

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

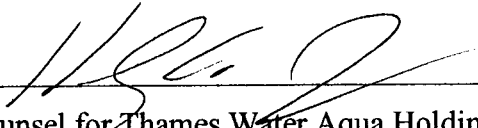
COMPLIANCE OF KENTUCKY-AMERICAN)	
WATER COMPANY, AMERICAN WATER WORKS)	
COMPANY, RWE AKTIENGESELLSCHAFT AND)	
THAMES WATER AQUA HOLDINGS GMBH WITH)	
THE PROVISIONS OF THE ORDERS)	CASE NO.
APPROVING THE TRANSFER OF CONTROL OF)	2002-00277
KENTUCKY-AMERICAN WATER COMPANY TO)	
RWE AKTIENGESELLSCHAFT AND THAMES)	
WATER AQUA HOLDINGS GMBH)	

NOTICE OF CONDITION 35 FILING – KAWC’S ANNUAL REPORTS

Come Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, American Water Works Company, Inc., Thames Water Aqua U.S. Holdings, Inc. and Kentucky-American Water Company, and pursuant to ordering paragraph 7 and Condition 35 of the Commission’s Order dated December 20, 2002, in Case No. 2002-00317, herewith give notice of the filing with the Public Service Commission of the Annual Reports of Kentucky-American Water Company for its water and wastewater operations for the year ended December 31, 2004. Electronic copies of the Reports are attached hereto.

Lindsey W. Ingram, Jr., Esq.
Hanly A. Ingram, Esq.
STOLL, KEENON & PARK, LLP
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

By _____


Counsel for Thames Water Aqua Holdings GmbH,
RWE AG, American Water Works Company, Inc.,
Thames Water Aqua U.S. Holdings, Inc. and
Kentucky-American Water Company

CERTIFICATION

In conformity with paragraph 7 of the Commission's Order dated January 30, 2002, in Case No. 2002-00018, this is to certify that the electronic version of this pleading is a true and accurate copy of the pleading filed in paper medium; that the Petitioners have notified the Commission and the parties in Case No. 2002-00018 by electronic mail on March 31, 2005, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

Foster Ockerman, Jr., Esq.
Martin, Ockerman & Brabant
200 North Upper Street
Lexington, Kentucky 40507

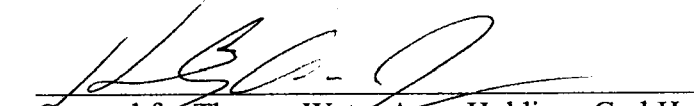
Dennis G. Howard, II, Esq.
David Edward Spenard, Esq.
Assistant Attorneys General
1024 Capitol Center Drive, Suite 200
Frankfort, Kentucky 40601

David J. Barberie, Esq.
Lexington-Fayette Urban County Gov't.
Department of Law
200 East Main Street
Lexington, Kentucky 40507

Anthony G. Martin, Esq.
P.O. Box 1812
Lexington, Kentucky 40588

Gerald E. Wuetcher, Esq.
Angela Curry, Esq.
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

and that the original and three copies have been filed with the Public Service Commission in paper medium on the 31st day of March, 2005.


Counsel for Thames Water Aqua Holdings GmbH,
RWE AG, American Water Works Company, Inc.,
Thames Water Aqua U.S. Holdings, Inc. and
Kentucky-American Water Company

WATER

CLASS A & B WATER COMPANIES

ANNUAL REPORT

OF

KENTUCKY-AMERICAN WATER COMPANY

2300 Richmond Road, Lexington, Kentucky 40502

TO THE

PUBLIC SERVICE COMMISSION

OF THE

COMMONWEALTH OF KENTUCKY

**211 SOWER BLVD.
P. O. BOX 615
FRANKFORT, KENTUCKY 40602**

FOR THE YEAR ENDED DECEMBER 31, 2004

**Checklist for the Annual Report
For A and B Water Companies
To Be Completed and Returned with the Annual Report**

Page No.	Account No.		Page No.		Yes	No	If no, explain why
4-6	The identification pages have been completed.				X		
7	101-106	agrees with	13	Total 101-106		X	Diff. of \$46,835 is Sewer Utility
7	108-110	agrees with	14	Total 301-348 Cois c & h		X	Diff. of \$48,137 is Sewer Utility
7	114-115	agrees with	15	Net Balance 114-115	X		
7	123	agrees with	16	Total 123	N/A		
7	124	agrees with	16	Total 124	N/A		
7	125	agrees with	16	Total 125	N/A		
7	126-127	agrees with	16	Total 126-127	N/A		
7	141-144	agrees with	17	Net Balance 141-145	X		
7	151-153	agrees with	18	Total 151-153	X		
7	163-165	agrees with	18	Total 162	X		
8	181	agrees with	19	Total 181	X		
8	182	agrees with	19	Total 182	N/A		
8	186	agrees with	18	Total 186	X		
8	190	agrees with	19	Total 190	N/A		
9	201	agrees with	20	Total Par Value of Stk Issued Col b	X		
9	204	agrees with	20	Total Par Value of Stk Issued Col c	X		
9	214-215	agrees with	23	Total 214-215	X		
9	221	agrees with	22	Total Line 10 col 4	X		
9	221	agrees with	22	Total col 12	X		
9	224	agrees with	21	Total 224 col d	N/A		
9	232	agrees with	24	Total 232 col f	X		
9	233	agrees with	24	Total 233	X		
9	234	agrees with	24	Total 234 col f	X		
9	236	agrees with	25	Beginning & ending balance 236	X		
9	237	agrees with	26	Total 237 cols b & e	X		
9	242	agrees with	27	Total 242	X		
10	251	agrees with	19	Total 251	N/A		
10	252	agrees with	20	Total 252	X		
10	271	agrees with	28	Beginning & ending balance 271	X		
10	272	agrees with	28	Accumulated amortization 271	X		
11	400	agrees with	31	Total water operating revenue col e	X		
11	401	agrees with	32	Total col c	X		
11	406	agrees with	15	Total accumulated amortization 115	N/A		

**Checklist for the Annual Report
For A and B Water Companies
To Be Completed and Returned with the Annual Report**

Page No.	Account No.		Page No.		Yes	No	If no, explain why
12	427	agrees with	26	Total 237 col c	X		
12	Net Income	agrees with	23	Balance trans. From inc. 435 col c	X		
13	101	agrees with	30	Total 301-348 col f	X		
14	The analysis of accumulated depreciation and amort. by primary acct. has been completed				X		acct 101 plus acct 106
18	186.1	agrees with	28	Total 186.1 col c	X		
21	Schedule of long-term debt has been completed:				N/A		
22	Schedule of bond maturities has been completed				X		
22	If the long-term debt consists of notes payable rather than bonds, then the notes payable schedule has been substituted for the schedule of bond maturities.				N/A		
30	The analysis of water utility plant accounts cols c through k has been completed				X		
31	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from operating revenue				X		
31	The analysis of water operating revenue cols c, d, and e has been completed				X		
32	The analysis of water utility expense accounts cols c through k has been completed				X		
33	Schedule of pumping and purchased water statistics has been completed				X		
34	466	agrees with	35	Account 466	X		
34	Line 13	agrees with	35	Line 4 total produces and purchased	X		
	Oath page has been completed				X		

CLASS "A & B"
WATER COMPANIES

ANNUAL REPORT

OF

KENTUCKY-AMERICAN WATER COMPANY

Exact Legal Name of Respondent

FOR THE

YEAR ENDED DECEMBER 31, 2004

NOTICE

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities as adopted by this Commission for Class A & B water companies.
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the work "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable" or "NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record, such as by typewriter. Money items (except averages) throughout the report should be shown in units of dollars adjusted to accord with footings.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. The report should be filled out in duplicate and one copy returned by March 31 of the year following the date of the report. The report should be returned to:

**Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602**

PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2004

1. Amount of Principal Payment during calendar year _____ \$0
2. Is Principal current? YES x NO _____
3. Is Interest current? YES x NO _____
4. Has all long-term debt been approved by the Public Service Commission?
YES x NO _____ PSC Case No. _____

SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are the financial statements examined by a Certified Public Accountant?

YES x NO _____

If YES, which service is performed?

Audit x

Compilation _____

Review _____

Please enclose a copy of the accountant's report with annual report.

Additional Requested Information

Utility Name Kentucky American Water

Contact Person Rachel Cole, Jeff Mulligan

Contact Person's E-Mail Address RCole@kawc.com

Utility's Web Address www.kawc.com

Please Complete the above information, if it is available

If there are multiple staff who may be contacts please include their names and e-mail addresses also.

Additional Information Required By Commission Orders

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date of Order	Items/Explanations
2002-00018		The attached supplements #1 and #2 are in reponse to ordering paragraph #7 and Condition #35 in Public Service Commission Case #2002-0018.

Attach additional sheets if more room is required

MAJOR WATER PROJECTS

Instructions: Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission. For the limited purpose of this report, a "major Project is defined as one which is not in the ordinary course of business, and which will increase your current utility plant by at least 20%.

Brief Project Description (improvement, replacement, building construction, expansion. If expansion, provide the estimate number of new customers):

Resolution of Source of Supply and treatment capacity deficits. Project defined as part of the regional Bluegrass Water Supply Commission to be a 32 mgd regional treatment plant located at Pool 3 of the Kentucky River with supplemental source of raw water supply from the Ohio River near Carrollton.

Projected Costs and Funding Sources/Amounts:

Estimated cost of \$205 million total. Sources and allocation of costs between member utilities has not been determined yet.

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

RWE Order Requirement #7 and Condition #35

KAWC Operational Measures	2003	2004
1 Number of water service interruptions (boil water advisories):	161	138
2 Average # of customers impacted from water service interruptions:	22.53	24.04
3 Average length of time of water service interruption/loss of water (l in hours):	2.62	3.47
4 Number of Customer Complaints from PSC:	20	53
5 Average response time to answer phones (in seconds):	66	24
KAW location (1/1/03-10/16/03)	162	
Call Center location (10/17-12/31/03)	29	24
6 Number of customer calls:	189,688	217,461

National Drinking Water Regulations

updated on Wednesday, February 23rd, 2005

URL: <http://www.epa.gov/safewater/mcl.html>

PRIMARY (Health-based) Standards

Microorganisms

Contaminant	MCLG1 (mg/L)2	MCL or TT1 (mg/L)2
Cryptosporidium (pdf file)	zero	TT 3
<i>Giardia lamblia</i>	zero	TT3
Heterotrophic plate count	n/a	TT3
<i>Legionella</i>	zero	TT3
Total Coliforms (including fecal coliform and E. coli)	zero	5.0%4
Turbidity	n/a	TT3
Viruses (enteric)	zero	TT3

Disinfection Byproducts

Contaminant	MCLG1 (mg/L)2	MCL or TT1 (mg/L)2
Bromate	zero	0.01
Chlorite	0.8	1
Haloacetic acids (HAA5)	n/a6	0.06
Total Trihalomethanes (TTHMs)	none7 n/a6	0.1 0.08

Disinfectants

Contaminant	MRDLG1 (mg/L)2	MRDL1 (mg/L)2
Chloramines (as Cl2)	MRDLG=41	MRDL=4.01
Chlorine (as Cl2)	MRDLG=41	MRDL=4.01
Chlorine dioxide (as ClO2)	MRDLG=0.81	MRDL=0.81

Inorganic Chemicals

Contaminant	MCLG1 (mg/L)2	MCL or TT1 (mg/L)2
Antimony	0.006	0.006
Arsenic	7	0.01 as of 01/23/06
Asbestos (fiber >10 micrometers)	7 million fibers per liter	7 MFL
Barium	2	2
Beryllium	0.004	0.004
Cadmium	0.005	0.005
Chromium (total)	0.1	0.1
Copper	1.3	TT8: Action Level=1.3

Cyanide (as free cyanide)	0.2	0.2
Fluoride	4	4
Lead	zero	TT8; Action Level=0.015
Mercury (Inorganic)	0.002	0.002
Nitrate (measured as Nitrogen)	10	10
Nitrite (measured as Nitrogen)	1	1
Selenium	0.05	0.05
Thallium	0.0005	0.002

Organic Chemicals

Contaminant	MCLG1 (mg/L)2	MCL or TT1 (mg/L)2
Acrylamide	zero	TT9
Alachlor	zero	0.002
Atrazine	0.003	0.003
Benzene	zero	0.005
Benzo(a)pyrene (PAHs)	zero	0.0002
Carbofuran	0.04	0.04
Carbon tetrachloride	zero	0.005
Chlordane	zero	0.002
Chlorobenzene	0.1	0.1
2,4-D	0.07	0.07
Dalapon	0.2	0.2
1,2-Dibromo-3-chloropropane (DBCP)	zero	0.0002
o-Dichlorobenzene	0.6	0.6
p-Dichlorobenzene	0.075	0.075
1,2-Dichloroethane	zero	0.005
1,1-Dichloroethylene	0.007	0.007
cis-1,2-Dichloroethylene	0.07	0.07
trans-1,2-Dichloroethylene	0.1	0.1
Dichloromethane	zero	0.005
1,2-Dichloropropane	zero	0.005
Di(2-ethylhexyl) adipate	0.4	0.4
Di(2-ethylhexyl) phthalate	zero	0.006
Dinoseb	0.007	0.007
Dioxin (2,3,7,8-TCDD)	zero	0.00000003
Diquat	0.02	0.02
Endothall	0.1	0.1
Endrin	0.002	0.002
Epichlorohydrin	zero	TT9
Ethylbenzene	0.7	0.7
Ethylene dibromide	zero	0.00005
Glyphosate	0.7	0.7
Heptachlor	zero	0.0004

Heptachlor epoxide	zero	0.0002
Hexachlorobenzene	zero	0.001
Hexachlorocyclopentadiene	0.05	0.05
Lindane	0.0002	0.0002
Methoxychlor	0.04	0.04
Oxamyl (Vydate)	0.2	0.2
Polychlorinated biphenyls (PCBs)	zero	0.0005
Pentachlorophenol	zero	0.001
Picloram	0.5	0.5
Simazine	0.004	0.004
Styrene	0.1	0.1
Tetrachloroethylene	zero	0.005
Toluene	1	1
Toxaphene	zero	0.003
2,4,5-TP (Silvex)	0.05	0.05
1,2,4-Trichlorobenzene	0.07	0.07
1,1,1-Trichloroethane	0.2	0.2
1,1,2-Trichloroethane	0.003	0.005
Trichloroethylene	zero	0.005
Vinyl chloride	zero	0.002
Xylenes (total)	10	10

Radionuclides

Contaminant	MCLG1 (mg/L) ²	MCL or TT1 (mg/L) ²
Alpha particles	none ¹ zero	15 picocuries per Liter (pCi/L)
Beta particles and photon emitters	none ¹ zero	4 millirems per year
Radium 226 and Radium 228 (combined)	none ¹ zero	5 pCi/L
Uranium	zero	30 ug/L as of 12/08/03

Notes

¹ Definitions:

Maximum Contaminant Level (MCL) - The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to MCLGs as feasible using the best available treatment technology and taking cost into consideration. MCLs are enforceable standards.

