

**KENTUCKY–AMERICAN WATER COMPANY**  
**Case No. 2004-00103**  
**Forecasted Test Period Ending November 30, 2005**

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Kentucky-American Water Company  
Deferred Taxes and Regulatory **Assets/Liabilities**  
Related to UPIS **Investment**  
CASE NO: **2004-00103**

Month	Chanue in Balances		Net Chanae	Deferred	Deferred	Deferred SIT	Deferred FIT	Total	Regulatory
	Book Basis	Tax Basis		SIT Expense	FIT Expense				
Balance 1/04						\$4,688,325	\$24,960,862	29,649,187	(4,777,035)
Feb-04	\$569,818	\$463,235	\$106,583	\$8,793	\$34,226	4,697,118	24,995,088	29,692,206	(4,779,077)
Mar-04	548,257	471,782	76,476	6,309	24,558	4,703,427	25,019,646	29,723,073	(4,769,313)
Apr-04	(251,534)	(357,315)	105,781	8,727	33,969	4,712,154	25,053,615	29,765,769	(4,773,855)
May-04	298,864	192,331	106,533	8,789	34,210	4,720,943	25,087,825	29,808,768	(4,776,997)
Jun-04	(462,098)	(597,100)	135,002	11,138	43,352	4,732,081	25,131,177	29,863,258	(4,765,892)
Jul-04	1,496,300	1,242,693	253,607	20,923	81,439	4,753,004	25,212,616	29,965,620	(4,760,223)
Aug-04	(298,396)	(645,735)	347,340	28,656	111,539	4,781,660	25,324,155	30,105,815	(4,756,324)
Sep-04	(530,548)	(905,878)	375,331	30,965	120,528	4,812,625	25,444,683	30,257,308	(4,743,365)
Oct-04	238,654	(271,945)	510,599	42,124	163,966	4,854,749	25,608,649	30,463,398	(4,740,744)
Nov-04	(262,415)	(903,077)	640,662	52,855	205,732	4,907,604	25,814,381	30,721,985	(4,742,347)
Dec-04	1,405,094	(107,498)	1,512,592	124,789	485,731	5,032,393	26,300,112	31,332,505	(4,726,938)
Jan-05	(57,094)	(126,496)	69,402	5,726	22,287	5,038,119	26,322,399	31,360,518	(4,741,342)
Feb-05	(513,292)	(560,190)	46,898	3,869	15,060	5,041,988	26,337,459	31,379,447	(4,750,902)
Mar-05	(262,558)	(252,437)	(10,121)	(835)	(3,250)	5,041,153	26,334,209	31,375,362	(4,746,301)
Apr-05	(307,693)	(320,492)	12,799	1,056	4,110	5,042,209	26,338,319	31,380,528	(4,758,335)
May-05	(232,881)	(213,362)	(19,519)	(1,610)	(6,268)	5,040,599	26,332,051	31,372,650	(4,769,491)
Jun-05	87,756	96,491	(8,735)	(721)	(2,805)	5,039,878	26,329,246	31,369,124	(4,763,176)
Jul-05	2,615,220	2,677,281	(62,061)	(5,120)	(19,929)	5,034,758	26,309,317	31,344,075	(4,760,881)
Aug-05	(482,337)	(469,367)	(12,970)	(1,070)	(4,165)	5,033,688	26,305,152	31,338,840	(4,761,167)
Sep-05	(391,864)	(394,125)	2,261	187	726	5,033,875	26,305,878	31,339,753	(4,750,477)
Oct-05	273,531	282,837	(9,306)	(768)	(2,988)	5,033,107	26,302,890	31,335,997	(4,751,581)
Nov-05	2,729,255	2,510,235	219,020	18,069	70,333	5,051,176	26,373,223	31,424,399	(4,748,550)

Forecasted Deferred Tax Expense UPIS

\$143,572      \$558,842

				Total Def Taxes
Balance Deferred Income Taxes - End of Base Period	\$4,753,004	\$25,212,616	\$29,965,620	(54,760,223) \$25,205,397
Balance Deferred Income Taxes - End of Forecasted Period	\$5,051,176	\$26,373,223	\$31,424,399	(\$4,748,550) \$26,675,849
Average Balance Deferred Income Taxes - Forecasted Period	\$5,028,503	\$26,284,972	\$31,313,475	(\$4,751,653) \$26,561,822

Kentucky-AmericanWater Company											
Book-Basis Property											
CASE NO: 2004-00103											
Book Basis:											
Account	Regulatory Assets					Regulatory Liabilities					
	Utility Plant in Service	Accumulated Reserve	Equity Grossup	Plant Flow Through	Other	Customer Advances	CIAC	ITC	Excess Deferred Taxes	Gross-up ITC	Total
	101000	108xxx	185030/035/055	185040	185045	252xxx	271xxx/272000	255xxx	256212/256220	256310/311/312	
Balance 1/04	270,270,447	(59,893,223)	2,298,934	5,518,264	(571,216)	(12,888,937)	(31,365,144)	(1,548,358)	(1,588,350)	(880,597)	169,351,821
Net Change	896,764	(544,448)	4,209	(5,240)	399	106,100	107,958	1,402	1,872	802	569,818
Feb-04	271,167,211	(60,437,671)	2,303,143	5,513,024	(570,817)	(12,782,837)	(31,257,186)	(1,546,956)	(1,586,478)	(879,795)	169,921,639
Net Change	1,064,799	(584,094)	5,355	(36,554)	2,780	56,700	10,835	9,781	13,062	5,593	548,257
Mar-04	272,232,010	(61,021,765)	2,308,498	5,476,470	(568,037)	(12,726,137)	(31,246,351)	(1,537,175)	(1,573,416)	(874,202)	170,469,896
Net Change	571,097	(509,244)	7,167	(6,350)	483	(141,200)	(178,428)	1,699	2,270	972	(251,534)
Apr-04	272,803,107	(61,531,009)	2,315,665	5,470,120	(567,554)	(12,867,337)	(31,424,779)	(1,535,476)	(1,571,146)	(873,230)	170,218,362
Net Change	1,405,706	(592,719)	7,769	(11,188)	851	(228,100)	(292,159)	2,994	3,998	1,712	298,864
May-04	274,208,813	(62,123,728)	2,323,434	5,458,932	(566,703)	(13,095,437)	(31,716,938)	(1,532,482)	(1,567,148)	(871,518)	170,517,226
Net Change	676,800	(604,119)	9,186	(49,056)	3,731	(246,900)	(289,901)	13,127	17,530	7,504	(462,098)
Jun-04	274,885,613	(62,727,847)	2,332,620	5,409,876	(562,972)	(13,342,337)	(32,006,839)	(1,519,355)	(1,549,618)	(864,014)	170,055,128
Net Change	2,753,121	(613,619)	5,129	(26,109)	1,986	(287,700)	(356,819)	6,986	9,330	3,995	1,496,300
Jul-04	277,638,734	(63,341,465)	2,337,749	5,383,767	(560,986)	(13,630,037)	(32,363,658)	(1,512,369)	(1,540,288)	(860,019)	171,551,429
Net Change	867,975	(576,751)	6,066	(24,093)	1,832	(269,700)	(322,468)	6,447	8,610	3,686	(298,396)
Aug-04	278,506,709	(63,918,216)	2,343,815	5,359,674	(559,154)	(13,899,737)	(32,686,126)	(1,505,922)	(1,531,678)	(856,333)	171,253,033
Net Change	783,050	(576,826)	7,626	(49,771)	3,785	(348,800)	(388,331)	13,318	17,786	7,615	(530,548)
Sep-04	279,289,759	(64,495,041)	2,351,441	5,309,903	(555,369)	(14,248,537)	(33,074,457)	(1,492,604)	(1,513,892)	(848,718)	170,722,486
Net Change	900,100	(577,548)	9,693	(29,771)	2,264	(15,000)	(74,243)	7,966	10,639	4,554	238,654
Oct-04	280,189,859	(65,072,589)	2,361,134	5,280,132	(553,105)	(14,263,537)	(33,148,700)	(1,484,638)	(1,503,253)	(844,164)	170,961,140
Net Change	711,975	(576,817)	11,627	(24,235)	1,843	(195,300)	(210,361)	6,485	8,660	3,708	(262,415)
Nov-04	280,901,834	(65,649,406)	2,372,761	5,255,897	(551,262)	(14,458,837)	(33,359,061)	(1,478,153)	(1,494,593)	(840,456)	170,698,725
Net Change	2,479,434	(647,741)	9,883	(61,141)	4,648	(206,900)	(220,650)	16,360	21,849	9,352	1,405,094
Dec-04	283,381,268	(66,297,147)	2,382,644	5,194,756	(546,614)	(14,665,737)	(33,579,711)	(1,461,793)	(1,472,744)	(831,104)	172,103,819
Net Change	754,555	(621,808)	11,112	7,166	(502)	(135,500)	(66,977)	(1,768)	(2,361)	(1,011)	(57,094)
Jan-05	284,135,823	(66,918,955)	2,393,756	5,201,922	(547,116)	(14,801,237)	(33,646,688)	(1,463,561)	(1,475,105)	(832,115)	172,046,725
Net Change	351,800	(614,221)	12,170	(5,683)	399	(127,840)	(133,993)	1,402	1,872	802	(513,292)
Feb-05	284,487,623	(67,533,176)	2,405,926	5,196,239	(546,717)	(14,929,077)	(33,780,681)	(1,462,159)	(1,473,233)	(831,313)	171,533,433
Net Change	543,100	(593,121)	13,610	(39,646)	2,780	(78,100)	(139,617)	9,781	13,062	5,593	(262,558)
Mar-05	285,030,723	(68,126,297)	2,419,536	5,156,593	(543,937)	(15,007,177)	(33,920,298)	(1,452,378)	(1,460,171)	(825,720)	171,270,875
Net Change	713,730	(577,840)	15,196	(6,887)	483	(203,160)	(254,156)	1,699	2,270	972	(307,693)
Apr-05	285,744,453	(68,704,137)	2,434,732	5,149,706	(543,454)	(15,210,337)	(34,174,454)	(1,450,679)	(1,457,901)	(824,748)	170,963,182
Net Change	799,855	(605,396)	16,729	(12,134)	851	(177,720)	(263,770)	2,994	3,998	1,712	(232,881)
May-05	286,544,308	(69,309,533)	2,451,461	5,137,572	(542,603)	(15,388,057)	(34,438,224)	(1,447,685)	(1,453,903)	(823,036)	170,730,301
Net Change	993,820	(615,245)	18,125	(53,205)	3,731	(119,400)	(178,231)	13,127	17,530	7,504	87,756
Jun-05	287,538,128	(69,924,778)	2,469,586	5,084,367	(538,872)	(15,507,457)	(34,616,455)	(1,434,558)	(1,436,373)	(815,532)	170,818,057
Net Change	3,528,037	(654,996)	10,712	(28,318)	1,986	(85,720)	(176,792)	6,986	9,330	3,995	2,615,220
Jul-05	291,066,165	(70,579,774)	2,480,298	5,056,049	(536,886)	(15,593,177)	(34,793,247)	(1,427,572)	(1,427,043)	(811,537)	173,433,277
Net Change	622,555	(628,933)	12,289	(26,131)	1,832	(206,040)	(276,652)	6,447	8,610	3,686	(482,337)
Aug-05	291,688,720	(71,208,707)	2,492,587	5,029,918	(535,054)	(15,799,217)	(35,069,899)	(1,421,125)	(1,418,433)	(807,851)	172,950,940
Net Change	696,365	(616,242)	14,105	(53,981)	3,785	(209,320)	(265,295)	13,318	17,786	7,615	(391,864)
Sep-05	292,385,085	(71,824,949)	2,506,692	4,975,937	(531,269)	(16,008,537)	(35,335,194)	(1,407,807)	(1,400,647)	(800,236)	172,559,076
Net Change	886,455	(628,602)	15,937	(32,290)	2,264	43,260	(36,652)	7,966	10,639	4,554	273,531

Kentucky-American Water Company												
Book Basis Property												
CASE NO: 2004-00103												
Book Basis:												
Account	Regulatory Assets						Regulatory Liabilities					Total
	Utility Plant in Service	Accumulated Reserve	Equity Grossup	Plant Flow Through	Other	Customer Advances	CIAC	ITC	Excess Deferred Taxes	Gross-up ITC		
	101000	108xxx	185030/035/055	185040	185045	252xxx	271xxx/272000	255xxx	256212/256220	256310/311/312		
Oct-05	293,271,540	(72,453,551)	2,522,629	4,943,647	(529,005)	(15,965,277)	(35,371,846)	(1,399,841)	(1,390,008)	(795,682)	172,832,607	
Net Change	3,710,280	(648,277)	9,043	(26,285)	1,843	(154,820)	(181,382)	6,485	8,660	3,708	2,729,255	
Nov-05	296,981,820	(73,101,828)	2,531,672	4,917,362	(527,162)	(16,120,097)	(35,553,228)	(1,393,356)	(1,381,348)	(791,974)	175,561,862	
Net Change				(66,312)	4,648	0	0	16,360	21,849	9,352	(14,103)	
Dec-05	296,981,820	(73,101,828)	2,531,672	4,851,050	(522,514)	(16,120,097)	(35,553,228)	(1,376,996)	(1,359,499)	(782,622)	175,547,759	

