

KENTUCKY AMERICAN WATER COMPANY  
ACCOUNT 262120  
Deferred Credits Pension Liability Op Co  
Feb-04

Description	Coverage Period	FAS 87 Contribution	Months In period	Monthly amortization	Mos left to accrue	Pension Pymnts to date	Balance of Acct @ 12/02	Amount
FAS 87 Contribution	1/1/2003 - 12/31/2003	969,065.00	12	80,755.42	0	409,712.00	(1,503,631.20)	(2,062,984.20)
FAS 87 Contribution	1/1/2004 - 12/31/2004	904,845.00	12	75,403.75	10	63,481.00	0.00	(87,326.50)
							Balance	(2,150,310.70)
							Balance per GL	(2,150,310.74)
							Difference	0.04

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	Old Rate	2002 Rate	Old Rate	2003 Rate
Allocation of 2002 FAS 87 Costs	482,622.96	480,778.00	823,200.00	969,065.00
	12 Months	12 Months	12 Months	12 Months
Amortization per month	40,218.58	40,064.83	68,600.00	80,755.42