Maximum Contaminant Level Goal (MCLG) - The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety and are non-enforceable public health goals.

Maximum Residual Disinfectant Level (MRDL) - The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG) - The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Treatment Technique - A required process intended to reduce the level of a contaminant in drinking water.

² Units are in milligrams per liter (mg/L) unless otherwise noted. Milligrams per liter are equivalent to parts per million.

³ EPA's surface water treatment rules require systems using surface water or ground water under the direct influence of surface water to (1) disinfect their water, and (2) filter their water or meet criteria for avoiding filtration so that the following contaminants are controlled at the following levels:

Cryptosporidium: (as of 1/1/02 for systems serving >10,000 and 1/14/05 for systems serving <10,000) 99% removal.

Giardia lamblia: 99.9% removal/inactivation

Viruses: 99.99% removal/inactivation

Legionella: No limit, but EPA believes that if *Giardia* and viruses are removed/inactivated, *Legionella* will also be controlled.

Turbidity: At no time can turbidity (cloudiness of water) go above 5 nephelometric turbidity units (NTU); systems that filter must ensure that the turbidity go no higher than 1 NTU (0.5 NTU for conventional or direct filtration) in at least 95% of the daily samples in any month. As of January 1, 2002, turbidity may never exceed 1 NTU, and must not exceed 0.3 NTU in 95% of daily samples in any month.

HPC: No more than 500 bacterial colonies per milliliter.

Long Term 1 Enhanced Surface Water Treatment (Effective Date: January 14, 2005); Surface water systems or (GWUDI) systems serving fewer than 10,000 people must comply with the applicable Long Term 1 Enhanced Surface Water Treatment Rule provisions (e.g. turbidity standards, individual filter monitoring, *Cryptosporidium* removal requirements, updated watershed control requirements for unfiltered systems).

Filter Backwash Recycling; The Filter Backwash Recycling Rule requires systems that recycle to return specific recycle flows through all processes of the system's existing conventional or direct filtration system or at an alternate location approved by the state.

⁴ more than 5.0% samples total coliform-positive in a month. (For water systems that collect fewer than 40 routine samples per month, no more than one sample can be total coliform-positive per month.) Every sample that has total coliform must be analyzed for either fecal coliforms or *E. coli* if two consecutive TC-positive samples, and one is also positive for *E. coli* fecal coliforms, system has an acute MCL violation.

⁵ Fecal coliform and *E. coli* are bacteria whose presence indicates that the water may be contaminated with human or animal wastes. Disease-causing microbes (pathogens) in these wastes can cause diarrhea, cramps, nausea, headaches, or other symptoms. These pathogens may pose a special health risk for infants, young children, and people with severely compromised immune systems.

⁶ Although there is no collective MCLG for this contaminant group, there are individual MCLGs for some of the individual contaminants:

Trihalomethanes: bromodichloromethane (zero); bromoform (zero); dibromochloromethane (0.06 mg/L). Chloroform is regulated with this group but has no MCLG.

Haloacetic acids: dichloroacetic acid (zero); trichloroacetic acid (0.3 mg/L). Monochloroacetic acid, bromoacetic acid, and dibromoacetic acid are regulated with this group but have no MCLGs.

⁷ MCLGs were not established before the 1986 Amendments to the Safe Drinking Water Act. Therefore, there is no MCLG for

⁸ Lead and copper are regulated by a Treatment Technique that requires systems to control the corrosiveness of their water. If more than 10% of tap water samples exceed the action level, water systems must take additional steps. For copper, the

⁹ Each water system must certify, in writing, to the state (using third-party or manufacturer's certification) that when acrylamide and epichlorohydrin are used in drinking water systems, the combination (or product) of dose and monomer level does not exceed the levels specified, as follows:

Acrylamide = 0.05% dosed at 1 mg/L (or equivalent)

Epichlorohydrin = 0.01% dosed at 20 mg/L (or equivalent)

d.

National Drinking Water Regulations

updated on Wednesday, February 23rd, 2005

URL: <http://www.epa.gov/safewater/mcl.html>

SECONDARY (Aesthetics-based-based) Standards

Contaminant	Secondary Standard
Aluminum	0.05 to 0.2 mg/L
Chloride	250 mg/L
Color	15 (color units)
Copper	1.0 mg/L
Corrosivity	noncorrosive
Fluoride	2.0 mg/L
Foaming Agents	0.5 mg/L
Iron	0.3 mg/L
Manganese	0.05 mg/L
Odor	3 threshold odor number
pH	6.5-8.5
Silver	0.10 mg/L
Sulfate	250 mg/L
Total Dissolved Solids	500 mg/L
Zinc	5 mg/L

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HISTORY

1. Exact name of utility making this report. (Use the words "The", "Company" or "Incorporated" only when a part of the corporate name.)

Kentucky-American Water Company

2. Give the location including city, street and number, of the executive office.

2300 Richmond Road
Lexington, Kentucky 40502

3. Give the location, including street and number, and telephone number of the principal office in Kentucky.

Same as above

4. Name and address of principal officer within Kentucky.

Nick O. Rowe
2300 Richmond Road, Lexington, KY. 40502
(606) 268 - 6320

5. Give name, title address and telephone number of the officer to whom correspondence concerning this report should be addressed.

Michael A. Miller
1600 Pennsylvania Avenue Charleston, WV 25302
(304) 353-6303

6. Date of organization. February 27, 1882.

7. Under the laws of what Government, State or Territory organized? (If more than one, name all. Give reference to each statute and amendments thereof.)

Incorporated as Lexington Hydraulic & Manufacturing Company by Acts of General
Assembly of the Commonwealth of Ky. Chap 22, Approved February 27, 1882.

8. If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same.

The Articles of Incorporation of Lexington Hydraulic and Manufacturing Company were amended 10/20/1922 to change name to Lexington Water Company. By Agreement of Consolidation dated 9/15/1927, Lexington Water Company and Blue Grass State Water Company were consolidated into one corporation known as the Lexington Water Company. The Articles of Incorporation of the Lexington Water Company were amended 3/30/1973 to change name to Kentucky-American Water Company.

9. Date and authority for each consolidation and each merger.

October 20, 1922 - Name change by amendment of Articles of Incorporation
September 15, 1927 - Agreement of Consolidation
March 30, 1973 - Name change by amendment of Articles of Incorporation

10. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual.

Corporation

11. If a reorganized company, give name of original corporation, refer to laws under which it was organized and the occasion for the reorganization.

See No. 8, above

12. Name all other operating departments.

None

13. Name of counties in which you furnish water service.

Bourbon, Fayette, Harrison, Scott, Clark, Woodford, Gallatin, Grant and Owen counties.
In addition, the company sells water for resale to customers in Bourbon, Jessamine, Scott, and Woodford counties.

REPORT OF
KENTUCKY-AMERICAN WATER COMPANY

For Year Ended December 31, 2004

Location where books and records are located:

2300 Richmond Rd.
Lexington, KY 40502

Contacts:

Name	Title	Principal Business Address	Salary Charged Utility
Send correspondence to: Nick O. Rowe	President	2300 Richmond Road Lexington, KY 40502-1308	XXXXXXXXXXXX
Report prepared by: Basil J. D'Antonio	Rate Team Lead	3906 Church Rd. Mt. Laurel, NJ 08054	XXXXXXXXXXXX
Officers & Managers: Nick O. Rowe	President	2300 Richmond Road Lexington, KY 40502-1308	ALLOCATED
Herbert A. Miller, Jr.	Vice President Operations	2300 Richmond Road Lexington, KY 40502-1308	ALLOCATED
Thomas Bailey	Assistant Comptroller	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Michael C. Miller	Vice President, Treasurer & Comptroller	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Sheila Valentine	Assistant Secretary Assistant Treasurer	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Velma A. Redmond	Assistant Secretary		ALLOCATED
Rachel S. Cole	Assistant Comptroller	2300 Richmond Road Lexington, KY 40502-1308	\$ 62,817
John G. Easlick	Assistant Comptroller	1025 Laurel Oak Rd. Voorhees, NJ	ALLOCATED
Benjamin J. Tartaglia, Jr.	Assistant Comptroller	1025 Laurel Oak Rd. Voorhees, NJ	ALLOCATED

Report every corporation or person owning or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
American Water Works Company, Inc.	100%	1025 Laurel Oak Road P.O.Box 1770, Voorhes, NJ 08043	N/A

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY PLANT			
101-106	Utility Plant	14	274,117,539	288,923,092
108-110	Less: Accumulated Depreciation and Amortization	16	(59,283,171)	(66,027,848)
	Net Plant		214,834,368	222,895,244
114-115	Utility Plant Acquisition			
	Adjustments (Net)	17	428,141	407,617
116	Other Utility Plant Adjustments			
	Total Net Utility Plant		215,262,509	223,302,861
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property		249,738	249,738
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property			
123	Investment in Associated Companies	18		
124	Utility Investments	18		
125	Other Investments	18		
126-127	Special Funds	18		
	Total Other Property & Investments		249,738	249,738
	CURRENT AND ACCRUED ASSETS			
131	Cash		999,314	581,646
132	Special Deposits			
133	Other Special Deposits			
134	Working Funds		2,400	2,400
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated			
	Provision for Uncollectible Accounts	19	3,831,272	2,960,440
145	Accounts Receivable from Associated Companies		2,383,785	1,528,094
146	Notes Receivable from Associated Companies			
151-153	Materials and Supplies	20	442,869	536,204
163	Misc Deposits		1,000	1,000
165	Prepayments		11,891	24,310
171	Accrued Interest and Dividends Receivable			
172	Rents Receivable			
173	Accrued Utility Revenues		3,759,672	4,429,251
174	Misc. Current and Accrued Assets		500,756	161,324
	Total Current and Accrued Assets		11,932,959	10,224,671

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	21	692,207	612,863
182	Extraordinary Property Losses	21		
183	Preliminary Survey & Investigation Charges		1,486,553	2,192,004
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	20	11,292,693	9,947,018
187	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes	21		
	Regulatory Assets		4,785,393	4,685,829
	Total Deferred Debits		18,256,846	17,437,715
	TOTAL ASSETS AND OTHER DEBITS		245,702,052	251,214,984

NOTES TO THE BALANCE SHEET

See attached audited financial statements for notes related to Balance Sheet items.

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	EQUITY CAPITAL			
201	Common Stock Issued	22	36,568,776	36,568,776
204	Preferred Stock Issues	22	6,052,800	6,048,500
202,205	Capital Stock Subscribed		0	0
203,206	Capital Stock Liability for Conversion		0	0
207	Premium on Capital Stock		30,489	31,779
209	Reduction in Par or Stated Value of Capital Stock			
210	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid-In Capital			
212	Discount on Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	13	26,304,493	25,924,241
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
	Total Equity Capital		68,956,558	68,573,296
	LONG-TERM DEBT			
221	Bonds	24	68,500,000	82,500,000
222	Reaquired Bonds			
223	Advances from Associated Companies			
224	Other Long-Term Debt			
	Total Long-Term Debt		68,500,000	82,500,000
	CURRENT AND ACCRUED LIABILITIES			
231	Accounts Payable		2,733,664	4,260,319
232	Notes Payable	25	17,173,237	1,090,837
233	Accounts Payable to Associated Co	25	1,144,102	1,034,866
234	Current Long Term Debt	25	0	0
235	Customer Deposits		6,560	6,560
236	Accrued Taxes	26	2,197,787	1,906,235
237	Accrued Interest	27	1,456,724	1,458,572
238	Accrued Dividends		0	0
239	Matured Long-Term Debt			
240	Matured Interest			
241	Tax Collections Payable		439,388	866,410
242	Miscellaneous Current and Accrued Liabilities	27A	1,931,681	1,711,702
	Total Current and Accrued Liabilities		27,083,144	12,335,500

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED CREDITS			
251	Unamortized Premium on Debt	21		
252	Advances for Construction	22	12,506,787	15,777,400
253	Other Deferred Credits		3,282,044	3,646,454
255	Accumulated Deferred Investment Tax Credits		1,556,324	1,460,729
	Total Deferred Credits		17,345,155	20,884,583
	OTHER NON-CURRENT LIABILITIES			
	Accumulated Provision for:			
261	Property Insurance			
262	Injuries and Damages			
263	Pensions and Benefits			
265	Miscellaneous Operating Reserves			
266	Rate Refunds			
	Total Other Non-Current Liabilities			
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction	28	37,588,532	39,485,433
	Tap-on Fees - Customers			
	Federal Grants in Aid of Construction			
	Other			
272	Accumulated Amortization of Contributions in Aid of Construction	28	(6,335,848)	(7,262,038)
	Total Net C.I.A.C.		31,252,684	32,223,395
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes Accelerated Depreciation			
282	Accumulated Deferred Income Taxes Liberalized Depreciation			
283	Accumulated Deferred Income Taxes Other		32,564,511	34,698,208
	Total Accumulated Deferred Income Taxes		32,564,511	34,698,208
	TOTAL EQUITY CAPITAL AND LIABILITIES		245,702,052	251,214,983

