

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF            )  
KENTUCKY-AMERICAN            )            CASE NO. 8571  
WATER COMPANY                 )

ORDER

IT IS ORDERED that Kentucky-American Water Company shall file an original and six copies of the following information with the Commission, with a copy to all parties of record, by September 29, 1982. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. For an applicant operating exclusively in Kentucky, the terms total company and Kentucky have identical meanings. Therefore, such an applicant should only provide one set of figures where both terms are used. Moreover, Kentucky-American should furnish the name of the witness who will be responsible for responding to questions concerning each area of information outlined as follows.

Staff Request No. 1

1. In comparative form, a total company income statement, a statement of changes in financial position and a balance sheet for the test year and the 12-month period immediately preceding the test year.

2. A trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Show the balance in each control and all underlying subaccounts per company books.

3. The balance in each current asset and each current liability account and subaccount included in the applicant's chart of accounts by months for the test year. Additionally, show total current assets, total current liabilities and the net current position by months, annually, and the 13-month average for the test year. Provide a reconciliation of current assets, current liabilities and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test year.

4. List each general office account (asset, reserve, and expense accounts) covering the 12 months of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

5. The following monthly account balances and a calculation of the average (13 months) account balances for the test year:

- a. Plant in service (Account 101)
- b. Plant purchased or sold (Account 106)
- c. Property held for future use (Account 105)
- d. Construction work in progress (Account 107) -  
(Show separately CWIP eligible for interest during construction)
- e. Completed construction not classified (Account 102)
- f. Depreciation reserve (Account 108)
- g. Plant acquisition adjustment (Account 114)
- h. Amortization of utility plant acquisition adjustment (Account 115)
- i. Materials and supplies (include all accounts and subaccounts)
- j. Balance in accounts payable applicable to each account in i above. (If actual is indeterminable, give reasonable estimate)
- k. Unamortized investment credit - Pre-Revenue Act of 1971
- l. Unamortized investment credit - Revenue Act of 1971
- m. Accumulated deferred income taxes
- n. Computation and development of minimum cash requirement (if calculated)
- o. Balance in accounts payable applicable to amounts included in utility plant in service (If actual is indeterminable, give reasonable estimate)

- p. Balance in accounts payable applicable to amounts included in plant under construction (If actual is indeterminable, give reasonable estimate).
- q. Short-term borrowing.
- r. Interest on short-term borrowings (expense).
- s. A summary of customer deposits as shown in Format 5s to this request.

6. Provide copies of all current labor contracts and agreements and copies of the most recent contracts and agreements previously in effect.

7. In the event of any labor contract changes, provide copies of the re-negotiated contracts when available.

8. How much of the rate case expense was incurred in Case No. 8256 during the test period?

9. Provide the following information for each item of property held for future use at the end of the test year:

- a. Description of property
- b. Location
- c. Date purchased
- d. Cost
- e. Estimated date to be placed in service
- f. Brief description of intended use
- g. Current status of each project

10. Schedules in comparative form showing by months for the test year and the year preceding the test year the total company balance in each plant and reserve account or subaccount included in the applicant's chart of accounts as shown in Format 10.

11. Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the end of the test period in the last rate case. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of plant, the amortization period, and the unamortized balance at the end of the test year.

12. The detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

13. A schedule showing a comparison by month the total company and Kentucky revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the same accounts. See Format 10.

14. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in Format 14 and all working papers supporting the analysis. At minimum, the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

15. a. A schedule showing a comparison of the balance in the total company and Kentucky operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 10.
- b. A schedule in comparative form showing the total company and Kentucky operating expense account balance for the test year and each of the 5 years preceding the test year for each account or subaccounts included in the applicant's annual report. Show the percentage of increase of each year over the prior years.
- c. A schedule of total company salaries and wages for the test year and each of the 5 calendar years preceding the test year in the format as shown in Format 15c to this request.

- d. A schedule showing the percentage of increase in salaries and wages for both union and nonunion employees for the test year and the 5 preceding years.

