

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:**

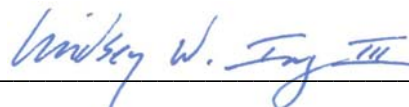
<b>COMPLIANCE OF KENTUCKY-AMERICAN )</b>	
<b>WATER COMPANY, AMERICAN WATER WORKS )</b>	
<b>COMPANY, RWE AKTIENGESELLSCHAFT AND )</b>	
<b>THAMES WATER AQUA HOLDINGS GMBH WITH )</b>	
<b>THE PROVISIONS OF THE ORDERS )</b>	<b>CASE NO.</b>
<b>APPROVING THE TRANSFER OF CONTROL OF )</b>	<b>2002-00277</b>
<b>KENTUCKY-AMERICAN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

**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, 2005. Copies of the Reports are attached.

Respectfully submitted,

Lindsey W. Ingram, Jr.  
Lindsey W. Ingram III  
STOLL KEENON OGDEN PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507  
(859) 231-3000

BY: 

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

**CERTIFICATION**

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. 2002-00317 by electronic mail on March 31, 2006 that the electronic version of this pleading has been transmitted to the Commission, and that a paper copy has been served by mail upon:

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

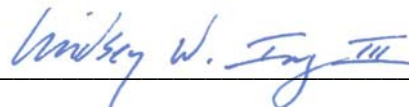
Gerald E. Wuetcher, Esq.  
Angela Curry, Esq.  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

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

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

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

and that the original and three paper copies have been filed with the Public Service Commission on the 31st day of March, 2006.

BY:   
Counsel for Kentucky-American Water Company,  
Thames Water Aqua Holdings GmbH, Thames  
Water Aqua US Holdings, Inc., RWE AG and  
American Water Works Company, Inc.

**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, 2005**

**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	14 Total 101-106		X	3,471,321 is Sewer Utility
7	108-110 agrees with	16 Total 301-348 Cols c & h		X	(1,327,724) is Sewer Utility
7	114-115 agrees with	17 Net Balance 114-115	X		
7	123 agrees with	18 Total 123	N/A		
7	124 agrees with	18 Total 124	N/A		
7	125 agrees with	18 Total 125	N/A		
7	126-127 agrees with	18 Total 126-127	N/A		
7	141-144 agrees with	19 Net Balance 141-145	X		
7	151-153 agrees with	20 Total 151-153	X		
7	163-165 agrees with	20 Total 162	X		
8	181 agrees with	21 Total 181	X		
8	182 agrees with	21 Total 182	N/A		
8	186 agrees with	20 Total 186	X		
8	190 agrees with	21 Total 190	N/A		
9	201 agrees with	22 Total Par Value of Stk Issued Col b	X		
9	204 agrees with	22 Total Par Value of Stk Issued Col c	X		
9	214-215 agrees with	13 Total 214-215	X		
9	221 agrees with	24 Total Line 10 col 4	X		
9	221 agrees with	24 Total col 12	X		
9	224 agrees with	23 Total 224 col d	N/A		
9	232 agrees with	25 Total 232 col f	X		
9	233 agrees with	25 Total 233	X		
9	234 agrees with	25 Total 234 col f	X		
9	236 agrees with	26 Beginning & ending balance 236	X		
9	237 agrees with	27 Total 237 cols b & e	X		
9	242 agrees with	27a Total 242	X		
10	251 agrees with	21 Total 251	N/A		
10	252 agrees with	22 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	30 Total water operating revenue.col e	X		
11	401 agrees with	31 Total col c	X		
11	406 agrees with	17 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	27	X		
		27			Total 237 col c
12	Net Income	13	X		Balance trans. From inc. 435 col c
14	101	15	X		Total 301-348 col f
14	The analysis of accumulated depreciation and amort.		X		by primary acct. has been complete
20	186.1	28	X		Total 186.1 col c
23	Schedule of long-term debt		N/A		has been completed
24	Schedule of bond maturities		X		has been completed
25	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		
15-15a	The analysis of water utility plant accounts cols c through k has been completed		X		
26	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from operating revenue		X		
30	The analysis of water operating revenue cols c, d, and e has been completed.		X		
31	The analysis of water utility expense accounts cols c through k has been completed		X		
32	Schedule of pumping and purchased water statistics has been completed		X		
30	466	33	X		Account 466
32	col d	33	X		Line 4 total produces and purchased
	Oath page		X		has been completed

**CLASS "A & B"**  
**WATER COMPANIES**

**ANNUAL REPORT**

**OF**

**KENTUCKY-AMERICAN WATER COMPANY**

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**Exact Legal Name of Respondent**

**FOR THE**

**YEAR ENDED DECEMBER 31, 2005**

## 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, 2005**

1. Amount of Principal Payment during calendar year        \$5,500,000
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, Basil D'Antonio

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 leasty 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 treatment plant up to 32 mgd with Bluegrass Water Supply Commission, to be located downstream of Frankfort on 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		2005
1	Number of water service interruptions (boil water advisories):	141
2	Average # of customers impacted from water service interruptions:	24.68
3	Average length of time of water service interruption/loss of water (l in hours):	2.62
4	Number of Customer Complaints from PSC:	52
5	Average response time to answer phones (in seconds):	41
	Call Center location (10/17-12/31/03)	41
6	Number of customer calls:	171,248

## National Primary Drinking Water Regulations

National Primary Drinking Water Regulations (NPDWRs or primary standards) are legally enforceable standards that apply to public water systems. Primary standards protect public health by limiting the levels of contaminants in drinking water.

Updated on Thursday, January 19, 2006

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

### Microorganisms

	MCLG1 (mg/L)2	MCL of T11 (mg/L)2	
<u>Cryptosporidium</u> (pdf file)	zero T13	zero T13	Gastrointestinal illness (e.g., diarrhea, vomiting, cramps) Human and fecal animal waste
<u>Giardia lamblia</u>	zero	T13	Gastrointestinal illness (e.g., diarrhea, vomiting, cramps) Human and animal fecal waste
Heterotrophic plate count	n/a	T13	HPC has no health effects; it is an analytic method used to measure the variety of bacteria that are common in water. The lower the concentration of bacteria in drinking water, the better maintained the water system is.
<u>Legionella</u>	zero	T13	Legionnaire's Disease, a type of pneumonia
<u>Total Coliforms (including fecal coliform and E. Coli)</u>	zero	5.0%4	Not a health threat in itself; it is used to indicate whether other potentially harmful bacteria may be present <sup>5</sup>
<u>Turbidity</u>	n/a	T13	Turbidity is a measure of the cloudiness of water. It is used to indicate water quality and filtration effectiveness (e.g., whether disease-causing organisms are present). Higher turbidity levels are often associated with higher levels of disease-causing
Viruses (enteric)	zero	T13	Gastrointestinal illness (e.g., diarrhea, vomiting, cramps) Human and animal fecal waste

### Disinfection Byproducts

	MCLG1 (mg/L)2	MCL of T11 (mg/L)2	
<u>Bromate</u>	zero	0.01	Increased risk of cancer
<u>Chlorite</u>	0.8	1	Anemia; infants & young children; nervous system effects
<u>Halogenated acids (HAA5)</u>	n/a6	0.06	Increased risk of cancer
<u>Total Trihalomethanes (TTHMs)</u>	n/a67	0.1	Liver, kidney or central nervous system problems; increased risk of cancer

### Disinfectants

<u>Chloramines (as Cl2)</u>	MRDL1 MRDLG= 41	MRDL=4 01	Eye/nose irritation; stomach discomfort, anemia
<u>Chlorine (as Cl2)</u>	MRDLG= 41	MRDL=4 01	Eye/nose irritation; stomach discomfort
<u>Chlorine dioxide (as ClO2)</u>	MRDLG= 0.81	MRDL=0 81	Anemia; infants & young children; nervous system effects

### Inorganic Chemicals

<u>Antimony</u>	MCLG1 (mg/L)2	MCL of T11 (mg/L)2	
<u>Arsenic</u>	0.006 Z	0.006 0.01	Increase in blood cholesterol; decrease in blood sugar Skin damage or problems with circulatory systems, and Discharge from petroleum refineries; fire retardants; ceramics; electronics; solder Erosion of natural deposits; runoff from orchards, runoff from glass & electronics-production wastes

Asbestos (fiber > 10 micrometers)	7 million fibers per	01/23/06	as of	may have increased risk of getting cancer	
Barium	2	7 MFL		Increased risk of developing benign intestinal polyps	Decay of asbestos cement in water mains; erosion of natural deposits
Beryllium	0.004	2		Increase in blood pressure	Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits
Cadmium	0.005	0.004		Intestinal lesions	Discharge from metal refineries and coal-burning factories; discharge from electrical, aerospace, and defense industries
Chromium (total)	0.1	0.005		Kidney damage	Corrosion of galvanized pipes; erosion of natural deposits; discharge from metal refineries; runoff from waste batteries and paints
Copper	1.3	0.1		Allergic dermatitis	Discharge from steel and pulp mills; erosion of natural deposits
		IIIB:		Short term exposure: Gastrointestinal distress	Corrosion of household plumbing systems; erosion of natural deposits
		Action:		Long term exposure: Liver or kidney damage	
		Levels=1,3			
Cyanide (as free cyanide)	0.2			People with Wilson's Disease should consult their personal doctor if the amount of copper in their water exceeds the action level	
Fluoride	4	0.2		Nerve damage or thyroid problems	Discharge from steel/metal factories; discharge from plastic and fertilizer factories
		4		Bone disease (pain and tenderness of the bones); Children may get mottled teeth	Water additive which promotes strong teeth; erosion of natural deposits; discharge from fertilizer and aluminum factories
Lead	zero	IIIB:		Infants and children: Delays in physical or mental development; children could show slight deficits in attention span and learning abilities	Corrosion of household plumbing systems; erosion of natural deposits
		Action:		Adults: Kidney problems; high blood pressure	
		Level=0-0			
		15			
Mercury (inorganic)	0.002	0.002		Kidney damage	Erosion of natural deposits; discharge from refineries and factories; runoff from landfills and croplands
Nitrate (measured as Nitrogen)	10	10		Infants below the age of six months who drink water containing nitrate in excess of the MCL could become seriously ill and, if untreated, may die. Symptoms include shortness of breath and blue-baby syndrome.	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Nitrite (measured as Nitrogen)	1	1		Infants below the age of six months who drink water containing nitrite in excess of the MCL could become seriously ill and, if untreated, may die. Symptoms include shortness of breath and blue-baby syndrome.	Runoff from fertilizer use; leaching from septic tanks; sewage; erosion of natural deposits
Selenium	0.05	0.05		Hair or fingernail loss; numbness in fingers or toes; circulatory problems	Discharge from petroleum refineries; erosion of natural deposits; discharge from mines
Thallium	0.0005	0.002		Hair loss; changes in blood; kidney, intestine, or liver problems	Leaching from ore-processing sites; discharge from electronics, glass, and drug factories

