

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, 2002

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

Page No.	Account No.		Page No.		Yes	No	If no, explain why
4-6	The identification pages have been completed.				X		
7	101-106	agrees with	13	Total 101-106		X	Diff. of \$50,835 is Sewer Utility
7	108-110	agrees with	14	Total 301-348 Cols c & h		X	Diff. of \$50657 is Sewer Utility
7	114-115	agrees with	15	Net Balance 114-115	X		
7	123	agrees with	16	Total 123	N/A		
7	124	agrees with	16	Total 124	N/A		
7	125	agrees with	16	Total 125	N/A		
7	126-127	agrees with	16	Total 126-127	N/A		
7	141-145	agrees with	17	Net Balance 141-145	X		
7	151-153	agrees with	18	Total 151-153	X		
7	163-165	agrees with	18	Total 162	X		
8	181	agrees with	19	Total 181	X		
8	182	agrees with	19	Total 182	N/A		
8	186	agrees with	18	Total 186	X		
8	190	agrees with	19	Total 190	N/A		
9	201	agrees with	20	Total Par Value of Stk Issued Col b	X		
9	204	agrees with	20	Total Par Value of Stk Issued Col c	X		
9	214-215	agrees with	23	Total 214-215	X		
9	221	agrees with	22	Total Line 10 col 4	X		
9	221	agrees with	22	Total col 12	X		
9	224	agrees with	21	Total 224 col d	N/A		
9	232	agrees with	24	Total 232 col f	X		
9	233	agrees with	24	Total 233	X		
9	234	agrees with	24	Total 234 col f	X		
9	236	agrees with	25	Beginning & ending balance 236	X		
9	237	agrees with	26	Total 237 cols b & e	X		
9	242	agrees with	27	Total 242	X		
10	251	agrees with	19	Total 251	N/A		
10	252	agrees with	20	Total 252	X		
10	271	agrees with	28	Beginning & ending balance 271	X		
10	272	agrees with	28	Accumulated amortization 271	X		
11	400	agrees with	31	Total water operating revenue col e	X		
11	401	agrees with	32	Total col c	X		
11	406	agrees with	15	Total accumulated amortization 115	N/A		

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

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

CLASS "A & B"
WATER COMPANIES

ANNUAL REPORT

OF

KENTUCKY-AMERICAN WATER COMPANY

Exact Legal Name of Respondent

FOR THE

YEAR ENDED DECEMBER 31, 2002

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**

TABLE OF CONTENTS

FINANCIAL SECTION	Page	WATER OPERATING SECTION	Page
Identification	4-6	Water Utility Plant Accounts	30
Comparative Balance Sheet - Assets and Other Debits	7-8	Sewer Utility Plant Accounts	30A
Comparative Balance Sheet - Equity Capital and Liabilities	9-10	Water Operating Revenue	31
Comparative Operating Statement	11-12	Water Utility Expense Accounts	32
Net Utility Plant	13	Pumping and Purchased Water Statistics	33
Accumulated Depreciation	13	Sales for Resale	34
Analysis of Accumulated Depreciation by Primary Account	14	Water Statistics	35
Accumulated Amortization	15	Plant Statistics	36
Utility Plant Acquisition Adjustments	15		
Investments and Special Funds	16		
Accounts and Notes Receivable - Net	17		
Materials and Supplies	18		
Prepayments	18		
Miscellaneous Deferred Debits	18		
Unamortized Debt Discount and Expense and Premium on Debt	19		
Extraordinary Property Losses	19		
Accumulated Deferred Income Taxes	19		
Advances for Construction	20		
Capital Stock	20		
Long Term Debt	21		
Bonds	22		
Schedule of Bond Maturities	22		
Statement of Retained Earnings	23		
Notes Payable	24		
Accounts Payable to Associated Co.	24		
Taxes Accrued	25		
Accrued Interest	26		
Misc. Current & Accrued Liabilities	27		
Regulatory Commission Expense - Amortization of Rate Case Expense	28		
Contributions in Aid of Construction	28		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Utility Operations)	29		

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.

Roy W. Mundy, II, President
2300 Richmond Road, Lexington, KY. 40502
(859) 268 - 6320

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

Same as above

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, and Woodford 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, 2002

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: Roy W. Mundy II	President	2300 Richmond Road Lexington, KY 40502-1308	XXXXXXXXXXXX
Report prepared by: Basil J. D'Antonio	Rate Team Lead	3906 Church Rd. Mt. Laurel, NJ 08054	XXXXXXXXXXXX
Officers & Managers: Roy W. Mundy II	President	2300 Richmond Road Lexington, KY 40502-1308	\$ 165,893
Nick O. Rowe	Vice President Operations	2300 Richmond Road Lexington, KY 40502-1308	\$ 133,919
Thomas Bailey	Assistant Comptroller	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Michael C. Miller	Vice President, Treasurer & Comptroller	2300 Richmond Road Lexington, KY 40502-1308	ALLOCATED
Roy L. Ferrell, Sr.	Assistant Treasurer	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Herbert A. Miller, Jr.	Vice President, & Secretary	2300 Richmond Road Lexington, KY 40502-1308	ALLOCATED
Nancy Strickland	Assistant Secretary Assistant Treasurer	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Stephen Chambers	Assistant Secretary	1325 Virginia Street Charleston, WV 25301	ALLOCATED
Rachel S. Cole	Assistant Comptroller	2300 Richmond Road Lexington, KY 40502-1308	\$ 57,008
James R. Hamilton	Assistant Treasurer	1325 Virginia Street Charleston, WV 25301	ALLOCATED
John G. Easlick	Assistant Comptroller	1025 Laurel Oak Rd. Voorhees, NJ	ALLOCATED
Benjamin J. Tartaglia, Jr.	Assistant Comptroller	1025 Laurel Oak Rd. Voorhees, NJ	ALLOCATED
Doneen S. Hobbs	Assistant Comptroller	3906 Church Rd. Mt. Laurel, NJ 08054	ALLOCATED
Shola O. Agbaje	Assistant Comptroller	3906 Church Rd. Mt. Laurel, NJ 08054	ALLOCATED
Thomas C. Spitz	Assistant Comptroller	3906 Church Rd. Mt. Laurel, NJ 08054	ALLOCATED
Robin N. Quinn	Assistant Comptroller	3906 Church Rd. Mt. Laurel, NJ 08054	ALLOCATED

