

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

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**KENTUCKY-AMERICAN WATER COMPANY**  
**LONG-TERM DEBT AVERAGING FOR FORECASTED PERIOD**  
**13 MONTH AVERAGE**

Debt Issue Type & Rate	13 Month Average	Cost Rate At Issue	Cost Rate @ Maturity	Forecasted Amort of Issuance Exp	Annualized Cost	Average Unamortized Issue Exp	Net Carrying Value
<b>GENERAL MORTGAGE BONDS</b>							
Series 6.79%	\$ 4,230,769	6.790%	6.905%	\$ 4,869	\$ 292,135	\$ 1,868	\$ 4,228,901
Series 6.87%	15,500,000	6.870%	7.273%	62,496	1,127,315	364,544	15,135,456
Series 6.96%	7,000,000	6.960%	7.007%	3,264	490,490	60,373	6,939,627
Series 7.15%	7,500,000	7.150%	7.182%	2,424	538,650	52,634	7,447,366
Series 6.99%	9,000,000	6.990%	7.026%	3,264	632,340	75,019	8,924,981
Series 5.65%	24,000,000	5.650%	5.653%	600	1,356,720	1,383	23,998,617
Series 4.75%	14,000,000	4.750%	4.750%	0	665,000	0	14,000,000
0	0	0.000%	0.000%	0	0	0	0
Proposed 6.60%	1,269,231	6.600%	6.600%	0	83,769	0	1,269,231
<b>TOTAL</b>	<b>\$ 82,500,000</b>			<b>\$ 76,917</b>	<b>\$ 5,186,419</b>	<b>\$ 555,820</b>	<b>\$ 81,944,180</b>

**13 MONTH AVERAGE COST RATE** 6.33%

**KENTUCKY-AMERICAN WATER COMPANY**  
**PREFERRED STOCK AVERAGING FOR FORECASTED PERIOD**  
**13 MONTH AVERAGE**

Debt Issue Type & Rate	13 Month Average	Cost Rate At Issue	Cost Rate @ Maturity	Forecasted Amort of Issuance Exp	Annualized Cost	Average Unamortized Issue Exp	Net Carrying Value
Series B, 5 3/4%. \$100 Par	464,200	5.750%	5.750%	0	26,692	0	464,200
Series C, 5 1/2%, \$100 Par	494,700	5.500%	5.500%	0	27,209	0	494,700
Series D, 5%. \$100 Par	593,900	5.000%	5.000%	0	29,695	0	593,900
8.47% Series, \$100 Par	4,500,000	8.470%	8.487%	768	381,915	24,286	4,475,714
<b>TOTAL</b>	<u>\$ 6,052,800</u>			<u>\$ 768</u>	<u>\$ 465,511</u>	<u>\$ 24,286</u>	<u>\$ 6,028,514</u>
<b>13 MONTH AVERAGE COST RATE</b>		<u>7.720%</u>					

KENTUCKY-AMERICAN WATER COMPANY  
LONG TERM DEBT

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Line No.	Debt Issue Type & Rate	Interest Rate	Balance @ Jan-2004	Balance @ Feb-2004	Balance @ Mar-2004	Balance @ Apr-2004	Balance @ May-2004	Balance @ Jun-2004	Balance @ Jul-2004	Balance @ Aug-2004	Balance @ Sep-2004	Balance @ Oct-2004	Balance @ Nov-2004	Balance @ Dec-2004
1														
2														
3	GENERAL MORTGAGE BONDS													
4	Series 6.79%	6.790%	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000
5	Series 6.87%	6.870%	\$ 15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000
6	Series 6.96%	6.960%	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
7	Series 7.15%	7.150%	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
8	Series 6.99%	6.990%	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
9	Series 5.65%	5.650%	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
10	Series 4.75%	4.750%	0	0	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
11			0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	6.600%	0	0	0	0	0	0	0	0	0	0	0	0
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27	TOTAL		\$ 68,500,000	\$ 68,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000
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KENTUCKY-AMERICAN WATER COMPANY  
LONG TERM DEBT  
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Line No	Debt Issue Type & Rate	Interest Rate	Balance @ Jan-2005	Balance @ Feb-2005	Balance @ Mar-2005	Balance @ Apr-2005	Balance @ May-2005	Balance @ Jun-2005	Balance @ Jul-2005	Balance @ Aug-2005	Balance @ Sep-2005	Balance @ Oct-2005	Balance @ Nov-2005	13 Month Average
1														
2														
3	GENERAL MORTGAGE BONDS													
4	Series 6.79%	6.790%	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000	0	\$ -	\$ -	\$ 4,230,769
5	Series 6.87%	6.870%	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000	15,500,000
6	Series 6.96%	6.960%	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
7	Series 7.15%	7.150%	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
8	Series 6.99%	6.990%	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
9	Series 5.65%	5.650%	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
10	Series 4.75%	4.750%	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
11			0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	6.600%	0	0	0	0	0	0	0	0	5,500,000	5,500,000	5,500,000	1,269,231
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27	TOTAL		\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000	\$ 82,500,000
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**KENTUCKY-AMERICAN WATER COMPANY  
UNAMORTIZED DEBT EXPENSE**