### Organic Chemicals

Acrylamide	MCLG1 (mg/L)2 zero	MCL or T11 (mg/L)2 T19		Nervous system or blood problems; increased risk of cancer	Added to water during sewage/wastewater treatment
Alachlor	zero	0.002		Eye, liver, kidney or spleen problems; anemia; increased risk of cancer	Runoff from herbicide used on row crops
Alaizine	0.003	0.003		Cardiovascular system or reproductive problems	Runoff from herbicide used on row crops
Benzene	zero	0.005		Anemia; decrease in blood platelets; increased risk of cancer	Discharge from factories; leaching from gas storage tanks and landfills

<b>Benzo(a)pyrene (BaP)</b>	zero	0.0002	Reproductive difficulties; increased risk of cancer	Leaching from linings of water storage tanks and distribution lines
<b>Carbolaran</b>	0.04	0.04	Problems with blood, nervous system, or reproductive system	Leaching of soil fumigant used on rice and alfalfa
<b>Carbon tetrachloride</b>	zero	0.005	Liver problems; increased risk of cancer	Discharge from chemical plants and other industrial activities
<b>Chlordane</b>	zero	0.002	Liver or nervous system problems; increased risk of cancer	Residue of banned termiticide
<b>Chlorobenzene</b>	0.1	0.1	Liver or kidney problems	Discharge from chemical and agricultural chemical factories
<b>2,4-D</b>	0.07	0.07	Kidney, liver, or adrenal gland problems	Runoff from herbicide used on row crops
<b>Dieldrin</b>	0.2	0.2	Minor kidney changes	Runoff from herbicide used on rights of way
<b>1,2-Dibromo-3-chloropropane (DBCP)</b>	zero	0.0002	Reproductive difficulties; increased risk of cancer	Runoff/leaching from soil fumigant used on soybeans, cotton, pineapples, and orchards
<b>o-Dichlorobenzene</b>	0.6	0.6	Liver, kidney, or circulatory system problems	Discharge from industrial chemical factories
<b>p-Dichlorobenzene</b>	0.075	0.075	Anemia; liver, kidney or spleen damage; changes in blood	Discharge from industrial chemical factories
<b>1,2-Dichloroethane</b>	zero	0.005	Increased risk of cancer	Discharge from industrial chemical factories
<b>1,1-Dichloroethylene</b>	0.007	0.007	Liver problems	Discharge from industrial chemical factories
<b>cis-1,2-Dichloroethylene</b>	0.07	0.07	Liver problems	Discharge from industrial chemical factories
<b>trans-1,2-Dichloroethylene</b>	0.1	0.1	Liver problems	Discharge from industrial chemical factories
<b>Dichloromethane</b>	zero	0.005	Liver problems; increased risk of cancer	Discharge from drug and chemical factories
<b>1,2-Dichloropropane</b>	zero	0.005	Increased risk of cancer	Discharge from industrial chemical factories
<b>Di(2-ethylhexyl) adipate</b>	0.4	0.4	Weight loss, liver problems, or possible reproductive difficulties.	Discharge from chemical factories
<b>Di(2-ethylhexyl) phthalate</b>	zero	0.006	Reproductive difficulties; liver problems; increased risk of cancer	Discharge from rubber and chemical factories
<b>Dinoseb</b>	0.007	0.007	Reproductive difficulties	Runoff from herbicides used on soybeans and vegetables
<b>Dioxin (2,3,7,8-TCDD)</b>	zero	3E-08	Reproductive difficulties; increased risk of cancer	Emissions from waste incineration and other combustion; discharge from chemical factories
<b>Diquat</b>	0.02	0.02	Cataracts	Runoff from herbicide use
<b>Endosulfan</b>	0.1	0.1	Stomach and intestinal problems	Runoff from herbicide use
<b>Endrin</b>	0.002	0.002	Liver problems	Residue of banned insecticide

<u>Ethionchlorhydrin</u>	zero	III2	Increased cancer risk, and over a long period of time, stomach problems	Discharge from industrial chemical factories; an impurity of some water treatment chemicals
<u>Ethylbenzene</u>	0.7	0.7	Liver or kidneys problems	Discharge from petroleum refineries
<u>Ethylene dibromide</u>	zero	0.00005	Problems with liver, stomach, reproductive system, or kidneys; increased risk of cancer	Discharge from petroleum refineries
<u>Glyphosate</u>	0.7	0.7	Kidney problems; reproductive difficulties	Runoff from herbicide use
<u>Heptachlor</u>	zero	0.0004	Liver damage; increased risk of cancer	Residue of banned termiticide
<u>Heptachlor epoxide</u>	zero	0.0002	Liver damage; increased risk of cancer	Breakdown of heptachlor
<u>Hexachlorobenzene</u>	zero	0.001	Liver or kidney problems; reproductive difficulties; increased risk of cancer	Discharge from metal refineries and agricultural chemical factories
<u>Hexachlorocyclopentadiene</u>	0.05	0.05	Kidney or stomach problems	Discharge from chemical factories
<u>Lindane</u>	0.0002	0.0002	Liver or kidney problems	Runoff/leaching from insecticide used on cattle, lumber, gardens
<u>Methoxychlor</u>	0.04	0.04	Reproductive difficulties	Runoff/leaching from insecticide used on fruits, vegetables, alfalfa, livestock
<u>Oxamyl (Vydate)</u>	0.2	0.2	Slight nervous system effects	Runoff/leaching from insecticide used on apples, potatoes, and tomatoes
<u>Polychlorinated biphenyls (PCBs)</u>	zero	0.0005	Skin changes; thymus gland problems; immune deficiencies; reproductive or nervous system difficulties;	Runoff from landfills; discharge of waste chemicals
<u>Pentachlorobenzene</u>	zero	0.001	Liver or kidney problems; increased cancer risk	Discharge from wood preserving factories
<u>Plisoram</u>	0.5	0.5	Liver problems	Herbicide runoff
<u>Simazine</u>	0.004	0.004	Problems with blood	Herbicide runoff
<u>Styrane</u>	0.1	0.1	Liver, kidney, or circulatory system problems	Discharge from rubber and plastic factories; leaching from landfills
<u>Tetrachloroethylene</u>	zero	0.005	Liver problems; increased risk of cancer	Discharge from factories and dry cleaners
<u>Toluene</u>	1	1	Nervous system, kidney, or liver problems	Discharge from petroleum factories
<u>Toxaphene</u>	zero	0.003	Kidney, liver, or thyroid problems; increased risk of cancer	Runoff/leaching from insecticide used on cotton and cattle
<u>2,4,5-TP (Silvex)</u>	0.05	0.05	Liver problems	Residue of banned herbicide
<u>1,2,4-Trichlorobenzene</u>	0.07	0.07	Changes in adrenal glands	Discharge from textile finishing factories
<u>1,1,1-Trichloroethane</u>	0.2	0.2	Liver, nervous system, or circulatory problems	Discharge from metal degreasing sites and other factories
<u>1,1,2-Trichloroethane</u>	0.003	0.005	Liver, kidney, or immune system problems	Discharge from industrial chemical factories
<u>Trichloroethylene</u>	zero	0.005	Liver problems; increased risk of cancer	Discharge from metal degreasing sites and other factories
<u>Vinyl chloride</u>	zero	0.002	Increased risk of cancer	Leaching from PVC pipes; discharge from plastic factories
<u>Xylenes (total)</u>	10	10	Nervous system damage	Discharge from petroleum factories; discharge from chemical factories



**Radionuclides**

	MCLG1 (mg/L) <sup>2</sup>	MCL of III (mg/L) <sup>2</sup>	
Alpha particles	none <sup>2</sup>	15 picocurie	Erosion of natural deposits of certain minerals that are radioactive and may emit a form of radiation known as alpha radiation
Beta particles and photon emitters	zero none <sup>2</sup>	4 millirem per year	Decay of natural and man-made deposits of certain minerals that are radioactive and may emit forms of radiation known as photons and beta radiation

Radium 226 and Radium 228  
(combined)

zero  
none<sup>2</sup> 5 pCi/L Increased risk of cancer

Erosion of natural deposits

Uranium

zero  
zero 30 ug/L Increased risk of cancer, kidney toxicity as of 12/08/03

Erosion of natural deposits

**Notes**

- <sup>1</sup> 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 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.
- <sup>2</sup> Treatment Technique - A required process intended to reduce the level of a contaminant in drinking water.
- <sup>3</sup> Units are in milligrams per liter (mg/L) unless otherwise noted. Milligrams per liter are equivalent to parts per million.
- <sup>4</sup> 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 o111/02 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 (GWUD) 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 unfilled 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.
  - <sup>4</sup> 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.
  - <sup>5</sup> 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.
- <sup>6</sup> 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.
- <sup>7</sup> MCLGs were not established before the 1996 Amendments to the Safe Drinking Water Act. Therefore, there is no MCLG for this contaminant.
- <sup>8</sup> 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 action level is 1.3 mg/L, and for lead is 0.015 mg/L.
- <sup>9</sup> 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)