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

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

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY PLANT			
101-106	Utility Plant	13	249,572,720	260,727,496
108-110	Less: Accumulated Depreciation and Amortization	13-15	(48,780,792)	(54,242,814)
	Net Plant		200,791,928	206,484,682
114-115	Utility Plant Acquisition			
	Adjustments (Net)	15	359,199	449,752
116	Other Utility Plant Adjustments			
	Total Net Utility Plant		201,151,127	206,934,434
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property		249,738	249,738
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property			
123	Investment in Associated Companies	16		
124	Utility Investments	16		
125	Other Investments	16		
126-127	Special Funds	16		
	Total Other Property & Investments		249,738	249,738
	CURRENT AND ACCRUED ASSETS			
131	Cash		1,398,382	685,920
132	Special Deposits			
133	Other Special Deposits			
134	Working Funds		54,798	12,600
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated		1,624,273	2,405,789
	Provision for Uncollectible Accounts	17		
145	Accounts Receivable from Associated Companies		57,993	49,685
146	Notes Receivable from Associated Companies			
151-153	Materials and Supplies	18	361,445	464,909
163	Misc Deposits		1,000	1,000
165	Prepayments		112,848	115,809
171	Accrued Interest and Dividends Receivable			
172	Rents Receivable			
173	Accrued Utility Revenues		2,136,488	2,117,835
174	Misc. Current and Accrued Assets		281,676	349,804
	Total Current and Accrued Assets		6,028,904	6,203,351

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	19	871,132	785,873
182	Extraordinary Property Losses	19		
183	Preliminary Survey & Investigation Charges		1,790,463	1,604,520
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	18	8,995,101	11,046,080
187	Research & Development Expenditures			
190	Accumulated Deferred Income Taxes	19		
	Regulatory Assets		4,522,846	4,696,734
	Total Deferred Debits		16,179,541	18,133,207
	TOTAL ASSETS AND OTHER DEBITS		223,609,310	231,520,730

NOTES TO THE BALANCE SHEET

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

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	EQUITY CAPITAL			
201	Common Stock Issued	20	36,568,776	36,568,776
204	Preferred Stock Issues	20	6,950,000	6,910,000
202,205	Capital Stock Subscribed	20	0	0
203,206	Capital Stock Liability for Conversion	20	0	0
207	Premium on Capital Stock		21,329	21,329
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	23	24,407,285	25,177,597
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
	Total Equity Capital		67,947,391	68,677,702
	LONG-TERM DEBT			
221	Bonds	22	44,500,000	68,500,000
222	Reaquired Bonds			
223	Advances from Associated Companies			
224	Other Long-Term Debt	21		
	Total Long-Term Debt		44,500,000	68,500,000
	CURRENT AND ACCRUED LIABILITIES			
231	Accounts Payable		997,843	421,477
232	Notes Payable	24	24,667,794	14,648,828
233	Accounts Payable to Associated Co	24	27,089	102,361
234	Current Long Term Debt	24	13,000,000	0
235	Customer Deposits		43,449	6,910
236	Accrued Taxes	25	260,586	99,584
237	Accrued Interest	26	852,579	1,456,725
238	Accrued Dividends		112,667	34,759
239	Matured Long-Term Debt			
240	Matured Interest			
241	Tax Collections Payable		318,384	321,662
242	Miscellaneous Current and Accrued Liabilities	27	2,028,761	1,659,375
	Total Current and Accrued Liabilities		42,309,152	18,751,682

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

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED CREDITS			
251	Unamortized Premium on Debt	19		
252	Advances for Construction	20	9,365,735	11,047,336
253	Other Deferred Credits		2,051,767	2,513,873
255	Accumulated Deferred Investment Tax Credits		1,726,473	1,641,676
	Total Deferred Credits		13,143,975	15,202,884
	OTHER NON-CURRENT LIABILITIES			
	Accumulated Provision for:			
261	Property Insurance			
262	Injuries and Damages			
263	Pensions and Benefits			
265	Miscellaneous Operating Reserves			
266	Rate Refunds			
	Total Other Non-Current Liabilities			
	CONTRIBUTIONS IN AID OF CONSTRUCTION			
271	Contributions in Aid of Construction	28-29	32,112,161	34,596,898
	Tap-on Fees - Customers			
	Federal Grants in Aid of Construction			
	Other			
272	Accumulated Amortization of Contributions in Aid of Construction		(4,595,266)	(5,459,706)
	Total Net C.I.A.C.		27,516,896	29,137,192
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes Accelerated Depreciation			
282	Accumulated Deferred Income Taxes Liberalized Depreciation			
283	Accumulated Deferred Income Taxes Other		28,191,897	31,251,269
	Total Accumulated Deferred Income Taxes		28,191,897	31,251,269
	TOTAL EQUITY CAPITAL AND LIABILITIES		223,609,310	231,520,730

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues	31	41,446,681	43,595,516
401	Operating Expenses	32	17,743,432	20,015,603
403	Depreciation Expenses		5,371,356	5,617,872
406	Amortization of Utility Plant Acquisition Adjustment		1,216	21,944
407	Amortization Expense		605,526	730,405
408.1	Taxes Other Than Income		1,830,772	2,201,297
409.1	Income Taxes		3,570,255	1,220,721
410.10	Deferred Federal Income Taxes		688,814	2,585,145
410.11	Deferred State Income Taxes		209,924	452,313
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		(84,797)	(84,797)
	Utility Operating Expenses		29,936,498	32,760,503
	Utility Operating Income		11,510,183	10,835,013
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) from Disposition of Utility Property		250,000	0
	Total Utility Operating Income		11,760,183	10,835,013
	OTHER INCOME AND DEDUCTIONS			
415	Revenues from Merchandising, Jobbing and Contract Deductions		13,393	116,258
416	Costs and Expenses of Merchandising, Jobbing and Contract Work		(23,332)	(118,333)
419	Interest & Dividend Income		10,028	10,305
420	Allowance for Funds Used During Construction		449,629	652,328
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses		534,486	(557,519)
	Total Other Income and Deductions		984,204	103,039

COMPARATIVE OPERATING STATEMENT (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	TAXES APPLICABLE TO OTHER INCOME			
408.20	Taxes Other Than Income			
409.20	Income Taxes		318,687	(128,425)
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		318,687	(128,425)
	INTEREST EXPENSE			
427	Interest Expense		5,308,243	4,956,808
428	Amortization of Debt Discount & Exp.		79,256	86,563
429	Amortization of Premium on Debt			
	Total Interest Expense		5,387,499	5,043,371
	EXTRAORDINARY ITEMS			
433	Extraordinary Income			
434	Extraordinary Deduction			
409.30	Income Taxes, Extraordinary Items			
	Total Extraordinary Items			
	NET INCOME		7,038,201	6,023,106

