

COPY

SEWER

CLASS A & B WATER COMPANIES

ANNUAL REPORT RECEIVED

OF

MAR 30 2007

PUBLIC SERVICE
COMMISSION

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, 2006

**PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2006**

1. Amount of Principal payment during the calendar year \$ _____ -

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
8	26	10	Amortization Expense	X		
8	44	10	Account 408.2 Total Income Taxes	X		
8	45	10	Nonutility Operating Income	X		
Pages 11 and 12 have been completed						
The Oath Page has been completed						

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE	SEWER OPERATING SECTION	PAGE
Identification	1	Sewer Plant Statistics	11
Balance Sheet - Assets	2		
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		
Notes Payable	6		
Interest Accrued	6		
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		
Amortization Expense	10		

Additional Information Required by Commission Orders

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

Case #	Date of Order	Item/Explanation

GENERAL INFORMATION

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

2. Give the location including street, zip code and telephone number of the principal office in Kentucky
2300 Richmond Road
Lexington, Kentucky 40502

3. Give the name, title, address and telephone number of the officer to whom correspondence concerning this report should be addressed
Michael C. Miller, Vice President, Treasurer, and Comptroller (304) 340-2009
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
Owen County, Kentucky

7. Number of employees: Full time **131**, Part time: _____

PRINCIPAL OFFICERS

Title	Name	Official Address	Annual Salary and/or Fee
President	Nick O. Rowe	2300 Richmond Road, Lexington Ky 40502	ALLOCATED
Assistant Treas. & Ass. Sec.	Sheila Valentine Miller	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Treasurer & Comptroller	Michael A. Miller	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Secretary	Velma A. Redmond	1325 Virginia Street, Charleston WV 25301	ALLOCATED
Assistant Comptroller	Rachel S. Cole	2301 Richmond Road, Lexington Ky 40502	68,730
Assistant Comptroller	Thomas Bailey	2300 Richmond Road, Lexington Ky 40502	ALLOCATED
Assistant Comptroller	Doneen S. Hobbs	131 Woodcrest Rd, Cherry Hill, NJ 08003	ALLOCATED
Assistant Comptroller	William J. Schiavi	131 Woodcrest Rd, Cherry Hill, NJ 08003	ALLOCATED
Assistant Comptroller	Thomas C. Spitz	131 Woodcrest Rd, Cherry Hill, NJ 08003	ALLOCATED
Assistant Comptroller	David A. Stewart	131 Woodcrest Rd, Cherry Hill, NJ 08003	ALLOCATED
Assistant Comptroller	Rod Nevirauskas	131 Woodcrest Rd, Cherry Hill, NJ 08003	ALLOCATED
Assistant Comptroller	Robin Quinn	131 Woodcrest Rd, Cherry Hill, NJ 08003	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)	315,488,765	339,654,865
5	Less: Accum. Prov. For Depr. And Amort.		
6	of Utility Plant (110)	75,440,331	83,425,396
7	Net Utility Plant	240,048,434	256,229,469
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)	840,222	904,169
24	Temporary Cash Investments (132)		
25	Notes Receivable (141)		
26	Customer Accounts Receivable (142)	3,428,301	2,453,029
27	Other Accounts Receivable (143)	590,576	602,979
28	Accum. Prov. For Uncollectible Accts. - Cr. (144)	(258,904)	(261,097)
29	Notes Receivable from Associated Companies (145)		
30	Accounts Receivable from Associated Companies (146)	2,165,188	4,096,176
31	Materials and Supplies (150)	425,930	515,515
32	Prepayments (166)	64,536	69,208
33	Other Current and Accrued Assets (170)	196,827	197,763
34	Accrued Utility Revenues	4,529,612	2,510,264
35			
36			
37	Total Current and Accrued Assets (170)	11,982,288	11,088,006
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expenses (181)	535,665	462,792
42	Extraordinary Property Losses (182)		
43	Other Deferred Debits (183)	6,139,843	5,530,696
44	Preliminary Survey & Investigation Charges	134,963	125,657
45	Reg-Asset-Inc Tax Recoverable thru Rates	4,688,465	3,611,087
46			
47	Total Deferred Debits	11,498,936	9,730,232
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	263,779,396	277,297,445