# National Secondary Drinking Water Regulations

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

updated on Saturday, February 25th, 2006

National Secondary Drinking Water Regulations (NSDWRs or secondary standards) are non-enforceable

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, Owen and Bell 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, 2005

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	111 Woodcrest Rd Cherry Hill, NJ 08003	XXXXXXXXXXXX
Officers & Managers: Nick O. Rowe	President	2300 Richmond Road Lexington, KY 40502-1308	ALLOCATED
Herbert A. Miller, Jr.	Vice President	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	800 W. Hersheypark Drive Hershey, PA 17033	ALLOCATED
Rachel S. Cole	Assistant Comptroller	2300 Richmond Road Lexington, KY 40502-1308	\$ 64,487
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)
	<b>UTILITY PLANT</b>			
101-106	Utility Plant	<b>14</b>	288,923,092	315,150,300
108-110	Less: Accumulated Depreciation and Amortization Net Plant	<b>16</b>	(66,027,848)	(68,879,350)
			222,895,244	246,270,950
114-115	Utility Plant Acquisition Adjustments (Net)	<b>17</b>	407,617	338,465
116	Other Utility Plant Adjustments			
	Total Net Utility Plant		223,302,861	246,609,415
	<b>OTHER PROPERTY AND INVESTMENTS</b>			
121	Nonutility Property		249,738	249,738
122	Less: Accumulated Depreciation and Amortization Net Nonutility Property			
123	Investment in Associated Companies	<b>18</b>		
124	Utility Investments	<b>18</b>		
125	Other Investments	<b>18</b>		
126-127	Special Funds	<b>18</b>		
	Total Other Property & Investments		249,738	249,738
	<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash		581,646	837,822
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	<b>19</b>	2,960,440	3,759,974
145	Accounts Receivable from Associated Companies		1,528,094	2,165,188
146	Notes Receivable from Associated Companies			
151-153	Materials and Supplies	<b>20</b>	536,204	425,930
163	Misc Deposits		1,000	1,000
165	Prepayments		24,310	63,536
171	Accrued Interest and Dividends Receivable			
172	Rents Receivable			
173	Accrued Utility Revenues		4,429,251	4,529,612
174	Misc. Current and Accrued Assets		161,324	196,826
	Total Current and Accrued Assets		10,224,671	11,982,288

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>DEFERRED DEBITS</b>			
181	Unamortized Debt Discount & Expense	<b>21</b>	612,863	535,665
182	Extraordinary Property Losses	<b>21</b>		
183	Preliminary Survey & Investigation Charges		2,192,004	134,963
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	<b>20</b>	9,947,018	6,139,843
187	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes	<b>21</b>		
	Regulatory Assets		4,685,829	4,688,465
	Total Deferred Debits		17,437,715	11,498,936
	<b>TOTAL ASSETS AND OTHER DEBITS</b>		251,214,984	270,340,377

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)
	<b>EQUITY CAPITAL</b>			
201	Common Stock Issued	<b>22</b>	36,568,776	36,568,776
204	Preferred Stock Issues	<b>22</b>	6,048,500	1,468,700
202,205	Capital Stock Subscribed		0	0
203,206	Capital Stock Liability for Conversion		0	0
207	Premium on Capital Stock		31,779	56,139
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	<b>13</b>	25,924,241	25,898,028
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
	Total Equity Capital		68,573,296	63,991,643
	<b>LONG-TERM DEBT</b>			
221	Bonds	<b>24</b>	82,500,000	81,500,000
222	Required Bonds			
223	Advances from Associated Companies			
224	Other Long-Term Debt			
	Total Long-Term Debt		82,500,000	81,500,000
	<b>CURRENT AND ACCRUED LIABILITIES</b>			
231	Accounts Payable		4,260,319	5,134,659
232	Notes Payable	<b>25</b>	1,090,837	7,992,103
233	Accounts Payable to Associated Co	<b>25</b>	1,034,866	215,482
234	Current Long Term Debt	<b>25</b>	0	0
235	Customer Deposits		6,560	6,560
236	Accrued Taxes	<b>26</b>	1,906,235	3,858,648
237	Accrued Interest	<b>27</b>	1,458,572	1,365,851
238	Accrued Dividends		0	0
239	Matured Long-Term Debt			
240	Matured Interest			
241	Tax Collections Payable		866,410	502,709
242	Miscellaneous Current and Accrued Liabilities	<b>27A</b>	1,711,702	5,442,325
	Total Current and Accrued Liabilities		12,335,500	24,518,337

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>DEFERRED CREDITS</b>			
251	Unamortized Premium on Debt	<b>21</b>		
252	Advances for Construction	<b>22</b>	15,777,400	16,448,419
253	Other Deferred Credits		3,646,454	10,590,791
255	Accumulated Deferred Investment Tax Credits		1,460,729	1,365,134
	Total Deferred Credits		20,884,583	28,404,344
	<b>OTHER NON-CURRENT LIABILITIES</b>			
	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			
	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
271	Contributions in Aid of Construction	<b>28</b>	39,485,433	44,761,766
	Tap-on Fees - Customers			
	Federal Grants in Aid of Construction			
	Other			
272	Accumulated Amortization of Contributions in Aid of Construction	28	(7,262,038)	(9,079,956)
	Total Net C.I.A.C.		32,223,395	35,681,810
	<b>ACCUMULATED DEFERRED INCOME TAXES</b>			
281	Accumulated Deferred Income Taxes Accelerated Depreciation			
282	Accumulated Deferred Income Taxes Liberalized Depreciation			
283	Accumulated Deferred Income Taxes Other		34,698,208	36,244,243
	Total Accumulated Deferred Income Taxes		34,698,208	36,244,243
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>		<b>251,214,983</b>	<b>270,340,377</b>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues	<b>30</b>	42,321,223	49,995,285
401	Operating Expenses	<b>31</b>	23,679,397	30,740,350
403	Depreciation Expenses		6,652,994	5,802,129
406	Amortization of Utility Plant Acquisition Adjustment		20,524	21,611
407	Amortization Expense		688,491	671,555
408.1	Taxes Other Than Income		2,778,013	2,758,002
409.1	Income Taxes		(616,978)	1,479,699
410.10	Deferred Federal Income Taxes		2,333,338	629,311
410.11	Deferred State Income Taxes		(74,236)	932,708
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		(95,596)	(95,596)
	Utility Operating Expenses		35,365,947	42,939,769
	Utility Operating Income		6,955,276	7,055,516
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) from Disposition of Utility Property		200,000	0
	Total Utility Operating Income		7,155,276	7,055,516
	<b>OTHER INCOME AND DEDUCTIONS</b>			
415	Revenues from Merchandising, Jobbing and Contract Deductions		1,837,286	1,638,090
416	Costs and Expenses of Merchandising, Jobbing and Contract Work		(1,892,230)	(1,633,597)
419	Interest & Dividend Income		1,531	0
420	Allowance for Funds Used During Construction		173,521	494,178
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses		(345,524)	(338,328)
	Total Other Income and Deductions		(225,416)	160,343

**COMPARATIVE OPERATING STATEMENT (CONT'D)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
408.20	Taxes Other Than Income			
409.20	Income Taxes		(110,617)	(133,374)
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		(110,617)	(133,374)
	<b>INTEREST EXPENSE</b>			
427	Interest Expense		5,066,716	5,555,674
428	Amortization of Debt Discount & Exp.		78,573	77,198
429	Amortization of Premium on Debt			
	Total Interest Expense		5,145,289	5,632,872
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income			
434	Extraordinary Deduction			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	<b>NET INCOME</b>		1,895,188	1,716,361

**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	25,924,241
	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	1,716,361
	Sewer	61,431
436	Appropriations of Retained Earnings:	
	_____	
	Total Appropriations of Retained Earnings _____	
437	Dividends Declared:	
	Preferred Stock Dividends Declared _____	79,875
	Common Stock Dividends Declared _____	1,724,130
	Total Dividends Declared _____	1,804,005
	Balance end of year _____	(26,213)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	_____	
	_____	
	Total Appropriated Retained Earnings _____	
	Total Retained Earnings	25,898,028

**Notes to Statement of Retained Earnings:**

**NET UTILITY PLANT (ACCTS. 101 - 106)**

ACCT. NO.	PLANT ACCOUNTS	TOTAL
101	Utility Plant in Service	299,834,944
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	0
105	Construction Work in Progress	11,457,322
106	Completed Construction Not Classified	
	<b>Total Utility Plant</b>	<b>311,678,979</b>

**ACCUMULATED DEPRECIATION (ACCT. 108)**

DESCRIPTION		
	Balance first of year	65,979,711
	Credit during year:	
	Accruals Charged to Account 108.1	6,811,850
	Accruals Charged to Account 108.2	
	Accruals Charged to Account 108.3	
	Accruals Charged to Other Accounts (specify)	
	_____	
	Salvage	4,732
	Other Credits (specify):	
	CURRENT YEAR NET NEGATIVE SALVAGE	1,134,478
	OWENTON ACQUISITION	1,509,601
	Total Credits	9,460,661
	Debits during year:	
	Book Cost of Plant Retired	548,855
	Cost of Removal	
	Other Debits (specify):	
	PRIOR YEAR NET NEGATIVE SALVAGE	7,339,892
	Total Debits	7,888,747
	Balance end of year	67,551,625

