
2 4%	9	887,040	887,040	887,040	887,040	887,040
	10	(857,318)	(856,426)	(855,508)	(854,562)	(853,588)
(\$9,413,221)	111	(\$350,092)	(\$334,028)	(\$318,691)	(\$304,049)	(\$290,069)
L	12					
	13					
	14					
Derived Amount	16	\$1,487,158	\$1,140,577	\$777,707	\$397,782	\$2,618,914
	17	1,487,158	1,140,577	777,707	397,782	2,618,914
	18					
	19	2.405,208	2,350,529	2,295,852	2,241,173	2.186.495
	20	5,898,008	5.763,927	5.629,847	5.495.766	5,361,685
	21	1,542,145	1,542.145	1,542,145	1.542.145	1,542,145
Derived Amount	22	933,290	904,338	874,008	842,237	808,955
	23	9,236,506	9,018,794	8,799,707	8,579,176	8,357,135
	24	(7,749,348)	(7,878,216)	(8,022,000)	(8,181,394)	(5,738,221)
(\$85,662,560)	25	(\$3,164,498)	(\$3,072,705)	(\$2,988,333)	(\$2,910,898)	(\$1,949,980)
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Total

Transmussion Storage and Pumping Finished Water Main

Intake and Water Treatment Plant

Electric Pumping Equipment

Electric Pumping Equipment Finished Water Main Transmussion Storage Transmussion Water Pumping Station Transmussion Water Pumping Station

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Structure

Wester By County for Property Tax Assessment Kentucky American Water Company Mar-07

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906,858,18	05	<u> 556,6112</u>	<u>08</u>	015.1252	ōs	996'101'18	08	<u>\$70,888</u>	906,929,12	Total - Non-Depreciable
617,155,8512	ŌS	070,889,722	os	600,805,558	900'StE'18	SEO'TEN'STS	978,095, L2	216,785,723	F40'\$18'7F1S	Total - Depreciable
\$79'8\$1'0818	हिंद	\$21,880,88	$\overline{0S}$	615'625'228	900'545'18	200,040,742	928 060 FS	797.078.012	086'1+1'1+15	baoT
157,8682		555,8112		015'1768		761°LS+5		†69°†\$	15L'868	Finished Water Main
185.082								186,088	186,08	Transmission Storage and Pumping
t/L'1198						t/L/1495			477,740	Інабе анд Water Ттеминем Рам
									L L doctores	нэшфира Ефиран Санф
900.245,18					900.245.12	1.011.011.00			(+) 551,001.C	Structure Purposes
££1.691.E\$						481.691.88			G1 LF1 DAL 1	Transmussion Water Pumping Station
110:0:0:0:=#						119,680,18			(*) [10.020,2	Transmaston Storing
004,080,162 110,050,18		070,880,72		600,802,228		281,082,152		\$95,4558	(*) 604,080,20	Finished Water Mann
978,092,48		020 840 ES		OUU SUE LES		Car das ics	948'067'15	Sinc For s	(*) 948.065.4	Electric Pumping Equipment
05							08		£10.8£0.£1	Equipment
818,184,848							****	815'19t'9tS	(*) 812,104,04	Siruciure
012 177 713									(*)	Water Treatment Plans
955.668						955,6592			955.559	suppy Apidns
0\$					08				(*) <u>247,442,1</u>	Ejectuc bambing Equipment
L97.781.78						701.181.72			(*) T62,T81,T	Structure
										Raw Water Pumping Station
\$87,750,12						285.750,12			(a) S87.780.18	Lake, River and Other Intakes
LEOT	<u>əldigan.T</u>	प्रका म्हानद	Tangibic	Real Estate	កប្រាំតិពេញ	Real Estate	<u>eldigneT</u>	Real Estate	(*) mgrsoff 2:00 nc	<u>। प्रत्या</u>
	County	County	Contre	Anno.)	County	County	County	County	70 MGD	
	Fayette	pakere	11028	noss	nildnerd	uilduer4	(DWcn	nowO.	Total Propert Costs	

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											Water Treatment Plant
166'91	0	0	0	0	0	166'91	0	()	1.82	00,90£	Supply Mans
0	0	0	0	0	0	0	0	0	57.2	311.20	Electric Pumping Equipment
158,851	0	D	0	0	0	158,851	0	0	t6'1	304.20	Structure
											Raw Water Pumping Station
ts2.628	DS.	08	OS	0\$	0\$	t52'57\$	0\$	08	5.29	00,007	Lake, River and Other intakes
hao'i	ajqiane j	Real Estate	<u>əldişmeT</u>	Real Estate	<u> Mangible</u>	Real Estate	<u> sidianeT</u>	Real Estate	Bille	1557.	ilem
	County	County	CORUIA	County	Contro	County	County	County	Accrual		
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					шы	ussasse mort bayon	ная ряде респ сеп	udinho <mark>JTW</mark> pur so	erw water bumb	os - xei Auadoud Ajuno	Note - manufacturing equipment is not assessed with c
										ješarj poe Bornio	(a) Includes 10% continuency on Construction and Per
906, 929, 12	05	SSE'\$115	0 S	015 1788	08	996'+01'18	ō\$	\$20.888		906'929'15	Plate Non-Depreciable
617,152,8212	05	070,8899,72	ōś	600'807'778	900'StE'18	SEO'FE6'SFS	948'062'tS	276,785,723		FZ0'S 18'7F1S	Total - Depreciable
529,851,0512	05	\$21,680,88	0S	615'625'228	900'516'TS	200'6F0'2FS	928'065'FS	797,078,042		086'1+1'+15	InoT
569 851 IR 15	UK.	SCI INDAS	US	mis nes ees	900 511 15	LUM OTH LIS	228 thit 13	TOT OTO ALL		1180 111 (118	p.e.d.
127,8982		555,2112		015.1158		261725tS		t69'tS		15L'868	Finished Water Mann
185.082								186,088		186.08	Transmission Storage and Pumping
t/LL*Lt98						t/L/Lt95				t/L'./t0	Inely meaning Treatment Plant
											pue-J
900.245.18					000.846.18					900,845,1	Electric Pumping Equipment
tE1.661.E&						481.691.88			(+)	#£1.691.£	Structure
											Transmussion Water Pumping Station
119'950'7\$						119,050,128				119'950'7	Permental Storage
991,080,168		070.880.72		600,802,228		281,082,158		SOT TEES		994,080,29	Finished Water Mann
978,095,48							948,092,42		t _n)	978,095,4	Electric Pumping Equipment
05							08			E10.8E0.E1	Equipment
818,184,848								815'19F'9FS	(*)	812,104,04	Structure
											Mari I manneau I dans

