

**KENTUCKY-AMERICAN WATER COMPANY
FORECASTED PERIOD PROPERTY TAX EXPENSE
CASE NO: 2004-00103**

	TAX BASE @ 12/31/2002	TAX BASE @ 12/31/2003	TAX BASE @ 12/31/2004
Utility Plant in Service	\$ 253,132,491	\$ 264,462,309	\$ 277,761,395
Construction Work in Progress (50%)	3,604,146	2,208,583	2,236,598
Acquisition Adjustment	449,752	95,706	82,655
Materials & Supplies	464,909	464,909	462,149
Accumulated Depreciation	<u>(54,166,151)</u>	<u>(59,283,171)</u>	<u>(64,633,819)</u>
TOTAL TAX BASE	<u>\$ 203,485,147</u>	<u>\$ 207,948,336</u>	<u>\$ 215,908,978</u>
Property Tax Payments Paid in 2003	<u>\$ 2,100,400</u>		
Rate Per \$100	<u>1.0322</u>		
Property Tax for the Forecasted Portion of 2004		\$ 178,870	
		<u>\$ 178,870</u>	
Property Tax for the Forecasted Portion of 2005			\$ 2,042,895
		Monthly Amt	<u>\$ 185,718</u>
Property Tax for the Forecasted Period ended 11/30/05		<u>\$ 2,221,765</u>	

PROPERTY TAXES PAID

Taxing Authority	2003 Tax Amount
Bourbon County	25,165
Fayette County	1,156,235
L. F. U. C. G.	154,847
Harrison County	4,808
Jessamine County	32,002
Scott County	124,791
City of Georgetown	1,196
City of Sadieville	937
Woodford County	7,697
Clark County	12,466
Kentucky	535,420
Owen	44,935
Total	<u>\$ 2,100,400</u>

KENTUCKY-AMERICANWATER COMPANY
FORECASTED TEST YEAR GENERAL TAXES
CASE NO: 2004-00103

Payroll Taxes	\$ 410,283
Property Taxes	2,221,768
PSC Fees	78,504
	<u>\$ 2,710,555</u>