**WATER UTILITY PLANT ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)	.1 INTANGIBLE PLANT (g)	.2 SOURCE OF SUPPLY & PUMPING PLANT (h)	.3 WATER TREATMENT PLANT (i)	.4 TRANS. & DISTRIBUTION PLANT (j)	.5 GENERAL PLANT (k)
301	Organization	25,184	5,440		30,624	30,624				
302	Franchises	70,261			70,261	70,261				
303	Land and Land Rights	4,373,008	160,610		4,533,618		447,792	68,164	4,017,662	
304	Structures and Improvements	20,090,132	670,489	11,346	20,749,275		5,336,560	8,484,524	738,765	6,189,426
305	Collecting & Impounding Reservoirs	1,200,799	(185,103)		1,015,696		1,015,696			
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	10,095,703	114,253		10,209,956		10,209,956			
320	Water Treatment Equipment	24,139,911	2,389,924	22,500	26,507,335			26,507,335		
330	Distribution Reservoirs & Standpipes	7,558,919	697,543	2,000	8,254,462				8,254,462	
331	Transmission & Distribution Mains	133,900,740	7,411,274	254,241	141,057,773				141,057,773	
333	Services	30,001,982	2,579,242	15,153	32,566,071				32,566,071	
334	Meters and Meter Installations	20,614,084	1,317,596	116,511	21,815,169				21,815,169	
335	Hydrants	8,548,619	754,211	13,469	9,289,361				9,289,361	
339	Other Plant and Miscellaneous Equipment	740,702			740,702	740,702				
340	Office Furniture and Equipment	7,608,322	812,388	53,824	8,366,886					8,366,886
341	Transportation Equipment	2,165,332	222,013	18,273	2,369,072					2,369,072
342	Stores Equipment	35,547			35,547					35,547
343	Tools, Shop and Garage Equipment	782,023	30,289	9,090	803,222					803,222
344	Laboratory Equipment	872,027		32,448	839,579					839,579
345	Power Operated Equipment	547,998	1,032,267		1,580,265					1,580,265
346	Communication Equipment	1,864,623	43,456		1,908,079					1,908,079
347	Miscellaneous Equipment	535,556	179,401		714,957					714,957
348	Other Tangible Plant	133,782	4,702		138,484					138,484
Total Water Plant		282,143,804	18,239,995	548,855	299,834,944	841,587	23,248,554	35,060,023	217,739,263	22,945,517

## 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)
353	Land & Land Rights		2,250		2,250		2,250			
354	Structures & Improvements	36,127	2,418,247		2,454,374		2,454,374			
360	Collection Sewers - Force		853,518		853,518				853,518	
363	Services To Customers		9,550		9,550				9,550	
371	Pumping Equipment	10,708			10,708		10,708			
					0					
					0					
					0					
					0					
					0					
					0					
380	Treatment & Disposal Equipment		17,750		17,750			17,750		
					0					
390	Office Furniture & Equipment		11,637		11,637					11,637
391	Transportation Equipment		35,144		35,144					35,144
392	Stores Equipment		500		500					500
393	Tool, Shop & Garage Equipment		24,395		24,395					24,395
395	Power Operated Equipment		37,141		37,141					37,141
396	Communication Equipment		1,396		1,396					1,396
397	Misc Equipment		12,958		12,958					12,958
	Total Sewer Plant	46,835	3,424,486	0	3,471,321	0	2,467,332	17,750	863,068	123,171



**ANALYSIS OF WATER ACCUMULATED DEPRECIATION AND AMORTIZATION BY PRIMARY ACCOUNT 2005**

ACCT. NO.	WATER ACCOUNT	BALANCE BEGINNING OF YEAR	CHARGES DURING THE YEAR			BALANCE END OF YEAR	
			CHARGES TO DEP. EXP.	OTHER CREDITS	PLANT RETIREMENTS		OTHER CHARGES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	0					0
302	Franchises	58,778					58,778
303	Limited Term Interest in Land and Land Rights	1,464		25,349			26,813
304	Structures and Improvements	3,501,388	421,972	19,286	11,346	124,782	3,806,518
305	Collecting and Impounding Reservoirs	267,816	22,287				290,103
306	Lake River and Other Intakes	81,915	12,507				94,422
307	Wells and Springs	0					0
308	Infiltration Galleries and Tunnels	0					0
309	Supply Mains	745,518	54,162	2,269	14,680		787,269
310	Power Generating Equipment	229,115	19,164				248,279
311	Pumping Equipment	4,016,787	349,095	23,824		154,141	4,235,565
320	Water Treatment Equipment	10,577,903	828,232	345,381	22,500	939,529	10,789,487
330	Distribution Reservoirs and Standpipes	1,920,027	155,246	649,417	2,000	73,401	2,649,289
331	Transmission and Distribution Mains	18,125,988	1,565,860	660,176	254,241	359,663	19,738,120
333	Services	10,642,464	593,953	719,259	15,153	4,653,606	7,286,917
334	Meters & Meter Installations	4,013,338	444,374	102,103	116,511	660,606	3,782,698
335	Hydrants	2,068,535	175,364	54,455	13,469	352,323	1,932,562
339	Other Plant and Miscellaneous Equipment	272,955	60,107				333,062
340	Office Furniture and Equipment	4,972,360	1,424,661	940	53,824		6,344,137
341	Transportation Equipment	1,826,967	314,181		18,273		2,122,875
342	Stores Equipment	24,354	1,379				25,733
343	Tools, Shop and Garage Equipment	471,027	55,076	1,135	9,090	7,161	510,987
344	Laboratory Equipment	428,198	93,780		32,448		489,530
345	Power Operated Equipment	413,292	78,182	45,219			536,693
346	Communication Equipment	359,467	80,728				440,195
347	Miscellaneous Equipment	153,250	26,086			0	179,336
348	Other Tangible Plant	268,373	28,554				296,927
	Boonesboro Acquisition	447,969					447,969
	Subtotal	65,889,248	6,804,950	2,648,813	548,855	7,339,892	67,454,264
	Acc Depr Reg Asset	82,789	6,900				89,689
	Acc Amort UPIS	7,673					7,673
	<b>TOTALS</b>	<b>65,979,710</b>	<b>6,811,850</b>	<b>2,648,813</b>	<b>548,855</b>	<b>7,339,892</b>	<b>67,551,626</b>



**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	287,153
_____	
_____	
Total Plant Acquisition Adjustments	425,370
Accumulated Amortization (115)	
Amortization Boones boro Water Association	(61,802)
Amortization Tri Village Water Association	(25,103)
_____	
_____	
Total Accumulated Amortization	(86,905)
Net Acquisition Adjustments	338,465

**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):		
_____		
_____		
_____		
_____		
_____		
Total Investment in Associated Companies:		
UTILITY INVESTMENTS (ACCT. 124):		
_____		
_____		
_____		
_____		
_____		
Total Utility Investments		
OTHER INVESTMENTS (ACCT. 125):		
_____		
_____		
_____		
_____		
_____		
Total Other Investments		
SPECIAL FUNDS (ACCTS. 126 & 127):		
_____		
_____		
_____		
_____		
_____		
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)	3,428,301
Other Accounts Receivable (Acct. 142)	
_____	590,577
_____	
_____	
_____	590,577
Notes Receivable (Acct. 144)	
_____	
_____	
_____	
_____	
Total Accounts and Notes Receivable	4,018,878
Accumulated Provision for Uncollectible Accounts (Acct. 143):	
Balance first of year	(169,699)
Add: Provision for uncollectibles for current	0
year	(477,358)
Collections of accounts previously	(85,001)
written off	
Utility Accounts	0
Others	
Yearly Provision Calculation	(68,643)
Total Additions	(800,701)
Deduct accounts written off during year:	541,797
Utility Accounts	
Other	
Total accounts written off	
Balance end of year	(258,904)
Total Accounts and Notes Receivable - Net	3,759,974

**MATERIALS AND SUPPLIES (151 - 153)**

ACCOUNT NAME	TOTAL
Plant Materials and Supplies (Account 151)	425,930
Merchandise (Account 152)	
Other Materials and Supplies (Account 153)	
<b>Total Materials and Supplies</b>	<b>425,930</b>

**- PREPAYMENTS (ACCT. 162)**

DESCRIPTION	TOTAL
Prepaid Insurance	0
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	1,394
Other Prepayments (Specify)	
Kentucky State Treasury	35,483
PW Audit fees	(3,763)
Oracle	16,543
Softsmart & Orcom	7,566
AWWA Research Fees	4,170
Lotus Notes Fees	2,143
<b>Total Prepayments</b>	<b>63,536</b>

**MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)**

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1)	782,497
Other Deferred Debits (Acct. 186.2)	5,357,346
<b>Total Miscellaneous Deferred Debits</b>	<b>6,139,843</b>

**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	16,716
Series 7.21%	0	0
Series 6.96%	2,331	41,759
Series 6.79%	4,330	0
Series 7.15%	2,424	51,214
Series 6.99%	3,262	73,125
Series 6.87%	62,494	328,092
Preferred Stock Series 7.9%	0	0
Preferred Stock Series 8.47%	771	23,833
Series 5.65%	654	926
<b>Total Unamortized Debt Discount and Expense</b>	<b>77,198</b>	<b>535,665</b>
Unamortized Premium on Debt (Acct. 251):		
<b>Total Unamortized Premium on Debt</b>		

**EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)**

Report each item separately.