16. The following tax data for the test year for total company and Kentucky operations:

a. Income taxes:

- (1) Federal operating income taxes deferred - accelerated tax depreciation
- (2) Federal operating income taxes deferred - other (explain)
- (3) Federal income taxes - operating
- (4) Income credits resulting from prior deferrals of Federal income taxes
- (5) Investment tax credit net
  - (i) Investment credit realized
  - (ii) Investment credit amortized - Pre Revenue Act of 1971
  - (iii) Investment credit amortized - Revenue Act of 1971
- (6) Provide the information in (1) through (4) for state income taxes

- (7) (i) Reconciliation of book to taxable income as shown in Format 16a(7) and a calculation of the book federal and state income tax expense for the test year using book taxable income as the starting point
- (ii) Provide a reconciliation of the consolidated book to consolidated taxable income as shown in Format 16a(7) attached and a calculation of the consolidated federal income tax expense. The calculation should break down the federal income tax expense into the provision for deferred taxes and the provision for the current liability due on the consolidated return.

(8) A copy of federal and state income tax returns for the taxable year ended during the test year including supporting schedules (three copies required)

b. An analysis of Kentucky other operating taxes in the format as shown in Format 16b to this request.

17. A schedule of total company net income per cubic feet of water per company books for the test year and the 5 years preceding the test year. This data should be provided in the format as shown in Format 17 to this request.



18. The comparative operating statistics in Format 18 to this request.

19. A schedule of total company average plant in service per cubic feet of water sold by account per company books for the test year and the 5 calendar years preceding the test year. This data should be provided in the format as shown in Format 19 to this request.

20. A statement of plant in service per company books for the test year. This data should be presented in the format as shown in Format 20 to this request.

21. a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 913 - Advertising Expenses, as shown in Format 21a attached and further should show any other advertising expenditures included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived.
- b. An analysis of Account 930 - Miscellaneous General Expenses, for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21b and further provide all detailed working papers supporting this analysis.

As a minimum, the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 21b attached.

- c. An analysis of Account 426 - Other Income Deductions for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21c, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 21c attached.

22. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 426. This analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged.

23. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and

all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.

24. A schedule showing for the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures.

- a. Name of subsidiary or joint venture
- b. Date of initial investment
- c. Amount and type of investment made for each of the 2 years included in this schedule
- d. Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.
- e. Show on separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the 2 years and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.
- f. Name of officers of each of the subsidiaries or joint ventures, officers' annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the

position each officer holds with the applicant  
and the compensation received from the applicant.

25. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

26. Provide the following with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for total company:

- a. Reserve account balance at the beginning of the year
- b. Charges to reserve account (accounts charged off)
- c. Credits to reserve account
- d. Current year provision
- e. Reserve account balance at the end of the year
- f. Percent of provision to total revenue

27. Additional data relating to affiliated or parent company(s).

- a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for test year and last two calendar years.
- b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for Kentucky subsidiary in its consolidation with the parent company and affiliated companies.

- c. Schedule of company's home office and/or inter-company charges; monthly for the test year and yearly for the last 2 calendar years. State the type of goods or services provided (i.e., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct, allocated) and basis for allocating common charges.
- d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

28. A listing of nonutility property and property taxes and account where amounts are reported.

29. Rates of return in Format 29 to this request.

30. Employee data in Format 30 to this request.

31. A calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding calendar years. Provide a narrative explanation of each component entering into the calculation of the rate.

32. Any information as soon as it is known, which would have a material effect on net operating income, rate base and the cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

33. A detailed monthly income statement for each month after the test period including the month in which the hearing ends, as they become available.

34. Capital structure at the end of each of the periods as shown in Format 34.

35. a. Provide a list of all outstanding issues of long term debt as of end of the latest calendar year and the end of the test period together with the related information as shown in Format 35a. A separate schedule is to be provided for each time period. Report in Column (k) of Format 35a, Schedule 2 the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 35a, Schedule 2.

b. Provide an analysis of end of period short-term debt and a calculation of the average and end of period cost rates as shown in Format 35b.

36. Provide a list of all outstanding issues of preferred stock as of end of the latest calendar year and the end of the test period as shown in Format 36. A separate schedule is to be

provided for each time period. Report in column (h) of Format 36, Schedule 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 36, Schedule 2.