Kentucky-American Water Company											
Inverted Data for Calculation of Tax Basis Property											
Month	Bk Basis	Retirements	Net Bk Basis	Bk Depr	Retirements	Net Bk Reserve	Net Customer Advances	Net CIAC	Amort CIAC	Net	
Feb-04	964,164	67,400	896,764	(611,848)	67,400	(544,448)	106,100	39,285	68,673	107,958	
Mar-04	1,135,274	70,475	1,064,799	(654,569)	70,475	(584,094)	56,700	(58,535)	69,370	10,835	
Apr-04	716,422	145,325	571,097	(654,569)	145,325	(509,244)	(141,200)	(248,420)	69,992	(178,428)	
May-04	1,467,556	61,850	1,405,706	(654,569)	61,850	(592,719)	(228,100)	(363,035)	70,876	(292,159)	
Jun-04	727,250	50,450	676,800	(654,569)	50,450	(604,119)	(246,900)	(361,255)	71,354	(289,901)	
Jul-04	2,794,071	40,950	2,753,121	(654,569)	40,950	(613,619)	(287,700)	(429,160)	72,341	(356,819)	
Aug-04	908,250	40,275	867,975	(617,026)	40,275	(576,751)	(269,700)	(395,245)	72,777	(322,468)	
Sep-04	823,250	40,200	783,050	(617,026)	40,200	(576,826)	(348,800)	(461,930)	73,599	(388,331)	
Oct-04	944,750	44,650	900,100	(622,198)	44,650	(577,548)	(15,000)	(147,125)	72,882	(74,243)	
Nov-04	757,250	45,275	711,975	(622,092)	45,275	(576,817)	(195,300)	(283,925)	73,564	(210,361)	
Dec-04	2,531,404	51,970	2,479,434	(699,711)	51,970	(647,741)	(206,900)	(294,710)	74,060	(220,650)	
Jan-05	787,550	32,995	754,555	(654,803)	32,995	(621,808)	(135,500)	(140,730)	73,753	(66,977)	
Feb-05	393,050	41,250	351,800	(655,471)	41,250	(614,221)	(127,840)	(208,100)	74,107	(133,993)	
Mar-05	606,555	63,455	543,100	(656,576)	63,455	(593,121)	(78,100)	(214,250)	74,633	(139,617)	
Apr-05	794,275	80,545	713,730	(658,385)	80,545	(577,840)	(203,160)	(329,450)	75,294	(254,156)	
May-05	856,295	56,440	799,855	(661,836)	56,440	(605,396)	(177,720)	(339,845)	76,075	(263,770)	
Jun-05	1,043,690	49,870	993,820	(665,115)	49,870	(615,245)	(119,400)	(254,530)	76,299	(178,231)	
Jul-05	3,562,027	33,990	3,528,037	(688,986)	33,990	(654,996)	(85,720)	(253,815)	77,023	(176,792)	
Aug-05	661,790	39,235	622,555	(668,168)	39,235	(628,933)	(206,040)	(354,490)	77,838	(276,652)	
Sep-05	749,605	53,240	696,365	(669,482)	53,240	(616,242)	(209,320)	(343,600)	78,305	(265,295)	
Oct-05	931,965	45,510	886,455	(674,112)	45,510	(628,602)	43,260	(114,630)	77,978	(36,652)	
Nov-05	3,764,355	54,075	3,710,280	(702,352)	54,075	(648,277)	(154,820)	(260,010)	78,628	(181,382)	
	27,920,798	1,209,425	26,711,373	(14,418,030)	1,209,425	(13,208,605)	(3,231,160)	(5,817,505)	1,629,421	(4,188,084)	

Kentucky-American Water Company											
Tax Basis Prp.											
CASE NO: 2004-00103											
Tax Basis:											
Account	Utility Plant in Service	Accumulated Reserve	Regulatory Assets			Regulatory Liabilities					
			Equity Grossup	Plant Flow Through	Other	Customer Advances	CIAC	ITC	Excess Deferred Taxes	Gross-up ITC	Total
	101000	108xxx	185030/035/055	185040	185045	252xxx	271xxx/272000	255xxx	256212/256220	25631013111312	
Balance 1/04	223,883,468	126,894,064	0	0	0	0	0	0	0	0	350,777,532
Net Change	1,095,862	(632,627)									463,235
Feb-04	224,979,330	126,261,437	0	0	0	0	0	0	0	0	351,240,767
Net Change	1,161,706	(689,924)									471,782
Mar-04	226,141,036	125,571,513	0	0	0	0	0	0	0	0	351,712,549
Net Change	267,675	(624,990)									(357,315)
Apr-04	226,408,711	124,966,523	0	0	0	0	0	0	0	0	351,355,234
Net Change	925,738	(733,407)									192,331
May-04	227,334,449	124,213,116	0	0	0	0	0	0	0	0	351,547,565
Net Change	162,996	(760,096)									(597,100)
Jun-04	227,497,445	123,453,020	0	0	0	0	0	0	0	0	350,950,465
Net Change	2,161,937	(919,244)									1,242,693
Jul-04	229,659,382	122,533,777	0	0	0	0	0	0	0	0	352,193,159
Net Change	309,493	(955,228)									(645,735)
Aug-04	229,968,875	121,578,549	0	0	0	0	0	0	0	0	351,547,424
Net Change	61,996	(967,874)									(905,878)
Sep-04	230,030,871	120,610,674	0	0	0	0	0	0	0	0	350,641,545
Net Change	841,516	(1,113,461)									(271,945)
Oct-04	230,872,387	119,497,213	0	0	0	0	0	0	0	0	350,369,600
Net Change	295,821	(1,198,898)									(903,077)
Nov-04	231,168,208	118,298,315	0	0	0	0	0	0	0	0	349,466,523
Net Change	2,039,930	(2,147,428)									(107,498)
Dec-04	233,208,138	116,150,887	0	0	0	0	0	0	0	0	349,359,025
Net Change	504,188	(630,684)									(126,496)
Jan-05	233,712,326	115,520,203	0	0	0	0	0	0	0	0	349,232,529
Net Change	62,766	(622,956)									(560,190)
Feb-05	233,775,092	114,897,247	0	0	0	0	0	0	0	0	348,672,339
Net Change	349,917	(602,354)									(252,437)
Mar-05	234,125,009	114,294,893	0	0	0	0	0	0	0	0	348,419,902
Net Change	266,832	(587,324)									(320,492)
Apr-05	234,391,841	113,707,569	0	0	0	0	0	0	0	0	348,099,410
Net Change	401,113	(614,475)									(213,362)
May-05	234,792,954	113,093,094	0	0	0	0	0	0	0	0	347,886,048
Net Change	720,433	(623,942)									96,491
Jun-05	235,513,387	112,469,152	0	0	0	0	0	0	0	0	347,982,539
Net Change	3,326,822	(649,541)									2,677,281
Jul-05	238,840,209	111,819,611	0	0	0	0	0	0	0	0	350,659,820
Net Change	176,001	(645,368)									(469,367)
Aug-05	239,016,210	111,174,243	0	0	0	0	0	0	0	0	350,190,453

Kentucky-American Water Company											
Tax Basis Property											
CASE NO: 2004-00103											
Tax Basis:											
Regulatory Assets											
Regulatory Liabilities											
	Utility Plant in Service	Accumulated Reserve	Equity Grossup	Plant Flow Through	Other	Customer Advances	CIAC	ITC	Excess Deferred Taxes	Gross-up ITC	Total
Account	101000	108xxx	185030/035/055	185040	185045	252xxx	271xxx/272000	255xxx	256212/256220	256310/311/312	
Net Change	238,890	(633,015)									(394,125)
Sep-05	239,255,100	110,541,227	0	0	0	0	0	0	0	0	349,796,327
Net Change	930,248	(647,411)									282,837
Oct-05	240,185,348	109,893,816	0	0	0	0	0	0	0	0	350,079,164
Net Change	3,181,700	(671,465)									2,510,235
Nov-05	243,367,048	109,222,351	0	0	0	0	0	0	0	0	352,589,399
Net Change	0	0									0
Dec-05	243,367,048	109,222,351	0	0	0	0	0	0	0	0	352,589,399
Kentucky-American Water Company											
Inverted Data for Calculation of Tax Basis Property											
Month	Tx Basis	Retirements	Net Tx Basis	Tx Depr	Retirements	Net Reserve					
Feb-04	1,163,262	67,400	1,095,862	(700,027)	67,400	(632,627)					
Mar-04	1,232,181	70,475	1,161,706	(760,399)	70,475	(689,924)					
Apr-04	413,000	145,325	267,675	(770,315)	145,325	(624,990)					
May-04	987,588	61,850	925,738	(795,257)	61,850	(733,407)					
Jun-04	213,446	50,450	162,996	(810,546)	50,450	(760,096)					
Jul-04	2,202,887	40,950	2,161,937	(960,194)	40,950	(919,244)					
Aug-04	349,768	40,275	309,493	(995,503)	40,275	(955,228)					
Sep-04	102,196	40,200	61,996	(1,008,074)	40,200	(967,874)					
Oct-04	886,166	44,650	841,516	(1,158,111)	44,650	(1,113,461)					
Nov-04	341,096	45,275	295,821	(1,244,173)	45,275	(1,198,898)					
Dec-04	2,091,900	51,970	2,039,930	(2,199,398)	51,970	(2,147,428)					
Jan-05	537,183	32,995	504,188	(663,679)	32,995	(630,684)					
Feb-05	104,016	41,250	62,766	(664,206)	41,250	(622,956)					
Mar-05	413,372	63,455	349,917	(665,809)	63,455	(602,354)					
Apr-05	347,377	80,545	266,832	(667,869)	80,545	(587,324)					
May-05	457,553	56,440	401,113	(670,915)	56,440	(614,475)					
Jun-05	770,303	49,870	720,433	(673,812)	49,870	(623,942)					
Jul-05	3,360,812	33,990	3,326,822	(683,531)	33,990	(649,541)					
Aug-05	215,236	39,235	176,001	(684,603)	39,235	(645,368)					
Sep-05	292,130	53,240	238,890	(686,255)	53,240	(633,015)					
Oct-05	975,758	45,510	930,248	(692,921)	45,510	(647,411)					
Nov-05	3,235,775	54,075	3,181,700	(725,540)	54,075	(671,465)					
	20,693,005	1,209,425	19,483,580	(18,881,138)	1,209,425	(17,671,713)					

Kentucky-American Water Company			
Deferred Taxes and Regulatory Assets/Liabilities			
Related to UPIS			
Rate Base Reduction at 1/2004			
	<u>SIT</u>	<u>FIT</u>	<u>Total</u>
<b>Deferred Taxes</b>			
Net Plant	7,127,654	37,959,458	45,087,112
<b>Def Taxes on Regulatory Assets</b>			
AFUDC Equity	189,662	738,245	927,907
Plant Flow Through	455,257	1,772,053	2,227,309
Other FAS 109	(47,125)	(183,432)	(230,557)
Customer Advances	(768,550)	(4,332,574)	(5,101,124)
CIAC	(1,937,145)	(9,702,830)	(11,639,976)
Investment Tax Credits	(127,740)	(497,216)	(624,956)
<b>Deferred Taxes on Regulatory Liabilities</b>			
Excess Deferred Taxes	(131,039)	(510,059)	(641,098)
Gross-up ITC	(72,649)	(282,782)	(355,431)
Total Deferred Income Taxes	4,688,325	<del>24,960,862</del>	<del>29,649,187</del>
Book Def FIT - Def DR/CR's	4,688,325	<del>24,960,862</del>	<del>29,649,187</del>
<b>Regulatory Assets/Liabilities</b>			
Reg Asset - Equity Grossup		2,298,934	
Reg Asset - Plt Flow Thru		5,518,264	
Reg Asset - Other		(571,216)	
Reg Liab - Excess Def Tax		(1,588,350)	
Reg Liab - ITC Grossup		(880,597)	
Total Reg Assets/Liab		4,777,035	
		24,872,152	

Kentucky-American Water Company			
Deferred Taxes and Regularoty Assets/Liabilities			
Related to UPIS			
Rate Base Reduction at 712004			
	<u>SIT</u>	<u>FIT</u>	<u>Total</u>
<b>Deferred Taxes</b>			
Net Plant	7,130,345	37,950,613	45,080,958
Def Taxes on Regulatory Assets			
AFUDC Equity	192,864	750,709	943,574
Plant Flow Through	444,161	1,728,862	2,173,023
Other FAS 109	(46,281)	(180,147)	(226,428)
Customer Advances	(676,818)	(3,928,557)	(4,605,35)
CIAC	(1,968,471)	(9,852,407)	(11,820,879)
Investment Tax Credits	(124,770)	(485,659)	(610,430)
Deferred Taxes on Regulatory Liabilities			
Excess Deferred Taxes	(127,074)	(494,625)	(621,699)
Gross-up ITC	(70,952)	(276,174)	(347,125)
Total Deferred Income Taxes	4,753,004	25,212,616	29,965,620
<b>Regulatory Assets/Liabilities</b>			
Reg Asset - Equity Grossup		2,337,749	
Reg Asset - Plt Flow Thru		5,383,767	
Reg Asset - Other		(560,986)	
Reg Liab - Excess Def Tax		(1,540,288)	
Reg Liab - ITC Grossup		(860,019)	
Total Reg Assets/Liab		4,760,223	
		25,205,397	



Kentucky-American Water Company								
Amortization of Regulatory Assets and Liabilities								
CASE NO: 2004-00103								
Amortization of Regulatory Assets and Liabilities								
Month	Equity Gross-up	Plant Flow Through	Other	Excess Def Taxes	ITC Gross-up	Additional Equity Gross-up	Total	Balance
								4,777,035
Feb-04	(2,144)	(5,240)	399	1,872	802	6,353	2,042	4,779,077
Mar-04	(2,144)	(36,554)	2,780	13,062	5,593	7,499	(9,764)	4,769,313
Apr-04	(2,144)	(6,350)	483	2,270	972	9,311	4,542	4,773,855
May-04	(2,144)	(11,188)	851	3,998	1,712	9,913	3,142	4,776,997
Jun-04	(2,144)	(49,056)	3,731	17,530	7,504	11,330	(11,105)	4,765,892
Jul-04	(2,144)	(26,109)	1,986	9,330	3,995	7,273	(5,669)	4,760,223
Aug-04	(2,144)	(24,093)	1,832	8,610	3,686	8,210	(3,899)	4,756,324
Sep-04	(2,144)	(49,771)	3,785	17,786	7,615	9,770	(12,959)	4,743,365
Oct-04	(2,144)	(29,771)	2,264	10,639	4,554	11,837	(2,621)	4,740,744
Nov-04	(2,144)	(24,235)	1,843	8,660	3,708	13,771	1,603	4,742,347
Dec-04	(2,144)	(61,141)	4,648	21,849	9,352	12,027	(15,409)	4,726,938
Jan-05	(2,144)	7,166	(502)	(2,361)	(1,011)	13,256	14,404	4,741,342
Feb-05	(2,144)	(5,683)	399	1,872	802	14,314	9,560	4,750,902
Mar-05	(2,144)	(39,646)	2,780	13,062	5,593	15,754	(4,601)	4,746,301
Apr-05	(2,144)	(6,887)	483	2,270	972	17,340	12,034	4,758,335
May-05	(2,144)	(12,134)	851	3,998	1,712	18,873	11,156	4,769,491
Jun-05	(2,144)	(53,205)	3,731	17,530	7,504	20,269	(6,315)	4,763,176
Jul-05	(2,144)	(28,318)	1,986	9,330	3,995	12,856	(2,295)	4,760,881
Aug-05	(2,144)	(26,131)	1,832	8,610	3,686	14,433	286	4,761,167
Sep-05	(2,144)	(53,981)	3,785	17,786	7,615	16,249	(10,690)	4,750,477
Oct-05	(2,144)	(32,290)	2,264	10,639	4,554	18,081	1,104	4,751,581
Nov-05	(2,144)	(26,285)	1,843	8,660	3,708	11,187	(3,031)	4,748,550