DESCRIPTION	TOTAL
Extraordinary Property Losses (Acct. 182):	
<b>Total Extraordinary Property Losses</b>	

**ACCUMULATED DEFERRED INCOME TAXES (ACCT. 190)**

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

**ADVANCES FOR CONSTRUCTION (ACCT. 252)**

DESCRIPTION	TOTAL
Balance first of year	15,777,400
Add credits during year	5,095,792
Deduct charges during year	4,424,773
Balance end of year	16,448,419

**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	14,687
Total par value of stock issued	36,568,776	1,468,700
Dividends declared per share for year	1.10	5.44



**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	665,000	665,000
4	7,000,000	7,000,000	0	7,000,000	487,200	487,200
5	5,500,000	5,500,000	0	0	248,967	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	4,500,000	4,500,000	0	4,500,000	381,150	349,388
Total	87,000,000	87,000,000	0	81,500,000	5,368,517	5,461,238

**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		2/1/2027	7.15%	7,500,000		7,500,000
5		6/1/2028	6.99%	9,000,000		9,000,000
6		3/29/2011	6.87%	15,500,000		15,500,000
7		6/12/2007	5.65%	24,000,000		24,000,000
8		3/1/2014	4.75%	14,000,000		14,000,000
9	Preferred Stock W/ mandatory		8.47%	4,500,000		4,500,000
10		redemption				
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
<b>Total</b>				81,500,000	0	81,500,000

**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:					
Notes Payable _ AWW Cap Corp					
					7,992,103
Total Account 232					7,992,103
Account 234 - Notes Payable to Associated Companies:					
Total Account 234					

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCOUNT 233)**

SHOW PAYABLE TO EACH ASSOCIATED COMPANY SEPARATELY	AMOUNT
American Water Works Service Co., Inc.	215,482
Total Account 233	215,482

**TAXES ACCRUED (ACCOUNT 236)**

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL (c)
	<b>Balance first of year</b>	1,906,235
	<b>Accruals Charged:</b>	
408.10	Utility regulatory assessment fees	67,917
408.11	Property taxes	2,286,659
408.12	Payroll taxes	401,692
408.13	Other taxes and licenses	2,608
408.20	Taxes other than income, other income and deductions	0
409.10	Federal income taxes	1,330,930
409.11	State income taxes	148,769
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	(133,374)
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	629,311
410.11	Deferred state income taxes	(932,708)
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 operations	
412.21	ITC - Restored to nonoperating inc., util. operations	
	<b>Total taxes accrued</b>	<b>3,706,209</b>
	<b>Taxes paid during year:</b>	
408.10	Utility regulatory assessment fees	67,917
408.11	Property taxes	3,664,172
408.12	Payroll taxes	386,344
408.13	Other taxes and licenses	2,608
408.20	Taxes other than income, net change in sales tax accruals	(91,443)
409.10	Federal income taxes	(1,917,904)
409.11	State income taxes	174,468
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	(133,374)
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	629,311
410.11	Deferred state income taxes	(932,708)
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	0
412.10	ITC deferred to future periods	
412.11	ITC restored to operating income	(95,595)
412.20	ITC - Net nonutility operations	
412.21	ITC - Restored to nonoperating inc., util. operations	
	<b>Total taxes paid</b>	<b>1,753,796</b>
	<b>Balance end of year</b>	<b>3,858,648</b>

**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	5,368,517	5,461,238	1,365,851
Total Acct. No. 237.1	1,458,572	5,368,517	5,461,238	1,365,851
Account No. 237.2 - Accrued Interest on Other Liabilities:				
Interest on Note Balance (AWCC)	0	183,636	183,636	0
Other Interest Expense	0	3,524	3,524	0
Total Acct. No. 237.2	0	187,160	187,160	0
Total Acct. No. 237	1,458,572	5,555,677	5,648,398	1,365,851

**MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)**

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Accrued Water	13,892
Accrued Power	107,000
Accrued Wages	327,816
Accrued Insurance	115
Accrued Rents	12,000
Accrued Preferred Dividend Requirements	19,682
Accrued Bank Fees	0
Accrued Credit Line Fees	0
Accrued Vacation Payable	23,200
Withheld Payroll - Insurance Premium	0
Withheld Payroll - Union Dues	1,458
Withheld Payroll - Savings Bonds	0
Withheld Payroll - Charitable Contributions	(2)
Withheld Payroll - Savings Account	0
Withheld Payroll - Credit Union	0
Withheld Payroll - Miscellaneous	3,149
Withheld Payroll - Flexible Spending Accounts	714
Construction Costs Payable	200,463
Unclaimed Credits	26,057
Unclaimed Extension Deposit Refunds	4,599
Contract Liab Property Purchase Payments	0
Refund Rate Under Bonds	0
Withheld Payroll - 401k	6,666
Accrued 401k Expense	36,302
Bank Clearing	3,174,775
Accrued Unbilled Items	53,866
Unbilled Stock E	281,020
Unbilled Stock C	100,558
Accrued ESOP Contribution	10,142
Withheld Payroll - ESOP	56
Withheld Payroll - Garnishment	0
Withheld Payroll - Tax Coll Pay FIT/SIT/LIT/FICA	73,903
CFO - Mgmt Contracts	235,604
Other Current Liabilities Analyzed	729,290
Accrued Legal	0
<b>Total Miscellaneous Current and Accrued Liabilities</b>	<b>5,442,325</b>

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

DESCRIPTION OF CASE (DOCKET NO.) <small>(a)</small>	EXPENSE INCURRED DURING YEAR <small>(b)</small>	AMOUNT TRANSFERRED TO ACCOUNT NO.186.1 <small>(c)</small>	CHARGED OFF DURING YEAR	
			ACCT. <small>(d)</small>	AMOUNT <small>(e)</small>
Rate Case Expense	131,186	131,186	666	299,094
Demand Study	0	0	667	10,734
Cost of Service Study	(5,808)	(5,808)	667	10,177
<b>Total</b>	<b>125,379</b>	<b>125,378</b>	<b>0</b>	<b>320,004</b>

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

DESCRIPTION	TOTAL
Balance first of year	39,485,433
Add credits during year	5,357,148
Deduct charges during year	80,815
Balance end of year	44,761,766
Less Accumulated Amortization	9,079,956
Net Contributions in Aid of Construction	35,681,810

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

<p>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.</p> <p>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.</p>		
DESCRIPTION	REF.	AMOUNT
Net income for the year		1,777,792
Federal Income Tax Accrual		1,753,500
State & Local Income Tax Accrual		1,059,248
Pre-Tax Book Income		4,590,540
Permanent Differences:		
Meal & Entertainment		18,253
Nondeductible Penalties		50
Amortization of Perferred Stock Expense		0
Lobbying Expenses		78,901
Total Permanent Differences		97,204
Financial Taxable Income		4,687,744
Temporary Differences:		
Uncollectible Accounts		130,539
Vacation Pay		12,218
Taxable Contributions (CIAC)		403,862
Taxable Advances		(77,333)
Rate Case Expense		105,779
Depreciation & Amortization		(1,475,501)
Reg Asset - AFUDC Debt		7,475
Gains & Losses		0
Abandonment Losses		(388,702)
Cost of Removal		(629)
Amortization UPAA		21,611
Cost of Service Study		(53,412)
Incent Plan (Incen 3)		(83,029)
Incent Plan (Incen 5)		(42,640)
Regulatory Pension (Pension 2)		166,444
Regulatory Pension (Pension 3)		154,681
Accrued OPEB		(137,364)
AFUDC (AFUDC 1)		(155,294)
AFUDC Equity CWIP (AFUDC 2)		(141,648)
Amortization of Regulatory (AFUDC 3)		27,872
Deferred Maintenance (Maint 1)		401,664
Miscellaneous Deferred Debits (Misc 1)		857,866
Miscellaneous Deferred Credits (Misc 3)		0
Deferred Security Costs		(2,807,536)
Deferred Customer Service Center Costs		(553,617)
Deferred Financial Services Costs		(530,672)
Total Temporary Differences		(4,157,366)
Federal Taxable Income Before SIT		530,378
State Income Tax Deduction		(503,486)
Federal Taxable Income		26,892
Tax Rate		35%
Federal Income Tax Payable		9,412
Provision Adjustment		0
Federal Income Tax Expense		9,412



## 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	99,267	101,770	26,688,071
461.2	Sales to Commercial Customers	8,164	8,261	11,968,056
461.3	Sales to Industrial Customers	20	21	1,596,067
461.4	Sales to Public Authorities			
461.5	Sales to Multiple Family Dwellings			
461.6	Sales through Bulk Loading Stations			5,768
	Total Metered Sales	107,451	110,052	40,257,962
462	Fire Protection Revenue:			
462.1	Public Fire Protection	1,555	36	2,096,410
462.2	Private Fire Protection	1,206	1,206	1,007,204
	Total Fire Protection Revenue	2,761	1,242	3,103,614
464	Other Sales to Public Authorities	484	484	3,890,972
465	Sales to Irrigation Customers			
466	Sales for Resale	10	10	1,007,767
467	Interdepartmental Sales			
	Total Sale of Water	110,706	111,788	48,260,315
	Other Water Revenues:			
470	Forfeited Discounts			(25)
471	Miscellaneous Service Revenues			770,810
472	Rents from Water Property			81,953
473	Interdepartmental Rents			
474	Other Water Revenues			882,232
475	Provision for Rate Refunds			
	Total Other Water Revenues			1,734,970
	<b>Total Water Operating Revenues</b>			<b>49,995,285</b>

