

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

Witness Responsible:

J. Salsler

29. a. State the date on which Kentucky-American implemented Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."
b. State the effect(s) on Kentucky-American's financial statements as a result of implementing Statement of Financial Accounting Standards No. 109.
c. State whether the base period or forecasted period includes any effect of the implementation of Statement of Financial Accounting Standards No. 109.
d. If Kentucky-American's base period or forecasted period includes any effect of the implementation of Statement of Financial Accounting Standards No. 109, describe each effect in detail.

Response:

- a. SFAS 109 implemented 1/1/93
b. See adoption entry below
c. The base year and forecast test years are not impacted by the FAS 109 adoption entry which as recorded in 1993 some ten years ago.
d. See response to item C. above.

Kentucky-American Water Company
SFAS 109 Adoption Entry
March 1993

Regulatory Liability-ITC		<u>Debit</u>	<u>Credit</u>
Regulatory Asset-AFUDC Gross-up	1,665,625		1,362,555
Preliminary Survey (KRS II) - AFUDC Gross-up	18,396		
Abandonment Loss (KRS II) - AFUDC Gross-up	12,235		
Excess Deferred Tax-AFUDC			365,002
Excess Deferred Tax Reserve South Georgia			3,422,991

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Regulatory Asset-Temporary Differences Previously Flowed Thru		5,023,813
Gross-Up Customer Advances		1,872,348
Excess Deferred Tax-Customer Advance Gross-up	52,919	
Reverse Existing Current Taxes Deferred under APB11		5,049
Reverse Existing Non-Current Taxes Deferred under APB11		12,148,410
Record Current Deferred SIT Under FAS 109	7,937	
Record Non-Current Deferred SIT under FAS 109	30,011	
Record Current Deferred FIT Under FAS 109		1,645,185
Record Non-Current Deferred FIT under FAS 109		10,292,689
Cumulative Effect of FAS 109 Adoption	<u>6,473</u>	
TOTALS	18,965,819	18,965,819

For electronic version, see KAW_R_PSCDR1#29_052004.pdf