<b>Kentucky-American Water Company</b>			
<b>Equity Gross-up Detail</b>			
<b>CASE NO: 2004-00103</b>			
<u>Month</u>	<u>Grossup</u>	<u>Amort</u>	<u>Net</u>
Feb-04	6,353	(2,144)	4,209
Mar-04	7,499	(2,144)	5,355
Apr-04	9,311	(2,144)	7,167
May-04	9,913	(2,144)	7,769
Jun-04	11,330	(2,144)	9,186
Jul-04	7,273	(2,144)	5,129
Aug-04	8,210	(2,144)	6,066
Sep-04	9,770	(2,144)	7,626
Oct-04	11,837	(2,144)	9,693
Nov-04	13,771	(2,144)	11,627
Dec-04	12,027	(2,144)	9,883
Jan-05	13,256	(2,144)	11,112
Feb-05	14,314	(2,144)	12,170
Mar-05	15,754	(2,144)	13,610
Apr-05	17,340	(2,144)	15,196
May-05	18,873	(2,144)	16,729
Jun-05	20,269	(2,144)	18,125
Jul-05	12,856	(2,144)	10,712
Aug-05	14,433	(2,144)	12,289
Sep-05	16,249	(2,144)	14,105
Oct-05	18,081	(2,144)	15,937
Nov-05	11,187	(2,144)	9,043

<b>Kentucky-American Water Company</b>			
<b>Deferred Taxes Related to Reg Assets and Liabilities</b>			
<b>CASE NO: 2004-00103</b>			
		Deferred	Deferred
<u>Month</u>		<u>SIT</u>	<u>FIT</u>
Feb-04		\$671	\$1,496
Mar-04		4,682	10,437
Apr-04		813	1,812
May-04		1,433	3,194
Jun-04		6,284	14,007
Jul-04		3,344	7,454
Aug-04		3,087	6,878
Sep-04		6,376	14,209
Oct-04		3,813	8,501
Nov-04		3,105	6,919
Dec-04		7,832	(1,887)
Jan-05		(960)	(2,332)
Feb-05		762	1,848
Mar-05		5,314	12,897
Apr-05		923	2,239
May-05		1,626	3,947
Jun-05		7,132	17,308
Jul-05		3,795	9,212
Aug-05		3,504	8,499
Sep-05		7,237	17,558
Oct-05		4,328	10,505
Nov-05		3,524	8,550
<b>Forecasted Amount</b>		<b>\$45,017</b>	<b>\$88,344</b>

of 2

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 KENTUCKY-AMERICAN WATER COMPANY													
2 6/30/2004													
3 2004 STATE & FEDERAL INCOME TAX BUDGET													
4 REGULATORY ASSET AMORTIZATION													
5 Federal Income Tax rate		35.00%											
6 State Income Tax Rate		8.25%											
7 Combined Income Tax Rate		40.35%											
8 Net Income	111,284	776,200	134,858	134,858	237,600	1,041,771	554,473	511,650	1,055,955	632,238	514,674	1,238,335	5,728,884
9 State Income Taxes	(13,360)	18,368	113,020	22,590	36,113	150,901	80,017	24,873	162,132	90,717	71,022	185,293	884,466
10 Federal Income Taxes	(48,637)	89,843	421,415	84,713	134,903	662,633	288,249	278,491	668,665	338,037	275,654	690,283	3,871,597
11 State Income Taxes	(6,570)	(2,661)	(3,434)	(1,268)	(1,268)	(1,268)	(1,268)	(1,268)	(1,268)	(1,268)	(1,268)	(1,268)	(12,680)
12 Federal Income Taxes	(25,876)	(8,988)	(10,722)	(3,366)	(9,203)	(17,362)	(18,977)	(17,717)	(17,717)	(3,550)	(3,550)	(3,372)	(111,148)
13 Net Income Before Taxes	(24,478)	185,966	1,297,238	229,392	387,038	1,740,998	926,577	895,076	1,765,290	1,055,531	860,070	2,169,731	11,246,240
14 Book Depreciation													
15 Tax basis depreciation													
16 Change in Regulatory Assets/Liabilities:													
17 Reg Asset-State	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Reg Asset-Flow Through Depreciation	6,607	(5,240)	(36,854)	(9,350)	(11,185)	(49,056)	(28,109)	(24,093)	(49,771)	(28,771)	(24,235)	(61,141)	(316,907)
19 Reg Asset-Other	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Reg Asset-Tax Rate Change	(52)	999	2,790	483	861	3,731	1,988	1,852	3,765	2,264	1,843	4,648	24,100
21 Reg Lib-Excess Deferred Tax-Depreciable	(2,936)	2,358	19,241	2,822	4,971	21,768	11,601	10,705	22,114	13,228	10,768	27,165	140,003
22 Reg Lib-Excess Deferred Tax-AT-DC	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Reg Lib-Excess Deferred Tax-Other	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Reg Lib-Deficit Deferred Tax	575	(459)	(3,179)	(622)	(973)	(4,266)	(2,271)	(2,195)	(4,326)	(2,589)	(2,108)	(5,318)	(27,558)
25 Reg Lib-Excess Deferred Tax-State Only	0	0	0	0	0	0	0	0	0	0	0	0	0
26 Reg Lib-Unamortized ITC (3%)	(108)	88	698	104	188	802	497	384	814	487	386	1,001	5,164
27 Reg Lib-Unamortized ITC (4%)	(88)	71	433	66	131	661	382	329	671	401	327	821	4,270
28 Reg Lib-Unamortized ITC (10%)	(614)	645	4,692	782	1,378	6,041	3,216	2,867	6,130	3,668	2,995	7,530	39,028
29 Reg Lib-Unamortized ITC (8%)	0	0	0	0	0	0	0	0	0	0	0	0	0
30 Deferred ITC (3%)	(180)	127	883	153	270	1,185	630	562	1,202	719	585	1,476	7,652
31 Deferred ITC (4%)	(131)	104	727	126	223	976	519	478	990	592	482	1,218	6,305
32 Deferred ITC (10%)	(1,477)	1,171	9,171	1,420	2,601	10,868	5,837	5,386	11,128	6,653	5,418	13,968	70,940
33 Deferred ITC (8%)	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Net Change in Reg Assets/Liabs & ITC	965	(765)	(5,336)	(926)	(1,633)	(7,164)	(3,812)	(3,516)	(7,267)	(4,348)	(3,539)	(8,932)	(46,277)
35 Distribution of Net Change:													
36 Deferred SIT	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Deferred ITC	(1,248)	989	6,903	1,199	2,113	9,264	4,881	4,560	9,999	5,922	4,577	11,647	59,846
38 Deferred ITC	166	(164)	(1,078)	(187)	(359)	(1,446)	(719)	(710)	(1,467)	(878)	(744)	(1,803)	(9,342)
39 Deferred ITC	207	(194)	(1,143)	(195)	(359)	(1,534)	(617)	(793)	(1,656)	(931)	(788)	(1,912)	(9,510)
40 Deferred ITC	(646)	671	4,662	913	1,433	6,284	3,344	3,087	6,376	3,818	3,105	7,832	40,594
41 Deferred FIT	(4,957)	3,862	23,871	4,868	8,224	36,051	19,162	17,711	36,567	21,365	17,815	44,946	232,555
42 Amortize ITC	2,166	(1,748)	(11,964)	(2,063)	(3,888)	(15,054)	(8,560)	(7,940)	(16,319)	(9,761)	(7,940)	(20,046)	(103,806)
43 Amortize ITC	804	(636)	(4,450)	(773)	(1,362)	(5,970)	(3,178)	(2,833)	(6,059)	(3,623)	(2,950)	(7,440)	(38,872)
44 Amortize ITC	(1,887)	1,496	10,437	1,812	3,194	14,007	7,454	6,878	14,209	8,501	6,918	17,460	90,480
45 Amortize ITC	1,768	(1,402)	(9,781)	(1,992)	(2,894)	(13,127)	(6,993)	(6,447)	(13,318)	(7,959)	(6,465)	(16,360)	(84,797)
46 Net Balance Sheet Changes	(885)	766	5,388	926	1,633	7,164	3,812	3,516	7,267	4,348	3,539	8,932	46,277
47 SIT on Net Balance Sheet Changes	885	(702)	(4,988)	(850)	(1,499)	(6,573)	(3,498)	(3,229)	(6,867)	(3,989)	(3,247)	(8,165)	(42,460)
48 FIT on Net Balance Sheet Changes	(246)	(1,744)	(1,744)	(298)	(624)	(2,301)	(1,224)	(1,139)	(2,333)	(1,366)	(1,136)	(2,366)	(14,650)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b>Kentucky-American Water Company</b>													
<b>Summary of Changes in Regulatory Assets/Liabilities</b>													
Reg Asset-Flow Through Depreciation	6,607	(5,240)	(38,554)	(6,360)	(11,188)	(49,066)	(26,109)	(24,063)	(46,771)	(29,771)	(24,235)	(61,141)	(316,901)
Reg Asset-Other	(602)	568	2,760	483	851	3,791	1,888	1,532	3,786	2,284	1,843	4,648	24,100
Reg Liab-Excess Deferred Tax-Debt	(2,890)	2,325	18,241	2,822	4,871	21,786	11,851	10,785	22,114	13,228	10,768	27,465	140,809
Reg Liab-Deficit Deferred Tax	672	(1,458)	(3,173)	(532)	(973)	(4,266)	(2,271)	(2,095)	(4,328)	(2,859)	(2,108)	(5,316)	(27,555)
Reg Liab-Unamortized ITC (2%)	(2,361)	1,272	13,092	2,270	3,998	17,530	9,330	9,670	17,796	10,539	8,660	21,848	113,245
Reg Liab-Unamortized ITC (3%)	(108)	95	598	104	183	802	427	394	814	487	396	1,001	5,194
Reg Liab-Unamortized ITC (4%)	(89)	71	493	86	151	861	352	325	671	401	327	821	4,270
Reg Liab-Unamortized ITC (10%)	(614)	645	4,802	782	1,378	6,041	3,216	2,967	6,130	3,658	2,985	7,530	39,028
Deferred ITC (3%)	(1,011)	802	5,593	972	1,712	7,504	3,985	3,889	7,615	4,554	3,708	3,335	48,482
Deferred ITC (4%)	(160)	127	883	163	270	1,185	630	532	1,202	719	568	1,476	7,652
Deferred ITC (10%)	(131)	104	727	126	223	876	519	479	900	592	482	1,218	6,302
Amortization of Equity Gross-Up	(1,769)	1,402	9,781	1,688	2,894	13,127	6,986	6,447	13,318	7,866	5,418	13,668	70,540
Accum Debit P/A	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	26,728
	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(675)	(6,900)

1	2	3	4	5	6	7	8	9	10	11	12		
1	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1	140,311	111,284	77,820	134,889	287,600	1,047,771	554,479	511,660	1,056,968	632,239	514,674	1,298,389	6,729,864
2	(13,800)	18,368	113,020	22,590	36,113	190,901	80,017	74,673	152,132	90,717	74,022	166,203	984,486
3	(48,657)	68,843	421,415	64,713	154,903	662,633	298,242	278,481	566,868	339,856	275,854	690,287	3,671,997
4	(6,970)	(2,861)	(2,785)	(3,494)	(2,965)	(1,269)	(1,269)	(1,997)	(1,997)	(917)	(919)	(895)	(28,566)
5	(25,575)	(9,893)	(10,722)	(13,366)	(9,205)	(11,332)	(4,897)	(7,771)	(7,771)	(3,559)	(3,559)	(3,372)	(111,148)
6	(234,473)	185,956	1,297,238	225,352	397,098	1,740,989	928,577	895,016	1,766,290	1,058,531	860,070	2,199,731	11,246,243
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Kentucky-American Water Company		Summary of Changes in Regulatory Assets/Liabilities												
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
		(1,163)	(3,683)	(39,646)	(6,887)	(12,134)	(62,205)	(28,318)	(26,131)	(13,377)	(22,290)	(28,285)	(55,312)	(947,705)
		(502)	366	2,780	483	851	3,731	1,966	1,832	3,765	2,264	1,643	4,646	24,100
Reg Asset Flow Through Depreciation	(b)	7,163	(3,683)	(39,646)	(6,887)	(12,134)	(62,205)	(28,318)	(26,131)	(13,377)	(22,290)	(28,285)	(55,312)	(947,705)
Reg Asset Cost	(c)	(502)	366	2,780	483	851	3,731	1,966	1,832	3,765	2,264	1,643	4,646	24,100
Reg Liab-Excess Deferred Tax-Depreciat	(d)	(2,935)	2,326	16,241	2,822	4,971	21,736	11,601	10,705	22,144	13,228	10,788	27,165	140,503
Reg Liab-Deficit Deferred Tax	(e)	373	(453)	(3,179)	(552)	(973)	(4,266)	(2,271)	(2,055)	(4,328)	(2,589)	(2,108)	(5,316)	(27,558)
		(2,381)	1,872	13,062	2,270	3,996	17,530	9,330	8,650	17,766	10,639	8,660	21,849	113,246
Reg Liab-Unamortized ITC (8%)	(d)	(108)	66	588	184	183	602	427	394	814	487	395	1,001	5,184
Reg Liab-Unamortized ITC (4%)	(d)	(39)	71	483	66	181	681	352	325	671	401	327	821	4,270
Reg Liab-Unamortized ITC (10%)	(d)	(614)	845	4,672	782	1,378	5,041	3,216	2,897	6,130	3,668	2,965	7,530	39,028
		(1,014)	802	5,593	972	1,742	7,504	3,895	3,666	7,615	4,534	3,708	9,352	48,482
Deferred ITC (3%)	(e)	(180)	137	883	153	270	1,185	630	582	1,202	718	686	1,478	7,652
Deferred ITC (4%)	(e)	(131)	64	727	126	223	976	519	478	990	592	482	1,218	6,305
Deferred ITC (10%)	(e)	(1,477)	1,171	8,171	1,498	2,584	10,968	5,837	5,366	11,126	6,955	5,418	13,656	70,840
		(1,788)	1,402	9,781	1,699	2,884	13,127	6,886	6,447	13,318	7,956	6,485	16,360	84,797
Amortization of Equity Cross-up		2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	2,144	26,728
Accum Depr RIA		(1575)	(575)	(675)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(6,905)