NET UTILITY PLANT (ACCTS. 101 - 106)

ACCT. NO.	PLANT ACCOUNTS	TOTAL
101	Utility Plant in Service	252,953,823
102	Utility Plant Leased to Others (Regulatory Asset - AFUDC-Debt)	272,637
103	Property Held for Future Use	114,076
104	Utility Plant Purchased or Sold	
105	Construction Work in Progress	7,208,291
106	Completed Construction Not Classified	127,834
	Total Utility Plant	260,676,661

ACCUMULATED DEPRECIATION (ACCT. 108)

DESCRIPTION		
Balance first of year		
Credit during year:		48,666,415
	Accruals Charged to Account 108.1	6,653,629
	Accruals Charged to Account 108.2	
	Accruals Charged to Account 108.3	
	Accruals Charged to Other Accounts (specify)	

	Salvage	42,061
	Other Credits (specify):	

	Total Credits	55,362,105
Debits during year:		
	Book Cost of Plant Retired	722,734
	Cost of Removal	520,377
	Other Debits (specify):	

	Total Debits	1,243,111
Balance end of year		54,118,994

ANALYSIS OF ACCUMULATED DEPRECIATION AND AMORTIZATION BY PRIMARY ACCOUNT 2002

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	CREDITS DURING THE YEAR		CHARGES DURING THE YEAR		BALANCE END OF YEAR (h)
			CHARGES TO DEP. EXP. (d)	OTHER CREDITS (e)	PLANT RETIREMENTS (f)	OTHER CHARGES (g)	
301	Organization						0
302	Franchises	58,778					58,778
303	Limited Term Interest in Land and Land Rights	1,639					1,639
304	Structures and Improvements	2,816,732	399,737		24,657	88,167	3,103,645
305	Collecting and Impounding Reservoirs	199,936	22,292				222,228
306	Lake River and Other Intakes	151,398	9,947		5,189	99,254	56,902
307	Wells and Springs						0
308	Infiltration Galleries and Tunnels						0
309	Supply Mains	565,431	67,260				632,691
310	Power Generating Equipment	181,758	18,885		9,442	29	191,172
311	Pumping Equipment	3,006,358	384,015		17,353	5,905	3,367,115
320	Water Treatment Equipment	7,835,804	903,956		15,797	2,234	8,721,729
330	Distribution Reservoirs and Standpipes	1,544,773	148,046			3,550	1,689,269
331	Transmission and Distribution Mains	14,344,007	1,561,316		426,067	75,242	15,404,014
333	Services	7,809,295	1,041,923		79,096	178,730	8,593,392
334	Meters & Meter Installations	3,425,434	525,924		108,243	54,749	3,788,366
335	Hydrants	1,490,931	202,640		19,766	846	1,672,959
339	Other Plant and Miscellaneous Equipment	59,747	66,223				125,970
340	Office Furniture and Equipment	2,605,515	684,888				3,290,403
341	Transportation Equipment	975,999	298,825	36,050	12,116	11,669	1,287,089
342	Stores Equipment	22,718	1,379	2,500	5,000		21,597
343	Tools, Shop and Garage Equipment	311,520	56,281				367,801
344	Laboratory Equipment	153,333	84,142				237,475
345	Power Operated Equipment	280,496	48,137				328,633
346	Communication Equipment	101,545	82,072				183,617
347	Miscellaneous Equipment	88,763	18,412				107,175
348	Other Tangible Plant	186,539	27,328				213,867
	Boonesboro Acquisition	447,969					447,969
	Subtotal	48,666,418	6,653,628	38,550	722,726	520,375	54,115,495
	Acc Depr Reg Asset	62,089		6,900			68,989
	Acc Amort UPIS	7,673					7,673
	TOTALS	48,736,180	6,653,628	45,450	722,726	520,375	54,192,157

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	148,965
Tri-Village	334,694

Total Plant Acquisition Adjustments	483,659
Accumulated Amortization (115)	
Amortization Boones boro Water Association	(33,907)

Total Accumulated Amortization	(33,907)
Net Acquisition Adjustments	449,752

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		

MATERIALS AND SUPPLIES (151 - 153)

ACCOUNT NAME	TOTAL
Plant Materials and Supplies (Account 151)	464,909
Merchandise (Account 152)	
Other Materials and Supplies (Account 153)	
Total Materials and Supplies	464,909

PREPAYMENTS (ACCT. 162)

DESCRIPTION	TOTAL
Prepaid Insurance	81,034
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify)	
Misc Deposits	1,000
Unknown Difference	(6,773)
JDE Maintenance Fees	13,964
Microsoft Fees	10,517
Line of Credit Fees	15,443
Lotus Notes Fees	1,624
Total Prepayments	116,809

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense (Acct. 186.1)	29,419
Other Deferred Debits (Acct. 186.2)	11,016,661
Total Miscellaneous Deferred Debits	11,046,080

ADVANCES FOR CONSTRUCTION (ACCT. 252)

DESCRIPTION	TOTAL
Balance first of year	9,365,736
Add credits during year	3,434,172
Deduct charges during year	1,752,573
Balance end of year	11,047,336

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	69,100
Total par value of stock issued	36,568,776	6,910,000
Dividends declared per share for year	0.00	0.00

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	13,000,000	13,000,000	0	0	859,192	937,300
4	7,000,000	7,000,000	0	7,000,000	487,200	487,200
5	5,500,000	5,500,000	0	5,500,000	373,450	373,450
6	7,500,000	7,500,000	0	7,500,000	536,250	536,250
7	9,000,000	9,000,000	0	9,000,000	629,100	629,100
8	15,500,000	15,500,000	0	15,500,000	1,064,850	1,064,850
9	24,000,000	24,000,000	0	24,000,000	740,693	
10						
Total	81,500,000	81,500,000	0	68,500,000	4,690,735	4,028,150

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		12/1/2002	7.21%	13,000,000	13,000,000	-
3		12/1/2023	6.96%	7,000,000		7,000,000
4		9/1/2005	6.79%	5,500,000		5,500,000
5		2/1/2027	7.15%	7,500,000		7,500,000
6		6/1/2028	6.99%	9,000,000		9,000,000
7		3/29/2011	6.87%	15,500,000		15,500,000
8		6/12/2007	5.65%	24,000,000		24,000,000
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Total				81,500,000	13,000,000	68,500,000

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	24,407,291
	Changes to account:	
	Adjustments to Retained Earnings (requires Commission Approval prior to use):	
	Credits	
	Total Credits	
	Debits	
	Total Debits	
435	Balance Transferred from Income	6,023,105
	Water	
	Sewer	(1,337)
436	Appropriations of Retained Earnings:	