37. a. Provide a listing of all issues of common stock in the primary market during the most recent 10-year period as shown in Format 37a.
- b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 37b.
- c. Provide monthly market price figures for common stock for each month during the most recent 5-year period and for the months through the date the application is filed as shown in Format 37c. Provide a listing of all stock splits by date and type.

38. Provide a computation of fixed charge coverage ratios for the 5 most recent calendar years and for the test year as shown in Format 38.

39. A listing of present or proposed research efforts dealing with the pricing of water and the current status of such efforts.

40. a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the applicant seeks to change, shown in comparative form.
- b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.
- c. A schedule of test year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.
- d. A schedule setting forth the effect upon average consumer bills.
- e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease and the percentage increase or decrease.
- f. A schedule showing by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class. This schedule is to be accompanied by a statement which explains in detail the methodology or bases used to allocate the requested increase or decrease in revenue to each of the respective customer classes.



- g. A schedule showing how the increase or decrease in (f) above further distributed to each rate charge (i.e., customer or facility charge, gallons charge, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.
- h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. Copy of current tariff may be used. Item 40 should be provided where not previously included in the record.

41. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the preceding 5 calendar years. Include the percentage annual increase and the effective date of each increase.

42. Provide an analysis of the company's expenses for research and development activities for the test year and the 5 preceding calendar years. For the test year, include the following details.

- a. Basis of fees paid to research organizations and company's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.

- b. Details of the research activities conducted by each organization.
- c. Details of services and other benefits provided to the company by each organization during the test year and the calendar year 1981.
- d. Total expenditures of each organization during 1981 including the basic nature of costs incurred by the organization.

43. Did any organization listed Item 42 make any direct or indirect payments for political purposes or lobbying activities during the test year or any of the 5 preceding calendar years? If so, provide the following:

- a. Amount of payment
- b. Person or organization receiving payments
- c. Portion of the company's contribution allocated to these payments. (Provide calculations in support of this determination.)

44. Did any organization listed in Item 42 incur expenses for advertising within the definition provided in 807 KAR 5:016E? If so, provide the following:

- a. A breakdown of the total cost into these categories: sales or promotional, institutional, conservation and other.
- b. Forms of media used.
- c. Portion of the company's contribution allocated to these costs. (Provide calculations in support of this determination.)

Done at Frankfort, Kentucky, this 10th day of September, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz  
For the Commission

ATTEST:

\_\_\_\_\_  
Secretary

## Kentucky-American Water Company

Case No. 8571

## SUMMARY OF CUSTOMER DEPOSITS

Test Year

<u>Line No.</u>	<u>Month</u> (a)	<u>Receipts</u> (b)	<u>Refunds</u> (c)	<u>Balance</u> (d)
1.	Balance beginning of test year			
2.	1st Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (L1 through L13)			
15.	Average balance (L14 ÷ 13)			
16.	Amount of deposits received during test period			
17.	Amount of deposits refunded during test period			
18.	Number of deposits on hand end of test year			
19.	Average amount of deposit (L15, Column (d) ÷ L18)			
20.	Interest paid during test period			
21.	Interest accrued during test period			
22.	Interest rate			



Case No.  
Professional Service Expenses  
For the Twelve Months Ended

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				



NO.           

Item  
(a)

	Calendar Years Prior to Test Year						Test Year Amount %
	5th Amount (b)	4th Amount (d)	3rd Amount (e)	2nd Amount (g)	1st Amount (i)	Amount (k)	
							Amount %
							(l)
							(m)

7. Administrative and general expenses (continued):

- (g) Employees pensions and benefits
  - (h) Franchise requirements
  - (i) Regulatory commission expenses
  - (j) Duplicate charges-cr.
  - (k) Miscellaneous general expense
  - (l) Rents
  - (m) Maintenance of general plant
- 8. Total administrative and general expenses L9(7) through L9(m)
  - 9. Total salaries and wages charged expense (L2 through L6 + L8)
  - 10. Wages capitalized
  - 11. Total Salaries and wages
  - 12. Ratio of salaries and wages charged expense to total wages (L9 ÷ L11)
  - 13. Ratio of salaries and wages capitalized to total wages (L12 ÷ L13)

Note: Show percent increase of each year over the prior year in columns (c), (e), (g), (i), (k), and (m).