American Water Company Consults 70-with Tax Assessment Toproperty Tax Assessment

166.740.1	0	65.262	O	849.851	011701	LE L'96E	896,75	979,004	0507	Estimated Property Taxes
060.220.1	0	95.282	Ω	138'665	10.685	St0.798	658.85	728.Ent	6707	Estimated Property Taxes
050.050,1	0	997,59	0	729,851	£16,01	167,861	889.65	405.933	2028	Estimated Property Taxes
617,650,1	n	62.218	0	818,851	11,124	269.86€	L\$1'01	016,704	2077	Estimated Property Taxes
			0							
217,130,1	O	62.137		138,668	915.11	E\$8.89E	701.14	178,904	202	Estimated Property Taxes
484,800,1	()	62,025	0	614,851	008,11	887.89£	228.14	056'014	5707	Estimated Property Taxes
888.400,1	0	688.10	0	701,88.1	599.11	905.89£	t2t*2t	115'001	2024	Estimated Property Taxes
\$\$0,880,1	0	817.15	0	757,751	918,11	610,898	\$46°7†	567,514	5202	Estimated Property Taxes
916,430,1	0	t25°10	0	005,751	t\$6'11	955,795	9/4,84	976,614	2022	Estimated Property Taxes
1,064,199	O	505,10	0	718'981	640'71	991.968	15654	909'81#	1707	Estimated Property Taxes
056,500.1	0	6,00,10	0	172, 85.1	12,192	914,29E	015,11	\$t9.£1t	0707	Estimated Property Taxes
SE1.160.1	0	867.00	0	189,581	762,21	£02,49£	907.44	554,514	5016	Estimated Property Taxes
248.820.1	0	615,00	Ð	tt0,861	786,21	958,566	060,84	Lt0'81t	8107	Estimated Property Taxes
£70,880,1	0	702.00	0	795,451	09171	391,298	\$1£,215	157711	L107	Estimated Property Taxes
Z\$8'Z\$W1	D	£88.92	O	159.551	875.21	979'68£	195*5+	Z19°11†	5016	Estimated Property Taxes
102,940,1	0	015.02	0	132.873	17,585	418°48€	TLL'5†	t19'01t	\$102	Estimated Property Taxes
tt1'5t0'1	0	181,62	0	140.281	12.634	978.28£	740,24	284.00t	107	Estimated Property Taxes
107,040,1	0		0							
		908,85		151,234	17.673	818,585	680.04	180,801	2013	Estimated Property Taxes
168,850,1	0	914,8è	0	196,061	12,703	249,185	661'91	Toč.001-	2013	Estimated Property Taxes
9EZ/0E0/3	0	58/015	Ð	136'463	STL'T1	82E, PTE	872.04	106'+0+	1102	Estimated Property Taxes
857,820,18	OS	165,782	08	155,8212	681.218	146'9485	67E'91S	680,5042	5010	Estimated Property Taxes
	3500000	56tt11	350000.0	458916'0	426128.1	%8L8Z'1	1505ELT	1.382058	7030	Effective Rate Adjusted for Inflation
	2500000	5181171	45000000	555680	%£98F1	259725.1	55t69°1	596FET1	6202	Effective Rate Adjusted for Inflation
	30000 o	25616011	500000	95t78,0	%t15t1	1,22819	1591591	56L1E1	2028	Effective Rate Adjusted for Inflation
	2000000	25.680.1	200000	5885870	35t41t1	2516611	356\$191			
								491782.1	7202	Effective Rate Adjusted for Inflation
	2500000	25£1±071	-500000	98558.0	%748E.1	22171.1	330872.1	569\$71	9202	Effective Rate Adjusted for Inflation
	35000000	256910°1	2500000	45711870	35L1SE1	58EF111	3501±\$11	55tttl1	2025	Effective Rate Adjusted for Inflation
	%00000	351£66°0	35000010	55256470	5107571	250711.1	56t05 L	54861T	tene	Effective Rate Adjusted for Inflation
	25(00)0*0	%8696*0	35000000	455977,0	516871	358060°T	3596911	590/11	2023	Effective Rate Adjusted for Inflation
	3500000	35174-0.0	25000000	258857.0	%68571	2525901	%ESST1	25181111	2022	Effective Rate Adjusted for Inflation
	\$0000,0	26t26.0	320,000,0	220LT.0	%+62211	25040.1	222 (01.1	559HT	2021	Effective Rate Adjusted for Inflation
	25000000	22509.0	35000000	0.7232%	426005.1	356510.1	25788£.1	25060.1	いていこ	Effective Rate Adjusted for Inflation
	300000	350288.0	320000.0	357907.0	428271.1	517660	4599EET	591907	6100	Effective Rate Adjusted for Inflation
	2500000	35t1980	25000000	54689'0	25091111	35889670	25ES0ET	257.05.0.1	2018	Effective Rate Adjusted for Inflation