	Total Appropriations of Retained Earnings	
437	Dividends Declared:	
	Preferred Stock Dividends Declared	533,615
	Common Stock Dividends Declared	4,717,847
	Total Dividends Declared	5,251,462
	Balance end of year	770,306
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	

	Total Appropriated Retained Earnings	
	Total Retained Earnings	25,177,597
Notes to Statement of Retained Earnings:		

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:					14,648,828
Total Account 232					14,648,828
Account 234 - Notes Payable to Associated Companies: Current Portion of Long Term Debt					
Total Account 234					

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCOUNT 233)

SHOW PAYABLE TO EACH ASSOCIATED COMPANY SEPARATELY	AMOUNT
American Water Works Service Co., Inc.	102,361
Total Account 233	102,361

TAXES ACCRUED (ACCOUNT 236)

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL (c)
	Balance first of year	260,585
	Accruals Charged:	
408.10	Utility regulatory assessment fees	79,512
408.11	Property taxes	1,540,140
408.12	Payroll taxes	465,571
408.13	Other taxes and licenses	3,900
408.20	Taxes other than income, other income and deductions	
409.10	Federal income taxes	3,335,682
409.11	State income taxes	856,968
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	593,323
410.11	Deferred state income taxes	171,838
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	(85,337)
412.20	ITC - Net nonutility operators	
412.21	ITC - Restored to nonoperating inc., util. operations	
	Total taxes accrued	6,961,597
	Taxes paid during year:	
408.10	Utility regulatory assessment fees	79,512
408.11	Property taxes	1,540,140
408.12	Payroll taxes	500,376
408.13	Other taxes and licenses	3,900
408.20	Taxes other than income, net change in sales tax accruals	1,351
409.10	Federal income taxes	3,470,020
409.11	State income taxes	847,476
409.12	Local income taxes	
409.20	Income taxes, other income taxes, other income and deductions	
409.30	Income taxes, extraordinary items	
410.10	Deferred federal income taxes	593,323
410.11	Deferred state income taxes	171,838
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	(85,337)
412.20	ITC - Net nonutility operators	
412.21	ITC - Restored to nonoperating inc., util. operations	
	Total taxes paid	7,122,598
	Balance end of year	99,584

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:	794,140	4,690,735	4,028,150	1,456,725
Total Acct. No. 237.1	794,140	4,690,735	4,028,150	1,456,725
Account No. 237.2 - Accrued Interest on Other Liabilities:				
Notes Payable (ST Bank)	50,951	252,385	303,336	0
Miscellaneous Notes Payable	7,488	13,688	21,176	0
Total Acct. No. 237.2	58,439	266,073	324,512	0
Total Acct. No. 237	852,579	4,956,808	4,352,662	1,456,725

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)

DESCRIPTION (a)	BALANCE END OF YEAR (b)
Accrued Water	35,225
Accrued Power	22,743
Accrued Wages	141,738
Accrued Insurance	0
Accrued Rents	16,600
Accrued Preferred Dividend Requirements	30,976
Accrued Bank Fees	14,578
Accrued Credit Line Fees	0
Accrued Vacation Payable	320,326
Withheld Payroll - Insurance Premium	0
Withheld Payroll - Union Dues	21
Withheld Payroll - Savings Bonds	200
Withheld Payroll - Charitable Contributions	0
Withheld Payroll - Savings Account	0
Withheld Payroll - Credit Union	0
Withheld Payroll - Miscellaneous	(260)
Withheld Payroll - Flexible Spending Accounts	4,693
Construction Costs Payable	33,848
Unclaimed Credits	15,220
Unclaimed Extension Deposit Refunds	12,158
Contract Liab Property Purchase Payments	0
Withheld Payroll - 401k	36,491
Accrued 401k Expense	8,324
Bank Clearing	599,878
Accrued Unbilled Items	8,054
Unbilled Stock E	67,046
Unbilled Stock C	71,197
Accrued ESOP Contribution	6,796
Withheld Payroll - ESOP	4,808
Withheld Payroll - Garnishment	362
Withheld Payroll - Tax Coll Pay LIT	491
CFO - Mgmt Contracts	45,453
Other Current Liabilities Analyzed	162,410
Total Miscellaneous Current and Accrued Liabilities	1,659,375

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

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

DESCRIPTION	REF.	AMOUNT
Net income for the year		
Reconciling items for the year:		
Taxable income not reported on books:		
<u>SEE ATTACHED</u>		
Deductions recorded on books not deducted for return:		
Income recorded on books not included in return:		
Deduction on return not charged against book income:		
Federal tax net income		0
Computation of tax:		
0	<u>Account</u>	<u>Amount</u>
35.00%	409.1	
<u>0</u>	409.2	
		<u>0</u>

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)	.1 INTAN- GIBLE PLANT (g)	.2 SOURCE OF SUPPLY & PUMPING PLANT (h)	.3 WATER TREATMENT PLANT (i)	.4 TRANS. & DISTRIBU. PLANT (j)	.5 GENERAL PLANT (k)
301	Organization	23,020			23,020	23,020				
302	Franchises	70,261			70,261	70,261				
303	Land and Land Rights	3,973,424	62,054		4,035,478		94,930	68,164	3,548,325	324,059
304	Structures and Improvements	17,820,486	785,556	24,666	18,581,376		4,754,192	7,909,875	728,558	5,188,750
305	Collecting & Impounding Reservoirs	1,013,271			1,013,271		1,013,271			
306	Lake River & Other Intakes	338,159	248,960	5,189	581,930		581,930			
307	Wells & Springs	0			-		0			
308	Infiltration Galleries & Tunnels	0			-		0			
309	Supply Mains	5,069,822	14,520		5,084,342		5,084,342			
310	Power Generation Equipment	559,844	7,792	9,442	558,193		558,194			
311	Pumping Equipment	9,926,002	109,918	17,353	10,018,567		10,018,567			
320	Water Treatment Equipment	22,322,849	76,659	15,797	22,383,710			22,383,710		
330	Distribution Reservoirs & Standpipes	5,932,032	68,102		6,000,133				6,000,133	
331	Transmission & Distribution Mains	114,974,326	7,508,077	426,067	122,056,336				122,056,336	
333	Services	23,773,982	1,963,580	79,096	25,658,466				25,658,466	
334	Meters and Meter Installations	16,213,359	1,442,769	108,243	17,547,885				17,547,885	
335	Hydrants	6,989,282	475,986	19,766	7,445,503				7,445,503	
339	Other Plant and Miscellaneous Equipment	736,864	3,838		740,702	740,702				
340	Office Furniture and Equipment	4,247,844	120,802		4,368,647					4,368,647
341	Transportation Equipment	2,001,703	174,276	12,117	2,163,862					2,163,863
342	Stores Equipment	35,547			35,547					35,547
343	Tools, Shop and Garage Equipment	783,733	12,014	5,000	790,747					790,747
344	Laboratory Equipment	657,833	214,195		872,028					872,028
345	Power Operated Equipment	521,790	5,454		527,244					527,244
346	Communication Equipment	1,616,067	194,719		1,810,786					1,810,786
347	Miscellaneous Equipment	330,352	127,259		457,611					457,611
348	Other Tangible Plant	117,960	10,218		128,178					128,178
	Completed Construction not Classified	131,232	(3,398)		127,834					127,834
	Total Water Plant	240,181,044	13,623,350	722,736	253,081,658	833,984	22,105,426	30,361,749	182,985,205	16,795,294