Line No.	Debt issue Type & Rate	Balance @ Jan-2004	Balance @ Feb-2004	Balance @ Mar-2004	Balance @ Apr-2004	Balance @ May-2004	Balance @ Jun-2004	Balance @ Jul-2004	Balance @ Aug-2004	Balance @ Sep-2004	Balance @ Oct-2004	Balance @ Nov-2004	Balance @ Dec-2004
1													
2													
3	GENERAL MORTGAGE BONDS												
4	Series 6.79%	\$ 10,272	\$ 9,731	\$ 9,190	\$ 8,649	\$ 8,108	\$ 7,567	\$ 7,026	\$ 6,485	\$ 5,944	\$ 5,403	\$ 4,862	\$ 4,321
5	Series 6.87%	447,872	442,664	437,456	432,248	427,040	421,832	416,624	411,416	406,208	401,000	395,792	390,584
6	Series 6.96%	46,220	46,026	45,832	45,638	45,444	45,250	45,056	44,862	44,668	44,474	44,280	44,086
7	Series 7.15%	55,866	55,664	55,462	55,260	55,058	54,856	54,654	54,452	54,250	54,048	53,846	53,644
8	Series 6.99%	79,371	79,099	78,827	78,555	78,283	78,011	77,739	77,467	77,195	76,923	76,651	76,379
9	Series 5.65%	2,183	2,133	2,083	2,033	1,983	1,933	1,883	1,833	1,783	1,733	1,683	1,633
10	Series 4.75%	0	0	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	0	0	0	0	0	0	0	0	0	0	0	0
13													
14	Series 8.5% w/o over life of 6.96% issue	18505	18,427	18,349	18,271	18,193	18,115	18,037	17,959	17,881	17,803	17,725	17,647
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21	TOTAL	\$ 660,289	\$ 653,744	\$ 647,199	\$ 640,654	\$ 634,109	\$ 627,564	\$ 621,019	\$ 614,474	\$ 607,929	\$ 601,384	\$ 594,839	\$ 588,294
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KENTUCKY-AMERICAN WATER COMPANY  
UNAMORTIZED DEBT EXPENSE

Line No.	Debt Issue Type & Rate	Balance @ Jan-2005	Balance @ Feb-2005	Balance @ Mar-2005	Balance @ Apr-2005	Balance @ May-2005	Balance @ Jun-2005	Balance @ Jul-2005	Balance @ Aug-2005	Balance @ Sep-2005	Balance @ Oct-2005	Balance @ Nov-2005	13 Month Average
1													
2													
3	GENERAL MORTGAGE BONDS												
4	Series 6.79%	\$ 3,780	\$ 3,239	\$ 2,698	\$ 2,157	\$ 1,616	\$ 1,075	\$ 534	\$ -	\$ -	\$ -	\$ -	\$ 1,868
5	Series 6.87%	385,376	380,168	374,960	369,752	364,544	359,336	354,128	348,920	343,712	338,504	333,296	364,544
6	Series 6.96%	43,892	43,698	43,504	43,310	43,116	42,922	42,728	42,534	42,340	42,146	41,952	43,116
7	Series 7.15%	53,442	53,240	53,038	52,836	52,634	52,432	52,230	52,028	51,826	51,624	51,422	52,634
8	Series 6.99%	76,107	75,835	75,563	75,291	75,019	74,747	74,475	74,203	73,931	73,659	73,387	75,019
9	Series 5.65%	1,583	1,533	1,483	1,433	1,383	1,333	1,283	1,233	1,183	1,133	1,083	1,383
10	Series 4.75%	0	0	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	0	0	0	0	0	0	0	0	0	0	0	0
13													
14	Series 8.5% w/o over life of 6.96% issue	17,569	17,491	17,413	17,335	17,257	17,179	17,101	17,023	16,945	16,867	16,789	17,257
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21	TOTAL	\$ 581,749	\$ 575,204	\$ 568,659	\$ 562,114	\$ 555,569	\$ 549,024	\$ 542,479	\$ 535,941	\$ 529,937	\$ 523,933	\$ 517,929	\$ 555,820
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**KENTUCKY-AMERICAN WATER COMPANY**  
**LONG TERM DEBT EXPENSE AMORTIZATION**