	2500000	35714870	25000000	22870.0	25181171	3519160	177474	55510.1	2017	Effective Rate Adjusted for Inflation
	2500000		2500000							
		25128.0		25LL\$9.0	320100.1	35017670	177186	551660	2016	Effective Rate Adjusted for Inflation
	250000,0	25770870	35000000	4251-6.0	32£860.1	35£206.0	359\$15.1	358896.0	2012	Effective Rate Adjusted for Inflation
	2500000	35t£87.0	220000.0	%£L79*0	25£11:071	351188'0	451781.1	595160	101	Effective Rate Adjusted for Inflation
	25000000	250\$91.0	350000.0	726210.0	3569101	550980	225651.1	544560	2013	Effective Rate Adjusted for Inflation
	2500000	351747.0	25000000	55286510	25186670	3580±810	5176171	58106'0	2102	Effective Rate Adjusted for inflation
	25000000	259674.0	25000000	55T8S10	258696'0	259078'0	259\$0111	59088'0	1102	Effective Rate Adjusted for Inflation
	25000000	255217.0	500000	\$2078.0	3514t6'0	5+108'0	52640.1	500980	2010	Effective Rate Adjusted for Inflation
		.55002.0			7712100	231 1136 ()	1350504	Similar	VIIVE	entertal without the Borney 313
£91'66£'7†	O	970'885'9	O	095,051,51	559,588	275,708,05	745,881.2	198,410,92	2030	Sold Assessable Value
981.787.8L	n	967,078,8	0	15.525.113	906,817	559,816,15	£74,891,1	859,709,92	5056	Mer Assessable Value
601,871,18	ρ	995,207,8	0	997.E98,E1	828.12T	55,054,25	009,895,5	221,008,0£	2028	Met Assessable Value
280,688,88	0	9E8,4E8,E	0	611,262,419	118,487	33,242,116	572037370	31'693,252	2027	Net Assessable Value
550,156,95	0	901,799.8	0	270,156,81	t97.718	34,053,698	2,608,853	810'985'75	2026	Net Assessable Value
820,955,45	0	946,990.5	0	\$27,999,725	917.028	647,898,4£	676.817.2	218.871.EE	2025	Net Assessable Value
100,727,86	0	919,152,0	()			108,070,25				
				876,866,71	699,588		2,819,106	34,371,642	5054	New Assessable Value
t70.411.ET	D	919,888,8	Ð	180,787,71	250,019	244,884,aF	252,459.5	654,455,8E	5073	Net Assessable Value
816,502,77	0	981,894,8	0	189,201,81	t45.949	t20,006,7E	85E,920,E	962,721,85	2022	SuiteV Maine
176'068'18	()	954,859,0	0	988,474,84	722,589	200,111,85	SST'TEL'E	37,050,032	1707	Net Assessable Value
r68'8LT'98	0	974,097,8	O	686,248,81	084,810,1	781,629,85	119'657'5	928,540,78	5050	Net Assessable Value
798,999,09	0	966,268,6	0	19,211,642	1,048,432	897, t.E.T. Q.E.	867,446,6	020,858,85	5016	Net Assessable Value
0t8't50'56	0	992,820,7	o o	\$67.085.01	58E,180,1	055,845,04	198,944,8	524,827,98	2018	Substantial Value
518.244,99	0	888.781.7	0	846,846,91	788,411,1	159,725,14	166't55'F	40,621,220	2017	Met Assessable Value
487,0£8,£01	0	208,982,7	O	105,715,02	067,741,1	45,169,513	711,088.£	910"†15"1†	7010	sulaV sldassessA tsV
657,812,801	0	2722,075	0	10.686.254	1.180.243	t60'186'7t	t+2,837,8	£18,60t,5t	5102	Net Assessable Value
117'000'533	0	Stetsel	0	406°F50°17	\$61,512.1	929'762'8†	078,078,8	019'662'61	±107	Net Assessable Value
907,499,110	0	č16,686,7	ø	21,423,560	81.546.148	72.400.44	794.279.E	201.261.11	FIOZ	Net Assessable Value
	Ü		0							
675,282,121		288,818,7		21,792,213	101.972.1	658,211,21	4,080,623	107,880,21	2012	aulty aldressessy tak
125,770,652	U	S\$1,189,7	()	22,160,866	1,312,053	024,722,84	057,281,4	000,879,24	1102	SuleV sldassessA toV
529,851,0512	08	\$24,680,88	08	615.922,5228	900"\$46"1\$	500,950,742	978,092,48	797,078,842	2010	Net Assessable Value
-		APPR							-	
ENT	-Idigus I	Real Estate	Tinginle	Real Estate	aldigacT	Real Estate	aldianeT	Real Estate	Year	
	County	County	County	Connt.	County	County	County	County		
	Бауене	Fayene	Scott	11028	nildnerfl	niblacaFl	nsmO	nswO		