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues	30	42,764,618	42,360,155
401	Operating Expenses	31	20,750,039	23,679,397
403	Depreciation Expenses		5,821,578	6,652,994
406	Amortization of Utility Plant Acquisition Adjustment		21,611	20,524
407	Amortization Expense		678,765	688,491
408.1	Taxes Other Than Income		2,595,827	2,778,013
409.1	Income Taxes		2,319,072	(616,978)
410.10	Deferred Federal Income Taxes		1,111,691	2,333,338
410.11	Deferred State Income Taxes		269,387	(74,236)
410.12	Deferred Local Income Taxes			
411.10	Provision for Deferred Income Taxes Credit			
412.10	Investment Tax Credits Deferred to Future Periods			
412.11	Investment Tax Credits Restored to Operating Income		(85,352)	(95,596)
	Utility Operating Expenses		33,482,618	35,365,947
	Utility Operating Income		9,282,000	6,994,208
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) from Disposition of Utility Property		725	200,000
	Total Utility Operating Income		9,282,725	7,194,208
	OTHER INCOME AND DEDUCTIONS			
415	Revenues from Merchandising, Jobbing and Contract Deductions		451,506	1,837,286
416	Costs and Expenses of Merchandising, Jobbing and Contract Work		(455,133)	(1,892,230)
419	Interest & Dividend Income		20	1,531
420	Allowance for Funds Used During Construction		655,695	173,521
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses		(323,553)	(345,524)
	Total Other Income and Deductions		328,535	(225,416)

COMPARATIVE OPERATING STATEMENT (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income			
409.20	Income Taxes		(141,183)	(110,617)
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes Credit			
412.20	Investment Tax Credits - Net			
412.21	Investment Tax Credits Restored to Nonoperating Income			
	Total Taxes Applicable to Other Income		(141,183)	(110,617)
	INTEREST EXPENSE			
427	Interest Expense		4,628,555	5,066,716
428	Amortization of Debt Discount & Exp.		77,828	78,573
429	Amortization of Premium on Debt			
	Total Interest Expense		4,706,383	5,145,289
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deduction			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME		5,046,060	1,934,120

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.
2. Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	(b)	AMOUNTS (c)
215	Unappropriated Retained Earnings:	
	Balance beginning of year	26,304,493
	Changes to account:	
	Adjustments to Retained Earnings (requires Commission Approval prior to use):	
	Credits _____	
	Total Credits _____	
	Debits _____	
	Total Debits _____	
435	Balance Transferred from Income	
	Water _____	1,895,188
	Sewer _____	84,986
436	Appropriations of Retained Earnings:	

	Total Appropriations of Retained Earnings _____	
	Dividends Declared:	
437	Preferred Stock Dividends Declared _____	448,208
	Common Stock Dividends Declared _____	1,912,217
	Total Dividends Declared _____	2,360,425
	Balance end of year _____	(380,251)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	

	Total Appropriated Retained Earnings _____	
	Total Retained Earnings	25,924,241

Notes to Statement of Retained Earnings:

NET UTILITY PLANT (ACCTS. 101 - 106)

ACCT. NO.	PLANT ACCOUNTS	TOTAL
101	Utility Plant in Service	282,143,804
102	Utility Plant Leased to Others (Regulatory Asset - AFUDC-Debt)	272,637
103	Property Held for Future Use	114,076
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress	6,345,740
106	Completed Construction Not Classified	
	Total Utility Plant	288,876,257

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION		
Balance first of year		
Credit during year:		59,283,172
Accruals Charged to Account 108.1		7,581,625
Accruals Charged to Account 108.2		
Accruals Charged to Account 108.3		
Accruals Charged to Other Accounts (specify)		

Salvage		1,829
Other Credits (specify):		

Total Credits		66,866,626
Debits during year:		
Book Cost of Plant Retired		481,352
Cost of Removal		357,425
Other Debits (specify):		

Total Debits		838,778
Balance end of year		66,027,848

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)	.1 INTAN-GIBLE PLANT (g)	.2 SOURCE OF SUPPLY & PUMPING PLANT (h)	.3 WATER TREATMENT PLANT (i)	.4 TRANS. & DISTRIBUTU. PLANT (j)	.5 GENERAL PLANT (k)
301	Organization	23,020			23,020	23,020				
302	Franchises	70,261			70,261	70,261				
303	Land and Land Rights	4,133,055	239,953		4,373,008		94,930	68,164	3,885,855	324,059
304	Structures and Improvements	18,988,429	1,249,600	148,797	20,089,232		5,244,921	8,241,507	1,539,890	5,062,914
305	Collecting & Impounding Reservoirs	1,013,271	187,528		1,200,799		1,200,799			
306	Lake River & Other Intakes	581,930			581,930		581,930			
307	Wells & Springs	0			0		0			
308	Infiltration Galleries & Tunnels	0			0		0			
309	Supply Mains	5,084,342			5,084,342		5,084,342			
310	Power Generation Equipment	572,278			572,278		572,278			
311	Pumping Equipment	10,088,991	6,712		10,095,703		10,095,703			
320	Water Treatment Equipment	23,837,952	301,959		24,139,911			24,139,911		
330	Distribution Reservoirs & Standpipes	5,970,481	1,589,793	200	7,560,074				7,560,074	
331	Transmission & Distribution Mains	129,254,455	4,772,749	123,602	133,903,602				133,903,602	
333	Services	27,952,740	2,050,206	2,817	30,000,129				30,000,129	
334	Meters and Meter Installations	18,749,102	1,949,243	84,261	20,614,084				20,614,084	
335	Hydrants	8,000,212	559,067	10,660	8,548,619				8,548,619	
339	Other Plant and Miscellaneous Equipment	740,702			740,702	740,702				
340	Office Furniture and Equipment	7,340,865	337,132	69,676	7,608,322					7,608,322
341	Transportation Equipment	2,117,031	75,512	27,211	2,165,332					2,165,332
342	Stores Equipment	35,547			35,547					35,547
343	Tools, Shop and Garage Equipment	790,747	1,092	8,916	782,923					782,923
344	Laboratory Equipment	872,027			872,027					872,027
345	Power Operated Equipment	547,998			547,998					547,998
346	Communication Equipment	1,855,940	8,683		1,864,623					1,864,623
347	Miscellaneous Equipment	516,671	20,098	1,212	535,556					535,556
348	Other Tangible Plant	128,178	5,604		133,782					133,782
	Total Water Plant	269,266,224	13,354,932	477,351	282,143,805	833,983	22,874,904	32,449,581	206,052,252	19,933,083

SEWER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)	.1 INTAN- GIBLE PLANT (g)	.2 SOURCE OF SUPPLY & PUMPING PLANT (h)	.3 WATER TREATMENT PLANT (i)	.4 TRANS. & DISTRIBU. PLANT (j)	.5 GENERAL PLANT (k)
311	Structures and Improvements	40,127		4,000	36,127		40,127			
363	Electric Pumping Equipment	10,708			10,708		10,708			
	Total Sewer Plant	50,835	0	4,000	46,835	0	50,835	0	0	0

ANALYSIS OF ACCUMULATED DEPRECIATION AND AMORTIZATION BY PRIMARY ACCOUNT 2004

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	CREDITS DURING THE YEAR		CHARGES DURING THE YEAR		BALANCE END OF YEAR (h)
			CHARGES TO DEP. EXP. (d)	OTHER CREDITS (e)	PLANT RETIREMENTS (f)	OTHER CHARGES (g)	
301	Organization	0					0
302	Franchises	58,778					58,778
303	Limited Term Interest in Land and Land Rights	1,464					1,464
304	Structures and Improvements	3,343,764	422,141		148,797	115,721	3,501,388
305	Collecting and Impounding Reservoirs	244,511	23,305				267,816
306	Lake River and Other Intakes	69,409	12,507				81,915
307	Wells and Springs	0					0
308	Infiltration Galleries and Tunnels	0					0
309	Supply Mains	689,105	56,414				745,518
310	Power Generating Equipment	209,951	19,164				229,115
311	Pumping Equipment	3,659,086	357,701				4,016,787
320	Water Treatment Equipment	9,612,761	965,143				10,577,903
330	Distribution Reservoirs and Standpipes	1,774,736	145,559		200	67	1,920,027
331	Transmission and Distribution Mains	16,742,791	1,551,151	1,829	123,602	46,183	18,125,988
333	Services	9,554,689	1,214,046		2,817	123,454	10,642,464
334	Meters & Meter Installations	3,655,271	514,329		84,261	72,000	4,013,338
335	Hydrants	1,865,364	213,831		10,660		2,068,535
339	Other Plant and Miscellaneous Equipment	212,848	60,107				272,955
340	Office Furniture and Equipment	3,673,093	1,368,943		69,676		4,972,360
341	Transportation Equipment	1,550,574	303,604		27,211		1,826,967
342	Stores Equipment	22,976	1,379				24,354
343	Tools, Shop and Garage Equipment	423,921	56,021		8,916		471,027
344	Laboratory Equipment	332,837	95,362				428,198
345	Power Operated Equipment	363,280	50,012				413,292
346	Communication Equipment	270,499	88,968				359,467
347	Miscellaneous Equipment	129,605	24,857		1,212		153,250
348	Other Tangible Plant	240,633	27,741				268,373
	Boonesboro Acquisition	447,969					447,969
	Subtotal	59,149,913	7,572,284	1,829	477,351	357,426	65,889,249
	Acc Depr Reg Asset	75,889	6,900				82,789
	Acc Amort UPIS	7,673					7,673
	TOTALS	59,233,475	7,579,184	1,829	477,351	357,426	65,979,711

ACCUMULATED AMORTIZATION (ACCT. 110)

DESCRIPTION	TOTAL
Balance first of year	0
Credit during year:	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits (specify)	

Total Credits	0
Debits during year:	
Book Cost of Plant Retired	
Other Debits (specify)	

Total Debits	0
Balance end of year	0

UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately. For any acquisition adjustment approved by the Commission, include the Order Number.

ACCOUNT NAME	TOTAL
Acquisition Adjustments (114)	
Boonesboro Water Association	138,217
Tri-Village	334,694

Total Plant Acquisition Adjustments	472,911
Accumulated Amortization (115)	
Amortization Boones boro Water Association	(48,560)
Amortization Tri Village Water Association	(16,735)

Total Accumulated Amortization	(65,294)
Net Acquisition Adjustments	407,617

INVESTMENTS AND SPECIAL FUNDS (ACCTS. 123 - 127)

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (ACCT. 123): <hr/> <hr/> <hr/> <hr/> <hr/> Total Investment in Associated Companies:		
UTILITY INVESTMENTS (ACCT. 124): <hr/> <hr/> <hr/> <hr/> <hr/> Total Utility Investments		
OTHER INVESTMENTS (ACCT. 125): <hr/> <hr/> <hr/> <hr/> <hr/> Total Other Investments		
SPECIAL FUNDS (ACCTS. 126 & 127): <hr/> <hr/> <hr/> <hr/> <hr/> Total Special Funds		

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCOUNTS 141 - 144)

Report hereunder all accounts and notes receivable included in Accounts 141, 142 and 144. Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION	TOTAL
ACCOUNTS & NOTES RECEIVABLE:	
Customer Accounts Receivable (Acct. 141)	2,506,851
Other Accounts Receivable (Acct. 142)	
_____ 623,289	

_____	623,289
Notes Receivable (Acct. 144)	

Total Accounts and Notes Receivable	3,130,139
Accumulated Provision for Uncollectible Accounts (Acct. 143):	
Balance first of year	(70,816)
Add: Provision for uncollectibles for current year	0
Collections of accounts previously written off	(450,398)
Utility Accounts	(75,017)
Others	0
Yearly Provision Calculation	(98,883)
Total Additions	(695,114)
Deduct accounts written off during year:	525,415
Utility Accounts	
Other	
Total accounts written off	
Balance end of year	(169,699)
Total Accounts and Notes Receivable - Net	2,960,440

MATERIALS AND SUPPLIES (151 - 153)

ACCOUNT NAME	TOTAL
Plant Materials and Supplies (Account 151)	536,204
Merchandise (Account 152)	
Other Materials and Supplies (Account 153)	
Total Materials and Supplies	536,204

PREPAYMENTS (ACCT. 162)

DESCRIPTION	TOTAL
Prepaid Insurance	0
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify)	
Misc Deposits	
IBM Websphere	6,779
JDE Maintenance Fees	15,013
Microsoft Fees	7,863
AWWA Research Fees	(8,032)
Lotus Notes Fees	2,688
Total Prepayments	24,310

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1)	4,863
Other Deferred Debits (Acct. 186.2)	9,942,155
Total Miscellaneous Deferred Debits	9,947,018

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT (ACCTS. 181 & 251)

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION	AMOUNT WRITTEN OFF DURING YEAR	YEAR END BALANCE
Unamortized Debt Discount and Expense (Acct. 181):		
Series 8.50%	933	17,649
Series 7.21%	0	0
Series 6.96%	2,325	44,089
Series 6.79%	6,488	4,325
Series 7.15%	2,424	53,643
Series 6.99%	3,256	76,387
Series 6.87%	62,494	390,586
Preferred Stock Series 7.9%	15,251	0
Preferred Stock Series 8.47%	771	24,604
Series 5.65%	654	1,580
Total Unamortized Debt Discount and Expense	94,595	612,863
Unamortized Premium on Debt (Acct. 251):		
Total Unamortized Premium on Debt		

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.

