

KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-XXX
COST OF CAPITAL SUMMARY AT CURRENT AND PROPOSED RATES
13 MONTH AVERAGE

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
 DATE OF CAPITAL STRUCTURE: AVERAGE FOR FORECASTED PERIOD
 TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
 WORKPAPER REFERENCE NO(S): WIP-7

SCHEDULE J-1.1/J-1.2
 PAGE 1 of 1
 Witness Responsible: M.A. Miller

Line No.	Class of Capital	13 Month Average Amount	% of Total	Add (1)	Adjusted Capital	Cost Rate	Average Weighted cost
1							
2	Short-Term Debt	\$5,896,051	3.697%	\$ 48,666	\$5,944,717	2.700%	0.10%
3							
4	Long-Term Debt	81,944,180	51.388%	676,457	82,620,637	6.330%	3.25%
5							
6	Preferred Stock	6,028,514	3.781%	49,772	6,078,286	7.720%	0.29%
7							
8	Common Equity	65,593,875	41.134%	541,476	66,135,351	11.200%	4.61%
9							
10	Total Capital	<u>\$159,462,619</u>	100.000%	<u>\$ 1,316,371</u>	<u>\$160,778,990</u>		<u>8.25%</u>
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16	(1) JDITC:			<u>\$ 1,316,372</u>			
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KENTUCKY-AMERICAN WATER COMPANY
CASE NO: 2004-XXX
EMBEDDED COST OF SHORT-TERM DEBT
FROM AUGUST 1, 2004 TO NOVEMBER 30, 2005

DATA: ___ BASE PERIOD _X_ FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: END OF FORECASTED TEST YEAR
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): W/P-7

SCHEDULE J-2
PAGE 1 of 2
Witness Responsible: M.A. Miller

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	<u>\$ 3,129,128</u>	<u>2.700%</u>	<u>\$ 84,486</u>
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7	Weighted Cost of Short-Term Debt	<u>2.700%</u>		
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KENTUCKY-AMERICANWATER COMPANY
CASE NO: 2004-XXX
EMBEDDED COST OF SHORT-TERM DEBT
AS OF JULY 31,2004

DATA: BASE PERIOD FORECASTED PERIOD
DATE OF CAPITAL STRUCTURE: AS OF END OF BASE PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): W/P-7

SCHEDULE J-2
PAGE 2 of 2
Witness Responsible: M.A. Miller

Line No.	Issue	Amount Outstanding	Interest Rate	Interest Requirement
1				
2				
3				
4	Promissory Note	<u>\$6,728,128</u>	<u>2.700%</u>	<u>\$181,659</u>
5				
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7	Weighted Cost of Short-Term Debt	<u>2.700%</u>		
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