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	WATER EXPENSE ACCOUNT MATRIX								
		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. & DISTRIBU. EXPENSES-OPERATION (h)	.6 TRANS. & DISTRIBU. EXPENSES-MAINTEN. (i)	.7 CUSTOMER ACCOUNTS EXPENSE (j)	.8 ADMINISTRATIVE & GENERAL EXPENSES (k)
601	Salaries & Wages - Employer ok	4,654,817	0	44,245	1,238,187	85,912	1,355,945	693,536	876,554	360,438
603	Salaries & Wages - Officers, Directors & Majority Stockholders ok	139							139	0
604	Employee Pensions & Benefits ok	2,544,829				0				2,544,829
610	Purchased Water ok	481,098	481,098							
615	Purchased Power ok	2,443,579	201,019		2,242,462					
616	Fuel for Power Production ok	0	0							
618	Chemicals ok	1,210,652			1,210,652					
620	Materials and Supplies	635,465	4,272	187,051	26,377	97,201	67,821	164,847	2,052	85,844
631	Contractual Services - Eng	92					92	0		0
632	Contractual Services - Acct	46,154								46,154
633	Contractual Services - Legal	(18,392)								(18,392)
634	Contractual Services - Management Fees	306,422								306,422
635	Contractual Services - Other	6,083,376	4,608		106,942		94,021	2,608	66,834	5,808,363
641	Rental of Bldg./Real Property	4,744					3,390			1,354
642	Rental of Equipment	55,762			1,243		24,436			30,083
650	Transportation Expenses	519,276	227				3,159		325	515,565
656	Insurance - Vehicle ok	0								
657	Insurance - General Liability ok	265,331								265,331
658	Insurance - Worker's Compensation ok	119,386								119,386
659	Insurance - Other ok	79,627								79,627
660	Advertising Expense	26,629								26,629
666	Regulatory Commission Expense									
	- Amortization of Rate Ca ok	299,094								299,094
667	Regulatory Commission Expense	20,910								20,910
	- Other ok	477,358								477,358
670	Bad Debt Expense	0							0	
675	Miscellaneous Expenses	10,484,002	70,902	17,388	454,069	1,346,717	254,802	463,326	898,454	6,978,344
	Total Water Utility Expenses	30,740,350	762,126	248,684	5,279,932	1,529,830	1,803,764	1,324,317	1,844,358	17,947,339

**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	29,542	1,528,848	1,558,390	1,214,793
February	15,884	1,048,090	1,063,974	871,843
March	17,307	1,237,544	1,254,851	1,063,969
April	12,365	1,041,687	1,054,052	882,345
May	14,384	1,132,042	1,146,426	895,458
June	20,111	1,742,512	1,762,623	1,304,483
July	17,657	1,485,880	1,503,537	1,279,964
August	16,145	1,654,398	1,670,543	1,370,173
September	9,003	1,759,150	1,768,153	1,702,538
October	6,059	1,296,458	1,302,517	1,239,743
November	7,585	1,149,047	1,156,632	1,092,978
December	4,700	821,933	826,633	717,695
Total for year	170,742	15,897,589	16,068,331	13,635,982
Maximum gallons pumped by all methods in any one day (Omit 000's):				69,650
	Date	<u>8/2/2005</u>		
Minimum gallons pumped by all methods in any one day (Omit 000's):				30,270
	Date	<u>12/26/05</u>		
If water is purchased for resale, indicate the following:				
Vendor:	<u>Winchester Municipal Utilities, City of Owenton, Gallatin County Water District</u>			
	<u>Georgetown Municipal Water &amp; Waste Water.</u>			
Point of Delivery:	<u>Clark County (4), Owen County (4), Gallatin County (1)</u>			
If water is sold to other water utilities for redistribution, list names of such utilities below:				
	<u>CITY OF MIDWAY</u>			
	<u>EAST CLARK WATER</u>			
	<u>CITY OF NORTH MIDDLETOWN</u>			
	<u>CITY OF NICHOLASVILLE</u>			
	<u>CITY OF VERSAILLES</u>			
	<u>JESSAMINE SOUTH ELKHORN WATER DISTRICT (2)</u>			
	<u>HARRISON COUNTY WATER DISTRICT</u>			
	<u>GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE</u>			
	_____			
	_____			
	_____			
	_____			

**SALES FOR RESALE (466)**

LINE #	COMPANY	1,000 GALLONS	AVG. RATE (CENTS)	AMOUNT
1	CITY OF MIDWAY	67,712	2.20	149,151
2	EAST CLARK WATER	108	6.51	701
3	CITY OF NORTH MIDDLETOWN	64,391	2.22	143,132
4	CITY OF NICHOLASVILLE	32,521	2.38	77,455
5	CITY OF VERSAILLES	11,667	2.84	33,145
6	JESSAMINE SOUTH ELKHORN WATER DIST (2 ACCTS)	233,049	2.23	519,310
7	HARRISON COUNTY WATER DISTRICT	30,176	2.27	68,397
8	GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE	4,825	3.41	16,476
9		0		0
10	TOTAL	444,449	2.27	1,007,767
<b>WATER STATISTICS</b>				
LINE #	ITEM	1,000 GALLONS		
1	WATER PRODUCED AND PURCHASED:			
2	Water Produced	15,897,589		
3	Water Purchased	170,742		
4	TOTAL PRODUCED AND PURCHASED	16,068,331		
5				
6	Water Sales:			
7	Residential	6,531,909		
8	Commercial	4,327,340		
9	Industrial	808,195		
10	Bulk Loading Station	336		
11	Resale	444,438		
12	Other Sales - Public Authority	1,523,764		
13	TOTAL WATER SALES	13,635,982		
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.)	320,982		
21	OTHER WATER USED	320,982		
22				
23	Water Loss	2,111,367		
24				
25	TOTAL OTHER WATER USED	2,432,349		
26				
27	Water Loss Percentage:	13.1%		

**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.**

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**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEMS 1 THROUGH 4)  
AS OF DECEMBER 31, 2005**

**1) Number of public fire hydrants:**

Fayette County	6,703
Scott County	217
Clark County	5
Bourbon County	28
Woodford County	4
<b>Total Public</b>	<u><u>6,957</u></u>

**2) Number of private fire hydrants:**

Fayette County	760
Scott County	94
Clark County	-
Bourbon County	-
Woodford County	4
<b>Total Private</b>	<u><u>858</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, 2005**

**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 Rank - 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, 2005**

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
	 Russell Cave Tank - 1,000,000 Gallon Ground	
	Foundation Elevation	990.50
	Overflow Elevation	1,020.80
	 Eastland Tank - 2,000,000 Gallon Elevated	
	Foundation Elevation	1,034.00
	Overflow Elevation	1,170.00
	 <b>Owen County System</b>	
	 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, 2005

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

**KENTUCKY-AMERICAN WATER**  
**PLANT STATISTICS (ITEM 6)**  
AS OF DECEMBER 31, 2005

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SIZE	KIND	CENTRAL DIVISION NORTHERN DIVISION LEASED SYSTEM		
		FEET (MILES)	FEET (MILES)	FEET (MILES)
12	CI	273879 51.871		
12	AC	287392 54.430		
12	DI	559747 106.013		
12	PVC	20268 3.839	9303	
10	CI	1286 0.244		
10	AC	24796 4.696		
10	DI	2 0.000		
8	CI	480476 90.999		
8	AC	804793 152.423		
8	PVC	1796935 340.329	103256 19.556	
8	DI	568934.5 107.753		
6	CI	539453 102.169		
6	AC	959758 181.772	132000 25.000	
6	PVC	360343.9 68.247	141654 26.828	87330 16.540
6	DI	172551 32.680		910 0.172
4	AC	235343 44.573	164460 31.148	
4	CI	89843 17.016		
4	PVC	33415.1 6.329	204391 38.710	49408 9.358
4	GAL	1213 0.230		
4	DI	53074 10.052		520 0.098
4	STEEL	60 0.011		
3	AC	39900 7.557	27000 5.114	

**KENTUCKY-AMERICAN WATER**  
**PLANT STATISTICS (ITEM 6)**  
AS OF DECEMBER 31, 2005

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SIZE	KIND	CENTRAL DIVISION NORTHERN DIVISION LEASED SYSTEM		
		FEET (MILES)	FEET (MILES)	FEET (MILES)
3	PVC	<b>165816</b>	<b>174940</b>	
		31.405	33.133	
3	GAL	<b>767</b>		
		0.145		
3	CI	<b>0</b>		
		0.000		
3	STEEL	<b>45</b>		
		0.009		
2.5	PVC	<b>43160</b>		
		8.174		
2.2	CI	<b>77194</b>		
		44.517		
2	CI	<b>74330</b>		
		14.078		
2	PVC	<b>71363</b>	<b>46880</b>	
		3.435	8.879	
2	GAL	<b>14828</b>	<b>15840</b>	
		2.808	3.000	
2	VARIOUS	<b>222</b>		
		0.042		
1.2	CI	<b>2086</b>		
		0.395		
1	PVC	<b>11</b>		
		0.002		
<b>SUB TOTAL</b>		<b>8563463</b>	<b>1019724</b>	<b>138168</b>
		1621.868	193.130	26.168
<b>TOTAL</b>				<b>9721355</b>
				<b>1841.166</b>

**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEMS 7 THROUGH 8)  
AS OF DECEMBER 31, 2005**

**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:	5
Units:	5 @ 3,000 pounds per day
Capacity:	15,000 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, 2005**

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, 2005**

**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

**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

**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEM 9 - Kentucky River Station)  
AS OF DECEMBER 31, 2005**

**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

**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.



**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEM 9 - Kentucky River Station)  
AS OF DECEMBER 31, 2005**

**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.

**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, 2005**

**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 systems
	- Filter operations
	- Clearwell levels

**KENTUCKY-AMERICAN WATER COMPANY**  
**PLANT STATISTICS (ITEM 9 - Richmond Road Station)**  
**AS OF DECEMBER 31, 2005**

**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, 2005**

**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 property.

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.

