

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2004-00103**  
**PUBLIC SERVICE COMMISSION DATA REQUEST No. 1**  
**ITEMS 1 – 34**

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Witness Responsible:

M. Miller/S. Valentine

5. Provide the same information for calendar year **2004** requested in Item 4 as it becomes available.

Response:

Please see attached for information for January **2004** to April **2004**. Subsequent months will be provided as it becomes available.

For electronic version, refer to KAW\_R\_PSCDR1#5\_052004.pdf

**Kentucky American Water Works Company**  
income Statement Fluctuation **Analysis**  
**April 30, 2004**

	<b>Actual Balance at 4/30/2004</b>	<b>Plan Balance at 4/30/2004</b>	<b>Increase (Decrease)</b>	<b>%Change</b>
Operating revenues				
Water	12,388,137	12,186,261	201,876	2%
Sewer	16,938	100,181	(83,243)	-83% <b>A</b>
Other	404,952	365,255	39,697	11% <b>B</b>
Management	-	-	-	0%
<b>Total revenues</b>	<b>12,810,027</b>	<b>12,651,697</b>	<b>158,330</b>	<b>1%</b>
Operating expenses				
Labor	1,757,450	1,815,233	(57,783)	-3%
Purchased water	124,954	103,607	21,347	21% <b>C</b>
Fuel & power	609,844	609,134	710	0%
Chemicals	373,348	412,586	(39,238)	-10% <b>D</b>
Waste disposal	26,797	48,912	(22,115)	-45% <b>E</b>
Management Fees	1,738,763	856,396	882,367	103% <b>F</b>
Group insurance	566,151	511,745	54,406	11% <b>G</b>
Pensions	230,996	354,388	(123,392)	-35%
Regulatory Expense	7,604	8,176	(572)	-7%
Insurance other than Group	153,326	169,657	(16,331)	-10% <b>H</b>
Customer Accounting	433,833	326,003	107,830	33% <b>I</b>
Rents	14,981	36,989	(22,008)	-59% <b>J</b>
General office expense	124,778	132,202	(7,424)	-6% <b>K</b>
Miscellaneous	819,940	953,284	(133,344)	-14% <b>L</b>
Other maintenance	501,943	416,363	85,580	21% <b>M</b>
<b>Total maintenance and operations expense</b>	<b>7,484,728</b>	<b>6,754,675</b>	<b>730,053</b>	<b>11%</b>
Depreciation	2,179,628	1,860,310	319,318	17% <b>N</b>
Amortization	234,505	224,532	9,973	4%
General Taxes	872,635	755,669	116,966	15% <b>O</b>
State Income Taxes	31,747	125,298	(93,551)	-75% <b>P</b>
Federal Income Taxes	125,702	466,682	(340,980)	-73% <b>Q</b>
Tax Savings Acquisition Adjustment	-	-	-	0%
<b>Total operating expenses</b>	<b>10,928,945</b>	<b>10,187,166</b>	<b>741,779</b>	<b>7%</b>
<b>Utility operating income</b>	<b>1,881,082</b>	<b>2,464,531</b>	<b>(583,449)</b>	<b>-24%</b>
Other income and deductions				
Non-operating rental income	-	-	-	0%
Dividend income-common	-	-	-	0%
Dividend income-preferred	-	-	-	0%
interest income	-	-	-	#DIV/0!
AFUDC Equity	36,823	79,473	(42,650)	-54% <b>R</b>
M&J Miscellaneous income	(37,805)	10,158	(47,963)	-472% <b>S</b>
Gain (Loss) on Disposition	-	-	-	100%
<b>Total other income</b>	<b>(982)</b>	<b>89,631</b>	<b>(90,613)</b>	<b>-101%</b>
Miscellaneous amortization	257	-	257	#DIV/0!
Tax savings acquisition adjustment	-	-	-	0%
Misc. other deductions	184,983	184,950	33	0%
General taxes	-	-	-	0%
State income taxes	(14,333)	-	(14,333)	#DIV/0!
Federal income taxes	(60,805)	-	(60,805)	#DIV/0!
<b>Total other deductions</b>	<b>110,102</b>	<b>184,950</b>	<b>(74,848)</b>	<b>-40%</b>
<b>Net other income/(deductions)</b>	<b>(111,084)</b>	<b>(95,319)</b>	<b>(15,765)</b>	<b>17%</b>
<b>Income before interest charges</b>	<b>1,769,998</b>	<b>2,369,212</b>	<b>(599,214)</b>	<b>-25%</b>
Interest Charges				
Interest on long-term debt	1,593,117	1,381,124	211,993	15% <b>T</b>
Amortization and debt expense	26,191	26,597	(406)	-2%
interest short-term bank debt	49,244	117,051	(67,807)	-58% <b>U</b>
Other interest expense	-	-	-	#DIV/0!
AFUDC-Debt	(18,022)	(37,910)	19,888	-52% <b>V</b>
<b>Total interest charges</b>	<b>1,650,530</b>	<b>1,486,862</b>	<b>163,668</b>	<b>11%</b>
<b>Net income</b>	<b>119,468</b>	<b>882,350</b>	<b>(762,882)</b>	<b>-86%</b>
Preferred dividend declared	154,915	176,292	(21,377)	-12%
<b>Net Income to Common Stock</b>	<b>(35,447)</b>	<b>706,058</b>	<b>(741,505)</b>	<b>-105%</b>

**Kentucky American Water Works Company  
Income Statement Tickmark Legend  
April 30, 2004**

- A** Owenton Sewer in budget
- B** Collection for others over plan
- C** True up is approx \$7,000 for Dec 03, and Gtown Municipal water for Owenton not budgeted is \$8,000.
- D** Procurement initiative savings on lower chemical costs
- E** Budgeted expense for March to be spent in May \$20,000.
- F** Business Change Project not budgeted \$305,231 and expenses budgeted in later months
- G** PBOP'S 39,286 and group insurance premiums 15,991
- H** Adjustment to lower prepaid accrual in Feb of \$18,000 in Ins Other
- I** Uncollectibles \$32,923, Bank Service Charges \$31,996, Postage \$34,442 8 Cell phones \$10,606
- J** Stopped renting water quality equipment
- K** Employee Expenses are under plan
- L** Advertising(\$40,698) and Transportation(\$22,226)
- M** Adjustment of 2003 accruals resulted in additional expense for 2004 of \$52,000. Seed sod paving Dec 03 \$36657 We plan to adjust accrual in Dec 04 for same amount.
- N** ORCOM project closed in 03 budgeted in September 04
- O** Property taxes are up due to the increase in the assessment.
- P** Reduced taxes due to lower income
- Q** Reduced taxes due to lower income
- R** AFUDC-April budget balance includes Orcom WO until May 2004- WO closed in 2003
- S** Pineville expenses more than billing \$35000
- T** \$14,000,000 General Mortgage Bonds purchased earlier than budgeted
- U** Lower borrowings than budgeted from early financing
- V**