Kentucky American Water Company
Mar-07
Estimated Property Tax Assessment

Assessed Value	S46.870.797 S4.290.876	\$47,039,002	\$22.529.519	\$8.083.425
Effective Tax Rate	0.8600% 1.0797 <i>G</i>	0.94715	3302C 0.57056	\$57.504.40 0.7125% \$0.00 0.0000%
Total Real and Tangible Tax Due	\$403.088.85 0.860065 \$46.328.59 1.079767	\$376.970.56 \$12.738.55	00'08 16'08'230'31	\$57,594.40
Total Reaf and Tangible Tax Due	\$58,588,50 \$253,102,30 \$26,247.65 \$37,496,64 \$201,154,44 \$7,499,33 \$6,436,31 \$25,745,26 \$2,745,2	SC4.443.43 S243.662.03 S18.815.60 S40.453.54 S5.832.84 S2.730.36 S6.967.13 S588.00 S588.00 S788.00 S788.00 S788.00 S788.00 S788.00 S788.00	\$13,968,30 \$91,019,26 \$71,019,45 \$13,007,12 \$3,266,78 \$0,00 \$0,00 \$0,00 \$0,00 \$128,530,91	78.122.320.18 78.147.133 78.
Tax Due Tangible	\$6,436,31 \$2\$,745,26 \$2,745,26 \$8,260,28 \$3,235,32 \$0,00	\$2.730.36 \$6.967.13 \$538.00 \$2.220.60 \$20.24	80.00 80.00 80.00 80.00 80.00	00'08 00'08 00'08 00'08 00'08
Tangible Per \$100 Value	0.150000 0.660000 0.056000 0.198300 0.0075400	0.203000 0.518000 0.040000 0.165100 0.021000	0.110000 0.419000 0.032000 0.110800	0.0994000 0.5541000 0.0584000 0.069000 0.069000
Assessed Tangible Per Value Tangible \$100 Value	S4.290,876 S4.290,876 S4.290,876 S4.290,876 S4.290,876 S4.290,876	SI 245,006 SI 245,006 SI 245,006 SI 245,006 SI 245,006 SI 245,006	8 8 8 8	S S S S S S S S S S S S S S S S S S S
Tax Due Real Estate	\$58.588.50 \$253.102.30 \$26.247.65 \$37.496.64 \$20.154.44 \$7.499.33	\$64.443.43 \$143.662.03 \$18.815.00 \$40.453.54 \$5.832.84 \$3.763.12	S13,968.30 S7,209.20 S1,209.21 S3,266.78	\$6,466.74 \$43,731.33 \$1,263.36 \$1,350.59 \$32,33
Real Estate Per \$100 Value	0.125000 0.540000 0.056000 0.0530000 0.016000	0.137000 0.518000 0.040000 0.086000 0.012400	0.062000 0.404000 0.032000 0.058000 0.014500	0.080000 0.0541000 0.058000 0.008000 0.003100 0.009000
Assessed Value Real Estate	\$46.870.797 \$46.870.797 \$46.870.797 \$46.870.797 \$46.870.797 \$46.870.797	\$47,039,002 \$47,039,002 \$47,039,002 \$47,039,002 \$47,039,002	\$22,529,519 \$22,529,519 \$22,529,519 \$22,529,519 \$22,529,519	\$8.083,425 \$8.083,425 \$8.083,425 \$8.083,425 \$8.083,425 \$8.083,425
	School Health Library Extension County School Health Health Library School Health Library School	County School Health Library Extension Soil Conservation County County Charle Health Library Library Library Library Soil Conservation Soil Conservation	County School Health Library Eibrary County School Health Health Health Library Extension	County School Health Health Extension Extension Soil Conservation County School Health Lex Tran Extension Soil Conservation
	Owen County Real Estate County Real Estate Health Real Estate Library Real Estate Library Real Estate Chiprary Real Estate Soil Constructory Tangible County Tangible Health Tangible Health Tangible Estenson Tangible Extenson Tangible School Tangible Extenson Tangible School Tangible School Tangible School Tangible School	Pranklin County Real Estate County Real Estate School Real Estate Health Real Estate Extension Real Estate Soli Constraint School Tangible County Trangible Health Trangible Health Trangible Library Trangible Library Trangible School Tangible Soli Cons	Scott County Real Estate School Real Estate Health Real Estate Health Real Estate Library Real Estate Excensory Tangible County Tangible School Tangible Health Tangible Extensory Tangible Extensory Tangible Extensory Tangible Extensory Tangible Extensory Tangible Extensory	Fayette County Real Estate County Real Estate School Real Estate Lex-Train Real Estate Lex-Train Real Estate Soil Consy Tangible County Tangible County Tangible Health Tangible Lex-Train Tangible Extension Tangible Extension Tangible Extension Tangible Soil Cons