**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEM 9 - Richmond Road Station)  
AS OF DECEMBER 31, 2005**

**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).
- 4) 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, 2005**

**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 Mocel 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. (prucahsed 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
Monochloramine Analyzer	-Distributed water
Phosphate Analyzer	-Distributed water

**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEM 9 - Richmond Road Station)  
AS OF DECEMBER 31, 2005**

**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
<b>Greater Fayette System</b>		
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
Eastland Tank	2.00	2005
Russell Cave Tnk	1.00	2005
<b>Owen County System</b>		
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
Perry Street	0.10	2005
Ellis Road	0.40	2005
<b>TOTAL TANK STORAGE</b>	<b>24.36</b>	
<b>CLEARWELLS</b>		
Clearwells - KY River Station	1.00	
Clearwells - Richmond Road Station	1.00	
Clearwells - Storage Tank KRS	2.00	
Clearwells - Storage Owenton concrete underg	0.06	
Clearwells - Storage Owenton -above ground	0.24	
<b>TOTAL TANK/CLEARWELL STORAGE</b>	<b>28.66</b>	

**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEM 9 - Northern Division)  
AS OF DECEMBER 31, 2005**

***NORTHERN DISTRICT  
CONDENSED SYSTEM DATA***

Storage tanks:

Perry Street tank 100,000 gallons

Ellis Road tank 400,000 gallons

Raw water pumps Severn Creek:

2 pumps rated at 1,000,000 gallons per day each

Raw water pumps Lower Thomas Lake:

2 pumps rated at 1,440,000 gallons per day each

Clear well transfer pumps

2 pumps rated at 1,440,000 gallons per day each

High Service pumps:

2 pumps rated at 1,440,000 gallons per day each

Clear Wells:

1 concrete under ground 59,000 gallons

1 steel above ground 235,000 gallons



**KENTUCKY-AMERICAN WATER COMPANY  
PLANT STATISTICS (ITEMS 10 THROUGH 14)  
AS OF DECEMBER 31, 2005**

**10) Quantity of Fuel Used:**

Coal:	-
Gas:	-
Electricity:	50,220,599 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

***Northern District***

Clearwell No. 1 - Concrete structure underground	59,000	Gallons
Clearwell No. 2 - 1 steel above ground	235,000	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 69,650,000 gallons on August 2, 2005 and using an 84.5 % sales/delivery ratio, our estimated peak day sales would be 58,854,250 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 Treasurer & Comptroller 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 05, to and including December 31, 20 05

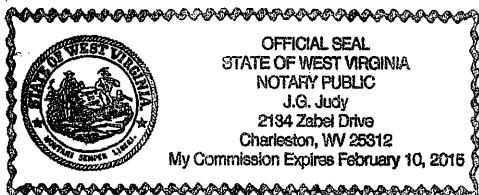
Michael A. Miller  
(Signature of official)

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

~~State and County above named~~, this 29th day of March, 20 06  
State of West Virginia  
County of Kanawha  
(APPLY SEAL HERE)

My commission expires February 10, 2015

J.G. Judy  
(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, 2005**

**PUBLIC SERVICE COMMISSION OF KENTUCKY  
PRINCIPAL PAYMENT AND INTEREST INFORMATION  
FOR THE YEAR ENDING DECEMBER 31, 2005**

1. Amount of Principal payment during the calendar year \$ 5,500,000.00
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	4	12		X	Difference of \$311,678,979 is Water Utility UPIS \$388,465 is water utility upaa
2	6	4	15		X	Difference of \$67,551,625 is Water Utility
2	7	4	17		X	Difference of \$244,465,549 is Water Utility
4	2	5	40	X		
4	23	4	15	X		
3	4 & 5	6	Capital Stock	X		
3	10	7	Balance End of Year Statement of Retained Earnings	X		
3	19	6	Long-Term Debt, Total (d)	X		
3	23	6	Notes Payable, Totals (e)	X		
3	29	6	Interest Accrued, Balance End of Year, Total	X		
3	30	7	21	X		
4	3	8	25		X	0 Difference is depreciation on contributed property
6	Interest Accrued During Year -LTD	8	40		X	Interest Accrued during year is reported by Water Utility.
6	Interest Accrued During Year-Other	8	43		X	Interest Accrued during year is reported by Water Utility.
8	24	9	51	X		
8	27	10	Acct. 408.1	X		
8	28	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 Operating Income	X		
Pages 11 and 12 have been completed						
The Oath Page has been completed						

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Balance Sheet - Liabilities and Equity Capital	3		
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		
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Other Current and Accrued Liabilities	7		
Statement of Retained Earnings	7		
Statement of Income	8		
Sewer Operation and Maintenance Expenses	9		
Taxes Other Than Income Taxes	10		
Operating and Non-Operating Income Taxes	10		
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**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  
1325 Virginia Street, Charleston WV 25301
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  
City of Owenton, Owen County, Kentucky
7. Number of employees: Full time 118, Part time: AWWS allocated employees 8

### PRINCIPAL OFFICERS

Title	Name	Official Address	Annual Salary and/or Fee
President	Nick O. Rowe	2300 Richmond Road, Lexington Ky 40502	ALLOCATED
Vice President	Herbert A. Miller	2300 Richmond Road, Lexington Ky 40502	ALLOCATED
VP, Treasurer & Comptroller	Michael A. Miller	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Secretary	Velma A. Redmond	800 W. Hershey Park Drive, Hershey PA 17033	ALLOCATED
Assistant Comptroller	Rachel S. Cole	2300 Richmond Road, Lexington Ky 40502	64,487
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	UTILITY PLANT		
3			
4	Utility Plant (101 - 109)	289,330,709	315,488,765
5	Less: Accum. Prov. For Depr. And Amort.		
6	of Utility Plant (110)	66,027,848	68,879,350
7	Net Utility Plant	223,302,861	246,609,415
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)	584,046	840,222
24	Temporary Cash Investments (132)		
25	Notes Receivable (141)		
26	Customer Accounts Receivable (142)	2,506,851	3,428,301
27	Other Accounts Receivable (143)	623,289	590,576
28	Accum. Prov. For Uncollectible Accts. - Cr. (144)	(169,699)	(258,904)
29	Notes Receivable from Associated Companies (145)		
30	Accounts Receivable from Associated Companies (146)	1,528,094	2,165,188
31	Materials and Supplies (150)	536,204	425,930
32	Prepayments (166)	25,310	64,536
33	Other Current and Accrued Assets (170)	161,324	196,827
34	Accrued Utility Revenues	4,429,251	4,529,612
35			
36			
37	Total Current and Accrued Assets (170)	10,224,670	11,982,288
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expenses (181)	612,863	535,665
42	Extraordinary Property Losses (182)		
43	Other Deferred Debits (183)	9,947,018	6,139,843
44	Preliminary Survey & Investigation Charges	2,192,004	134,963
45	Reg-Asset-Inc Tax Recoverable thru Rates	4,685,829	4,688,465
46			
47	Total Deferred Debits	17,437,714	11,498,936
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	251,214,983	270,340,377

## BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First of Year	Balance Last of Year
1			
2	EQUITY CAPITAL		
3			
4	Common Capital Stock (201)	36,568,776	36,568,776
5	Preferred Capital Stock (204)	6,048,500	1,468,700
6	Other Paid In Capital (207)	31,779	56,139
7	Discount of Capital Stock (213)		
8	Capital Stock Expense (214)		
9	Appropriated Retained Earnings (215)		
10	Unappropriated Retained Earnings (216)	25,924,241	25,898,028
11	Non-Corporate Proprietorship (218)		
12	Total Equity Capital	68,573,296	63,991,643
13			
14	LONG TERM DEBT		
15			
16	Bonds (221)	82,500,000	81,500,000
17	Advances from Associated Companies (223)		
18	Other Long Term Debt (224)		
19	Total Long Term Debt	82,500,000	81,500,000
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable /Long Term Debt (current portion)(231)	1,090,837	7,992,103
24	Accounts Payable (232)	4,260,318	5,134,659
25	Notes Payable to Associated Companies (233)		
26	Accounts Payable to Associated Companies (234)	1,034,867	215,482
27	Customer Deposits (235)	6,560	6,560
28	Taxes Accrued (237)	1,906,235	3,858,648
29	Interest Accrued (237)	1,458,572	1,365,851
30	Other Current and Accrued Liabilities (238)	2,578,112	5,945,034
31	Total Current And Accrued Liabilities	12,335,501	24,518,337
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252)	15,777,400	16,448,419
36	Other Deferred Credits (253)	3,646,454	10,590,791
37	Accum. Deferred Investment Tax Credits (255)	1,460,729	1,365,134
38	Total Deferred Credits	20,884,583	28,404,344
39			
40	Operating Reserves (261-265)		
41			
42	Contributions in Aid of Construction (271)	32,223,395	35,681,810
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)	34,698,208	36,244,243
49	Total Accum. Def. Income Taxes	34,698,208	36,244,243
50	TOTAL EQUITY CAPITAL AND LIABILITIES	251,214,983	270,340,377

**SUMMARY OF UTILITY PLANT**

Line No.	Acct. No.	Item	Amount
<b>UTILITY PLANT</b>			
1		In Service	
2	101	Plant in Service Classified (from pg. 5. Line 40)	3,430,985
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	40,336
5	106	Utility Plant Purchased or Sold	0
6		Total-In Service	3,471,321
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)	3,471,321
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amort. Of Utility Plant (to pg. 2. Line 6)	1,327,725
16			
17		NET UTILITY PLANT (to pg. 2, line 7)	2,143,596

**ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT**

Line No.	Item	Amount
1	Balance Beginning of Year	48,137
2	Accruals for Year:	
3	Depreciation	15,794
4	Amortization	0
5	Other Accounts (detail):	
6	OWENTON ACQUISITION	1,263,794
7		
8	Total Accruals for Year	1,279,588
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)	
16	Add: Cost of Removal	
17	Less: Salvage	
18	Net Charges for Plant Retired	0
19	Debit Adjustments	
20		
21		
22	Total Debit Adjustments for Year	0
23	Balance end of Year	1,327,725

