

**TABLE 1.3 OF 2003 REPORT
KENTUCKY-AMERICAN WATER COMPANY
RWE MERGER COSTS/SAVINGS INFORMATION
SAVINGS ON THE COST OF LONG-TERM DEBT**

Exhibit MAM-3

Debt Security	Date Issued	Amount Issued	Term of the Loan	Basis Point Savings	Annual Interest Savings	Avoided Issuance Costs	Avoided Annual Issuance Costs	Net Annual Savings
2002	6/12/2002	\$24,000,000	5 Years	20	\$48,000	\$177,000	\$35,400	\$83,400
Total Savings - 2002					\$48,000		\$35,400	\$83,400
2003								
Total Savings - 2003					\$48,000		\$35,400	\$83,400
2004	3/1/2004	\$14,000,000	10 Years	20	\$28,000	\$105,000	\$10,500	\$38,500
Total Savings - 2004					\$76,000		\$45,900	\$121,900
2005	10/1/2005	\$5,500,000	30 Years	20	\$11,000	\$41,250	\$1,375	\$12,375
Total Savings - 2005					\$87,000		\$47,275	\$134,275