Kentucky American Water Company Nov-07 Estimated Pool 3 Capital Requirements

		A	B	Ö	Q	띠		ଠା	町	шı
Rate		Construction Costs	Inflation @ 2.40% Over 2-yrs	Average Capital Cost 2008-09	KAW AFUDC @ 7.75% Over 2-yrs	Pool 3 Total	KAW Share @ 80%	BWSC Share @ 20%	KAW 2010 Rate Base Value	KAW Annual Depreciation <u>Accrual</u>
2.29 Lal	Lake, River and Other Intakes	\$1,161,209	\$42,138	\$1,203.347	\$93,259	\$1,296,606	\$1.037.285	\$259,321	\$1,037,285	\$23,754
Ra 1 94	Raw Water Pumping Station Structure	8.012,342	290,752	8,303,094	643,490	8,946,584	7.157.267	1,789,317	7,157,267	138,851
2.45	Electric Pumping Equipment	1.393,451	50,566	1,444,017	111.9111	1,555,928	1,244,742	311,186	1,244,742	30,496
1.82	Supply Mains	1.045.088	37,924	1,083,012	83,933	1,166,945	933.556	233,389	933,556	16,991
W	Water Treatment Plant									
1.91	Structure	52,012,251	1.887.421	53,899,672	4.177.225	58,076,897	46,461,518	11,615,379	46,461,518	887.415
2.21	Equipment	14,596,329	529,672	15,126,001	1,172,265	16,298,266	13.038.613	3,259,653	13,038,613	288,153
2.45	Electric Pumping Equipment	4,803,504	174,310	4,977,814	385,781	5,363,595	4.290.876	1,072,719	4,290,876	105,126
	Finished Water Main	69,497,188	2,521,914	72,019,102	5,581,480	77,600,582	62.080.466	15,520,116	62,080,466	1,030,536
2.25 Tr	Transmission Storage	2,302,314	83,546	2,385,860	184,904	2,570,764	2,056,611	514,153	2,056,611	46,274
T	Transmission Water Pumping Station									
1.94	Structure	3,547,749	128,741	3,676,490	284.928	3,961,418	3.169.134	792,284	3,169,134	61,481
2.45	Electric Pumping Equipment	1,505,693	54,639	1,560,332	120.926	1,681,258	1,345,006	336,252	1,345,006	32.953
E	Lund									
	Intake and Water Treatment Plant	781,364	28,354	809,718	0	809,718	647.774	161,944	647,774	0
	Transmission Storage and Pumping	96,958	3,518	100,476	0	100,476	80.381	20,095	80,381	0
	Finished Water Main	1.084,099	39,340	1,123,439	0	1.123,439	898.751	224,688	898,751	0
		\$161,839,538	\$5.872,835	\$167,712,373	\$12.840.102	\$180,552,476	\$144,441,980	\$36,110,496	\$144,441,980	\$2,662,030

Source of Information: Company provided

304.20 311.20

303.40 303.30 303.50

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Bluegrass Water Supply Commission Pool Three Option Share Debt Issuance 2010

Coupon Rate: 4.70%

Term of Debt in Years: 20

Number of Payments Annually: 1

Total Principal Amount: \$33,483,883

Percentage of Final Balloon Payment: 0.00%

		reiceina	ge of Phiai Danoon	rayment. 0.00 n		
	<u>A</u>	<u>B</u>	<u>C</u>	$\underline{\mathbf{D}}$	<u>E</u>	<u>F</u>
	Beginning				Cumulative	Ending
	Principal	Principal		Debt	Principal	Principal
	Outstanding	Repayment	Interest	<u>Service</u>	Repayment	Outstanding
1	\$33,483,883	(\$1,045,172)	(\$1,573,743)	(\$2,618,914)	(\$1,045,172)	\$35,748,879
2	32,438,712	(\$1,094,295)	(1,524,619)	(2,618,914)	(2,139,466)	34,654,585
3	31,344,417	(\$1,145,727)	(1,473,188)	(2,618,914)	(3,285,193)	33,508,858
4	30,198,690	(\$1,199,576)	(1,419,338)	(2,618,914)	(4,484,769)	32,309,282
5	28,999,114	(\$1,255,956)	(1,362,958)	(2,618,914)	(5,740,725)	31,053,326
6	27,743,159	(\$1,314,986)	(1,303,928)	(2,618,914)	(7,055,710)	29,738,341
7	26,428,173	(\$1,376,790)	(1,242,124)	(2,618,914)	(8,432,500)	28,361,551
8	25,051,383	(\$1,441,499)	(1,177,415)	(2,618,914)	(9,874,000)	26,920,051
9	23,609,884	(\$1,509,250)	(1,109,665)	(2,618,914)	(11,383,249)	25,410,802
10	22,100,634	(\$1,580,184)	(1,038,730)	(2,618,914)	(12,963,434)	23,830,617
11	20,520,450	(\$1,654,453)	(964,461)	(2,618,914)	(14,617,887)	22,176,164
12	18,865,996	(\$1,732,212)	(886,702)	(2,618,914)	(16,350,099)	20,443,952
13	17,133,784	(\$1,813,626)	(805,288)	(2,618,914)	(18,163,726)	18,630,325
14	15,320,158	(\$1,898,867)	(720,047)	(2,618,914)	(20,062,592)	16,731,459
15	13,421,291	(\$1,988,114)	(630,801)	(2,618,914)	(22,050,706)	14,743,345
16	11,433,177	(\$2,081,555)	(537,359)	(2,618,914)	(24,132,261)	12,661,790
17	9,351,623	(\$2,179,388)	(439,526)	(2,618,914)	(26,311,649)	10,482,402
18	7,172,235	(\$2,281,819)	(337,095)	(2,618,914)	(28,593,468)	8,200,583
19	4,890,415	(\$2,389,065)	(229,850)	(2,618,914)	(30,982,533)	5,811,518
20	2,501,351	(\$2,501,351)	(117,563)	(2,618,914)	(33,483,883)	3,310,168

Bluegrass Water Supply Commission Pool Three Option Share <u>Debt Issuance 2010</u>