**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)			2,250			2,250
8	Structures and Improvements (311)		36,127	2,418,247			2,454,374
9	Total Land and Structures		36,127	2,420,497	0	0	2,456,624
10	COLLECTION PLANT						
11	Collection Sewers - Gravity (352.2)						0
12	Collection Sewers - Force (352.1)			853,518			853,518
13	Other Collection Plant Facilities (353)						0
14	Services to Customers (354)						0
15	Flow Measuring Devices (355)						0
16	Total Collection Plant		0	853,518	0	0	853,518
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)			9,550			9,550
22	Total Pumping Plant		10,708	9,550	0	0	20,258
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						0
25	Treatment and Disposal Equipment (373)			17,750			17,750
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	17,750	0	0	17,750
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)			11,637			11,637
32	Transportation Equipment (392)			35,144			35,144
33	Stores Equipment (393 A)			500			500
34	Tools, Shop and Garage Equipment (393 B)			24,395			24,395
35	Laboratory Equipment (393 C)						0
36	Power Operated Equipment (393 D)			37,141			37,141
37	Communication Equipment (393 E)			1,396			1,396
38	Other Tangible Property (393 F)			12,958			12,958
39	Total General Plant		0	123,171	0	0	123,171
40	<b>TOTAL SEWER PLANT IN SERVICE</b>		46,835	3,424,486	0	0	3,471,321

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	14,687	1,468,700

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)
				0.00%	0
6.96% Series		12/1/2023	7,000,000	6.96%	487,200
6.79% Series		9/1/2005	0	6.79%	248,967
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%	665,000
Preferred St. W/ mandatory redemption			4,500,000	8.47%	381,150
Total			81,500,000		5,368,517

(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					7,992,103
Total					7,992,103

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	5,368,517	5,461,238	1,365,851
Bank Debt (237.2)	0	0	0	0
Total	1,458,572	5,368,517	5,461,238	1,365,851

**OTHER CURRENT AND ACCRUED LIABILITIES**

Line No.	Sub-Account and Description	Amount
1	Refer to Detail on Attachment 1	5,945,034
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)	5,945,034

**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

Item (a)	This Year (b)	Last Year (c)
Balance Beginning of Year	25,924,241	26,304,493
Balance Transferred From Income (435) Water	1,716,361	1,895,187
Appropriations of Retained Earnings (436):	61,431	84,986
Dividends Declared-Preferred Stock (437)	(79,875)	(448,208)
Dividends Declared-Common Stock (438)	(1,724,130)	(1,912,217)
Adjustments to Retained Earnings (439):		
Balance End of Year	25,898,028	25,924,241

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

Line No.	Sub-Account and Description	Amount
1	ACCRUED WATER	13,892
2	ACCRUED POWER	107,000
3	ACCRUED WAGES	327,816
4	ACCRUED INSURANCE	115
5	ACCRUED RENTS	12,000
6	ACCRUED PREFERRED DIVIDEND REQUIREMENTS	19,682
7	ACCRUED BANK FEES	0
8	ACCRUED CREDIT LINE FEES	0
9	ACCRUED VACATION PAYABLE	23,200
10	WITHHELD PR-HOSPITAL PREMIUM	0
11	WITHHELD PR-UNION DUES	1,458
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	3,149
17	WITHHELD PR-FSA	714
18	WITHHELD PR-COLL PAY FIT/SIT/FICA	73,903
19	CONSTRUCTION COSTS PAYABLE	200,463
20	UNCLAIMED CREDITS	26,057
21	UNCLAIMED EXTENSION DEPOSIT REFUNDS	4,599
22	CONTRACT LIA PROP PURCHASES	0
23	WITHHELD PR-401 K	6,666
24	ACCRUED 401K EXPENSE	36,302
25	BANK CLEARING	3,174,775
26	ACCRUED UNBILLED ITEMS	53,866
27	UNBILLED STOCK C	100,558
28	UNBILLED STOCK E	281,020
29	ACCRUED ESOP CONTRIBUTION	10,142
30	WITHHELD PR-ESOP	56
31	WITHHELD PR-GARNISHMENT	0
32	WITHHELD PR-TAX COLL PAY LIT	0
33	CFO-MGMT CONTRACTS	235,841
34	CFO-SALES TAX	298,168
35	CFO-GROSS RECEIPTS TAX	200,304
36	CFO-MUN TAX	4,000
37	DIVIDENDS DECLARED - PREFERRED	0
38	OTHER CURRENT LIABILITIES ANALYZED	729,290
39	ACCRUED LEGAL	0
40	CUSTOMER PLEDGES	0
41	REFUND TRATES UNDER BONDS	0
42		5,945,034

-Attachment 1-



## STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	<b>OPERATING REVENUES</b>		
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)	597	113,243
10	Commercial Revenues (522.2)	54	8,126
11	Industrial Revenues (522.3)	1	1,980
12	Revenues from Public Authorities (522.4)		
13	Total (522)	652	123,349
14	Revenues from Public Authorities (523)		
15	Revenues from Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues	652	123,349
18	<b>OTHER OPERATING REVENUES</b>		
19	Customers Forfeited Discounts (532)		
20	Miscellaneous Operating Revenues (536)		984
21	Total Other Operating Revenues		984
22	Total Operating Revenues		124,333
23	<b>OPERATING EXPENSES</b>		
24	Total Sewer Operation & Maint. Exp. (from pg. 9. Line 52)		66,763
25	Depreciation Expense (403)		15,794
26	Amortization Expense (404-407 / from pg. 10)		(4,251)
27	Taxes Other Than Income Taxes (408.1 / from pg. 10)		875
28	Total Income Taxes - Utility Operating Income (from pg. 10)		0
29	Total Sewage Operating Expenses		79,181
30	Net Operating Income		45,152
31	<b>OTHER INCOME</b>		
32	Income from Nonutility Operations (417)		
33	Interest and Dividend Income (419)		
34	Miscellaneous Nonoperating Income (421)		16,279
35	Other Accounts (Specify Account No. and Title):		
36			
37			
38	Total Other Income		16,279
39	<b>OTHER DEDUCTIONS</b>		
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	<b>NET INCOME</b>		<b>61,431</b>

**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)	8,192
7	Pumping System - Labor, Mat'ls. & Expenses (701-B)	
8	Treatment System (701-C):	
9	Sludge Hauling	27,251
10	Utility Service - Water Cost	
11	Other - Labor, Mat'ls. & Expenses (701-A) Testing Fees	5,221
12	Rents (702)	
13	Fuel and Power Purchased for Pumping & Treatment (703)	19,340
14	Chemicals (704)	2,138
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	62,142
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)	3,774
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	3,774
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)	584
42	Outside Services Employed (923)	
43	Insurance Expense (924)	
44	Employee Pensions and Benefits (926)	165
45	Regulatory Commission Expenses (928)	
46	Transportation Expenses (929)	
47	Miscellaneous General Expenses (930)	98
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	847
51	TOTAL SEWER OPERATION & MAINT. EXP. (to pg. 8. line 24)	66,763
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	875
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)	875

**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	(4,251)
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)	(4,251)

**SEWER PLANT STATISTICS- CENTRAL DIVISION**

**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**  
What was the date of the last audit? **Calendar Year 2005**  
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? **7,009,207**
2. Total received on maximum day? **49,871**
3. Maximum G.P.D. Capacity of the sewage treatment plant **40,000**
4. Routing maintenance service fee:  
Cost per month \$ \_\_\_\_\_  
Contract Expires \_\_\_\_\_
5. Sludge hauling:  
Cost per load **\$350 per load**  
Average Number of gallons per load **4,000 Gallons**  
Number of Loads this year **2 Loads**

**SEWER PLANT STATISTICS-NORTHERN DIVISION**

**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? **Raisor Zapp and Woods**  
What was the date of the last audit? **Calendar Year 2005**  
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? **1989**

---

2. Type of treatment process **Facultative Lagoon**

---

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? **Purchase 9/15/05 thru u 12/31/05 - 20,113,500 gal.**

---

2. Total received on maximum day? **625,800**

---

3. Maximum G.P.D. Capacity of the sewage treatment plant **1,500,000 gal.**

---

4. Routing maintenance service fee:  
Cost per month \$ \_\_\_\_\_  
Contract Expires \_\_\_\_\_

---

5. Sludge hauling:  
Cost per load **\$200 per load**  
Average Number of gallons per load **1,000 Gallons**  
Number of Loads this year **14 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	577		577
Apartments / Condominiums	20	Monthly	20
Commercial	54	Monthly	54
Industrial	1	Monthly	1
Other (Specify):			
Total	652		652

### 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
Actaris - Manufacturing	Metered	Pretreatment

### PUMPING STATIONS

Location	Size Of Motor	Type Of Motor	Capacity Gals. Per Day
Rockwell Road	5 Hp	Century 3-Phase	86,400
Madison St.	30 Hp	Hydromatic 3-Phase	864,000
Gratz Rd.	20 Hp	Hydromatic 3-Phase	691,200
Main St.	10 Hp	Hydromatic 3-Phase	576,000
Middle School	10 Hp	Hydromatic 3-Phase	561,000
Sunset Dr.	5 Hp	Hydromatic 3-Phase	288,000
Old High School	5 Hp	Hydromatic 3-Phase	230,400
Randell St.	3 Hp	Hydromatic 3-Phase	288,000
Owenton Manor	3 Hp	Hydromatic 3-Phase	331,200
High School	3 Hp	Hydromatic 3-Phase	230,400
Car Wash	2 Hp	Myers 3- phase	92,160
Dairy Queen	2 Hp	Myers single phase	92,160
Duke Rd.	2 Hp	Myers single phase	92,160

### 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
Vit. Clay	8"	26,400	None	None	26,400
Vit. Clay	6"	52,800	None	None	52,800
Vit. Clay	4"	36,960	None	None	36,960

### 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 648

**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     05     to            to December 31, 20     05    .

  Michael A. Miller    
(Signature of affiant)

Subscribed and sworn to before me this     29th     day of     March    ,     2006    

  J.G. Judy    
Notary Public, County of     Kanawha      
My Commission Expires     2/10    , 2015