Kentucky-American Water Company

Commonwealth of Kentucky  
Case No. 8571  
RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME  
12 Months Ended

Line No.	Item	Ky.	
		Combined (a)	Intrastate (b)
1.	Net income per books		
2.	Add income taxes:		
3.	A. Federal income tax-Current		
4.	B. Federal income tax deferred- Depreciation		
5.	C. Federal income tax deferred- Other		
6.	D. Investment tax credit adjustment		
7.	E. Federal income taxes charged to other income and deductions		
8.	F. State income taxes		
9.	G. State income taxes charged to other income and deductions		
10.	Total		
11.	Flow through items:		
12.	Add (itemize)		
13.	Deduct (itemize)		
14.	Book taxable income		
15.	Differences between book taxable income and taxable income per tax return:		
16.	Add (itemize)		
17.	Deduct (itemize)		
18.	Taxable income per return		

- NOTE:
- (1) Provide a calculation of the amount shown on Lines 3 through 7 above.
  - (2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
  - (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME  
12 Months Ended

Line No.	Item	Ky.	
		Combined (a)	Intrastate (b)
1.	Net income per books		
2.	Add income taxes:		
3.	A. Federal income tax-Current		
4.	B. Federal income tax deferred-Depreciation		
5.	C. Federal income tax deferred-Other		
6.	D. Investment tax credit adjustment		
7.	E. Federal income taxes charged to other income and deductions		
8.	F. State income taxes		
9.	G. State income taxes charged to other income and deductions		
10.	Total		
11.	Flow through items:		
12.	Add (itemize)		
13.	Deduct (itemize)		
14.	Book taxable income		
15.	Differences between book taxable income and taxable income per tax return:		
16.	Add (itemize)		
17.	Deduct (itemize)		
18.	Taxable income per return		

- NOTE:
- (1) Provide a calculation of the amount shown on Lines 8 through 9 above.
  - (2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
  - (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Kentucky-American Water Company

Form 16b

COMPANY NAME

Case No. 8571

Analysis of Other Operating Taxes  
12 Months Ended \_\_\_\_\_

"000 Omitted"

Line No.	Item	Charged Expense (a)	Charged to Construction (b)	Charged to Other Accounts (c)	Amount Accrued (d)	Amount Paid (e)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Ad Valorem (Property)					
	(c) Payroll (Employers Portion)					
	(d) Other Taxes					
2.	Total Kentucky Retail (L1(a) through L1(d))					
3.	Other Jurisdictions					
	Total Per Books (L2 + L3)					

Instructions:

1. Explain items in column (c).

## Commonwealth of Kentucky

Case No. 8571

NET INCOME PER CUBIC FT. OF WATER  
(TOTAL COMPANY)

Account No.	Item (a)	Calendar Years Prior to Test Years					Test Year (g)
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
400	Operating Revenues						
	Operating Expenses						
401	Operating Expense						
402	Maintenance Expense						
403	Depreciation Expense						
404	Amortization of Limited-Term Utility Plant						
405	Amortization of Other Utility Plant						
406	Amortization of Utility Plant Acquisition Adjustments						
407	Amortization of Property Losses						
408.1	Taxes Other than Income Taxes Utility Operating Income						
409.9	Income Taxes Utility Operating Income						
410.1	Provision for Deferred Income Taxes Utility Operating Income						
411.1	Income Taxes Deferred in Prior Years - Credit Utility Operating Income						
412.1	Investment Tax Credits Utility Operations Deferred to Future Periods						
412.2	Investment Tax Credits Utility Operations Restored to Operating Income						
	Total Operating Expenses						
	Operating Income						
413	Income from Utility Plant Leased to Others						
414	Gains (Losses) from Disposition of Utility Property						
	Total Utility Operating Income						
2. Other Income and Deductions							
A. Other Income							
415	Revenue from Merchandising Jobbing and Contract Work						
416	Costs and Expense of Merchandising Jobbing and Contract Work						
417	Income from Nonutility Operations						
418	Nonoperating Rental Income						
419	Interest and Dividend Income						
420	Allowance for Funds Used During Construction						
421	Miscellaneous Nonoperating Income						
422	Gains (Losses) from Dispositions of Property						
	Total Other Income						
B. Other Income Deductions							
425	Miscellaneous Amortization						
426	Miscellaneous Income Deductions						
	Total Other Income Deductions						
	Total Other Income and Deductions						