**KENTUCKY-AMERICAN WATER COMPANY**  
**TAX BASIS WATER PROPERTY - DEPRECIATION EXPENSE**  
**CASE NO: 2004-00103**  
**For the Year 2004**

TWENTY-FIVE YEAR PROPERTY	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
WATER PROPERTY	540,709	1,143,770	1,162,889	173,578	97,282	208,446	1,748,798	344,768	97,196	881,166	338,096	1,470,847	8,205,345
BONUS DEPRECIATION	270,354	571,885	581,345	86,789	48,641	104,223	874,399	172,384	48,598	440,583	168,048	735,424	4,102,673
N.D.B. (LINE-8 @100%)	270,355	571,885	581,344	86,789	48,641	104,223	874,399	172,384	48,598	440,583	168,048	735,423	4,102,672
ACCUMULATED	270,355	842,240	1,423,584	1,510,373	1,559,014	1,663,237	2,537,636	2,710,020	2,758,618	3,199,201	3,367,249	4,102,672	
REGULAR DEPRECIATION	5,407	11,438	11,627	1,738	973	2,084	17,488	3,448	972	8,812	3,361	14,708	
ACCUM DEPRECIATION	5,407	16,845	28,472	30,208	31,181	33,285	50,753	54,201	55,173	63,985	67,346	82,054	

SEVEN YEAR PROPERTY	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
OFFICE FURN. & FIX.	75	6,488	5,488	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000	63,051
N.D.B. (LINES 17-19 @100%)	75	5,486	6,488	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000	63,051
ACCUMULATED	75	6,563	13,051	18,051	23,051	28,051	33,051	38,051	43,051	48,051	53,051	63,051	
DEPRECIATION	11	927	927	715	715	715	715	715	715	715	715	1,429	
ACCUM DEPRECIATION	11	938	1,865	2,560	3,295	4,010	4,725	5,440	6,155	6,870	7,585	9,014	

FIVE YEAR PROPERTY	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
LIGHT TRUCKS	0	0	0	0	15,000	0	0	0	0	0	0	0	15,000
CARS	0	0	0	0	0	0	0	0	0	0	0	0	0
HEAVY TRUCKS	0	3,731	33,731	0	20,000	0	0	0	0	0	0	0	57,462
COMMUNICATION EQUIPMENT	0	3,120	3,120	0	0	0	0	0	0	0	0	0	6,240
N.D.B. (LINES 17-19 @100%)	0	6,851	36,851	0	35,000	0	0	0	0	0	0	0	78,702
ACCUMULATED	0	6,851	43,702	43,702	78,702	78,702	78,702	78,702	78,702	78,702	78,702	78,702	
DEPRECIATION	0	1,370	7,370	0	7,000	0	0	0	0	0	0	0	
ACCUM DEPRECIATION	0	1,370	8,740	8,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	15,740	

THREE YEAR PROPERTY	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
SOFTWARE	16,684	6,153	6,153	0	405,230	0	0	0	0	0	0	0	1,045,273
N.D.B. (LINES 17-19 @100%)	16,684	6,153	6,153	0	405,230	0	0	0	0	0	0	0	1,045,273
ACCUMULATED	16,684	22,837	28,990	28,990	434,220	434,220	434,220	434,220	434,220	434,220	434,220	434,220	
DEPRECIATION	5,561	2,051	2,051	0	135,063	0	0	0	0	0	0	0	203,664
ACCUM DEPRECIATION	5,561	7,612	9,663	9,663	144,726	144,726	144,726	144,726	144,726	144,726	144,726	144,726	

REAL PROPERTY	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
BUILDINGS	-7,971	0	20,000	0	445,076	0	449,089	0	0	0	0	0	906,184
ACCUMULATED	-7,971	-7,971	12,029	12,029	457,105	457,105	906,194	906,194	906,194	906,184	906,194	906,194	
DEPRECIATION	-196	0	407	0	7,143	0	5,266	0	0	0	0	0	0
ACCUM DEPRECIATION	-196	-196	211	211	7,354	7,354	12,640	12,640	12,640	12,640	12,640	12,640	
TOTAL ACCUM. DEPR.	261,137	658,805	1,472,535	1,561,775	1,761,310	1,868,332	2,768,220	2,942,767	2,993,052	3,443,162	3,615,286	4,570,511	
LESS: PROV. YEAR TO DATE	0	23,428	100,281	237,506	384,647	555,730	744,102	1,081,121	1,453,451	1,838,351	2,373,288	2,994,287	
SUBTOTAL	261,137	845,380	1,372,254	1,324,269	1,376,663	1,311,602	2,022,118	1,881,646	1,539,601	1,604,811	1,241,998	1,576,224	
REMAINING PERIODS	12	11	10	9	8	7	6	5	4	3	2	1	
MONTHLY PROV. (LINE 54/LINE 56)	23,428	78,853	137,225	147,141	172,083	187,372	337,020	372,329	384,900	534,937	620,899	1,576,224	4,570,511
ON CURRENT ADDITIONS													

Total Tax Basis Additions 10,298,565

DEPRECIATION ON PROPERTY @	Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004	2004
UPIS Prior to 2004	623,174	623,174	623,174	623,174	623,174	623,174	623,174	623,174	623,174	623,174	623,174	623,174	7,478,088
2004 Additions - Reg.	23,428	76,853	137,225	147,141	172,083	187,372	337,020	372,329	384,900	534,937	620,999	1,576,224	4,570,511
2004 Additions in 2005	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEPRECIATION	646,602	700,027	760,399	770,315	795,257	810,546	960,194	995,503	1,008,074	1,158,111	1,244,173	2,199,398	12,048,599
ACCUMULATED	646,602	1,346,629	2,107,028	2,877,343	3,672,600	4,483,146	5,443,339	6,438,843	7,446,917	8,605,028	9,849,201	12,048,599	

Accum Depr on 2004 Additions	23,428	100,281	237,506	384,647	555,730	744,102	1,081,121	1,453,451	1,838,351	2,373,288	2,994,287	4,570,511	
Numeric Month	1	2	3	4	5	6	7	8	9	10	11	12	



**KENTUCKY-AMERICAN WATER COMPANY**  
**TAX BASIS WATER PROPERTY - DEPRECIATION EXPENSE**  
**CASE NO: 2004-00103**  
**For the Year 2005**

TWENTY-FIVE YEAR PROPERTY	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
WATER PROPERTY	522,183	83,216	368,372	286,877	379,353	739,903	2,006,861	208,036	286,830	972,058	3,231,675	0	9,085,364
BONUS DEPRECIATION													
N.D.B. (LINE-8 @100%)	522,183	83,216	368,372	286,877	379,353	739,903	2,006,861	208,036	286,830	972,058	3,231,675	0	9,085,364
ACCUMULATED	522,183	605,399	973,771	1,260,648	1,640,001	2,379,904	4,386,765	4,594,801	4,881,631	5,853,689	9,085,364	9,085,364	
DEPRECIATION	10,444	1,664	7,367	5,738	7,587	14,798	40,137	4,161	5,737	19,441	64,634	0	
ACCUM DEPRECIATION	10,444	12,108	19,475	25,213	32,800	47,598	87,735	91,896	97,633	117,074	181,708	181,708	

SEVEN YEAR PROPERTY	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
OFFICE FURN & FIX.	15,000	500	5,800	6,100	7,700	10,400	14,200	4,200	3,300	3,200	3,800	0	74,200
N.D.B. (LINES 17-19 @100%)	15,000	500	5,800	6,100	7,700	10,400	14,200	4,200	3,300	3,200	3,800	0	74,200
ACCUMULATED	15,000	15,500	21,300	27,400	35,100	45,500	59,700	63,900	67,200	70,400	74,200	74,200	
DEPRECIATION	2,144	71	829	872	1,100	1,486	2,029	600	472	457	543	0	
ACCUM DEPRECIATION	2,144	2,215	3,044	3,918	5,018	6,502	8,531	9,131	8,603	10,060	10,803	10,603	

FIVE YEAR PROPERTY	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
LIGHT TRUCKS	0	0	0	15,000	30,000	15,000	0	0	0	0	0	0	60,000
CARS	0	20,000	0	0	0	0	0	0	0	0	0	0	20,000
HEAVY TRUCKS	0	0	35,000	35,000	35,000	0	0	0	0	0	0	0	105,000
COMMUNICATION EQUIPMENT	0	300	4,200	4,400	5,500	5,000	2,000	3,000	2,000	500	300	0	27,200
N.D.B. (LINES 17-19 @100%)	0	20,300	39,200	54,400	70,500	20,000	2,000	3,000	2,000	500	300	0	212,200
ACCUMULATED	0	20,300	59,500	113,900	184,400	204,400	206,400	209,400	211,400	211,900	212,200	212,200	
DEPRECIATION	0	4,080	7,840	10,880	14,100	4,000	400	600	400	100	60	0	
ACCUM DEPRECIATION	0	4,080	11,920	22,780	36,880	40,880	41,280	41,880	42,280	42,380	42,440	42,440	

THREEYEARPROPERTY	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
SOFTWARE	0	0	0	0	0	0	0	0	0	0	0	0	0
N.D.B. (LINES 17-19 @100%)	0	0	0	0	0	0	0	0	0	0	0	0	0
ACCUMULATED	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION	0	0	0	0	0	0	0	0	0	0	0	0	0
ACCUM DEPRECIATION	0	0	0	0	0	0	0	0	0	0	0	0	0

REAL PROPERTY	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
BUILDINGS	0	0	0	0	0	0	1,337,751	0	0	0	0	0	1,337,751
ACCUMULATED	0	0	0	0	0	0	1,337,751	1,337,751	1,337,751	1,337,751	1,337,751	1,337,751	
DEPRECIATION	0	0	0	0	0	0	15,745	0	0	0	0	0	
ACCUM DEPRECIATION	0	0	0	0	0	0	15,745	15,745	15,745	15,745	15,745	15,745	
TOTAL ACCUM. DEPR.	12,588	18,383	34,419	51,909	74,696	94,980	153,291	158,652	165,281	185,259	250,496	250,498	
LESS: PROV. YEAR TO DATE	0	1,049	2,825	4,755	8,419	16,703	27,886	48,787	70,760	94,385	124,676	187,586	
SUBTOTAL	12,588	17,334	31,794	47,154	66,277	78,277	125,405	109,865	94,521	90,874	125,820	62,912	
REMAINING PERIODS	12	11	10	9	8	7	6	5	4	3	2	1	
MONTHLY PROV. (LINE 54/LINE 56)	1,049	1,578	3,179	5,238	8,285	11,182	20,901	21,973	23,825	30,291	62,910	82,910	253,121
ON CURRENT ADDITIONS													

Total Tax Basis Additions 10,709,515

DEPRECIATION ON PROPERTY @	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	2005
UPIS Prior to 2004	604,914	604,914	604,914	604,914	604,914	604,914	604,914	604,914	604,914	604,914	604,914	604,914	7,258,968
2005 Additions	1,049	1,578	3,179	5,239	8,285	11,182	20,901	21,973	23,625	30,291	62,910	82,910	253,121
2004 Additions in 2005	57,716	57,716	57,716	57,716	57,716	57,716	57,716	57,716	57,716	57,716	57,716	57,716	682,592
TOTAL DEPRECIATION	663,679	664,208	665,809	667,869	670,915	673,812	683,531	684,603	686,255	692,921	725,540	725,540	8,204,681
ACCUMULATED	663,679	1,327,885	1,993,694	2,661,564	3,332,478	4,006,291	4,689,821	5,374,425	6,060,680	6,753,601	7,479,141	8,204,681	

Accum Depr on 2005 Additions	1,049	2,625	5,804	11,044	19,328	30,511	51,411	73,385	97,010	127,301	190,211	253,121	
Numeric Month	1	2	3	4	5	6	7	8	9	10	11	12	

**KENTUCKY-AMERICAN WATER COMPANY**  
**TAX BASIS WATER PROPERTY - DEPRECIATION EXPENSE Years 2 & 3**  
**CASE NO: 2000-120**

	2004 UPIS Additions		2005 UPIS Additions	
	2005 2nd Year	2006 3rd Year	2006 2nd Year	2007 3rd Year
<b>TWENTY YEAR PROPERTY</b>				
WATER PROPERTY				
UPIS Additions	4,102,672	4,102,672	9,085,364	9,085,364
Depreciation Rate	4.000%	4.000%	4.000%	4.000%
Tax Dep Expense	164,107	164,107	363,415	363,415
<b>SEVEN YEAR PROPERTY</b>				
OFFICE FURN. & FIX.				
UPIS Additions	63,051	63,051	74,200	74,200
Depreciation Rate	24.490%	17.490%	24.490%	17.490%
Tax Dep Expense	15,441	11,028	18,172	12,978
<b>FIVE YEAR PROPERTY</b>				
LIGHT TRUCKS				
CARS				
HEAVY TRUCKS				
COMMUNICATION EQUIPMENT				
UPIS Additions	78,702	78,702	212,200	212,200
Depreciation Rate	32.000%	19.200%	32.000%	19.200%
Tax Dep Expense	25,185	15,111	67,904	40,742
<b>THREE YEAR PROPERTY</b>				
Software				
UPIS Additions	1,045,273	1,045,273	0	0
Depreciation Rate	44.450%	14.810%	44.450%	14.810%
Tax Dep Expense	464,624	154,805	0	0
<b>REAL PROPERTY</b>				
BUILDINGS				
UPIS Additions	906,194	906,194	1,337,751	1,337,751
Depreciation Rate	2.564%	2.564%	2.564%	2.564%
Tax Dep Expense	23,235	23,235	34,300	34,300
Annual Depreciation	692,5921	368,28611	483,791	451,4351
Monthly Depreciation	57,716)	30,69111	40,3161	37,620)

