

SCHEDULE L

NARRATIVE RATIONALE FOR TARIFF CHANGES

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
L	Narrative Rationale for Tariff Changes

For electronic version, see KAW_APP_EX37L_043004.pdf

KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-00103
NARRATIVE RATIONALE FOR TARIFF CHANGES

DATA: ___ BASE PERIOD ___X_ FORECASTED PERIOD
TYPE OF FILING: ___X_ ORIGINAL ___ ___ UPDATED ___ REVISED

SCHEDULE L
PAGE 1 of 1
Witness Responsible: J. Salsler/ L. Bridwell / M. Miller/C. Bush

Line No.	Reference	Type of Rate or Regulation	Explanation of Change/Rationale for Change
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The Company is proposing to spread its requested increase equally on a percentage basis to all metered tariffs, plus public and private fire protection. Please refer to Mr. James E. Salsler's Direct Testimony for a detailed discussion of these proposed tariff changes.

In this proceeding, the Company is proposing to adjust its Tapping Fee tariff. Please refer to the testimony of Ms. Linda Bridwell.

The Company is proposing a 25 percent discount on the monthly meter charge portion of the bill for customers with incomes fall at or below the federal poverty level. Please refer to the testimony of Mr. Michael Miller.

The Company is proposing a "new" activation fee of \$24.00 for activating service, the actual cost for providing this service. Please refer to the testimony of Mr. Coleman Bush.