DESCRIPTION	TOTAL
Extraordinary Property Losses (Acct. 182):	
Total Extraordinary Property Losses	

ACCUMULATED DEFERRED INCOME TAXES (ACCT. 190)

DESCRIPTION	TOTAL
Accumulated Deferred Income Taxes (Acct. 190):	
Federal (190.1)	
State (190.2)	
Local (190.3)	
Total Accumulated Deferred Income Taxes	

ADVANCES FOR CONSTRUCTION (ACCT. 252)

DESCRIPTION	TOTAL
Balance first of year	12,506,787
Add credits during year	4,506,705
Deduct charges during year	1,236,091
Balance end of year	15,777,400

CAPITAL STOCK (ACCTS. 201 - 204)

(a)	COMMON STOCK (b)	PREFERRED STOCK (c)
Par or stated value per share	NO PAR	100
Shares authorized	2,000,000	85,000
Shares issued and outstanding	1,567,391	60,485
Total par value of stock issued	36,568,776	6,048,500
Dividends declared per share for year	2.17	8.49

LONG TERM DEBT (ACCT. 224)

DESCRIPTION OF OBLIGATION (INCLUDING NOMINAL DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL PER BALANCE SHEET DATE (d)
	RATE (b)	AMOUNT (c)	
n/a			
Total		0	0

BONDS (ACCT. 221)

Line No.	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Value of Amount Held by or for Respondent (3)	Actually Outstanding At Close of Year (4)	Interest During Year	
					Accrued (5)	Actually Paid (6)
1						
2						
3	14,000,000	14,000,000	0	14,000,000	554,167	552,319
4	7,000,000	7,000,000	0	7,000,000	487,200	487,200
5	5,500,000	5,500,000	0	5,500,000	373,450	373,450
6	7,500,000	7,500,000	0	7,500,000	536,250	536,250
7	9,000,000	9,000,000	0	9,000,000	629,100	629,100
8	15,500,000	15,500,000	0	15,500,000	1,064,850	1,064,850
9	24,000,000	24,000,000	0	24,000,000	1,356,000	1,356,000
10						
Total	82,500,000	82,500,000	0	82,500,000	5,001,017	4,999,169

SCHEDULE OF BOND MATURITIES

(The total of column 12 must agree with the total of column 4)

Line No.	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amount (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
1						
2						
3		12/1/2023	6.96%	7,000,000		7,000,000
4		9/1/2005	6.79%	5,500,000		5,500,000
5		2/1/2027	7.15%	7,500,000		7,500,000
6		6/1/2028	6.99%	9,000,000		9,000,000
7		3/29/2011	6.87%	15,500,000		15,500,000
8		6/12/2007	5.65%	24,000,000		24,000,000
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Total				68,500,000	0	68,500,000

NOTES PAYABLE (ACCOUNTS 232 & 234)

(a)	NOMINAL DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (f)
			RATE (d)	AMOUNT OF PAYMENT (e)	
Account 232 - Notes Payable:					1,090,837
Total Account 232					1,090,837
Account 234 - Notes Payable to Associated Companies: Current Portion of Long Term Debt					
Total Account 234					

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCOUNT 233)

SHOW PAYABLE TO EACH ASSOCIATED COMPANY SEPARATELY	AMOUNT
American Water Works Service Co., Inc.	1,034,866
Total Account 233	1,034,866

TAXES ACCRUED (ACCOUNT 236)

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL (c)
	Balance first of year	2,197,787
	Accruals Charged:	
408.10	Utility regulatory assessment fees	94,837
408.11	Property taxes	2,328,079
408.12	Payroll taxes	465,913
408.13	Other taxes and licenses	2,917
408.20	Taxes other than income, other income and deductions	0
409.10	Federal income taxes	(1,001,507)
409.11	State income taxes	434,524
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	2,293,562
410.11	Deferred state income taxes	(84,455)
410.12	Deferred local income taxes	
410.20	Provisions for deferred income taxes, other income and deductions	
411.10	Deferred income taxes - credit	
411.20	Provisions for deferred income taxes - credit, other income and deductions	
412.10	ITC deferred to future periods	
412.11	ITC restored to operating income	(95,595)
412.20	ITC - Net nonutility operators	
412.21	ITC - Restored to nonoperating inc., util. operations	
	Total taxes accrued	4,438,275
	Taxes paid during year:	
408.10	Utility regulatory assessment fees	94,837
408.11	Property taxes	661,586
408.12	Payroll taxes	457,334
408.13	Other taxes and licenses	2,917
408.20	Taxes other than income, net change in sales tax accruals	38,062
409.10	Federal income taxes	901,362
409.11	State income taxes	290,013
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	2,014,366
410.11	Deferred state income taxes	364,946
410.12	Deferred local income taxes	
410.20	Provisions for deferred income taxes, other income and deductions	
411.10	Deferred income taxes - credit	
411.20	Provisions for deferred income taxes - credit, other income and deductions	
412.10	ITC deferred to future periods	
412.11	ITC restored to operating income	(95,595)
412.20	ITC - Net nonutility operators	
412.21	ITC - Restored to nonoperating inc., util. operations	
	Total taxes paid	4,729,827
	Balance end of year	1,906,235

ACCRUED INTEREST (ACCOUNT 237)

DESCRIPTION OF DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR (c)	INTEREST PAID DURING YEAR (d)	BALANCE END OF YEAR (e)
Account No. 237.1 - Accrued Interest on Long-Term Debt:	1,458,572	5,001,017	5,001,017	1,458,572
Total Acct. No. 237.1	1,458,572	5,001,017	5,001,017	1,458,572
Account No. 237.2 - Accrued Interest on Other Liabilities:				
Notes Payable (ST Bank)	0	0	0	0
Miscellaneous Notes Payable	0	0	0	0
Total Acct. No. 237.2	0	0	0	0
Total Acct. No. 237	1,458,572	5,001,017	5,001,017	1,458,572

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Accrued Water	42,006
Accrued Power	0
Accrued Wages	356,133
Accrued Insurance	0
Accrued Rents	12,000
Accrued Preferred Dividend Requirements	52,595
Accrued Bank Fees	0
Accrued Credit Line Fees	0
Accrued Vacation Payable	81,851
Withheld Payroll - Insurance Premium	0
Withheld Payroll - Union Dues	1,433
Withheld Payroll - Savings Bonds	0
Withheld Payroll - Charitable Contributions	2
Withheld Payroll - Savings Account	0
Withheld Payroll - Credit Union	0
Withheld Payroll - Miscellaneous	1,828
Withheld Payroll - Flexible Spending Accounts	157
Construction Costs Payable	0
Unclaimed Credits	33,396
Unclaimed Extension Deposit Refunds	6,159
Contract Liab Property Purchase Payments	0
Refund Rate Under Bonds	76,654
Withheld Payroll - 401k	3,952
Accrued 401k Expense	24,251
Bank Clearing	1,045,931
Accrued Unbilled Items	9,897
Unbilled Stock E	37,621
Unbilled Stock C	18,300
Accrued ESOP Contribution	11,580
Withheld Payroll - ESOP	1,170
Withheld Payroll - Garnishment	0
Withheld Payroll - Tax Coll Pay FIT/SIT/LIT/FICA	58,421
CFO - Mgmt Contracts	(533,461)
Other Current Liabilities Analyzed	369,827
Accrued Legal	0
Total Miscellaneous Current and Accrued Liabilities	1,711,702

**REGULATORY COMMISSION EXPENSE - AMORTIZATION
OF RATE CASE EXPENSE (ACCOUNTS 666 & 667)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT NO.186.1 (c)	CHARGED OFF DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Rate Case Expense	0	0	666.8	0
Cost of Service Study	0	4,863	666.8	0
Total	0	4,863		0

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271 and ACCOUNT 272)

DESCRIPTION	TOTAL
Balance first of year	37,588,532
Add credits during year	1,934,461
Deduct charges during year	37,560
Balance end of year	39,485,433
Less Accumulated Amortization	7,262,038
Net Contributions in Aid of Construction	32,223,396

**RECONCILIATION OF REPORTED NET INCOME
WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the Federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State name of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION	REF.	AMOUNT
Net income for the year		1,980,174
Federal Income Tax Accrual		1,106,943
State & Local Income Tax Accrual		328,969
Pre-Tax Book Income		3,416,086
Permanent Differences:		
Meal & Entertainment		18,999
Nondeductible Penalties		25
Amortization of Preferred Stock Expense		771
Lobbying Expenses		110,310
Total Permanent Differences		130,105
Financial Taxable Income		3,546,191
Temporary Differences:		
Uncollectible Accounts		98,883
Vacation Pay		66,314
Customer Deposits		259,320
Taxable Contributions (CIAC)		(87,818)
Rate Case Expense		(944,958)
Depreciation & Amortization		(4,080,037)
Reg Asset - AFUDC Debt		6,900
Gains & Losses		18,182
Abandonment Losses		(500,832)
Cost of Removal		(43,217)
Amortization UPAA		20,524
Cost of Service Study		(3,278)
Incent Plan (Incen 3)		31,370
Incent Plan (Incen 5)		(22,247)
Regulatory Pension (Pension 2)		(53,895)
Regulatory Pension (Pension 3)		277,826
Accrued OPEB		(198,550)
AFUDC (AFUDC 1)		(93,693)
AFUDC Equity CWIP (AFUDC 2)		(36,300)
Amortization of Regulatory (AFUDC 3)		25,728
Deferred Maintenance (Maint 1)		256,490
Miscellaneous Deferred Debits (Misc 1)		821,426
Miscellaneous Deferred Credits (Misc 3)		0
Deferred Security Costs		(142,285)
Deferred Customer Service Center Costs		67,323
Deferred Financial Services Costs		160,090
Total Temporary Differences		(4,096,734)
Federal Taxable Income Before SIT		(550,543)
State Income Tax Deuction		(379,185)
Federal Taxable Income		(929,728)
Tax Rate		35%
Federal Income Tax Payable		(325,405)
Provision Adjustment		0
Federal Income Tax Expense		(325,405)

WATER OPERATING REVENUE

ACCT. NO. (a)	(b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues			
460	Unmetered Water Revenue			
461	Metered Water Revenue:			
461.1	Sales to Residential Customers	97,718	99,267	22,428,480
461.2	Sales to Commercial Customers	8,250	8,164	10,692,569
461.3	Sales to Industrial Customers	16	20	1,384,794
461.4	Sales to Public Authorities			
461.5	Sales to Multiple Family Dwellings			
461.6	Sales through Bulk Loading Stations			9,780
	Total Metered Sales	105,984	107,451	34,515,623
462	Fire Protection Revenue:			
462.1	Public Fire Protection	36	1,555	1,898,742
462.2	Private Fire Protection	1,183	1,206	854,523
	Total Fire Protection Revenue	1,219	2,761	2,753,265
464	Other Sales to Public Authorities	487	484	3,217,866
465	Sales to Irrigation Customers			
466	Sales for Resale	9	10	830,706
467	Interdepartmental Sales			
	Total Sale of Water	107,699	110,706	41,317,460
	Other Water Revenues:			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			136,026
472	Rents from Water Property			103,104
473	Interdepartmental Rents			
474	Other Water Revenues			803,565
475	Provision for Rate Refunds			
	Total Other Water Revenues			1,042,695
	Total Water Operating Revenues			42,360,155

WATER UTILITY EXPENSE ACCOUNTS

			WATER EXPENSE ACCOUNT MATRIX							
ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY EXPENSES-OPERATION (d)	.2 SOURCE OF SUPPLY EXPENSES-MAINTEN. (e)	.3 WATER TREATMENT EXPENSES-OPERATION (f)	.4 WATER TREATMENT EXPENSES-MAINTEN. (g)	.5 TRANS. & DISTRIBUTION EXPENSES-OPERATION (h)	.6 TRANS. & DISTRIBUTION EXPENSES-MAINTEN. (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
601	Salaries & Wages - Employee ok	4,926,470	0	64,576	1,325,418	107,386	1,209,750	557,717	872,853	788,770
603	Salaries & Wages - Officers, Directors & Majority Stockholders ok	0								0
604	Employee Pensions & Benefits	2,449,495				(872)				2,450,367
610	Purchased Water ok	496,743	496,743							
615	Purchased Power ok	1,939,552	209,624		1,729,635		294			
616	Fuel for Power Production	0	0							
618	Chemicals ok	1,226,578			1,226,578					
620	Materials and Supplies	730,056	2,960	169,107	25,311	92,720	36,711	324,098	462	78,687
631	Contractual Services - Eng	13,023						50		12,973
632	Contractual Services - Acct	36,640								36,640
633	Contractual Services - Legal	268,391								268,391
634	Contractual Services - Management Fees	6,135,981			147,762				28,435	5,959,784
635	Contractual Services - Other	515,941	663	0	148,124	0	43,491	0	115,702	207,961
641	Rental of Bldg./Real Property	5,664					2,473			3,191
642	Rental of Equipment	68,935			(545)		41,241		(51)	28,290
650	Transportation Expenses	401,983	1,666		30	25	4,067		874	395,321
656	Insurance - Vehicle ok	(3,838)								(3,838)
657	Insurance - General Liability ok	308,484								308,484
658	Insurance - Worker's Compe ok	72,305								72,305
659	Insurance - Other ok	104,943								104,943
660	Advertising Expense	46,731								46,731
666	Regulatory Commission Expense - Amortization of Rate Ca ok	0								0
667	Regulatory Commission Expense - Other ok	22,811								22,811
670	Bad Debt Expense	450,398							450,398	
675	Miscellaneous Expenses	3,462,110	27,724	(13,795)	287,015	206,925	307,139	308,184	910,732	1,428,167
	Total Water Utility Expenses	23,679,397	739,379	219,888	4,889,328	406,184	1,645,166	1,190,049	2,379,405	12,209,999

PUMPING AND PURCHASED WATER STATISTICS

(a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	WATER PUMPED (Omit 000's) (c)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) (d)	WATER SOLD TO CUSTOMERS (Omit 000's) (e)
January	13,117	1,768,843	1,781,960	1,390,688
February	12,918	1,060,743	1,073,661	871,704
March	11,412	1,017,410	1,028,822	1,047,824
April	13,655	1,158,927	1,172,582	920,626
May	10,735	931,179	941,914	716,666
June	22,973	1,671,043	1,694,016	1,275,185
July	20,200	1,401,291	1,421,491	1,033,293
August	14,959	1,240,081	1,255,040	962,119
September	25,442	1,501,888	1,527,330	1,377,531
October	31,791	1,157,399	1,189,190	1,130,534
November	30,758	1,054,359	1,085,117	879,882
December	17,807	742,279	760,086	693,101
Total for year	225,767	14,705,442	14,931,209	12,299,153

Maximum gallons pumped by all methods in any one day (Omit 000's): 56,890

Date 6/29/2004

Minimum gallons pumped by all methods in any one day (Omit 000's): 29,850

Date 11/26/04

If water is purchased for resale, indicate the following:

Vendor: Winchester Municipal Utilities, City of Owenton, Gallatin County Water District
Georgetown Municipal Water & Waste Water.