COMPANY: KENTUCKY-AMERICANWATER COMPANY  
 Tax Depreciation Rates  
 Half Year Convention  
 CASE NO: 2004-00103

Year 1	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
25 Yr Water Property	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
7 Year Property	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%
5 Year Property	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
3 Year Property	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Real Property	2.461%	2.247%	2.033%	1.819%	1.605%	1.391%	1.177%	0.963%	0.749%	0.535%	0.321%	0.107%
Bonus Depreciation	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%

Year 2	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
25 Yr Water Property	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7 Year Property	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%	24.49%
5 Year Property	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
3 Year Property	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%	44.45%
Real Property	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%

Year 3	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
25 Yr Water Property	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7 Year Property	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%
5 Year Property	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%	19.20%
3 Year Property	14.810%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%	14.81%
Real Property	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%	2.564%

Kentucky-American Water Company													
UPIS Additions per Construction File		27,920,798											
CASE NO: 2004-00103													
		Jan-1900	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004
301000	ORGANIZATION		0	0	0	0	0	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS		0	0	0	0	0	0	0	0	0	0	0
303100	OTHE P/E INTANGIBLES		0	0	0	0	0	0	0	0	0	0	0
303600	OTHER P/E COMPREHENSIVE STUDIES		0	0	0	0	0	0	0	0	0	0	0
310100	WATER RIGHTS		0	0	0	0	0	0	0	0	0	0	0
310200	RESERVOIR LAND		0	0	0	0	0	0	0	0	0	0	0
310300	OTHER SS LAND		0	0	234,422	0	0	0	0	0	0	0	0
311000	SS STRUCTURES & IMPROVEMENTS	(8,160)	0	0	0	445,076	0	0	0	0	0	0	0
312000	COLL & IMPOUNDING RESERV		0	0	0	0	0	0	0	0	0	0	0
313000	LAKE, RIVER, & OTHER INTAKES		0	0	0	0	0	0	0	0	0	0	0
314000	WELLS & SPRINGS		0	0	0	0	0	0	0	0	0	0	0
316000	SUPPLY MAINS		0	0	0	0	0	0	0	0	0	0	0
320000	PUMPING LAND & LAND RIGHTS		0	0	0	0	0	0	0	0	0	0	0
321000	PUMPING STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0	0	0	0
322000	BOILER PLANT EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
323200	OTHER POWER PROD EQPT		0	0	0	0	0	0	0	0	0	0	0
325000	ELECTRIC PUMPING EQUIPMENT		33,650	33,650	0	0	0	0	0	0	0	0	0
326000	DIESEL PUMPING EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
328200	GASOLINE PUMPING EQPT		0	0	0	0	0	0	0	0	0	0	0
328300	OTHER PUMPING EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
330000	LAND AND LAND RIGHTS		0	0	0	0	0	0	0	0	0	0	0
331000	WT STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0	0	0	0
332000	WATER TREATMENT EQUIPMENT	(7,887)	262,620	93,532	20,000	10,000	0	0	0	0	0	0	0
334000	WATER TREATMENT - GAC		0	0	0	0	0	0	0	0	0	0	0
340000	LAND AND LAND RIGHTS		1,082	1,082	0	0	0	0	0	0	0	0	0
340100	T & D LAND & RIGHTS OF WAY		0	0	0	0	0	0	0	0	0	0	0
340110	T & D LAND		0	0	0	0	0	0	0	0	0	0	0
340120	T & D RIGHTS OF WAY		0	0	0	0	0	0	0	0	0	0	0
340200	DIST RES & STANDPIPE LAND		0	0	0	0	0	0	0	0	0	0	0
341000	T & D STRUCTURES & IMP		0	0	0	0	0	0	0	0	0	0	0
342000	DIST RES & STANDPIPES		37	37	0	0	0	1,495,082	0	0	0	0	0
343000	T & D MAINS	303,275	467,346	540,807	222,000	287,000	398,000	504,000	525,000	462,000	539,000	399,000	1,585,151
345000	SERVICES	(20,412)	(19,500)	95,000	115,000	130,000	145,000	177,000	196,000	169,000	201,000	164,000	130,950
346000	METERS		0	0	0	0	0	0	0	0	0	0	0
346100	METERS - BRONZE CASE		0	0	0	0	0	0	0	0	0	0	0
346200	METERS - PLASTIC CASE	284,204	1,125	1,575	30,000	80,000	20,000	51,600	60,000	38,000	50,450	65,000	62,500
346300	METERS - OTHER		35,000	35,000	1,500	0	0	1,500	0	0	1,500	0	0
347000	METER INSTALLATIONS	(18,314)	25,255	65,305	40,500	40,250	120,250	79,800	90,250	117,250	104,800	80,250	82,750
348000	HYDRANTS	24,043	104,008	116,508	13,000	25,000	34,000	26,000	27,000	27,000	38,000	34,000	34,000
389200	STORES SHOP & GARAGE LAND		0	0	0	0	0	0	0	0	0	0	0
390100	OFFICE STRUCTURES		26,626	26,626	0	0	0	0	0	0	0	0	0
390200	STORES, SHOP & GAR STRUCT		0	0	0	0	0	0	0	0	0	0	0
390300	MISC STRUCTURES	189	0	20,000	0	0	0	449,089	0	0	0	0	0
391100	OFFICE FURNITURE		0	0	0	0	0	0	0	0	0	0	0
391200	MAINFRAME COMP & PERIPH EQPT		0	0	2,100	0	0	0	0	0	0	0	0
391210	PERSONAL COMP & PERIPH EQPT	75	6,488	6,488	2,900	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000
391220	OTHER OFFICE MACH & EQPT		0	0	0	0	0	0	0	0	0	0	0
391230	OFFICE MACH & EQPT - SOFTWARE		0	0	0	0	0	0	0	0	0	0	0
391250	MAINFRAME SOFTWARE		6,153	6,153	0	0	0	0	0	0	0	0	611,053
391260	PERSONAL COMP SOFTWARE		0	0	0	0	0	0	0	0	0	0	0
391280	OTHER SOFTWARE	16,684	0	0	0	405,230	0	0	0	0	0	0	0
391300	OTHER OFFICE EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
392110	TRANS EQUIP - LIGHT TRUCKS		0	0	0	15,000	0	0	0	0	0	0	0

Kentucky-American Water Company													
UPIS Additions per Construction File		27,920,798											
CASE NO: 2004-00103													
		Jan-1900	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004
392120	TRANS EQUIP - HEAVY TRUCKS		3,731	33,731	0	20,000	0	0	0	0	0	0	0
392200	TRANS EQUIP - CARS		0	0	0	0	0	0	0	0	0	0	0
392300	OTHER TRANS EQUIP		0	0	30,000	0	0	0	0	0	0	0	0
393000	STORES EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
394000	TOOLS, SHOP, & GARAGE EQUIP		0	5,100	0	0	0	5,000	2,000	5,000	1,400	1,600	6,400
395000	LABORATORY EQUIPMENT		0	24,900	5,000	5,000	5,000	0	0	0	3,600	3,400	3,600
396000	POWER OPERATED EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
397000	COMMUNICATION EQUIPMENT		3,120	3,120	0	0	0	0	0	0	0	0	0
397100	COMMUNICATION EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
397200	COMMUNICATION EQUIPMENT		0	0	0	0	0	0	0	0	0	0	0
398000	MISC EQUIPMENT		4,621	23,858	0	0	0	0	3,000	0	0	5,000	5,000
399000	OTHER TANGIBLE PROPERTY		2,802	2,802	0	0	0	0	0	0	0	0	0
354100	COLLECTIVE SYSTEM STRUCTURES SWR		0	0	0	0	0	0	0	0	0	0	0
371100	ELECTRIC PUMPING EQUIPMENT SWR		0	0	0	0	0	0	0	0	0	0	0
	TOTAL UTILITY PLANT IN SERVICE	573,697	964,164	1,135,274	716,422	1,467,556	727,250	2,794,071	908,250	823,250	944,750	757,250	2,531,404
Kentucky-American Water Company		Total Tax Additions 2000		10,532,967									
Segregation of Tax Basis Property		Total Land		234,422									
CASE NO: 2004-00103													
		Jan-1900	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004
	WATER PROPERTY	\$540,709	\$1,143,770	\$1,162,689	\$173,578	\$97,282	\$208,446	\$1,748,798	\$344,768	\$97,196	\$881,166	\$336,096	\$1,470,847
	OFFICE FURN. & FIX.	75	6,488	6,488	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000
	SOFTWARE	16,684	6,153	6,153	0	405,230	0	0	0	0	0	0	611,053
	LIGHT TRUCKS	0	0	0	0	15,000	0	0	0	0	0	0	0
	CARS	0	0	0	0	0	0	0	0	0	0	0	0
	HEAVY TRUCKS	0	3,731	33,731	0	20,000	0	0	0	0	0	0	0
	COMMUNICATION EQUIPMENT	0	3,120	3,120	0	0	0	0	0	0	0	0	0
	BUILDINGS	(7,971)	0	20,000	0	445,076	0	449,089	0	0	0	0	0
	Land	0	0	0	234,422	0	0	0	0	0	0	0	0
	Total Tax Basis Property	549,497	1,163,262	1,232,181	413,000	987,588	213,446	2,202,887	349,768	102,196	886,166	341,096	2,091,900
	Check Total before Temporary Diff	24,200	(199,098)	(96,907)	303,422	479,968	513,804	591,184	558,482	721,054	58,584	416,154	439,504
	Book AFUDC	13,366	31,748	36,346	42,426	46,431	45,073	35,727	40,468	47,088	54,691	53,767	47,850
	Tax AFUDC	24,626	13,646	14,853	16,404	17,663	20,069	14,943	16,386	18,634	21,107	23,213	17,146
	Net Non-taxable Cuat Adv/CIAC	35,460	(217,200)	(118,400)	277,400	451,200	488,800	570,400	534,400	692,600	25,000	385,600	406,600
	Total Net Temporary Differences	24,200	(199,098)	(96,807)	303,422	479,968	513,804	591,184	558,482	721,054	58,584	416,154	439,504
	Check Total	0	0	0	0	0	0	0	0	0	0	0	0

Kentucky-American Water Company												
UPIS Additions per Construction File												
CASE NO: 2004-00103												
		Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005
301000	ORGANIZATION	0	0	0	0	0	0	0	0	0	0	0
302000	FRANCHISE/CONSENTS	0	0	0	0	0	0	0	0	0	0	0
303100	OTHE P/E INTANGIBLES	0	0	0	0	0	0	0	0	0	0	0
303600	OTHER P/E COMPREHENSIVE STUDIES	0	0	0	0	0	0	0	0	0	0	0
310100	WATER RIGHTS	0	0	0	0	0	0	0	0	0	0	0
310200	RESERVOIR LAND	0	0	0	0	0	0	0	0	0	0	0
310300	OTHER SS LAND	0	0	0	0	0	0	0	0	0	0	0
311000	SS STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
312000	COLL & IMPOUNDING RESERV	0	0	0	0	0	0	0	0	0	0	0
313000	LAKE, RIVER, & OTHER INTAKES	0	0	0	0	0	0	0	0	0	0	0
314000	WELLS & SPRINGS	0	0	0	0	0	0	0	0	0	0	0
316000	SUPPLY MAINS	0	0	0	0	0	0	0	0	0	0	0
320000	PUMPING LAND & LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0
321000	PUMPING STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0
322000	BOILER PLANT EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
323200	OTHER POWER PROD EQPT	0	0	0	0	0	0	0	0	0	0	0
325000	ELECTRIC PUMPING EQUIPMENT	0	0	0	0	0	0	10,000	0	10,000	10,000	0
326000	DIESEL PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
328200	GASOLINE PUMPING EQPT	0	0	0	0	0	0	0	0	0	0	0
328300	OTHER PUMPING EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
330000	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0
331000	WT STRUCTURES & IMPROVMNT	0	0	0	0	0	0	0	0	0	0	0
332000	WATER TREATMENT EQUIPMENT	4,750	8,600	14,300	4,000	10,300	274,100	8,500	5,000	26,400	22,200	11,000
334000	WATER TREATMENT - GAC	0	0	0	0	0	0	0	0	0	0	0
340000	LAND AND LAND RIGHTS	0	0	0	0	0	0	0	0	0	0	0
340100	T & D LAND & RIGHTS OF WAY	0	0	0	0	0	0	0	0	0	0	0
340110	T & D LAND	0	0	0	0	0	0	0	0	0	0	0
340120	T & D RIGHTS OF WAY	0	0	0	0	0	0	0	0	0	0	0
340200	DIST RES & STANDPIPE LAND	0	0	0	0	0	0	0	0	0	0	0
341000	T & D STRUCTURES & IMP	0	0	0	0	0	0	0	0	0	0	0
342000	DIST RES & STANDPIPES	0	0	0	0	0	0	1,464,426	0	0	0	2,700,000
343000	T & D MAINS	467,000	243,350	340,655	402,875	384,395	355,190	374,800	315,190	378,205	377,215	649,655
345000	SERVICES	116,050	44,300	71,500	136,900	88,500	133,200	130,300	179,900	173,100	304,100	208,100
346000	METERS	0	0	0	0	0	0	0	0	0	0	0
346100	METERS - BRONZE CASE	0	0	0	0	0	0	0	0	0	0	0
346200	METERS - PLASTIC CASE	70,000	24,100	62,800	54,000	132,700	45,000	61,450	30,000	33,000	41,450	40,000
346300	METERS - OTHER	1,500	0	0	1,500	0	0	1,500	0	0	1,500	0
347000	METER INSTALLATIONS	60,350	21,000	30,200	79,900	107,700	120,100	98,100	75,700	74,900	111,200	89,200
348000	HYDRANTS	37,000	13,900	22,100	28,400	26,600	36,400	30,500	28,900	31,500	34,500	28,100
389200	STORES SHOP & GARAGE LAND	0	0	0	0	0	0	0	0	0	0	0
390100	OFFICE STRUCTURES	0	0	0	0	0	2,500	8,200	0	900	1,400	3,000
390200	STORES, SHOP & GAR STRUCT	0	0	0	0	0	0	0	0	0	0	0
390300	MISC STRUCTURES	0	0	0	0	0	0	1,337,751	0	0	0	0
391100	OFFICE FURNITURE	0	0	0	0	0	0	0	0	0	0	0
391200	MAINFRAME COMP & PERIPH EQPT	0	0	0	0	0	5,000	5,000	0	0	0	0
391210	PERSONAL COMP & PERIPH EQPT	15,000	500	5,800	6,100	7,700	5,400	9,200	4,200	3,300	3,200	3,800
391220	OTHER OFFICE MACH & EQPT	0	0	0	0	0	0	0	0	0	0	0
391230	OFFICE MACH & EQPT - SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
391250	MAINFRAME SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
391260	PERSONAL COMP SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
391280	OTHER SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
391300	OTHER OFFICE EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0
392110	TRANS EQUIP - LIGHT TRUCKS	0	0	0	15,000	30,000	15,000	0	0	0	0	0