Line No.	Debt Issue Type & Rate	Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004
1													
2													
3	GENERAL MORTGAGE BONDS												
4	Series 6.79%	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541
5	Series 6.87%	5,208	5,208	5,208	5,208	5,208	5,208	5,206	5,208	5,208	5,206	5,208	5,208
6	Series 6.96%	194	194	194	194	194	194	194	194	194	194	194	194
7	Series 7.15%	202	202	202	202	202	202	202	202	202	202	202	202
8	Series 6.99%	272	272	272	272	272	272	272	272	272	272	272	272
9	Series 5.65%	50	50	50	50	50	50	50	50	50	50	50	50
10	Series 4.75%		0	0	0	0	0	0	0	0	0	0	0
11	0		0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%		0	0	0	0	0	0	0	0	0	0	0
13													
14	Series 8.5% w/o over life of 6.96% issue	78	78	78	78	78	78	78	78	78	78	78	78
15	0												
16	0												
17	0												
18	0												
19	0												
20	0												
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24	0												
25													
26													
27	TOTAL	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545
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KENTUCKY-AMERICAN WATER COMPANY  
LONG TERM DEBT EXPENSE AMORTIZATION

Line No	Debt Issue Type & Rate	Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ Oct-2005	Amount @ Nov-2005	Test Period Total
2													
3	GENERAL MORTGAGE BONDS												
4	Series 8.79%	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 541	\$ 0	\$ -	\$ -	4,869
5	Series 6.87%	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	5,208	62,496
6	Series 6.96%	194	194	194	194	194	194	194	194	194	194	194	2,328
7	Series 7.15%	202	202	202	202	202	202	202	202	202	202	202	2,424
8	Series 6.99%	272	272	272	272	272	272	272	272	272	272	272	3,264
9	Series 5.65%	50	50	50	50	50	50	50	50	50	50	50	600
10	Series 4.75%	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	0	0	0	0	0	0	0	0	0	0	0	0
13													
14	Series 8.5% w/o over life of 6.96% issue	78	78	78	78	78	78	78	78	78	78	78	936
15	0												
16	0												
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24	0												
25													
26													
27	TOTAL	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,545	\$ 6,004	\$ 6,004	\$ 6,004	76,917
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KENTUCKY-AMERICAN WATER COMPANY  
INTEREST ON LONG TERM DEBT

Line No.	Debt Issue Type & Rate	Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004
1													
2													
3	GENERALMORTGAGEBONDS												
4	Series 6.79%	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450
5	Series 8.87%	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850
8	Series 6.96%	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200
7	Series 7.15%	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250
8	Series 6.99%	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100
9	Series 5.65%	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000
10	Series 4.75%	0	0	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	0	0	0	0	0	0	0	0	0	0	0	0
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20	TOTAL	\$ 4,446,850	\$ 4,446,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850
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KENTUCKY-AMERICAN WATER COMPANY  
INTEREST ON LONG TERM DEBT

Line No.	Debt Issue Type & Rate	Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ Oct-2005	Amount @ Nov-2005	13 Month Average
1													
2													
3	GENERAL MORTGAGE BONDS												
4	Series 6.79%	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	\$ 373,450	0	\$ -	\$ -	287,269
5	Series 6.87%	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850	1,064,850
6	Series 6.96%	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200	487,200
7	Series 7.15%	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250	536,250
8	Series 6.99%	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100	629,100
9	Series 5.65%	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000	1,356,000
10	Series 4.75%	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000	665,000
11	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed 6.60%	0	0	0	0	0	0	0	0	0	0	0	0
13		0	0	0	0	0	0	0	0	363,000	363,000	363,000	363,000
14													83,769
15													
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19													
20	TOTAL	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,111,850	\$ 5,101,400	\$ 5,101,400	\$ 5,101,400	\$ 5,109,438
21													
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KENTUCKY-AMERICAN WATER COMPANY  
PREFERRED STOCK