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	93,146	95,576	22,834,400
461.2	Sales to Commercial Customers	8,047	8,067	10,941,151
461.3	Sales to Industrial Customers	16	16	1,588,338
461.4	Sales to Public Authorities			
461.5	Sales to Multiple Family Dwellings			
461.6	Sales through Bulk Loading Stations			29,482
	Total Metered Sales	101,209	103,659	35,393,370
462	Fire Protection Revenue:			
462.1	Public Fire Protection	37	36	1,799,387
462.2	Private Fire Protection	1,449	1,496	844,334
	Total Fire Protection Revenue	1,486	1,532	2,643,722
464	Other Sales to Public Authorities	468	470	3,389,165
465	Sales to Irrigation Customers			
466	Sales for Resale	8	9	991,773
467	Interdepartmental Sales			
	Total Sale of Water	103,171	105,670	42,418,029
	Other Water Revenues:			
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			314,275
472	Rents from Water Property			89,690
473	Interdepartmental Rents			
474	Other Water Revenues			773,522
475	Provision for Rate Refunds			
	Total Other Water Revenues			1,177,487
	Total Water Operating Revenues			43,595,516

WATER UTILITY EXPENSE ACCOUNTS

			WATER EXPENSE ACCOUNT MATRIX							
ACCT. NO.	ACCOUNT NAME	CURRENT YEAR	.1 SOURCE OF SUPPLY EXPENSES-OPERATION	.2 SOURCE OF SUPPLY EXPENSES-MAINTEN.	.3 WATER TREATMENT EXPENSES-OPERATION	.4 WATER TREATMENT EXPENSES-MAINTEN.	.5 TRANS. & DISTRIBU. EXPENSES-OPERATION	.6 TRANS. & DISTRIBU. EXPENSES-MAINTEN.	.7 CUSTOMER ACCOUNTS EXPENSE	.8 ADMINIS-TRATIVE & GENERAL EXPENSES
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
601	Salaries & Wages - Employee ok	5,737,789	7,848	57,434	1,254,610	120,558	1,051,662	723,930	1,371,459	1,150,287
603	Salaries & Wages - Officers, Directors & Majority Stockholders ok	148,374								148,374
604	Employee Pensions & Benefits	2,166,977								2,166,977
610	Purchased Water ok	324,296	324,296							
615	Purchased Power ok	1,808,872	140,503		1,664,431		3,939			
616	Fuel for Power Production	0								
618	Chemicals ok	1,327,616			1,327,616					
620	Materials and Supplies	618,008	151	108,049	26,875	70,954	51,961	275,081	2,341	82,597
631	Contractual Services - Eng	250								250
632	Contractual Services - Acct	22,950								22,950
633	Contractual Services - Legal	78,635								78,635
634	Contractual Services - Management Fees	2,378,478			164,261				263,305	1,950,912
635	Contractual Services - Other	533,049	31,513	148	74,742	19,940	34,898	22	128,115	243,671
641	Rental of Bldg./Real Property	1,999					1,999			
642	Rental of Equipment	68,260			27,093		3,857		4,407	32,903
650	Transportation Expenses	310,109	403		183		1,092		730	307,701
656	Insurance - Vehicle ok	2,786								2,786
657	Insurance - General Liability ok	307,216								307,216
658	Insurance - Worker's Compe ok	53,338								53,338
659	Insurance - Other ok	156,941								156,941
660	Advertising Expense	119,291								119,291
666	Regulatory Commission Expense - Amortization of Rate Ca ok	220,505								220,505
667	Regulatory Commission Expense - Other ok	24,520								24,520
670	Bad Debt Expense	257,556							257,556	
675	Miscellaneous Expenses	3,347,790	41,455	31,635	434,254	208,679	168,116	285,681	613,392	1,564,578
	Total Water Utility Expenses	20,015,603	546,168	197,266	4,974,065	420,131	1,317,524	1,284,714	2,641,305	8,634,430

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	365	1,148,457	1,148,822	951,825
February	1,030	988,259	989,289	957,149
March	1,116	1,091,407	1,092,523	887,026
April	1,236	1,133,597	1,134,833	891,567
May	1,535	1,221,755	1,223,290	1,002,493
June	1,463	1,467,684	1,469,147	1,161,019
July	15,126	1,677,855	1,706,373	1,355,221
August	15,951	1,798,268	1,814,219	1,530,160
September	14,671	1,596,637	1,611,308	1,452,737
October	13,608	1,326,172	1,339,780	1,278,487
November	12,978	1,178,924	1,190,793	1,031,212
December	13,507	1,158,015	1,171,522	959,029
Total for year	92,586	15,787,030	15,891,899	13,457,925
Maximum gallons pumped by all methods in any one day (Omit 000's):				<u>71,820</u>
	Date	<u>8/5/2002</u>		
Minimum gallons pumped by all methods in any one day (Omit 000's):				<u>30,180</u>
	Date	<u>03/16/02</u>		
If water is purchased for resale, indicate the following:				
Vendor:	<u>Winchester Municipal Utilities City of Owenton</u>			
Point of Delivery:	<u>1 meter location in Clark County; 2 in the City of Owenton</u>			
If water is sold to other water utilities for redistribution, list names of such utilities below:				
	<u>CITY OF MIDWAY</u>			
	<u>CITY OF NORTH MIDDLETOWN</u>			
	<u>CITY OF VERSAILLES</u>			
	<u>LEXINGTON SOUTH ELKHORN WATER DISTRICT (2)</u>			
	<u>SPEARS WATER COMPANY (2)</u>			
	<u>GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE</u>			
	<u>HARRISON COUNTY WATER DISTRICT (NEW AS OF OCT 2001)</u>			