<b>Kentucky-American Water Company</b>												
<b>UPIS Additions per Construction File</b>												
<b>CASE NO: 2004-00103</b>												
	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	
392120	TRANS EQUIP - HEAVY TRUCKS	0	0	35,000	35,000	35,000	0	0	0	0	0	
392200	TRANS EQUIP - CARS	0	20,000	0	0	0	0	0	0	0	0	
392300	OTHER TRANS EQUIP	0	0	0	0	0	0	0	0	0	0	
393000	STORES EQUIPMENT	0	0	0	0	0	0	0	0	0	0	
394000	TOOLS, SHOP, & GARAGE EQUIP	5,000	5,000	5,000	7,200	5,000	10,000	10,000	10,000	6,000	5,000	7,800
395000	LABORATORY EQUIPMENT	10,900	12,000	15,000	19,000	22,900	36,800	10,300	9,900	10,300	13,700	20,400
396000	POWER OPERATED EQUIPMENT	0	0	0	0	0	0	0	0	0	0	
397000	COMMUNICATION EQUIPMENT	0	300	4,200	4,400	5,500	5,000	2,000	3,000	2,000	500	300
397100	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	
397200	COMMUNICATION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	
398000	MISC EQUIPMENT	0	0	0	0	0	0	0	0	0	6,000	3,000
399000	OTHER TANGIBLE PROPERTY	0	0	0	0	0	0	0	0	0	0	
354100	COLLECTIVE SYSTEM STRUCTURES SWR	0	0	0	0	0	0	0	0	0	0	
371100	ELECTRIC PUMPING EQUIPMENT SWR	0	0	0	0	0	0	0	0	0	0	
	<b>TOTAL UTILITY PLANT IN SERVICE</b>	<b>787,550</b>	<b>393,050</b>	<b>606,555</b>	<b>794,275</b>	<b>856,295</b>	<b>1,043,690</b>	<b>3,562,027</b>	<b>661,790</b>	<b>749,605</b>	<b>931,965</b>	<b>3,764,355</b>
<b>Kentucky-American Water Company</b>			Total Additions 2001		10,709,515							
<b>Segregation of Tax Basis Property</b>			Total Land		0							10,709,515
<b>CASE NO: 2004-00103</b>												
	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	
	WATER PROPERTY	\$522,183	\$83,216	\$368,372	\$286,877	\$379,353	\$739,903	\$2,006,861	\$208,036	\$286,830	\$972,058	\$3,231,675
	OFFICE FURN. & FIX.	15,000	500	5,800	6,100	7,700	10,400	14,200	4,200	3,300	3,200	3,800
	SOFTWARE	0	0	0	0	0	0	0	0	0	0	0
	LIGHT TRUCKS	0	0	0	15,000	30,000	15,000	0	0	0	0	0
	CARS	0	20,000	0	0	0	0	0	0	0	0	0
	HEAVY TRUCKS	0	0	35,000	35,000	35,000	0	0	0	0	0	0
	COMMUNICATION EQUIPMENT	0	300	4,200	4,400	5,500	5,000	2,000	3,000	2,000	500	300
	BUILDINGS	0	0	0	0	0	0	1,337,751	0	0	0	0
	Land	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Tax Basis Property</b>	<b>537,183</b>	<b>104,016</b>	<b>413,372</b>	<b>347,377</b>	<b>457,553</b>	<b>770,303</b>	<b>3,360,812</b>	<b>215,236</b>	<b>292,130</b>	<b>975,758</b>	<b>3,235,775</b>
	Check Total before Temporary Diff	250,367	289,034	193,183	446,898	398,742	273,387	201,215	446,554	457,475	(43,793)	528,580
	Book AFUDC	51,541	56,084	61,558	66,954	71,029	62,478	45,555	52,237	59,281	69,544	243,367
	Tax AFUDC	17,174	17,730	19,575	21,376	22,727	22,891	10,780	12,763	15,426	17,817	19,427
	Net Non-taxable Cust Adv/CIAC	216,000	250,680	151,200	401,320	350,440	233,800	166,440	407,080	413,640	2	304,640
	<b>Total Net Temporary Differences</b>	<b>250,367</b>	<b>289,034</b>	<b>193,183</b>	<b>446,898</b>	<b>398,742</b>	<b>273,387</b>	<b>201,215</b>	<b>446,554</b>	<b>457,475</b>	<b>(43,793)</b>	<b>528,580</b>
	Check Total	0	0	0	0	0	0	0	0	0	0	0

Kentucky-American Water Co  
Deferred Maintenance Balance  
CASE NO: 200440103

	Hydrotreator # 10	Paint Hydrotreator # 10	Overhaul KRS HS Pump# 14	Paint Hydrotreator " - "	KRS HS Pumps 12 & 13	Paint Hydrotreator " - "	Paint Hydrotreator # 5	Rebuild Head Hydrotreator	Paint Hydrotreator	Paint Hydrotreator
Work Order No	959	965	977				1011			
Starting Date	Jan-1996	Jan-1996	Jan-1996	Jan-1996	Jan-1996	Jan-1996	Sep-1996	Oct-1997	Jan-1997	Oct-1997
Ending Date	Jan-2010	Jan-2010	Dec-2005	Dec-2010	Dec-2005	Dec-2010	Aug-2011	Sep-2006	Dec-2011	Sep-2012
Amort Period	180	180	120				180			
Total Cost	\$ 24,777.00	\$123,444.00	\$ 40,856.40	\$180,120.60	\$ 74,160.00	\$203,745.60	\$180,876.60	\$ 12,462.12	\$193,750.20	\$223,993.80
Initial Amort	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,044.06	1,244.41
Amort. Amount	137.65	685.80	340.47	1,000.67	618.00	1,131.92	1,004.87	115.39	1,076.39	1,244.41
Last Month Amort	137.27	686.27	340.47	1,000.67	618.00	1,131.92	1,004.87	200.09	1,464.32	1,244.41
Jan-2004	\$9,910.42	\$49,378.07	\$7,830.81	\$83,055.61	\$14,214.00	\$93,949.36	\$91,443.17	\$3,777.18	\$102,644.98	\$129,418.64
Feb-2004	9,772.77	48,692.27	7,490.34	82,054.94	13,596.00	92,817.44	90,438.30	3,661.79	101,568.59	128,174.23
Mar-2004	9,635.12	48,006.47	7,149.87	81,054.27	12,978.00	91,685.52	89,433.43	3,546.40	100,492.20	126,929.82
Apr-2004	9,497.47	47,320.67	6,809.40	80,053.60	12,360.00	90,553.60	88,428.56	3,431.01	99,415.81	125,685.41
May-2004	9,359.82	46,634.87	6,468.93	79,052.93	11,742.00	89,421.68	87,423.69	3,315.62	98,339.42	124,441.00
Jun-2004	9,222.17	45,949.07	6,128.46	78,052.26	11,124.00	88,289.76	86,418.82	3,200.23	97,263.03	123,196.59
Jul-2004	9,084.52	45,263.27	5,787.99	77,051.59	10,506.00	87,157.84	85,413.95	3,084.84	96,186.64	121,952.18
Aug-2004	8,946.87	44,577.47	5,447.52	76,050.92	9,888.00	86,025.92	84,409.08	2,969.45	95,110.25	120,707.77
Sep-2004	8,809.22	43,891.67	5,107.05	75,050.25	9,270.00	84,894.00	83,404.21	2,854.06	94,033.86	119,463.36
Oct-2004	8,671.57	43,205.87	4,766.58	74,049.58	8,652.00	83,762.08	82,399.34	2,738.67	92,957.47	118,218.95
Nov-2004	8,533.92	42,520.07	4,426.11	73,048.91	8,034.00	82,630.16	81,394.47	2,623.28	91,881.08	116,974.54
Dec-2004	8,396.27	41,834.27	4,085.64	72,048.24	7,416.00	81,498.24	80,389.60	2,507.89	90,804.69	115,730.13
Jan-2005	8,258.62	41,148.47	3,745.17	71,047.57	6,798.00	80,366.32	79,384.73	2,392.50	89,728.30	114,485.72
Feb-2005	8,120.97	40,462.67	3,404.70	70,046.90	6,180.00	79,234.40	78,379.86	2,277.11	88,651.91	113,241.31
Mar-2005	7,983.32	39,776.87	3,064.23	69,046.23	5,562.00	78,102.48	77,374.99	2,161.72	87,575.52	111,996.90
Apr-2005	7,845.67	39,091.07	2,723.76	68,045.56	4,944.00	76,970.56	76,370.12	2,046.33	86,499.13	110,752.49
May-2005	7,708.02	38,405.27	2,383.29	67,044.89	4,326.00	75,838.64	75,365.25	1,930.94	85,422.74	109,508.08
Jun-2005	7,570.37	37,719.47	2,042.82	66,044.22	3,708.00	74,706.72	74,360.38	1,815.55	84,346.35	108,263.67
Jul-2005	7,432.72	37,033.67	1,702.35	65,043.55	3,090.00	73,574.80	73,355.51	1,700.16	83,269.96	107,019.26
Aug-2005	7,295.07	36,347.87	1,361.88	64,042.88	2,472.00	72,442.88	72,350.64	1,584.77	82,193.57	105,774.85
Sep-2005	7,157.42	35,662.07	1,021.41	63,042.21	1,854.00	71,310.96	71,345.77	1,469.38	81,117.18	104,530.44
Oct-2005	7,019.77	34,976.27	680.94	62,041.54	1,236.00	70,179.04	70,340.90	1,353.99	80,040.79	103,286.03
Nov-2005	6,882.12	34,290.47	340.47	61,040.87	618.00	69,047.12	69,228.00	1,238.00	78,964.40	102,041.62
Balance at End of Base Period	\$ 9,085	\$ 45,263	\$ 5,788	\$ 77,052	\$ 10,506	\$ 87,158	\$ 85,414	\$ 3,085	\$ 96,187	\$ 121,952
Balance at End of Forecasted Period	\$ 6,882	\$ 34,290	\$ 340	\$ 61,041	\$ 618	\$ 69,047	\$ 69,336	\$ 1,239	\$ 78,964	\$ 102,042
Average Balance for the Forecasted Period	\$ 7,708	\$ 38,405	\$ 2,383	\$ 67,045	\$ 4,326	\$ 75,839	\$ 75,365	\$ 1,931	\$ 85,423	\$ 109,508

DEFERRED TAXES - MAINTENANCE W/P-6-4  
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Kentucky-American Water Co  
 Deferred Maintenance Balance  
 CASE NO: 2004-00103

Work Order No.	Paint Hydrotreater # 7	Overhaul Travel Screens	Install Drive Head Hydrotreater #5	Blast & Paint Hume Road Tank	Paint Hydrotreater # 1	Paint Hydrotreater # 2	1999-2000 Paint Hydrants	Repair Cox Street Tank	York Street Tank Repairs	Paint Tates Creek
Starting Date	1039	1043	1044	1061	1090	1103	1088	1094	1104	1105
Ending Date	Nov-1997	Nov-1997	Oct-1997	Aug-1998	Dec-2000	Dec-2000	Dec-2000	Dec-2000	Dec-2000	Dec-2004
Amort. Period	Oct-2012	Oct-2007	Sep-2006	Jul-2013	Nov-2015	Nov-2015	Nov-2005	Nov-2015	Nov-2015	Nov-2019
Total Cost	180	120	108	180	180	180	60	180	180	180
Initial Amort	\$230,747.40	\$ 57,997.20	\$ 16,733.52	\$386,982.00	\$264,466.80	\$324,178.20	\$168,815.40	\$ 74,998.80	\$ 49,703.40	\$ 68,382.39
Amort Amount	1,277.93	0.00	0.00	2,059.46	1,469.26	1,800.99	2,813.59	416.66	276.13	379.91
Last Month Amort	1,281.93	483.31	154.94	2,149.90	1,469.26	1,800.99	2,813.59	416.66	276.13	379.91
	1,281.93	478.06	154.94	2,151.54	1,469.26	1,800.99	2,813.59	416.66	292.13	378.50
Jan-2004	\$134,602.65	\$21,748.95	\$4,958.08	\$245,088.60	\$208,634.92	\$255,740.58	\$61,898.98	\$59,165.72	\$41,419.40	\$68,782.28
Feb-2004	133,320.72	21,265.64	4,803.14	242,938.70	207,165.66	253,939.59	59,085.39	58,749.06	41,143.27	68,782.28
Mar-2004	132,038.79	20,782.33	4,648.20	240,788.80	205,696.40	252,138.60	56,271.80	58,332.40	40,867.14	68,782.28
Apr-2004	130,756.86	20,299.02	4,493.26	238,638.90	204,227.14	250,337.61	53,458.21	57,915.74	40,591.01	68,782.28
May-2004	129,474.93	19,815.71	4,338.32	236,489.00	202,757.88	248,536.62	50,644.62	57,499.08	40,314.88	68,782.28
Jun-2004	128,193.00	19,332.40	4,183.38	234,339.10	201,288.62	246,735.63	47,831.03	57,082.42	40,038.75	68,782.28
Jul-2004	126,911.07	18,849.09	4,028.44	232,189.20	199,819.36	244,934.64	45,017.44	56,665.76	39,762.62	68,782.28
Aug-2004	125,629.14	18,365.78	3,873.50	230,039.30	198,350.10	243,133.65	42,203.85	56,249.10	39,486.49	68,782.28
Sep-2004	124,347.21	17,882.47	3,718.56	227,889.40	196,880.84	241,332.66	39,390.26	55,832.44	39,210.36	68,782.28
Oct-2004	123,065.28	17,399.16	3,563.62	225,739.50	195,411.58	239,531.67	36,576.67	55,415.78	38,934.23	68,782.28
Nov-2004	121,783.35	16,915.85	3,408.68	223,589.60	193,942.32	237,730.68	33,763.08	54,999.12	38,658.10	68,801.78
Dec-2004	120,501.42	16,432.54	3,253.74	221,439.70	192,473.06	235,929.69	30,949.49	54,582.46	38,365.23	68,421.87
Jan-2005	119,219.49	15,949.23	3,098.80	219,289.80	191,003.80	234,128.70	28,135.90	54,165.80	38,072.36	68,041.96
Feb-2005	117,937.56	15,465.92	2,943.86	217,139.90	189,534.54	232,327.71	25,322.31	53,749.14	37,779.49	67,662.05
Mar-2005	116,655.63	14,982.61	2,788.92	214,990.00	188,065.28	230,526.72	22,508.72	53,332.48	37,486.62	67,282.14
Apr-2005	115,373.70	14,499.30	2,633.98	212,840.10	186,596.02	228,725.73	19,695.13	52,915.82	37,193.75	66,902.23
May-2005	114,091.77	14,015.99	2,479.04	210,690.20	185,126.76	226,924.74	16,881.54	52,499.16	36,900.88	66,522.32
Jun-2005	112,809.84	13,532.68	2,324.10	208,540.30	183,657.50	225,123.75	14,067.95	52,082.50	36,608.01	66,142.41
Jul-2005	111,527.91	13,049.37	2,169.16	206,390.40	182,188.24	223,322.76	11,254.36	51,665.84	36,315.14	65,762.50
Aug-2005	110,245.98	12,566.06	2,014.22	204,240.50	180,718.98	221,521.77	8,440.77	51,249.18	36,022.27	65,382.59
Sep-2005	108,964.05	12,082.75	1,859.28	202,090.60	179,249.72	219,720.78	5,627.18	50,832.52	35,729.40	65,002.68
Oct-2005	107,682.12	11,599.44	1,704.34	199,940.70	177,780.46	217,919.79	2,813.59	50,415.86	35,436.53	64,622.77
Nov-2005	106,400.19	11,116.13	1,549.40	197,790.80	176,311.20	216,118.80	0.00	49,999.20	35,143.66	64,242.86
Balance at End of Base Period	\$ 126,911	\$ 18,849	\$ 4,028	\$ 232,189	\$ 199,819	\$ 244,935	\$ 45,017	\$ 56,666	\$ 39,763	\$ 68,782
Balance at End of Forecasted Period	\$ 106,400	\$ 11,116	\$ 1,549	\$ 197,791	\$ 176,311	\$ 216,119	\$ -	\$ 49,999	\$ 35,144	\$ 64,243
Average Balance for the Forecasted Period	\$ 114,092	\$ 14,016	\$ 2,479	\$ 210,690	\$ 185,127	\$ 226,925	\$ 16,882	\$ 52,499	\$ 36,901	\$ 66,522