Point of Delivery: Clark County (4), Owen County (4), Gallatin County (1)

If water is sold to other water utilities for redistribution, list names of such utilities below:

- CITY OF MIDWAY
- EAST CLARK WATER
- CITY OF NORTH MIDDLETOWN
- CITY OF NICHOLASVILLE
- CITY OF VERSAILLES
- JESSAMINE SOUTH ELKHORN WATER DISTRICT (2)
- HARRISON COUNTY WATER DISTRICT
- GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE
-
-
-
-

SALES FOR RESALE (466)

LINE #	COMPANY	1,000 GALLONS	AVG. RATE (CENTS)	AMOUNT
1	CITY OF MIDWAY	70,978	2.03	144,097
2	EAST CLARK WATER	52	6.18	323
3	CITY OF NORTH MIDDLETOWN	76,043	2.03	154,281
4	CITY OF NICHOLASVILLE	27,714	2.23	61,762
5	CITY OF VERSAILLES	7,484	2.98	22,289
6	JESSAMINE SOUTH ELKHORN WATER DIST (2 ACCTS)	176,299	2.03	357,316
7	HARRISON COUNTY WATER DISTRICT	25,893	2.10	54,369
8	GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE	13,321	2.38	31,646
9		0		0
10	TOTAL	397,784	2.08	826,083
WATER STATISTICS				
LINE #	ITEM	1,000 GALLONS		
1	WATER PRODUCED AND PURCHASED:			
2	Water Produced	14,705,442		
3	Water Purchased	225,767		
4	TOTAL PRODUCED AND PURCHASED	14,931,209		
5				
6	Water Sales:			
7	Residential	5,729,658		
8	Commercial	4,011,583		
9	Industrial	755,945		
10	Bulk Loading Station	2,965		
11	Resale	398,383		
12	Other Sales - Public Authority	1,375,251		
13	TOTAL WATER SALES	12,273,785		
14				
15	OTHER WATER USED:			
16	Utility/ Water Treatment	0		
17	Wastewater Plant			
18	System Flushing			
19	Fire Department			
20	Other (Construction, Flushing, Disinfection, Etc.)	349,226		
21	OTHER WATER USED	349,226		
22				
23	Water Loss	2,308,198		
24				
25	TOTAL OTHER WATER USED	2,657,424		
26				
27	Water Loss Percentage:	15.5%		

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS
AS OF DECEMBER 31, 2004**

Provide the following information:

- 1. Number of public fire hydrants, by size.
- 2. Number of private fire hydrants, by size.
- 3. Whether water supply is river, impounded streams, wells, springs, artificial lake or collector type well.
- 4. Whether supply is by gravity, pumping, or a combination.
- 5. Type, capacity, and elevation of reservoirs at overflow and ground level.
- 6. Miles of main by size and kind.
- 7. Types of filters: gravity or pressure, number of units, and total rated capacity in gallons per minute.
- 8. Type of chlorinators, number of units and capacity in pounds per 24 hours.
- 9. Station equipment. List each pump separately, giving type and capacity and H.P. of driving unit and character of driving unit (steam, electric, or internal combustion). State whether pump is high or low duty.
- 10. Quantity of fuel used: coal in pounds, gas in cu.ft., oil in gallons, and electric in kWh.
- 11. Give a description and total cost of any sizable additions or retirements to plant in service outside the normal system growth for the period covered by this report.
- 12. Capacity of clear well.
- 13. Peak month, in gallons of water sold.
- 14. Peak day, in gallons of water sold.

PLEASE REFER TO PAGES 35 THROUGH 54.

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 1 THROUGH 4)
AS OF DECEMBER 31, 2004**

1) Number of public fire hydrants:

Fayette County	6,529
Scott County	193
Clark County	10
Bourbon County	56
Woodford County	8
Total Public	<u><u>6,796</u></u>

2) Number of private fire hydrants:

Fayette County	733
Scott County	56
Clark County	-
Bourbon County	-
Woodford County	9
Total Private	<u><u>798</u></u>

3) Source of water supply:

Kentucky-American Water Company's major source of supply is the Kentucky River, located twelve miles southeast of downtown Lexington. The company also utilizes Lake Ellerslie which impounds West Hickman Creek and Jacobson Reservoir which impounds East Hickman Creek.

4) Method of water supply:

Water from the Kentucky River is pumped up a 400 foot cliff through three water lines to the adjacent treatment facility (Kentucky River Station). Raw water from the Kentucky River can also be pumped to Jacobson Reservoir or directly to the Richmond Road Station. The impounded waters of Jacobson Reservoir are pumped to a treatment facility in Lexington (Richmond Road Station). Lake Ellerslie, located adjacent to the Richmond Road Station, is used only as a standby supply.

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 5)
AS OF DECEMBER 31, 2004**

5) Reservoir Statistics:

Greater Fayette System

Tates Creek Tank - 500,000 Gallon Elevated	
Foundation Elevation	1,037.00
Overflow Elevation	1,185.25
York Street Tank - 1,000,000 Gallon Ground Storage	
Foundation Elevation	965.50
Overflow Elevation	1,000.50
Cox Street Tank - 1,000,000 Gallon Ground Storage	
Foundation Elevation	967.00
Overflow Elevation	1,002.50
Cox Street Tank - 1,000,000 Gallon Elevated	
Foundation Elevation	957.00
Overflow Elevation	1,117.00
Mercer Road Tank - 2,000,000 Gallon Elevated	
Foundation Elevation	982.00
Overflow Elevation	1,107.00
Parkers Mill Road Tank - 3,000,000 Gallon Ground Storage	
Foundation Elevation	985.50
Overflow Elevation	1,025.50
Hume Road Tank - 3,000,000 Gallon Ground Storage	
Foundation Elevation	943.50
Overflow Elevation	979.50
Hall Tank - 210,000 Gallon Standpipe	
Foundation Elevation	1,025.00
Overflow Elevation	1,115.00
Muddy Ford Tank - 750,000 Gallon Elevated	
Foundation Elevation	1,008.50
Overflow Elevation	1,130.00
Sadieville Tank - 380,000 Gallon Standpipe	
Foundation Elevation	920.00
Overflow Elevation	992.00
Clays Mill Tank #1 - 3,000,000 Gallon Ground Storage	
Foundation Elevation	985.50
Overflow Elevation	1,022.50

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 5)
AS OF DECEMBER 31, 2004**

5)	Clays Mill Tank #2 - 3,000,000 Gallon Ground Storage	
	Foundation Elevation	985.50
	Overflow Elevation	1,022.50
	 Briar Hill Tank - 750,000 Gallon Elevated	
	Foundation Elevation	1,012.00
	Overflow Elevation	1,150.00
	 Owen County System	
	 Long Ridge Tank - 100,000 Gallon Standpipe	
	Foundation Elevation	965.00
	Overflow Elevation	1,043.60
	 Glencoe Tank - 100,000 Gallon Standpipe	
	Foundation Elevation	793.00
	Overflow Elevation	820.30
	 Sparta Tank - 50,000 Gallon Standpipe	
	Foundation Elevation	640.00
	Overflow Elevation	663.00
	 Brombley Tank - 177,000 Gallon Standpipe	
	Foundation Elevation	908.00
	Overflow Elevation	1,015.00
	 Hesler Tank - 237,000 Gallon Standpipe	
	Foundation Elevation	953.00
	Overflow Elevation	1,055.00
	 Monterey Tank - 117,000 Gallon Standpipe	
	Foundation Elevation	600.00
	Overflow Elevation	652.00
	 Wheatley Tank - 186,000 Gallon Standpipe	
	Foundation Elevation	908.26
	Overflow Elevation	1,015.00
	 Elk Lake Tank - 100,000 Gallon Standpipe	
	Foundation Elevation	910.50
	Overflow Elevation	1,015.00
	 New Columbus Tank - 229,000 Gallon Standpipe	
	Foundation Elevation	909.5
	Overflow Elevation	1021.5

KENTUCKY-AMERICAN WATER

PLANT STATISTICS (ITEM 6)

AS OF DECEMBER 31, 2004

CENTRAL DIVISION NORTHERN DIVISIOI LEASED SYSTEM

SIZE	KIND	FEET (MILES)	FEET (MILES)	FEET (MILES)
36	R/W LJ	256		
		0.048		
36	DI	368		
		0.070		
30	DI	61427		
		11.634		
30	CONC	46152		
		8.741		
30	R/W DI	46649		
		8.835		
30	R/W CONC	1789		
		0.339		
24	CONC	83387		
		15.793		
24	DI	235052		
		44.517		
20	DI	11611		
		2.199		
20	CONC	18136		
		3.435		
20	R/W AC	12116		
		2.295		
20	CI	13901		
		2.633		
20	R/W CI	1481		
		0.280		
20	R/W DI	0		
		0.000		
20	R/W STEEL	520		
		0.098		
14	PEP	3450		
		0.653		
16	DI	6634		
		1.256		
16	CONC	19022		
		3.603		
16	CI	54283		
		10.281		
16	AC	179036		
		33.908		
16	R/W CI	14381		
		2.724		
16	R/W DI	527		
		0.100		

KENTUCKY-AMERICAN WATER

1 OF 3

PLANT STATISTICS (ITEM 6)

AS OF DECEMBER 31, 2004

KENTUCKY-AMERICAN WATER

2 OF 3

PLANT STATISTICS (ITEM 6)

AS OF DECEMBER 31, 2004

CENTRAL DIVISION NORTHERN DIVISION LEASED SYSTEM

SIZE	KIND	FEET (MILES)	FEET (MILES)	FEET (MILES)
12	CI	273879		
		51.871		
12	AC	287392		
		54.430		
12	DI	539826		
		102.240		
12	PVC	20268		
		3.839		
10	CI	1286		
		0.244		
10	AC	24796		
		4.696		
10	DI	0		
		0.000		
8	CI	480476		
		90.999		
8	AC	804793		
		152.423		
8	PVC	1795452	89020	
		340.048	16.860	
8	DI	476488.5		
		90.244		
6	CI	539453		
		102.169		
6	AC	959758	132000	
		181.772	25.000	
6	PVC	354787.9	115900	87330
		67.195	21.951	16.540
6	DI	172178		910
		32.609		0.172
4	AC	235343	164460	
		44.573	31.148	
4	CI	89843		
		17.016		
4	PVC	33415.1	191010	49408
		6.329	36.176	9.358
4	GAL	1213		
		0.230		
4	DI	51013		520
		9.662		0.098
4	STEEL	60		
		0.011		
3	AC	39900	27000	
		7.557	5.114	

KENTUCKY-AMERICAN WATER

1 OF 3

PLANT STATISTICS (ITEM 6)

AS OF DECEMBER 31, 2004

KENTUCKY-AMERICAN WATER

3 OF 3

PLANT STATISTICS (ITEM 6)

AS OF DECEMBER 31, 2004

CENTRAL DIVISION NORTHERN DIVISION LEASED SYSTEM

SIZE	KIND	FEET (MILES)	FEET (MILES)	FEET (MILES)
3	PVC	158592	174940	
		30.036	33.133	
3	GAL	767		
		0.145		
3	CI	0		
		0.000		
3	STEEL	45		
		0.009		
2.5	PVC	43160		
		8.174		
2.2	CI	77194		
		44.517		
2	CI	74330		
		14.078		
2	PVC	70507	46880	
		3.435	8.879	
2	GAL	14828	15840	
		2.808	3.000	
2	VARIOUS	222		
		0.042		
1.2	CI	2086		
		0.395		
1	PVC	11		
		0.002		
SUB TOTAL		8433476	957050	138168
		1597.249	181.259	26.168
TOTAL				9528694
				1804.677

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 7 THROUGH 8)
AS OF DECEMBER 31, 2004**

7) Types of filters:

Kentucky River Station

Type:	Gravity
Units:	10
Capacity Per Unit Per Minute:	0.00278 MG/min
Total Capacity Per Minute:	0.02778 MG/min
DOW Temporary High Rate:	0.0313 MG/min (on peak)

Richmond Road Station

Type:	Gravity
Units:	16
Capacity Per Unit Per Minute:	0.00109 MG/min
Total Capacity Per Minute:	0.01736 MG/min

8) Chlorinators:

Kentucky River Station

Type:	Wallace & Tiernan Model V-2020
Units:	4
Capacity:	3,000 pounds per day
Total Capacity:	12,000 pounds per day

Richmond Road Station

Type:	Wallace & Tiernan Model V-2020
Units:	3
Capacity:	3 @ 3,000 pounds per day
Total Capacity:	9,000 pounds per day

TRI-VILLAGE

Long Ridge	Wallace & Tiernan
Hwy. 22 & 127	Wallace & Tiernan

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004**

9) Station Equipment

***KENTUCKY RIVER STATION
CONDENSED SYSTEM DATA***

- A. PLANT CAPACITY -** 40,000,000 gallons
DOW TEMPORARY HIGH RATE - 45,000,000 gallons (on peak)
- B. SOURCE OF SUPPLY -** Kentucky River
- C. INTAKE (Low Service) -** Kentucky River

Pump No. 1: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258669
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840384
In Service April 1992

Pump No. 2: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)-
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258672
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840380
In Service April 1992

Pump No. 3: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258667
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840383
In Service April 1992

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004**

C. INTAKE (Low Service) - (Continued)

Pump No. 4: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258668
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840382
In Service February 1992

Pump No. 5: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258670
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840381
In Service February 1992

Pump No. 6: Peerless Vertical Turbine Pump
8680 GPM (12.50 MGD)
401.6 Feet Total Dynamic Head
Model No. 27MA and Serial No. 258671
Purchased in 1990 under Work Order No. A-7218
1250 H.P. General Electric Induction Motor
Model No. 8436468601 and Serial No. 840385

D. RAW WATER TRANSFER STATION

Pump No. 8: Patterson Pump, Centrifugal Split Case
Size/ 18x14 MABS
7600 GPM (11 MGD), 315 TDH
Serial No. 91PT16109A14
Purchased in 1992 under BP 91-8 (A-7421)
900 H.P. General Electric Induction Motor
Type K, Frame 8309S
Serial No. 831036
In Service September 1992

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004

D. RAW WATER TRANSFER STATION - (Continued)

Pump No. 9: Patterson Pump, Centrifugal Split Case
Size/ 18x14 MABS
7600 GPM (11 MGD), 315 TDH
Serial No. 91PT16108A14
Purchased in 1992 under BP 91-8 (A-7421)
900 H.P. General Electric Induction Motor
Type K, Frame 8309S
Serial No. 831037
In Service September 1992

Tri-Village Pressure Pump

Pump 1 - 127 PACO LC
3070 225 GPM
130 TDH
Electric High Efficiency

Pump 2 - 127 & 22
PACO 3070-7
806 GPM 145 TDH
Electric High Efficiency

E. RAW WATER CONTROL VAULT

The 36-inch raw water line enters the control vault which contains a Pratt Rubber Seated Butterfly, electric operated, size 30-inch serial No. 8-1067-86, year 1991, PSIG MAX,150. This valve is controlled from the computer located in the control room.