SALES FOR RESALE (466)

LINE #	COMPANY	1,000 GALLONS	AVG. RATE (CENTS)	AMOUNT
1	CITY OF MIDWAY	64,690	2.03	131,102
2	CITY OF NORTH MIDDLETOWN	69,269	2.02	140,178
3	CITY OF VERSAILLES	24,385	2.28	55,609
4	JESSAMINE SOUTH ELKHORN WATER DIST (2 ACCTS)	232,551	2.00	465,488
5	SPEARS WATER COMPANY	64,566	2.02	130,157
6	GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE	11,374	2.55	29,030
7	HARRISON COUNTY WATER DISTRICT (NEW AS OF OCT. 200	27,181	2.09	56,765
8	TOTAL	494,016	2.04	1,008,329

WATER PRODUCED, PURCHASED AND DISTRIBUTED

LINE #	ITEM	1,000 GALLONS
1	WATER PRODUCED AND PURCHASED:	
2	Water Produced	15,787,030
3	Water Purchased	92,586
4	TOTAL PRODUCED AND PURCHASED	15,879,616
5	DISTRIBUTION OF WATER PRODUCED AND PURCHASED:	
6	Water Sold	
7	TOTAL SALES OF WATER	13,457,926
8	OTHER WATER USED:	
9	Free Customers (estimate portion not metered)	0
10	Water Used by Company (estimate portion not metered)	228,693
11	Line Loss and Other Unaccounted for Water (estimate)	2,192,997
12	TOTAL OTHER WATER USED	2,421,690
13	TOTAL (must agree with line 4 above)	15,879,616

PERCENTAGE OF LINE LOSS (line 11 divided by line 4) 13.8%

WATER STATISTICS

CUSTOMER TYPE	1,000 GALLONS SOLD
Residential (460)	
Commercial (460)	
Industrial (460)	
TOTAL (460)	
Residential (461)	6,261,734
Commercial (461)	4,308,792
Industrial (461)	900,829
TOTAL (461)	11,471,355
Private Fire-Protection Service (462)	
Public Fire-Protection Service (463)	
Other Sales to Public Authorities (464)	1,345,412
Sales to Irrigation Customers (465)	
Sales for Resale (466)	641,159
TOTAL GALLONS OF WATER SOLD	13,457,926

WATER STATISTICS		
LINE #	ITEM	1,000 GALLONS
1	WATER PRODUCED AND PURCHASED:	
2	Water Produced	15,787,030
3	Water Purchased	92,586
4	TOTAL PRODUCED AND PURCHASED	15,879,616
5		
6	WATER SALES:	
7	Residential	5,915,629
8	Commercial	4,256,261
9	Industrial	900,513
10	Irrigation	
11	Resale	648,078
12	Other Sales (Public Authorities)	1,155,074
13	TOTAL WATER SALES	12,875,555
14		
15	OTHER WATER USED:	
16	Utility/Water Treatment Plant	3,654
17	Wastewater Treatment Plant	
18	System Flushing	105,259
19	Water Main Breaks/Leaks	132,290
20	Storage Tank Overflow	
21	Fire Department	2,622
22	Other	
23	TOTAL OTHER WATER USED	243,825
24		
25	UNACCOUNTED FOR WATER LOSS:	
26	Line 4 - (Line 13 + Line 23)	2,760,236
27		
28	UNACCOUNTED FOR WATER LOSS PERCENTAGE:	
29	Line 26 divided by Line 4	17.4%

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 1 THROUGH 4)
AS OF DECEMBER 31, 2002**

1) Number of public fire hydrants:

Fayette County	6,099
Scott County	170
Clark County	5
Bourbon County	28
Woodford County	4
Total Public	6,306

2) Number of private fire hydrants:

Fayette County	608
Scott County	68
Clark County	-
Bourbon County	-
Woodford County	4
Total Private	680

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, 2002

5) Reservoir Statistics:

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 - 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, 2002

5) Reservoir Statistics (cont'd.):

Becknerville Tank - Retired from service

Clintonville Tank - Retired from service

Briar Hill Tank - 750,000 Gallon Elevated

Foundation Elevation 1,012.00

Overflow Elevation 1,150.00

Tri-Village System

Long Ridge Tank - 100,000 Gallon Standpipe

Foundation Elevation 965.00

Overflow Elevation 1,043.60

Glencoe Tank - 100,000 Gallon Standpipe

Foundation Elevation 793.00

Overflow Elevation 820.30

Sparta Tank - 50,000 Gallon Standpipe

Foundation Elevation 640.00

Overflow Elevation 663.00

Brombley Tank - 177,000 Gallon Standpipe

Foundation Elevation 908.00

Overflow Elevation 1,015.00

Hesler Tank - 237,000 Gallon Standpipe

Foundation Elevation 953.00

Overflow Elevation 1,055.00

Monterey Tank - 117,000 Gallon Standpipe

Foundation Elevation 600.00

Overflow Elevation 652.00

Wheatley Tank - 186,000 Gallon Standpipe

Foundation Elevation 908.26

Overflow Elevation 1,015.00

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 6)
AS OF DECEMBER 31, 2002**

6) Miles of Main:

SIZE	KIND	FEET	Tri Village	
			FEET	MILES
36" R/W	L.J.	256		0.048
36"	D.I.	368		0.070
30"	D.I.	61,427		11.634
30"	CON.	46,152		8.741
30" R/W	D.I.	46,649		8.835
30" R/W	CON.	1,789		0.339
24"	CON.	83,387		15.793
24"	D.I.	234,652		44.442
20"	D.I.	12,116		2.295
20"	CON.	18,136		3.435
20" R/W	AC	13,901		2.633
20"	C.I.	9,361		1.773
20" R/W	C.I.	1,481		0.280
20" R/W	D.I.	-		0.000
20" R/W	STEEL	520		0.098
14"	PEP	3,450		0.653
16"	D.I.	179,036		33.908
16"	CON.	54,283		10.281
16"	C.I.	19,022		3.603
16"	AC	500		0.095
16" R/W	C.I.	14,381		2.724
16" R/W	D.I.	527		0.100
12"	C.I.	287,392		54.430
12"	AC	273,879		51.871
12"	D.I.	493,367		93.441
12"	PVC	20,268		3.839
10"	C.I.	24,796		4.696
10"	AC	3,086		0.584
10"	D.I.	93		0.018
8"	C.I.	804,793		152.423
8"	AC	480,739		91.049
8"	PVC	361,693	67,584	81.302
8"	D.I.	1,740,625		329.664