DEFERRED TAXES - MAINTENANCE W/P-6-4  
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Work Order No.	Sadieville Standpipe Repairs	Cox Street Tank Repairs	Paint Cox Street Ground Storage Tank	Paint York Street Tank	Paint Sadieville Tank	Clean KRS							
	1106	50030635											
Starting Date	Dec-2004	Dec-2004	Jun-2005	Jun-2005	Jun-2005	Dec-2004							
Ending Date	Nov-2019	Nov-2019	May-2020	May-2020	May-2020	Nov-2006							
Amort. Period	180	180	180	180	180	24	LEXINGTON						
Total Cost	\$ 26,720.05	\$ 34,193.78	\$250,000.00	\$250,000.00	\$170,000.00	\$170,000.00							
Initial Amort	148.45	192.08	1,388.89	1,388.89	944.45	7,083.34							
Amort. Amount	148.45	192.08	1,388.89	1,388.89	944.45	7,083.34							
Last Month Amort	147.50	190.89	1,388.69	1,388.69	943.45	7,083.18							
							Deferred Maintenance Totals	Deferred State Income Taxes	Deferred Federal Income Taxes	Amort	Deferred St Expense	Deferred Ft Expense	
Jan-2004	\$26,720.05	\$36,155.40	\$0.00	\$0.00	\$0.00	\$0.00	\$2,319,472.13	\$ 191,356.45	\$ 744,840.49	\$ (30,227.26)	\$ (2,484.00)	\$ (9,707.00)	
Feb-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,289,660.94	\$ 188,897.03	\$ 735,267.37	\$ (29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Mar-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,259,849.75	\$ 186,437.60	\$ 725,694.25	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Apr-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,230,038.56	\$ 183,978.18	\$ 716,121.13	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
May-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,200,227.37	\$ 181,518.76	\$ 706,548.01	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Jun-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,170,416.18	\$ 179,059.33	\$ 696,974.90	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Jul-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,140,604.99	\$ 176,599.91	\$ 687,401.78	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Aug-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,110,793.80	\$ 174,140.49	\$ 677,828.66	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Sep-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,080,982.61	\$ 171,681.07	\$ 668,255.54	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Oct-2004	26,720.05	36,155.40	0.00	0.00	0.00	0.00	\$2,051,171.42	\$ 169,221.64	\$ 658,682.42	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Nov-2004	26,720.05	34,193.78	0.00	0.00	0.00	170,000.00	\$2,189,418.11	\$ 180,626.99	\$ 703,076.89	(29,811.19)	\$ (2,459.00)	\$ (9,573.00)	
Dec-2004	26,571.60	34,001.70	0.00	0.00	0.00	162,916.66	\$2,151,786.40	\$ 177,522.38	\$ 690,992.41	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
Jan-2005	26,423.15	33,809.62	0.00	0.00	0.00	155,833.32	\$2,114,154.69	\$ 174,417.76	\$ 678,907.93	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
Feb-2005	26,274.70	33,617.54	0.00	0.00	0.00	148,749.98	\$2,076,522.98	\$ 171,313.15	\$ 666,823.44	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
Mar-2005	26,126.25	33,425.46	0.00	0.00	0.00	141,666.64	\$2,038,891.27	\$ 168,208.53	\$ 654,738.96	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
Apr-2005	25,977.80	33,233.38	0.00	0.00	0.00	134,583.30	\$2,001,259.56	\$ 165,103.91	\$ 642,654.48	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
May-2005	25,829.35	33,041.30	250,000.00	250,000.00	170,000.00	127,499.96	\$2,633,627.85	\$ 217,274.30	\$ 845,723.74	(37,631.71)	\$ (3,105.00)	\$ (12,084.00)	
Jun-2005	25,680.90	32,849.22	248,611.11	248,611.11	169,055.55	120,416.62	\$2,592,273.91	\$ 213,862.60	\$ 832,443.96	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
Jul-2005	25,532.45	32,657.14	247,222.22	247,222.22	168,111.10	113,333.28	\$2,550,919.97	\$ 210,450.90	\$ 819,164.17	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
Aug-2005	25,384.00	32,465.06	245,833.33	245,833.33	167,166.65	106,249.94	\$2,509,566.03	\$ 207,039.20	\$ 805,884.39	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
Sep-2005	25,235.55	32,272.98	244,444.44	244,444.44	166,222.20	99,166.60	\$2,468,212.09	\$ 203,627.50	\$ 792,604.61	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
Oct-2005	25,087.10	32,080.90	243,055.55	243,055.55	165,277.75	92,083.26	\$2,426,858.15	\$ 200,215.80	\$ 779,324.82	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
Nov-2005	24,938.65	31,888.82	241,666.66	241,666.66	164,333.30	84,999.92	\$2,385,504.21	\$ 196,804.10	\$ 766,045.04	(41,353.94)	\$ (3,412.00)	\$ (13,280.00)	
										\$ (473,914.00)	\$ (39,102.00)	\$ (152,184.00)	
Balance at End of Base Period	\$ 26,720	\$ 36,155	\$ -	\$ -	\$ -	\$ -	\$ 2,140,605	\$ 176,600	\$ 687,402				
Balance at End of Forecasted Period	\$ 24,939	\$ 31,889	\$ 241,667	\$ 241,667	\$ 164,333	\$ 85,000	\$ 2,385,504	\$ 196,804	\$ 766,045				
Average Balance for the Forecasted Period	\$ 25,829	\$ 33,041	\$ 132,372	\$ 132,372	\$ 90,013	\$ 127,500	\$ 2,318,384	\$ 191,267	\$ 744,491				

Kentucky-American Water Co  
 Deferred Maintenance Balance  
 CASE NO: 2004-00103

Work Order No. Starting Date Ending Date Amort. Period Total Cost Initial Amort Amort. Amount Last Month Amort	Tri Village Paint Long Ridge Tank 5039636 Dec-2004 Nov-2019 180 \$140,000.00 777.78 777.78	KENTUCKY-AMERICAN WATER COMPANY CALCULATION OF 13 MONTH AVERAGE BALANCE DEFERRED TAX EXPENSE DEFERRED MAINTENANCE							Month
		Deferred Maintenance Totals	Deferred State Income Taxes	Deferred Federal Income Taxes	Amort	Deferred St Expense	Deferred Fil Expense		
Jan-2004	\$34,433.84	\$34,433.84	\$ 2,840.79	\$ 11,057.57	\$ -	\$ -	\$ -	Jan-2004	
Feb-2004	34,433.84	\$34,433.84	2,840.79	11,057.57	\$ -	\$ -	\$ -	Feb-2004	
Mar-2004	34,433.84	\$34,433.84	2,840.79	11,057.57	0.00	0.00	0.00	Mar-2004	
Apr-2004	34,433.84	\$34,433.84	2,840.79	11,057.57	0.00	0.00	0.00	Apr-2004	
May-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	May-2004	
Jun-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	Jun-2004	
Jul-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	Jul-2004	
Aug-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	Aug-2004	
Sep-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	Sep-2004	
Oct-2004	148,894.30	\$148,894.30	12,283.78	47,813.68	0.00	0.00	0.00	Oct-2004	
Nov-2004	140,000.00	\$140,000.00	11,550.00	44,957.50	0.00	0.00	0.00	Nov-2004	
Dec-2004	139,222.22	\$139,222.22	11,485.83	44,707.74	(777.78)	(64.00)	(250.00)	Dec-2004	
Jan-2005	138,444.44	\$138,444.44	11,421.67	44,457.97	(777.78)	(64.00)	(250.00)	Jan-2005	
Feb-2005	137,666.66	\$137,666.66	11,357.50	44,208.21	(777.78)	(64.00)	(250.00)	Feb-2005	
Mar-2005	136,888.88	\$136,888.88	11,293.33	43,958.44	(777.78)	(64.00)	(250.00)	Mar-2005	
Apr-2005	136,111.10	\$136,111.10	11,229.17	43,708.68	(777.78)	(64.00)	(250.00)	Apr-2005	
May-2005	135,333.32	\$135,333.32	11,165.00	43,458.91	(777.78)	(64.00)	(250.00)	May-2005	
Jun-2005	134,555.54	\$134,555.54	11,100.83	43,209.15	(777.78)	(64.00)	(250.00)	Jun-2005	
Jul-2005	133,777.76	\$133,777.76	11,036.67	42,959.38	(777.78)	(64.00)	(250.00)	Jul-2005	
Aug-2005	132,999.98	\$132,999.98	10,972.50	42,709.62	(777.78)	(64.00)	(250.00)	Aug-2005	
Sep-2005	132,222.20	\$132,222.20	10,908.33	42,459.85	(777.78)	(64.00)	(250.00)	Sep-2005	
Oct-2005	131,444.42	\$131,444.42	10,844.16	42,210.09	(777.78)	(64.00)	(250.00)	Oct-2005	
Nov-2005	130,666.64	\$130,666.64	10,780.00	41,960.32	(777.78)	(64.00)	(250.00)	Nov-2005	
<b>Balance at End of Base Period</b>		\$ 148,894	\$ 148,894	5 12,284	5 47,814	\$ (9,333.00)	\$ (768.00)	\$ (3,000.00)	<b>Balance at End of the Base Period</b>
<b>Balance at End of Forecasted Period</b>		\$ 130,667	5 130,667	5 10,780	5 41,960				<b>Balance at End of the Forecasted Period</b>
<b>Average Balance for the Forecasted Period</b>		\$ 135,333	5 135,333	5 11,165	\$ 43,459				<b>Average Balance for the Forecasted Period</b>

DEFERRED TAXES - MAINTENANCE W/P-6-4  
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KENTUCKY-AMERICAN WATER COMPANY								
CASE NO: 2004-00103								
Amortization Deferred Debits								
Description			Aww Acct.	Amortization				
				Period		Months	Monthly Amount	Ending Amount
				Beginning	Ending			
Acquisition of Boonesboro	120205	680300	930200	May-2001	Apr-2011	120	\$ 1,087.57	\$ 1,086.81
Cost of Boonesboro Acquisition	120205	680300	930200	May-2001	Apr-2011	480	-	-
KRS II	120205	680600	643310	Dec-2000	Nov-2005	60	\$ 8,454.09	\$ 8,454.09
Bluegrass Water Project	120205	680600	643310	Dec-2000	Nov-2010	120	29,458.13	30,108.05
KRS Residuals	120205	680600	643310	Dec-2000	Nov-2005	60	10,404.29	10,404.29
Source of Supply (CWIP)	120205	680600	643310	Jan-2001	Dec-2040	480	4,756.67	4,757.42
Community Education	120105	575000.16	930230	May-2001	Apr-2006	60	8,270.23	8,270.43
Deferred Legal Costs	120105	575000.16	930230	Jun-2001	May-2006	60	3,226.32	3,226.61
Y2K Compliance	120105	575000.16	930230	May-2001	Apr-2006	60	1,812.01	1,811.73
Disinfection By Product Study	120105	575000.16	930230	Dec-2000	Nov-2005	60	1,554.16	1,554.16
GIS - Graphical Interface Study	120105	575000.16	930230	May-2001	Apr-2004	36	1,639.69	1,639.55
Shared Services Center	120105	575400.16	930230	Dec-2004	Nov-2014	120	4,645.88	4,645.91
Customer Call Center	120105	575400.16	930230	Dec-2004	Nov-2014	120	4,761.71	4,761.55
Cost of Service 00-xxxx	120112	566700.16	928100	Dec-2000	Nov-2005	60	925.15	925.15
Demand Study 00-xxxx	120112	566700.16	928100	Dec-2000	Nov-2005	60	975.80	975.81
Deferred Security Costs	120205	575711.16	930230	Dec-2004	Nov-2014	120	23,380.52	23,379.91
Acquisition of Tri-Village	123005	680300	930200	Jan-2003	Dec-2042	480	473.47	470.21
Acquisition of Elk Lake	124000	680300	930200	Jan-2003	Dec-2042	480	223.82	222.22
Totals								
Total Amortization Check Total								
Total Amortization-Lexington								
Less: GAC Amortization								
Net Amortization								
SIT Rate and Expense		8.25%						
FIT Rate and Expense		35.00%						
Total Deferred Tax Exp - Def Dr.								
Total Amortization-Tri Village								
Less: GAC Amortization								
Net Amortization								
SIT Rate and Expense		6.25%						
FIT Rate and Expense		35.00%						
Total Deferred Tax Exp - Def Dr.								
Total Amortization-Elk Lake								
Less: GAC Amortization								
Net Amortization								
SIT Rate and Expense		8.25%						
FIT Rate and Expense		35.00%						
Total Deferred Tax Exp - Def Dr.								
				Summary of Amort by Account			120205	680300
							120205	680600
							120105	575000.16
							120105	575400.16
							120112	566700.16
							120205	575711.16
							123005	680300
							124000	680300