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)	5,968,700	5,966,100
6	Other Paid In Capital (207)	56,139	8,056,319
7	Discount of Capital Stock (213)		
8	Capital Stock Expense (214)		
9	Appropriated Retained Earnings (215)		
10	Unappropriated Retained Earnings (216)	27,082,028	28,434,769
11	Non-Corporate Proprietorship (218)		
12	Total Equity Capital	69,675,643	79,025,964
13			
14	LONG TERM DEBT		
15			
16	Bonds (221)	77,000,000	49,900,000
17	Advances from Associated Companies (223)		
18	Other Long Term Debt (224)		
19	Total Long Term Debt	77,000,000	49,900,000
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable /Long Term Debt (current portion)(231)	7,992,103	30,397,057
24	Accounts Payable (232)	5,134,659	6,335,298
25	Notes Payable to Associated Companies (233)		
26	Accounts Payable to Associated Companies (234)	215,482	1,018,691
27	Customer Deposits (235)	6,560	0
28	Taxes Accrued (237)	2,549,648	8,512,511
29	Interest Accrued (237)	1,365,851	581,042
30	Other Current and Accrued Liabilities (238)	6,026,035	5,730,023
31	Total Current And Accrued Liabilities	23,290,338	52,574,622
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252)	16,448,419	16,492,638
36	Other Deferred Credits (253)	4,024,809	2,998,399
37	Accum. Deferred Investment Tax Credits (255)	1,365,134	1,302,648
38	Total Deferred Credits	21,838,362	20,793,685
39			
40	Operating Reserves (261-265)		
41			
42	Contributions in Aid of Construction (271)	35,681,810	39,835,232
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)	36,293,243	35,167,944
49	Total Accum. Def. Income Taxes	36,293,243	35,167,944
50	TOTAL EQUITY CAPITAL AND LIABILITIES	263,779,396	277,297,447

SUMMARY OF UTILITY PLANT

Line No.	Acct. No.	Item	Amount
UTILITY PLANT			
1		In Service	
2	101	Plant in Service Classified (from pg. 5. Line 40)	3,503,918
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	266
5	106	Utility Plant Purchased or Sold	0
6		Total-In Service	3,504,184
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)	3,504,184
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amort. Of Utility Plant (to pg. 2. Line 6)	1,409,871
16			
17		NET UTILITY PLANT (to pg. 2, line 7)	2,094,313

ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Item	Amount
1	Balance Beginning of Year	1,327,725
2	Accruals for Year:	
3	Depreciation	84,698
4	Amortization	0
5	Other Accounts (detail):	
6	OWENTON ACQUISITION	0
7		
8	Total Accruals for Year	84,698
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)	2,552
16	Add: Cost of Removal	
17	Less: Salvage	
18	Net Charges for Plant Retired	2,552
19	Debit Adjustments	
20		
21		
22	Total Debit Adjustments for Year	2,552
23	Balance end of Year	1,409,871

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
6	LAND AND STRUCTURES						
7	Land and Land Rights (310)		2,250				2,250
8	Structures and Improvements (311)		2,454,362	22,054	2,552		2,473,864
9	Total Land and Structures		2,456,612	22,054	2,552	0	2,476,114
10	COLLECTION PLANT						
11	Collection Sewers - Gravity (352.2)						0
12	Collection Sewers - Force (352.1)		853,518	0			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		853,518	0	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	0			9,550
22	Total Pumping Plant		20,258	0	0	0	20,258
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						0
25	Treatment and Disposal Equipment (373)		17,750	4,966			22,716
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		17,750	4,966	0	0	22,716
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)		11,637	0			11,637
32	Transportation Equipment (392)		35,144	0			35,144
33	Stores Equipment (393 A)		500	0			500
34	Tools, Shop and Garage Equipment (393 B)		24,395	1,353			25,748
35	Laboratory Equipment (393 C)						0
36	Power Operated Equipment (393 D)		37,141	0			37,141
37	Communication Equipment (393 E)		1,396	0			1,396
38	Other Tangible Property (393 F)		12,971	6,775			19,746
39	Total General Plant		123,184	8,128	0	0	131,312
40	TOTAL SEWER PLANT IN SERVICE		3,471,322	35,148	2,552	0	3,503,918