Coupon Rate: 4.70%

Term of Debt in Years: 25

Number of Payments Annually: 2

Total Principal Amount: \$36,794,051

Percentage of Final Balloon Payment: 50.00%

			e of Final Balloon	Payment: 50.00%		
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
	Beginning				Cumulative	Ending
	Principal	Principal		Debt	Principal	Principal
	Outstanding	Repayment	Interest	<u>Service</u>	Repayment	Outstanding
1	\$36,794,051	(\$197,013)	(\$864,660)	(\$1,061,673)	(\$197,013)	\$36,597,038
2	36,597,038	(201,643)	(860,030)	(1,061,673)	(398,656)	36,395,395
3	36,395,395	(206,382)	(855,292)	(1,061,673)	(605,038)	36,189,013
4	36,189,013	(211,232)	(850,442)	(1,061,673)	(816,269)	35,977,782
5	35,977,782	(216,195)	(845,478)	(1,061,673)	(1,032,465)	35,761,586
6	35,761,586	(221,276)	(840,397)	(1,061,673)	(1,253,741)	35,540,310
7	35,540,310	(226,476)	(835,197)	(1,061,673)	(1,480,217)	35,313,834
8	35,313,834	(231,798)	(829,875)	(1,061,673)	(1,712,015)	35,082,036
9	35,082,036	(237,246)	(824,428)	(1,061,673)	(1,949,261)	34,844,790
10	34,844,790	(242,821)	(818,853)	(1,061,673)	(2,192,081)	34,601,970
11	34,601,970	(248,527)	(813,146)	(1,061,673)	(2,440,609)	34,353,442
12	34,353,442	(254,367)	(807,306)	(1,061,673)	(2,694,976)	34,099,075
13	34,099,075	(260,345)	(801,328)	(1,061,673)	(2,955,321)	33,838,730
14	33,838,730	(266,463)	(795,210)	(1,061,673)	(3,221,784)	33,572,267
15	33,572,267	(272,725)	(788,948)	(1,061,673)	(3,494,509)	33,299,542
16	33,299,542	(279,134)	(782,539)	(1,061,673)	(3,773,643)	33,020,408
17	33,020,408	(285,694)	(775,980)	(1,061,673)	(4,059,337)	32,734,714
18	32,734,714	(292,408)	(769,266)	(1,061,673)	(4,351,745)	32,442,306
19	32,442,306	(299,279)	(762,394)	(1,061,673)	(4,651,024)	32,143,027
20	32,143,027	(306,312)	(755,361)	(1,061,673)	(4,957,336)	31,836,715
21	31,836,715	(313,511)	(748,163)	(1,061,673)	(5,270,847)	31,523,204
22	31,523,204	(320,878)	(740,795)	(1,061,673)	(5,591,725)	31,202,326
23	31,202,326	(328,419)	(733,255)	(1,061,673)	(5,920,144)	30,873,907
24	30,873,907	(336,137)	(725,537)	(1,061,673)	(6,256,280)	30,537,771
25	30,537,771	(344,036)	(717,638)	(1,061,673)	(6,600,316)	30,193,735
26	30,193,735	(352,121)	(709,553)	(1,061,673)	(6,952,436)	29,841,615
27	29,841,615	(360,395)	(701,278)	(1,061,673)	(7,312,832)	29,481,219
28	29,481,219	(368,865)	(692,809)	(1,061,673)	(7,681,697)	29,112,354
29	29,112,354	(377,533)	(684,140)	(1,061,673)	(8,059,230)	28,734,821
30	28,734,821	(386,405)	(675,268)	(1,061,673)	(8,445,635)	28,348,416
31	28,348,416	(395,486)	(666,188)	(1,061,673)	(8,841,120)	27,952,931
32	27,952,931	(404,779)	(656,894)	(1,061,673)	(9,245,900)	27,548,151
33	27,548,151	(414,292)	(647,382)	(1,061,673)	(9,660,191)	27,133,860
34	27,133,860	(424,028)	(637,646)	(1,061,673)	(10,084,219)	26,709,832
35	26,709,832	(433,992)	(627,681)	(1,061,673)	(10,518,211)	26,275,840
36	26,275,840	(444,191)	(617,482)	(1,061,673)	(10,962,403)	25,831,648
37	25,831,648	(454,630)	(607,044)	(1,061,673)	(11,417,032)	25,377,019
38	25,377,019	(465,313)	(596,360)	(1,061,673)	(11,882,346)	24,911,705
39	24,911,705	(476,248)	(585,425)	(1,061,673)	(12,358,594)	24,435,457
40	24,435,457	(487,440)	(574,233)	(1,061,673)	(12,846,034)	23,948,017
41	23,948,017	(498,895)	(562,778)	(1,061,673)	(13,344,929)	23,449,122
42	23,449,122	(510,619)	(551,054)	(1,061,673)	(13,855,548)	22,938,503
43	22,938,503	(522,619)	(539,055)	(1,061,673)	(14,378,166)	22,415,885
44	22,415,885	(534,900)	(526,773)	(1,061,673)	(14,913,067)	21,880,984
45	21,880,984	(547,470)	(514,203)	(1,061,673)	(15,460,537)	21,333,514
46	21,333,514	(560,336)	(501,338)	(1,061,673)	(16,020,873)	20,773,178
47	20,773,178	(573,504)	(488,170)	(1,061,673)	(16,594,376)	20,199,675
48	20,199,675	(586,981)	(474,692)	(1,061,673)	(17,181,357)	19,612,694
49	19,612,694	(600,775)	(460,898)	(1,061,673)	(17,782,132)	19,011,919
50	19,011,919	(614,893)	(446,780)	(1,061,673)	(18,397,025)	18,397,026

Bluegrass Water Supply Commission Section 2 Option Share <u>Debt Issuance 2010</u>