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 6)
AS OF DECEMBER 31, 2002**

SIZE	KIND	FEET	Tri Village FEET	MILES
6"	C.I.	959,818		181.784
6"	AC	539,488	133,056	127.376
6"	PVC	165,725	124,560	54.978
6"	D.I.	353,007		66.857
4"	AC	235,343		44.573
4"	C.I.	92,034		17.431
4"	PVC	39,605	262,568	57.230
4"	GAL.	1,213		0.230
4"	D.I.	34,123		6.463
4"	STEEL	60		0.011
3"	AC	39,900		7.557
3"	PVC	132,316	151,008	53.660
3"	GAL	767		0.145
3"	C.I.	-		0.000
3"	STEEL	45		0.009
2.5"	PVC	43,160		8.174
2.2"	C.I.	77,194		14.620
2"	C.I.	74,780		14.163
2"	PVC	71,497	28,512	18.941
2"	GAL.	14,828		2.808
2"	VARIOUS	-		0.000
1.2"	C.I.	2,086		0.395
1"	PVC	11	5,280	1.002
TOTAL		8,169,125	772,568	1693.502

**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 7 THROUGH 8)
AS OF DECEMBER 31, 2002**

7) Types of filters:

Kentucky River Station

Type:	Gravity
Units:	10
Capacity Per Unit Per Minute:	0.00278 MG/min
Total Capacity Per Minute:	0.0278 MG/min
DOW Temporary High Rate:	0.0313 MG/min (on peak)

Richmond Road Station

Type:	Gravity
Units:	16
Capacity Per Unit Per Minute:	0.0011 MG/min
Total Capacity Per Minute:	0.0174 MG/min

8) Chlorinators:

Kentucky River Station

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

Richmond Road Station

Type:	Wallace & Tiernan Model V-2020
Units:	5
Capacity:	2 @ 3,000 and 3 @ 1,000 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, 2002

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, 2002

C. INTAKE (Low Service) - (Continued)

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

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

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

D. RAW WATER TRANSFER STATION

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

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2002

D. RAW WATER TRANSFER STATION - (Continued)

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

Tri-Village Pressure Pump

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

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

E. RAW WATER CONTROL VAULT

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

Purchased in 1980 under Work Order No. A-4810

F. CHEMICAL RAPID MIX BASINS

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

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

Purchased in 1980 under Work Order No. A-4810

G. ALDRICH UNITS

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

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

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

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2002

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.

volts. Purchased in 1958 under Work Order No. A-665. Pumps to two ground storage tanks with 0.53 MG of capacity.
tanks with 0.53 MG of capacity.

I. CLEARWELLS

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

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

Purchased in 1958 under Work Order No. A-746

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

Purchased in 1970 under Work Order No. A-2537

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

Purchased in 1982 under Work Order No. A-4806

J. CLEARWELL TRANSFER PUMP

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

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Kentucky River Station)
AS OF DECEMBER 31, 2002

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, 2002

M. IN-PLANT MONITORING EQUIPMENT

Level	- Kentucky River
Chemtrac Streaming Current Monitor	- Treated Water
PH	- Treated Water - Distributed Water
Loss of Head	- Filters
Rate of Flow	- Filters
Level	- Filters
Chlorine Residual	- Treated Water (After Rapid Mix) - Entrance to Clearwell - Distributed Water
Turbidity	- Raw Water - Each Filter - Distributed Water
SCADA	- Intake Pumps - Raw Water Flow Control - Transfer Pumps - Supernatant Pit Pumps - Filter Backwash Water Handling System - Filter Operations - Dechlorination System - Distributed Water Venturis - Chemical Feed Systems - Clearwell Levels
Particle counter, Particle Measuring System	- Each Filter - Entrance to Clearwell - Distributed Water - Treated Water

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2002

RICHMOND ROAD STATION
CONDENSED SYSTEM DATA

A. PLANT CAPACITY - 25,000,000 gallons

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 (6 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 (6 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 (16.1 MGD) vs. 180' TH, Ideal motor, 400 h.p., 2300 volts. (Purchased in 1956 under Work Order No. A-472).

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, 2002

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 combine into one (1) 24-inch main inside the plant property. The 24-inch main goes through a vault which has a flow controller.

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, 2002

G. FILTERS - (Continued)

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

H. HIGH SERVICE PUMPS

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

I. HIGH SERVICE PUMPS WITH STANDBY DIESEL EQUIPMENT

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

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2002

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 (16)	- Filtered Water (each filter)
Chlorine residual analyzers (3)	- Settled Water
	- Entrance to Clearwell
	- Distributed Water
Turbidity	- Jacobson Reservoir
	- Distributed Water
SCADA	- Intake Pumps
	- Raw Water Flow Control
	- Filter Operation
Particle Counts	- Distributed Water
	- Filter Backwash Water handling
	- Distributed Water Venturis
Fluoride	- Distributed Water
	- Chemical Feed Systems
	- Distributed Water @ RRS
	- Distribution System Operation

KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEM 9 - Richmond Road Station)
AS OF DECEMBER 31, 2002

K. SYSTEM STORAGE

Eleven (14) storage tanks ranging in size from 106,000 gallons to 3,000,000 gallons with a total storage capacity of 16,820,000 gallons (does not include clearwell storage).

TANK	MG	YEAR
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	3.00	1996
Becknerville Standpipe - Retired		
Clintonville Standpipe - Retired		
<hr/>		
Tri-Village System		
Long Ridge	0.10	
Brombley	0.18	
Sparta	0.05	
Glencoe	0.10	
New Wheatley	0.17	
Hesler	0.23	
Monterey	0.12	
TOTAL TANK STORAGE	17.53	
CLEARWELLS		
Clearwells - KY River Station	1.00	
Clearwells - Richmond Road Station	1.00	
Clearwells - Storage Tank KRS	2.00	
TOTAL TANK/CLEARWELL STORAGE	21.53	
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**KENTUCKY-AMERICAN WATER COMPANY
PLANT STATISTICS (ITEMS 10 THROUGH 14)
AS OF DECEMBER 31, 2002**

10) Quantity of Fuel Used:

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

11) Description of Sizable Plant Additions/Retirements:

Began installation of hydraulic improvements to the Richmond Road Station in mid 2001 which will be completed in mid-2002.

12) Clear Well Capacities:

Kentucky River Station

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

Richmond Road Station

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

13) Peak Month of Water Sold:

July was the peak month for water sold with sales of 1,359,440 gallons. The peak month of system delivery was June with 1,456,756 gallons.