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

NET INCOME PER CUBIC FT. OF WATER SOLD  
(Total Company)

<u>Account</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>12 Months Ended</u>					<u>Test</u> <u>Year</u>
		<u>Calendar Years</u>					
		<u>Prior to Test Year</u>					
		<u>5th</u> <u>(b)</u>	<u>4th</u> <u>(c)</u>	<u>3rd</u> <u>(d)</u>	<u>2nd</u> <u>(e)</u>	<u>1st</u> <u>(f)</u>	

C. Taxes Applicable to Other Income and Deductions

408.2 Taxes Other Than Income Taxes Other Income and Deductions  
 409.2 Income Taxes Other Income and Deductions  
 410.2 Provisions for Deferred Income Taxes Other Income and Deductions  
 411.2 Income Taxes Deferred in Prior Years - Credit Other Income and Deductions  
 412.3 Investment Tax Credits Utility Operations Restored to Nonoperating Income  
 412.4 Investment Tax Credits Nonutility Operation Net  
 Total Taxes on Other Income and Deductions  
 Net Other Income and Deductions

3. Interest Charges

427 Interest on Long-Term Debt  
 428 Amortization of Debt Discount and Expense  
 429 Amortization of Premium on Debt - Cr.  
 430 Interest on Debt to Associated Companies  
 431 Other Income Expense  
 Total Interest Charges  
 Income before Extraordinary Items

4. Extraordinary Items

433 Extraordinary Income  
 434 Extraordinary Deductions  
 435.3 Income Taxes Extraordinary Items  
 Net Income

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

COMPARATIVE OPERATING STATISTICS  
Test Year Ending May 31, 1982

Line No.	Item (a)	5th	4th	3rd	2nd	1st	Test Year (g)	Net Change Since 5th Prior Year + Increase - Decrease (h)
		(b)	(c)	(d)	(e)	(f)		

Operating Expenses as a Percentage of:

Gross operating revenues (include uncollectibles)  
 Total operation & maintenance expenses (excluding depreciation)  
 Gross plant in service (end-of-period)

Operating Expenses Per:

Average number of customers  
 Average 1000 gallons water sold

Materials and Supplies

Materials and supplies as a percentage of gross plant in service, both on an end-of-period basis  
 Average materials and supplies per 1000 gallons of water sold

Wages and Salaries as a Percentage of:

Gross operating revenues  
 Total operating expenses excluding depreciation

Depreciation Expenses:

Per \$100 of average gross plant in service

Property Taxes:

Per \$100 of average gross plant in service

Interest Expense:

Per \$100 of average debt outstanding  
 Per \$100 of average debt investment

Kentucky-American Water Company

Case No. 8571

Average Water Plant Service By Account Per 100 Cu. Feet Sold

For the Calendar Year 19 Through 19 and the Test Year Ended  
(Total Company)

Account Number	Title of Accounts (a)	12 Month Ended						Test Year (g)
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)		
1. Intangible Plant								
301.	Organization							
302.	Franchises and Consents							
303.	Miscellaneous Intangible Plant							
2. Source of Supply Plant								
310.	Land and Land Rights							
311.	Structures and Improvements							
312.	Collecting and Impounding Reservoirs							
313.	Lake, River and Other Intakes							
314.	Wells and Springs							
315.	Infiltration Galleries and Tunnels							
316.	Supply Mains							
317.	Other Water Source Plant							
3. Pumping Plant								
320.	Land and Land Rights							
321.	Structures and Improvements							
322.	Boiler Plant Equipment							
323.	Other Power Production Equipment							
324.	Steam Pumping Equipment							
	Electric Pumping Equipment							
	Diesel Pumping Equipment							
327.	Hydraulic Pumping Equipment							
328.	Other Pumping Equipment							

Account Number

Title of Accounts  
(a)