Coupon Rate: 4.70%

Term of Debt in Years: 20

Number of Payments Annually: 1

Total Principal Amount: \$113,294,327

Percentage of Final Balloon Payment: 0.00%

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	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
	Beginning				Cumulative	Ending
	Principal	Principal		Debt	Principal	Principal
	Outstanding	Repayment	Interest	<u>Service</u>	Repayment	Outstanding
1	¢112 204 227	(\$2.526.29D)	(\$5.224.022)	(\$0.0C1.333)	/#2 52/ 280\	#22.257.662
	\$113,294,327	(\$3,536,389)	(\$5,324,833)	(\$8,861,222)	(\$3,536,389)	\$33,257,662
2	109,757,938	(\$3,702,599)	(5,158,623)	(8,861,222)	(7,238,987)	106,055,339
3	106,055,339	(\$3,876,621)	(4,984,601)	(8,861,222)	(11,115,608)	102,178,718
4	102,178,718	(\$4,058,822)	(4,802,400)	(8,861,222)	(15,174,431)	98,119,896
5	98,119,896	(\$4,249,587)	(4,611,635)	(8,861,222)	(19,424,017)	93,870,309
6	93,870,309	(\$4,449,317)	(4,411,905)	(8,861,222)	(23,873,335)	89,420,992
7	89,420,992	(\$4,658,435)	(4,202,787)	(8,861,222)	(28,531,770)	84,762,556
8	84,762,556	(\$4,877,382)	(3,983,840)	(8,861,222)	(33,409,152)	79,885,175
9	79,885,175	(\$5,106,619)	(3,754,603)	(8,861,222)	(38,515,771)	74,778,556
10	74,778,556	(\$5,346,630)	(3,514,592)	(8,861,222)	(43,862,401)	69,431,926
11	69,431,926	(\$5,597,921)	(3,263,301)	(8,861,222)	(49,460,322)	63,834,005
12	63,834,005	(\$5,861,024)	(3,000,198)	(8,861,222)	(55,321,346)	57,972,981
13	57,972,981	(\$6,136,492)	(2,724,730)	(8,861,222)	(61,457,838)	51,836,489
14	51,836,489	(\$6,424,907)	(2,436,315)	(8,861,222)	(67,882,744)	45,411,582
15	45,411,582	(\$6,726,878)	(2,134,344)	(8,861,222)	(74,609,622)	38,684,705
16	38,684,705	(\$7,043,041)	(1,818,181)	(8,861,222)	(81,652,663)	31,641,664
17	31,641,664	(\$7,374,064)	(1,487,158)	(8,861,222)	(89,026,727)	24,267,600
18	24,267,600	(\$7,720,645)	(1,140,577)	(8,861,222)	(96,747,371)	16,546,955
19	16,546,955	(\$8,083,515)	(777,707)	(8,861,222)	(104,830,886)	8,463,440
20	8,463,440	(\$8,463,440)	(397,782)	(8,861,222)	(113,294,327)	(0)

Bluegrass Water Supply Commission Public/Private Ownership - LWC "Section 2" Share <u>Debt Issuance 2010</u>