Purchased in 1980 under Work Order No. A-4810

F. CHEMICAL RAPID MIX BASINS

There are two mix tanks. One high energy mix tank equipped with lightning mixer with 50 h.p., U.S. motor drive adjustable speed.

One low energy mix tank equipped with 15 h.p., U.S. motor drive, adjustable speed. Chlorine, coagulant aid, polyaluminum chloride, carbon ferric chloride, caustic soda, polymer and lime slurry are added to raw water. After mixing, water leaves tanks via two 30-inch mains to the ten (10) Aldrich units.

Purchased in 1980 under Work Order No. A-4810

G. ALDRICH UNITS

Ten Aldrich Units (hydrotreaters) equipped with automatic sludge removal and mixed media filters and equipped with Dorr-Oliver variable frequency drives. Each unit 69' 8-inches in diameter and 17' 9-inches high.

1, 2, 3, 4 - Purchased in 1958 under Work Order No. A-521

5, 6 - Purchased in 1966 under Work Order No. A-1919

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004**

G. ALDRICH UNITS - (Continued)

7,8 - Purchased in 1970 under Work Order No. A-2535

9, 10 - Purchased in 1980 under Work Order No. A-4808

H. FILTERS (outside portion of Aldrich Units)

Total of ten filters. 4 MGD rating. 720 square feet of filter area per unit. 40 MGD total.

All filters are equipped with surface wash capability; chlorine and filter aid can be applied to the settled water prior to filtration.

Two wash water pumps, Worthington 10 HH-110-3 (1.44 MGD), US motor, 25 h.p., 440 volts. Purchased in 1958 under Work Order No. A-665. Pumps to two ground storage tanks with 0.53 MG of capacity. tanks with 0.53 MG of capacity.

I. CLEARWELLS

Ammonia, zinc orthophosphate, caustic soda and hydrofluorosilicic acid are applied to the filtered water just prior to the clearwells.

One concrete clearwell located under control building. (0.485 MG capacity).

Purchased in 1958 under Work Order No. A-746

One concrete clearwell located under control building. (.490 MG) and is connected to first clearwell by (2) 36-inch sluice gates and (1) 48-inch sluice gate.

Purchased in 1970 under Work Order No. A-2537

One above ground steel clearwell 110' in diameter by 30' high holding 2.0 MG is connected to No. 1 and No. 2 well by 24-inch pipeline.

Purchased in 1982 under Work Order No. A-4806

J. CLEARWELL TRANSFER PUMP

Pump used to fill No. 3 clearwell, Allis Chalmers vertical pump model 500, 3500 GPM (5 MGD) vs. 25' TDH, GE motor, 40 h.p., 460 volts.

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004**

K. HIGH SERVICE PUMPS

- 1) H.S. Pump No. 10, Peerless discharge, flung bowls, 3 stage, 5560 GPM (8.0 MGD) vs. 380' TDH, Siemaen electric motor, 700 h.p., 4160 volts.

Purchased in 1988 under Work Order No. A-6425

- 2) H.S. Pump No. 11, Patterson vertical turbine, PVT, Size/Type-19 RMC, 5556 G.P.M. (8 MGD), 380' TDH, U.S. Electric Motor, 700 H.P., 4160-volt, 1780 R.P.M. (Purchased in 1998 under BP 98-03, W.O. No. A-8919)

- 3) H.S. Pump No. 12, DeLaval Pump, 2 stage, 5600 GPM (8.5 MGD) vs. 380' TDH, Ideal motor, 700 h.p., 4160 volts. (Purchased in 1966 under Work Order No. A-1872).

- 4) H.S. Pump No. 13, DeLaval P16/14D, 7000 GPM (10 MGD), vs. 380' TDH, Continental Electric motor, 800 h.p., 4160 volts. (Purchased in 1966 under Work Order No. A-1967).

- 5) H.S. Pump No. 14 - Peerless vertical turbine, 24 MA/H X B, 7000 GPM (10 MGD) vs. 380' TDH, Westinghouse motor, 800 h.p., 4160 volts. (Purchased in 1970 under Work Order No. A-2536).

- 6) H.S. Pump No. 15 - Allis Chalmers vertical turbine, H20 x 16, VTMC-7, 7000 GPM (10 MGD) vs. 380' TDH, Continental electric motor, 900 h.p., 4160 volts.

Purchased in 1981 under Work Order No. A-4812.

L. STANDBY EQUIPMENT

H.S. Pump No. 15 - Allis Chalmers vertical turbine VTMC-7, 7000 GPD (10 MGD) vs. 380' TDH, diesel driven by Detroit Diesel V-16, through a right angle drive, 765 h.p. (Purchased in 1981 under Work Order No. A-4804).

Emergency Generator No. 1 - Detroit Diesel, 4 Cyl., 90 k.w., 480 volts. (Purchased in 1981 under Work Order No. A-4805).

Emergency Generator No. 2 - Detroit Diesel, 4 Cyl, 75 k.w., 480 volts.(Purchased in 1981 under Work Order No. A-4811).

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2004**

M. IN PLANT MONITORING EQUIPMENT

Level	- Kentucky River
Chemtrac Streaming Current Monitor	- Treated Water
Hach	- Raw Water
Prominent and Wallace and Tiernan	- Treated Water
Hach	- Entrance to Clearwell
Leeds and Northrum	- Distributed water
Loss of Head	- Filters
Rate of Flow	- Filters
Level	- Filters
Turbidimeters (12) Hach	- Filtered water (each filter)
	- Raw Water
	- Distributed water
Particle Counts (12) IBR	- Entrance to Clearwell
	- Filtered water (each filter)
	- Distributed water
Chlorine Residual Analyzers - Hach	- Entrance to Clearwell
	- Distributed water
Prominent and Wallace and Tiernan	- Treated Water
Phosphate Analyzer	- Distributed water
Flouride Analyzer	- Distributed water
Monochloramine Analyzer	- Distributed water
SCADA (entire plant operations)	- Intake Pumps
	- Raw water flow control
	- Transfer pumps
	- Supernatant pit pumps
	- Filter backwash water handling system
	- Filter operations
	- Dechlorination system
	- Distributed water vaults
	- Chemical feed ssystems
	- Filter operations
- Clearwell levels	

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2004**

***RICHMOND ROAD STATION
CONDENSED SYSTEM DATA***

A. PLANT CAPACITY - 25,000,000 gallons

DOW TEMPORARY HIGH RATE - 30,000,000 gallons (on peak)

B. SOURCE OF SUPPLY - Kentucky River
Jacobson Reservoir - 745 MG
Lake Ellerslie Reservoir - 88.7 MG

C. INTAKE (Low Service)

1) Kentucky River - See Plant Statistics (Item 9.C Intake <LOW SERVICE> -Kentucky River Station)

2) Jacobson Reservoir

a. L.S. Pump Unit No. 1, DeLaval A-1018L, 2800 GPM (4* MGD) vs. 110' TDH, Westinghouse motor, 100 h.p., 440 volts. (Purchased in 1966 under Work Order No. A-2050).

b. L.S. Pump Unit No. 2, DeLaval A-1018L, 2800 GPM (4* MGD), vs. 110' TDH, Westinghouse motor, 100 h.p., 440 volts. (Purchased in 1966 under Work Order No. A-2050).

c. L.S. Pump Unit No. 3, Allis Chalmers Model, 205-848-503, 8350 GPM (12* MGD) vs. 180' TH, Ideal motor, 400 h.p., 2300 volts. (Purchased in 1956 under Work Order No. A-472).

*Low service pumps nos. 1,2 and 3 have name plate ratings of 4,4 and 12 MGD respectively. Historical performance since the installation of a 30-inch line on the outlet side of the pumps and a reduction in head pressure has been 6,6 and 16 MGD respectively.

d. Aeration System

Two (2) Ingersoll-Rand rotary screw air compressors with capacities of 117 CFM and 30 HP each supply the aeration system for Jacobson Reservoir. The aerator lines consist of two runs of tubing, 3,600 feet each, complete with buoyancy hose.

3) Lake Ellerslie Reservoir

a. L.S. Pump Unit No. 5, Ingersoll-Rand 12 AFV, 4160 GPM (6 MGD) vs. 50' TH, GE motor, 60 h.p., 440 volts. (Purchased in 1948 under Work Order No. E-152).

b. L.S. Pump Unit No. 4, DeLaval 250544, 2800 GPM (4 MGD) vs. 50' TH, GE motor, 40 h.p., 440 volts. (Purchased in 1938).

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2004**

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D. JACOBSON RESERVOIR INTAKE

The 24-inch line from the Jacobson Reservoir intake feeds a 16-inch, 20-inch, and a 24-inch main which, in turn, feeds to the suction side of the Jacobson Reservoir L.S. pumps, 1, 2, and 3. Also connected into the 24-inch line is a 30-inch raw water line from the Kentucky River.

The Lake Ellerslie Reservoir intake has two (2) 24-inch lines leaving the intake to feed the suction of L.S. pumps No. 4 and 5. From the discharge side two (2) lines go to the chemical feed vault, a 12-inch and 20-inch. Potassium permanganate is added to the raw water at the intake for taste and odor control.

E. INFLUENT RAW WATER VAULT

The 30-inch, 20-inch and 16-inch raw water mains from Jacobson Reservoir flow into two (2) raw water control vaults inside the plant

Pre chlorine and pre caustic are fed at each raw water control vault. The remaining treatment chemicals are added at the influent of each sedimentation basin.

F. RAPID MIX FLOCCULATORS AND SEDIMENTATION BASINS

There are two (2) - 1.5 MG concrete settling basins each equipped with rapid mix at the point of application and eight (8) flocculators in each chamber passage directly in front of the Riffle plate aerators. Water is carried to these basins by a 30-inch and 24-inch main. Water departs these basins in a 30-inch main which splits into two 24-inch mains which loop the filter building. At the rapid mix, aluminum sulfate, caustic, ferric chloride, carbon, cationic polymer, and chlorine are applied.

G. FILTERS

A total of 16 filters rated at 1.56 MGD each, 20' x 17' or 340 sq. ft. each, with Leopold bottoms and air wash backwash. The media consists of 24 inches of granular activated carbon and six inches of sand. Filter aid can be applied to each filter when necessary.

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**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2004**

G. FILTERS - (Continued)

One wash pump, Allis Chalmers Model C-3, 1000 GPM (1.44 MGD) vs. 90' TH, GE motor, 20 h.p., 440 volts which pumps to a steel 50,000 gallon wash water tank, 24' in diameter by 14' 10 - ½ inch high. The filter water gravity drips into a 0.6 MG clearwell under the filter building and flows by gravity through two 30-inch mains to a below-ground concrete clearwell of 0.45 MG capacity. Caustic soda, hydrofluorosilicic acid, ammonia, and zinc orthophosphate are added to the filtered water prior to entering the 0.45m clearwell. Chlorine is added prior to and after the 0.6 MG clearwell.

H. HIGH SERVICE PUMPS

- 1) H.S. Pump No. 8, Ingersoll Rand, 2780 GPM (4.0 MGD) vs. 240' TH, Continental motor, 200 h.p., 460 volts. (Purchased in 1955 under Work Order No. A-452).
- 2) H.S. Pump No. 7, DeLaval, 8333 GPM (12.0 MGD) vs. 240' TH, Continental motor, 500 h.p., 460 volts. (Purchased in 1955 under Work Order No. A-452).
- 3) H.S. Pump No. 6, DeLaval, 4520 GPM (6.5 MGD) vs. 190' TH, Continental motor, 250 h.p., 460 volts. (Purchased in 1953 under Work Order No. A-252).

I. HIGH SERVICE PUMPS WITH STANDBY DIESEL EQUIPMENT

- 1) H.S. diesel driven pump No. 9, Patterson Pump, 4862 GPM (7.0 MGD) VS 235, Cummins diesel 372 HP. (Purchased in 1993 under Work Order No. A-7322).
- 2) H.S. diesel driven pump No. 11, Peerless, 2800 GPM (4.03 MGD) vs. 220' TH, 180 h.p. diesel driver. (Purchased in 1965 under Work Order No. A-1784).
- 3) H.S. diesel driven pump No. 10, DeLaval, 3850 GPM (5.54 MGD) vs 231' TH, GM diesel, 580 h.p., or electric driven by Continental motor, 250 h.p., 460 volts. (Purchased in 1988 under Work Order No. A-6424 under BP-84-10).

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2004**

J. STANDBY EQUIPMENT

Emergency Generator No. 1 (High Service Pumps) - GM diesel Model 6151E, 440 volt, 115 KW, 144 KVA.

Emergency Generator No. 2 (Chemical Feed Systems) - Onan Model 250 ODFM17R/3028N, 250 KW, 312.5 KVA, 390 h.p. (Purchased in 1988 under Work Order No. A-6218).

Emergency Generator No. 3 (Sludge Processing Systems) - Onan Model 500, ODFY-4xR/30285E, 500 KW, 625 KVA, 760 h.p. (Purchased in 1988 under Work Order No. A-6218).

J. IN-PLANT MONITORING EQUIPMENT

Level	- Jacobson Reservoir
Chemtrac Streaming Current Monitor	- Treated Water
pH	- Treated Water
Loss of Head	- Filters
Rate of Flow	- Filters
Level	- Filters
Turbidimeters (19)	-Raw water
	- Filtered Water (each filter)
	Entrance to clearwell
	-Effluent
Chlorine residual analyzers (5)	-Treated water
	-North and south basins
	- Entrance to Clearwell
	- Distributed Water
SCADA (entire plant operation)	-Intake pumps
	-Raw water flow control
	-Filter operation
Particle counts	-Distributed water
	-Filter backwash water handling system
	-Distributed water venturi
Flouride	-Distributed water
	-Chemical feed system
	-Distributed water @ RRS
	-Distributed system operation

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2004**

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K. SYSTEM STORAGE

Twenty-one (21) storage tanks ranging in size from 100,000 gallons to 3,000,000 gallons with a total storage capacity of 17,860,000 gallons (does not include clearwell storage).

