

Kentucky-American Water Company					
Rent Expense - lease costs					
AG DR 1 Item 138 and 139					
CASE NO: 2004-00103					
JDE Account	JDE Sub	JDE Object Description	Forecast	Lease Cost	Description of lease
<b>Lexington</b>					
541000	12	Rents-Real Prop Oper SS	13,660.00	13,660.00	GIS lease - budgeted with the anticipation the Company may contract with LFUCG.
541000	14	Rents-Real Prop Oper TD	2,160.00	1,200.00	Various railroad crossing leases paid monthly, annually, bi-annually and every 10 years. Norfolk Southern and CSX Transportation \$100/monthly
				2,380.00	Lynn Imaging -service contract on Xerox and HP equipment
541400	11	Rents-Equipment Oper SS	4,800.00	5,610.00	Canon copier for Engineering/Distribution
541400	13	Rents-Equipment Oper WT	41,415.00	0.00	No longer leasing lab equipment.
				300.00	Pager for water quality director \$25 monthly
				576.00	Pagers for maintenance -production
541400	14	Rents-Equipment Oper TD	3,000.00	3,696.00	Copier for stock building \$308 monthly
541400	15	Rents-Equipment CA	5,521.00	0.00	Canon copier for Customer Service for 6 mos 2003-no longer leasing
541400	16	Rents-Equipment AG	21,804.00	16,200.00	Xerox copier-2nd floor \$1,350 monthly
				1,460.00	2nd floor postage machine-Pitney Bowes \$365 quarterly
			92,360.00	45,082.00	
<b>Tri-Village</b>					
541000	14	Rents-Real Prop Oper TD	0.00	400.00	CSX Transportation \$100
541000	16	Rents-Real Prop AG	0.00	1,460.00	Pitney Bowes \$365/quarterly-postage machine
541400	14	Rents-Equipment Oper TD	178.00		
541400	16	Rents-Equipment AG	18,900.00	6,201.00	Duplicator Sales & Rental copier 477 monthly
			19,078.00	8,061.00	
			111,438.00	53,143.00	
		Overestimate in rent expenses		58,295.00	