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	14,661	5,966,100

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%	485,847
7.15% Series		2/1/2027	7,500,000	7.15%	534,760
6.99% Series		6/1/2028	9,000,000	6.99%	627,352
6.87% Series		3/29/2011	12,400,000	6.87%	1,067,808
5.65% Series** in current portion		6/12/2007	0	5.65%	1,352,234
4.75% Series		3/1/2014	14,000,000	4.75%	663,153
Total			49,900,000		4,731,154

(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					30,397,057
Total					30,397,057

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)	1,334,089	4,731,154	5,484,200	581,043
Bank Debt (237.2)	0	0	0	0
Total	1,334,089	4,731,154	5,484,200	581,043

OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1	Refer to Detail on Attachment 1	5,730,021
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)	5,730,021

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year (c)
Balance Beginning of Year	27,082,028	25,924,241
Balance Transferred From Income (435) Water	3,891,170	1,716,361
Appropriations of Retained Earnings (436):	(73,370)	61,431
Dividends Declared-Preferred Stock (437)	(458,798)	(79,875)
Dividends Declared-Common Stock (438)	(2,006,261)	(1,724,130)
Adjustments to Retained Earnings (439):		1,184,000
Balance End of Year	28,434,769	27,082,028

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

Line No.	Sub-Account and Description	Amount
1	ACCRUED VACATION PAYABLE	24,138
2	ACCRUED WATER	33,268
3	ACCRUED POWER	273,336
4	ACCRUED LEGAL	21,806
5	ACCRUED AUDIT FEES	1,055
6	ACCRUED WAGES	205,867
7	ACCRUED INSURANCE	1
8	ACCRUED RENTS	30,625
9	ACCRUED WASTE DISPOSAL	120,218
10	ACCRUED RETIREE MEDICAL REIMB	3,500
11	ACCRUED DPB CONTRIBUTION	5,239
12	ACCRUED BANK FEES	34,155
13	WITHHELD PR-UNION DUES	0
14	WITHHELD PR-GARNISHMENT	0
15	WITHHELD PR-TAX COLL PAY LIT	0
16	WITHHELD PR-COLL PAY FIT/SIT/FICA	16,376
17	WITHHELD PR-CHARITY CONT	0
18	WITHHELD PR-SAVINGS ACCT	0
19	WITHHELD PR-SAVINGS BONDS	0
20	WITHHELD PR-CREDIT UNION	0
21	WITHHELD PR-FSA	1,774
22	WITHHELD PR-401 K	30,824
23	WITHHELD PR-MISCELLANEOUS	0
24	ACCRUED 401K EXPENSE	10,510
25	ACCRUED PREFERRED DIVIDEND REQUIREMENTS	50,164
26	CONSTRUCTION COSTS PAYABLE	57,053
27	UNCLAIMED CREDITS	52,621
28	UNCLAIMED EXTENSION DEPOSIT REFUNDS	4,599
29	ACCRUED UNBILLED ITEMS	28,771
30	UNBILLED STOCK C	66,572
31	UNBILLED STOCK E	113,168
32	CUSTOMER PLEDGES	350
33	CFO-SALES TAX	370,382
34	CFO-GROSS RECEIPTS TAX	(38,041)
35	CFO-MUN TAX	1,368
36	CFO-MGMT CONTRACTS	164,030
37	BANK CLEARING	3,377,351
38	OTHER CURRENT LIABILITIES ANALYZED	668,941
39	WITHHELD PR-ESOP	0
40	REFUND TRATES UNDER BONDS	0
41	DIVIDENDS DECLARED - PREFERRED	0
42		5,730,021