Line No.	Debt Issue Type & Rate	Interest Rate	Balance @ Jan-2004	Balance @ Feb-2004	Balance @ Mar-2004	Balance @ Apr-2004	Balance @ May-2004	Balance @ Jun-2004	Balance @ Jul-2004	Balance @ Aug-2004	Balance @ Sep-2004	Balance @ Oct-2004	Balance @ Nov-2004	Balance @ Dec-2004
1														
2														
3														
4														
5	Series B, 5 3/4%, \$100 Pa	5.750%	464,200	464,200	464,200	464,200	464,200	464,200	464,200	464,200	464,400	464,200	464,200	464,200
6														
7	Series C, 5 1/2%, \$100 Pa	5.500%	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700
8														
9	Series D, 5%, \$100 Par	5.000%	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900
10														
11														
12														
13	8.47% Series, \$100 Par	8.470%	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
14														
15														
16														
17														
18	TOTAL		6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800
19														
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KENTUCKY-AMERICAN WATER COMPANY  
PREFERRED STOCK

Line No.	Debt Issue Type & Rate	Interest Rate	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	13 Month Average
			Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	
2												
3												
4												
5	Series B, 5 3/4%, \$100 Pa	5.750%	464,200	464,200	464,200	464,200	464,200	464,200	464,200	464,200	464,200	464,200
6												
7	Series C, 5 1/2%, \$100 Pa	5.500%	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700	494,700
8												
9	Series D, 5%, \$100 Par	5.000%	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900	593,900
10												
11												
12												
13	8.47% Series, \$100 Par	8.470%	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
14												
			6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800	6,052,800

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KENTUCKY-AMERICAN WATER COMPANY  
UNAMORTIZED PREFERRED STOCK EXPENSE

Line No.	Debt Issue Type & Rate	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @
		Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004	Dec-2004
2		0	0	0	0	0	0	0	0	0	0	0	0
3	Series B, 5 3/4%, \$100 Par												
4		0	0	0	0	0	0	0	0	0	0	0	0
5	Series C, 5 1/2%, \$100 Par												
6		0	0	0	0	0	0	0	0	0	0	0	0
7	Series D, 5%, \$100 Par												
8		0	0	0	0	0	0	0	0	0	0	0	0
9													
10													
11	8.47% Series, \$100 Par	25,310	25,246	25,182	25,118	25,054	24,990	24,926	24,862	24,796	24,734	24,670	24,606
12													
13													
14													
15													
16													
17													
18	TOTAL	\$ 25,310	\$ 25,246	\$ 25,182	\$ 25,118	\$ 25,054	\$ 24,990	\$ 24,926	\$ 24,862	\$ 24,796	\$ 24,734	\$ 24,670	\$ 24,606
19													
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KENTUCKY-AMERICAN WATER COMPANY  
UNAMORTIZED PREFERRED STOCK EXPENSE

Line No.	Debt Issue Type & Rate	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	Balance @	13 Month
		Jan-2005	Feb-2005	Mar-2005	Apr-2005	May-2005	Jun-2005	Jul-2005	Aug-2005	Sep-2005	Oct-2005	Nov-2005
1												
2												
3	Series B, 5 3/4%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0
4												
5	Series C, 5 1/2%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0
6												
7	Series D, 5%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0
8												
9												
10												
11	8.47% Series, \$100 Par	24,542	24,478	24,414	24,350	24,286	24,222	24,158	24,094	24,030	23,966	24,286
12												
13												
14												
15												
16												
17												
18	TOTAL	\$ 24,542	\$ 24,478	\$ 24,414	\$ 24,350	\$ 24,286	\$ 24,222	\$ 24,158	\$ 24,094	\$ 24,030	\$ 23,966	\$ 24,286
19												
20												
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KENTUCKY-AMERICAN WATER COMPANY  
PREFERRED STOCK EXPENSE AMORTIZATION