Coupon Rate: 4.70%

Term of Debt in Years: 25

Number of Payments Annually: 2

Total Principal Amount: \$26,722,800

Percentage of Final Balloon Payment: 50.00%

		Percentage	e of Final Balloon	Payment: 50.00%		
	<u>A</u>	<u>B</u>	<u>C</u>	$\underline{\mathbf{D}}$	$\mathbf{\underline{E}}$	<u>F</u>
	Beginning				Cumulative	Ending
	Principal	Principal		Debt	Principal	Principal
	Outstanding	Repayment	<u>Interest</u>	<u>Service</u>	Repayment	Outstanding
i	\$26,722,800	(\$143,087)	(\$627,986)	(\$771,073)	(\$143,087)	\$26,579,713
2	26,579,713	(146,449)	(624,623)	(771,073)	(289,536)	26,433,264
3	26,433,264	(149,891)	(621,182)	(771,073)	(439,427)	26,283,373
4	26,283,373	(153,413)	(617,659)	(771,073)	(592,840)	26,129,960
5	26,129,960	(157,019)	(614,054)	(771,073)	(749,859)	25,972,941
6	25,972,941	(160,708)	(610,364)	(771,073)	(910,567)	25,812,233
7	25,812,233	(164,485)	(606,587)	(771,073)	(1,075,053)	25,647,747
8	25,647,747	(168,351)	(602,722)	(771,073)	(1,243,403)	25,479,397
9	25,479,397	(172,307)	(598,766)	(771,073)	(1,415,710)	25,307,090
10	25,307,090	(176,356)	(594,717)	(771,073)	(1,592,066)	25,130,734
11	25,130,734	(180,500)	(590,572)	(771,073)	(1,772,566)	24,950,234
12	24,950,234	(184,742)	(586,330)	(771,073)	(1,957,308)	24,765,492
13	24,765,492	(189,084)	(581,989)	(771,073)	(2,146,392)	24,576,408
14	24,576,408	(193,527)	(577,546)	(771,073)	(2,339,919)	24,382,881
15	24,382,881	(198,075)	(572,998)	(771,073)	(2,537,994)	24,184,806
16	24,184,806	(202,730)	(568,343)	(771,073)	(2,740,723)	23,982,077
17	23,982,077	(207,494)	(563,579)	(771,073)	(2,948,217)	23,774,583
18	23,774,583	(212,370)	(558,703)	(771,073)	(3,160,587)	23,774,383
19	23,774,383	(217,361)	(553,712)	(771,073)	(3,377,948)	23,344,852
20		(222,469)				23,122,384
	23,344,852		(548,604)	(771,073)	(3,600,416)	
21	23,122,384	(227,697)	(543,376)	(771,073)	(3,828,113)	22,894,687
22	22,894,687	(233,047)	(538,025)	(771,073)	(4,061,160)	22,661,640
23	22,661,640	(238,524)	(532,549)	(771,073)	(4,299,685)	22,423,115
24	22,423,115	(244,129)	(526,943)	(771,073)	(4,543,814)	22,178,986
25	22,178,986	(249,866)	(521,206)	(771,073)	(4,793,680)	21,929,120
26	21,929,120	(255,738)	(515,334)	(771,073)	(5,049,419)	21,673,381
27	21,673,381	(261,748)	(509,324)	(771,073)	(5,311,167)	21,411,633
28	21,411,633	(267,899)	(503,173)	(771,073)	(5,579,066)	21,143,734
29	21,143,734	(274,195)	(496,878)	(771,073)	(5,853,261)	20,869,539
30	20,869,539	(280,638)	(490,434)	(771,073)	(6,133,899)	20,588,901
31	20,588,901	(287,233)	(483,839)	(771,073)	(6,421,133)	20,301,667
32	20,301,667	(293,983)	(477,089)	(771,073)	(6,715,116)	20,007,684
33	20,007,684	(300,892)	(470,181)	(771,073)	(7,016,008)	19,706,792
34	19,706,792	(307,963)	(463,110)	(771,073)	(7,323,971)	19,398,829
35	19,398,829	(315,200)	(455,872)	(771,073)	(7,639,171)	19,083,629
36	19,083,629	(322,607)	(448,465)	(771,073)	(7,961,779)	18,761,021
37	18,761,021	(330,189)	(440,884)	(771,073)	(8,291,967)	18,430,833
38	18,430,833	(337,948)	(433,125)	(771,073)	(8,629,915)	18,092,885
39	18,092,885	(345,890)	(425,183)	(771,073)	(8,975,805)	17,746,995
40	17,746,995	(354,018)	(417,054)	(771,073)	(9,329,823)	17,392,977
41	17,392,977	(362,338)	(408,735)	(771,073)	(9,692,161)	17,030,639
42	17,030,639	(370,853)	(400,220)	(771,073)	(10,063,014)	16,659,786
43	16,659,786	(379,568)	(391,505)	(771,073)	(10,442,581)	16,280,219
44	16,280,219	(388,487)	(382,585)	(771,073)	(10,831,069)	15,891,731
45	15,891,731	(397,617)	(373,456)	(771,073)	(11,228,686)	15,494,114
46	15,494,114	(406,961)	(364,112)	(771,073)	(11,635,647)	15,087,153
47	15,087,153	(416,524)	(354,548)	(771,073)	(12,052,171)	14,670,629
48	14,670,629	(426,313)	(344,760)	(771,073)	(12,478,484)	14,244,316
49	14,244,316	(436,331)	(334,741)	(771,073)	(12,914,815)	13,807,985
50	13,807,985	(446,585)	(324,488)	(771,073)	(13,361,400)	13,361,400

HEARING DATA REQUESTS TO KENTUCKY AMERICAN WATER Item 12 of 15

12. Provide in electronic format the spreadsheet of the model prepared by Mr. Harold Walker in performing his analysis of the R.W. Beck Report.

Response:

Please see the Excel file named KAW_R_HDR#12_ATT_121007.xls that was produced by electronic mail from Kentucky American Water's counsel on December 10, 2007.

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HEARING DATA REQUESTS TO KENTUCKY AMERICAN WATER Item 13 of 15

13. State whether Kentucky American Water pays Tier 1 and/or Tier 2 of the Kentucky River Authority withdrawal fee and provide the rate(s) applicable to those payments.

Response:

KAW pays both Tier 1 and Tier 2 KRA withdrawal fees. The Tier 1 rate is currently \$0.022 per 1,000 gallons and the Tier 2 rate is currently \$0.016 per 1,000 gallons.

HEARING DATA REQUESTS TO KENTUCKY AMERICAN WATER Item 14 of 15

14. To the extent the estimated cost of the project proposed in this case has changed significantly such that a corresponding significant change to the estimated rate impact has occurred, please provide the current estimated rate impact.

Response:

There have been no significant changes in the costs or other factors that would impact the rate impact of the Pool 3 Option.

HEARING DATA REQUESTS TO KENTUCKY AMERICAN WATER Item 15 of 15

15. Provide the depreciation rates Kentucky American Water plans to use for the assets proposed in this case by 300 account and for tax accounting purposes.

Response:

Acct. #	Description	Book Depr. Rate	Tax Depr. Rate
206.00			
306.00	Lake, River & Other Intakes	2.29%	4.00%
304.20	Raw Wtr. Pump Structure	1.94%	4.00%
311.20	Raw Wtr. PumpElec. Pump. Equip.	2.45%	4.00%
309.00	Raw Wtr. PumpSupply Mains	1.82%	4.00%
304.30	Wtr. Treat. Plant- Structure	1.91%	4.00%
320.10	Wtr. Treat. Plant-Equipment	2.21%	4.00%
311.20	Wtr. Treat. Plant-Elec. Pump. Equip.	2.45%	4.00%
331.00	Finished Water Main	1.66%	4.00%
330.10	Transmission Storage	2.25%	4.00%
304.20	Trans. Wtr. Pump. StaStructure	2.01%	4.00%
311.20	Trans. Wtr. Pump. StaElec. Pump. Equip.	2.45%	4.00%