DEFERRED TAXES - DEFERRED DEBITS W/P-6-5  
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Description	KENTUCKY AMERICAN WATER COMP												Total
	Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005	Dec-2005	
Acquisition of Boonesboro	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	1,087.57	13,050.88
Cost of Boonesboro Acquisition	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KRS II	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	8,454.09	101,449.08
Bluegrass Water Project	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	30,099.76	361,197.12
KRS Residuals	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	10,404.29	124,851.48
Source of Supply (CWIP)	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	4,756.67	57,080.04
Community Education	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	6,270.23	69,242.76
Deferred Legal Costs	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	3,226.32	39,716.84
Y2K Compliance	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	1,812.01	21,744.12
Disinfection By Product Study	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	1,554.16	18,649.92
GIS - Graphical Interface Study	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shared Services Center	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	4,645.88	55,790.56
Customer Call Center	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	4,761.71	57,140.52
Cost of Service 00-xxxx	925.15	925.15	925.15	925.15	925.15	925.15	925.15	925.15	925.15	925.15	925.15	925.15	11,101.80
Demand Study 00-xxxx	975.80	975.80	975.80	975.80	975.80	975.80	975.80	975.80	975.80	975.80	975.80	975.80	11,709.61
Deferred Security Costs	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	23,380.52	280,566.24
Acquisition of Tri-Village	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	5,681.64
Acquisition of Elk Lake	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	2,685.84
Totals	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	105,051.45	1,260,617.45
Total Amortization Check Total	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(122,340.45)	(868,678.40)
	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(17,289.00)	(224,757.00)
Total Amortization-Lexington	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	1,254,935.81
Less: GAC Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Amortization	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	104,577.98	1,254,935.81
SIT Rate and Expense	8,628	8,628	8,628	8,628	8,628	8,628	8,628	8,628	8,628	8,628	8,628	8,628	103,536
FIT Rate and Expense	33,582	33,582	33,582	33,582	33,582	33,582	33,582	33,582	33,582	33,582	33,582	33,582	402,984
Total Deferred Tax Exp - Def Dr.	42,210	42,210	42,210	42,210	42,210	42,210	42,210	42,210	42,210	42,210	42,210	42,210	506,520
Total Amortization-Tri Village	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	5,681.64
Less: GAC Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Amortization	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	473.47	5,681.64
SIT Rate and Expense	39	39	39	39	39	39	39	39	39	39	39	39	468
FIT Rate and Expense	152	152	152	152	152	152	152	152	152	152	152	152	1,824
Total Deferred Tax Exp - Def Dr.	191	191	191	191	191	191	191	191	191	191	191	191	2,292
Total Amortization-Elk Lake	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	2,685.84
Less: GAC Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Amortization	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	223.82	2,685.84
SIT Rate and Expense	18	18	18	18	18	18	18	18	18	18	18	18	216
FIT Rate and Expense	72	72	72	72	72	72	72	72	72	72	72	72	864
Total Deferred Tax Exp - Def Dr.	90	90	90	90	90	90	90	90	90	90	90	90	1,080
	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	13,056
	53,715	53,715	53,715	53,715	53,715	53,715	53,715	53,715	53,715	53,715	53,715	53,715	644,580
	14,863	14,863	14,863	14,863	14,863	14,863	14,863	14,863	14,863	14,863	14,863	14,863	178,356
	9,408	9,408	9,408	9,408	9,408	9,408	9,408	9,408	9,408	9,408	9,408	9,408	112,896
	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	1,901	22,812
	23,381	23,381	23,381	23,381	23,381	23,381	23,381	23,381	23,381	23,381	23,381	23,381	280,572
	473	473	473	473	473	473	473	473	473	473	473	473	5,676
	224	224	224	224	224	224	224	224	224	224	224	224	2,688
	105,053	105,053	105,053	105,053	105,053	105,053	105,053	105,053	105,053	105,053	105,053	105,053	1,260,636

Kentucky American Water Company		Forecasted Amortization Expense												Total			
CASE NO: 2004-00103																	
Object	Sub	BU	AWW Acct	Dec-04	Jan-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05			
				F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12	Total	Total
<b>Amortization of Property Losses</b>																	
KRS II		120205	407000	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 101,450	\$ 101,450
KRS Residuals		120205	407000	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	10,404	124,852	124,852
BWP Pipeline		120205	407000	29,458	29,458	29,458	29,458	29,458	29,458	29,458	29,458	29,458	29,458	29,458	29,458	353,486	353,486
Source of Supply		120205	407000	4,757	4,757	4,757	4,757	4,757	4,757	4,757	4,757	4,757	4,757	4,757	4,757	57,084	57,084
Pinville Acq		120205	407000	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	1,608	19,296	19,296
Total Amort Property Losses				54,681	54,681	54,681	54,681	54,681	54,681	54,681	54,681	54,681	54,681	54,681	54,681	666,178	666,178
<b>UPAA</b>																	
Boonesboro		120205	406000	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 1,104	\$ 13,248	\$ 13,248
Tri Village		123005	406000	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 473	\$ 5,676	\$ 5,676
Elk Lake		124000	406000	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 224	\$ 2,688	\$ 2,688
Total UPAA				1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801	21,612	21,612
<b>Regulatory Asset - AFUDC Equity Grossup</b>																	
680540		120205	404430	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 2,144	\$ 25,728	\$ 25,728
Total Amortization				\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 58,626	\$ 703,518	\$ 703,518
<b>Deferred Tax-Expense</b>																	
Property Losses		SIT	FIT														
		54,135	210,715														

Kentucky American Water Company Forecasted Amortization Expense CASE NO: 2004-00103													
KRS II Costs													
Total Cost on Books	Mar-04	Nov-04	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05		
Remaining Amort Period (Mos)	20	12											
Unamortized Balance	\$ 101,450	\$ 92,896	\$ 76,088	\$ 64,542	\$ 59,180	\$ 42,272	\$ 33,818	\$ 25,364	\$ 16,910	\$ 8,454	\$ -		
Deferred SIT Liability	\$ 8,370	\$ 7,851	\$ 7,113	\$ 6,594	\$ 6,275	\$ 5,437	\$ 5,018	\$ 4,599	\$ 4,180	\$ 3,761	\$ 3,342		
Deferred FIT Liability	\$ 32,578	\$ 30,849	\$ 27,691	\$ 26,062	\$ 22,804	\$ 21,175	\$ 19,546	\$ 17,917	\$ 16,288	\$ 14,659	\$ 13,030		
Balance End of Base	Unamort Bal	Deferred SIT	Deferred FIT										
Balance End of Forecast	101,450	8,370	32,578										
Avg for Forecasted Period	0	3,342	13,030										
	50,726	5,656	22,804										
	Total												
Amortization Amount	Forecast	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
	\$ 101,450	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454	\$ 8,454
Deferred Tax - SIT	5,028	419	419	419	419	419	419	419	419	419	419	419	419
Deferred Tax - FIT	19,548	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629	1,629
SIT Rate	8.25%												
FIT Rate	35.00%												



Kentucky American Water Company Forecasted Amortization Expense CASE NO: 200440103		KRS Residual Project Costs												
		Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
Total Cost on Books,	124,852													
Remaining Amort Period (Mos)	20													
Unamortized Balance		124,852	114,448	104,044	93,640	83,236	72,832	62,428	52,024	41,620	31,215	20,812	10,408	
Deferred S/T Liability		10,300	9,785	9,270	8,755	8,240	7,725	7,210	6,695	6,180	5,665	5,150	4,635	4,120
Deferred FIT Liability		40,093	38,088	36,083	34,078	32,073	30,068	28,063	26,058	24,053	22,048	20,043	18,038	16,033
Balance End of Base		Unamort Bal	Deferred S/T	Deferred FIT										
Balance End of Forecast		124,852	40,300	40,093										
Aug for Forecast Period		0	4,120	16,033										
		62,428	7,210	28,063										
Total														
Amortization Amount		Forecast	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
		\$ 124,852	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,404	\$ 10,408
Deferred Tax - S/T		6,180	515	515	515	515	515	515	515	515	515	515	515	515
Deferred Tax - FIT		24,060	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005
S/T Rate														
FIT Rate														
			8.25%											
			35.00%											

Kentucky American Water Company Forecasted Amortization Expense CASE NO: 2004-00703													
Bluegrass Water Pipeline Coats													
Total Cost on Books	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
	Mar-04	Nov-04											
\$ 2,372,756	2,137,091	2,107,633	\$ 2,075,175	\$ 2,046,717	\$ 2,018,269	\$ 1,989,801	\$ 1,960,343	\$ 1,930,885	\$ 1,901,427	\$ 1,871,968	\$ 1,842,511	\$ 1,813,053	\$ 1,783,595
Remaining Amort Period (Mos)	80	72											
Unamortized Balance	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
\$ 176,310	\$ 174,106	\$ 171,902	\$ 169,698	\$ 167,494	\$ 165,290	\$ 163,086	\$ 160,882	\$ 158,678	\$ 156,474	\$ 154,270	\$ 152,066	\$ 149,862	\$ 147,658
Deferred SIT Liability	686,273	685,558	684,843	684,128	683,413	682,698	681,983	681,268	680,553	679,838	679,123	678,408	677,693
Deferred FIT Liability	Unamort Bal	Deferred SIT	Deferred FIT										
Balance End of Base	2,137,091	176,310	686,273										
Balance End of Forecast	1,783,595	149,962	677,693										
Avg for Forecasted Period	1,860,343	163,086	681,983										
Amortization	Total Forecast	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	
\$ 353,496	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458	\$ 29,458
Deferred Tax - SIT	26,448	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204
Deferred Tax - FIT	8,580	715	715	715	715	715	715	715	715	715	715	715	715
SIT Rate	8.25%												
FIT Rate	35.00%												

Kentucky American Water Company  
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**Source of Supply**

	Mar-04	Nov-04	Mar-05	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
Total Cost on Books	\$ 2,097,982	2,059,639												
Remaining Amort Period (Mos)	441	433												
Unamortized Balance	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	
Deferred SIT Liability	\$ 169,920	\$ 169,535	\$ 169,150	\$ 168,765	\$ 168,380	\$ 167,995	\$ 167,610	\$ 167,225	\$ 166,840	\$ 166,455	\$ 166,070	\$ 165,685	\$ 165,300	
Deferred FIT Liability	661,402	661,277	661,152	661,027	660,902	660,777	660,652	660,527	660,402	660,277	660,152	660,027	659,902	
Balance End of Base	Unamort Bal	Deferred SIT	Deferred FIT											
Balance End of Forecast	2,059,639	169,920	661,402											
Avg for Forecasted Period	2,002,555	165,300	659,902											
	2,031,097	167,610	660,652											

	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
Total Forecast	\$ 57,084	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757	\$ 4,757
Amortization Amount	4,820	385	385	385	385	385	385	385	385	385	385	385
Deferred Tax - SIT	1,500	125	125	125	125	125	125	125	125	125	125	125
Deferred Tax - FIT												
SIT Rate		8.25%										
FIT Rate		36.00%										

Kentucky American Water Company  
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**Pineville**

	Mar-04	Nov-04												
Total Cost on Books	\$ 51,458	35,594												
Remaining Amort Period (Mos)	32	24												
Unamortized Balance	Nov-04 \$ 38,594	Dec-04 \$ 35,986	Jan-05 \$ 35,378	Feb-05 \$ 33,770	Mar-05 \$ 32,162	Apr-05 \$ 30,554	May-05 \$ 28,946	Jun-05 \$ 27,338	Jul-05 \$ 25,730	Aug-05 \$ 24,122	Sep-05 \$ 22,514	Oct-05 \$ 20,906	Nov-05 \$ 19,298	
Deferred SIT liability	\$ 3,184	\$ 3,084	\$ 2,984	\$ 2,884	\$ 2,784	\$ 2,684	\$ 2,584	\$ 2,484	\$ 2,384	\$ 2,284	\$ 2,184	\$ 2,084	\$ 1,984	
Deferred FIT Liability	12,394	12,362	12,330	12,298	12,266	12,234	12,202	12,170	12,138	12,106	12,074	12,042	12,010	
Balance End of Base	Unamort Bal/Deferred SIT/Deferred FIT													
Balance End of Forecast	38,594	3,184	12,394											
Avg for Forecasted Period	19,298	1,984	12,010											
	28,946	2,584	12,202											
Amortization Amount	Total Forecast 5	19,296	\$ 1,608	Jan-05 \$ 1,608	Feb-05 \$ 1,608	Mar-05 \$ 1,608	Apr-05 \$ 1,608	May-05 \$ 1,608	Jun-05 \$ 1,608	Jul-05 \$ 1,608	Aug-05 \$ 1,608	Sep-05 \$ 1,608	Oct-05 \$ 1,608	Nov-05 \$ 1,608
Deferred Tax - SIT	1,200	384	100	100	100	100	100	100	100	100	100	100	100	100
Deferred Tax - FIT			32	32	32	32	32	32	32	32	32	32	32	32
SIT Rate	8.25%													
FIT Rate	35.00%													

Amortization-Pineville

5/5/2004