Line No	Debt Issue Type	Rate	Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004
2														
3														
4														
5	Series B, 5 3/4%, 5100 Par		0	0	0	0	0	0	0	0	0	0	0	0
6	Series C, 5 1/2%, 5100 Par		0	0	0	0	0	0	0	0	0	0	0	0
7														
8	Series D, 5%, \$100 Par		0	0	0	0	0	0	0	0	0	0	0	0
9														
10														
11														
12														
13	8.47% Series, \$100 Par		64	64	64	64	64	64	64	64	64	64	64	64
14														
15														
16														
17														
18	TOTAL		5	64	5	64	5	64	5	64	5	64	5	64
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KENTUCKY-AMERICAN WATER COMPANY  
PREFERRED STOCK EXPENSE AMORTIZA

Line No	Debt Issue Type & Rate	Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ Oct-2005	Amount @ Nov-2005	Test Period Total
1													
2													
3													
4													
5	Series B, 5 3/4%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0	0
6													
7	Series C, 5 1/2%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0	0
8													
9	Series D, 5%, \$100 Par	0	0	0	0	0	0	0	0	0	0	0	0
10													
11													
12													
13	8.47% Series, \$100 Par	64	64	64	64	64	64	64	64	64	64	64	768
14													
15													
16													
17													
18	TOTAL	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 64	\$ 768
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KENTUCKY-AMERICAN WATER COMPANY  
PREFERRED STOCK DIVIDENDS

Line No.	Debt Issue Type & Rate	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @	Amount @
		Jan-2004	Feb-2004	Mar-2004	Apr-2004	May-2004	Jun-2004	Jul-2004	Aug-2004	Sep-2004	Oct-2004	Nov-2004
1												
2												
3												
4												
5	Series B, 5 3/4%, \$100 Par	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692
6	Series C, 5 11/2%, 5100 Par	27,209	27,209	27,209	27,209	27,209	27,209	27,209	27,209	27,209	27,206	27,209
7	series D, 5%, \$100 Par	29,695	29,695	29,695	29,695	29,695	29,695	29,695	29,695	29,695	29,695	29,695
8												
9												
10												
11												
12												
13	9.47% Series, 5100 Par	381,150	381,150	381,150	381,150	381,150	381,150	381,150	381,150	381,150	381,150	381,150
14												
15												
16												
17												
18												
19	TOTAL	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746	\$ 464,746
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KENTUCKY-AMERICAN WATER COMPANY  
SHORT TERM DEBT

Line No.	Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004	
1													
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9													
10	PROMISSORY NOTE	\$ 16,865,503	\$ 16,403,128	\$ 2,616,128	\$ 6,950,128	\$ 7,171,128	\$ 7,712,128	\$ 6,763,128	\$ 6,731,128	\$ 7,661,128	\$ 7,244,128	\$ 6,955,128	\$ 8,433,128
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KENTUCKY-AMERICAN WATER COMPANY  
SHORT TERM DEBT

Line No.	Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ Oct-2005	Amount @ Nov-2005	13 Month Average	
1													
2													
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9													
10	PROMISSORY NOTE			7,356,128	\$ 7,064,128	\$ 5,747,128	\$ 6,512,128	\$ 4,510,128	\$ 2,942,128	\$ 4,976,128	\$ 4,393,128	\$ 3,164,128	\$ 5,931,051
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KENTUCKY-AMERICAN WATER COMPANY  
COMMON EQUITY

Line	Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004	
1													
2													
3	BALANCE	\$ 62,702,629	\$ 62,702,629	\$ 62,769,840	\$ 62,391,337	\$ 62,482,123	\$ 62,675,640	\$ 63,212,063	\$ 63,722,727	\$ 64,190,568	\$ 64,242,223	\$ 64,830,653	\$ 65,301,538
4													
5													
6	ADD: EQUITY INFUSION												
7													
8													
9	ADD: NET INCOME TO COMMON EQUITY		67,211	732,207	90,786	193,517	997,698	510,664	467,841	1,013,156	588,430	470,885	1,254,579
10													
11													
12	LESS: DIVIDENDS ON COMMON EQUITY			(1,110,710)			(461,275)		(961,501)				(1,493,746)
13													
14													
15		<u>\$ 62,702,629</u>	<u>\$ 62,769,840</u>	<u>\$ 62,391,337</u>	<u>\$ 62,482,123</u>	<u>\$ 62,675,640</u>	<u>\$ 63,212,063</u>	<u>\$ 63,722,727</u>	<u>\$ 64,190,568</u>	<u>\$ 64,242,223</u>	<u>\$ 64,830,653</u>	<u>\$ 65,301,538</u>	<u>\$ 65,062,371</u>
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ENTUCKY-AMER  
COMMON EQUITY