14) Peak Day of Water Sold:

Based on our peak day delivery of 71,820,000 gallons on August 5, 2002 and using an 85.9 % sales/delivery ratio, our estimated peak day sales would be 61,693,380 gallons.

OATH

Commonwealth of Kentucky)
)
County of Fayette)

Nick Rowe makes oath and says
(Insert here the name of the affiant)

that he is Vice President - Operations 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 02 , to and including December 31 , 20 02

(Signature of official)

Subscribed and sworn to before me, Notary Public , in and for the
State and County above named, this _____ day of _____, 20 03

(APPLY SEAL HERE)

My commission expires _____

(Signature of officer authorized to administer oaths)

The attached Supplements #1 and #2 are in response to ordering paragraph #7 and Condition #35 in Public Service Commission Case # 2002-00018. They are submitted in accordance with PSC Case #2002-00277.

National Primary Drinking Water Regulations

Health-based Standards	MCL or TT ¹ (mg/L) ²
Microbials	
<i>Cryptosporidium</i>	TT ³
<i>Giardia lamblia</i>	TT ³
Heterotrophic plate count	TT ³
<i>Legionella</i>	TT ³
Total Coliforms (including fecal coliform and <i>E. Coli</i>)	5.0% ⁴
Turbidity	TT ³
Viruses (enteric)	TT ³
Disinfection Byproducts	
Haloacetic acids (HAA5)	0.06
Total Trihalomethanes (TTHMs)	0.08
Disinfectants	
Chloramines (as Cl ₂)	MRDL=4.0 ¹
Chlorine (as Cl ₂)	MRDL=4.0 ¹
Inorganic Chemicals	
Antimony	0.006
Arsenic	0.01
Asbestos (fiber >10 micrometers)	7 MFL
Barium	2
Beryllium	0.004
Cadmium	0.005
Chromium (total)	0.1
Copper	TT ⁶
Cyanide (as free cyanide)	0.2
Fluoride	4
Lead	TT ⁶
Mercury (inorganic)	0.002
Nitrate (measured as Nitrogen)	10
Nitrite (measured as Nitrogen)	1
Selenium	0.05
Thallium	0.002
Organic Chemicals	
Acrylamide	TT ⁷
Alachlor	0.002
Atrazine	0.003
Benzene	0.005
Benzo(a)pyrene (PAHs)	0.0002
Carbofuran	0.04
Carbon tetrachloride	0.005
Chlordane	0.002
Chlorobenzene	0.1
2,4-D	0.07
Dalapon	0.2
1,2-Dibromo-3-chloropropane (DBCP)	0.0002
o-Dichlorobenzene	0.6
p-Dichlorobenzene	0.075
1,2-Dichloroethane	0.005
1,1-Dichloroethylene	0.007
cis-1,2-Dichloroethylene	0.07
trans-1,2-Dichloroethylene	0.1
Dichloromethane	0.005
1,2-Dichloropropane	0.005
Di(2-ethylhexyl) adipate	0.4
Di(2-ethylhexyl) phthalate	0.006
Dinoseb	0.007
Dioxin (2,3,7,8-TCDD)	0.0000003
Diquat	0.02
Endothall	0.1
Endrin	0.002
Epichlorohydrin	TT ⁷
Ethylbenzene	0.7
Ethylene dibromide	0.00005
Glyphosate	0.7
Heptachlor	0.0004

Heptachlor epoxide	0.0002
Hexachlorobenzene	0.001
Hexachlorocyclopentadiene	0.05
Lindane	0.0002
Methoxychlor	0.04
Oxamyl (Vydate)	0.2
Polychlorinated biphenyls (PCBs)	0.0005
Pentachlorophenol	0.001
Picloram	0.5
Simazine	0.004
Styrene	0.1
Tetrachloroethylene	0.005
Toluene	1
Toxaphene	0.003
2,4,5-TP (Silvex)	0.05
1,2,4-Trichlorobenzene	0.07
1,1,1-Trichloroethane	0.2
1,1,2-Trichloroethane	0.005
Trichloroethylene	0.005
Vinyl chloride	0.002
Xylenes (total)	10
Radionuclides	
Alpha particles	15 picocuries per Liter
Beta particles and photon emitters	4 millirems per year
Radium 226 and Radium 228 (combined)	5 pCi/L

Notes

¹ Definitions:

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

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.

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

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

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

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

Giardia lamblia: 99.9% removal/inactivation

Viruses: 99.99% removal/inactivation

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

Turbidity: At no time can turbidity (cloudiness of water) go above 5 nephelometric turbidity units (NTU); systems that filter must ensure that the turbidity go no higher than 1 NTU (0.5 NTU for conventional or direct filtration) in at least 95% of the d

HPC: No more than 500 bacterial colonies per milliliter.

⁴ more than 5.0% samples total coliform-positive in a month. (For water systems that collect fewer than 40 routine samples per month, no more than one sample can be total coliform-positive per month.) Every sample that has total coliform must be analyzed

⁵ Fecal coliform and *E. coli* are bacteria whose presence indicates that the water may be contaminated with human or animal wastes. Disease-causing microbes (pathogens) in these wastes can cause diarrhea, cramps, nausea, headaches, or other symptoms. These

⁶ 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 lev

⁷ 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 exc

National Secondary Drinking Water Regulations

National Secondary Drinking Water Regulations (NSDWRs or secondary standards) are non-enforceable guidelines regulating contaminants that may cause cosmetic effects (such as skin or tooth discoloration) or aesthetic effects (such as taste, odor, or color)

Aesthetics Based (non-enforceable) Standards	
Contaminant	Secondary Standard
Aluminum	0.05 to 0.2
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

KAWC Operational Measures

	Item	2002	2003	2004	2005	2006	2007
1	Number of Water Service Interruptions	163					
2	Average number of customers impacted in each water service	24.14					
3	Average length of time water service interrupted	3.11 hours					
4	Number of Customer Complaints	26					
5	Customer Inquiry Response Time - KAWC Average Time to	66 sec					
6	Customer Inquiry Response Time - Number of calls	168,441					

Note: 1 - Based on the number of Boil Water Advisories

Includes transmission and distribution main disruptions

2002 does not include July 31 systemwide Boil Water Advisory

2 - As reported on each Boil Water Advisory

The average number of customers impacted in each water service interruption would be 633.75 if the systemwide Boil Water Advisory of July 31 is included

3 - Duration of loss of water as reported on Boil Water Advisories, not including the duration of the Boil Water Advisory

4 - As reported to PSC