12 Month Ended						Test Year (g)
Calendar Year	Prior to Test Year				Test Year	
5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Year	

4. Water Treatment Plant

- 330. Land and Land Rights
- 331. Structures and Improvements
- 332. Water Treatment Equipment

5. Transmission and Distribution Plant

- 340. Land and Land Rights
- 341. Structures and Improvements
- 342. Distribution Reservoirs and Standpipes
- 343. Transmission and Distribution Mains
- 344. Fire Mains
- 345. Services
- 346. Meters
- 347. Meter Installations
- 348. Hydrants
- 349. Other Transmission and Distribution Plant

6. General Plant

- 389. Land and Land Rights
- 390. Structures and Improvements
- 391. Office Furniture and Equipment
- 392. Transportation Equipment
- 393. Stores Equipment
- 394. Tools, Shop and Garage Equipment
- 395. Laboratory Equipment
- 396. Power Operated Equipment
- 397. Communication Equipment
- 398. Miscellaneous Equipment
- 399. Other Tangible Property



Kentucky-American Water Company

Case No. 8571

Statement of Water Plant In Service

12 Months Ended

(Total Company)

<u>Account Number</u>	<u>Title of Accounts</u> (a)	<u>Beginning Balance</u> (b)	<u>Additions</u> (c)	<u>Retirements</u> (d)	<u>Transfers</u> (e)	<u>End In Balance</u> (f)
<b>1. Intangible Plant</b>						
301.	Organization					
302.	Franchises and Consents					
303.	Miscellaneous Intangible Plant					
<b>2. Source of Supply Plant</b>						
310.	Land and Land Rights					
311.	Structures and Improvements					
312.	Collecting and Impounding Reservoirs					
313.	Lake, River and Other Intakes					
314.	Wells and Springs					
315.	Infiltration Galleries and Tunnels					
316.	Supply Mains					
317.	Other Water Source Plant					
<b>3. Pumping Plant</b>						
320.	Land and Land Rights					
321.	Structures and Improvements					
322.	Boiler Plant Equipment					
323.	Other Power Production Equipment					
324.	Steam Pumping Equipment					
325.	Electric Pumping Equipment					
326.	Diesel Pumping Equipment					
327.	Hydraulic Pumping Equipment					
328.	Other Pumping Equipment					



Amount

Title of Accounts

Beginning Balance  
(b)

Additions  
(c)

Retirements  
(d)

Transfers  
(e)

Ending Balance  
(f)

4. Water Treatment Plant

- 330. Land and Land Rights
- 331. Structures and Improvements
- 332. Water Treatment Equipment

5. Transmission and Distribution Plant

- 340. Land and Land Rights
- 341. Structures and Improvements
- 342. Distribution Reservoirs and Standpipes
- 343. Transmission and Distribution Mains
- 344. Fire Mains
- 345. Services
- 346. Meters
- 347. Meter Installations
- 348. Hydrants
- 349. Other Transmission and Distribution Plant

6. General Plant

- 389. Land and Land Rights
- 390. Structures and Improvements
- 391. Office Furniture and Equipment
- 392. Transportation Equipment
- 393. Stores Equipment
- 394. Tools, Shop and Garage Equipment
- 395. Laboratory Equipment
- 396. Power Operated Equipment
- 397. Communication Equipment
- 398. Miscellaneous Equipment
- 399. Other Tangible Property



## Kentucky-American Water Company

Case Number 8571

## ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

(Total Company)

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Conservation</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Other</u> <u>(f)</u>	<u>Total</u> <u>(g)</u>
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
.	Direct Mail						
.	Sales Aids						
.	Total						

Amount Assigned to  
Ky. Retail

## Kentucky-American Water Company

Case No. 8571

## ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

(Total Company)

(000's)

<u>Line No.</u>	<u>Item</u> (a)	<u>Amount</u> (b)
1.	Industry Association Dues	
2.	Stockholder and Debt Servicing Expenses	
3.	Institutional Advertising	
4.	Conservation Advertising	
5.	Rate Department Load Studies	
6.	Water, and Other Testing and Research	
7.	Directors' Fees and Expenses	
8.	Dues and Subscriptions	
9.	Miscellaneous	
10.	Total	
11.	Amount Assigned to Ky. Retail	