WATER COMPANY

Line No.		Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ On-2005	Amount @ Nov-2005	13 Month Average
1													
2													
3	BALANCE	\$ 65,062,371	\$ 64,998,839	\$ 65,166,169	\$ 64,171,017	\$ 64,413,847	\$ 64,735,699	\$ 65,254,218	\$ 65,929,410	\$ 66,580,218	\$ 66,513,699	\$ 67,084,271	
4													
5													
6	ADD: EQUITY INFUSION												
7													
8													
9	ADD: NET INCOME TO COMMON EQUITY	\$ (63,532)	\$ 167,330	\$ 740,253	\$ 242,830	\$ 321,852	\$ 1,151,557	\$ 675,192	\$ 850,808	\$ 1,220,510	\$ 570,572	\$ 424,804	
10													
11													
12	LESS: DIVIDENDS ON COMMON EQUITY			(1,735,405)			(633,038)			(1,287,029)			
13													
14													
15		<u>\$ 64,998,839</u>	<u>\$ 65,166,169</u>	<u>\$ 64,171,017</u>	<u>\$ 64,413,847</u>	<u>\$ 64,735,699</u>	<u>\$ 65,254,218</u>	<u>\$ 65,929,410</u>	<u>\$ 66,580,218</u>	<u>\$ 66,513,699</u>	<u>\$ 67,084,271</u>	<u>\$ 67,509,075</u>	<u>\$ 65,593,875</u>
16													
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KENTUCKY-AMERICANWATER COMPANY  
**JDITC**

Line No		Amount @ Jan-2004	Amount @ Feb-2004	Amount @ Mar-2004	Amount @ Apr-2004	Amount @ May-2004	Amount @ Jun-2004	Amount @ Jul-2004	Amount @ Aug-2004	Amount @ Sep-2004	Amount @ Oct-2004	Amount @ Nov-2004	Amount @ Dec-2004
1													
2													
3													
4													
5													
6													
7													
8													
10	DEFERRED ITC (JDITC - 4% AND 10%)	\$ 1,416,646	\$ 1,412,876	\$ 1,409,009	\$ 1,404,075	\$ 1,398,611	\$ 1,392,825	\$ 1,383,340	\$ 1,374,803	\$ 1,366,531	\$ 1,357,527	\$ 1,350,700	\$ 1,343,786
11													
12													
13	DEFERRED ITC - 3%	\$ 131,712	\$ 131,338	\$ 130,954	\$ 130,465	\$ 129,923	\$ 129,349	\$ 128,408	\$ 127,561	\$ 126,740	\$ 125,847	\$ 125,170	\$ 124,485
14													
15													
16	ANNUAL AMORTIZATION OF 3% ITC	\$ 7,652											
17													
18	ANNUAL AMORTIZATION OF 4% ITC	\$ 6,305											
19													
20	ANNUAL AMORTIZATION OF 10% ITC	\$ 70,840											
21													
22													



KENTUCKY-AMERICAN WATER COMPANY  
 JDITC

Line No	Amount @ Jan-2005	Amount @ Feb-2005	Amount @ Mar-2005	Amount @ Apr-2005	Amount @ May-2005	Amount @ Jun-2005	Amount @ Jul-2005	Amount @ Aug-2005	Amount @ Sep-2005	Amount @ Oct-2005	Amount @ Nov-2005	13 Month Average
1												
2												
3												
4												
5												
6												
8												
9												
10 DEFERRED ITC (JDITC - 4% AND 10%)	\$ 1,339,501	\$ 1,335,731	\$ 1,331,864	\$ 1,326,930	\$ 1,321,466	\$ 1,315,680	\$ 1,306,195	\$ 1,297,658	\$ 1,289,386	\$ 1,280,382	\$ 1,273,555	\$ 1,316,372
11												
12												
13 DEFERRED ITC - 3%	\$ 124,060	\$ 123,686	\$ 123,302	\$ 122,813	\$ 122,271	\$ 121,697	\$ 120,756	\$ 119,909	\$ 119,088	\$ 116,195	\$ 117,518	\$ 121,765
14												
15												
16 ANNUAL AMORTIZATION OF 3% ITC												
17												
18 ANNUAL AMORTIZATION OF 4% ITC												
19												
20 ANNUAL AMORTIZATION OF 10% ITC												
21												
22												

