

SCHEDULE H

GROSS REVENUE CONVERSION FACTOR

KENTUCKY-AMERICAN WATER COMPANY

CASE NO: 2004-00103

Forecasted Test Period: FOR THE TWELVE MONTHS ENDED: NOVEMBER 2005

Base Period: FOR THE TWELVE MONTHS ENDED: JULY 2004

| Schedule | Description |
|----------|---------------------------------|
| H | Gross Revenue Conversion Factor |

For electronic version, see KAW_APP_EX37H_043004.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED: NOVEMBER 30, 2005

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL — UPDATED REVISIED
WORKPAPER REFERENCE **NO(S): W/P-3**

SCHEDULE H
PAGE 1 OF 1
Witness **Responsible: S.A. Valentine**

| Line No. | Description | <u>Central Div</u> | <u>Tri-Village</u> | <u>Elk Lake</u> |
|----------|--|--------------------|--------------------|------------------|
| 1 | | | | |
| 2 | | | | |
| 3 | Operating Revenues | 100.00000% | 100.00000% | 100.00000% |
| 4 | | | | |
| 5 | Less: Uncollectibles | 0.50683% | 0.50683% | 0.50683% |
| 6 | | | | |
| 7 | Less: PSC Fees | 0.16690% | 0.16690% | 0.18690% |
| 8 | | | | |
| 9 | Net Revenues | 99.30627% | 99.30627% | 99.30627% |
| 10 | | | | |
| 11 | SIT Rate: <u>8.2546</u> | 8.19277% | 8.19277% | 8.19277% |
| 12 | | | | |
| 13 | Income before Federal Income Taxes | 91.1135046 | 91.11350% | 91.11350% |
| 14 | | | | |
| 15 | FIT Rate. <u>35.00%</u> | 31.86973% | 31.88973% | 31.88973% |
| 16 | | | | |
| 17 | Operating Income Percentage | <u>59.22377%</u> | <u>59.22377%</u> | <u>59.22377%</u> |
| 18 | | | | |
| 19 | | | | |
| 20 | Glass Revenue Conversion Factor (1) | <u>1.6685112</u> | <u>1.6885112</u> | <u>1.6885112</u> |
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(1) CALCULATED BY DIVIDING 100% BY THE OPERATING INCOME PERCENTAGE