TANK	MG	YEAR
Greater Fayette System		
Tates Creek Road Elevated	0.50	
Cox Street Elevated	1.00	1955
Cox Street Ground	1.00	1948
York Street Ground	1.00	1948
Mercer Road Elevated	2.00	
Parkers Mill Road Ground	3.00	
Sadieville Standpipe	0.38	1975
Hall Standpipe	0.21	
Muddy Ford Standpipe	0.75	1988
Hume Road Ground	3.00	1987
Briar Hill Tank	0.75	1999
Clays Mill Tank 1	3.00	1996
Clays Mill Tank 2	3.00	2004
Owen County System		
Long Ridge	0.10	
Brombley	0.18	
Sparta	0.05	
Glencoe	0.10	
New Wheatley	0.17	
Hesler	0.23	
Monterey	0.12	
Elk Lake	0.10	
New Columbus	0.23	2002
TOTAL TANK STORAGE	20.86	
CLEARWELLS		
Clearwells - KY River Station	1.00	
Clearwells - Richmond Road Station	1.00	
Clearwells - Storage Tank KRS	2.00	
TOTAL TANK/CLEARWELL STORAGE	24.86	

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**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 10 THROUGH 14)
AS OF DECEMBER 31, 2004**

10) Quantity of Fuel Used:

Coal:	-
Gas:	-
Electricity:	51,613,884 kWh

11) Description of Sizable Plant Additions/Retirements:

Major hydraulic improvements (piping) completed in 2003 with most attendat SCADA improvements completed in 2004 and remainder to be completed in 2005.
In the summer of 2004 the 3 MG Clay's Mill ground tank #2 was completed and placed in service.

12) Clear Well Capacities:

Kentucky River Station

Clearwell No. 1 - Concrete structure under control building	485,000 Gallons
Clearwell No. 2 - Concrete structure under and adjacent to building	490,000 Gallons
Clearwell No. 3 - Steel above ground reservoir	2,000,000 Gallons

Richmond Road Station

Clearwell No. 1 - Concrete structure underneath filters	600,000 Gallons
Clearwell No. 2 - Concrete structure adjacent to pumping station	450,000 Gallons

13) Peak Month of Water Sold:

January was the peak month for water sold with sales of 1,390,688 gallons.

14) Peak Day of Water Sold:

Based on our peak day delivery of 56,890,000 gallons on June 29, 2004 and using an 84.5 % sales/delivery ratio, our estimated peak day sales would be 48,095,442 gallons.

OATH

Commonwealth of Kentucky)
County of Fayette)

Michael A. Miller makes oath and says
(Insert here the name of the affiant)

that he is _____ of
(Insert here the official title of the affiant)

Kentucky-American Water Company
(Insert her the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 20 04, to and including December 31, 20 04

Michael A. Miller
(Signature of official)

Subscribed and sworn to before me, _____ Notary Public, in and for the

State and County above named, this 30th day of March, 20 05

(APPLY SEAL HERE)

My commission expires January 24, 2007

Janice Dickson
(Signature of officer authorized to administer oaths)

SEWER

CLASS A & B WATER COMPANIES

ANNUAL REPORT

OF

KENTUCKY-AMERICAN WATER COMPANY

2300 Richmond Road, Lexington, Kentucky 40502

TO THE

PUBLIC SERVICE COMMISSION

OF THE

COMMONWEALTH OF KENTUCKY

**211 SOWER BLVD.
P. O. BOX 615
FRANKFORT, KENTUCKY 40602**

FOR THE YEAR ENDED DECEMBER 31, 2004

**PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2004**

1. Amount of Principal payment during the calendar year \$ 0
2. Is Principal current? (Yes) X (No) _____
3. Is Interest current? (Yes) X (No) _____

**SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

Are your financial statements examined by a Certified Public Accountant? (Yes) X (No) _____

If yes, which service is performed?

- Audit X _____
- Compilation _____
- Review _____

**AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES
To Be Completed and Returned with Annual Report**

<u>Page No.</u>	<u>Line No.</u>		<u>Page No.</u>	<u>Line No.</u>	Yes	No	If No, Explain Why
2	4	agrees with	4	12		X	Difference of is Water Utility
2	6	agrees with	4	15	(Utility Plant)	X	Difference of is Water Utility
2	7	agrees with	4	17	(Utility Plant)	X	Difference of is Water Utility
4	2	agrees with	5	40		X	
4	23	agrees with	4	15	(Utility Plant)	X	
3	4 & 5	agrees with	6	Capital Stock		X	
3	10	agrees with	7	Balance End of Year Statement of Retained Earnings		X	
3	19	agrees with	6	Long-Term Debt, Total (d)		X	
3	23	agrees with	6	Notes Payable, Totals (e)		X	
3	29	agrees with	6	Interest Accrued, Balance End of Year, Total		X	
3	30	agrees with	7	21		X	
4	3	Depreciation) agrees with	8	25		X	
	Interest Accrued During Year -LTD	agrees with	8	40		X	Interest Accrued during year is reported by Water Utility.
6	Interest Accrued During Year-Other	agrees with	8	43		X	Interest Accrued during year is reported by Water Utility.
8	24	agrees with	9	51		X	
8	27	agrees with	10	Acct. 408.1		X	
8	28	agrees with	10	Total Income Taxes Utility Operating Income		X	

AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES
To Be Completed and Returned with Annual Report

<u>Page No.</u>	<u>Line No.</u>		<u>Page No.</u>	<u>Line No.</u>	Yes	No	If No, Explain Why
8	26	agrees with	10	Amortization Expense	X		
8	44	agrees with	10	Account 408.2 Total Income Taxes	X		
8	45	agrees with	10	Nonutility Operate- ing Income	X		
Pages 11 and 12 have been completed					X		
The Oath Page has been completed					X		

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Balance Sheet - Assets	2		
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Summary of Utility Plant	4		
Accumulated Provision for Depreciation and Amortization of Utility Plant	4		
Sewer Utility Plant in Service	5		
Capital Stock	6		
Long-Term Debt	6		
Notes Payable	6		
Interest Accrued	6		
Other Current and Accrued Liabilities	7		
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Sewer Operation and Maintenance Expenses	9		
Taxes Other Than Income Taxes	10		
Operating and Non-Operating Income Taxes	10		
Amortization Expense	10		

Additional Information Required by Commission Orders

Provide any special information required by prior Commission, orders as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by the Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date of Order	Item/Explanation

GENERAL INFORMATION

1. Exact name of utility making this report. (Use the words "The", "Company", or "Incorporated" only when a part of the corporate name.)

Kentucky-American Water Company

2. Give the location including street, zip code and telephone number of the principal office in Kentucky

2300 Richmond Road

Lexington, Kentucky 40502

3. Give the name, title, address and telephone number of the officer to whom correspondence concerning this report should be addressed

Michael C. Miller, Vice President, Treasurer, and Comptroller

(304) 340-2009

2300 Richmond Road

Lexington, Kentucky 40502

4. Name of State under the laws of which respondent is incorporated and the date of incorporation

Incorporated as Lexington Hydraulic & Manufacturing Company by Acts of General Assembly of the Commonwealth of Ky. Chap 22, Approved 2-27-1882.

5. Date sewer utility began operations

1973

6. Name of City, Town, Community, Sub-division and County in which respondent furnishes sewer service

Clark County, Kentucky

7. Number of employees: Full time

131

, Part time:

PRINCIPAL OFFICERS

Title	Name	Official Address	Annual Salary and/or Fee
President	Nick O. Rowe	2300 Richmond Road, Lexington Ky 40502	ALLOCATED
Vice President - Operations	Herbert A. Miller	2301 Richmond Road, Lexington Ky 40502	ALLOCATED
Assistant Comptroller	Thomas Bailey	1325 Virginia Street, Charleston WV 25301	ALLOCATED
VP, Treasurer & Comptroller	Michael A. Miller	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Secretary and Assistant Treasurer	Sheila Valentine	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Secretary	Velma A. Redmond	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Comptroller	Rachel S. Cole	2301 Richmond Road, Lexington Ky 40502	62,817
Assistant Comptroller	John G. Easlick	3096 Church Rd., Mt. Laurel NJ 08054	ALLOCATED
Assistant Comptroller	Ben J. Tartaglia, Jr.	3096 Church Rd., Mt. Laurel NJ 08054	ALLOCATED

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First of Year	Balance Last of Year
1			
2			
3	UTILITY PLANT		
4	Utility Plant (101 - 109)	274,545,680	289,330,709
5	Less: Accum. Prov. For Depr. And Amort.		
6	of Utility Plant (110)	59,283,171	66,027,848
7	Net Utility Plant	215,262,509	223,302,861
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Non-Utility Property (121)	249,738	249,738
12	Less: Accum. Prov. For Depr. And Amort.		
13	of Non-Utility Property (122)		
14	Net Non-Utility Property	249,738	249,738
15	Other Investments (124)		
16	Special Funds (125)		
17			
18			
19	Total Other Property and Investments	249,738	249,738
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds (131)	1,001,714	584,046
24	Temporary Cash Investments (132)		
25	Notes Receivable (141)		
26	Customer Accounts Receivable (142)	2,849,893	2,506,851
27	Other Accounts Receivable (143)	1,052,195	623,289
28	Accum. Prov. For Uncollectible Accts. - Cr. (144)	(70,816)	(169,699)
29	Notes Receivable from Associated Companies (145)		
30	Accounts Receivable from Associated Companies (146)	2,383,785	1,528,094
31	Materials and Supplies (150)	442,869	536,204
32	Prepayments (166)	12,891	25,310
33	Other Current and Accrued Assets (170)	500,756	161,324
34	Accrued Utility Revenues	3,759,672	4,429,251
35			
36			
37	Total Current and Accrued Assets (170)	11,932,959	10,224,670
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expenses (181)	692,207	612,863
42	Extraordinary Property Losses (182)		
43	Other Deferred Debits (183)	11,292,693	9,947,018
44	Preliminary Survey & Investigation Charges	1,486,553	2,192,004
45	Reg-Asset-Inc Tax Recoverable thru Rates	4,785,393	4,685,829
46			
47	Total Deferred Debits	18,256,846	17,437,714
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	245,702,052	251,214,983

BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First of Year	Balance Last of Year
1			
2			
3	EQUITY CAPITAL		
4	Common Capital Stock (201)	36,568,776	36,568,776
5	Preferred Capital Stock (204)	6,052,800	6,048,500
6	Other Paid In Capital (207)	30,489	31,779
7	Discount of Capital Stock (213)		
8	Capital Stock Expense (214)		
9	Appropriated Retained Earnings (215)		
10	Unappropriated Retained Earnings (216)	26,304,493	25,924,241
11	Non-Corporate Proprietorship (218)		
12	Total Equity Capital	68,956,558	68,573,296
13			
14	LONG TERM DEBT		
15			
16	Bonds (221)	68,500,000	82,500,000
17	Advances from Associated Companies (223)		
18	Other Long Term Debt (224)		
19	Total Long Term Debt	68,500,000	82,500,000
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable /Long Term Debt (current portion)(231)	17,173,237	1,090,837
24	Accounts Payable (232)	2,733,664	4,260,318
25	Notes Payable to Associated Companies (233)		
26	Accounts Payable to Associated Companies (234)	1,144,103	1,034,867
27	Customer Deposits (235)	6,560	6,560
28	Taxes Accrued (237)	2,197,787	1,906,235
29	Interest Accrued (237)	1,456,724	1,458,572
30	Other Current and Accrued Liabilities (238)	2,371,069	2,578,112
31	Total Current And Accrued Liabilities	27,083,144	12,335,501
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252)	12,506,787	15,777,400
36	Other Deferred Credits (253)	3,282,044	3,646,454
37	Accum. Deferred Investment Tax Credits (255)	1,556,324	1,460,729
38	Total Deferred Credits	17,345,155	20,884,583
39			
40	Operating Reserves (261-265)		
41			
42	Contributions in Aid of Construction (271)	31,252,684	32,223,395
43			
44	ACCUMULATED DEFERRED INCOME TAXES		
45			
46	Accum. Def. Income Taxes - Accel. Amort. (281)		
47	Accum. Def. Income Taxes - Lib. Depr. (282)		
48	Accum. Def. Income Taxes - Other (283)	32,564,511	34,698,208
49	Total Accum. Def. Income Taxes	32,564,511	34,698,208
50	TOTAL EQUITY CAPITAL AND LIABILITIES	245,702,052	251,214,983

SUMMARY OF UTILITY PLANT

Line No.	Acct. No.	Item	Amount
UTILITY PLANT			
1		In Service	
2	101	Plant in Service Classified (from pg. 5. Line 40)	50,835
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total-In Service	50,835
7	104	Utility Plant Leased to Others	
8	105	Property Held for Future Use	
9	107	Construction Work In Progress	
10	108	Utility Plant Acquisition Adjustments	
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant (to pg. 2. Line 4)	50,835
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amort. Of Utility Plant (to pg. 2. Line 6)	48,137
16			
17		NET UTILITY PLANT (to pg. 2, line 7)	2,698

ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Item		Amount
1	Balance Beginning of Year		49,696
2	Accruals for Year:		
3	Depreciation		2,441
4	Amortization		
5	Other Accounts (detail):		
6			
7			
8	Total Accruals for Year		2,441
9	Credit Adjustments (describe):		
10			
11			
12	Total Credits for Year		0
13			
14	Net Charges for Plant retired:		
15	Book Cost of Plt. Ret. (Same as pg 5. Line 40)	4,000	
16	Add: Cost of Removal	0	
17	Less: Salvage		
18	Net Charges for Plant Retired	4,000	
19	Debit Adjustments		
20			
21			
22	Total Debit Adjustments for Year		4,000
23	Balance end of Year		48,137

SEWER UTILITY PLANT IN SERVICE

Report in Col. (e) entries reclass. property from one acct. to another. Corrections of entries of the prec. yr. Should be recorded in Col. (c) or (d) as they are corrections of additions or retirements.