KENTUCKY - AMERICAN WATER COMPANY  
LONG-TERM DEBT OUTSTANDING  
AT DECEMBER 31, 2003

Instrument	Maturity Date	Interest Rate	Principal Outstanding	Holder	Annualized Interest	Payment Dates
Mortgage Bond	9/1/2005	6.79	5,500,000	Salkeld & Company	373,450	MS 1
Long-Term Debt issued by AWCC	3/29/2011	6.87	15,500,000	American Water Capital Corp.	1,064,850	MS 29
Mortgage Bond	12/1/2023	6.96	7,000,000	American United Life Insurance Co.	487,200	JD 1
Mortgage Band	2/1/2027	7.15	7,500,000	Allstate Life insurance Company of NY	536,250	FA 1
Mortgage Bond	6/1/2028	6.99	9,000,000	American United Life Insurance Co.	629,100	JD 1
Long-Term Debt issued by AWCC	6/12/2007	5.65	24,000,000	American Water Capital Corp.	1,356,000	June 12
<b>Total</b>		<b>6.49%</b>	<b>\$ 68,500,000</b>		<b>\$ 4,446,850</b>	

KENTUCKY -AMERICAN WATER COMPANY  
 LONG-TERM DEBT OUTSTANDING  
 AT DECEMBER 31, 2003

<b>CALL PRICES</b>		<b>CALL PRICES AT START OF YEAR</b>				
<b>Debt series</b>		<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
6.96%	Not Callable Prior to 12/1/03; at that time callable at a make whole premium					
6.79%	Not Callable					
7.15%	100.00 plus make whole premium of Treasury Rate and .50 basis points.					
6.99%	100.00 plus make whole premium of Treasury Rate and 2.5 basis Points.					
6.87%	Callable at 100.00 plus make-whole premium of Treasury Rate and 50 basis points.					
5.65%	Callable at 100.00 plus make-whole premium of Treasury Rate and 50 basis points.					

**SINKING FUNDS**

6.67%      \$3,100,000 due annually March 29, 2007 - 2011

KENTUCKY - AMERICAN WATER COMPANY  
 PREFERRED STOCK OUTSTANDING  
 AT DECEMBER 31, 2003

Instrument	Interest Rate	Principal Outstanding	Holder	Annualized Dividend	Payment Dates
Preferred Stock	8.47	4,500,000	Salkeld & Company	381,150	MJSD 1
Preferred Stock	5.00	593,900	Publicly Held	29,695	JAJO 1
Preferred Stock	5.50	494,700	Publicly Held	27,209	JAJO 1
Preferred Stock	5.75	464,200	Publicly Held	26,692	JAJO 1
<b>Total</b>	<b>7.68%</b>	<b>\$ 6,052,800</b>		<b>\$ 464,745</b>	

KENTUCKY - AMERICAN WATER COMPANY  
 PREFERRED STOCK OUTSTANDING  
 AT DECEMBER 31, 2003

Description	Month Call Price Changes	CALL PRICES				
		2004	2005	2005	2007	2008
5.75%	December 1	101.00	101.00	101.00	101.00	101.00
5.50%	December 1	100.50	100.50	100.50	100.50	100.50
5.00%	April 1	100.00	100.00	100.00	100.00	100.00
8.47%	December 1	Callable at 100.00 plus make-whole premium				

**SINKING FUNDS**

\*\*\* none \*\*\*

KENTUCKY - AMERICAN WATER COMPANY  
COMMON STOCK  
AT DECEMBER 31, 2003

No. Shares Authorized	Par Value	No. Shares Issued	Total Common Equity	Dividends Pd During Yr. 2003	Dividends as % of Common Equity
2,000,000	No Par	1,567,391	\$62,688,000	\$3,401,238	5.43%

**Ownership**

American Water Works Company, Inc.