## Kentucky-American Water Company

Case No. 8571

## ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended

(Total Company)

(000's)

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Donations	
2.	Civic Activities	
3.	Political Activities	
4.	Other	
5.	Total	
6.	Amount Assigned to Ky. Retail	

## Kentucky-American Water Company

Case No. 8571

## AVERAGE RATES OF RETURN

For the Calendar Years Through and the 12 Month Ended

<u>Line No.</u>	<u>Calendar Years Prior to Test Year</u> (a)	<u>Total Company</u> (b)	<u>Ky. Retail</u> (c)	<u>Other Retail Jurisdictions</u> (d)
1.	Original Cost Net Investment:			
2.	5th Year			
3.	4th Year			
4.	3rd Year			
5.	2nd Year			
6.	1st Year			
7.	Test Year			
8.	Original Cost Common Equity:			
9.	5th Year			
0.	4th Year			
1.	3rd Year			
2.	2nd Year			
3.	1st Year			
4.	Test Year			

TE: Provide work papers in support of the above calculations.

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

Calendar Years Prior to Test Year	Source of Supply	Water Treatment			Transmission and Distribution		Customer Accounts and Sales		Administrative and General									
		No. (B)	Hrs. (C)	Wages (D)	No. (E)	Hrs. (F)	Wages (G)	No. (H)	Hrs. (I)	Wages (J)	No. (K)	Hrs. (L)	Wages (M)	No. (N)	Hrs. (O)	Wages (P)		
5th Year																		
% Change																		
4th Year																		
% Change																		
3rd Year																		
% Change																		
2nd Year																		
% Change																		
1st Year																		
% Change																		
Test Year																		
% Change																		

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.  
 (2) Show percent increase (decrease) of each year over the prior year on lines designated above "change"  
 (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December of each year and the last day of the test year.

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES  
PER EMPLOYEE (Continued)

Calendar Years  
Prior to  
Test Year  
(A)

5th Year  
% Change

4th Year  
% Change

3rd Year  
% Change

2nd Year  
% Change

1st Year  
% Change

Test Year

% Change

Construction (A)	Construction		Total		
	No. (q)	Hrs. (R)	Wages (S)	No. (T)	Hrs. (U)

- NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.







Kentucky-American Water Company

Case No. 8571

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

<u>Line No.</u>	<u>Type of Capital</u>	<u>Latest Available Quarter</u> <u>Amount</u>	<u>Ratio</u>
1.	Long Term Debt	_____	_____
2.	Short Term Debt	_____	_____
3.	Preferred & Preference Stock	_____	_____
4.	Common Equity	_____	_____
5.	Other (Itemize by Type)	_____	_____
6.	Total Capitalization	=====	=====

Instructions:

2. Provide a calculation of the average test year data as shown in Form 34, Schedule 2.
3. If the applicant is a member of an affiliated group, the above data is also to be provided for the parent company and the system consolidated.

Kentucky-American Water Company

Case No. 3571

Calculation of Average Test Period Capital Structure  
12 Months Ended \_\_\_\_\_

"000 Omitted"

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 ÷ 13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

Instructions:

If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.





Kentucky-American Water Company

Case No. 8571

Long-Term Debt and Preferred Stock Cost Rates

<u>Annualized Cost Rate</u>	
<u>Long-Term Debt</u>	<u>Preferred Stock</u>

Parent Company:

Test Year

Latest Calendar year

System Consolidated:

Test Year

Latest Calendar year

Instruction:

1. This schedule is to be completed only by applicants that are members of an affiliated group.

Kentucky-American Water Company

Case No. 8571

Schedule of Short-Term Debt  
For the Test Year Ended \_\_\_\_\_

Line No.	Type of Debt Instrument (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Effective Interest Cost Rate (f)	Annualized Interest Cost Col. (g) x Col. (f) (g)
<b>Total Short-Term Debt</b>							
				\$ _____			\$ _____
<b>Annual Cost Rate (Total Col. (g) ÷ Total Col. (d))</b>							
Actual Interest Paid or Accrued on Short Term Debt during the Test Year (Report in Col. (g) of this schedule)							
							\$ _____
<b>Average Short-Term Debt - Format 34, Schedule 2</b>							
Line 15 Col. (d) (Report in Col. (g) of this schedule)							
							\$ _____
<b>Test Year Interest Cost Rate (Actual Interest ÷ Average Short-Term Debt) (Report in Col. (f) of this schedule)</b>							
						\$ _____	

**Instructions:**

- In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the Effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.
- Cooperatives are not required to provide average short-term debt in Column (g) or calculate the actual short-term debt cost rate in Column (f).