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues - General Customers:		
3	Residential Revenues (521.1)		
4	Commercial Revenues (521.2)		
5	Industrial Revenues (521.3)		
6	Revenues from Public Authorities (521.4)		
7	Total (521)	0	0
8	Measured Revenues - General Customers:		
9	Residential Revenues (522.1)	641	185,861
10	Commercial Revenues (522.2)	62	93,356
11	Industrial Revenues (522.3)	1	23,474
12	Revenues from Public Authorities (522.4)		
13	Total (522)	704	302,691
14	Revenues from Public Authorities (523)		
15	Revenues from Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues	704	302,691
18	OTHER OPERATING REVENUES		
19	Customers Forfeited Discounts (532)		
20	Miscellaneous Operating Revenues (536)		852
21	Total Other Operating Revenues		852
22	Total Operating Revenues		303,543
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp. (from pg. 9. Line 52)		332,290
25	Depreciation Expense (403)		84,698
26	Amortization Expense (404-407 / from pg. 10)		(25,639)
27	Taxes Other Than Income Taxes (408.1 / from pg. 10)		3,982
28	Total Income Taxes - Utility Operating Income (from pg. 10)		0
29	Total Sewage Operating Expenses		395,331
30	Net Operating Income		(91,788)
31	OTHER INCOME		
32	Income from Nonutility Operations (417)		
33	Interest and Dividend Income (419)		
34	Miscellaneous Nonoperating Income (421)		18,418
35	Other Accounts (Specify Account No. and Title):		
36			
37			
38	Total Other Income		18,418
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt (427)		
41	Amortization of Debt Discount and Expenses (428)		
42	Interest on Debt to Associated Companies (430)		
43	Other Interest Expense (431)		
44	Taxes Other Than Income Taxes (408.2 / from pg. 10)		
45	Total Income Taxes - Nonutil Operating Income (from pg. 10)		
46	Other Accounts (Specify Account No. and Title):		
47			
48			
49	Total Other Deductions		0
50	NET INCOME		(73,370)

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)	16,637
7	Pumping System - Labor, Mat'ls. & Expenses (701-B)	
8	Treatment System (701-C):	
9	Sludge Hauling	36,409
10	Utility Service - Water Cost	
11	Other - Labor, Mat'ls. & Expenses (701-A) Testing Fees	86,177
12	Rents (702)	
13	Fuel and Power Purchased for Pumping & Treatment (703)	110,737
14	Chemicals (704)	29,635
15	Miscellaneous Supplies and Expenses (705):	0
16	Collection System (705-A)	
17	Pumping System (705-B)	36,006
18	Treatment and Disposal (705-C)	0
19	Total Operation Expenses	315,601
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)	10,144
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	10,144
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)	2,943
38	Total Customer Accounts Expenses	2,943
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries (920)	1,031
41	Office Supplies and Other Expenses (921)	636
42	Outside Services Employed (923)	
43	Insurance Expense (924)	
44	Employee Pensions and Benefits (926)	482
45	Regulatory Commission Expenses (928)	
46	Transportation Expenses (929)	805
47	Miscellaneous General Expenses (930)	648
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	3,602
51	TOTAL SEWER OPERATION & MAINT. EXP. (to pg. 8. line 24)	332,290
52		

0
86177

0

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	3,982
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)	3,982

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	(25,639)
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)	(25,639)

SEWER PLANT STATISTICS

PLANT VALUATION

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

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

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

4. By whom were the booked 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 \$ **855**
Contract Expires **There is no written contract.**

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

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 and account audited? Price Waterhouse Coopers
What was the date of the last audit? Calendar Year 2006
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 Aeration 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? 7,273,940
2. Total received on maximum day? 50,000
3. Maximum G.P.D. Capacity of the sewage treatment plant 40,000
4. Routing maintenance service fee:
Cost per month \$ 855
Contract Expires There is no written contract.
5. Sludge hauling:
Cost per load \$365 per load
Average Number of gallons per load 4,000 Gallons
Number of Loads this year 2 Loads

SEWER PLANT STATISTICS

2006

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? 469,405,192
2. Total received on maximum day? 999,500
3. Maximum G.P.D. Capacity of the sewage treatment plant 1,390,000 gal.
4. Routing maintenance service fee:
Cost per month \$ _____
Contract Expires _____
5. Sludge hauling:
Cost per load \$20.00 per load
Average Number of gallons per load 1,000 Gallons
Number of Loads this year 46

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	641		641
Apartments / Condominiums		Monthly	0
Commercial	62	Monthly	62
Industrial	1	Monthly	1
Other (Specify):			
Total	704		704

INDUSTRIAL CUSTOMERS SERVED

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

PUMPING STATIONS

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

MAINS (FEET)

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

SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year None

Number of stubs as of end of year

Number of service laterals owned by others 88