Line No.	Account	Depr. Rate	Balance First of Yr.	Additions	Retire-ments	Adj. - Inc. or Dec.	Balance End of Year
1	INTANGIBLE PLANT						
2	Organization (301)						0
3	Franchises and Consents (302)						0
4	Miscellaneous Intangible Plant (303)						0
5	Total Intangible Plant		0	0	0	0	0
6	LAND AND STRUCTURES						
7	Land and Land Rights (310)						0
8	Structures and Improvements (311)		40,127		4,000		36,127
9	Total Land and Structures		40,127	0	4,000	0	36,127
10	COLLECTION PLANT						
11	Collection Sewers - Gravity (352.2)						0
12	Collection Sewers - Force (352.1)						0
13	Other Collection Plant Facilities (353)						0
14	Services to Customers (354)						0
15	Flow Measuring Devices (355)						0
16	Total Collection Plant		0	0	0	0	0
17	PUMPING PLANT						
18	Receiving Wells and Pump Pits (362)						0
19	Pumping Equipment - Electric (363A)		10,708				10,708
20	Pumping Equipment - Diesel (363-B)						0
21	Pumping Equipment - Other (363-C)						0
22	Total Pumping Plant		10,708	0	0	0	10,708
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						0
25	Treatment and Disposal Equipment (373)						0
26	Plant Sewers (374)						0
27	Outfall Sewer Lines (375)						0
28	Other Treat. & Dis. Plt. Equip. (376)						0
29	Total Treatment and Disposal Plant		0	0	0	0	0
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)						0
32	Transportation Equipment (392)						0
33	Stores Equipment (393 A)						0
34	Tools, Shop and Garage Equipment (393 B)						0
35	Laboratory Equipment (393 C)						0
36	Power Operated Equipment (393 D)						0
37	Communication Equipment (393 E)						0
38	Other Tangible Property (393 F)						0
39	Total General Plant		0	0	0	0	0
40	TOTAL SEWER PLANT IN SERVICE		50,835	0	4,000	0	46,835

CAPITAL STOCK

Class and Series of Stock (a)	No. of Shares Auth. (b)	Par Value Per Share of Par Value Stk. (c)	Stated Val. Per Share Of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)
Common Stock	2,000,000	NO PAR	23.331	1,567,391	36,568,776
Preferred Stock	85,000	100	N/A	60,528	6,052,800

LONG-TERM DEBT

List Each Original Issue Amt., Class & series of Obligation (a)	Date of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest for the Year	
				Rate (e)	Amount (f)
7.21% Series		12/1/2002	0	7.21%	0
6.96% Series		12/1/2023	7,000,000	6.96%	487,200
6.79% Series		9/1/2005	5,500,000	6.79%	373,450
7.15% Series		2/1/2027	7,500,000	7.15%	536,250
6.99% Series		6/1/2028	9,000,000	6.99%	629,100
6.87% Series		3/29/2011	15,500,000	6.87%	1,064,850
5.65% Series		6/12/2007	24,000,000	5.65%	1,356,000
4.75% Series		3/1/2014	14,000,000	4.75%	554,167
Total			82,500,000		5,001,017

(Include Notes payable to Associated Companies Under this Heading)

Name of Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
Notes Payable - Associated Company				1,090,837
Total				1,090,837

INTEREST ACCRUED

Description of Obligation (a)	Int. Accr. Balance First of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accr. Balance End of Year (e)
Long-Term Debt (237.1)	1,458,572	5,111,850	5,111,850	1,458,572
Bank Debt (237.2)	0	0	0	0
Total	1,458,572	5,111,850	5,111,850	1,458,572

OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1	Refer to Detail on Attachment 1	2,578,112
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with page 3. Line 30, Acct. No. 238)	2,578,112

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year (c)
Balance Beginning of Year	26,304,493	25,177,597
Balance Transferred From Income (435) Water	1,895,187	5,046,061
Appropriations of Retained Earnings (436):	84,986	(4,634)
Dividends Declared-Preferred Stock (437)	(448,208)	(513,293)
Dividends Declared-Common Stock (438)	(1,912,217)	(3,401,238)
Adjustments to Retained Earnings (439):		
Balance End of Year	25,924,241	26,304,493

**OTHER CURRENT AND ACCRUED LIABILITIES
(DETAIL FOR SCHEDULE ON PAGE 7)**

Line No.	Sub-Account and Description	Amount
1	ACCRUED WATER	42,006
2	ACCRUED POWER	0
3	ACCRUED WAGES	356,133
4	ACCRUED INSURANCE	0
5	ACCRUED RENTS	12,000
6	ACCRUED PREFERRED DIVIDEND REQUIREMENTS	52,595
7	ACCRUED BANK FEES	0
8	ACCRUED CREDIT LINE FEES	0
9	ACCRUED VACATION PAYABLE	81,851
10	WITHHELD PR-HOSPITAL PREMIUM	0
11	WITHHELD PR-UNION DUES	1,433
12	WITHHELD PR-SAVINGS BONDS	0
13	WITHHELD PR-CHARITY CONT	(2)
14	WITHHELD PR-SAVINGS ACCT	0
15	WITHHELD PR-CREDIT UNION	0
16	WITHHELD PR-MISCELLANEOUS	1,828
17	WITHHELD PR-FSA	157
18	WITHHELD PR-COLL PAY FIT/SIT/FICA	49,956
19	CONSTRUCTION COSTS PAYABLE	0
20	UNCLAIMED CREDITS	33,396
21	UNCLAIMED EXTENSION DEPOSIT REFUNDS	6,159
22	CONTRACT LIA PROP PURCHASES	0
23	WITHHELD PR-401 K	3,952
24	ACCRUED 401K EXPENSE	24,251
25	BANK CLEARING	1,045,931
26	ACCRUED UNBILLED ITEMS	9,897
27	UNBILLED STOCK C	18,300
28	UNBILLED STOCK E	37,621
29	ACCRUED ESOP CONTRIBUTION	11,580
30	WITHHELD PR-ESOP	1,170
31	WITHHELD PR-GARNISHMENT	0
32	WITHHELD PR-TAX COLL PAY LIT	8,464
33	CFO-MGMT CONTRACTS	(533,461)
34	CFO-SALES TAX	637,662
35	CFO-GROSS RECEIPTS TAX	423,270
36	CFO-MUN TAX	(194,711)
37	DIVIDENDS DECLARED - PREFERRED	0
38	OTHER CURRENT LIABILITIES ANALYZED	369,831
39	ACCRUED LEGAL	0
40	CUSTOMER PLEDGES	189
41	REFUND TRATES UNDER BONDS	76,654
42		2,578,112

-Attachment 1-

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues - General Customers:		
3	Residential Revenues (521.1)		
4	Commercial Revenues (521.2)		
5	Industrial Revenues (521.3)		
6	Revenues from Public Authorities (521.4)		
7	Total (521)	0	0
8	Measured Revenues - General Customers:		
9	Residential Revenues (522.1)	84	112,195
10	Commercial Revenues (522.2)	4	14,390
11	Industrial Revenues (522.3)	1	5,897
12	Revenues from Public Authorities (522.4)		
13	Total (522)	89	132,482
14	Revenues from Public Authorities (523)		
15	Revenues from Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues	89	132,482
18	OTHER OPERATING REVENUES		
19	Customers Forfeited Discounts (532)		
20	Miscellaneous Operating Revenues (536)		977
21	Total Other Operating Revenues		977
22	Total Operating Revenues		133,459
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp. (from pg. 9, Line 52)		45,742
25	Depreciation Expense (403)		2,441
26	Amortization Expense (404-407 / from pg. 10)		0
27	Taxes Other Than Income Taxes (408.1 / from pg. 10)		289
28	Total Income Taxes - Utility Operating Income (from pg. 10)		0
29	Total Sewage Operating Expenses		48,472
30	Net Operating Income		84,987
31	OTHER INCOME		
32	Income from Nonutility Operations (417)		
33	Interest and Dividend Income (419)		
34	Miscellaneous Nonoperating Income (421)		
35	Other Accounts (Specify Account No. and Title):		
36			
37			
38	Total Other Income		0
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt (427)		
41	Amortization of Debt Discount and Expenses (428)		
42	Interest on Debt to Associated Companies (430)		
43	Other Interest Expense (431)		
44	Taxes Other Than Income Taxes (408.2 / from pg. 10)		
45	Total Income Taxes - Nonutil Operating Income (from pg. 10)		
46	Other Accounts (Specify Account No. and Title):		
47			
48			
49	Total Other Deductions		0
50	NET INCOME		84,987

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering (700):	
3	Owner/Manager-Management Fee (700-A)	
4	Other Expenses (700-B)	
5	Labor and Expenses (701):	
6	Collection System - Labor, Mat'ls. & Expenses (701-A)	3,788
7	Pumping System - Labor, Mat'ls. & Expenses (701-B)	
8	Treatment System (701-C):	
9	Sludge Hauling	28,458
10	Utility Service - Water Cost	
11	Other - Labor, Mat'ls. & Expenses (701-A) Testing Fees	3,712
12	Rents (702)	
13	Fuel and Power Purchased for Pumping & Treatment (703)	6,503
14	Chemicals (704)	1,827
15	Miscellaneous Supplies and Expenses (705):	0
16	Collection System (705-A)	
17	Pumping System (705-B)	
18	Treatment and Disposal (705-C)	0
19	Total Operation Expenses	44,288
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering (710):	
22	Routine Maintenance Service Fee (710-A)	
23	Internal Supervision and Engineering (710-B)	
24	Maintenance of Structures and Improvements (711)	
25	Maintenance of Collection Sewer System (712)	1,427
26	Maintenance of Pumping System (713)	
27	Maintenance of Treatment and Disposal Plant (714)	
28	Maintenance of Other Plant Facilities (715)	
29	Total Maintenance Expenses	1,427
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision (901)	
32	Meter Reading Expenses and Flat Rate Inspections (902)	
33	Customer Records and Collection Expenses (903):	
34	Agency Collection Fee (903-A)	
35	Internal Labor, Materials and Expenses (903-B)	
36	Uncollectable Accounts (904)	
37	Miscellaneous Customer Accounts Expenses (905)	
38	Total Customer Accounts Expenses	0
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries (920)	
41	Office Supplies and Other Expenses (921)	27
42	Outside Services Employed (923)	
43	Insurance Expense (924)	
44	Employee Pensions and Benefits (926)	
45	Regulatory Commission Expenses (928)	
46	Transportation Expenses (929)	
47	Miscellaneous General Expenses (930)	
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	27
51	TOTAL SEWER OPERATION & MAINT. EXP. (to pg. 8. line 24)	45,742
52		

TAXES OTHER THAN INCOME TAXES (408)

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 appearing on page 8, lines 27 and 44.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	460
2	Property Taxes	
3	Utility Regulatory Commission Assessment	
4	Other (Specify):	
5		
6		
7		
8		
9		
10		
11		
12	Total (Same as page 8. Line 27 plus 44)	460

OPERATING AND NON-OPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes - Federal	
409.1	Income Taxes - State	
409.1	Income Taxes - Other	
410.1	Provisions for Deferred Income Taxes	
411.1	Income Taxes Deferred in Prior Years - Credit	
412.0	Investment Tax Credits - Net	
	Total Income Taxes (Util. Operating Income (to pg. 8, line 28))	0
409.2	Income Taxes - Federal	
409.2	Income Taxes - State	
409.2	Income Taxes - Other	
410.2	Provisions for Deferred Income Taxes	
411.2	Income Taxes Deferred in Prior Years - Credit	
414.0	Investment Tax Credits - Net	
	Total Income Taxes (Nonutil. Operating Income (to pg. 8, line 45))	0

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
403	Amortization of CIAC Tax	0
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	
-	Amortization of Rate Case Expense	
	Total Amortization Expense (to pg. 8. Line 26)	0

SEWER PLANT STATISTICS

PLANT VALUATION

- 1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on page two, line four: Original Cost, Estimated Cost, Original Cost Study?
Original Cost

- 2. What percentage of Sewer Utility Plant in Service was recovered, by the developer of the subdivision, through the sale of lots? **None** %

- 3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, ect.) of the plant that represents non-contributed plant **N/A**

- 4. By whom were the books of account audited? **Price Waterhouse Coopers**
What was the date of the last audit? **Calendar Year 2004**
If unaudited in the past twelve months, when and by whom is the next audit anticipated?
N/A

PHYSICAL DATA OF SEWER PLANT

- 1. Date of construction of original plant? **1973**

- 2. Type of treatment process **Aeriation Clarifier**

- 3. Date and additional G.P.D. Capacity of subsequent additions to plant **N/A**

- 4. Population for which plant is designed including population equivalent of industrial waste load **Unknown**

- 1. Total gallons received during year? **8,007,550**

- 2. Total received on maximum day? **61,840**

- 3. Maximum G.P.D. Capacity of the sewage treatment plant **40,000**

- 4. Routing maintenance service fee:
Cost per month \$ **855**
Contract Expires **There is no written contract.**

- 5. Sludge hauling:
Cost per load **\$225 per load**
Average Number of gallons per load **2,000 Gallons**
Number of Loads this year **6 Loads**

SEWER PLANT STATISTICS

CUSTOMER STATISTICS-END OF YEAR

Type	Number of Customers	Bi-Monthly Or Monthly Billing?	Number of Bills Pertaining to Each Type of Customer
Residential:			
Single Family	84		84
Apartments / Condominiums		Monthly	0
Commercial	2	Monthly	2
Industrial	0	Monthly	0
Other (Specify):			
Total	86		86

INDUSTRIAL CUSTOMERS SERVED

Name And Type Of Industry	Metered Or Estimated Gals.	Pretreatment or Wastes
Southern States Feed Mill - Commercial	Metered	None
Jen Mar of Kentucky - Commercial	Metered	None
Southern Wood Treatment - Industrial	Metered	None
Quality Manufacturing Co. (2 Accounts) - Commercial	Metered	Grease- Oil Trap

PUMPING STATIONS

Location	Size Of Motor	Type Of Motor	Capacity Gals. Per Day
Rockwell Road	5 Hp	Century 3-Phase	86,400

MAINS (FEET)

Kind Of Pipe (Cast Iron, Vit. Clay, concrete)	Diameter Of Pipe	No. Of Feet 1st of Year	Additions	Removed or Abandoned	No. Of Feet End of Year
Vit. Clay	8"	2,500	None	None	2,500

SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year	None
Number of stubs as of end of year	
Number of service laterals owned by others	88

OATH

State of Kentucky)

County of Fayette)

ss:

Before me, the undersigned officer dully authorized to administer oaths, there personally appeared Mike Miller
(Name of affiant)

who, being first sworn by me, says on oath that he has charge of the records of Kentucky-American Water Company
(Exact legal name of company)

and that the foregoing report is true to the best of his knowledge and belief, and that it covers the period from January 1, 20 04 to to December 31, 20 04 .

Michael A. Miller
(Signature of affiant)

Subscribed and sworn to before me this 30th day of

March , 2005

Janice Dickson
Notary Public, County of Fayette
My Commission Expires 1/24 , 20 07

(SEAL)