Kentucky-American Water Company

Form 36  
Schedule 1

Case No. 8571

Schedule of Outstanding Shares of Preferred Stock  
For the Calendar Year Ended \_\_\_\_\_

<u>Line No.</u>	<u>Description of Issue (a)</u>	<u>Date of Issue (b)</u>	<u>Amount Sold (c)</u>	<u>Amount Outstanding (d)</u>	<u>Dividend Rate (e)</u>	<u>Cost Rate at Issue (f)</u>	<u>Annualized Cost Col. (f) x Col. (d) (g)</u>	<u>Convertibility Features (h)</u>
-----------------	---------------------------------	--------------------------	------------------------	-------------------------------	--------------------------	-------------------------------	--	------------------------------------

Total

Annualized Cost Rate (Total  
Col. (g) ÷ Total Col. (d))

Instruction:

1. If the applicant has issued no preferred stock, this schedule may be omitted.



Kentucky-American Water Company

Case No. 8571

Schedule of Common Stock Issues

For the 10 Year Period Ended \_\_\_\_\_

<u>Issue</u>	<u>DATE OF Announcement</u>	<u>Registration</u>	<u>Number of Shares Issued</u>	<u>Price Per Share (Net to Company)</u>	<u>Book Value Per Share At Date of Issue</u>	<u>Selling Exps. As % of Gross Issue Amount</u>	<u>Net Proceeds to Company</u>
--------------	-----------------------------	---------------------	--------------------------------	---	--	---	--------------------------------

Instructions:

1. If applicant is a member of an affiliate group, provide in a separate schedule showing the above data for the parent company.

## Kentucky-American Water Company

Case No. 8571Quarterly and Annual Common Stock Information  
For the Periods as Shown

<u>Period</u>	<u>Average No. of Shares Outstanding</u>	<u>Book Value</u>	<u>Earnings per Share</u>	<u>Dividend Rate Per Share</u>	<u>Return on Average Common Equity</u>
<b>5th Calendar Year:</b>					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
<b>4th Calendar Year:</b>					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
<b>3rd Calendar Year:</b>					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
<b>2nd Calendar Year:</b>					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
<b>1st Calendar Year:</b>					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					

Latest Available Quarter

## Instructions:

1. Report annual returns only.
2. Cooperatives are not required to provide this data.
3. If applicant is a member of an affiliate group, provide the above data for

Kentucky-American Water Company

Case No. 8571

Common Stock - Market Price Information

Format 37c

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<u>Item</u>												
5th Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
4th Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
3rd Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
2nd Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
1st Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
Months to Date of Filing:												
Monthly High												
Monthly Low												
Monthly Closing Price												

Instructions:

1. Indicate all stock splits by date and type.
2. Cooperatives are not required to provide this data.
3. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

Kentucky-American Water Company

Form 38

Case No. 8571

Computation of Fixed Charge Coverage Ratios  
For the Periods as Shown

No.	Item	5th Calendar Year	4th Calendar Year	3rd Calendar Year	2nd Calendar Year	1st Calendar Year	Test Year
		Bond or Mortg. Indenture Requirement Method	Bond or Mortg. Indenture Requirement Method	Bond or Mortg. Indenture Requirement Method	Bond or Mortg. Indenture Requirement Method	Bond or Mortg. Indenture Requirement Method	Bond or Mortg. Indenture Requirement Method
Net Income							
Additions:							
Itemize							
Total Additions							
Deductions:							
Itemize							
Total Deductions							
Income Available for fixed charge coverage							
Fixed Charges							
Fixed Charge Coverage Ratio							